



CITY OF BEND  
BEND URBAN RENEWAL AGENCY

# **THE TAX INCREMENT ASSISTANCE POLICY FOR EMPLOYMENT GROWTH 2025 GUIDELINES**

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# PART I. OVERVIEW

## INTRODUCTION

The Tax Increment Assistance for Housing Affordability and Employment Growth Policy was adopted by the Bend Urban Renewal Agency (BURA) on September 18, 2024, and Resolution 158 on October 16, 2024. The purpose of the program is to incentivize more affordable housing units for low-to-middle income residents, foster high-wage employment opportunities, and encourage neighborhood revitalization.

This program guide details the application process, eligibility requirements, consideration of approval, and annual compliance. Failure to comply with these requirements and all applicable program rules and statutes may result in required repayment of assistance or termination of the tax assistance program.

## PROGRAM SUMMARY

The Tax Increment Assistance for Employment Growth (TIA-EMP) may provide eligible businesses assistance with BURA's portion of taxes on increased assessed value from structural improvements. Projects must commit and annually certify that at least five new full-time employment opportunities were created and maintained with an average salary of \$72,000 for the duration of assistance. Assistance will typically last 12 years.

## General Application Process

The application for assistance can be found [here](#).

Once submitted, Staff will review each application for completeness and minimum eligibility standards as outlined by the adopted policy and these guidelines. Staff will present recommendations for project funding to BURA. For projects recommended for funding and supported by BURA, staff will create the necessary documentation for BURA and/or Council consideration. Required documents and process will depend on whether a project is in an existing TIF area or if a new TIF area will be created for the project.

## Program Fees

### 1. **Application Fee: \$650.00**

Required at time of application submittal. Fee includes BURA staff consideration and review of the proposed application.

### 2. **TIF Plan and Report Document Preparation Fee: Internal \$3,500, External \$6,500**

This fee will cover the necessary documentation associated with the creation of a new tax increment finance plan if the application is located outside an existing tax increment finance area.

### 3. **Development Agreement Documentation Fee: \$2,200**

Prior to the certificate of occupancy, this fee will cover the drafting and filling of documentation associated with an agreement of program participation by the approved applicant and the Bend Urban Renewal Agency.

Payment of other reasonable costs may be required as provided in an adopted BURA fee resolution. Additional costs must be paid prior to final approval of project assistance by BURA or Council, whichever is the final approving authority for the project. Payment will be made by check to:

Bend Urban Renewal Agency  
TIAEMP Program  
PO BOX 1458, Bend Oregon 97709

## Review Process Summary

The application review process will be determined on a project's location inside or outside an existing tax increment finance area. To determine where a proposed property/project is located, please visit: [City of Bend Tax Increment Finance Areas](#). If a project selected for assistance is not in an existing TIF area, a new TIF area must be created to provide assistance under this program.

### SUMMARY OF REVIEW PROCESS

OUTSIDE EXISTING TIF AREAS	INSIDE EXISTING TIF AREAS
<i>Estimated minimum of 120 Days</i>	<i>Minimum 90 Days</i>
<b>(1)</b> Staff Review for Minimum Eligibility	<b>(1)</b> Staff Review for Minimum Eligibility
<b>(2)</b> Staff Recommendation and BURA Review	<b>(2)</b> Staff Recommendation and BURA Review
<b>(3)</b> BURA approval for New TIF Plan and Report	<b>(3)</b> Development Agreement approval, by BURA
<b>(4)</b> Taxing District Notification, Consult and Confer	
<b>(5)</b> Planning Commission Comprehensive Plan Review	
<b>(6)</b> Plan Presentation to County Commission	
<b>(7)</b> Public Notice, City Council Public Hearing and Adoption of new TIF area	
<b>(8)</b> Development Agreement approval, by BURA	

## OVERVIEW OF ASSISTANCE

Assistance may be provided in the form of an annual reimbursement of BURA's portion of property taxes for the project and/or direct payment of City development fees associated with the proposed development project (e.g., SDCs).

### *What is BURA's portion?*

The current FY 2024-2025 total tax rate for the municipality of Bend is \$16.7435 per \$1,000 of valuation. BURA's portion of FY2024-2025 tax rate is \$13.2029 in TIF areas.

### *How does the annual reimbursement work?*

Proposed developments must be in existing tax increment areas or in a tax increment area created as part of this program. When construction is completed, the county assessor will assess the value of the redeveloped property. The taxpayer submits payment to the assessor and taxes are apportioned to all taxing districts, including BURA. Participating projects can receive the Tax Increment Assistance for Employment Growth (TIAEMP) reimbursement of the portion of taxes paid to BURA, minus an annual administrative fee as set forth in the BURA fee resolution or the development agreement between the applicant and BURA. Amount of assistance will typically be an amount equivalent to twelve (12) years of annual tax reimbursements of BURA's portion of new taxes generated from new development.

### *How does the payment of the City of Bend's development fees work?*

A portion of tax increment assistance may be used for development fees associated with the proposed project by direct payment to the City of Bend by BURA. Amounts and terms will be set out in an agreement between the developer and BURA.

## **PART II. EMPLOYMENT GROWTH PROGRAM**

### **Minimum Eligibility for Consideration**

- Located in the municipal limits of Bend
- Commercial or industrial project (eligible project types listed below)
- Five (5) new full time employment positions with an average wage of \$72,000
- Site is no larger than 20 acres (not applicable inside existing TIF areas)
- The site is characterized by one or more blighted conditions identified per ORS 457.010(1) (Criteria met for properties within existing TIF areas)
- Applicant must provide a summary of Pre-Application meeting with the City of Bend's Community and Economic Development Department (CEDD)
- No construction has occurred prior to the approval of all required documents
- Project is anticipated to increase assessed value of the site by an estimated \$500,000
- Project is not receiving tax abatements or exemptions under any other program (e.g. MUPTE, Enterprise Zone, etc.)
- Certificate of occupancy from the City of Bend must be obtained within three years of application approval

# TAX INCREMENT ASSISTANCE FOR EMPLOYMENT GROWTH PROGRAM (TIAEMP)

## Assistance Available

For projects that meet the minimum requirements listed above and below, BURA may award an amount equivalent to twelve (12) years of annual tax reimbursements of BURA's portion of new taxes generated from new development. This total assistance may be provided in a combination of payment for City of Bend development fees and annual reimbursement, as further provided in an approved development agreement.

## Program Requirements

1. **Eligible Business.** Eligible businesses include headquarter operations and/or headquarter-type facilities, manufacturing and suppliers, warehouse & distribution, fabrication, research & development (R&D), and other employers engaging in business-to-business or intrafirm distribution.
2. **New Employment.** At least five (5) new full-time employment positions were created and filled for the duration of assistance. Full-time employment or (FTE) is defined as an employment position who engage in paid-work responsibility to the employer for forty (40) hours a week (ORS 471.030.022).
3. **Average Annual Wage:** Average annual wage of \$72,000 for the five (5) new full-time employment positions is maintained for the duration of assistance. The average annual wage is to be the total annual wages of positions created divided by corresponding positions.

**Childcare Facilities.** Childcare facilities (defined by the [Bend Development Code, Chapter 1.2](#)) with improvements that meet the minimum taxable value increase may be eligible for assistance at BURA's sole discretion even if they are unable to meet the criteria outlined in (1), (2), (3). Eligible projects could include, but is not limited to, the portion of a new development creating new childcare facilities or a standalone childcare facility.

## REVIEW PROCESS

### Outside Existing TIF Areas

Creation of new TIF areas for the provision of assistance under this program will follow the process laid out by Oregon Revised Statute Chapter 457, as summarized below. This process is anticipated to take a minimum of three months from BURA recommendation to City Council consideration. Neither BURA nor Council are required to provide tax increment assistance or create a new TIF area under this policy for any project.

### Step 1. Staff Review for Minimum Eligibility and Recommendation to BURA

Staff will review each application for completeness, minimum eligibility standards as outlined by the adopted policy and these guidelines, and responsible use of tax dollars for recommendation to BURA. BURA staff may consult with appropriate City of Bend and/or

BURA advisory boards. Staff recommendation and BURA selection of projects for assistance is discretionary, but evaluation will be based on the following criteria and other factors to identify projects for assistance that will be in the best interest of BURA:

#### Evaluation Criteria

- I. Review application for completeness, minimum eligibility
- II. Confirm the property or site is characterized by the existence of one or more blighting conditions per ORS 457.010
- III. Does the project conform to the City of Bend Comprehensive Plan and support the housing needs of the City of Bend as identified in the 2016 Housing Needs Analysis (HNA)
- IV. Will the project alleviate the identified blighted conditions once completed?
- V. Does the project meet BURA's best interests, overall financial solvency, and reflect a responsible use of tax dollars based on staff analysis of economic impact of the project?

Staff may use the following formula to analyze conformance assistance proposed for a project in conformance with Section 2.B. of the adopted policy creating this program.

$$SR = CY / TI$$

*CY = Total Comparable Year Incentive Amount*

*TI = Total Incentive*

*(example: total incentive \$100 over 12 years/\$200 over 24 years)*

#### Step 2. Staff Recommendation and BURA Consideration of project(s) proposed to be assisted through creation of new TIF area(s)

Staff will make project recommendations on the creation of new TIF areas, duration of assistance, and method of assistance (annual payment, payment for development costs, or both) to BURA for approved projects. BURA may select any, all, or no projects for assistance based on its discretion. Selected projects must pay the Document Preparation fee before plan and report documents are drafted for approval. Staff will then prepare all required reports, findings, and other documents for BURA review and City Council adoption of a new TIF area.

#### Step 3. BURA approval of new TIF Plan and Report

BURA will consider, during a public meeting with public comment, a TIF plan and accompanying report for each project proposed for assistance through creation of a new TIF area by resolution. BURA may approve, reject, amend, or remove any plan presented for consideration.

#### Step 4. Taxing District Notification, Consult and Confer

BURA will consult and confer with overlapping taxing districts where a new TIF area is proposed by submitting the TIF plan and report to the governing. The governing body of an affected taxing district has 45 days following receipt of the documents to submit written recommendations on the plan. In consideration of adopting the plan (see *Step 7*), the City Council shall accept, reject or modify the recommendations submitted by each taxing district.

No applicant participation is expected in this taxing district review period.

#### Step 5. Planning Commission Comprehensive Plan Review

The TIF plan and report will be presented to the Bend Planning Commission at a public hearing for consideration of plan conformance with the Bend Comprehensive Plan.

No applicant participation is required.

#### Step 6. Plan Presentation to County Commission (No Approval Required)

BURA or its representative will meet with the County Commission to review the proposed maximum indebtedness. No formal action is required by the affected governing body.

No applicant participation is required.

#### Step 7. Public Notice and City Council Public Hearing and Consideration of Plan Adoption.

##### Public Notice

The statutory requirements for notice are stated in ORS 457.120. Notice of the City Council public hearing on approval of a TIF plan must be sent to individuals or households in one of the following groups:

- Owners of real property that is located in the municipality;
- Electors registered in the municipality;
- Utility customers in the municipality;
- Postal patrons in the municipality.

##### Public Hearing & First Reading

The City Council will hold a public hearing for the establishment of a new tax increment finance plan. A first reading of the ordinance creating a new TIF area may occur following the public hearing or may be delayed to another City Council meeting date. In adopting the plan, the City Council must accept, reject or modify any recommendations received from taxing districts in Step 5.

Applicant participation is required.

#### Second Reading and Adoption

An ordinance creating a new TIF area will be effective 30 days after second reading. A TIF area cannot be created by emergency adoption.

No applicant participation is required.

#### Step 8. BURA approval of proposed development agreement

After creation of a new TIF area and land use approval and prior to disbursement of assistance, the applicant for an approved project must enter into a development agreement with BURA that conforms to the provisions of the adopted plan, the application, and any other conditions imposed by BURA and/or Council in approval of the assistance or adoption of a new TIF plan. The development agreement will provide the complete terms and conditions of meeting the TIEMP policy, established TIF Plan and Report, applicable tax reimbursement amount, and the duration of program assistance.

#### Inside Existing TIF Areas

Assistance for projects in existing TIF areas will be by a development agreement between the applicant and BURA.

#### Step 1. Staff Review for Minimum Eligibility and Recommendation to BURA

Staff will review each application for completeness, minimum eligibility standards as outlined by the adopted policy and these guidelines, and responsible use of tax dollars for recommendation to BURA. BURA staff may consult with appropriate City of Bend and/or BURA advisory boards. Staff recommendation and BURA selection of projects for assistance is discretionary, but evaluation will be based on the following criteria and other factors to identify projects for assistance that will be in the best interest of BURA:

##### Evaluation Criteria

- I. Review application for completeness, minimum eligibility
- II. Confirm the property or site is characterized by the existence of one or more blighting conditions per ORS 457.010
- III. Does the project conform to the City of Bend Comprehensive Plan and support the housing needs of the City of Bend as identified in the 2016 Housing Needs Analysis (HNA)
- IV. Will the identified project alleviate the identified blighted conditions once completed?
- V. Does the project meet BURA's best interests, overall financial solvency, and reflect a responsible use of tax dollars based on staff analysis of economic impact of the project?

Staff may use the following formula to analyze conformance assistance proposed for a project in conformance with Section 2.B. of the adopted policy creating this program.

$$SR = CY / TI$$

*CY = Total Comparable Year Incentive Amount*

*TI = Total Incentive*

*(example: total incentive \$100 over 12 years/\$200 over 24 years)*

## Step 2. Staff recommendation and BURA consideration of proposed projects

Staff will make project recommendations on the duration of assistance and method of assistance (annual payment, payment for development costs, or both) for approved projects. BURA may select any, all, or no projects for assistance based on its discretion. Selected projects must pay the Development Agreement fee before documents are drafted for BURA approval.

## Step 3. BURA consideration of proposed development agreement

Following land use approval and before any disbursement of assistance, the applicant for an approved project must enter into a development agreement that conforms to the provisions of the adopted plan, the application, and any other conditions imposed by BURA in approval of the assistance for the project. The development agreement will provide the complete terms and conditions of meeting the TIAEMP policy, established TIF Plan and Report, applicable tax reimbursement amount, and the duration of program assistance.

# PART III. POST APPROVAL

## COMPLIANCE

### Post-Construction Compliance

Applicants must submit the following documentation before BURA staff will certify that the project is eligible to begin receiving the annual tax reimbursement:

- Certificate of Occupancy
- Documentation of satisfaction for childcare facilities used for program exemptions.

### Annual Compliance

Program participants must submit annually to BURA review of compliance with all Program elements no later than November 15 of the year prior to receiving any annual tax reimbursement. Failure to annually demonstrate compliance with all program requirements may result in the termination of the development agreement and future reimbursement from BURA and/or repayment of prior annual tax reimbursements received under the Program as per the terms of the development agreement.

### Annual Administrative Fee

An administrative fee as set forth in BURA Fee Schedule or the development agreement will be applied. This fee will be allocated to the management of annual program compliance, yearly

budgetary audits and financial reporting, and an internal services fee associated with the City of Bend and BURA 2018 Intergovernmental Agreement.

## ANNUAL TIAEMP PROGRAM REVIEW

Each year, staff will conduct employment market and TIAEMP program analysis. Staff will identify any recommendations or modifications to policy requirements to be applied to future applications..