



CITY OF BEND

City Manager's Report

Information and Updates for the Mayor and City Council

September 5, 2025

UPCOMING EVENTS AND MEETINGS

MEETING/EVENT	DATE	TIME	LOCATION
Work Session	September 10	4-6 p.m.	Council Chambers / Virtual
Business Meeting	September 17	6 p.m.	Council Chambers / Virtual
Work Session	September 24	4-6 p.m.	Council Chambers / Virtual

[VIEW THE FULL COUNCIL SCHEDULE](#)

PUBLIC AGENCY AND COMMUNITY PARTNER UPDATES

League of Oregon Cities Bulletin

[Read the most recent LOC Bulletin here.](#) Of note,

- The Senate vote for HB 3991A brought to Oregon's 2025 Special Legislative Session has been delayed until September 17. The bill was passed by the House on September 1 with a margin of 36-2.
- According to a [press release](#) this week from the Oregon State Treasury, investment earnings held in the Oregon Public Employee Retirement Fund (OPERF) have exceeded expectations, earning 3.2% in the second quarter of 2025. If earnings continue to improve or hold steady, an additional rate hike by Public Employee Retirement System (PERS) employers may be prevented or mitigated for the 2027-2029 biennium. OPERF earnings in the two previous years did not meet the 6.9% annual rate of return assumed by PERS, resulting in steep pension contribution



increases for the 2025-2027 rate cycle. PERS will assess the total system valuation early next year before issuing advisory rates to employers.

Emblem Public Notice

This week, a legal notice for the public hearing on October 1, 2025, for the Emblem Tax Increment Finance Plan will be placed in the City of Bend's utility billing statements for public notification (here are the [bill insert](#) for paper statements and the [digital version](#) for digital billing). This legal notice is required by ORS 457 to inform the community of the proposed area, the maximum indebtedness, and how to access the information. In working with Communications at the request of City Council, we simplified the required language as to not create confusion and to tell the story of why we are pursuing this endeavor. The notice will provide contact information for our Urban Renewal Manager and provide the weblink for the online open house.

Courthouse Expansion Site Tour

City Councilors and staff have been invited to a site tour of the Deschutes County Courthouse expansion on October 6. (The tour will begin at 3:30 p.m. and will last 45-60 minutes.) If you are interested in participating, please let me know, and my office will schedule and confirm your attendance.

Overview: Site Specific TIF vs Tax Abatement

Tax increment financing (urban renewal) is a complex and often misunderstood tool. In addition, it has a history in the United States that has not been beneficial to many communities. Here in Bend, we continue to lead the state in innovative and beneficial ways in the use of this tool. We are working with our counterparts in Eugene, Medford, Portland, and McMinnville to see if our TIF/urban renewal approach will work in their communities.

In a recent response to a community member's concerns, Jonathan Taylor, our Urban Renewal Manager, provided an overview on those concerns. If you have more questions about these specific topics, or other related TIF/urban renewal issues, please do not hesitate to reach out to Jonathan.

Tax Abatements vs. TIF: Tax increment (or urban renewal) is a different financial mechanism than a property tax abatement. TIF uses the new assessed value of the area through the annual property increase (3% - Ballot Measure 50) associated with property and new development that may occur on an established frozen base. The property owner, once developed or improved, will pay the entire tax rate associated with the new assessed value. That rate is the existing established levies that include both general and special levies. In Oregon, TIF areas do not collect the associated taxes with the bonds and levies – these still go to the taxing districts. Tax abatements, however, exempt all taxes associated with the property. Simply put, it removes the property from the entire tax roll.



Accountability and Outcomes: The email also conflates recruiting a company versus assisting with the development of housing. While I also support using targeted incentives to recruit businesses and/or with business expansions, in this specific case, BURA used TIF to assist with housing development on a historically vacant parcel while ensuring more affordable housing options over a defined duration. By mandating more affordability for 30 years for 20 percent of units, one would not equate this with “gambling away 30-years of TIF revenue” with the assumption that no development would locate there. We can honestly assess based on market dynamics, that yes, a development may have ultimately occurred over the next 10-years, but the chances of getting more affordable units and the utilization of 80% of local contractors are slim at best. Currently, the market is not producing rentable units below the 90% AMI range.

Research has Questioned the effectiveness of TIF: The research the respondent references is from 2000 and the analysis only occurred in the Chicago Metro Area. Yet in this analysis, the report also provided the main finding that “tax increment financing is an important and widely used tool to promote economic development, especially in areas facing blight or other significant economic challenges. TIF performs best when the public and private sector works together to simulate economic development.” The site-specific program, is a public-private partnership model that met the general needs of the community of more housing (OHNA numbers) and more affordable housing options.

In the State of Oregon, no property owners outside TIF districts see an increase in their property taxes. Further, staff did an economic impact and blight justification report that showed all site-specific properties were stagnant and unproductive due to the assessed value of their real market value and the adjacent properties of the proposed TIF area.

Claw-backs: The site-specific program has two monitoring capabilities to ensure that the development provides what the assistance was awarded for. One, the developer has to pay property taxes and certify annually that they meet the compliance requirements before any rebate is disbursed. There is a 3% administration fee associated with the annual compliance built into the program that the developer pays in order to participate. Second, if the awarded project falls out of compliance, we do have a provision in the development agreement that will allow for the initiation of a claw-back provision based on BURA discretion. This was added during policy formation in 2024 at the request of Councilor Riley.

Last Questions Raised:

What if all future major developers received a 25% or more discount on their developments? One should not assume that all developers will receive this level of assistance, or any assistance at all. Some may require less and some may require more. Staff will do their due diligence regarding the financial needs of the development and the impacts to the community and present those findings to BURA for determination. BURA maintains sole discretion in approving projects.

What is the scorecard for projected handouts in the Central Business District and how will that affect taxes to run the city and raise taxes for non-TIF taxpayers? At this time, CAAB is developing something similar to what is trying to be asked. That will be presented in November at a work session and considered for adoption by BURA in December as part of the Invest Bend Campaign. At no point does this raise taxes on any individual or business both inside and outside existing TIF districts.

DEPARTMENT UPDATES

August Social Media and Media Report

For the month of August, the top community topics and themes observed in media and social media by the Communications & Engagement Department included:

- Improvement Projects
- Welcoming Week
- Outback Expansion

For more information, including media coverage of the City and social media engagement, see the [August Social Media and Media Monitoring Report](#).

VIEW PREVIOUS CITY MANAGER'S REPORTS

Accommodation Information for People with Disabilities



To obtain this information in an alternate format such as Braille, large print, electronic formats, etc., please contact Michelle Driggs at mdriggs@bendoregon.gov or 541-678-6596. Relay Users Dial 7-1-1.

