CITY OF BEND

City Hall
710 NW Wall Street
Bend, OR 97703

# BURA RESOLUTION NO. 179

**A Resolution of the Bend Urban Renewal Agency Amending Resolution No. 158, Policy on Tax Increment Assistance for Housing Affordability and Employment Growth**

## Findings

A. The Bend Urban Renewal Agency (BURA) adopted Resolution No. 158 on October 16, 2024, creating a Policy on Tax Increment Assistance for Housing Affordability and Employment Growth (the "Program"), to allow use of tax increment revenues to support new developments that include a minimum amount of housing units affordable to households earning 90% area median income or less, or provide jobs meeting certain income targets.

B. In 2025, BURA approved five projects for assistance under the Program and the City of Bend established the Britta Ridge, Century, Veridian, and Emblem Tax Increment Finance Plans in order to provide development assistance to those five projects.

C. On June 18, 2025, BURA stopped accepting applications under the Program, until BURA was able to evaluate the effectiveness of the Program and reevaluate criteria and goals.

D. On July 14, 2026, the Bureau of Labor and Industries (BOLI) issued a prevailing wage coverage determination (the "Determination") that found that the annual tax rebate assistance to be provided to the Emblem project from BURA exceeding $750,000 is considered funds of a public agency, requiring the project to pay prevailing wages for covered laborers on the project. The payment of system development charges by BURA through the Program would not cause the project to be subject to prevailing wage requirements.

E. On September 16, 2026, BURA directed staff to modify the provisions of the Program to expand the ability of BURA to pay for permit fees, including all applicable system development charges, for approved projects, and reevaluate anticipated assistance for approved projects in light of the Determination.

F. BURA now wishes to amend the Program to clarify that development assistance that may be provided to approved projects includes any system development charges applicable to a project, and make other administrative clarifications.

## Resolution

**Based on these findings, the Bend Urban Renewal Agency resolves as follows:**

1. Exhibit A to BURA Resolution 158 is replaced with the attached Exhibit A.
2. Changes to the Policy on Tax Increment Assistance for Housing Affordability and Employment Growth made by this Resolution are applicable only to the projects previously approved by BURA for assistance under the Program. The Program remains paused and is not accepting any new applications.
3. The provisions of this resolution take effect upon adoption.
4. If any provision, section, phrase, or word of this resolution or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

## Adopted by the Bend Urban Renewal Agency

November 4, 2026

**Yes:** Riley, Kebler, Méndez, Norris, Perkins, Platt

**No:** Franzosa



Mike Riley, Chair

**Attest:**

Ashley Bontje, City Recorder

**Approved as to form:**

Ian Leitheiser, City Attorney

EXHIBIT A

Note:

Additional text shown in underline

Deleted text shown in ~~strikeout~~

# THE BEND URBAN RENEWAL AGENCY POLICY FOR TAX INCREMENT ASSISTANCE FOR HOUSING AFFORDABILITY AND EMPLOYMENT GROWTH

## Amendment No. 1

## SECTON 1: PURPOSE

The purpose of this policy is to establish a Bend Urban Renewal Agency ("BURA") tax increment reimbursement program (the "Program") to support income attainable residential options and living-wage employment developments while also encouraging other identified Council goals within new and established tax increment finance ("TIF") areas.

This policy sets forth the rules of the Program consistent with requirements for urban renewal projects as outlined by Oregon Revised Statute ("ORS") chapter 457.

The purpose of Amendment No. 1 is to revise the program to allow use of assistance to cover any system development charges applicable to a project and make other administrative revisions.

## SECTION 2: PROGRAM

A. Housing Affordability Policy

BURA may provide Program assistance in the form of ~~either~~ an annual tax increment reimbursement payment over a specified period of time and/or payment of ~~City~~ development fees associated with the proposed development project (e.g., SDC's) or other forms of assistance as specified in a development agreement ("Assistance") for projects and sites that meet the following criteria:

i. Fifteen percent (15%) of dwelling units are restricted for rent to households earning at ninety percent (90 %) AMI[1];
ii. For such rent-restricted units, rent increases must be lower than those allowed under ORS 90.323, 90.324, and 90.600.

Developments that meet these criteria for at least twelve (12) years may be eligible in BURA's sole discretion for an amount of Assistance ~~equivalent to~~ not exceeding BURA's

[1] Affordability rates are the area median income (AMI) based upon most recent HUD Income Limits for the Bend-Redmond Metropolitan Statistical Area (Bend-Redmond MSA) by eligible household size.

proportion of property tax revenue for that same 12-year period. If the amount of the 12-year program Assistance is not sufficient to offset the cost to the developer of participating in this Program, BURA may provide Assistance in additional amounts at its sole discretion. Assistance is anticipated to be provided in the form of payment by BURA of development fees, including any applicable system development charges and permit fees, and rebate of a portion of property taxes received by BURA paid by the Project; actual assistance will be as set forth in a development agreement.

BURA may award an amount of Assistance in excess of the amount equivalent to BURA's proportion of property tax revenue for that same 12-year period if it finds that a development exceeds the above minimum criteria and in doing so helps the City meets its identified housing and Council goals based on one or more of following the additional criteria:

i. More than fifteen percent (15%) of dwelling units are restricted for rent to households earning less than or equal to ninety percent (90 %) AMI
ii. Rent increases are lower than allowed under ORS 90.323, 90.324, and 90.600 for more than fifteen percent (15%) of rent-restricted units.
iii. Meets established energy efficiency standards (e.g., LEED Silver, Energy Trust of Oregon New Building Whole Building Program, Energy Trust Multifamily Market Solutions Best, Earth Advantage Silver, Energy Star).
iv. Award twenty-three percent (23%) of its prime contractors to small businesses; including five percent (5%) for small, disadvantaged businesses and minority-owned businesses, and five percent (5%) for women-owned small businesses.

Such additional Assistance must be reasonably proportional to the demonstrated cost to the Developer to provide such additional criteria, but in no event shall the additional Assistance be provided if the overall tax benefit to the taxing districts is not able to demonstrate a 2:1 return on the amount of program assistance offered at a time period equal to double the period during which Assistance is given (e.g., 14-year program Assistance; $2M in Assistance; at year 28, new tax revenue generated as a result of improvements between years 15-28 exceeds $4m).

B. Employment Development Policy

BURA may provide Assistance for projects that increase local employment and commit to wages by meeting the following criteria:

i. 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.
ii. Increase the full-time, permanent employment of the businesses in the development by at least 5 new jobs.
iii. Average annual wage of new employment must be at least $72,000.

iv. Childcare facilities, as defined by the Bend Development Code, Chapter 1.2, with improvements that meet the minimum taxable value (as described in Section 4 below) may still be eligible for the Tax Income Reimbursement at BURA's sole discretion even if they are unable to meet the criteria outlined in (i), (ii), (iii).

Businesses that meet these criteria for at least twelve (12) years may be eligible in BURA's sole discretion for an amount of Assistance equivalent to BURA's proportion of property tax revenue for that same 12-year period. If the amount of the 12-year program Assistance is not sufficient to offset the cost to the developer of participating in this Program, BURA may provide Assistance in additional amounts at its sole discretion.

## SECTION 3: STAFF REVIEW

BURA staff will review proposed project applications for program eligibility. All eligible projects will be presented to BURA in a public meeting, during which, staff will make recommendations to BURA on whether to grant assistance and in what amount(s); and as to whether a new TIF District will need to be recommended to City Council for creation (if a proposed project is not within an existing TIF district). BURA approval of a project for the Program is discretionary and is subject to BURA review of projects and determination that the project meets the objectives for the Program and provides a satisfactory financial outcome for BURA and the Bend community.

## SECTION 4: REVIEW PROCESS

The following review criteria shall be used by staff during pre-consideration to determine if a proposed project is eligible. At a minimum, projects must demonstrate the following:

Site Review

- Property must be located within the municipal boundaries of the City of Bend.
- Property meets the *blighted* definition under Oregon Revised Statute (ORS) 457.010 (if outside an existing TIF district).
- Property must be smaller than twenty (20) acres if outside an existing TIF district (*no acreage limit within existing TIF areas*).

Financial Review

- The proposed development or eligible business will increase the taxable value of the property by at least $500,000.
- For projects exceeding the minimum criteria, determination that Assistance is reasonably proportional to the cost to the developer of providing the additional benefit and that the return on investment for the taxing district meets Program requirements.

Project Review

- The proposed project will remediate the condition that causes the property to be blighted under ORS 457.010.

- The applicant has held a pre-application meeting with the City's Community and Economic Development Department ("CEDD") and has provided a pre-application summary.

Staff will review and make recommendations to BURA based on conformance with existing TIF plan projects and criteria (for projects in existing TIF areas), as well as the ability of proposed projects to meet BURA objectives set out in this Policy, BURA's best interests and overall financial solvency, and requirements for urban renewal plans and projects under ORS chapter 457 (for projects outside existing TIF areas). BURA may in its discretion award Assistance under this Program to all, some, or none of the projects. Meeting each of the objectives above does not guarantee recommendation for participation in the Program by staff.

**SECTION 5: CONSIDERATION PROCESS**

A. Projects outside established TIF areas will follow the process as laid out by Oregon Revised Statute Chapter 457 for the establishment of a new TIF district as listed below. This process is anticipated to take a minimum of three months from BURA recommendation to adoption of the new TIF district by City Council. Neither BURA nor Council are required to provide tax increment assistance or create a new TIF district under this policy.
    1. Staff Review for Minimum Eligibility
    2. Staff Recommendation and BURA Consideration of proposed TIF Plan (public meeting with public comments)
    3. 45-Day Plan Consult and Confer
        a. Planning Commission Comprehensive Plan Review
        b. Taxing District Plan Notification
        c. Plan Presentation to Deschutes County Commission (no approval required)
        d. Public Involvement Process and Input
    4. City Council Public Hearing and Consideration of Plan Adoption and Development Agreement.

B. Projects inside established TIF areas will follow process listed below. The process is anticipated to take a minimum of three months from staff review and recommendation for BURA to adopt a new development agreement. BURA is not required to provide tax increment assistance under this policy.
    1. Staff Review for Minimum Eligibility
    2. Staff Recommendation and BURA Consideration for Adoption

**SECTION 6: DEVELOPMENT AGREEMENTS**

If the project is approved for participation in the Program by BURA (for projects in existing TIF areas) or if a new TIF area and plan are adopted by the Bend City Council, a development agreement will be required between BURA and the approved project developer that will delineate the requirements of the project's participation in the Program, including meeting Program elements detailed above for the duration of the

reimbursement, and assistance BURA will provide to the Project in exchange for meeting program requirements. Failing to meet Program requirements may include ~~a claw back provision for~~ required repayment of tax increment assistance provided under this Program.

All proposed developments will be required to obtain a certificate of occupancy within three years of Plan approval or within another time period as otherwise accepted by BURA as set forth in a development agreement.

**SECTION 7: RELOCATION**

New developments proposed for occupied properties will be required to provide a plan for relocation and assistance for displaced residential or commercial persons prior to approval of a plan document or development agreement as required by state and federal law.

**SECTION 8: ANNUAL COMPLIANCE**

Program participants must submit to BURA certification of compliance with all Program elements no later than November 15 of the year prior to receiving the annual tax reimbursement.

**SECTION 9: ADMINISTRATIVE POLICY**

BURA staff ~~will~~ may create an administrative policy for this Program that will provide additional information and resources for implementation, review, and compliance with policy requirements.