



January 17, 2024

Mayor Melanie Kebler
Bend City Councilors
Delivery via E-mail

Mayor Kebler and Councilors,

On behalf of the Bend Chamber's 1,600 members and 8,500 businesses in Central Oregon, please accept the following letter related to the proposed System Development Charge Methodology resolution. The Chamber was appreciative of the opportunity to participate in stakeholder work groups in 2023, taking a deep dive into the SDC methodology and policy recommendations.

However, it was not until recently that we were able to extrapolate this proposal's impact on various categories of commercial entities, and we are hearing significant concerns regarding the extent of the rate increases from our members. The attached chart, also submitted in a joint letter with Central Oregon REALTORS Association (COAR) and Central Oregon Builders Association (COBA) demonstrates the exponential increase in fees for Transportation SDCs alone. **As currently written, this will render many projects, particularly in certain industry sectors unfeasible, prompting Chamber leadership to oppose the commercial SDC fee schedule.**

"Last week I toured a building with a dermatologist looking to expand their practice in Bend. They informed me that if the project was not in the queue prior to July 1, 2024 it would not pencil and they would not move forward." Commercial Broker

"We take care of a majority of the community's children in our pediatric practices. The proposed SDC rate increase would literally halt any expansion possibilities. For a growing community this would be detrimental to our ability to care for our community's most vulnerable." Medical Group Executive.

On the heels of the Transportation Utility Fee proposal and the cumulative impacts of all the fees that business incur, we have three key requests:

- 1 - Pause the adoption of the commercial methodology and fee schedule**
- 2 - Perform dedicated outreach to impacted industry sectors (ex: medical community) to communicate the impacts**
- 3 - Provide data on the cumulative impact of all fees (TUF, SDC, business licenses, permits)**

Creating an environment where businesses, their employees and our community excel together through collaboration, advocacy, resources, and leadership to meet Bend's business challenges.



We understand the challenges of the City's revenue constraints and the financial needs of our growing community, but we must find more comprehensive alternatives to fund infrastructure. The decisions currently being made are counterproductive to future economic development and our shared community priorities. Furthermore, businesses must be able to easily understand the cumulative costs they are facing with changes to their share of charges and fees.

The Chamber has proven over time to be a trusted partner with the city, and we don't take our opposition lightly. We look forward to continuing that role, while advocating for our members and the business community.

Thank you for the opportunity to share this important feedback.

Regards,

A handwritten signature in black ink, appearing to read "Katy Brooks". The signature is written in a cursive style and is positioned to the left of a vertical line that extends downwards.

Katy Brooks
President & CEO
Bend Chamber of Commerce

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Attachment A. Current Versus Proposed (Non-Residential) SDC Rate

Land Use	Current SDC Rate (2023/2024)	Proposed SDC Classification	Proposed SDC Rate	% Change
Light Industrial	\$9,198/KSF	Lt. Ind/ Manufacturing	\$6,964/KSF	76%
Manufacturing	\$8,126/KSF	Lt. Ind/ Manufacturing	\$6,964/KSF	86%
Warehousing	\$4,408/KSF	Warehouse/Storage/ Distribution Center	\$1,063/KSF	24%
Hotel	\$5,526/Room	Hotel/Motel/RV Park	\$5,912/Room	107%
Athletic Club	\$10,083/KSF	Indoor Fitness/ Recreation	\$29,812/KSF	295%
Recreational Community Center	\$7,700/KSF	Indoor Fitness/ Recreation	\$29,812/KSF	387%
Movie Theater	\$22,802/KSF	Movie Theater	\$61,828/KSF	271%
Childcare	\$25,964/Student (Currently Exempt)	Childcare	\$7,916/Child	30% (Exempt)
Elementary School	\$1,119/Student	Schools K-12	\$1,503/Student	134%
Middle School	\$1,119/Student	Schools K-12	\$1,503/Student	134%
High School	\$1,056/Student	Schools K-12	\$1,503/Student	142%
Medical – Dental Office	\$15,060/KSF	Medical – Dental- Vet Office	\$39,382/KSF	262%
Hospital	\$7,973/KSF	Hospital	\$8,618/KSF	108%
General Office	\$6,853/KSF	General Office	\$14,430/KSF	211%
Business Park	\$10,888/KSF	Discontinued	Discontinued	n/a

Specialty Retail	\$8,902/KSF	Integrated & Standalone Retail <40KSF	\$31,693/KSF	356%
Hardware Store	\$14,301/KSF	Integrated & Standalone Retail <40KSF	\$31,693/KSF	222%
Retail Center <100KSF 100 to 300KSF >300KSF	\$23,099/KSF \$18,628/KSF \$8,902/KSF	Int. & Standalone Retail <40KSF 40-150KSF >150KSF	\$31,693 \$26,362 \$14,650	137% (+) 142% (+) 165% (+)
New Car Sales	\$14,220/KSF	Car Sales	\$37,578/KSF	264%
Tire Store	\$22,273/KSF	Integrated & Standalone Retail <40KSF	\$31,693/KSF	142%
Supermarket	\$31,007/KSF	Integrated & Standalone Retail 40 - 150KSF	\$26,362/KSF	85%
Convenience Market	\$74,518/KSF	Integrated & Standalone Retail <40KSF	\$31,693/KSF	43%
Furniture Store	\$1,393/KSF	Integrated & Standalone Retail <40KSF	\$31,693/KSF	2275%
Drive-in Bank	\$39,783/KSF	Integrated & Standalone Retail <40KSF	\$31,693/KSF	80%
Quality Restaurant	\$6,897/KSF	Restaurant (Table Service)	\$23,449/KSF	340%
Sit-Down Restaurant	\$24,432/KSF	Restaurant (Table Service)	\$23,449/KSF	96%
Fast Food w/DT	\$81,860/KSF	Quick Counter Service Restaurant	\$86,525/KSF	106%
Fast Food w/o DT	\$54,712/KSF	Quick Counter Service Restaurant	\$86,525/KSF	158%



Drive Through Espresso Stand	\$141,779/KSF	Quick Counter Service Restaurant	\$86,525/KSF	61%
Gas Station	\$30,628/Fuel Position	Gas Sales	\$16,727/Bay [?]	55%
Gas w/ Convenience Market	\$106,477/KSF	Gas Sales + Integrated & Standalone Retail	\$16,727/Bay [?] \$31,693/KSF	~84%
Automated Carwash	\$46,807/Bay	Car Wash (Manual and Automated)	\$55,515/Bay	119%
Self-Service Carwash	\$18,350/Stall	Car Wash (Manual and Automated)	\$55,515/Bay	303%