



CITY OF BEND

Transportation Fee

Policy No. FIN-0101

City Manager Administrative Policy

Bend Code Chapter 1.30.005 provides for 'City Manager Authority to Adopt Administrative Regulations, Policies and Guidelines.' All regulations, policies and guidelines adopted by the City Manager shall be consistent with the City of Bend Charter, the Bend Code, and Council ordinances.

The following policy conforms to the above stated standards.

Authorized by City Manager:



Eric King, City Manager

Reviewed by Legal Counsel:



Ian Leitheiser, City Attorney

Dated: 10/6/2025

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I. Purpose

The purpose of this policy is to outline the terms and provisions that support the implementation, classification, and assessment of the Transportation Fee.

II. Policy Statement

It is the City's policy to ensure consistent and transparent application of the Transportation Fee across all utility accounts per Bend Municipal Code Chapter 3.110.

III. Scope

This policy applies to accounts subject to the Transportation Fee per Bend Municipal Code Chapter 3.110 and the City staff involved in applying and enforcing the Transportation Fee.

IV. Policy Terms & Provisions

A. Fee Activation for New Accounts

1. The Transportation Fee is effective upon the Final Plumbing Inspection date. If a property will not have a Final Plumbing Inspection, the Transportation Fee will be effective on the date the Stormwater Services are initiated with the Final Building Inspection.

B. Exceptions from the Transportation Fee

1. The Transportation Fee is applied to all developed property within the corporate limits within the City of Bend. Undeveloped property not connected to the sewer system, served by any water provider or connected to the City's stormwater system (or charged any fees for sewer, water, or stormwater utilities) is not subject to the Transportation Fee.
2. For developed properties, accounts that meet any of the following criteria are not subject to the Transportation Fee:
 - a. **No situs** accounts (often assigned to irrigation or stormwater-only accounts such as landscaping strips without actual addresses). Exceptions may occur when property is developed, and a special unit category applies (e.g. gas stations).

- b. **Utility accounts outside of the Bend City limits.** For properties spanning city boundaries, properties with at least 50% of the total lot area outside of the City boundaries will not be assessed the Transportation Fee.
- c. **Home Owners' Associations' (HOA) buildings, leasing offices, and apartment clubhouses,** as these are considered accessory to and reliant upon the residential use, which is assessed a Transportation Fee.
- d. **Parking lots, parking garages, etc. (may be commercial stormwater-only accounts)** do not presently have special unit rate assigned and are not charged (trips are accounted for in uses served by the parking facilities). Parking garages, including those associated with a larger building or use, are considered parking areas that are not enclosed within a building and square footage is not included in the Transportation Fee square footage calculation.

C. Fee Assignment Framework

- 1. General Principles
 - a. Residential accounts are classified based on unit count and charged by unit.
 - i. **Single unit:** one dwelling unit served by one water meter (charged as one unit)
 - ii. **Multi-unit:** more than one dwelling unit served by one water meter (charged a per-unit rate)
 - b. Commercial accounts, or nonresidential property, are those classified as such in the billing system. Commercial accounts include property for any use other than residential, such as commercial, industrial, mixed use, school, hotel/motel, and properties with both residential and nonresidential uses unless specifically referenced below.
 - i. Most commercial accounts are charged a Transportation Fee based on the size of building(s) on the property (per 1,000 square feet), unless the use belongs to a special use category like a hotel, gas station, car wash, cemetery, or golf course, as listed in the adopted Fee Resolution. There are five different rate levels (rate per 1,000 SQFT), called "Bins."
 - ii. The Bin assignment for each account is determined by business use. This is based on the NAICS code(s) listed in the commercial utility account's City of

Bend active Business Registration, which is matched to a transportation code (ITE code) from a national manual (from the Institute of Transportation Engineers, “ITE”) that measures the transportation impact of various business uses. The ITE code determines which of the five Bins the business falls into. Staff may adjust bin assignment, if multiple NAICS codes are submitted in the Business Registration process or a submitted NAICS code does not match actual activities conducted on the site, as determined by the City.

(i) The current NAICS-to-ITE-to-Bin assignment database reflects the most up-to-date business registration data available. As new businesses register, additional NAICS codes may be introduced. For any new codes, the City will determine appropriate assignments using the same methodology applied to existing classifications (i.e., matched to the most similar ITE code based on use and/or description and then assigned to a Bin based on the Average Daily Trip [ADT] rate associated with that ITE code). These new assignments will be incorporated into the database accordingly.

iii. For accounts with multiple business uses, a mixed-use classification is applied based on types of uses and/or development context (e.g., standalone use vs. integrated commercial centers).

(i) Standalone uses are charged based on their individual use category (e.g., a Supermarket would be assessed at Bin 5). However, if the use shares a utility account or is integrated with other uses (e.g., in a strip mall), a mixed business use rate would apply. For example, if a Supermarket is located within a shopping center with other commercial uses, the Shopping Center rate would be used instead.

2. Mixed Business Use Bin Assignments

- a. **Industrial Park (Bin 1):** Mixed-use properties in industrial zones (IL, IG) that have a mix of industrial and other uses (e.g., warehousing, specialty contractors, manufacturing).
- b. **Business Park (Bin 2):** Mixed-use properties in any zones that have a mix of industrial (ITE code beginning with 1) and other higher trip generation uses, like office, recreation, and restaurants.

- c. **Shopping Center (Bin 3 or 4):** Applies to commercial centers planned, developed, owned, and or/managed as a unit that include retail, restaurant, and office-type uses, but not manufacturing, light industrial, or warehouse uses. The account SQFT determines which Bin rate applies:
 - i. Bin 3: Greater than 150,000 SQFT (ITE code 823 for Factory Outlet Centers, also utilizes the Bin 3 rate)
 - ii. Bin 4: Less than 150,000 SQFT
- d. **Mixes of Uses not Defined above:** In the case of a mix of business uses that do not fall under any of the above definitions, the bin would be assigned based on ADT of the uses served by the utility account, per 1,000 square feet, from the ITE Trip Generation Manual, and application of the above principles for combined uses, at the discretion of the City. As described in Section 3.1, staff may adjust bin assignment if multiple NAICS codes are included in the corresponding Business Registration(s) and a principal use is evident.

3. Central Business District and Old Mill District

- a. All accounts within these geographic boundaries are defaulted to Bin 3 (Greater than 150,000 SQFT Shopping Center rate), except as described below for individual accounts with lower bin assignment.
- b. Accounts are assigned to the Bin 3 automatically, even in the absence of an active Business Registration.
- c. Individual accounts may be reassigned to Bin 1 or 2 based on NAICS data from the corresponding Business Registration(s) associated with the account, if identified during account setup or audit, or via an appeal.
- d. Corrections are not retroactive.

4. Special Unit Classifications

- a. Certain uses are not charged a Bin-based rate but are charged based on some other unit of measurement. All charges are per month. These uses do not require an active business registration for appropriate classification and may be assigned by staff if identified during account setup or audit:

- i. **Tourist accommodations** (per number of rooms or spaces) – Defined as a property (or portion thereof) designed and/or used for occupancy on a short-term or transient basis, including hotels, motels, recreational vehicle parks, bed and breakfasts, etc. (does not apply to short-term rentals (STR); see below for STR rates). This rate is inclusive of all associated out buildings beyond the guest rooms including but not limited to: on-site restaurants within a building containing a tourist accommodation space, and amenities.
- ii. **Car washes** (per bay) – Includes all bay types, including automatic and self-serve.
- iii. **Cemeteries** (per acre)
- iv. **Golf courses** (per hole) – Rate is inclusive of all on-site amenities and buildings (e.g. club houses and restaurants).
- v. **Gas stations** (per vehicle fueling position) – Higher rate applies if a convenience store is also present. Rate is inclusive of any included on-site car wash (excludes standalone car wash facilities that operate as a separate entity from the gas station).

b. The City has established Intergovernmental Agreements (IGAs) with Bend-La Pine School District, Central Oregon Community College (COCC), Oregon State University (OSU) Cascades Campus, and Bend Park and Recreation District. Under these agreements, Transportation Fees are assessed via annual invoice rather than through regular monthly utility billing mechanisms.

- i. Billing should notify Finance of any new accounts associated with these agencies. However, Transportation Fees should not be applied to these accounts within the billing software.
- ii. Exceptions may exist for new buildings or accounts that are not directly related to the primary activity of the entity (e.g. a daycare center as part of a college).

5. Unoccupied Commercial Accounts

- a. Qualify for Bin 1 rate until the property is occupied and registered.
- b. Customers must submit an appeal form to notify the City that the property is temporarily unoccupied to be eligible for this rate, this rate will remain in place

for no more than one (1) year unless a new appeal form is received and approved.

- c. Without notification and if the property remains unregistered, the account defaults to Bin 4 (rate applied to accounts without an active business registration).

D. Business Registration and Bin Assignment (Commercial Accounts)

1. Unregistered or Lapsed Registrations

- a. Commercial utility accounts without an active business registration, including new accounts until an active registration is approved, are defaulted to the Bin 4 rate.
- b. If a registration is later approved and a different Bin rate applies, the adjustment is made moving forward and not retroactively.

2. Lapsed Registrations

- a. If a business registration lapses, the account defaults to Bin 4 after 30 days if not renewed.
- b. After that point, a new registration is required to be approved in order to reclassify the account, per Business Registration Program policies.
- c. Once a registration is approved, any applicable Bin rate adjustment is made moving forward and is not applied retroactively.

3. Uses Exempt from Business Registration

- a. Real estate agents and insurance agencies are exempt from completing City Business Registrations, but associated utility accounts are still responsible for paying a Transportation Fee.
- b. The City will make its best effort to identify and classify these uses at the Bin 2 rate (for office uses).
- c. If misclassified as Bin 4 (the rate given to unregistered businesses), the City will retroactively correct the account upon notification.

- d. Government entities and other entities are not subject to the business registration requirement (See Bend Code chapter 7.05). These locations were assigned to an ITE code and Bin rate based on interpretation of available data and assumed use type. The initial assignments were communicated to government entities for their dispute ahead of implementation.

4. Partial Business Registration Information

- a. For accounts with active Business Registration records but also potentially missing registration information (e.g., accounts with multiple suites where one or more suites lack an active registration), the Bin assignment will be based on the active registrations and adjusted accordingly as new registrations become active on the account.

E. Mixed-Customer Type Accounts

- 1. Accounts with both residential and non-residential uses are billed:
 - a. **Residential:** per the residential fee schedule.
 - b. **Non-residential:** per Bin structure, based on available Business Registration and square-footage data.
- 2. If insufficient data exists to properly bill as mixed-customer type, account shall be billed as non-residential unless an appeal is filed, and additional information can be provided.

F. Appeals and Corrections

- 1. Appeals Process
 - a. Available for review of whether the charged amount is correct and may be conducted based on:
 - i. Incorrect customer class assignment (including mixed-customer type)
 - ii. Incorrect Bin assignment
 - iii. If there is an error in the square footage calculation for commercial accounts

- iv. If the non-residential building is temporarily unoccupied (thus qualifying for the Bin 1 rate, rather than a higher rate)
- v. The parcel exists in its natural unimproved condition and is not connected to the City's stormwater, sewer, or water system.

- b. No retroactive corrections shall be made unless the City is responsible for the error.

2. Square Footage (SQFT) Determination (Commercial Accounts)
 - a. Square footage is based on:
 - i. City permit data (for newer accounts, if available)
 - ii. Deschutes County DIAL (for older accounts where permitting data may not be available)
 - iii. City GIS (if no other data available)
 - iv. Customer-provided data (in the event of an appeal; subject to staff review and verification)
 - b. If the City overestimated square-footage, corrections are made retroactively, consistent with existing billing policies for retroactive corrections.
 - c. If the City underestimated square-footage, corrections apply moving forward.

G. Under-Payment and Non-Payment

1. Under-payments must be applied as described in the Bend Municipal Code. Payment cannot be specifically applied or excluded for the Transportation Fee.
2. In the event of non-payment, accounts with a Transportation Fee are subject to the regular delinquency processes as any other account.



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