



ORDINANCE NO. NS-2554

An ordinance establishing an Economic Improvement District within the Bend Central District applying only to commercial properties, and establishing a process for imposition of assessments

Findings

- A. Throughout 2025, the Bend Central District Business Association (BCDBA) and the City engaged to discuss the creation of an Economic Improvement District (EID) in the Bend Central District.
- B. On January 5, 2026, BCDBA representatives presented to the Bend Economic Development Advisory Board (BEDAB) on the proposed EID, including its boundary, term, assessment rate, and scope of economic improvement work. Following the presentation, BEDAB voted unanimously to recommend that the City move forward in establishing the EID with all elements presented by BCDBA.
- C. On January 7, 2026, the City Council approved BEDAB's recommendation. Thereafter, City staff prepared an ordinance establishing the EID to formally present to the City Council.
- D. ORS 223.112 to ORS 223.161 authorize the City to establish economic improvement districts and to use assessments from the EID to fund specific economic improvement projects.
- E. The City Council conducted a public hearing on May 6, 2026, on the question of whether to create the District as requested by BCDBA. There, affected property owners were given opportunity to appear to support or object to the proposed economic improvement and assessment.
- F. At the conclusion of the public hearing on May 6, 2026, the Council decided that the economic improvement will be made. With that initial determination, the Council decided a) whether the property benefited in the EID shall bear all or a portion of the cost of the economic improvement, and b) based on the actual or estimated cost of the economic improvement, the amount of assessment on each property.
- G. The City provided affected property owners not less than thirty days' notice of the May 6, 2026 hearing. The notices stated the time and place of the hearing, and announced the intention of the City to Council to undertake the economic improvement projects described in Section 2 of this Ordinance and to assess



benefited property for the costs.

- H. The area within the proposed boundary of the EID is part of the Bend Central District. Commercial use is permitted in all areas of the Bend Central District. Only properties within the EID boundary identified with non-residential property use classes and that have commercial and/or industrial structure types, as identified by the Deschutes County assessor, will be assessed. The total square footage of such properties within the boundary is approximately 1,622,154 square feet.
- I. A rate of \$0.10 per square foot of commercial space will be assessed and collected the first year of the assessment period. The rate will increase by \$0.01 per square foot of commercial space each additional year of the assessment period.
- J. The preliminary cost of the economic improvement projects as described in Section 2 of this Ordinance is estimated to be \$162,215 the first year. The proposed formula for apportioning costs to benefitted properties is described in Section 4 of this Ordinance.
- K. The City will provide notices to property owners stating the amount of the assessment on the property of the owner receiving the notice, and stating the time and place of a public remonstrance hearing at which affected property owners may appear to support or object to the proposed assessment.
- L. The City will conduct the remonstrance hearing to receive oral testimony and objections, if any, no sooner than 30 days after the mailing or personal delivery of the notices described in Recital K.

Ordinance

Based on these findings, the City of Bend ordains as follows:

Section 1. Creation of District.

The City Council of Bend creates the Bend Central District Economic Improvement District ("District"). The District is authorized to make economic improvements as defined by ORS 223.112(2), and in particular, is authorized to expend revenues generated by assessments imposed by this Ordinance and the assessment resolution on the improvements described in Section 2 of this Ordinance, which shall all be deemed part of the economic improvement project undertaken by the District as provided in ORS 223.117(1)(a).

The boundaries of the District are as depicted on Exhibit A to this Ordinance. Only portions of properties located within the boundary that are identified with non-residential property use classes and that have commercial and/or



industrial structure types, as identified by the Deschutes County assessor (the "property"), shall be subject to the assessment.

Section 2. Economic Improvement Project.

The economic improvement project will generally consist of beautification services and projects, including murals, pocket plazas, pedestrian enhancements, and seasonal art installations; marketing services, including supporting marketing campaigns for businesses and creating business directories to support business development; maintenance services, including maintaining existing landscaping and assets in public areas; planning, promoting, and executing public events in the District; providing dedicated staffing to manage and coordinate these activities; and as further provided in an agreement between the City and the BCDBA. Beautification projects and maintenance services will be provided equally throughout the District.

These activities will enhance the Bend Central District by growing it as a gathering place for the community, increasing its vibrancy, and stimulating economic improvement.

The estimated cost of the economic improvement projects as described in this section is \$162,215 in the first year. Based on current assessed square footage, and applying the formula in Section 4, the second year is estimated at \$178,437 and the third year is estimated at \$194,658. Assessed square footage may be adjusted annually based on development activity.

Section 3. Duration.

The District shall be in effect for three years, commencing upon the effective date of a resolution assessing the affected property as provided in Section 8(d) of this Ordinance and as otherwise provided by law, and continuing until July 15, 2029. Council may extend the duration of the District, after following the required public notice requirements and opportunity for remonstrances contained in ORS 223.124.

Section 4. Assessment Rate.

The property shall be assessed as follows: \$0.10 per square foot per year of real commercial property for the first year, to increase by \$0.01 per square foot per year of the assessment period. Each annual assessment shall not exceed one percent of the real market value of all real property located in the District.

**Section 5.** Total Assessment.

The initial total assessment each year of the three-year term is expected to be approximately \$162,215, subject to change as the amount of commercial building space changes and the annual \$0.01 assessment increase is phased in.

Section 6. Agreement to Administer Program and Providing for the Expenditure of Funds.

City shall enter into an agreement with the BCDDBA to provide for administration of the District funds, public meetings, budget adoption and consideration at open publicly noticed meetings, limitations on expenditures, and other appropriate matters. The agreement will be adopted at the time of approval of proposed assessments.

Section 7. Limitation on Expenditures.

Money derived from assessments levied under this Ordinance and from interest earned on that money shall be spent only for the economic improvement projects described in this Ordinance and for the cost of City administration of the District. The City shall receive 5% of the total assessment collected to cover the cost of administrative services provided by the City related to the District.

Section 8. Notice of Assessments and Hearing to Receive Remonstrances.

- a) The City Council shall hold a public hearing not sooner than 30 days after the mailing or delivery of notices to affected property owners at which the owners may appear to support or object to the proposed improvements and assessment.
- b) The City Finance Director or designee shall prepare the proposed assessment for each lot in the District and file the proposed assessments with the City Recorder. The City Economic Development Officer or designee shall mail or personally deliver to property owners within the boundaries of the District a notice announcing the intention of Council to undertake the economic improvement project and to assess benefited property for a part or all of the cost, identifying the amount of the proposed assessment for each property, and informing the property owner of the time and place of a public hearing at which the property owners may appear to support or object to the proposed improvement and assessment. The public hearing shall not be held sooner than 30 days after the mailing or personal delivery of the notice.
- c) After the public hearing held pursuant to this section, the City Council shall consider objections and may adopt, correct, modify or revise the



proposed initial \$0.10 per square foot assessment and \$0.01 per square foot annual assessment increase. The Council will not impose the assessment and the economic project will be terminated if written remonstrances are received at or prior to the public hearing from owners of property upon which more than 33 percent (535,310 square feet of commercial property) of the total amount of assessments is imposed.

- d) After the public hearing, if the Council decides to impose the assessment, it shall impose the assessment by resolution, determine whether the properties within the District shall bear all or a portion of the costs of the activities to be funded, and approve the amount of assessment on each lot.

First Reading

May 6, 2026

Second Reading

May 20, 2026

Adoption by Roll Call Vote

Yes: Kebler, Méndez, Norris, Perkins, Riley

No: Franzosa, Platt

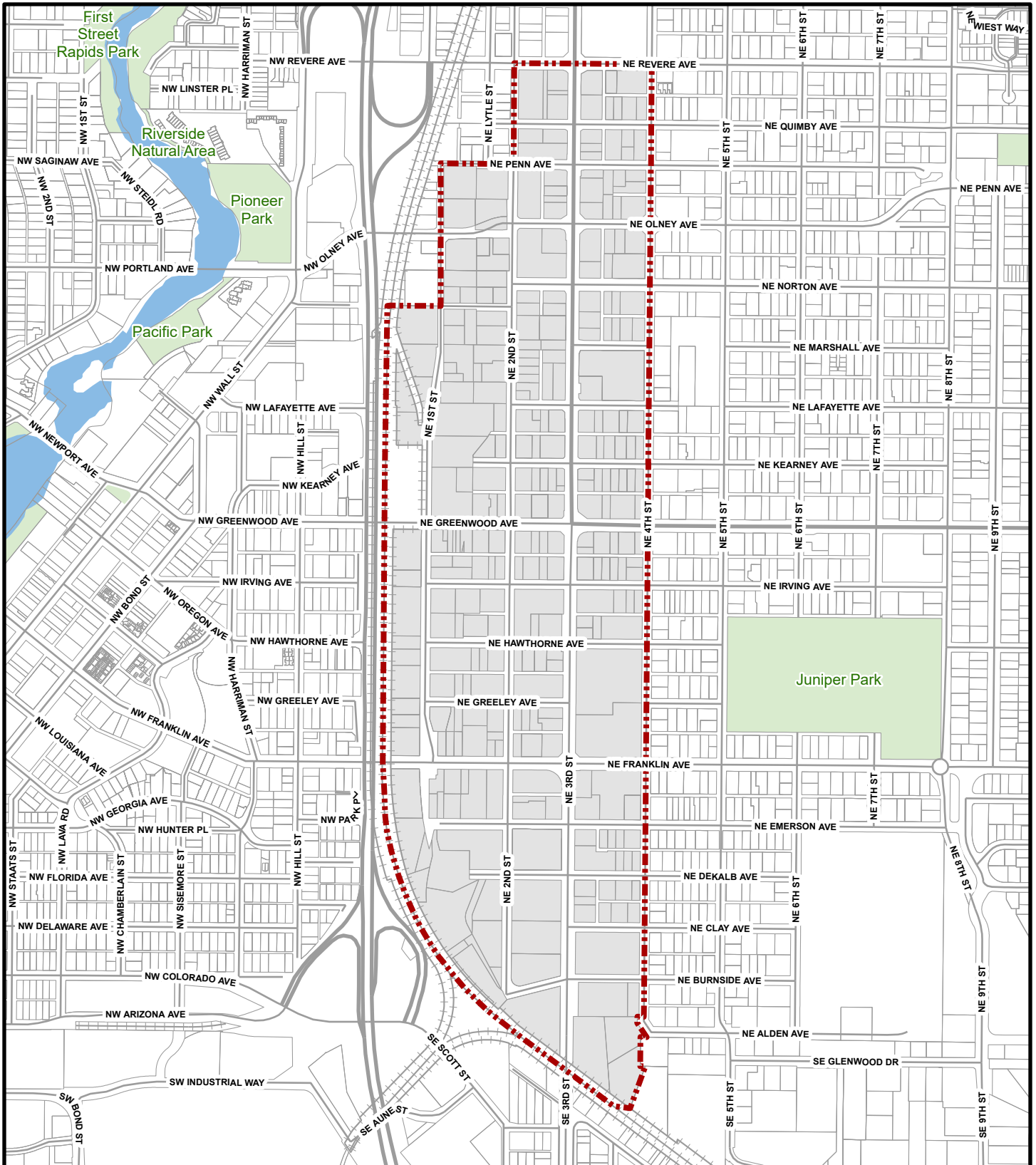
Melanie Kebler, Mayor

Attest:

Ashley Bontje, City Recorder

Approved as to form:

Ian Leitheiser, City Attorney



PROPOSED ECONOMIC IMPROVEMENT DISTRICT

APRIL 2026

-  Central District
-  Local Streets
-  Parks
-  Major Roads
-  Railroad
-  Major Streets
-  River



0 125 250 500
Feet

Map prepared by , City of Bend
Print Date: Apr 15, 2026
Sources: City of Bend, Deschutes County



CITY OF BEND

This map is for reference purposes only. Care was taken in the creation of this map, but it is provided "AS IS." Please contact the City of Bend to verify map information or to report any errors.