



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 27, 2024

SUBJECT: Multiple Unit Property Tax Exemption application for Timber Yards Parcel A development at 175 SW Industrial Way

RECOMMENDED MOTION:

Consider the application from KW Kelton-Bend Owner, LLC for a Multiple Unit Property Tax Exemption relating to property at 175 SW Industrial Way in Bend.

BACKGROUND AND POLICY IMPLICATIONS:

In August 2022, the Bend City Council adopted a Multiple Unit Property Tax Exemption (MUPTE) program to support development and redevelopment goals in Bend's core and transit-oriented areas. The program is available for multi-story residential projects in certain areas of Bend that provide three or more units and provide at least three defined public benefits.

The Timber Yards Parcel A project proposes a six-story 246 unit mixed use building with 15,973 square feet of commercial space to be located on the northwest corner of the approved Timber Yards Master Plan area within the Core Area TIF Area. For this project, the three identified public benefits would be:

- Open Space: 13,343 square feet (11% of site area) of contiguous open space;
- Enhanced Landscaping: with an emphasis on native, pollinator-friendly and water-wise plants; and
- Wrapped Parking Structure: offering 254 structured vehicle parking spaces with retail and residential uses to be located on the street level frontage.

According to information submitted by the applicant and reviewed by an independent financial consultant, this project approaches financial feasibility only with a MUPTE award, and can still be viewed as a financially challenged project even with the lowered property tax burden.

In order for this project to qualify for the tax exemption, it must be approved by the boards which represent at least 51% of the combined levy of taxing districts. **As this MUPTE application was approved by the Bend City Council on March 20th, this project has already received approval from 51% of the taxing districts since the**

Bend-LaPine School District adopted a resolution on January 9, 2024 approving the policy of MUPTE inside the Core Area TIF Area through June 30, 2025.

More information is available online at:

[Multiple Unit Property Tax Exemption Program | City of Bend \(bendoregon.gov\)](https://www.bendoregon.gov/multiple-unit-property-tax-exemption-program)

BUDGET IMPACTS:

If approved, this exemption would only affect the Bend Urban Renewal Agency's Core Area Tax Increment Finance (TIF) Fund and thus would not result in direct budget impacts to any of Deschutes County's taxing districts.

ATTENDANCE:

Nick Lelack, County Administrator