CITY OF BEND

City Hall
710 NW Wall Street
Bend, OR 97703

RESOLUTION NO. 3489

A Resolution of the City Council authorizing an extended tax abatement period of up to seven years for eligible business firms in the Bend Enterprise Zone.

Findings

A. In Oregon, Enterprise zones are sponsored by local governments to incentivize new business investment by providing abatements on all local property taxes for a certain number of years. Under ORS 285C.175, the standard statutory tax exemption period allowed is three years. Historically, under ORS 285C.160, an extended statutory tax exemption period of up to two additional years has been available to eligible business firms.

B. The City of Bend sponsors the Bend Enterprise Zone. Economic Development for Central Oregon (EDCO) is the Local Zone Manager. The Enterprise Zone was renewed effective July 1, 2021, following the City Council's adoption of Resolution No. 3249 on June 2, 2021 authorizing EDCO to apply for the re-designation of the Bend Enterprise Zone with Business Oregon, as the previous enterprise zone was scheduled to expire on June 30, 2021.

1. HB 4084 (2026) went into effect on June 5, 2026. This Bill amended ORS 285C.160 to expand the extended tax exemption period available after year three, from up to two additional years to up to seven additional years, for a total of ten years, if requested by the enterprise zone sponsor and if the eligible business firm demonstrates that its project involves substantial capital investment, regional economic impact, or alignment with local development goals. The extended period, which is established in ORS 285C.160(2)(b)(B), must be set forth in a written agreement with the enterprise zone sponsor. Zone sponsors must opt to allow for this new extended exemption period by adopting a corresponding resolution.
2. Allowing eligible businesses in the Bend Enterprise Zone to utilize the extended statutory exemption period of up to ten years, as expanded by HB 4084 (2026), will benefit current and future residents of Bend by increasing employment opportunities, raising local income, attracting investments that support local business success, and diversifying the local tax base.

C. The City Finance Department has analyzed the impacts of making the extended statutory exemption period available in the Bend Enterprise Zone, and has found that although there may be corresponding reductions in tax revenue in the future, such impacts can be monitored to assure that tax revenue is not diminished to a level where City services are compromised.

D. Making the extended statutory exemption period of up to ten years available to eligible business firms in the Bend Enterprise Zone does not grant or imply permission to develop land within the Zone without complying with all prevailing zoning, regulatory and permitting processes and restrictions of any and all local jurisdictions; nor does it indicate any public intent to modify those processes or restrictions.

Resolution

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

3. The City of Bend requests allowance by agreement of the extended tax exemption period under ORS 285C.160(2)(b)(B) of up to seven additional years beyond the three years allowable under ORS 285C.175, for eligible business firms in the Bend Enterprise Zone that demonstrate their project involves substantial capital improvement, regional economic impact, or alignment with local development goals.
4. EDCO is hereby authorized to consider and process applications for extended tax exemption periods of up to seven additional years submitted by eligible business firms in the Bend Enterprise Zone. EDCO's processing shall be done in accordance with ORS 285C.160(2)(b)(B) and rules adopted by the Oregon Business Development Department. If an eligible business firm demonstrates that its project involves substantial capital investment, regional economic impact or alignment with local development goals, EDCO is authorized to prepare and facilitate the execution of a corresponding written agreement between the eligible business firm and the City of Bend, as sponsor of the Bend Enterprise Zone, to extend the period during which the eligible business firm's qualified property is exempt from taxation in the amount of time sought by the firm, up to seven additional years beyond the three years allowable under ORS 285C.175.

Adopted by the Bend City Council

July 15, 2026

Yes: Kebler, Franzosa, Norris, Perkins, Platt, Riley

No:

Melanie Kebler, Mayor

Attest:

Ashley Bontje

Ashley Bontje, City Recorder

Approved as to form:

Ian M. L

Ian Leitheiser, City Attorney