CITY OF REDMOND

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REVISED
CITY COUNCIL
June 10, 2025
Council Chambers • 411 SW 9th Street

COUNCIL MEMBERS

Ed Fitch
Mayor

Shannon Wedding
Council President

Clifford Evelyn
Councilor

John Nielsen
Councilor

Kathryn Osborne
Councilor

Jay Patrick
Councilor

Cat Zwicker
Councilor

JUNE 10, 2025 — REGULAR MEETING AGENDA — 6:00 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. BLESSING - Pastor John McKay, Grace Bible Church

III. PLEDGE OF ALLEGIANCE

IV. CITY ANNOUNCEMENTS

V. CONSENT AGENDA

A. Minutes of April 22, 2025, Council Meeting

B. Minutes of May 6, 2025, Council Special Meeting

C. Minutes of May 13, 2025, Council Meeting

D. Art Acceptance: "The Pincher" by Artist Rodger Squirrell and "Big Bigmouth" by Artist Rick True

E. Recognitions

VI. BID AWARDS / BID REJECTIONS

A. Contract Award for Attorney of Record - Legal Services at Redmond Municipal Airport to Bryant, Lovelien & Jarvis, P.C.: $253,750

B. Contract Award for Air Service Development Consulting Services at Redmond Municipal Airport to Mead & Hunt: $367,393

VII. PUBLIC HEARINGS

A. Public Hearing and Adoption of the City of Redmond Fiscal Year 2025/2026 Budget: $297,746,396

B. Resolution #2025-11 - A resolution adopting the Community Development Block Grant 2025 Annual Action Plan and an amendment to the 2023 Annual Action Plan, and authorizing the submission of said plans to the United States Department of Housing and Urban Development.

C. Ordinance #2025-11 - An ordinance amending the 2040 Redmond Comprehensive Plan, adopting the 2025 Central Oregon Regional Economic Opportunities Analysis as a Supporting Plan to the 2040 Redmond Comprehensive Plan.

VIII. ACTION ITEMS

A. Safe Parking - An increase in allowable shelter vehicle spaces on City-owned property

B. Resolution #2025-10 - A resolution of the City of Redmond, Oregon authorizing the execution and delivery of multiple amendments to Clean Water State Revolving Fund Loan Agreement Number R76074 in an aggregate amount not to exceed $81,250,000 to finance the design and construction of a Wastewater Treatment Plant; authorizing such other agreements, certificates and documents as may be necessary and appropriate to carry out such transaction; designating an authorized representative; delegating responsibilities; and related matters.

C. Central Electric Cooperative Material Deposit for Northpoint Vista Project: $376,359

IX. COMMENTS FROM CITIZENS AT THE MEETING

Citizen comments are limited to three (3) minutes per person and will be accepted for a period of 30 minutes. Comments should be focused on City of Redmond business. Attendees are asked to refrain from interrupting, calling-out, or cheering during citizen comments.

A. Written Testimony from Marty Sharp

X. CITY MANAGER COMMENTS

XI. COUNCIL COMMENTS

XII. MAYOR'S COMMENTS

XIII. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.
The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@redmondoregon.gov. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.
The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities

DRAFT

Redmond City Council **April 22, 2025**
Regular Meeting Minutes
Council Chambers & Remote Video Conferencing
https://www.redmondoregon.gov/city-council

Present:	Clifford Evelyn, Ed Fitch, John Nielsen, Kathryn Osborne, Jay Patrick, Shannon Wedding, Cat Zwicker
Excused:	None
Staff Present:	City Manager Keith Witcosky, Deputy City Manager Steve Ashworth, City Attorney Keith Leitz, Deputy City Manager/Chief Financial Officer Jason Neff, Deputy City Recorder Kayla Duddy, Public Works Director/City Engineer Jessica MacClanahan, Communications Director Heather Cassaro, Network Administrator Christian Armatas, Planning Director Kyle Roberts, Police Chief Devin Lewis, Assistant City Engineer Lindsey Cromsigt, Human Resources Director Jason Bavuso, Budget Analyst Herlinda Corn
Media Present:	None

CALL TO ORDER / ESTABLISH A QUORUM

Mayor Fitch called the meeting to order at 6:00 p.m.

BLESSING

Pastor Jason Reeves with the Redmond Heights Pentecostals led the blessing.

PLEDGE OF ALLEGIANCE

Councilor Wedding led the Pledge of Allegiance.

CITY ANNOUNCEMENTS
A. "If I Were Mayor" Contest Recognition

Mayor Fitch recognized "If I Were Mayor" Contest winners. Evelyn Peterson, a student at Tom McCall Elementary, won the poster contest and Allison Smith, a student at Obsidian Middle School, won the essay contest. Both students were presented with a certificate and $100. Both entries were submitted to the statewide contest.

Councilor Nielsen reported on the Redmond Police Department's 2025 Chief's Commendation for Heroic Efforts recipients, Medal of Valor recipients and Officer of the Year Recipient.

CONSENT AGENDA
A. Minutes of March 11, 2025, City Council Meeting
B. Minutes of March 11, 2025, Joint Meeting with Deschutes County Commissioners

Councilor Osborne stepped away from the dais momentarily.

Councilor Wedding moved, seconded by Councilor Zwicker, to approve the Consent Agenda, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-absent, Patrick-yes, Wedding-yes, Zwicker-yes)

PRESENTATIONS
A. Heart of Oregon Presentation on Programming and Projects in Redmond

Heart of Oregon Corps Executive Director Laura Handy provided an overview of the organization and its programs, highlighting the impact on Redmond and the new $7.3 million central campus in the city. She reported the $1.5 million multi-year Urban and Community Forest Corps Grant was recently canceled by the federal government.

Mayor Fitch recommended the Council endorse the campus project.

BID AWARDS / BID REJECTIONS

A. Well 9 Pumphouse Project (WA2202) Construction Bid Award to Keeton King Contracting, LLC in the amount of $4,160,953

Assistant City Engineer Lindsey Cromsigt requested approval of a contract with Keeton King Contracting, LLC in the amount of $4,160,953 for the Well 9 Pumphouse Project. The City received four bids and Keeton King Contracting, LLC, was deemed the lowest responsible bid. The Engineer's estimate was $6 million.

Councilor Osborne moved, seconded by Councilor Nielsen, to award the Well 9 Pumphouse Project contract to Keeton King Contracting, LLC in the amount of $4,160,953 and authorize the City Manager to sign the contract, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-yes)

ORDINANCES

A. Ordinance #2025-07: An ordinance amending the Redmond City Code Chapter 2 and Chapter 5, changing fireworks to a separate class of civil and administrative infraction.

City Attorney Keith Leitz highlighted prior Council discussions and actions regarding the potential fire hazard of fireworks. The proposed ordinance would allow for broader enforcement against illegal fireworks and create the Class F infraction specific to fireworks with a proposed fine of $1,500.

The Council discussed exploring the scalability of the fine, as the maximum fine under State law is $6,250.

Councilor Wedding moved, seconded by Councilor Nielsen, to have a First and Second Reading of Ordinance #2025-07 by title only, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-yes)

Mr. Leitz provided the First and Second Reading of Ordinance #2025-07 by title only.

Councilor Zwicker moved, seconded by Councilor Evelyn, to approve Ordinance #2025-07.

ROLL CALL VOTE
Ayes: Evelyn, Fitch, Nielsen, Osborne, Patrick, Wedding, and Zwicker.
Nays: None
Motion Carried: 7 to 0.

ACTION ITEMS

A. Resolution #2025-03 - A resolution setting fees and charges imposed by the City of Redmond

Planning Director Kyle Roberts explained that the proposed resolution would establish five new fees: two relating to the Class F infraction of $1,500 for civil and administrative infractions, a $1,500 application fee and $500 business renewal fee for marijuana dispensaries, and a reduced business license fee for nonprofits from $75 to $37.50.

Mayor Fitch called for public testimony. There were no public comments.

Mr. Leitz noted that the Council could scale the fireworks fees, establishing an initial Class F violation at $1,500 and subsequent violations with an escalating fine of $1,000 up to a maximum of $6,250.

Councilor Osborne moved, seconded by Councilor Evelyn, to approve Resolution #2025-03 with the amendment to establish subsequent violations with an escalating fine of $1,000 up to a maximum of $6,250, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-abstain, Wedding-yes, Zwicker-yes)

COMMENTS FROM CITIZENS AT THE MEETING

Redmond resident Steve Schaffer commented on the use of law enforcement and noise pollution laws.

CITY MANAGER COMMENTS

City Manager Keith Witcosky reported on the upcoming Budget Committee meetings.

COUNCIL COMMENTS

Councilor Zwicker reported on attending the Wild Ride Classic Car Show and a meeting on the managed camp.

Councilor Wedding reported on the Wild Ride Classic Car Show and the first annual Redmond Cemetery Clean-up Day on May 10, 2025.

Councilor Osborne reported on the Redmond Cemetery Clean-up Day and easter egg hunts hosted by local groups.

Councilor Nielsen reported on the deadline to register to vote for the May 20, 2025, election.

MAYOR'S COMMENTS

Mayor Fitch reported on the Water Conservation Summit.

ADJOURNMENT
The meeting adjourned at 6:58 p.m.

Prepared by ABC Transcription Services
Reviewed by Kayla Duddy, Deputy City Recorder

APPROVED by the City Council and **SIGNED** by the Mayor this 10th day of June 2025.

____
Ed Fitch, Mayor

ATTEST:

____
Kelly Morse, City Recorder

DRAFT

Redmond City Council **May 6, 2025**
Special Meeting Minutes
Civic Room 207/208 & Remote Video Conferencing
https://www.redmondoregon.gov/city-council

Present: Clifford Evelyn, Ed Fitch, John Nielsen, Kathryn Osborne, Jay Patrick, Shannon Wedding, Cat Zwicker

Excused: None

Staff Present: City Manager Keith Witcosky, Deputy City Manager Steve Ashworth, City Attorney Keith Leitz, Deputy City Manager/Chief Financial Officer Jason Neff, Deputy City Recorder Kayla Duddy, Airport Director Zachary Bass, Public Works Director/City Engineer Jessica MacClanahan, Communications Director Heather Cassaro, Finance Director James Wood, Planning Director Kyle Roberts, Police Chief Devin Lewis, Public Works Operations Manager Joshua Wedding, Housing Program Analyst Linda Cline, Procurement and Payables Manager Scott Brang, Human Resources Director Jason Bavuso, Budget Analyst Herlinda Corn, Building Official Alex Sabin, Vehicle Maintenance Supervisor Scott Gibson, Public Works Business and Strategic Initiatives Manager Lorelei Williams

Media Present: Tracee Tuesday, KTVZ

CALL TO ORDER / ESTABLISH A QUORUM

Mayor Fitch called the meeting to order at 5:30 p.m.

BID AWARDS / BID REJECTIONS
A. Construction Contract with Taylor Northwest, LLC for the Construction of Northpoint Vista Phase 1 Infrastructure, Project # ND2001: $4,262,715.46

Councilor Osborne moved, seconded by Councilor Nielsen, to approve the construction contract with Taylor Northwest LLC for the construction of the Northpoint Vista Phase 1 Infrastructure Project in the amount of $4,262,715.46 and authorize the City Manager to sign the contract, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-yes)

OLD BUSINESS
A. Follow up from April 8 Council Meeting

Deputy City Manager Steve Ashworth provided an update on the marijuana dispensary application process, which will be released next week with a press release. The changes adjust qualitative scoring by reducing the weight of the community benefit requirement, allowing property owners to partner with multiple dispensaries, and permitting applicants to submit multiple site applications to avoid proximity conflicts.

The Council agreed that they should remain removed from the process unless guidance is needed on an unusual issue, as the Council may be perceived as responsible if applicants dispute scoring outcomes. The Council requested updates on the number of applications received and any legal concerns that arise during the process.

City Manager Keith Witcosky noted staff will provide updates to the Council during the process and will evaluate whether the buffer requirements are effective. Additionally, he provided logistical details for the May 9, 2025, Bend-Redmond Transportation Tour with State Representative Emerson Levy and State

Senator Anthony Broadman. Redmond's portion will highlight the Highway 126/35th Street intersection, South Highway 97, the southern interchange, and potentially projects in the northern part of the city.

Mayor Fitch reported the City received an unfavorable initial response from the Water Resources Department on its two applications. He will meet with Staff to determine next steps and noted outreach to the Governor's Office and legislative delegation.

ADJOURNMENT
The meeting adjourned at 5:52 p.m.

Prepared by ABC Transcription Services
Reviewed by Kayla Duddy, Deputy City Recorder

APPROVED by the City Council and **SIGNED** by the Mayor this 10th day of June 2025.

____
Ed Fitch, Mayor

ATTEST:

____
Kelly Morse, City Recorder

DRAFT

Redmond City Council **May 13, 2025**
Regular Meeting Minutes
Council Chambers & Remote Video Conferencing
https://www.redmondoregon.gov/city-council

Present: Clifford Evelyn, Ed Fitch, John Nielsen, Kathryn Osborne, Jay Patrick, Shannon Wedding

Excused: Cat Zwicker

Staff Present: City Manager Keith Witcosky, Deputy City Manager Steve Ashworth, City Attorney Keith Leitz, Deputy City Manager/Chief Financial Officer Jason Neff, Deputy City Recorder Kayla Duddy, Airport Director Zachary Bass, Public Works Director/City Engineer Jessica MacClanahan, Communications Director Heather Cassaro, Economic Development/Urban Renewal Program Manager Chuck Arnold, Finance Director James Wood, Client Systems Administrator Tyler Roppe, Planning Director Kyle Roberts, Assistant City Engineer Lindsey Cromsigt, Police Chief Devin Lewis, Housing Program Analyst Linda Cline

Media Present: Tracee Tuesday, KTVZ

EXECUTIVE SESSION

A. **Labor Negotiations – ORS 192.660(2)(d) authorizes executive sessions "to conduct deliberations with persons designated by the governing body to carry on labor negotiations."**

Mayor Fitch convened the Council into Executive Session at 5:30 p.m. in accordance to ORS 192.660(2)(d) authorizes executive sessions "to conduct deliberations with persons designated by the governing body to carry on labor negotiations."

Mayor Fitch adjourned the Executive Session at 5:42 p.m.

CALL TO ORDER / ESTABLISH A QUORUM

Mayor Fitch called the meeting to order at 6:00 p.m.

BLESSING

Pastor Jim Holm with Crossing Church led the blessing.

PLEDGE OF ALLEGIANCE

Councilor Patrick led the Pledge of Allegiance.

CITY ANNOUNCEMENTS

Mayor Fitch reported on the Oregon Department of Transportation (ODOT) project on Highland Avenue.

CONSENT AGENDA

A. **Minutes of March 17, 2025, Council Workshop**
B. **Minutes of March 25, 2025, Council Meeting**
C. **Minutes of April 08, 2025, Council Meeting**

Councilor Evelyn moved, seconded by Councilor Wedding, to approve the Consent Agenda, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

PROCLAMATIONS
A. National Public Works Week Proclamation

Councilor Nielsen moved, seconded by Councilor Wedding, to approve the National Public Works Week Proclamation, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

Public Works Director/City Engineer Jessica MacClanahan accepted the proclamation on behalf of Public Works.

B. Stroke Awareness Month Proclamation

Stroke Awareness Oregon Representatives Kat Taylor and Louise Kaplan thanked the Council for the proclamation and shared their stroke experiences.

Councilor Nielsen moved, seconded by Councilor Evelyn, to approve the Stroke Awareness Month Proclamation, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

PRESENTATIONS
A. Jericho Road Annual Report

This item was not addressed.

PUBLIC HEARINGS
A. Ordinance #2025-08 - An Ordinance of the City of Redmond amending the Redmond City Code Chapter 8 Regulating Supportive Shelters (RC Section 8.370).

Mayor Fitch opened the public hearing.

Housing Program Analyst Linda Cline provided an overview of the proposed amendments to the Supportive Shelter Standards which included a consistent definition of micro shelter and provisions for heating and cooking.

There being no public testimony, Mayor Fitch closed the public hearing.

Councilor Wedding moved, seconded by Councilor Nielsen, to have a First and Second Reading of Ordinance #2025-08 by title only, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

City Attorney Keith Leitz provided the First and Second Reading of Ordinance #2025-08 by title only.

Councilor Osborne moved, seconded by Councilor Evelyn, to approve Ordinance #2025-08.

ROLL CALL VOTE
Ayes: Evelyn, Fitch, Nielsen, Osborne, Patrick, and Wedding.
Nays: None
Motion Carried: 6 to 0.

B. Ordinance #2025-09 - An ordinance approving Antelope Flats Master Development Plan and Tentative Subdivision Compliant with the 2040 Greater Redmond Area Comprehensive Plan and Zone Map.

Mayor Fitch opened the public hearing.

Planning Director Kyle Roberts provided a presentation describing the Applicant's proposal and requested applications and noting SW Antelope Avenue would not connect to Helmholtz Way due to access management standards. Public comment on the proposal centered on traffic, connectivity and speeding. Staff and the Urban Area Planning Commission (UAPC) recommended approval with 12 conditions; however, staff did not support the UAPC's suggestion to widen SW Antelope Avenue to 20 feet, citing 20 feet as inadequate for two-way traffic.

Mayor Fitch noted the City has explored connecting SW 43rd Street to SW Badger Avenue and will continue evaluating the option in the coming months.

H.A. McCoy Engineering Civil Engineer Hayes McCoy presented a slide illustrating the history of development and access in the area, reviewed street connections and emergency access in the Antelope Flats area, and addressed the Council questions.

Mayor Fitch called for public comment.

- Redmond Resident Marty Nelson urged the Council to address emergency egress concerns in the Antelope Flats area, particularly in the event of a disaster.

- Redmond resident Mark Bonar stated that the proposal will add residential units to an already congested area with only two gated streets. He urged completion of SW Antelope Avenue to alleviate congestion and requested the immediate reduction of speed on Helmholtz Way.

- Redmond resident Ed Hughes stated he does not oppose the project but noted it would bring the area to 223 homes with only one viable emergency exit. He urged the City to extend Yew Avenue and/or SW Badger Avenue to Helmholtz Way and address speeding and safety concerns at the SW 43rd Street/SW Zenith Avenue intersection.

There being no further testimony, Mayor Fitch closed the public hearing.

Mayor Fitch noted the City is open to discussions with the property owner about dedicating right-of-way for the Antelope connection.

Councilor Nielsen moved, seconded by Councilor Osborne, to have a First and Second Reading of Ordinance #2025-09 by title only, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

Mr. Leitz provided the First and Second Reading of Ordinance #2025-09 by title only.

Councilor Osborne moved, seconded by Councilor Evelyn, to approve Ordinance #2025-09.

ROLL CALL VOTE
Ayes: Fitch, Nielsen, Osborne, Patrick, Wedding, and Evelyn.
Nays: None
Motion Carried: 6 to 0.

ACTION ITEMS

A. Resolution #2025-04 - A resolution declaring certain territory as being annexed to and incorporated within the City of Redmond.

Councilor Osborne moved, seconded by Councilor Evelyn, to adopt Resolution #2025-04, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

B. Resolution #2025-05 - A resolution of the City of Redmond requesting the transfer of certain County rights-of-way from Deschutes County.

DRAFT

Councilor Nielsen moved, seconded by Councilor Osborne, to adopt Resolution #2025-05, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

C. Special Event Street Closure Request for Saturday, June 7, 2025, from 6:00 a.m. - 10:00 a.m. for the Conquer the Canyon Half Marathon Running Race

Economic Development/Urban Renewal Program Manager Chuck Arnold and Lay It Out Events Race Director Ann Leitheiser requested approval of a special event street closure for 6th Street to hold the Conquer the Canyon Running Race on June 7, 2025, and highlighted unique race components and the traffic control plan.

Councilor Evelyn moved, seconded Councilor Wedding, to approve the Public Assembly Permit and SW 6th Street closure for the Conquer the Canyon Running Race on June 7, 2025, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

D. Annual Investment Update and Policy Approval

PFM Asset Management Managing Director Lauren Brant and Finance Director James Wood presented current macroeconomic conditions as well as the City's investment performance and policy.

Councilor Osborne moved, seconded by Councilor Wedding, to approve the City of Redmond Investment Policy FIN 111-Investments, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

E. Resolution #2025-06 - A resolution of the City Council of the City of Redmond, Oregon, authorizing the selection of Pahlisch Homes as a partner developer of Northpoint Vista with the City of Redmond and the project master developer deChase Miksis Development.

Ms. Cline announced that bids for the construction contract came in $1 million under the estimate and requested approval of the resolution authorizing Pahlisch Homes as the market-rate partner developer for Northpoint Vista.

The Council consented to adding a clarification to the resolution establishing a time frame to develop the planned unit development.

Councilor Nielsen moved, seconded by Councilor Wedding, to adopt Resolution #2025-06 confirming the selection of Pahlisch Homes as the market-rate developer for Northpoint Vista and authorizing the City Manager to negotiate the transfer of property upon completion of the planned unit development entitlement process and development permit approval as amended, the motion passed. (Evelyn-yes, Fitch-yes, Nielsen-yes, Osborne-yes, Patrick-yes, Wedding-yes, Zwicker-absent)

COMMENTS FROM CITIZENS AT THE MEETING

- Redmond resident Ron Fields inquired about the status of installing a traffic signal at the Highland Avenue/35th Street intersection.

Mayor Fitch confirmed that $1 million of the City’s budget is allocated toward the signal and noted ODOT has prioritized it as the number one project in the region for additional transportation funding.

- Redmond resident Dan Hamilton commented on the bollards in the Redtail Ridge neighborhood and emergency access on SW 43rd and SW 47th Streets.

DRAFT

CITY MANAGER COMMENTS

City Manager Keith Witcosky reported on the Redmond Wetlands Project bid and the Guaranteed Maximum Price for the Airport Terminal Project bid.

COUNCIL COMMENTS

Councilor Nielsen reported on the May 9, 2025, transportation tour with State Senator Broadman and State Representative Levy.

Councilor Osborne reported on the Council's advocacy for the Highland Avenue/35th Street traffic signal and thanked volunteers and local businesses who participated in the Redmond Memorial Cemetery Clean-Up this weekend.

Councilor Evelyn encouraged continued productive discussions and commended City workers for their recent efforts.

Councilor Patrick encouraged everyone to vote for the Redmond School District Board and the Redmond Urban Area Park and Recreation District Board.

MAYOR'S COMMENTS

Mayor Fitch reported on his meeting with ODOT representatives regarding O'Neil Junction, Highway 97, and Pershall.

ADJOURNMENT
The meeting adjourned at 7:42 p.m.

Prepared by ABC Transcription Services
Reviewed by Kayla Duddy, Deputy City Recorder

APPROVED by the City Council and **SIGNED** by the Mayor this 10th day of June 2025.

____
Ed Fitch, Mayor

ATTEST:

____
Kelly Morse, City Recorder

CITY OF REDMOND

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STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Witcosky, City Manager
Steve Ashworth, Deputy City Manager
Kyle Roberts, Planning Director
FROM: Claressa Davis, Long Range Planner
SUBJECT: Art Acceptance: "The Pincher" by Artist Rodger Squirrell and "Big Bigmouth" by Artist Rick True

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Report in Brief:
This item requests the City Council accept two sculptures into the City's public art collection: "The Pincher" by artist Rodger Squirrell and "Big Bigmouth" by artist Rick True.

Background:
In 2011, Redmond's Committee for Art in Public Places (RCAPP) established the Art Around the Clock program. The program invites artists to submit proposals to install a piece of their art in a rotating outdoor public art gallery on loan to the City for a two-year period. The mission of the Art Around the Clock program is to introduce new and original art into Redmond to help create a sense of place and enhance community identity. At the end of the loan period, RCAPP invites the public to vote on which piece should be purchased by the City.

Big Bigmouth was the winner of the Round 7 People's Choice Contest, winning over 60% of the vote. The piece is currently located in the public parking lot across from Centennial Park, where it will remain for the time being.

"The Pincher," by artist Rodger Squirrell, was also part of the Round 7 of Art Around the Clock. The artist's widow, Lane Youngblood, has offered to donate the piece to the City. The Pincher is currently installed in Centennial Park.

Discussion:
RCAPP recommends City Council accept two sculptures into the City's art collection: "The Pincher" by artist Rodger Squirrell and "Big Bigmouth" by artist Rick True. The Pincher was donated to the City by the artist's widow, Lane Youngblood. Big Bigmouth was the winner of the People's Choice Contest.

Per the RCAPP guidelines, artwork recommended by the committee requires acceptance by the City Council. Both pieces will remain where they are currently located for the time being.

Fiscal Impact:
Funding for the "Big Mouth" sculpture in the amount of $9,000 is within the approved Fiscal Year 2024/2025 art promotion budget allocation.

Alternative Courses of Action:

1. Accept one or both of the pieces into the permanent collection of "The Pincher" and "Big Bigmouth".
2. Do not accept the art.
3. Request more information.

Recommendation / Suggested Motion:
"I move to accept the donation of "The Pincher" by artist Rodger Squirrell and the purchase of the "Big Bigmouth" by artist Rick True in the amount of $9,000 as recommended by the Redmond Committee for Art in Public Places."

Big Bigmouth

By Rick True

The Pincher

By Rodger Squirrell

RECOGNITION

The City Council recognizes the following events in our community:

Redmond Manufacturing Day – June 13, 2025

Flag Day – June 14, 2025

Juneteenth – June 19, 2025

Pride Month – June 2025

Father's Day – June 15, 2025

National PTSD Awareness Month – June 2025

National Homeownership Month – June 2025

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STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: Zachary Bass, Airport Director
SUBJECT: Contract Award for Attorney of Record - Legal Services at Redmond Municipal Airport to Bryant, Lovelien & Jarvis, P.C.: $253,750

Report in Brief:
This item requests the City Council (Council) authorize a two-year Airport Attorney of Record Agreement with Bryant, Lovelien & Jarvis, P.C. (BLJ) of the amount up to $253,750. This two-year contract will include three, one-year renewal options, which will require separate Council authorization if they are exercised.

Background:
In addition to the general legal services, the City of Redmond (City) frequently has specialized services which have their own unique deadlines. This includes development agreements, franchise agreements, and airport agreements, to which the City procures legal services on an as-needed basis.

With the continued and significant growth occurring at the Airport, the need for on-call legal assistance has continued. The Airport currently utilizes an Attorney of Record (BLJ) to assist in various areas of aviation business including, but not limited to, contracting, leasing, grant administration, while following applicable federal and state laws, rules, regulations and other legal matters pertaining to publicly owned and operated airports.

With the current services agreement set to mature June 30, 2025, the Airport advertised a Request for Proposal (RFP) for an Attorney of Record specializing in aviation-related legal services.

Discussion:
On April 8, 2025, the Airport advertised an RFP for Airport Attorney of Record services.

Two proposals were received. They were reviewed by a five-member evaluation committee comprised of four (4) City staff and one (1) Airport Committee member. The evaluation committee met on May 27, 2025, to review, discuss, and score each proposal, with the scoring elements made up of the following: management & organizational structure, key personnel, costs & fees, airport experience, and references.

The final scores are as follows:

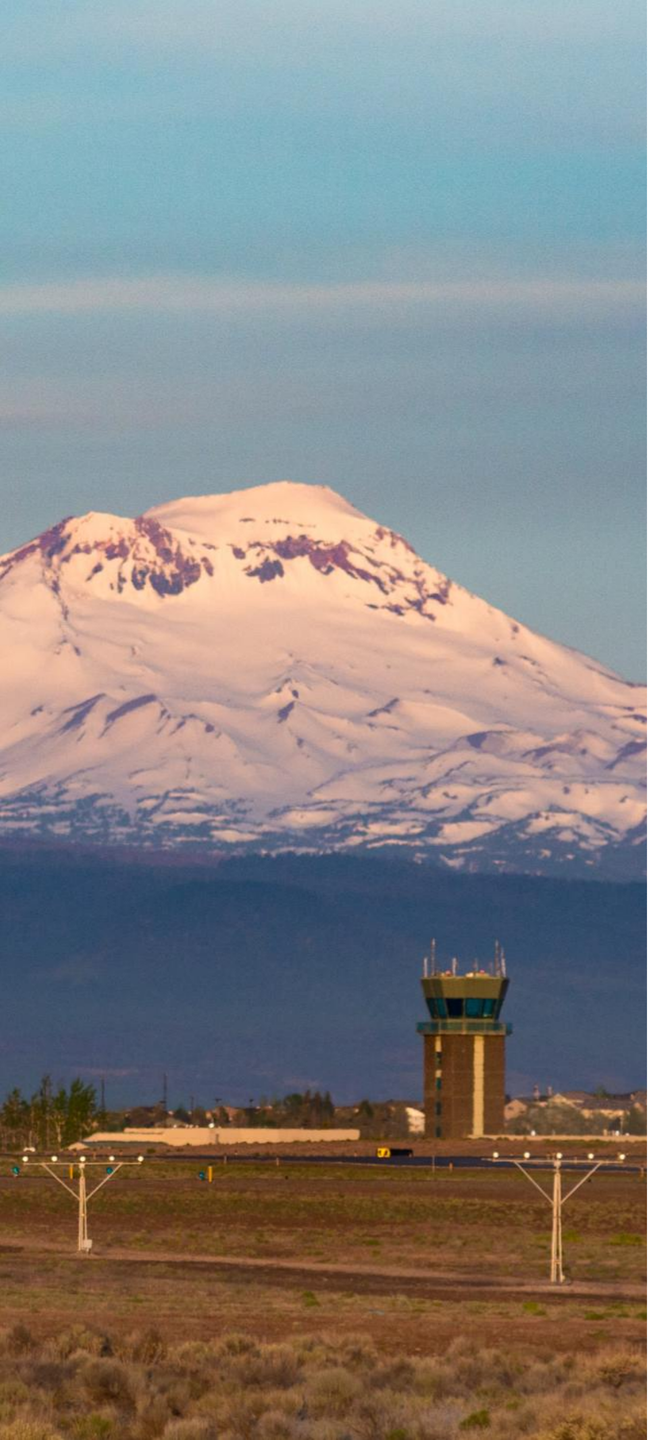
- BLJ – 88.5
- Bullivant Houser P.C. and Kaplan Kirsch LLP – 79.1

Fiscal Impact:
The fiscal impact of this agreement is $125,000 for the first year of service and $128,750 for year two, for a two-year cumulative initial agreement estimated at $253,750, funded entirely through Airport funds and is included in the Fiscal Year 2025/2026 budget. The procurement was made through Redmond City Code 2.406 & Oregon Revised Statute 279B.060.

Alternative Courses of Action:

1. Award the contract for Airport Attorney of Record services to BLJ
2. Do not award the contract
3. Request more information

Recommendation / Suggested Motion:
"I move to award the contract for Airport Attorney of Record Services to Bryant, Lovelien & Jarvis, P.C. and authorize the City Manager to sign the contract."



REDMOND MUNICIPAL AIRPORT (RDM)

1. AIRPORT ATTORNEY OF RECORD
2. AIR SERVICE DEVELOPMENT SERVICES CONTRACTS

JUNE 10, 2025
REDMOND CITY COUNCIL

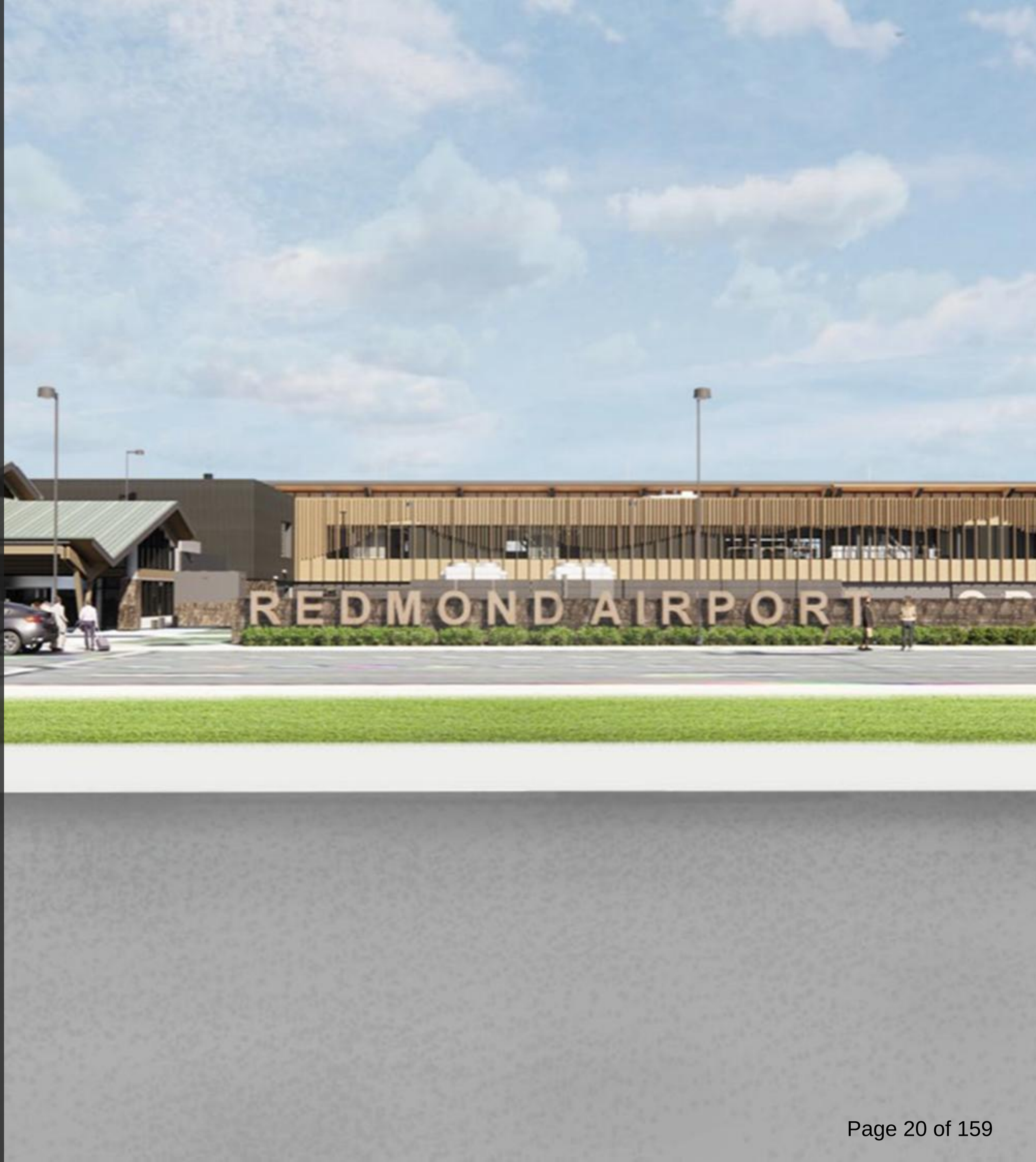
AIRPORT ATTORNEY OF RECORD

AIRPORT ATTORNEY OF RECORD

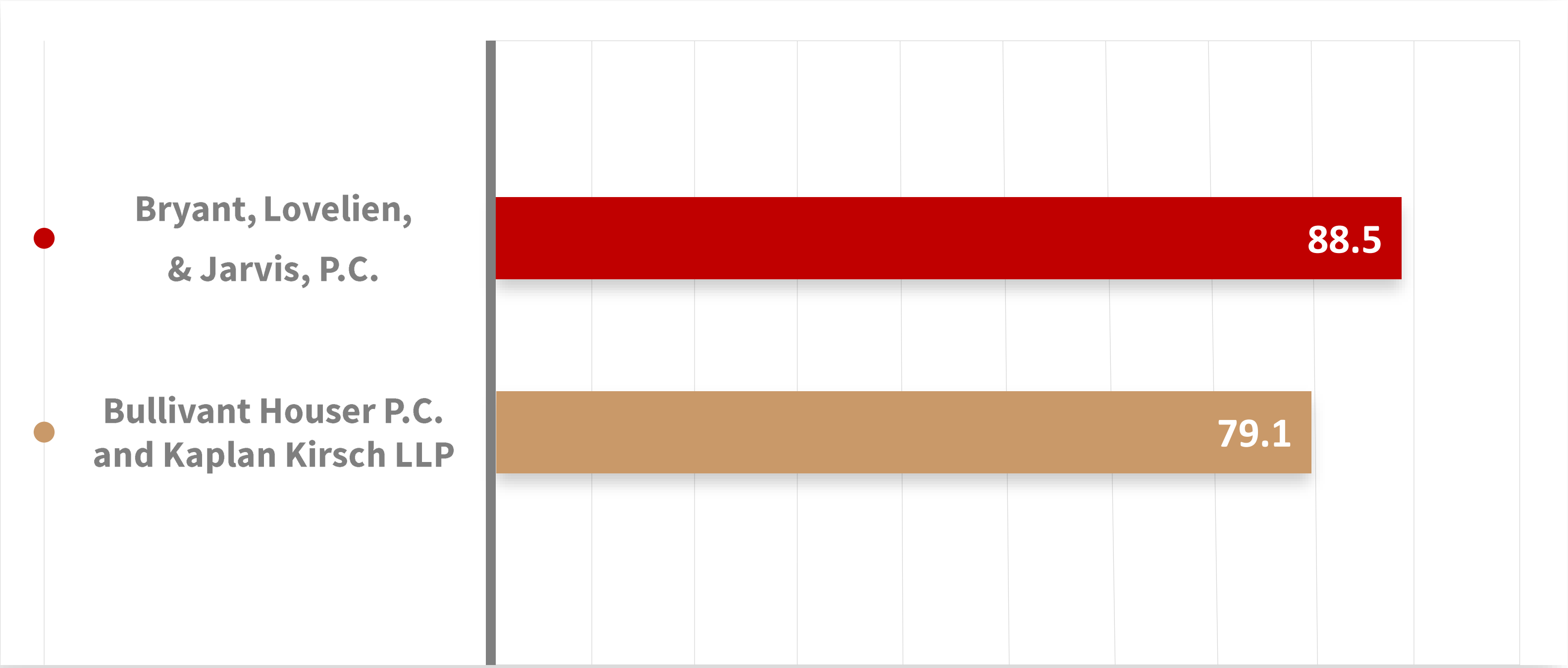
Law firm engaged with RDM to perform on-call, airport-related legal services

RDM SERVICE

- New and amended contract review
- Legal work pertaining to property acquisitions & easements
- Airport legal consultation



AIRPORT ATTORNEY OF RECORD CONTRACT BID AWARD



Committee Recommendation

Bryant, Lovelien, & Jarvis P.C.

Selection Criteria

Management & Organization, Key Personnel, Costs & Fees, Airport Experience, and References

Evaluation Committee

Three Airport Staff, Redmond City Attorney, and an Airport Committee Member

Financial Impact

Year 1 - $125,000

Full Two-Year Term - $253,750

Agreement Terms

Two-year initial agreement plus one-year options to begin July 1, 2025

Funding Sources

Airport (i.e Parking Revenue)

AIR SERVICE CONSULTING CONTRACT

SLIDE / 4

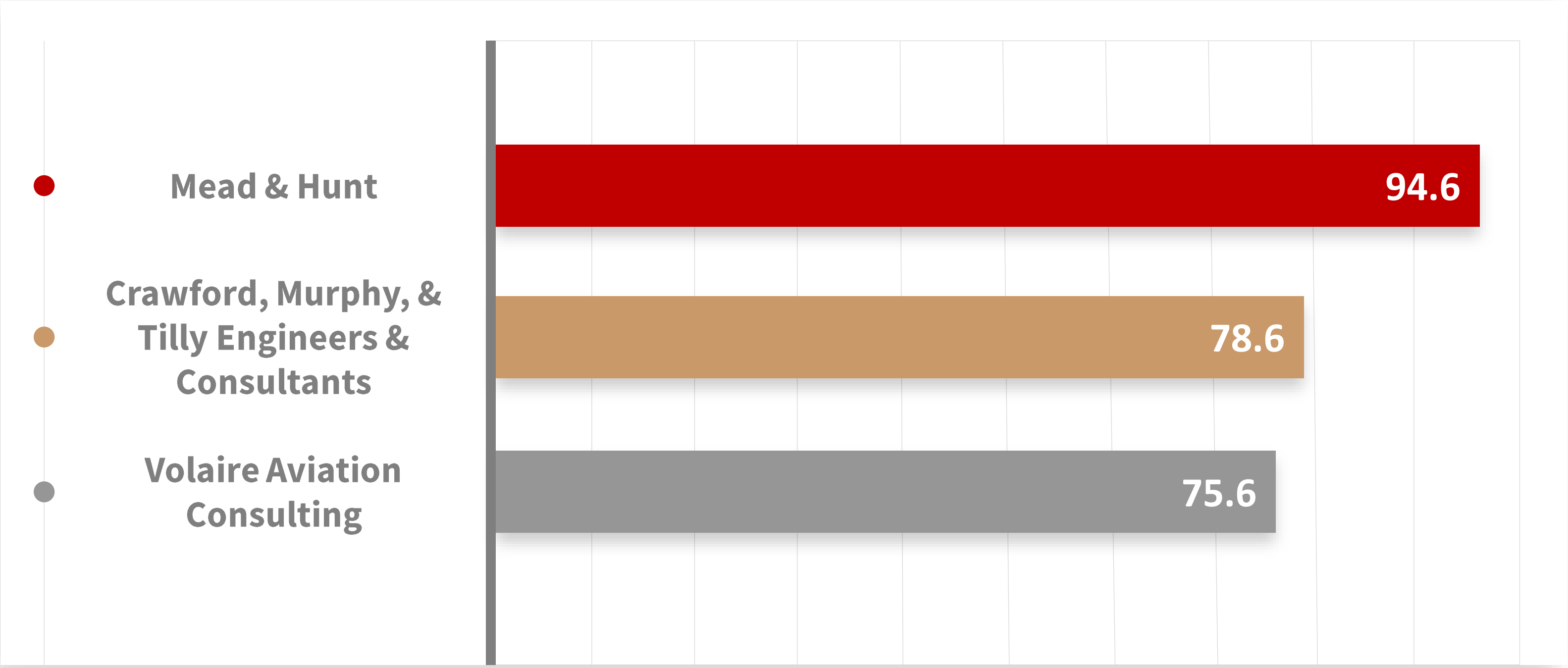
AIR SERVICE CONSULTING

Prepare data gathering and analysis, airline messaging, and relationship development

RDM SERVICE

- Route forecasting & market evaluation
- Messaging, presentation packages, & HQ meetings
- Airline & industry support
- In-terminal passenger surveys
- Air service grant development
- Provide ongoing data

AIR SERVICE CONSULTING SERVICES CONTRACT BID AWARD



Committee Recommendation

Mead & Hunt

Selection Criteria

Team Structure, Staff Qualifications, Airline Relationships, Consultant Experience, Prior Contracts, References, Work Plan, and Schedule

Evaluation Committee

Three Airport Staff and an Airport Committee Member

Financial Impact

Year 1 - $116,540

Full Three-Year Term - $367,393

Agreement Terms

Three-year initial agreement plus one-year options to begin July 1, 2025

Funding Sources

Airport Local Funds (i.e Parking Revenue)


QUESTIONS

CITY OF REDMOND

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411 SW 9th STREET
REDMOND, OR 97756
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STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Leitz, City Attorney
FROM: Zachary Bass, Airport Director
SUBJECT: Contract Award for Air Service Development Consulting Services at Redmond Municipal Airport to Mead & Hunt: $367,393

Report in Brief:
This item requests the City Council (Council) to authorize a three-year professional services agreement with Mead & Hunt for Air Service Development Consulting Services in the not-to-exceed amount of $367,393. This three-year contract will include two, one-year renewal options, for a total of five years. Each renewal will require a separate Council action.

Background:
The Air Service Development Consultant will assist the Airport Director, staff and members of the Central Oregon Air Service Team (COAST) to continue to implement and execute a comprehensive air service development program to maintain and increase air service by existing carriers, develop new routes, and attract new air carriers to the Airport. COAST is comprised of representatives of the City of Redmond (City), Economic Development for Central Oregon, Visit Central Oregon, Redmond Economic Development, Inc., Redmond Chamber of Commerce, and Bend Chamber of Commerce.

The Airport's current Air Service Development Consulting Services contractual agreement with Mead & Hunt will terminate on June 30, 2025.

Discussion:
On April 8, 2025, the Airport advertised a Request for Proposals (RFP) for Air Service Development Consulting services.

Three proposals were received, that were reviewed by a four-member evaluation committee comprised of three (3) City staff and one (1) Airport Committee member. The evaluation committee met on May 29, 2025, to review, discuss, and score each proposal, with the scoring elements made up of the following: team structure, qualifications and experience, airline relationships, prior contracts, references, work plan, and schedule.

The final scores are as follows:

- Mead & Hunt – 94.6
- Crawford, Murphy, & Tilly Engineers & Consultants – 78.6
- Volaire Aviation Consulting – 75.6

Fiscal Impact:
The fiscal impact of this agreement is $116,540 for the first year of service with the three-year cumulative initial agreement estimated at $367,393. This is funded entirely through Airport funds and is included in the Fiscal Year 2025/2026 budget. The procurement was made through Redmond City Code 2.406 & Oregon Revised Statute 279B.060.

Alternative Courses of Action:

1. Award the contract for Airport Air Service Development Consulting services to Mead & Hunt
2. Do not award the contract
3. Request more information

Recommendation / Suggested Motion:
“I move to award the contract for Air Service Development Consulting services to Mead & Hunt and authorize the City Manager to sign the contract.”

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STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: Jason Neff, Deputy City Manager/Chief Financial Officer
SUBJECT: Public Hearing and Adoption of the City of Redmond Fiscal Year 2025/2026 Budget: $297,746,396

Report in Brief:
This City Council action formally adopts the City of Redmond Fiscal Year (FY) 2025/2026 Budget.

Background:
In May 2025, the City of Redmond Budget Committee (seven City Councilors and seven citizens) conducted two public meetings to review and receive public testimony regarding the FY 2025/2026 City of Redmond Proposed Budget. Deliberations occurred over approximately four hours of meetings. On May 7, 2025, the Committee unanimously approved the FY 2025/2026 City of Redmond Budget (with one member abstaining for an actual conflict of interest).

The final step in the budget process is for the City Council to hold a public hearing and formally adopt the budget.

Two resolutions are required to adopt and implement the City's Budget. Each resolution is summarized below:

Resolution #2025-07: City's Eligibility and Election to Receive State Revenues:
This resolution is required by state statute to certify the City's eligibility and election to receive state revenue sharing. The City must provide at least four municipal services as outlined in the resolution to be eligible to receive state revenue sharing.

The $297,746,396 FY 2025/2026 budget includes $4,137,273 in state revenue sharing resources.

Resolution #2025-08: Adoption Resolution:
This resolution adopts the budget, which includes appropriating expenditures ($297,746,396) into organizational units / object classifications and imposing / categorizing property taxes.

Discussion:
After the public hearing, the City Council can make changes to the budget. However, any increase in expenditures greater than 10% in any fund requires a budget summary to be republished and an additional public hearing.

Fiscal Impact:
Authorizes expenditures totaling $297,746,936 for FY 2025/2026. Excluding transfers (moving money between funds) and contingencies (which require City Council approval to use), the total budget is $262,001,312.

Alternative Courses of Action:

1. Adopt Resolution #2025-07 and #2025-08
2. Amend Resolution #2025-07 and #2025-08
3. Take no action.

Recommendation / Suggested Motion:
Motion #1
"I move to adopt Resolution #2025-07."

AND

Motion #2
"I move to adopt Resolution #2025-08."

REDMOND RESOLUTION
RESOLUTION NO. 2025-07

A RESOLUTION CERTIFYING THE CITY'S ELIGIBILITY TO RECEIVE STATE REVENUES AND DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES.

WHEREAS, pursuant to ORS 221.760, that requires that the officer responsible for disbursing funds to cities must be satisfied that the City provides four or more of the following municipal services:

- Police protection
- Fire protection
- Street construction, maintenance and lighting
- Sanitary sewers
- Storm sewers
- Planning, zoning and subdivision control
- One or more utility services; and

WHEREAS, City officials recognize the desirability of assisting the state officer responsible for determining the eligibility of cities to receive such funds in accordance with ORS 221.760; and

WHEREAS, pursuant to ORS 221.770, the City is required to elect to receive distribution of State Revenue Sharing to cities; and

WHEREAS, the City has held a public hearing before the Budget Committee on May 06, 2025, giving citizens an opportunity to comment on the use of State Revenue Sharing; and

WHEREAS, the City has held a public hearing before the City Council on June 10, 2025, giving citizens an opportunity to comment on the use of State Revenue Sharing.

NOW, THEREFORE, be it resolved by the City Council of the City of Redmond as follows:

SECTION ONE: The City Council certifies that the City is eligible to receive State Shared Revenue.

SECTION TWO: The City of Redmond does provide more than four of the listed services; and

SECTION THREE: The City elects to receive State Shared Revenues for fiscal year 2025/2026.

ADOPTED BY the City Council and **SIGNED** by the Mayor this 10th day of June 2025.

____
Ed Fitch, Mayor

ATTEST:

____
Kelly Morse, City Recorder

CITY OF REDMOND
RESOLUTION NO. 2025-08

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED, that the City Council of the City of Redmond hereby adopts the budget for fiscal year 2025/26 in the amount of $432,947,580. This figure includes $135,201,184 of unappropriated reserves. This budget is now on file at 411 SW 9th Street (City Hall) in Redmond, Oregon.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED, that the amounts shown below are hereby appropriated for the fiscal year beginning July 1, 2025, and for the following purposes (OU = Organizational Unit):

GENERAL FUND		
Police (OU)	$	17,491,472
Engineering (OU)	$	2,149,617
Materials & Services	$	1,840,806
Debt Service	$	2,944
Transfers	$	24,696,388
Contingency	$	3,370,611
TOTAL	**$**	**49,551,838**

TRANSPORTATION FUND		
Transportation (OU)	$	29,382,566
Debt Service	$	86,691
Transfers	$	207,099
Contingency	$	780,405
TOTAL	**$**	**30,456,761**

PARKS FUND		
Parks (OU)	$	8,584,474
Transfers	$	214,679
Contingency	$	569,074
TOTAL	**$**	**9,368,227**

COMMUNITY DEVELOPMENT FUND		
Community Development (OU)	$	5,905,545
Contingency	$	872,316
TOTAL	**$**	**6,777,861**

WATER FUND		
Water (OU)	$	15,107,933
Debt Service	$	1,172,711
Contingency	$	1,162,382
TOTAL	**$**	**17,443,026**

WASTEWATER FUND		
Wastewater (OU)	$	44,848,181
Debt Service	$	1,100,877
Contingency	$	1,096,263
TOTAL	**$**	**47,045,321**

STORMWATER FUND		
Stormwater (OU)	$	1,922,860
Contingency	$	259,703
TOTAL	**$**	**2,182,563**

AIRPORT FUND		
Airport (OU)	$	91,005,945
Debt Service	$	8,699,530
Contingency	$	2,400,825
TOTAL	**$**	**102,106,300**

GOLF FUND		
Golf (OU)	$	2,975,875
Debt Service	$	359,177
Contingency	$	115,339
TOTAL	**$**	**3,450,391**

INTERNAL SERVICES FUND		
Internal Services (OU)	$	17,959,508
Debt Service	$	371,400
TOTAL	**$**	**18,330,908**

CAPITAL PROJECTS FUND		
Materials & Services	$	100,000
Capital Outlay	$	8,600,000
TOTAL	**$**	**8,700,000**

GO DEBT SERVICE FUND		
Materials & Services	$	700
Debt Service	$	2,332,500
TOTAL	**$**	**2,333,200**

RESOLUTION IMPOSING THE TAX

BE IT RESOLVED, that the following ad valorem property taxes, as included in the fiscal year 2025/26 budget, are hereby imposed upon the assessed value of all taxable property within the district:

(1) At the rate of $4.4101 per $1,000 of assessed value from permanent tax rate
(2) In the amount of $2,347,665 for debt service on general obligation bonds

RESOLUTION CATEGORIZING THE TAX

BE IT RESOLVED, that the taxes imposed are hereby categorized for purposes of Article XI, section 11b of the Oregon Constitution as:

Subject to the General Government Limitation
Permanent Tax Rate………………………… $4.4101 / $1,000

Excluded from Limitation
General Obligation Bonds Debt Service…… $2,347,665

The above resolution statements are **ADOPTED** by the City Council and **SIGNED** by the Mayor this 10th day of June 2025.

Ed Fitch, Mayor

ATTEST:

Kelly Morse, City Recorder

CITY OF REDMOND

FISCAL YEAR 2025/26
BUDGET HEARING & ADOPTION

REDMOND CITY COUNCIL

JUNE 10, 2025

AGENDA

01 OVERVIEW OF PROCESS

02 BUDGET RESOLUTIONS

03 PUBLIC HEARING

04 DISCUSSION, AMENDMENTS & MOTIONS

THE BUDGET PROCESS

CONTINUOUS PROCESS

STEP 01

PREPARING THE BUDGET.

December - April

STEP 02

APPROVING THE BUDGET.

May 6th

May 7th

STEP 03

ADOPTING THE BUDGET.

June 10th

STEP 04

MANAGING THE BUDGET.

24 / 7 / 365

BY THE NUMBERS FY 2025/26

Expenditures by Object Classification ($ in millions)	FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Budget	FY 25/26 Budget
Personnel Services	**$ 30.6**	**$ 34.5**	**$ 41.0**	**$ 44.4**
Materials & Services	**$ 33.7**	**$ 37.7**	**$ 45.3**	**$ 46.3**
Capital Outlay	$ 18.1	$ 27.5	$ 129.4	$ 157.1
Debt Service	$ 8.6	$ 8.7	$ 8.7	$ 14.1
Transfers	$ 19.8	$ 24.0	$ 26.0	$ 25.1
Special Payments	$ -	$ 0.6	$ -	$ -
Contingency	$ -	$ -	$ 10.1	$ 10.6
TOTAL EXPENSES	**$ 110.8**	**$ 133.0**	**$ 260.5**	**$ 297.7**
UNAPPROPRIATED RESERVES	**$ -**	**$ -**	**$ 82.7**	**$ 135.2**

RESOLUTIONS

#07 STATE SHARED REVENUES

Certifies the City's eligibility and election to receive state shared revenues

Approximately $4.1 million a year from State Liquor, Cigarette and Gas taxes

#08 BUDGET ADOPTION

Adopts the budget

Appropriates expenditures into organizational units or object classifications

Imposes and categorizes property taxes

PUBLIC HEARING

DISCUSSION & MOTIONS

CITY OF REDMOND

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STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Witcosky, City Manager
Steve Ashworth, Deputy City Manager
FROM: Linda Cline, Housing Program Analyst
SUBJECT: Resolution #2025-11 - A resolution adopting the Community Development Block Grant 2025 Annual Action Plan and an amendment to the 2023 Annual Action Plan, and authorizing the submission of said plans to the United States Department of Housing and Urban Development.

Report in Brief:
This item requests the City Council adopt the Community Development Block Grant (CDBG) 2025 Annual Action Plan and an amendment to the 2023 Annual Action Plan, and authorize the submission of these documents to the United States Department of Housing and Urban Development (HUD).

Background:
On September 27, 2013, the City accepted entitlement status in the federal HUD CDBG program. The objective of the CDBG program is "to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income." Entitlement communities develop their own programs and set their own funding priorities in conformance with the statutory standards, program regulations and other federal regulations.

As an entitlement community, the City receives an annual financial allocation to undertake a wide range of community-based activities directed towards neighborhood revitalization, economic development, community services, facilities, and improvements.

The City is required to develop a Five-Year Consolidated Plan and an Annual Action Plan to receive the CDBG funds. The Consolidated Plan is a 5-year strategic plan to assess, prioritize and strategize funds to address community needs. The Annual Action Plan describes how the City will distribute their annual allocation of funds.

HUD requires funding to be utilized to primarily benefit low-moderate income residents. CDBG program income limits vary by household and cap eligibility at 80% the Area Median Income (AMI), as shown below.

1 person	$64,050
2 people	$73,200
3 people	$82,350
4 people	$91,450
5 people	$98,800
6 people	$106,100
7 people	$113,400
8 people	$120,750

(Source: huduser.gov/portal/datasets)

Discussion:

Amendment of the 2023 Annual Action Plan

Due to budget and staffing constraints, Deschutes Children's Foundation has chosen not to move forward with their projects at this time. In addition, uncertainty about the construction of a pathway along Hwy 126 near Oasis Village puts the construction of a noise-mitigation project (sound wall) in that corridor at risk of removal in the near term. Therefore, it is recommended to reallocate these funds to other projects.

2025 Funding Process: The City's CDBG entitlement funding for Program Year 2025 is $219,123. Using an application process similar to previous years, the City requested proposals from nonprofit organizations that serve low- and moderate-income community members. This year's application process did not include solicitations for funding of Public Services, as those funds have been set aside for services at the Eastside Managed Camp. Four applications for projects were received. City staff reviewed the applications and assessed them for risk factors and eligibility before forwarding them to the Housing and Community Development Committee (HCDC) for consideration.

Selection of Funding Priorities: HCDC recommends prioritizing funding of two submissions (Opportunity Foundation and the Senior Center), with all remaining funds supporting the development of the Cinder Hollow project off SW 31st Street.

2023 Proposed Substantial Amendment Reallocations		
Deschutes Children's Foundation	~~$ 48,200~~	~~Installation of two ADA exterior doors and HeadStart restrooms at the Becky Johnson Center~~
Oasis Village	~~110,560~~ 15,600	~~Improvements to fire lane, sidewalks, parking and addition of fencing.~~ Required environmental review triggered a noise study with recommendations for mitigation.
Proposed Expenditures		
Opportunity Foundation	$113,160	Group homes: rehabilitation
Oasis Village	30,000	Bathroom renovations with ADA updates in Oasis Village community building
Total Proposed Reallocations	**$143,160**	

2025 Proposed Allocations		
Public Service Projects (subject to a 15% cap on current annual entitlement funds)		
City of Redmond	$ 32,868	Direct services at Eastside Managed Camp
Public Facilities and Improvements		
City of Redmond	$110,430	SW 31st Street and public utility improvements
Senior Center	$32,000	Replacement of flooring
Administration (subject to a 20% cap on current annual entitlement funds)	$43,825	
Total Proposed Allocations	**$219,123**	

Fiscal Impact:

This program is funded by a federal grant and may include program income from previous grant funded activities that must be directed back into the program under HUD regulations. There is minimal impact on the City budget.

Alternative Courses of Action:

1. Approve Resolution #2025-11.
2. Do not approve Resolution #2025-11.
3. Request more information.

Recommendation / Suggested Motion:

"I move to adopt Resolution #2025-11, adopting the Community Development Block Grant 2025 Annual Action Plan and an amendment to the 2023 Annual Action Plan, and authorize the submission of these documents to the United States Department of Housing and Urban Development."

CITY OF REDMOND
RESOLUTION NO. 2025-11

A RESOLUTION ADOPTING THE COMMUNITY DEVELOPMENT BLOCK GRANT 2025 ANNUAL ACTION PLAN AND AN AMENDMENT TO THE 2023 ANNUAL ACTION PLAN, AND AUTHORIZING THE SUBMISSION OF SAID PLANS TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") requires local governments seeking federal assistance through the Community Development Block Grant ("CDBG"), to develop an Annual Action Plan for Housing and Community Development; and

WHEREAS, the City of Redmond is eligible for the Community Development Block Grant entitlement program; and

WHEREAS, the Housing and Community Development Committee, considered the funding recommendations attached hereto; and

WHEREAS, a public hearing was conducted during a City Council meeting on June 10, 2025, and the public comment period for the proposed plans ends on June 25, 2025.

NOW, THEREFORE, THE CITY OF REDMOND ORDAINS AS FOLLOWS:

SECTION ONE: The City of Redmond hereby adopts the 2025 Annual Action Plan, and the 2023 Annual Action Plan Amendment, attached in summary hereto as Exhibit A, authorizing City staff to submit said plans to the Department of Housing and Urban Development, when required; and

ADOPTED by the City Council and **SIGNED** by the Mayor this 10th day of June 2025.

____
Ed Fitch, Mayor

ATTEST:

____
Kelly Morse, City Recorder

EXHIBIT A

In accordance with 24 CFR 91.105(c)(2) of the federal regulations relative to citizen participation for Community Planning and Development Programs, the City of Redmond ("City") will be holding a 30-day Public Comment Period and Public Hearing to consider adoption of the Community Development Block Grant (CDBG) 2025 Annual Action Plan, and an amendment to the 2023 Annual Action Plan.

The 30-day Public Comment Period expires on June 25, 2025, at 5:00 pm. Interested persons are encouraged to participate through one of the following options:

~ WRITTEN COMMENTS: Submit to Linda Cline, Housing Programs Analyst, via email at linda.cline@redmondoregon.gov, or mail to City of Redmond Housing Division, c/o Linda Cline, 411 SW 9th Street, Redmond, Oregon 97756.

~ ORAL COMMENTS: Oral comments can be provided in-person at a Public Hearing held during the City Council meeting on June 10th at 6:00 pm.

PLANNED 2023 AMENDMENT

2023 Action Plan Goals	In Plan	Still Available	Proposed Reallocation	
Planning and Admin	$ 47,340	$ -		
Affordable Housing	$ 41,160	$ -		
Public Services	$ 35,504	$ -		
Public Facilities & Infrastructure	$ 158,760	$ 143,160	$30,000	Oasis Village ADA bathroom remodel
			$ 113,160	*Opportunity Foundation Residential Rehabilitation
CV for Thrive	$ 23,704	$ -		
Carry-over to Habitat	$ 32,034	$ -		
Total	**$ 338,502**	**$ 143,160**	**$ 143,160**	

**The description of the Public Facilities and Infrastructure Improvement goal was not broad enough in the 2023 plan to include this activity, triggering a substantial amendment including a public hearing*

2025 PLANNED ANNUAL ACTION PLAN SUBMISSION

2025 Action Plan Goal	In Plan	Proposed Allocation	Proposed Activity	
Planning & Admin	$ 43,825	$ 43,825		
Public Services	$ 32,868	$ 32,868	Managed Camp Direct Services	
Public Facilities & Infrastructure	$ 142,430	$ 110,430	SW 31st Street and Public Utility Improvements	
		$ 32,000	Senior Center Flooring	

If you require special accommodations or would like a full copy of the Annual Action Plans, contact Linda Cline at linda.cline@redmondoregon.gov or (Ph) 541-504-3046.

COMMUNITY DEVELOPMENT BLOCK GRANT

- 2023 ANNUAL ACTION PLAN AMENDMENT
- 2025 ANNUAL ACTION PLAN

REDMOND CITY COUNCIL – PUBLIC HEARING
JUNE 10, 2025

CDBG PROCESS

Applications

Applicant training

4 Applications Received

Housing and Community Development Committee

Review of Applications

Recommendation to Council

Public Hearing

30-day Comment Period

Council Resolution

Submitted to HUD

MAY 2024
Reallocated funds from ineligible multi-use Hwy 126 path to paving and other exterior Oasis Village improvements

FAILED ENVIRONMENTAL REVIEW
Noise issue needs addressed before new projects can be undertaken

NO PATH FORWARD
Noise mitigation at Oasis Village not recommended at this time due to future right-of-way concerns

ADDITIONAL FUNDS AVAILABLE
Another nonprofit determines their proposed projects were outside their current priorities.

JUNE 2025
Recommendations for reallocating funds for immediate deployment on lower-risk / hammer-ready projects

2023 ACTION PLAN AMENDMENT

SLIDE / 3

2023 ANNUAL ACTION PLAN AMENDMENT

2023 Action Plan Goals	In Plan	Still Available	Proposed Reallocation	
Planning and Admin	$ 47,340	$ -		
Affordable Housing	$41,160	$16,680		Cinder Hollow Acquisition and Disposition
Public Services	$35,504	$ -		
Public Facilities & Infrastructure	$158,760	$143,160	$30,000	Oasis Village ADA bathroom renovations*
			$113,160	Opportunity Foundation Residential Rehabilitation*
Total	**$338,502**	**$159,840**	**$143,160**	

* *Environmental Review for interior <u>renovations</u> does not pinpoint noise concerns*

2025 ANNUAL ACTION PLAN

2025 Action Plan Goals	In Plan	Proposed Allocation	
Planning and Admin (20% cap)	$ 43,825	$ 43,825	
Public Services (15% cap)	$ 32,868	$ 32,868	Eastside Managed Camp direct services
Public Facilities & Infrastructure	$142,430	$110,430	SW 31st Street and Public Utility Improvements
		$ 32,000	Senior Center Floor Replacement
Total	**$219,123**	**$219,123**	

PUBLIC HEARING

QUESTIONS OR COMMENTS?

CITY OF REDMOND

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STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Witcosky, City Manager
Steve Ashworth, Deputy City Manager
FROM: Kyle Roberts, Planning Director
SUBJECT: Ordinance #2025-11 - An ordinance amending the 2040 Redmond Comprehensive Plan, adopting the 2025 Central Oregon Regional Economic Opportunities Analysis as a Supporting Plan to the 2040 Redmond Comprehensive Plan.

Report in Brief:
This item requests the City Council approve an amendment to the 2040 Redmond Comprehensive Plan, by adopting the updated 2025 Central Oregon Regional Economic Opportunities Analysis as a supporting plan to the Comprehensive Plan. Doing so will essentially allow the City to continue its participation in the Large Lot Industrial program.

Background:
The Central Oregon Large Lot Industrial program was established under Oregon Administrative Rule (OAR) 660-024-0045 and was supported by a regional analysis completed in 2011. The program essentially identified the need for large lot industrial sites within Crook, Deschutes, and Jefferson counties, specifically within La Pine, Prineville, and Redmond. Each site is at least 50 acres in size and is intended for traded sector uses.

The City of Redmond officially joined the program in December 2013 by adopting the Central Oregon Large Lot Industrial Land Need Analysis as a reference document while also adding associated goals and policies to Chapter 9 of the Comprehensive Plan.

Discussion:
This Comprehensive Plan amendment involves adopting the 2025 Regional Economic Opportunities Analysis (REOA), which is an update to the Central Oregon Large Lot Industrial Land Need Analysis – a supporting plan to Goal 9 of the Comprehensive Plan.

As required by OAR 660-024-0045(13), local governments participating in the Central Oregon Large Lot Industrial program must update the regional analysis that demonstrates the need for large lot industrial sites after ten years if the regional supply of sites has not already been replenished. Adopting the updated regional analysis includes updated information on employment patterns and trends in the region, industrial land absorption and utilization patterns, and shifting industry patterns and site requirements. The updated REOA is intended to ensure that the regional industrial land inventory is adequate to support the specific needs of large lot industrial users, and that the region has a competitive inventory of large lot industrial sites.

Urban Area Planning Commission recommendation:
As required through the legislative amendment process, the Redmond Urban Area Planning Commission held the first evidentiary public hearing on May 21, 2025. There was no public testimony. After review and deliberation, the Commission voted unanimously (5-0) to recommend the City Council adopt the proposed amendment as presented by staff.

As required by the City Charter, on June 3, 2025, notices regarding this Ordinance were posted in three places. Copies of the Ordinance were available for review at City Hall.

Fiscal Impact:
There are no anticipated direct fiscal impacts.

Alternative Courses of Action:
After conducting the public hearing and considering all the evidence and testimony:

1. Approve Ordinance #2025-11.
2. Continue the public hearing and request additional information.
3. Do not approve Ordinance #2025-11

Recommendation / Suggested Motion:
“I move to have a first and second reading of Ordinance #2025-11 by title only.” (Voice vote)

(The City Attorney will read the ordinance by title only, twice.)

“I move to approve Ordinance #2025-11.” (Roll call vote)

CITY OF REDMOND
ORDINANCE NO. 2025-11

AN ORDINANCE AMENDING THE 2040 REDMOND COMPREHENSIVE PLAN, ADOPTING THE 2025 CENTRAL OREGON REGIONAL ECONOMIC OPPORTUNITIES ANALYSIS AS A SUPPORTING PLAN TO THE 2040 REDMOND COMPREHENSIVE PLAN.

WHEREAS, the Central Oregon Large Lot Industrial program was established under Oregon Administrative Rule (OAR) 660-024-0045 and was supported by a regional analysis completed in 2011; and

WHEREAS, the City of Redmond became a participant of the Large Lot Industrial program when adopting the Central Oregon Large Lot Industrial Land Need Analysis as a reference document while also adding associated goals and policies to Chapter 9 of the Comprehensive Plan in December 2013; and

WHEREAS, required by OAR 660-024-0045(13), local governments participating in the Central Oregon Large Lot Industrial program must update the regional analysis that demonstrates the need for large lot industrial sites after ten years if the regional supply of sites has not already been replenished; and

WHEREAS, the Redmond Urban Area Planning Commission held a public hearing on May 21, 2025, and, after reviewing the record and gathering public testimony, has recommended that the Redmond City Council adopt the 2025 Central Oregon Regional Economic Opportunities Analysis as a supporting plan to the 2040 Redmond Comprehensive Plan; and

WHEREAS, the Redmond City Council held a public hearing on June 10, 2025, to consider the recommendation of the Redmond Urban Area Planning Commission, review the existing record and gather additional evidence and public testimony; and

WHEREAS, the Redmond City Council has received the Redmond Urban Area Planning Commission's recommendation and, after receiving additional evidence and testimony, determined that the requested 2025 Central Oregon Regional Economic Opportunities Analysis, would contribute to the 2040 Redmond Comprehensive Plan Goals and Policies; and

WHEREAS, the Redmond City Council finds that the findings for the adoption of the amendment to the Redmond Comprehensive Plan has fully addressed the City's Comprehensive Plan, the applicable state law, the Statewide Planning Goals and the City's standards and criteria for an amendment to the Comprehensive Plan; and

WHEREAS, the Redmond City Council finds that the attached amendment is necessary to further these interests.

NOW, THEREFORE, THE CITY OF REDMOND ORDAINS AS FOLLOWS:

SECTION ONE: The City of Redmond hereby amends the 20240 Redmond Comprehensive Plan, adopting the 2025 Central Oregon Regional Economic Opportunities Analysis as a supporting plan to the 2040 Redmond Comprehensive Plan. The amendment is attached hereto as Exhibit "A."

SECTION TWO: In support of the amendment in Section One, the City of Redmond hereby adopts the findings, attached hereto as Exhibit “C” which were prepared by City staff and demonstrate compliance with the City’s Comprehensive Plan and the applicable Statewide Planning Goals.

SECTION THREE: SEVERABILITY. The provisions of this Ordinance are severable. The invalidity of any section, clause, sentence, or provision of this Ordinance shall not affect the validity of any other part of this Ordinance, which can be given without such invalid part, or parts.

PASSED by the City Council and **APPROVED** by the Mayor this 10th day of June 2025.

____
Ed Fitch, Mayor

ATTEST:

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Kelly Morse, City Recorder

EXHIBIT A

COIC

CENTRAL OREGON INTERGOVERNMENTAL COUNCIL
UPDATED 2025 REGIONAL ECONOMIC OPPORTUNITIES ANALYSIS
LARGE LOT INDUSTRIAL SITES

March 2025

ACKNOWLEDGEMENTS

STEERING COMMITTEE

Steering Committee Members:

Angie Brewer, Department of Land Conservation and Development (DLCD)
William Groves, Deschutes County
Capi Lewis, Business Oregon
Kelsey Lucas, Economic Development for Central Oregon (EDCO)
Leigh McIlvaine, Department of Land Conservation and Development (DLCD)
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I. Project Introduction

The Central Oregon region (comprised of Jefferson, Crook, and Deschutes counties) is well suited to a regional approach to economic development. While geographically separate, the jurisdictions in the region function in a manner similar to other metropolitan areas, which often share boundaries. The shared economic function within Central Oregon is relevant to the attraction and retention of larger firms, which the large lot industrial program is designed to support.

Developing and maintaining a regional supply of large readily available industrial sites will allow Central Oregon communities to compete for a broad range of economic development opportunities. Recruitment logs indicate that there are a substantial number of large firms regularly seeking sites within the region, and a shortage of appropriate sites precludes economic development organizations such as Business Oregon and EDCO from marketing the area to these prospects. Providing an ability to appeal to this segment is seen as additive to existing economic development efforts. In other words, the region's jurisdictions have developed Goal 9 compliance based on projected growth reflective of traditional patterns, and the attraction of a large industrial user would be considered an exogenous impact to these projections. The purpose of providing sites through this program is to supply land for traded sector industries.[1]

The program was established under OAR 660-024-0045 and was supported by a regional analysis completed in May of 2011. The Project Advisory Committee at that time developed a community vision, which summarized the region's economic development goals related to large lot industrial demand at that time. The following is the stated vision:

> To build a strong and thriving regional economy by establishing and actively maintaining a competitive portfolio of large lot employment sites and coordinating public investments, policies, and regulations to support regional and state economic development objectives

The regional large lot industrial program has been in place for over a decade now, and the region remains concerned with maintaining a competitive portfolio of large lot industrial sites. This includes the maintenance of a short-term competitive supply of large lot industrial sites that are "development ready," which are available to allow the region to compete for major industrial employers cross shopping the region against other prospective locations.

This report is an update to the 2012 Regional Economic Opportunity Analysis (REOA). It includes updated information on employment patterns and trends in the region, industrial land absorption and utilization patterns, and shifting industry patterns and site requirements. The primary objective of this analysis is to ensure that the regional industrial land inventory is adequate to support the specific needs of large lot industrial users, and that the region has a competitive inventory of large lot industrial sites. A development-ready site, or a "shovel-ready" site, is defined as a property in which site improvement can begin within 180 days of purchase and development application. Such sites are either served or readily served by requisite infrastructure and utilities, environmental and other constraints are known and documented, and permitting can be fast-tracked for rapid facility operations.

The geographic region evaluated in the analysis is the Central Oregon Counties of Deschutes, Jefferson, and Crook. More specifically, the primary urban areas within this broad geographic region include the Cities of Bend, Redmond, Prineville, Madras, and La Pine. Consistent with Statewide Planning Goal 9, this process will outline anticipated site needs and characteristics associated with potential targeted industries in the region.

While not all jurisdictions are likely to need and/or desire the large lot industrial sites necessary to accommodate these users, the regional availability of these sites is considered desirable for all jurisdictions. The need for large lot

[1] Traded sector industries are industries that sell their goods and services to customers outside of the region where they are located. Businesses in these industries bring new money into the local economy. Regional examples include tourism-related sectors, manufacturers, information (data centers), and natural resources.

industrial sites is a regional need, with the economic development benefits widely distributed regardless of the specific firm location.

The goal of this regional effort IS not to generate an acreage calculation of needed vacant industrial land supply but rather is to identify the variety and size range of vacant industrial sites needed to make the region attractive to site selectors and competitive in the global marketplace - a qualitative as well as quantitative outcome.

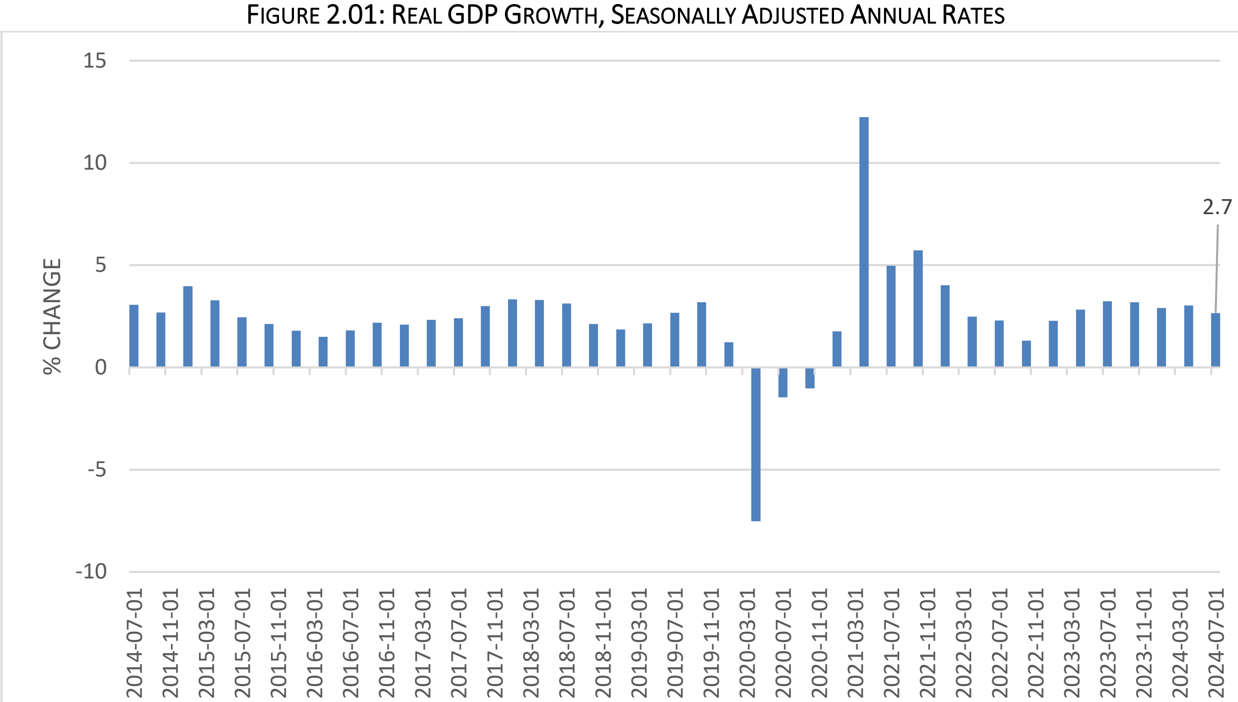
II. TREND ANALYSIS

A. NATIONAL ECONOMIC TRENDS

The trend analysis section provides the foundation of economic information that will shape realizable economic opportunities potential for the region, providing support to potential job growth scenarios, and ultimately employment land need over the planning horizon.

The national economy has largely recovered from the pandemic-related distortions in 2020, and economic expansion has returned to rates typical of those reported in the last decade. Inflation adjusted GDP was estimated at 2.7% during the third quarter of 2024. The current consensus among forecasters anticipates real GDP growth to average 2.7% in 2024, reflecting a modest decrease from the 2.9% rate in 2023.

FIGURE 2.01: REAL GDP GROWTH, SEASONALLY ADJUSTED ANNUAL RATES



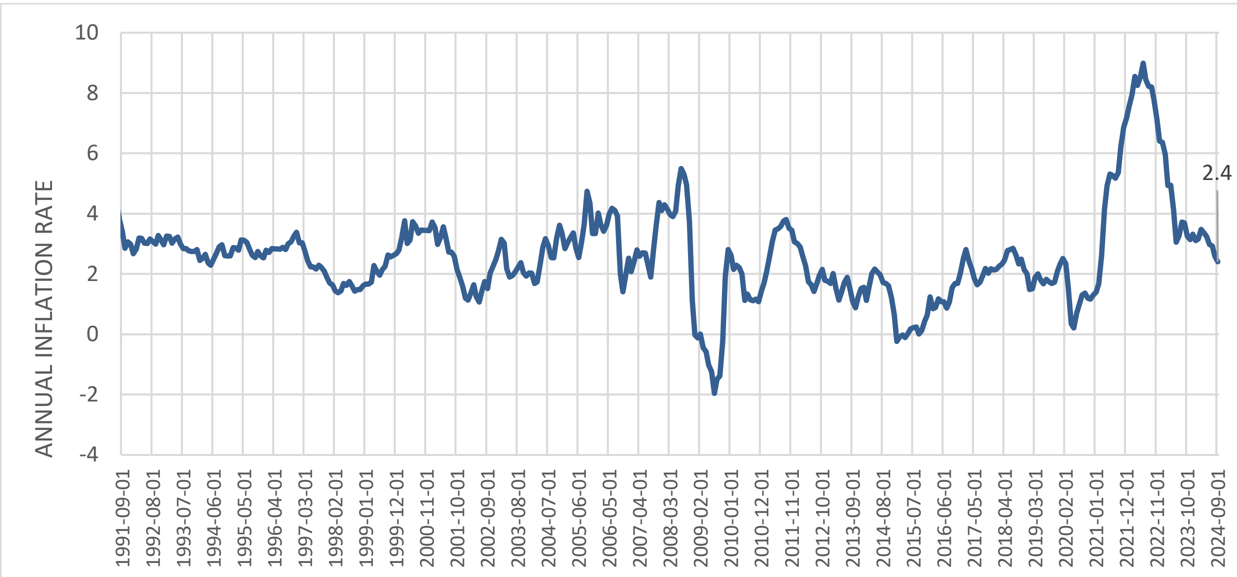
SOURCE: US Bureau of Economic Analysis

The national economy appears on course for a "soft landing," in which more normal growth patterns emerge while avoiding a recession. While this is the current consensus among professional forecasters, there remains a risk that overtightening financial conditions could lead to a recession.

Inflation became a significant issue nationally in 2022. The rate peaked at 9%, a level that had not been seen since the early 1980s. To combat inflation the Federal Reserve has tightened significantly to slow growth and decrease inflationary pressure. While the rate has declined significantly, it remains higher than the 2.0% rate targeted by the

Fed. The current rate of growth as reflected in the GDP appears to still be placing inflationary pricing in the market, and while expectations are that rates will decline in the near term the picture is not clear regarding short-term Fed actions.

FIGURE 2.02: CONSUMER PRICE INDEX-URBAN, 12-MONTH PERCENT CHANGE

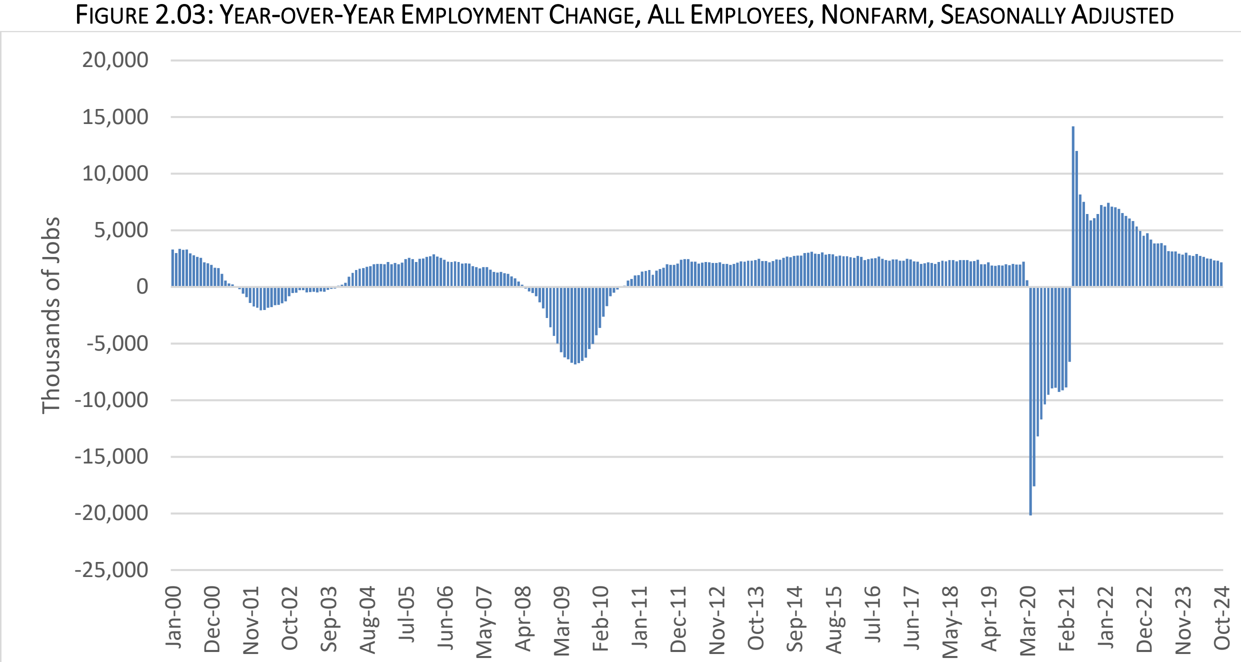


SOURCE: Federal Reserve Bank of St. Louis

EMPLOYMENT

The employment base declined precipitously in 2020, as impacts of the pandemic and associated restrictions led to unprecedented employment declines. Much of the loss was quickly recovered when the economy opened up in 2021, but the recovery was less robust in many industries. Current employment levels are estimated at over 159.0 million nationally, 8.1 million above the pre-pandemic high.

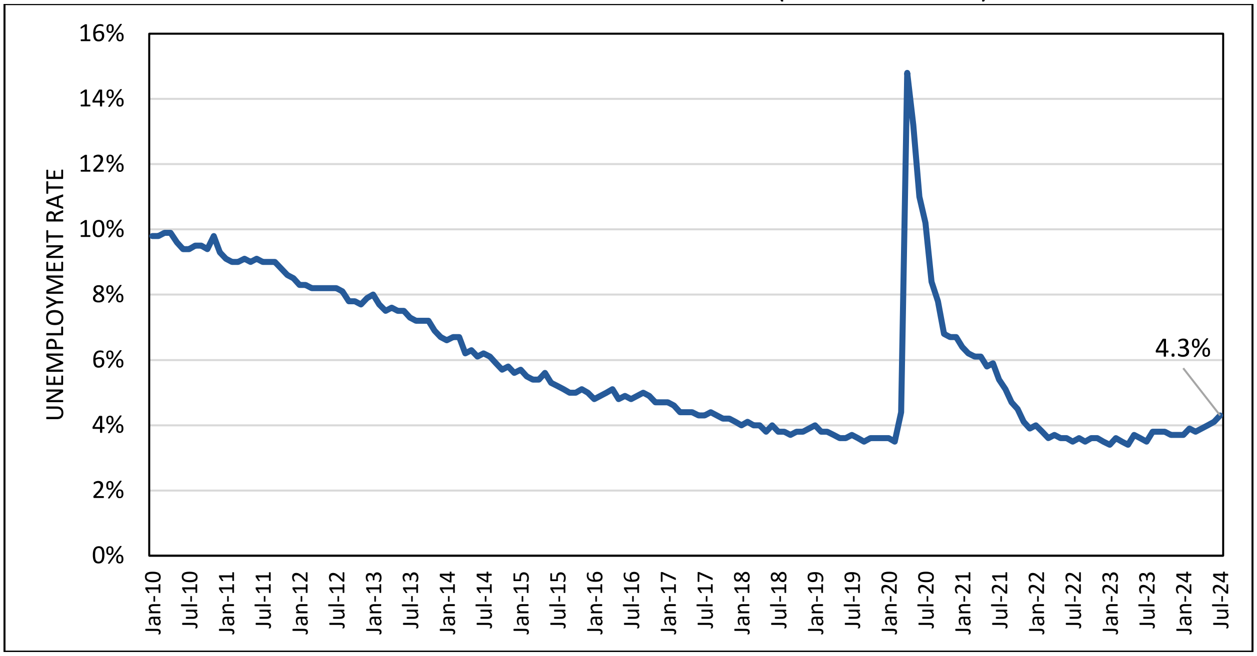
FIGURE 2.03: YEAR-OVER-YEAR EMPLOYMENT CHANGE, ALL EMPLOYEES, NONFARM, SEASONALLY ADJUSTED



SOURCE: Federal Reserve Bank of St. Louis

Since 2010, the unemployment rate had been consistently dropping until the pandemic 2020, seeing a decrease of roughly 10% to under 4% during that period. During the pandemic, the national unemployment rate jumped up to around 15%, before dropping down to around 7%. From 2022 to present, the rate has consistently hovered around 4%. Different regions had differing levels of employment resilience during the pandemic, as seen in the length of time before unemployment returned to normal levels.

FIGURE 2.04: NATIONAL UNEMPLOYMENT TREND (2010 – JULY 2024)



SOURCE: Federal Reserve Bank of St. Louis

LONG-TERM OUTLOOK

During the first half of the next growth cycle, GDP growth is forecasted to decrease to an annualized rate of below 2.0%. This is more consistent with the rate of growth that economists and policymakers believe can be sustained without triggering inflation over the Fed's 2.0% target. While forecasts anticipate more stability going forward, there are a number of factors that are expected to influence future growth patterns. The following are a few that are expected to influence long-term economic growth at the national level.

- The demographic profile nationally is projected to age significantly, with birthrates declining. Demographic factors are expected to create a reduction in the potential labor force and potential hours worked, which account for three-fourths of the economy. This will drive a need for additional immigration to meet labor force needs, as well as boosting demand for health care.

- Federal Debt will increasingly displace business investment. This could place pressure on interest rates as well as reducing the availability of capital and debt to the market.

- The forecasted change in CPI remains above the Fed target rate of 2.0%, and the forecasts assume that this will not result in further tightening over the next several years.

- The recent federal election has included discussion of expanded tariffs, more restrictive immigration policies, tax cuts, and deregulation. While great uncertainty remains regarding the likelihood and/or form of any future policy shifts, all of these could substantively impact the national economy.

FIGURE 2.05: SUMMARY OF WALL STREET JOURNAL ECONOMIC SURVEY

	6/30 2024	12/30 2024	6/30 2025	12/30 2025	6/30 2026	12/30 2026
Closing Yield, 10-Year Treasury notes	4.23	3.97	3.82	3.78	3.77	3.78
Midpoint of the range for the Federal Funds Rate	5.23	4.67	4.02	3.53	3.28	3.23
Real GDP (Quarterly, Annualized Growth Rate)	2.18	1.60	1.35	1.47	1.77	1.72
CPI (Year-over-Year Percent Change)	3.11	2.73	2.32	2.29	2.32	2.30
Unemployment Rate	3.89	4.11	4.17	4.17	4.08	4.03

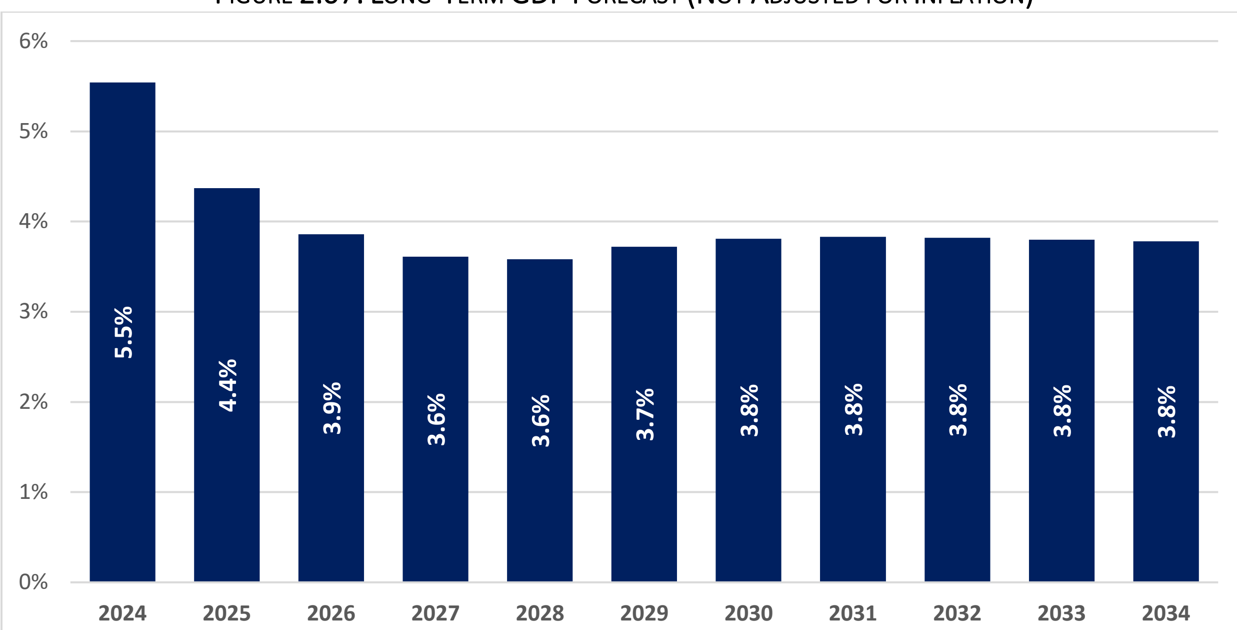
SOURCE: Wall Street Journal Economic Survey

FIGURE 2.06: SUMMARY OF PROJECTED KEY VARIABLES

	2023	2024	2025	2026	2027	2028
Real GDP	2.5%	2.6%	1.7%	1.7%	1.8%	1.8%
Nonfarm Employment	2.3%	1.7%	0.7%	0.2%	0.3%	0.4%
Personal Income	5.1%	4.6%	5.1%	5.3%	4.9%	4.7%

SOURCE: State of Oregon Office of Economic Analysis

FIGURE 2.07: LONG-TERM GDP FORECAST (NOT ADJUSTED FOR INFLATION)



SOURCE: Bureau of Economic Analysis

The industry expected to see the most growth through 2032 in health care and social assistance, followed by "transportation & warehousing," information, and "professional & business services." The industries that are projected to see the least growth are retail trade, utilities, and mining. Total employment is expected to increase by around 0.3% annually, reflecting roughly 4.7 million new jobs. The national economy is forecasted to continue its long-term trend toward more service-oriented industries. A staggering 75% of new employment is expected to be concentrated in only two industries, health care and social assistance, and professional & business services.

FIGURE 2.09: PROJECTED EMPLOYMENT GROWTH BY INDUSTRY – 2022-2032 (THOUSANDS)

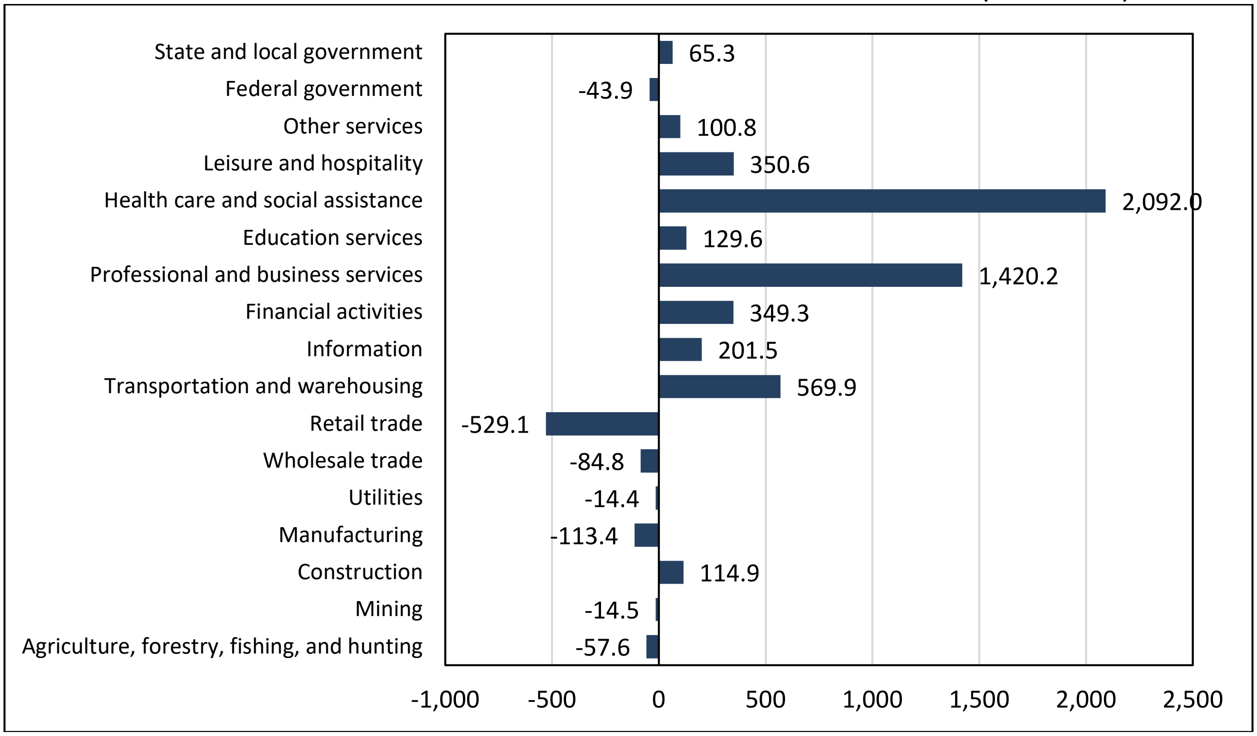
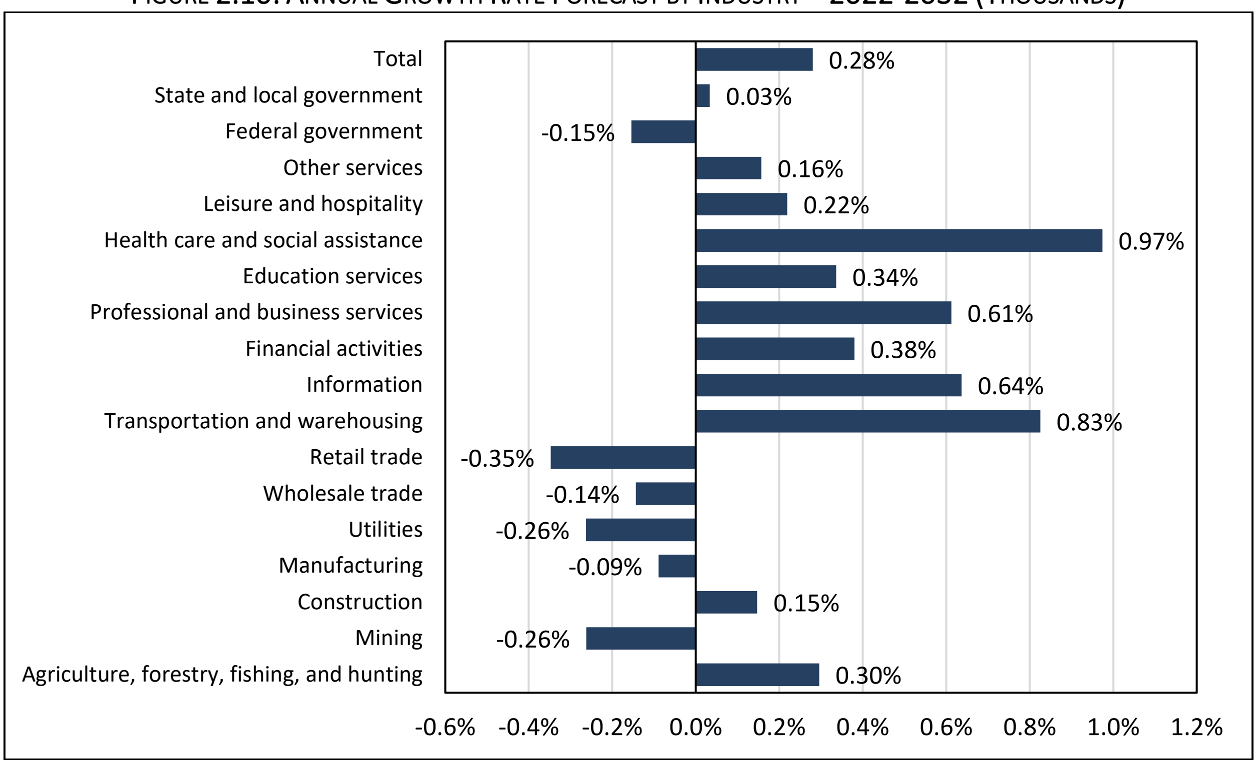


FIGURE 2.10: ANNUAL GROWTH RATE FORECAST BY INDUSTRY – 2022-2032 (THOUSANDS)



SOURCE: Bureau of Labor Statistics

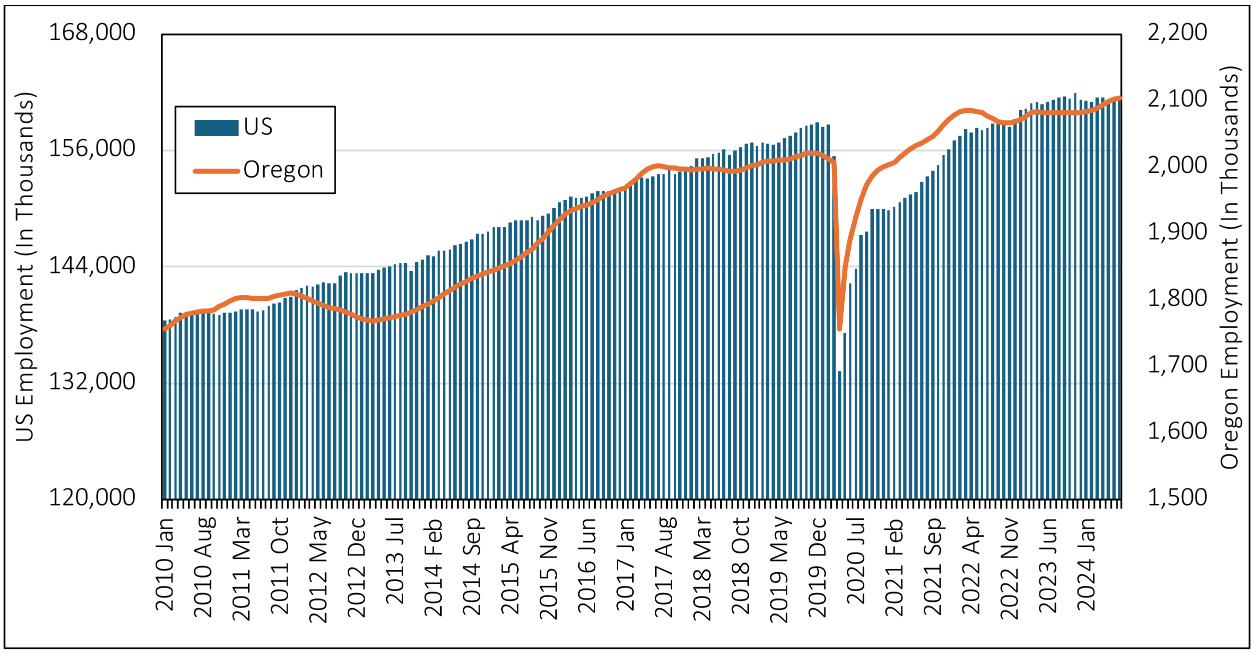
B. State Economic Trends

Oregon's economic activity is linked to the national patterns and trends. It has been resilient in the post-pandemic era, with high labor utilization and labor force utilization. Future growth in the state will depend on immigration, domestic or international, considering the tight labor market.

General Industry Trends

The State of Oregon saw a decrease in employment growth from 2011 to 2013, followed by slow growth from 2013 to 2015. Oregon entered the recessionary period relative late. The employment growth picked up, and surpassed the rate of the nation, seeing a particularly large bump in 2017. Growth slowed again until the pandemic, where the state and nation experienced an immediate and substantial decrease in employment. Oregon bounced back better than the nation did, getting back to pre-pandemic levels by early 2021. From 2022 until now, Oregon employment has stayed between 2,070,000 and 2,100,000.

Figure 2.11: U.S. and Oregon Historical Employment Trend: 2010-2024

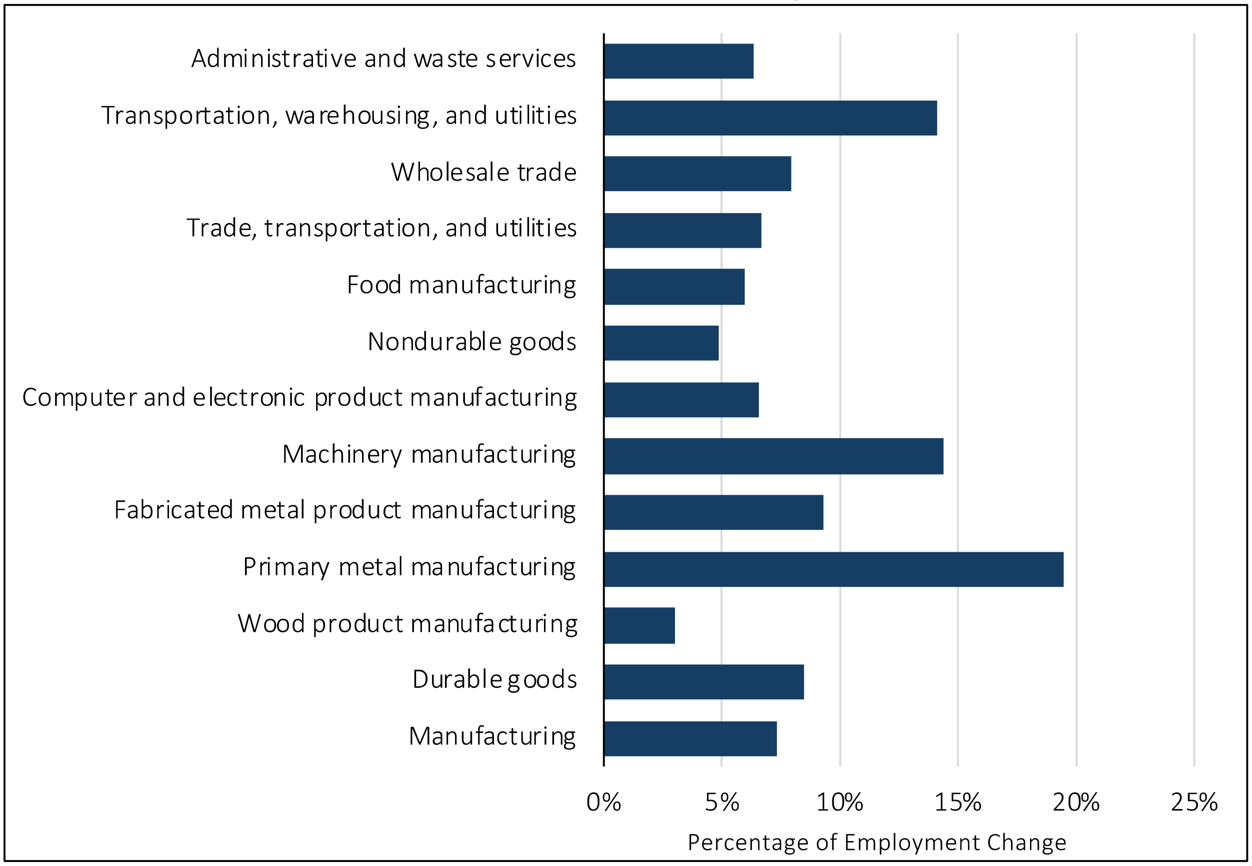


SOURCE: Oregon Employment Department

Employment Factors

The state's Office of Economic Analysis (OEA) forecasts 221,000 new jobs in the Oregon economy through 2032. The largest share of these projected jobs is in the private education and health services industry at 22.3%. The state is expected to add over 14,100 new manufacturing jobs, roughly 3,000 of which are expected to be high wage semiconductor and electric component manufacturing jobs.

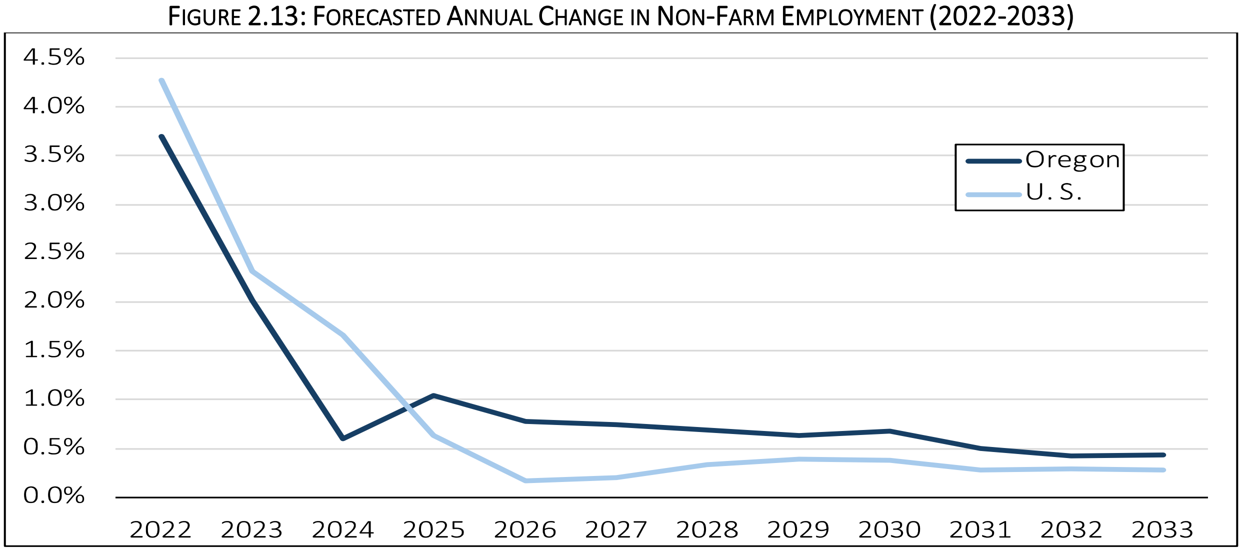
FIGURE 2.12: FORECASTED EMPLOYMENT GROWTH BY INDUSTRY, STATE OF OREGON 2022-2032



SOURCE: Oregon Employment Department

The State of Oregon has experienced a lower rate of non-farm employment growth than the nation from 2022 through 2024. However, from 2025 through 2033 the state is expected to surpass and continue to expand at a faster rate than the nation. The employment growth numbers in 2022 and 2023 are significantly higher than usual, reflecting the recovery of the economy from the pandemic job losses.

FIGURE 2.13: FORECASTED ANNUAL CHANGE IN NON-FARM EMPLOYMENT (2022-2033)



SOURCE: Oregon Employment Department

C. Local Trends & Conditions

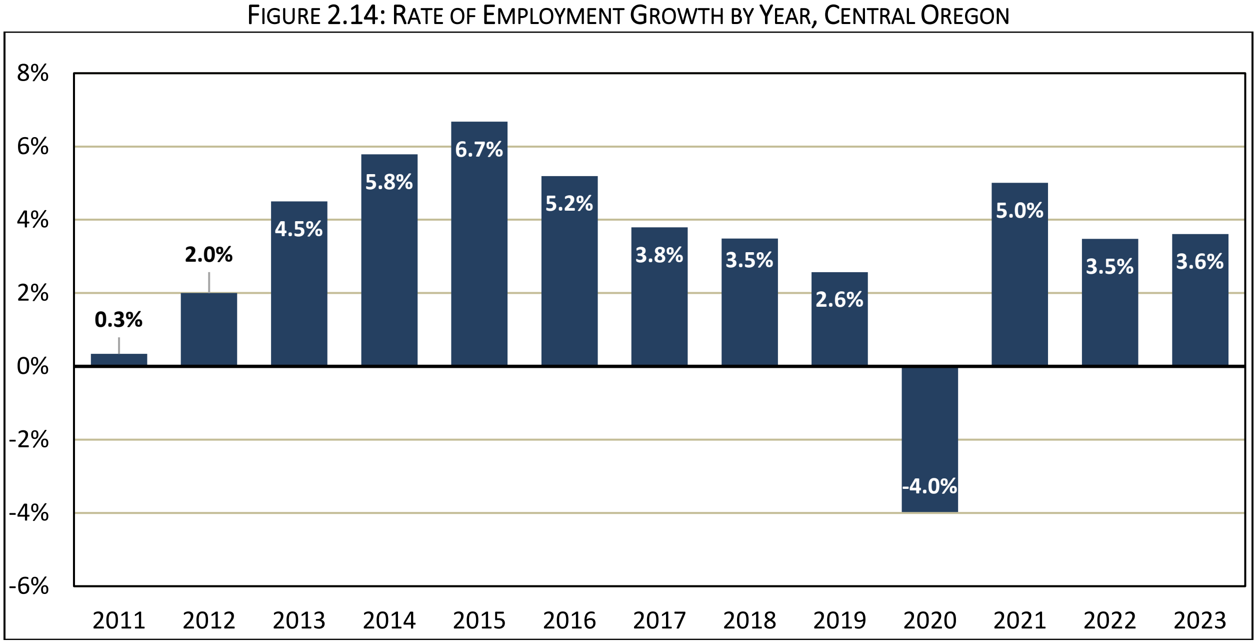
Economic Factors

The Central Oregon economy was historically dominated by wood products manufacturing and natural resources. In recent decades, this changed substantially as robust population growth and tourism activity spurred growth in service-oriented industries, manufacturing, and white-collar industries. Central Oregon became among the fastest growing regions in the West. Affluent new residents attracted to the region's quality of life brought wealth from outside the region, fueling demand for services and housing with a significant infusion of disposable income.

The regional economy has seen a significant expansion of existing and new industries, including bio-science, data centers, and higher education. This has yielded a more diverse regional employment base over the last decade. Employment growth has been consumed to accommodate this growth, and establishing and maintaining an inventory of larger sites for industrial users is an ongoing challenge for local jurisdictions.

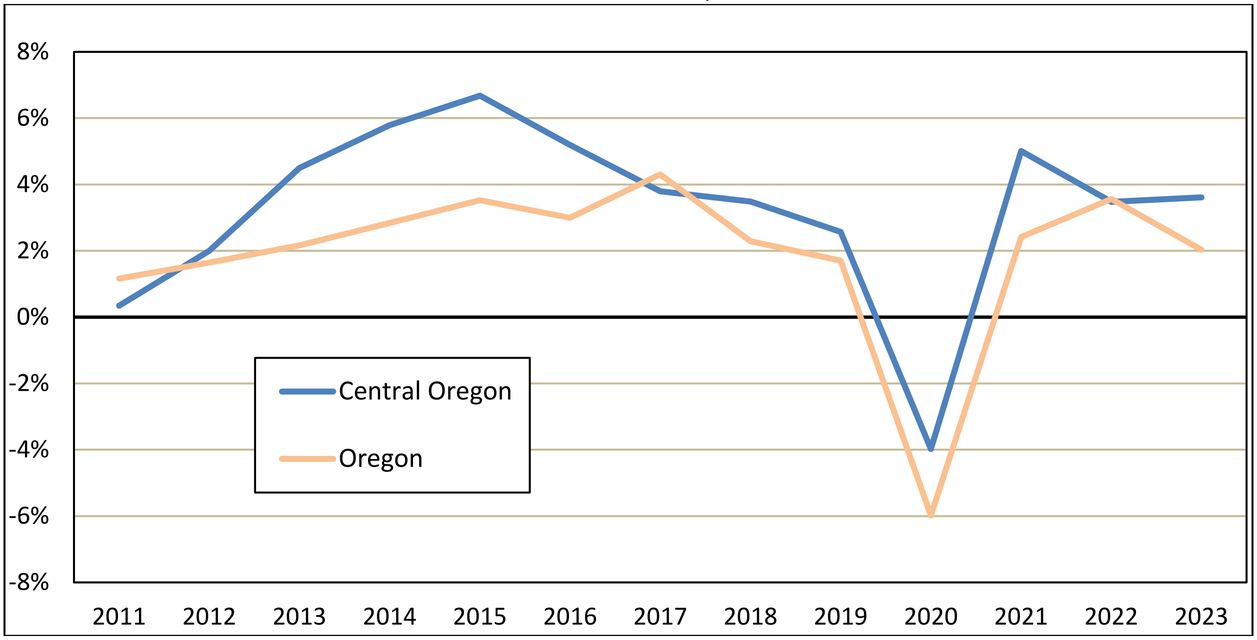
The rate of employment growth in Central Oregon peaked at 6.7% in 2015 during the last expansion cycle. The area lost 4.0% of its employment base in 2020 but recovered quickly after the post-pandemic. The rate of employment growth in Central Oregon significantly exceeded the statewide average through the last expansion cycle, a pattern that has continued through 2023.

Figure 2.14: Rate of Employment Growth by Year, Central Oregon



SOURCE: Oregon Employment Department

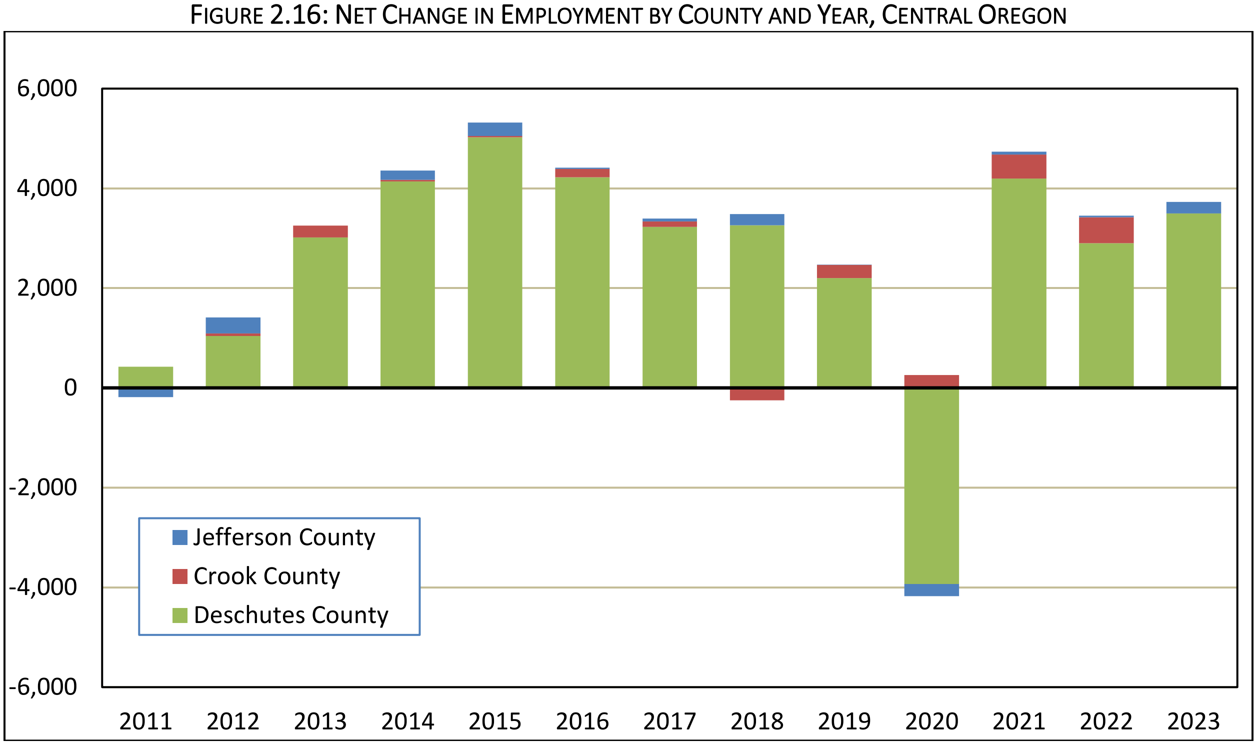
FIGURE 2.15: COMPARATIVE EMPLOYMENT GROWTH RATE, CENTRAL OREGON AND STATE OF OREGON



SOURCE: Oregon Employment Department, QCEW Data

Deschutes County accounted for the greatest share of growth during the 2012 through 2019 expansion but also reported the most significant losses during the pandemic. While recording positive employment growth from 2021 through 2023, Deschutes County has not yet offset its 2020 losses. In the current cycle Crook County has seen the most net growth in the region.

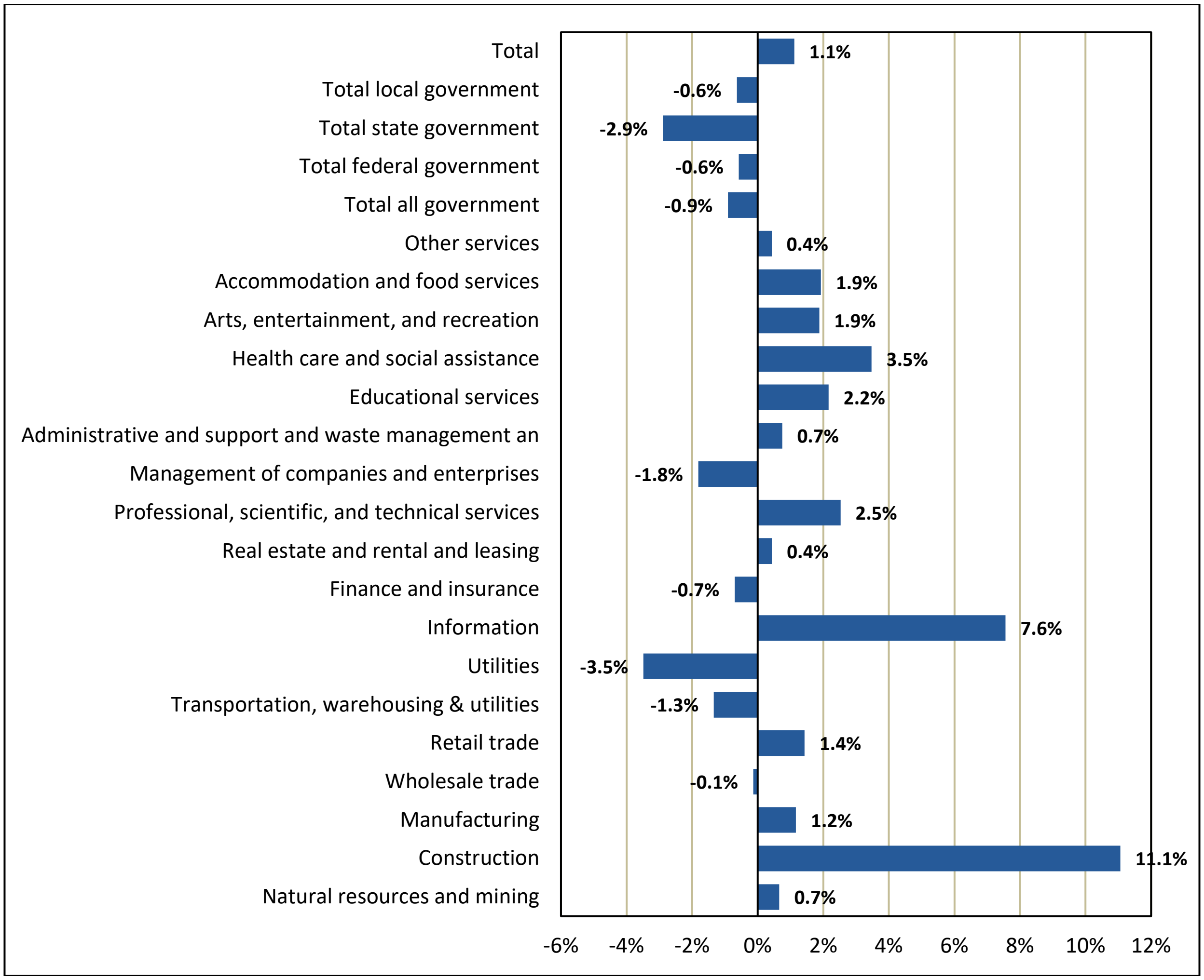
FIGURE 2.16: NET CHANGE IN EMPLOYMENT BY COUNTY AND YEAR, CENTRAL OREGON



SOURCE: Oregon Employment Department, QCEW Data

Central Oregon employment base recorded an average annual growth rate (AAGR) of 1.1% from 2010 to 2023. The highest growth rate for any industry was construction by a large margin at 11.1%. Information has also experienced an AAGR of 7.6%. The region reported net employment losses in utilities, government, transportation, warehousing & utilities, and management. Many of the expanding sectors are associated with the area's strong household growth and expanding tourism/recreation sector. Expanding sectors with significant industrial needs have been dominated by information, construction, and manufacturing sectors.

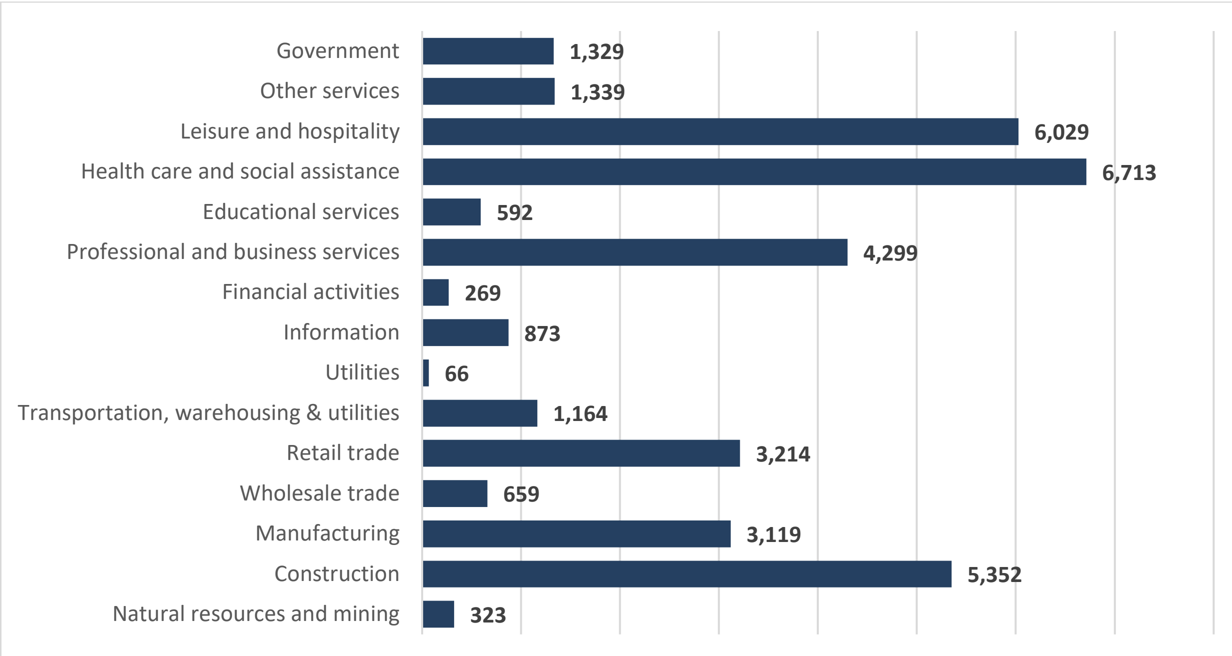
FIGURE 2.17: CENTRAL OREGON AVERAGE ANNUAL GROWTH RATE BY INDUSTRY 2010-2023



SOURCE: Oregon Employment Department, QCEW Data

Overall employment gains in Central Oregon during this period were dominated by the health care, leisure and hospitality, and professional services sectors. These sectors are largely driven by expansion in the local population base and tourism sector, which also drives retail trade. The manufacturing and information sectors also reported significant growth since 2010.

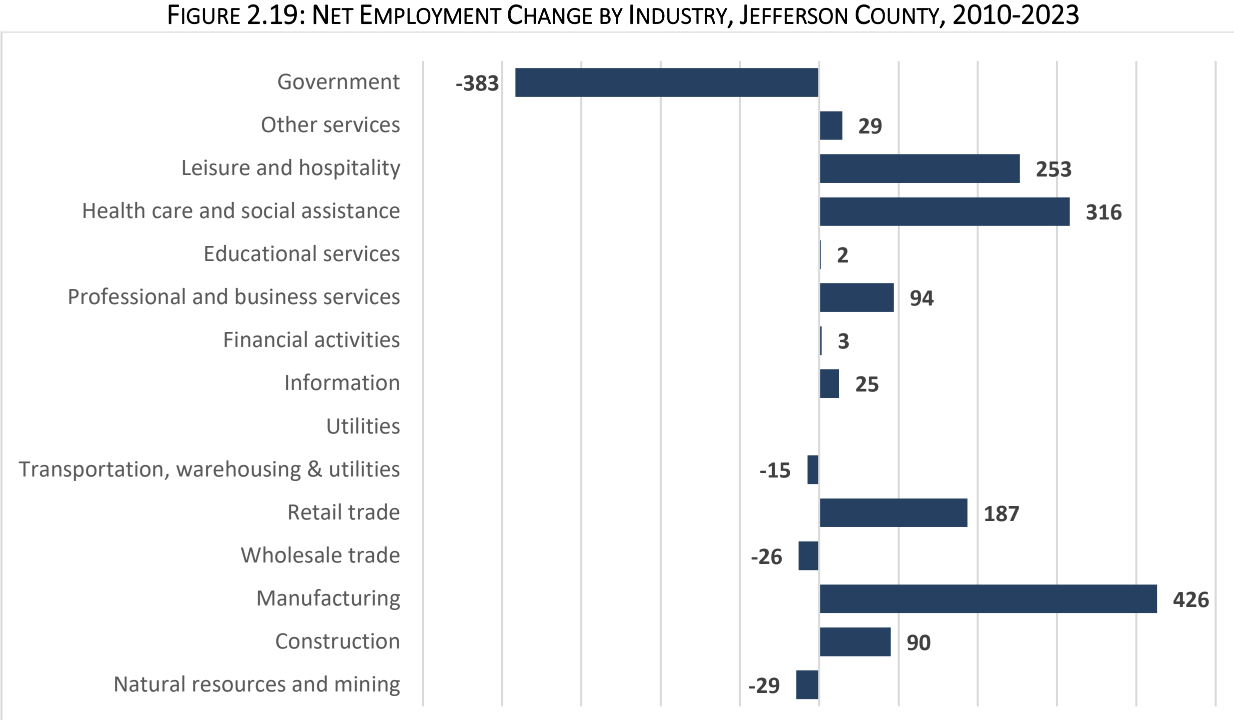
FIGURE 2.18: NET EMPLOYMENT CHANGE BY INDUSTRY, 2010-2023



SOURCE: Oregon Employment Department

Jefferson County experienced an average annual growth rate of just under 1.2% from 2010 to 2023, but private sector employment increased at an average rate of 2.6%. The manufacturing sector added 426 jobs during the period, while health care and social assistance added 316. The county's government employment level decreased by 383 jobs during the period.

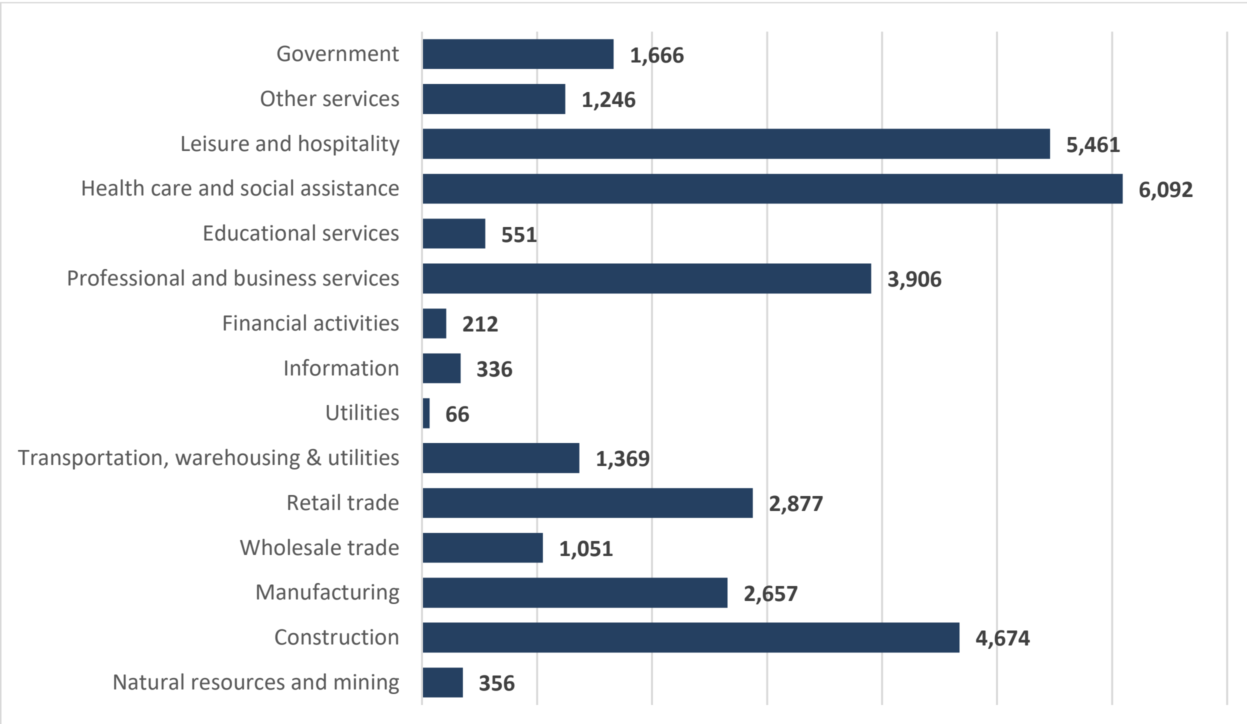
FIGURE 2.19: NET EMPLOYMENT CHANGE BY INDUSTRY, JEFFERSON COUNTY, 2010-2023



SOURCE: Oregon Employment Department

Employment growth in Deschutes County has been broadly distributed, with robust growth in the health care, leisure and hospitality, construction, and business services sectors. Additional growth has been recorded in the retail trade and manufacturing sectors. Much of this growth can be attributed to the rapidly expanding local household base, which drives the demand for construction and services. Sectors recording growth during the period that have significant industrial needs are construction, manufacturing, and wholesale trade.

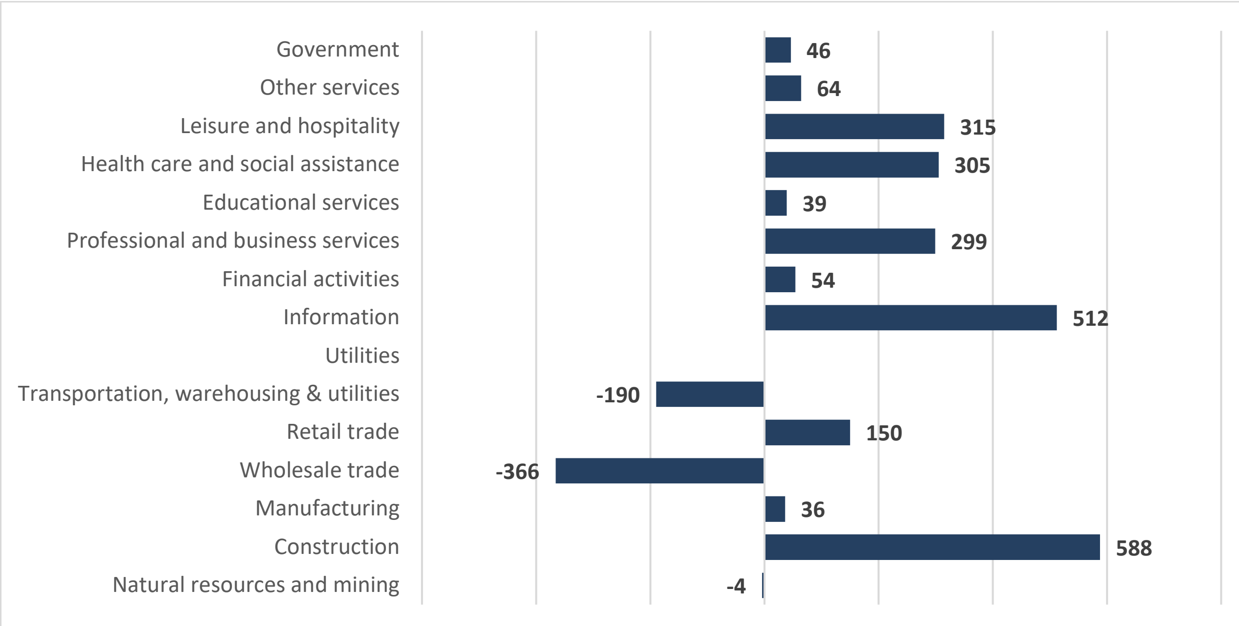
FIGURE 2.20: NET EMPLOYMENT CHANGE BY INDUSTRY, DESCHUTES COUNTY, 2010-2023



SOURCE: Oregon Employment Department

Crook County experienced a total average annual employment growth of 2.2% from 2010 to 2023, with the private sector expanding at a rate of 2.7%. The utilities industry saw massive growth, averaging a 24.6% growth rate. This is in large part due to the development of a large Meta data center in Prineville. Overall employment growth was led by construction (588 jobs) and Information (512 jobs). Significant growth was also reported in the leisure and hospitality, health care, and professional and business services sectors. While the county has seen modest growth in manufacturing, information and construction have been the primary drivers of industrial employment since 2010.

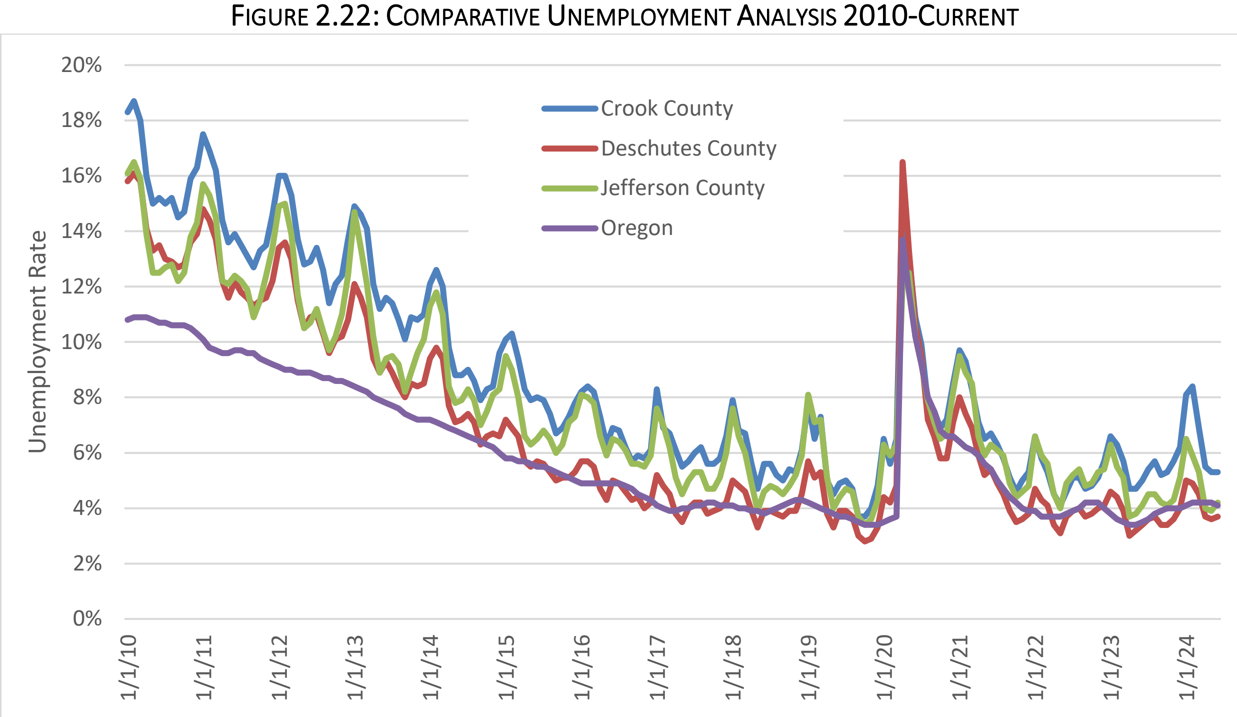
FIGURE 2.21: NET EMPLOYMENT CHANGE BY INDUSTRY, CROOK COUNTY, 2010-2023



SOURCE: Oregon Employment Department

Central Oregon was among the hardest hit regions in the state during the pandemic, with unemployment rates surpassing or nearing 16% for Deschutes County and Crook County in April 2020, compared with 13.7% for the state. However, Jefferson County stayed at around 12%. From 2010 to 2016, the unemployment rate in Central Oregon had consistently decreased to an average of over 1% every year. The presence of the agriculture industry in Central Oregon causes the unemployment rate to seasonally fluctuate much more than the state.

FIGURE 2.22: COMPARATIVE UNEMPLOYMENT ANALYSIS 2010-CURRENT



SOURCE: FRED Economic Data

Unemployment rates in Crook, Deschutes, and Jefferson Counties decreased steadily from 2010 through 2019. After a sharp pandemic-related uptick in 2020, rates have stabilized close to their pre-pandemic levels. During the pandemic, all three counties jumped to an unemployment rate of over 12%, with Deschutes County getting hit the hardest at 16.5% in April 2020.

The following table outlines estimated growth in employment projected by the Oregon Employment Department (OED) for the Central Oregon region. The OED's most recent projection estimates employment growth by industry over a 10-year horizon beginning in 2022.

FIGURE 2.23: BASELINE LONG RANGE EMPLOYMENT FORECAST, CENTRAL OREGON

Industry	Year 2022	Year 2032	Net Change	AAGR
Total employment	112,000	124,210	12,210	1.0%
Total payroll employment	105,110	116,610	11,500	1.0%
Total private	92,200	103,000	10,800	1.1%
Natural resources and mining	1,410	1,470	60	0.4%
Mining and logging	290	290	0	0.0%
Construction	8,840	10,240	1,400	1.5%
Manufacturing	8,160	8,830	670	0.8%
Durable goods	5,510	5,950	440	0.8%
Wood product manufacturing	2,030	2,130	100	0.5%
Nondurable goods	2,660	2,880	220	0.8%
Trade, transportation, and utilities	18,550	19,470	920	0.5%
Wholesale trade	2,830	3,060	230	0.8%
Retail trade	13,040	13,430	390	0.3%
Transportation, warehousing, and utilities	2,680	2,970	290	1.0%
Information	2,340	2,730	390	1.6%
Financial activities	5,900	6,090	190	0.3%
Professional and business services	11,550	13,130	1,580	1.3%
Private educational and health services	16,760	19,360	2,600	1.5%
Health care and social assistance	15,430	17,830	2,400	1.5%
Health care	12,730	14,660	1,930	1.4%
Leisure and hospitality	14,640	17,250	2,610	1.7%
Accommodation and food services	12,450	14,520	2,070	1.5%
Other services	4,050	4,430	380	0.9%
Government	12,910	13,610	700	0.5%
Federal government	1,240	1,220	-20	-0.2%
State government	1,340	1,390	50	0.4%
Local government	10,330	11,000	670	0.6%
Local government education	4,770	4,840	70	0.1%
Self-employment	6,890	7,600	710	1.0%

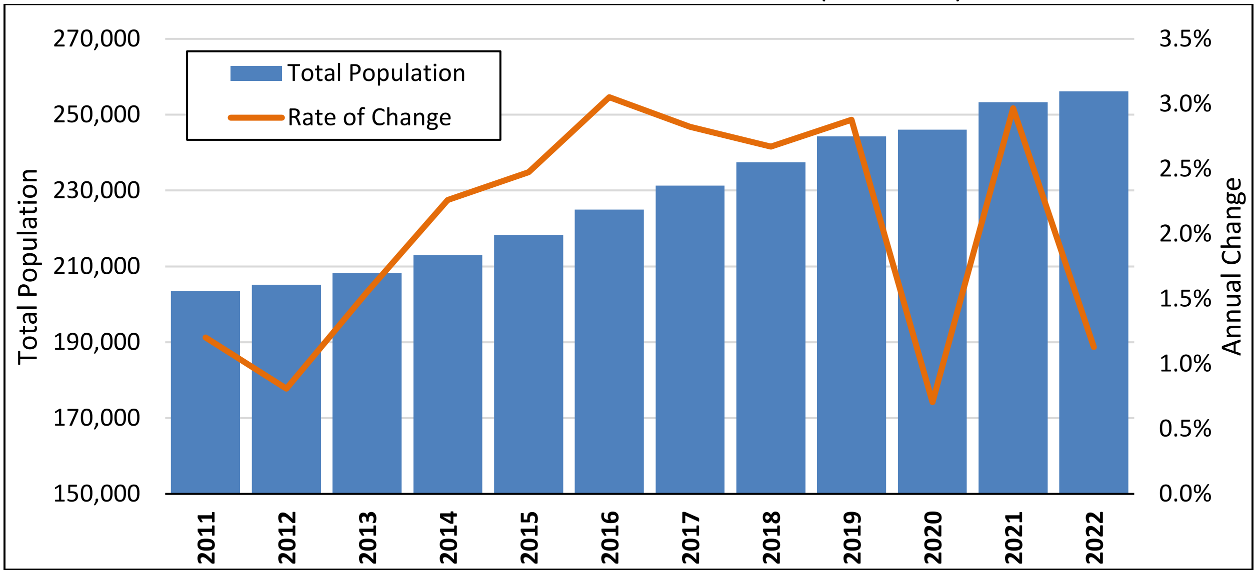
SOURCE: Oregon Employment Department

Over the next 10 years, the Central Oregon region is expected to add roughly 12,210 new jobs, reflecting an average annual rate of growth of 1.0%. The industries projected to realize the most growth are health care, accommodation and food services, and construction. Primarily industrial sectors with robust growth prospects include construction, manufacturing, information, and transportation/warehousing.

POPULATION

Central Oregon's saw strong and consistent population growth driven by significant migration into the region. During the 2011 to 2022 period, Central Oregon averaged annual population growth of over 2.0%, adding more than 55,500 new residents during that timeframe. Despite an influx of retirement age residents, 52.1% of residents are working age between the age of 25 and 64.

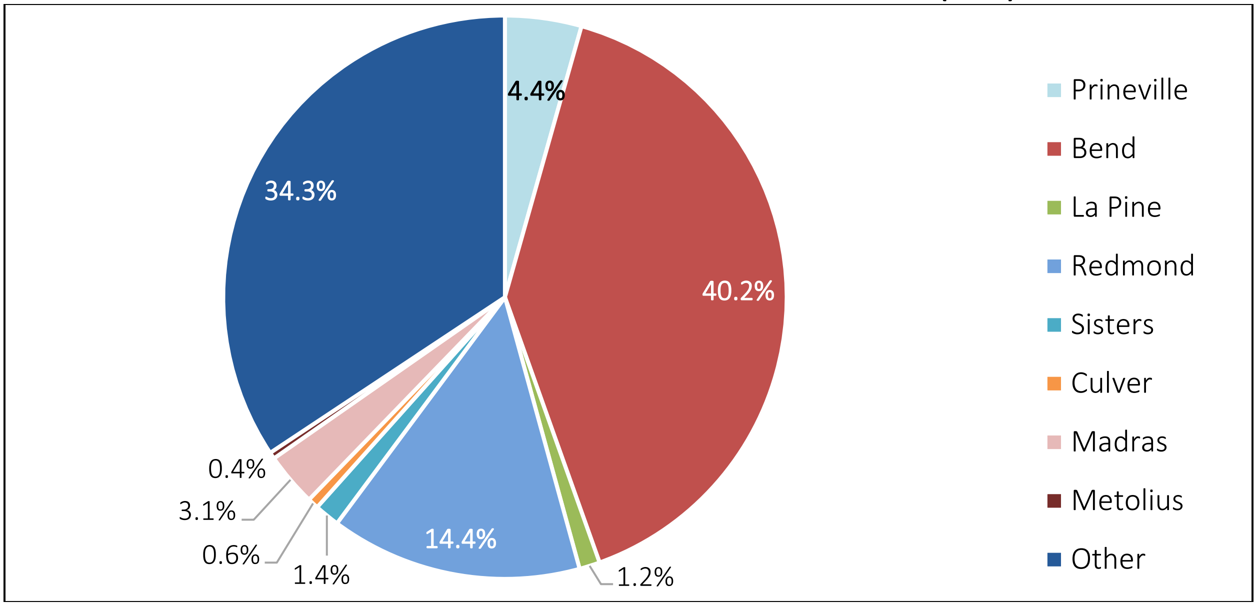
FIGURE 2.24: LOCAL POPULATION GROWTH TREND (2011-2022)



SOURCE: Portland State Population Research Center

Bend has the largest share of population in Central Oregon, at 40.2%. The cities with the next largest share of population are Redmond, Prineville, and Madras. The unincorporated group, which encompasses the residents not living in any city, comprises 34.3% of the population in Central Oregon.

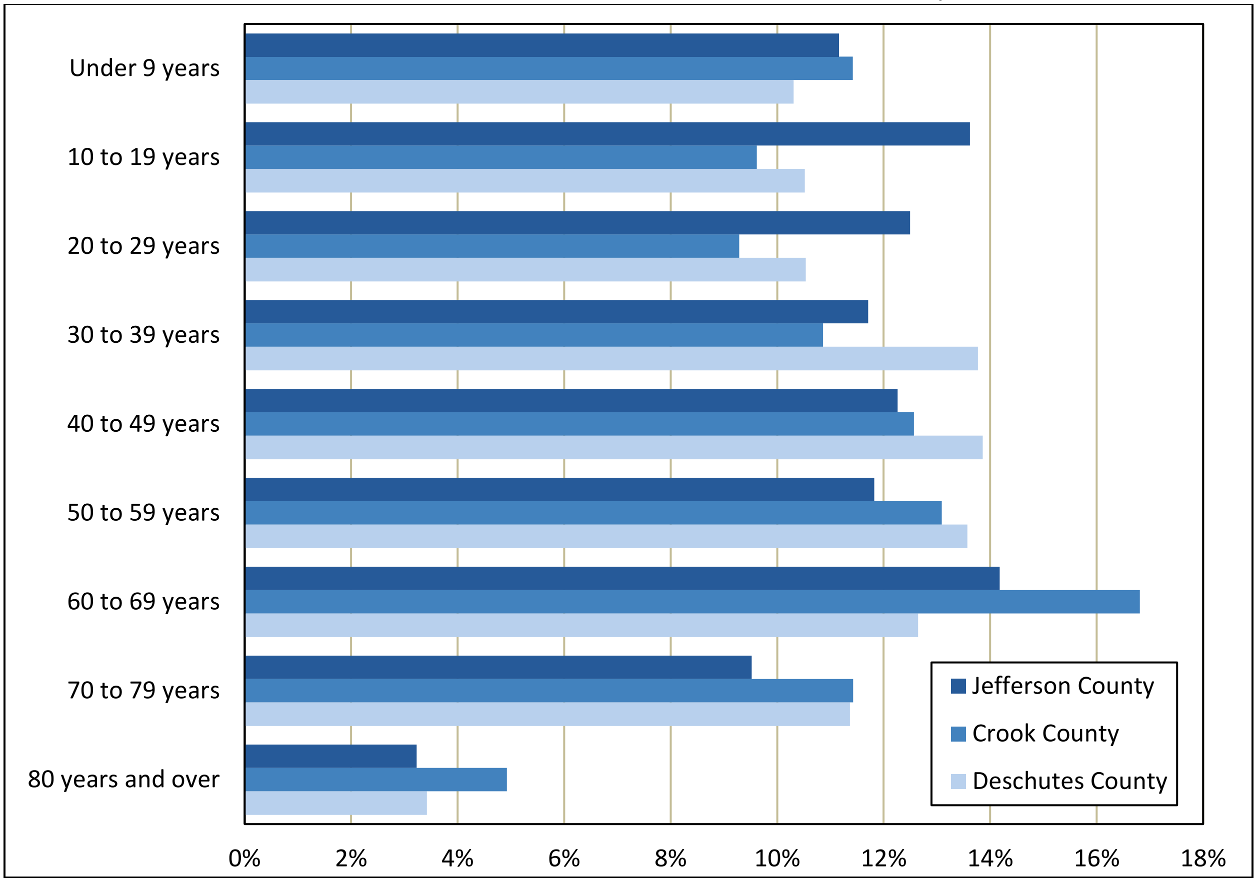
FIGURE 2.25: DISTRIBUTION OF POPULATION IN CENTRAL OREGON (2023)



SOURCE: Population Research Center, Portland State University

Jefferson County has a much younger demographic, with a relatively high percentage of the population under 29 years of age. Deschutes County has a higher proportion of population aged 30 to 59, indicating a higher percentage of work force population. Crook County has a population that is significantly older than the rest of Central Oregon. Because of this, the need for healthcare in Crook County can be expected to increase over the next decade.

FIGURE 2.26: DISTRIBUTION OF POPULATION BY AGE AND COUNTY, 2023



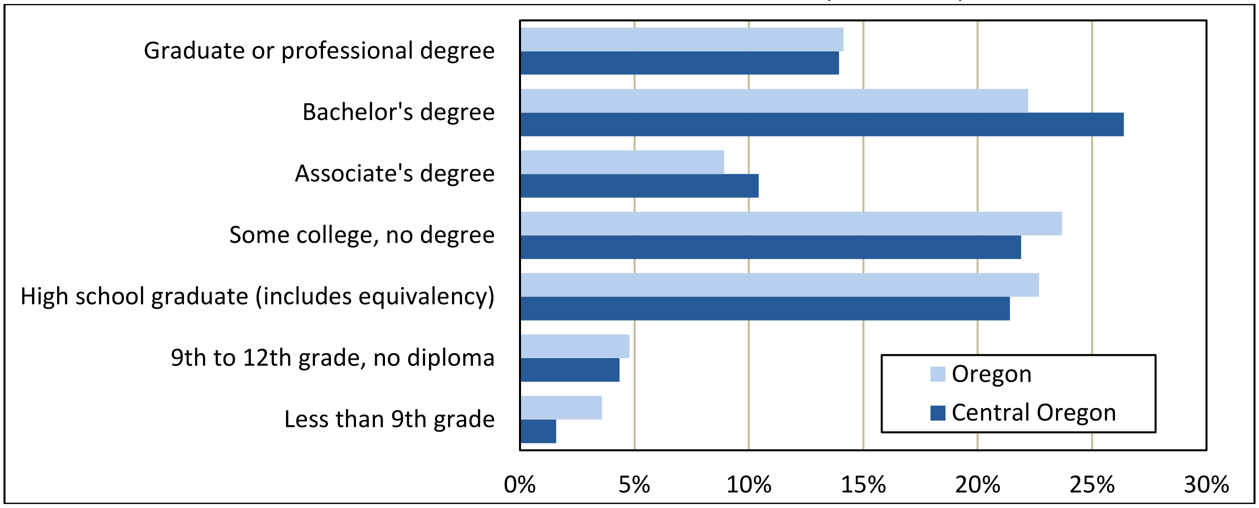
SOURCE: Population Research Center, Portland State University

EDUCATION

An area's level of educational attainment is often used as a proxy for the skill level of the population base. From an economic development perspective, Central Oregon has a larger proportion of people with higher education when compared to the state. Over 40% of the population of Central Oregon over 25 years old have a bachelor's degree or higher, compared to over 36% for Oregon.

Deschutes County has a significantly higher percentage of higher education than Crook County, Jefferson County, or the state. Almost 45% of the Deschutes County population has a bachelor's or graduate degree, compared to almost 21% for Crook County, over 21% for Jefferson County, and 36.3% for Oregon. Crook County and Jefferson County have a lower proportion of higher education compared to the state, which is in line with the high concentration of blue-collar labor.

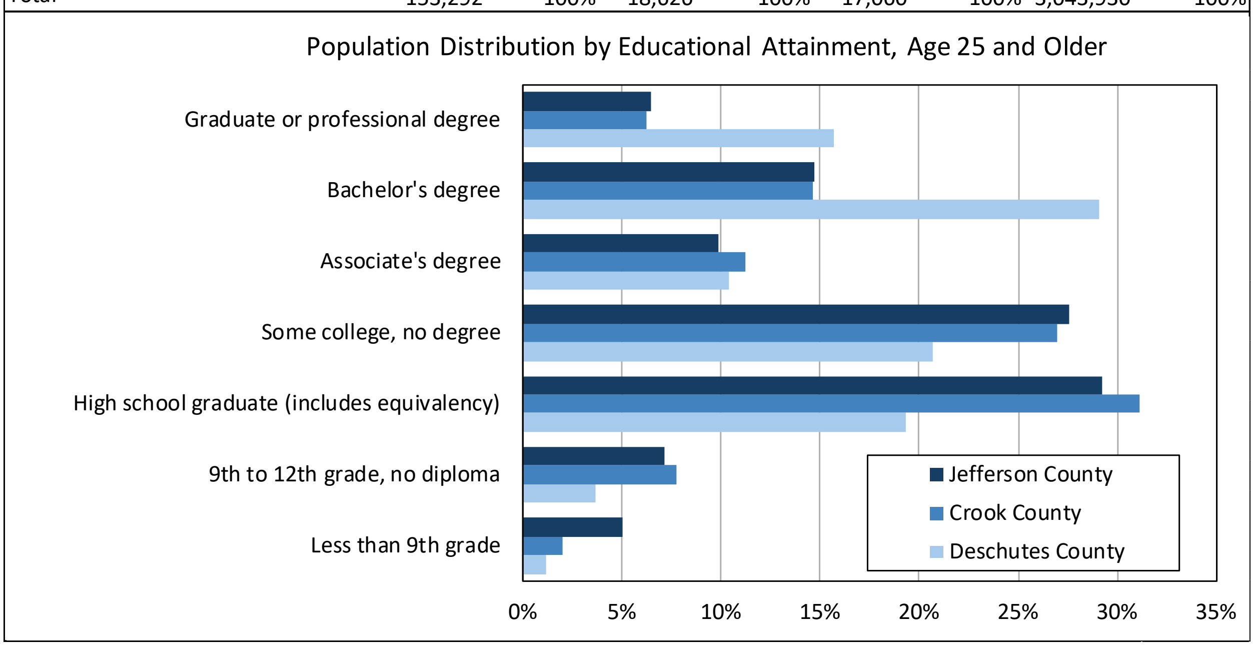
FIGURE 2.27: COMPARISON OF EDUCATIONAL ATTAINMENT, 25 YEARS +, 2022



SOURCE: US Census Bureau

FIGURE 2.28: EDUCATIONAL ATTAINMENT BY COUNTY

Population 25 years and over	Deschutes County		Crook County		Jefferson County		Oregon	
	Count	%	Count	%	Count	%	Count	%
Less than 9th grade	1,759	1.1%	373	2.0%	854	5.0%	109,141	3.6%
9th to 12th grade, no diploma	5,563	3.6%	1,443	7.7%	1,215	7.1%	145,455	4.8%
High school graduate	29,674	19.4%	5,804	31.2%	4,989	29.2%	690,248	22.7%
Some college, no degree	31,655	20.7%	5,020	27.0%	4,703	27.6%	721,161	23.7%
Associate's degree	15,939	10.4%	2,096	11.3%	1,680	9.8%	271,686	8.9%
Bachelor's degree	44,622	29.1%	2,726	14.6%	2,512	14.7%	675,825	22.2%
Graduate or professional degree	24,080	15.7%	1,164	6.2%	1,107	6.5%	430,414	14.1%
Total	153,292	100%	18,626	100%	17,060	100%	3,043,930	100%



SOURCE: US Census Bureau

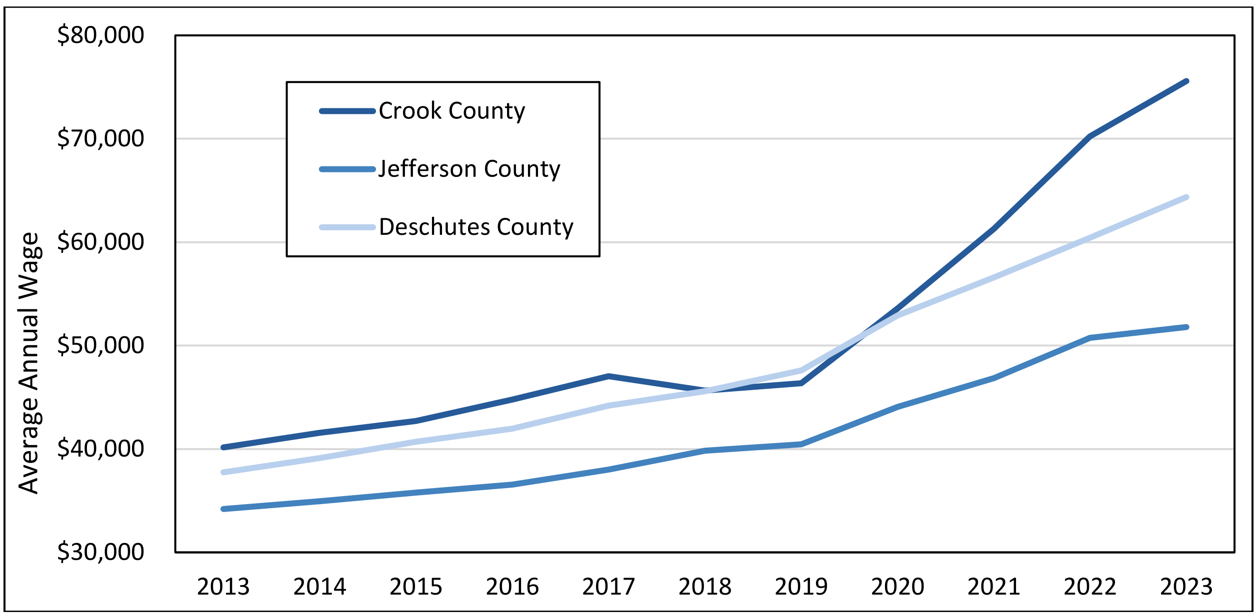
Deschutes County's workforce has the highest level of educational attainment in Central Oregon, with over 45% of the workforce having a bachelor's degree or higher, with an additional 10% having an associate's degree.

Higher education has been a regional priority for Central Oregon for over 20 years, starting with COCC and their responsiveness to industry needs. Additionally, the establishment of the OSU Cascades campus has had a tremendous impact on higher educational attainment for Central Oregon. Higher education has also supported the expansion and creation of new industry in Central Oregon over the last 20 years and likely will continue.

WAGES

Since 2013, wage levels in Central Oregon have averaged a 5.2% annual rate of growth, comparatively better than a 4.3% annual growth rate at the statewide level. Despite rent growth trends, Central Oregon's average wage level of $62,588 in 2023 was below the statewide average ($68,283). When compared by county, Crook County was above the statewide average, Deschutes County was slightly below, and Jefferson County was well below.

FIGURE 2.29: CENTRAL OREGON WAGE TRENDS



SOURCE: Oregon Employment Department

Among industrial-oriented industries, Construction and manufacturing had the largest employment base. These industries had relatively high wage levels, with. The industry with the highest average wage was information, at $113,147. The next highest were wholesale trade ($83,964) and construction ($72,278).

III. COUNTY PROFILES

This analysis evaluates the current composition of employment, as well as assets and challenges for large lot industrial development in Central Oregon. The Central Oregon region has several strengths with respect to attracting and retaining firms utilizing industrial space, including the following:

- Quality of Life – The region's extensive recreation amenities and commercial services base provide a substantial advantage in attracting and retaining firms. This makes it easier to attract executives as well as a quality workforce.

- Access – The Central Oregon communities serve as the commercial hub of a much broader rural area. In addition, Highway 97 provides a major north/south alternative to Interstate 5. Central Oregon's location makes it a natural commercial services hub for a broad area. While Highway 97 is not perceived to be of equal value as Interstate 5 as a north/south link, its function is equivalent and sometime superior for many prospective firms.
- Commercial Air Service – The Redmond Municipal Airport provides commercial service links, while Bend, Madras and Prineville have general aviation airports. This is supportive of firms making location decisions for quality-of-life reasons, while still maintaining a functional and convenient link to major metropolitan areas.
- Rail – The region has made major investments in the Regional Freight Depot, supported by Connect Oregon grants.

The region faces significant challenges related to scale and accessibility. While the region has a significant population base, none of the jurisdictions are considered large enough to meet many firms initial screening. In addition, Central Oregon's distance from the Interstate system is a major impediment for many prospective firms. An additional challenge for the region is housing affordability.

Workforce housing is another key challenge in the region. The ability to attract and retain employees is a critical factor for employers. The rapid expansion of remote work options has contributed to this issue, as the housing market has seen significant interest from residents not employed locally, often relocating from areas with significantly higher income and housing price characteristics such as the Bay Area. The lack of appropriate housing options for the workforce is a regional housing challenge, which also contributes to transportation challenges.

The competitive characteristics of Central Oregon can be strengthened through a regional approach. Individual jurisdictions in the region are too small to be considered viable candidates for many of the targeted firms. The region acts as a cohesive economic unit, sharing work force and commercial amenities.

As part of our evaluation, we used location quotients to identify key export industries. This measure compares the percentage of the local employment base in an industry with the national average, with firms having a greater proportional representation locally assumed to export products outside of the region. As an example, an industry representing 2% of the national and 3% of the local employment base would have a location quotient of 1.5. It would be assumed that one third of the production of that industry was supported by exports outside of the local economy.

> *A location quotient (LQ) is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit (usually the nation). An LQ is computed as an industry's share of a regional total for some economic statistic (earnings, GDP by metropolitan area, employment, etc.) divided by the industry's share of the national total for the same statistic. For example, an LQ of 1.0 in mining means that the region and the nation are equally specialized in mining; while an LQ of 1.8 means that the region has a higher concentration in mining than the nation.*

The construction sector is the most highly represented industry in Central Oregon, with a location quotient of 1.59 and an export employment of 3,251, the highest in both categories. While this would typically be indicative of a traded sector industry, the elevated employment levels in the construction sector reflect the region's relatively high rate of growth, and construction is not viewed as a traded sector industry in Central Oregon. The next highest location quotients are arts, entertainment, and recreation and accommodation & food services at 1.34 and 1.31, respectively. Second and third highest export employment numbers are accommodation & food services (2,916) and retail trade (1,939). The export employment numbers for the "accommodation & food services" and "arts, entertainment, and recreation" sectors reflect the consistently growing tourism and brewery industry in Central Oregon. The retail trade benefits from the presence of Les Schwab, who employed 916 people in 2022 (EDCO).

As noted previously, the purpose of providing sites through this program is to supply land for traded sector industries. Traded sector is defined in ORS 285B.280 as industries in which member firms sell their goods or services into markets for which national or international competition exists. At a regional level, traded sector industries under this definition would include tourism-based sectors (arts, entertainment, recreation, accommodation, and food services), logistics and utilities (transportation, warehousing & utilities), manufacturing, natural resources, and information (data centers).

FIGURE 3.01: INDUSTRY PROFILE, CENTRAL OREGON STUDY AREA (2022)

Central Oregon Industries	2023	Total Pay	Average Wage	LQ
Natural resources and mining	1,389	$77,600,824	$55,868	1.04
Construction	8,678	$649,606,234	$74,857	1.52
Manufacturing	8,207	$434,833,532	$52,983	0.87
Wholesale trade	2,909	$294,175,746	$101,126	0.66
Retail trade	13,186	$559,260,534	$42,413	1.15
Transportation, warehousing & utilities	17,007	$896,247,380	$52,699	3.59
Utilities	371	$64,781,887	$174,614	0.91
Information	2,303	$372,238,937	$161,632	1.02
Finance and insurance	2,293	$219,117,092	$95,559	0.50
Real estate and rental and leasing	1,570	$83,173,109	$52,977	0.91
Professional, scientific, and technical services	5,816	$567,244,114	$97,532	0.75
Management of companies and enterprises	1,197	$141,031,081	$117,820	0.65
Administrative and support and waste managemen	4,673	$235,257,928	$50,344	0.66
Educational services	1,292	$49,204,358	$38,084	0.58
Health care and social assistance	16,340	$1,181,557,355	$72,311	1.09
Arts, entertainment, and recreation	2,848	$85,996,619	$30,195	1.67
Accommodation and food services	13,099	$424,611,768	$32,416	1.32
Other services	3,947	$181,548,967	$45,997	1.21
Government	13,528	$898,736,330	$66,435	1.17
Total	106,456	$6,662,900,394	$62,588	

Industry	Location Quotient	Industry	Export Employment
Construction	1.59	Construction	3,251
Arts, entertainment, and recreation	1.34	Accommodation and food services	2,916
Accommodation and food services	1.31	Retail trade	1,939
Retail trade	1.18	Government	1,542
Other services	1.14	Health care and social assistance	905
Government	1.14	Arts, entertainment, and recreation	556
Health care and social assistance	1.06	Other services	445
Natural resources and mining	1.04	Natural resources and mining	52
Real estate and rental and leasing	0.96	Utilities	-61
Manufacturing	0.89	Real estate and rental and leasing	-75

SOURCE: Oregon Employment Department

The following is a more detailed profile of the current industrial profile in the three counties in the Central Oregon study area.

DESCHUTES COUNTY

As the largest county in Central Oregon by a large margin, the Deschutes County export employment and location numbers are similar to that of Central Oregon as a whole. Deschutes County does have a smaller concentration in natural resources, manufacturing, and government.

FIGURE 3.02: INDUSTRY PROFILE, DESCHUTES COUNTY (2022)

Deschutes County Industries	2023	Total Payroll	Average Wage	LQ
Natural resources and mining	855	$48,109,118	$56,268	0.74
Construction	7,752	$560,296,872	$72,278	1.63
Manufacturing	6,203	$389,629,050	$62,813	0.78
Wholesale trade	2,389	$200,589,179	$83,964	0.63
Retail trade	11,867	$498,178,966	$41,980	1.23
Transportation, warehousing & utilities	2,427	$173,626,699	$71,540	0.53
Utilities	371	$41,977,598	$113,147	0.98
Information	1,715	$195,042,032	$113,727	0.93
Finance and insurance	2,119	$208,671,056	$98,476	0.58
Real estate and rental and leasing	1,439	$75,836,311	$52,701	1.03
Professional, scientific, and technical services	5,548	$551,360,586	$99,380	0.81
Management of companies and enterprises	1,187	$140,241,349	$118,148	0.78
Administrative and support and waste managemen	4,390	$223,182,636	$50,839	0.76
Educational services	1,205	$46,333,220	$38,451	0.68
Health care and social assistance	14,762	$1,088,940,252	$73,766	1.11
Arts, entertainment, and recreation	2,757	$83,323,574	$30,223	1.49
Accommodation and food services	11,677	$385,016,234	$32,972	1.35
Other services	3,479	$165,249,009	$47,499	1.16
Unclassified	185	$17,717,983	$95,773	-
Government	10,083	$688,668,573	$68,300	0.98
Total	92,037	$5,740,012,699	$62,366	-

Industry	Location Quotient	Industry	Export Employment
Construction	1.63	Construction	2,964
Arts, entertainment, and recreation	1.49	Accommodation and food services	2,881
Accommodation and food services	1.35	Retail trade	2,157
Retail trade	1.23	Health care and social assistance	1,427
Other services	1.16	Arts, entertainment, and recreation	689
Health care and social assistance	1.11	Other services	439
Real estate and rental and leasing	1.03	Real estate and rental and leasing	39
Utilities	0.98	Utilities	(6)
Government	0.98	Information	(129)
Information	0.93	Government	(239)

SOURCE: Oregon Employment Department

Bend is the largest jurisdiction in the region and serves as a center for commercial services. Redmond has a more central location within the region, and strong transportation linkages to the remainder of Central Oregon (including commercial air service).

CROOK COUNTY

Crook County has a disproportionately large "information" industry, with a location quotient of 3.46. A large part of this is due to the Meta and Apple data centers in Prineville. The presence of these data centers also helps support other Central Oregon businesses, as exemplified by the large employment of BasX in Redmond, who manufactures data center cooling systems. The industries with the next highest location quotients are construction at 2.21, which also has the most export employment, and natural resources and mining. Government had the second highest export employment with 446.

FIGURE 3.03: INDUSTRY PROFILE, CROOK COUNTY (2022)

Crook County Industries	2023	Total Payroll	Average Wage	LQ
Natural resources and mining	192	$9,634,746	$50,181	1.97
Construction	768	$69,712,182	$90,771	2.21
Manufacturing	746	$44,944,702	$60,248	1.10
Wholesale trade	344	$18,933,134	$55,038	1.07
Retail trade	646	$20,252,152	$31,350	0.77
Transportation, warehousing & utilities	229	$13,283,428	$58,006	0.77
Information	543	$174,849,173	$322,006	3.46
Finance and insurance	102	$6,138,409	$60,180	0.30
Real estate and rental and leasing	95	$5,705,566	$60,059	0.71
Professional, scientific, and technical services	268	$15,883,528	$59,267	0.50
Management of companies and enterprises	10	$789,732	$78,973	0.08
Administrative and support and waste managemen[t]	283	$12,075,292	$42,669	0.57
Educational services	73	$2,569,771	$35,202	0.49
Health care and social assistance	776	$44,785,516	$57,713	0.68
Arts, entertainment, and recreation	15	$368,213	$24,548	0.13
Accommodation and food services	789	$24,179,071	$30,645	1.14
Other services	260	$9,366,170	$36,024	1.11
Government	1,257	$85,348,719	$67,899	1.55
Total	7,402	$559,464,951	$75,583	-

Industry	Location Quotient	Industry	Export Employment
Information	3.46	Construction	481
Construction	2.21	Government	446
Natural resources and mining	1.97	Information	386
Government	1.55	Accommodation and food services	93
Accommodation and food services	1.14	Natural resources and mining	91
Other services	1.11	Manufacturing	67
Manufacturing	1.10	Other services	25
Wholesale trade	1.07	Wholesale trade	20
Retail trade	0.77	Real estate and rental and leasing	-35
Transportation, warehousing & utilities	0.77	Educational services	-79

SOURCE: Oregon Employment Department

JEFFERSON COUNTY

Jefferson County has a predominant agriculture and forestry industry. According to the Natural Resources Conservation Service, the county has about 97,000 acres of crop land with about 52,000 of it being irrigated. The "natural resources and mining" has a location quotient of 3.91, which is the highest in Jefferson County. It also has an estimated 249 jobs supported by exports. The next highest location quotients are government (2.81) and manufacturing (2.13), and they also have the highest levels of export employment at 1,336 and 679, respectively. The county is very reliant on these three industries, to the point that every other industry has a negative level of export employment.

FIGURE 3.04: INDUSTRY PROFILE, JEFFERSON COUNTY (2022)

Jefferson County Industries	2023	Total Payroll	Average Wage	LQ
Natural resources and mining	342	$19,856,960	$58,061	3.91
Construction	158	$19,597,180	$58,499	0.47
Manufacturing	1,258	$259,780	$37,111	2.13
Wholesale trade	176	$74,653,433	$59,343	0.62
Retail trade	673	$40,829,416	$43,206	0.95
Transportation, warehousing & utilities	96	$10,569,108	$60,052	0.27
Information	45	$2,347,732	$52,172	0.29
Finance and insurance	72	$4,307,627	$59,828	0.22
Real estate and rental and leasing	36	$1,631,232	$45,312	0.28
Professional and business services	236	$13,211,365	$55,980	0.19
Educational services	14	$301,367	$21,526	0.10
Health care and social assistance	802	$47,831,587	$59,640	0.80
Arts, entertainment, and recreation	76	$2,304,832	$30,327	0.73
Accommodation and food services	633	$15,416,463	$24,355	0.91
Other services	208	$6,933,788	$33,336	0.91
Government	2,188	$124,719,038	$57,001	2.81
Tribal Government	809	$36,605,372	$45,248	-
Total	7,017	$363,422,744	$51,792	-

Industry	Location Quotient	Industry	Export Employment
Natural resources and mining	3.91	Government	1,336
Government	2.81	Manufacturing	679
Manufacturing	2.13	Natural resources and mining	249
Retail trade	0.95	Other services	(19)
Other services	0.91	Arts, entertainment, and recreation	(30)
Accommodation and food services	0.91	Retail trade	(36)
Health care and social assistance	0.80	Accommodation and food services	(59)
Arts, entertainment, and recreation	0.73	Real estate and rental and leasing	(79)
Wholesale trade	0.62	Information	(103)
Construction	0.47	Wholesale trade	(106)

SOURCE: Oregon Employment Department

IV. FORECAST OF OVERALL EMPLOYMENT AND LAND NEED

Statewide Planning Goal 9 requires that jurisdictions establish a 20-year land supply in their Urban Growth Boundaries (UGB) to accommodate employment and housing needs. Because employment capacity is the physical space necessary to accommodate new workers in the production of goods and services, employment need forecasts typically begin with a forecast of employment growth in the community. The previous analysis of economic trends and targeted industries set the context for these estimates. This analysis translates those trends into estimates of employment growth by industry sector. Forecasts are produced at the sector or subsector level (depending on available information) and subsequently aggregated into two-digit North American Industry Classification System (NAICS) sectors. Estimates in this analysis are intended for long-range land planning purposes and are not designed to predict or reflect short-term business cycle fluctuation.

The projections in this analysis are built on an estimate of employment in 2024, the commencement year for the planning period. Employment growth will come as the result of net-expansion of existing businesses in the community, new business formation, or the relocation/recruitment of new firms. Forecast scenarios consider a range of factors influencing growth. Long-range forecasts typically rely on a macroeconomic context for growth. The forecast does not consider the impact of a significant exogenous shift in employment such as recruitment of an unforeseen major employer.

OVERVIEW OF EMPLOYMENT FORECAST METHODOLOGY

Our methodology starts with employment forecasts for major commercial and industrial sectors. Forecasted employment is allocated to building type, and a space demand is a function of the assumed square footage per employee ratio multiplied by projected change. The need for space is then converted into land and site needs based on assumed development densities using floor area ratios (FARs).

FIGURE 4.01: UPDATE TO 2020 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT

The first analytical step of the analysis is to update covered employment to the 2024 base year. The Quarterly Census of Employment and Wages (QCEW) data was used to determine the Central Oregon study area's covered employment by industry through 2023, the latest year available. To update these estimates, we use observed industry specific growth rates for the three counties between 2023 and 2024 from current employment statistics (CES) data from the State of Oregon.

The second step in the analysis is to convert "covered"[2] employment to "total" employment. Covered employment only accounts for a share of overall employment in the economy. Specifically, it does not consider sole proprietors or commissioned workers. Covered employment was converted to total employment based on observed ratios at the national level derived from the Bureau of Economic Analysis from 2014 through 2021. The differential is the

[2] The Department of Labor's Quarterly Census of Employment and Wages (QCEW) tracks employment data through state employment departments. Employment in the QCEW survey is limited to firms with employees that are "covered" by unemployment insurance.

most significant in administration services, professional & technical services, and other services. The adjusted 2024 total employment base for Central Oregon study area is 122,144 jobs.

FIGURE 4.02: UPDATE TO 2024 BASELINE AND CONVERSION OF COVERED TO TOTAL EMPLOYMENT CENTRAL OREGON STUDY AREA

	QCEW Employment				
Major Industry Sector	2023 Employment	'23-'24 Δ[1]	2024 Estimate	Total Emp. Conversion[2]	2024 Estimate
Agriculture	1,389	0.0%	1,389	38.5%	3,606
Construction	8,678	1.1%	8,773	77%	11,393
Manufacturing	8,207	2.9%	8,445	98%	8,625
Wholesale Trade	2,909	0.4%	2,921	98%	2,978
Retail Trade	13,186	1.3%	13,357	95%	14,073
T.W.U.	3,123	5.8%	3,304	91%	3,616
Information	2,303	-0.6%	2,289	95%	2,422
Finance & Insurance	2,293	0.6%	2,307	91%	2,528
Real Estate	1,570	1.8%	1,598	91%	1,751
Professional & Technical Services	5,816	1.8%	5,921	90%	6,605
Administration Services	5,870	1.8%	5,976	90%	6,667
Education	1,292	8.6%	1,403	95%	1,476
Health Care & Social Assistance	16,340	8.6%	17,745	95%	18,673
Leisure & Hospitality	15,947	7.2%	17,095	95%	18,044
Other Services	3,947	0.8%	3,979	83%	4,818
Government	13,528	9.9%	14,867	100%	14,867
TOTAL	**106,398**	**4.7%**	**111,370**	**91%**	**122,141**

1/Growth rate calculated using CES data for Deschutes, Jefferson, and Crook Counties

2/ Bureau of Economic Analysis

SCENARIO 1: BASELINE "SAFE HARBOR" FORECAST

The Goal 9 statute does not have a required method for employment forecasting. However, OAR 660-024-0040(9)(a) outlines several safe harbor methods, which are intended to provide a methodological approach that will not be challenged. The recommended approach for Central Oregon is 660-024-0040(9)(a)(A), which allows reliance on the most recent regional forecast published by the Oregon Employment Department.[3] This method applies industry specific growth rates for the relevant Workforce Region (Crook, Deschutes, Gilliam, Hood River, Jefferson, Klamath, Lake, Sherman, Wasco, and Wheeler Counties) to Central Oregon's 2024 base employment. This method results in an average annual growth rate of 1.4%, with a total growth of 37,550 jobs over the forecast period.

SCENARIO 2: HISTORIC EMPLOYMENT PATTERNS

The second approach is based on observed historical growth rates by industry since 2010, derived from county-level QCEW data. This scenario applied the projected historic growth rates at the industry level to Central Oregon's current estimated employment base. The resulting average annual growth rate was a robust 3.9%, reflecting a net gain of 134,136 jobs over the next twenty years. This rate was viewed as overly aggressive, as the rate of growth was likely to decline as the employment base grew and the regional economy became more mature.

3 The second safe harbor method described under OAR 660-024-0040(9)(B) allows using the most recently forecasted population growth rate for the City from the PSU Population Research Center. The employment growth rate may be assumed to match the population growth rate. This option allows for an average annual rate of 1.38%, which was largely equivalent to the employment forecast approach but did not allow for a differential breakdown by sector.

Scenario 3: Adjusted Employment Forecast

A third adjusted forecast scenario was informed by the research and analysis conducted in this report. This scenario formulates an employment growth trajectory based on identified trends, a more optimistic growth outlook for targeted industries, and input from the project steering committee. Further, the alternative scenario recognizes that economic development efforts and public policy can influence realized growth in targeted sectors. Under this scenario employment growth would be 70,220 over the period, reflecting a 2.4% average annual growth rate. The construction sector is projected to cool relative to the last decade's rate of growth, while the manufacturing sector continues to expand at the rate reported since 2010. Information is projected to grow at an accelerated rate, led by an expansion in the need for data centers associated with rapidly expanding capacity needs associated with artificial intelligence.

Figure 4.03: Comparison of Alternate Forecasts, Central Oregon Study Area (2024 - 2044)

	SCENARIO I (Regional Forecast)				SCENARIO II (Historic Observed)				SCENARIO III (Adjusted)			
Industry	**2024**	**2044**	**Chg.**	**AAGR**	**2024**	**2044**	**Chg.**	**AAGR**	**2024**	**2044**	**Chg.**	**AAGR**
Construction	11,393	15,047	3,654	1.4%	11,393	49,820	38,427	7.7%	11,393	22,607	11,214	3.5%
Manufacturing	8,625	9,940	1,315	0.7%	8,625	17,996	9,372	3.7%	8,625	17,996	9,372	3.7%
Wholesale Trade	2,978	3,472	493	0.8%	2,978	4,421	1,443	2.0%	2,978	3,764	786	1.2%
Retail Trade	14,073	15,060	987	0.3%	14,073	21,629	7,557	2.2%	14,073	17,004	2,931	1.0%
Transportation/Warehousing	3,616	4,117	501	0.7%	3,616	8,426	4,810	4.3%	3,616	5,242	1,626	1.9%
Information	2,422	12,016	9,594	8.3%	2,422	5,041	2,620	3.7%	2,422	12,016	9,594	8.3%
Finance & Insurance	2,528	2,455	-73	-0.1%	2,528	2,603	75	0.1%	2,528	2,603	75	0.1%
Real Estate	1,751	2,018	267	0.7%	1,751	2,225	473	1.2%	1,751	2,085	333	0.9%
Professional & Technical Services	6,605	9,483	2,877	1.8%	6,605	21,435	14,830	6.1%	6,605	12,491	5,886	3.2%
Administration Services	6,667	7,805	1,138	0.8%	6,667	8,949	2,283	1.5%	6,667	8,170	1,503	1.0%
Education	1,476	1,940	464	1.4%	1,476	3,791	2,314	4.8%	1,476	2,431	955	2.5%
Health Care	18,673	25,367	6,694	1.5%	18,673	42,140	23,467	4.2%	18,673	30,087	11,414	2.4%
Leisure & Hospitality	18,044	24,809	6,766	1.6%	18,044	37,868	19,824	3.8%	18,044	28,594	10,550	2.3%
Other Services	4,818	5,884	1,066	1.0%	4,818	9,113	4,296	3.2%	4,818	6,815	1,997	1.7%
Government	14,867	16,674	1,807	0.6%	14,867	17,213	2,346	0.7%	14,867	16,852	1,985	0.6%
TOTAL:	**118,536**	**156,085**	**37,550**	**1.4%**	**118,536**	**252,671**	**134,136**	**3.9%**	**118,536**	**188,756**	**70,220**	**2.4%**

Source: Johnson Economics, Oregon Employment Department, Workforce and Economic Research Division.

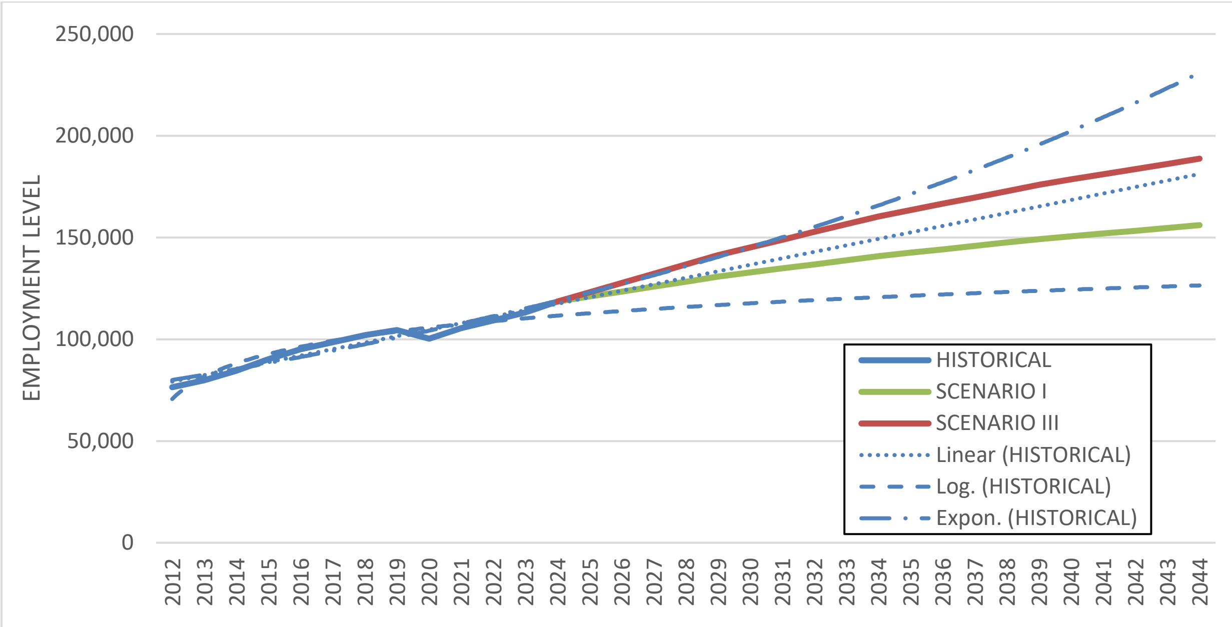
The adjusted scenario considers the influence of known or anticipated development over the near- and medium-term horizon, and local economic development goals. The forecasted rate is well below the historic rate, and somewhat higher than a linear forecast.

Summary of Employment Forecast Scenarios

The three forecast scenarios in this analysis range from 1.4% to 2.4% average annual growth. Job growth estimates range from 37,550 to 134,136 jobs over the 20-year period. Forecasts grounded in broad based economic variables cannot account for all the realities of local businesses and trends among evolving industries. Any long-term forecast is inherently uncertain and should be updated on a regular basis to reflect more current information.

These forecasts tend to reflect recent trends and patterns. This approach is often not well suited for projecting the potential demand for large-lot industrial employers. Large industrial placements are often "game-changers", whereas a single placement can change the economic landscape of a community. The employment impacts are not reliably "forecastable". Communities are best served by providing a range and supply of suitable options for prospective recruitment in addition to organic expansions. This is particularly prevalent in today's landscape, where firms, products and even entire industries shopping Oregon for suitable sites did not even exist a cycle ago.

FIGURE 4.04: HISTORIC EMPLOYMENT GROWTH AND PROJECTION SCENARIOS



Source: Johnson Economics, Oregon Employment Department, Workforce and Economic Research Division.

The forecasts were further broken into four five-year increments, assuming a declining rate of growth over the period. We would expect that a twenty-year forecast will include multiple business cycles, and that growth will be more variable than shown.

FIGURE 4.05: SUMMARY OF PROJECTION SCENARIOS, CENTRAL OREGON STUDY AREA

	Overall Employment					Net Change by Period				Total
Industry	2024	2029	2034	2039	2044	24-29	29-34	34-39	39-44	24-44
SCENARIO I (Regional Forecast)										
Construction	11,393	12,581	13,567	14,381	15,047	1,187	987	814	666	3,654
Manufacturing	8,625	9,052	9,407	9,700	9,940	427	355	293	240	1,315
Wholesale Trade	2,978	3,138	3,272	3,382	3,472	160	133	110	90	493
Retail Trade	14,073	14,394	14,660	14,880	15,060	321	267	220	180	987
Transportation/Warehousing	3,616	3,779	3,914	4,025	4,117	163	135	112	91	501
Real Estate	1,751	1,838	1,910	1,970	2,018	87	72	59	49	267
Professional & Technical Services	6,605	7,540	8,317	8,958	9,483	935	777	641	524	2,877
Administration Services	6,667	7,036	7,344	7,597	7,805	370	307	253	207	1,138
Health Care	18,673	20,849	22,656	24,147	25,367	2,176	1,807	1,491	1,220	6,694
Leisure & Hospitality	18,044	20,243	22,069	23,576	24,809	2,199	1,827	1,507	1,233	6,766
Other Services	4,818	5,164	5,452	5,689	5,884	346	288	237	194	1,066
Government	14,867	15,454	15,942	16,345	16,674	587	488	402	329	1,807
TOTAL:	**118,536**	**130,739**	**140,878**	**149,242**	**156,085**	**12,204**	**10,138**	**8,364**	**6,843**	**37,550**
SCENARIO III (Adjusted)										
Construction	11,393	15,038	18,065	20,563	22,607	3,645	3,028	2,498	2,044	11,214
Manufacturing	8,625	11,670	14,201	16,288	17,996	3,046	2,530	2,088	1,708	9,372
Wholesale Trade	2,978	3,234	3,446	3,621	3,764	256	212	175	143	786
Retail Trade	14,073	15,025	15,817	16,470	17,004	953	791	653	534	2,931
Transportation/Warehousing	3,616	4,144	4,583	4,945	5,242	528	439	362	296	1,626
Real Estate	1,751	1,860	1,950	2,024	2,085	108	90	74	61	333
Professional & Technical Services	6,605	8,518	10,107	11,418	12,491	1,913	1,589	1,311	1,073	5,886
Administration Services	6,667	7,155	7,561	7,896	8,170	488	406	335	274	1,503
Health Care	18,673	22,382	25,464	28,006	30,087	3,709	3,082	2,542	2,080	11,414
Leisure & Hospitality	18,044	21,472	24,321	26,671	28,594	3,429	2,848	2,350	1,923	10,550
Other Services	4,818	5,467	6,006	6,451	6,815	649	539	445	364	1,997
Government	14,867	15,512	16,048	16,490	16,852	645	536	442	362	1,985
TOTAL:	**118,536**	**141,357**	**160,317**	**175,958**	**188,756**	**22,821**	**18,959**	**15,641**	**12,798**	**70,220**

Source: Johnson Economics, Oregon Employment Department, Workforce and Economic Research Division.

Scenario III was selected as the preferred employment forecast. This approach modifies the employment forecast to incorporate target industry findings.[4]

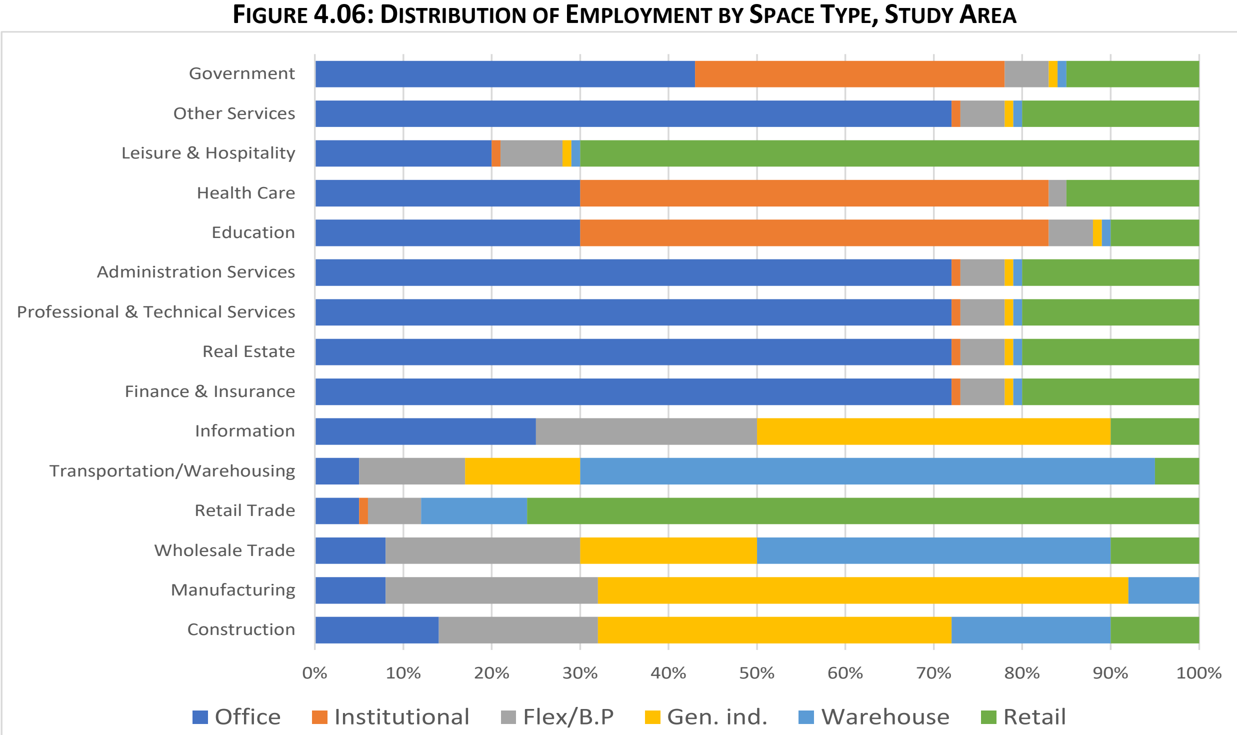
EMPLOYMENT LAND FORECAST

The next analytical step in our analysis is to convert the Scenario III projections of employment into forecasts of land demand over the planning period. **This analysis was not included in the 2012 REOA but has been included here to add additional context to assess site requirements.** The generally accepted methodology for this conversion begins by allocating employment by sector into a distribution of building typologies those economic activities typically use. As an example, insurance agents typically locate in traditional office space, often along commercial corridors. However, a percentage of these firms are also located in commercial retail space adjacent to retail anchors. Cross tabulating this distribution provides an estimate of employment in each typology.

The next step converts employment into space using estimates of the typical square footage exhibited within each typology. Adjusting for typical stabilized market vacancy we arrive at an estimate of total space demand for each building type. Finally, we can consider the physical characteristics of individual building types and the amount of land they typically require for development. The site utilization metric commonly used is referred to as a "floor area ratio" or FAR. For example, assume a 25,000-square foot general industrial building requires roughly a site of roughly 100k square feet to accommodate its structure, setbacks, parking, and necessary yard/storage space. This building would have an FAR of roughly 0.25. Demand for space is then converted to net acres using a standard floor area ratio FAR for each development form.

In this analytical step we allocate employment growth to the standard building typologies. The building typology matrix represents the share of sectoral employment that is located across various building types.

FIGURE 4.06: DISTRIBUTION OF EMPLOYMENT BY SPACE TYPE, STUDY AREA



Source: Johnson Economics

4 The analysis relies upon guidance in the OAR 660-009-0015(1) and OAR 660-009-0015(2) for the target industries approach.

Under the employment forecast scenario, employment housed in retail space accounts for the greatest share of growth, followed by employment housed in office and institutional space. The combined employment forecast for commercially zoned space (~2,500 jobs) is greater than that forecast for industrially zoned space (~1,280 jobs).

FIGURE 4.07: NET GROWTH IN EMPLOYMENT BY BUILDING TYPE, CENTRAL OREGON (SCENARIO III)

	NET CHANGE IN EMPLOYMENT BY BUILDING TYPE - 2024-2044						
Industry Sector	**Office**	**Institutional**	**Flex/B.P**	**Gen. Ind.**	**Warehouse**	**Retail**	**Total**
Construction	1,570	0	2,019	4,486	2,019	1,121	11,214
Manufacturing	750	0	2,249	5,623	750	0	9,372
Wholesale Trade	63	0	173	157	314	79	786
Retail Trade	147	29	176	0	352	2,228	2,931
Transportation/Warehousing	81	0	195	211	1,057	81	1,626
Information	2,398	0	2,398	3,838	0	959	9,594
Finance & Insurance	54	1	4	1	1	15	75
Real Estate	240	3	17	3	3	67	333
Professional & Technical Services	4,238	59	294	59	59	1,177	5,886
Administration Services	1,082	15	75	15	15	301	1,503
Education	286	506	48	10	10	95	955
Health Care	3,424	6,049	228	0	0	1,712	11,414
Leisure & Hospitality	2,110	105	738	105	105	7,385	10,550
Other Services	1,438	20	100	20	20	399	1,997
Government	853	695	99	20	20	298	1,985
TOTAL	**18,735**	**7,483**	**8,814**	**14,548**	**4,724**	**15,917**	**70,220**

Source: Johnson Economics

Employment growth estimates by building type are then converted to demand for physical space. This conversion assumes the typical space needed per employee on average. This step also assumes a market average vacancy rate, acknowledging that equilibrium in real estate markets is not 0% vacancy. We assume a 10% vacancy rate for office, retail, and flex uses, as these forms have high rates of speculative multi-tenant usage. A 5% rate is used for general industrial and warehouses as these uses have higher rates of owner occupancy that lead to lower overall vacancy. Institutional uses are assumed to have no vacancy, as they are typically purpose-built for healthcare, nonprofit, government, or related users. Institutional demand is categorized as commercial.

The demand for space is converted into an associated demand for acreage using an assumed Floor Area Ratio (FAR), based upon the observed FAR in existing commercial and industrial properties. The combined space and FAR assumptions further provide estimates indicated of job densities, determined on a net-developable acre basis.

FIGURE 4.08: NET ACRES REQUIRED BY BUILDING TYPOLOGY, CENTRAL OREGON (SCENARIO III) – 20-YEAR

	DEMAND BY GENERAL USE TYPOLOGY, 2024-2044						
	Office	**Institutional**	**Flex/B.P**	**Gen. Ind.**	**Warehouse**	**Retail**	**Total**
Employment Growth	18,735	7,483	8,814	14,548	4,724	15,917	70,220
Avg. SF Per Employee	350	600	990	600	1,850	500	644
Demand for Space (SF)	6,557,000	4,490,000	8,725,000	8,729,000	8,740,000	7,959,000	45,200,000
Floor Area Ratio (FAR)	0.35	0.35	0.30	0.30	0.30	0.25	
Market Vacancy	10.0%	0.0%	10.0%	5.0%	5.0%	10.0%	
Implied Density (Jobs/Acre)	39.2	25.4	11.9	20.7	6.7	19.6	18.8
Net Acres Required	477.9	294.5	741.8	703.1	704.0	812.1	3,733.4
Industrial Acreage	0.0	0.0	741.8	703.1	704.0	0.0	2,149.0
Commercial Acreage	669.0	412.3	0.0	0.0	0.0	1,015.1	2,096.4

Source: Johnson Economics

Commercial office and retail densities are 39 and 20 jobs per acre, respectively. Industrial uses range from 21 for general industrial to less than 7 jobs per acre for warehouse/distribution. The overall weighted employment density is 18.8 jobs per acre, with the projected 70,220-job expansion in the local employment base through 2044 requiring an estimated 3,733 net acres of employment land, of which 2,149 net acres are for industrial uses. An estimated 58% of this forecasted need is industrial land, and 42% commercial land.

V. Regional Large-Lot Demand

For this analysis we used four alternative approaches to estimate the demand for large lot industrial demand in Central Oregon. These included recent large lot absorption history, the anticipated profile of firms by size for projected employment growth by sector, regional recruitment activity, and the distribution of market development activity. This section summarizes each of these approaches.

While not all industries expected to expand within the Central Oregon region will generate significant demand for large-lot industrial land, some sectors have a demonstrated track record for creating significant exogenous demand for and absorption of properly-zoned industrial sites. Industries requiring large acreages that hold promise for the Central Oregon region include:

- *Data centers*
- *Large manufacturers*
- *Warehouse/distribution centers*
- *Select high technology/biosciences operations*

Additionally, any one of these sectors has the potential to create the exogenous demand that would trigger the need for additional large, industrial-zoned land in Central Oregon.

Historic Absorption

Central Oregon has had a dozen large industrial lots developed since 2010, consuming a total of 1,223 acres. These include three sites in Prineville, six sites in Redmond, three sites in Bend, and one site in Madras. Of these, six were located on sites greater than 25 acres.

Figure 5.01: Observed Industrial Site Absorption on 5-Acre Sites or Greater in Central Oregon

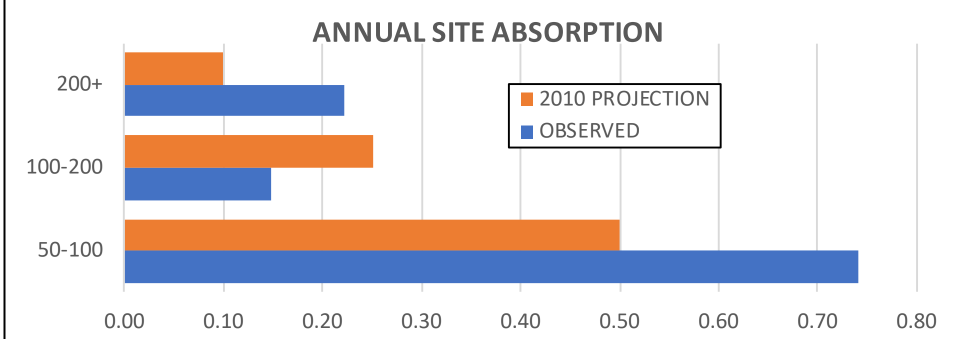
Site Location	Company	Original Acreage	Later Absorption	Total	Status
Prineville	Apple	160	211	371	Built out
Prineville/Crook County	Meta	120	303	423	Built out
Redmond	Bas X Solutions	12	2	14	Later absorpion site under construction
Redmond	Nosler Inc.	60		60	Additional buildings in Land Use
Madras	Daimler Trucks North America	200		200	Additional site operations in Land Use
Redmond	Wild Mikes Pizza	46		46	Excavation work underway
Redmond	Medline	11		11	Built out
Bend	Seran Bioscience	14		14	Permitted but awaiting construction
Redmond	Project Jasper	14		14	Submitted Land Use
Redmond	Basalite	14		14	Design Phase
Bend	Pacific Corp	20		20	Under Construction
Bend	City of Bend	36		36	Under Construction
Total		707	516	1,223	

SOURCE: Economic Development for Central Oregon (EDCO), data collected by EDCO

The observed large lot absorption from 2010 through September 2024 has been over 1.1 sites per year, which has exceeded the rate projected in the 2012 study. Realized large lot absorption has been consistent with or greater than projected during this period. Lot absorption reflects the utilization of a site by an end-user, removing this site from the available inventory for subsequent needs.

FIGURE 5.02: OBSERVED INDUSTRIAL SITE ABSORPTION COMPARED TO 2010 FORECAST

	Large Lot Absorption Since 2010				2010 Forecast	
	Sites		Acres		Sites	
Site Size	Total	Annual	Total	Annual	Total	Annual
50-100	10	0.74	229	17.0	10	0.50
100-200	2	0.15	280	20.7	5	0.25
200+	3	0.22	714	52.9	2	0.10
	15	1.11	1,223	90.6	17	0.85



SOURCE: EDCO and Johnson Economics

FORECASTED GROWTH CHARACTERISTICS

The forecast of employment lands presented earlier was further broken down to characterize projected demand by the targeted industry sectors. Figure 5.03 summarizes these projections:

FIGURE 5.03: PROJECTED EMPLOYMENT BY FIRM SIZE, SCENARIO III

	PROJECTED EMPLOYMENT BY FIRM SIZE			
	100-249	250-499	500-999	1,000+
Construction	1,250	1,288	519	253
Manufacturing	1,154	1,890	1,376	978
Wholesale Trade	89	127	71	26
Retail Trade	75	105	57	24
Transportation/Warehousing	203	285	165	60
Information	692	897	569	543
Finance & Insurance	0	0	0	0
Real Estate	3	4	3	1
Professional & Technical Services	50	67	43	32
Administration Services	13	17	11	8
Education	8	10	6	4
Health Care	27	34	18	15
Leisure & Hospitality	176	104	37	24
Other Services	13	13	4	1
Total Employment	3,753	4,841	2,879	1,969
Indicated Site Need	21	15	4	2
Acres	276	356	212	145
Typical Site	13	24	53	72

SOURCE: Johnson Economics

The primary sources of large lot industrial demand under this approach would come from manufacturing, information, and construction. The indicated need for sites of 25 acres or larger is 21, of which 6 would be greater than 50 acres. It is important to recognize that many firms will prefer sites that have potential for future expansion, and the demand for site sizes may be larger than indicated by firm size.

RECRUITMENT ACTIVITY

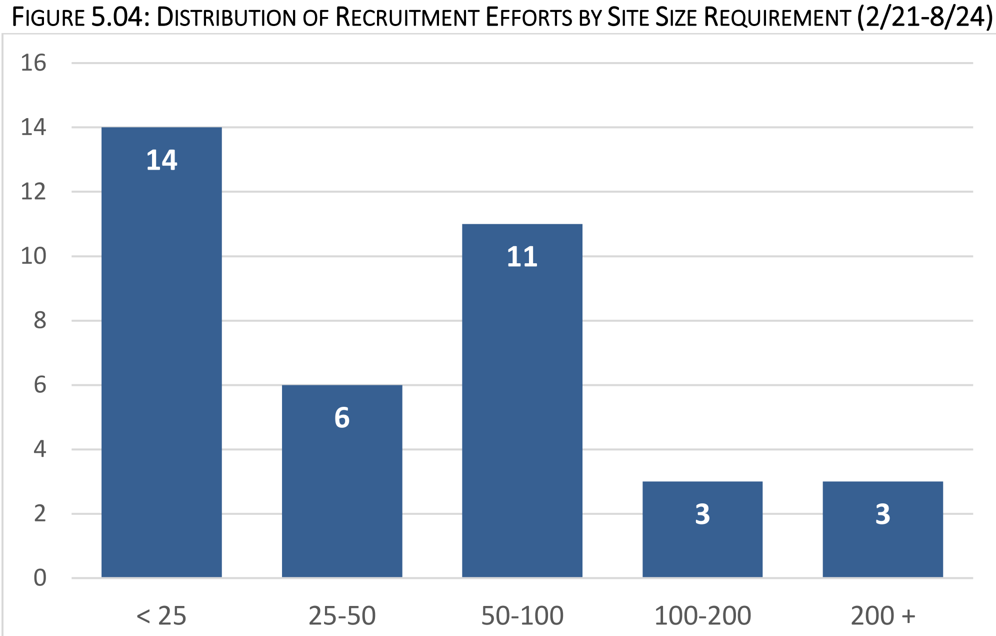
Business Oregon logged a total of 53 industrial recruitment efforts for a 42-month period between February 2021 and August 2024. It should be noted that Business Oregon's database reflects only a subset of overall activity in this market, with many firms making decisions without contacting the agency, or working more directly with regional economic development agencies such as EDCO. The profile of firms included a large number of manufacturing firms, food processing, and data centers.

The following is a summary of this activity:

- *53 firms in log, of which 37 provided site size requirements.*
- *Over 16% of demand for lots 100 acres in size or greater*
- *Over 62% of demand for sites 25 acres in size or greater*
- *The largest site need was up to 1,500 acres.*

Recruitment information was only available for the last 42 months, which is a fraction of the 20-year planning horizon for this project (17.5%). The following graphic shows the distribution of recruitment efforts by required site size.

FIGURE 5.04: DISTRIBUTION OF RECRUITMENT EFFORTS BY SITE SIZE REQUIREMENT (2/21-8/24)



SOURCE: Business Oregon

FIGURE 5.05: SAMPLE OF RECENT RECRUITMENT EFFORTS, CENTRAL OREGON

Project Name	Industry	Acreage	Job Creation
ACE (Battery)	Manufacturing - Batteries	20/30 acres	100 to 924
USA 2-Sofidel Am.	Manufacturing - Paper Goods	230 - 285 (would consider 150 start)	70 to 900
Sushi	Food Processing		200
Stamper	Aviation		1200
Light Speed	Food Processing	1.5 to 4 acres	approx. 200
IX	Manufacturing - Titanium		100 (tech & engin.)
Broadbill	Clean Energy-Green Hydrogen	50 to 75 acres	100
Apollo	Food Processing	10 acres (prefer co-location)	30
Sunlight	Manufacturing - Solar Panels	min. 8 max.25	230
Sunday	Manufacturing - Solar Panels	6 to 10 acres	125 to 400
Fabrik	Semiconductor Fab	85-100 acres	400 to 600
Dolomite	Manufacturing - Polymer	2-6 acres	20 to 50
HAL	Data Center	4 to 200 acres (3-4 acres per 10MW)	7 FT/data center for BTC, up to 212 for all five
Hedron	Shoe Assembly	8 acres	74
Magic Sponge	Manufacturing - Chemical		10 to 20
PET Bev	Advanced Manufacturing		5 to 7
Shoelution	Shoe Assembly		26 initailly to 260 w/ expansion
Table	Food Processing		20 to 25

SOURCE: Business Oregon, 9/21 through 9/24

Twelve of the recruitment profiles included an estimate of investment level. These ranged from $15 to $800 million. Five of these responses included an estimated investment level of $300,000,000 or larger, while four responses estimated investments at between $30 and $80 million. While most of the firms indicating an estimated employment level ranged from 20 to 100 jobs, seven responded with a potential for 200 or more permanent jobs created.

There were eight responses indicating a significant need for water, ranging from 25 gallons per day to a maximum of 800,000 gallons per day. Wastewater needs range from 0.097 gallons per day to just over 108,000 gallons per day. The lowest indicated electrical need was 5,000 kW and the most was 8,800,000 kW per month. There were only four responses to the need for natural gas, with responses from 5,000 kg to 23,260 kg. Most responses show a need to be near accessible transportation.

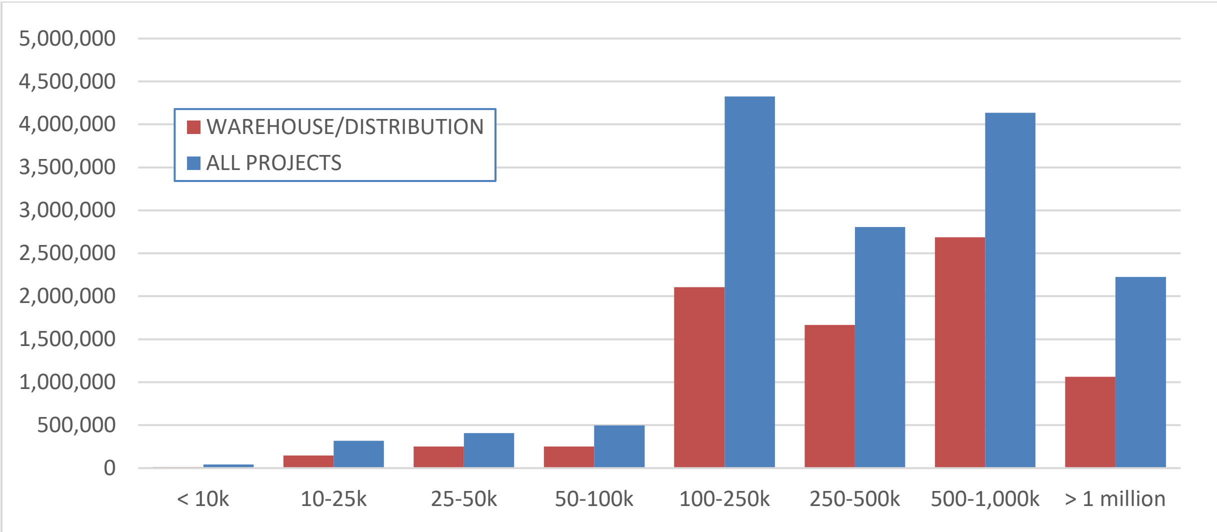
Infrastructure matters for industrial development. A large site zoned for industrial use won't be developed unless key infrastructure is available to serve the site. The key infrastructure requirements of the recruitments in Figure 5.05 were related to water, sewer, power, natural gas, and transportation.

DEVELOPMENT PATTERNS

The demand for industrial sites is not solely driven by large firms in owner-occupied developments. Most industrial space developed in the State of Oregon is multi-tenant space that is developed speculatively for lease. Johnson Economics recently completed a survey of all industrial construction in the Willamette Valley since 2018. The survey included 87 projects, of which 9% of the projects were developed on sites greater than 25 acres in size. A total of 43% of all space developed was on sites greater than 25 acres in size, including 15% on sites greater than 50 acres.

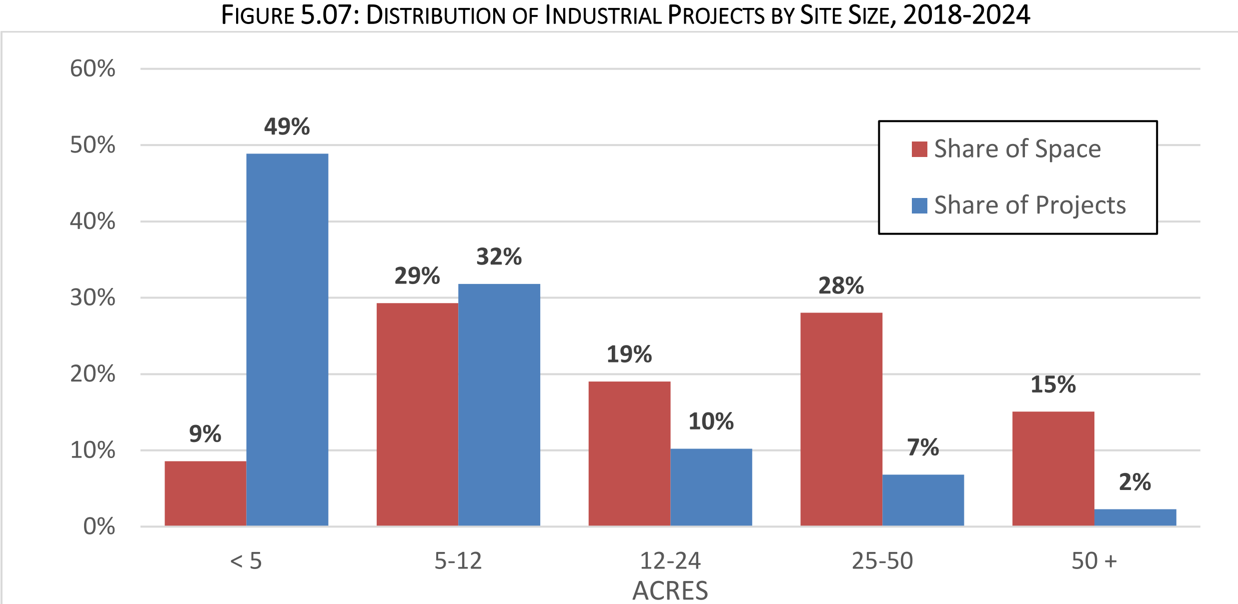
Multi-tenant properties allow smaller tenants to lease space, while providing the scale of development necessary to support a viable project and attract investment. Demand in the state has been dominated by projects over 100,000 square feet in size, with 62% of space demand in projects over 250,000 square feet in size. This reflects an approximately 25-acre site.

FIGURE 5.06: INDUSTRIAL SPACE DEVELOPED BY TYPE AND SIZE OF PROJECT (SF), 2018-2024



SOURCE: CoStar and Johnson Economics

FIGURE 5.07: DISTRIBUTION OF INDUSTRIAL PROJECTS BY SITE SIZE, 2018-2024



SOURCE: CoStar and Johnson Economics

SUMMARY

Multiple approaches support projected demand estimates that are largely consistent in terms of the number of sites. Historic absorption patterns (Figures 5.01 & 5.02), forecasted growth by industry and firm size (Figure 5.03), recruitment activity (Figure 5.04), and development patterns (Figure 5.06) indicate a need for between 21 to 25 large lot industrial sites in the region. This is somewhat higher than the 17 sites identified in the 2012 study. The need for sites is inherently difficult to project, and can shift substantively based on public policy, economic shifts, or other factors beyond the control of local government. Large lot demand in Central Oregon is likely to be concentrated in data centers and manufacturing, with some logistics potential.

FIGURE 5.08: COMPARISON OF INDICATED 20-YEAR LARGE LOT SITE NEEDS

Large Lot Needs by Approach	Sites	Acres
Sectoral Projections	21	712
Development Patterns	23	926
Historic	25	1,812

SOURCE: Johnson Economics

The following is our recommendation for short- and long-term site inventory in Central Oregon. The long-term demand reflects sites available within a 20-year planning horizon, while the short-term inventory reflects sites that can be developed within the next five years.[5] The definition from the demand side in this analysis is the projected demand for sites over the next five years. The table shows a recommended number of jurisdictions for the site supply, but the final allocation of sites by jurisdiction will be decided by the Intergovernmental agreement (IGA).

FIGURE 5.09: RECOMMENDED LARGE LOT SITE INVENTORY, CENTRAL OREGON

	SITE ACREAGE			
	50-100	100-200	200+	TOTAL
SHORT TERM				
Number of Sites	3	2	1	6
Jurisdictions	3	2	1	
LONG TERM				
Number of Sites	10	5	4	19
Jurisdictions	5	3	2	

SOURCE: Johnson Economics

The analysis includes a long-term projection (20-years), which is referenced in OAR 660-024-0045.[6] The focus of the program has been the short-term need, with the intent that the inventory be maintained over the 20-year period. The recommended site inventory is largely consistent with the inventory recommendations in 2011, as observed absorption and regional inquiries since that time have largely supported the previous study's findings. This reflects an ongoing need, and the inventory should be refreshed as needed to maintain an adequate site supply to support economic development objectives.

The short-term demand numbers were reconciled with the current identified inventory of sites 50-acres or greater (Appendix A). This shows a current inventory of six lots in the region. The current inventory has only one lot in the 100 to 200- acre range. The projected 20-year need for large sites to support targeted industries significantly exceeds the current inventory in the region.

5 OAR 660-009-005(10) defines "Short-term Supply of Land" as "suitable land that is ready for construction within one year of an application for a building permit or request for service extension. Engineering feasibility is sufficient to qualify land for the short-term supply of land. Funding availability is not required. "Competitive Short-term Supply" means the short-term supply of land provides a range of site sizes and locations to accommodate the market needs of a variety of industrial and other employment uses.

6 OAR 660-024-0045(2)(f) "Regional large lot industrial land need" means the need for a specific type of 20-year employment land need, as described in OAR 660-024-0040(1) and (5), that is determined based upon the analysis.

FIGURE 5.10: RECONCILIATION WITH EXISTING INVENTORY, CENTRAL OREGON

	SITE ACREAGE			
	50-100	100-200	200+	TOTAL
NEED				
Number of Sites	3	2	1	6
INVENTORY				
Bend				0
LaPine	1			1
Madras				0
Prineville	3	1		4
Redmond			1	1
Total	4	1	1	6

The preceding table includes the South Redmond Tract as a single parcel, but this roughly 780-acre property is likely to be partitioned into several sites that could be used to meet large lot industrial requirements.

The intent of Central Oregon's large lot industrial program is to assure that an adequate inventory of sites is maintained to support the region's economic development requirements. The short-term inventory in this context reflects sites that are readily available to meet needs, with appropriate site characteristics, entitlements, and infrastructure availability to support development. Division 9 of the Oregon Administrative rules defines "site characteristics" as the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes. Suitable is defined as serviceable land designated for industrial or other employment use that provides or can be expected to provide the appropriate site characteristics for the proposed use.

The OAR also allows cities and counties to consider land availability when determining short-term supply. This includes factors such as availability to the market at a market-responsive price, owner disposition, and the diversity of ownership within a planning area (OAR 660-009-0025(7)).

The large lot industrial program aims to maintain a strategic inventory of development sites that support Central Oregon's economic growth. When the available sites fall below target levels, the inventory should be replenished to ensure a consistent supply that meets the region's needs. In this instance, the short-term site inventory can be viewed as the minimum targeted ongoing inventory, with the long-term inventory identifying sites that can be used to replenish the inventory when needed. OAR 660-024-004(4) states that "up to three additional sites that may be designated in order to replace one of the original six sites that is developed or committed to development". Section 12 of this rule states that "A site may be considered developed or committed to industrial development if a large-lot traded sector user demonstrates a commitment to develop the site".

The following is a summary of key site requirements associated with the targeted large-lot industrial sectors.

A. DATA CENTERS

The rapid rise in demand for data centers is a trend that has increased the demand for large sites in the region. The data center industry has changed quickly as data processing needs have grown exponentially in response to the general growth of the internet (e.g., e-commerce) and development of new industries including widespread adoption of decentralized cloud services, video and game streaming, mass data farming and processing, and artificial intelligence (AI).

Data centers are classified as a basic industry due to several key economic characteristics.

- Data centers meet the fundamental criterion of basic industries by bringing new money into a region through services provided to customers outside the local area. Like traditional basic industries such as manufacturing or mining, data centers export their services beyond the local market, attracting revenue from national and international clients.
- Data centers create significant economic impacts through substantial capital investment and job creation. While they may not employ as many people directly as traditional manufacturing facilities, they generate high-wage technical positions and support numerous indirect jobs in construction, maintenance, and related services.
- Data Centers contribute to the economic base through considerable property tax revenue and utility consumption. Their large physical footprint and high-value equipment translate into meaningful tax contributions, while their substantial power requirements often lead to infrastructure improvements that can benefit other industries.

However, data centers differ from traditional basic industries in their resource requirements. Rather than raw materials or shipping access, they prioritize reliable power supply, robust fiber connectivity, and suitable climate conditions. These unique needs influence their site selection and economic development strategies differently than conventional basic industries.

In the data center industry, rather than measuring facilities in square feet, they are often measured in terms of bulk energy such as megawatts (MW), which provides a more useful representation of their processing capacity. To put the growth of this market into perspective, a report by McKinsey & Company estimates the data center industry is expected to grow from 17 gigawatts (GW, i.e., 1,000 MW) in 2022 to about 35 GW by 2030.[7] According to Cushman & Wakefield, Oregon ranks #8 in the global established data center market and #5 in the established Americas market.[8]

Types of Data Centers

Data centers can be developed at different scales, depending on the location and need they are intended to serve. Figure 5.10 summarizes categories identified by NAIOP, the Commercial Real Estate Development Association.

Figure 5.10: Five Types of Data Centers[9]

Enterprise Data Centers: The enterprise data center supports a single organization. It is typically built, maintained, operated, and managed by companies such as banks, brokerage firms, and insurance companies for their own use.
Multi-tenant or co-location data centers: The co-location data center is one where a company will rent space within that data center, which is owned by others and located off premises from the company.
Hyperscale data centers: Hyperscale data centers are those that support large-scale IT infrastructure. Examples include those of Meta, Amazon Web Services, Microsoft, and Apple.
Edge data centers: Edge data centers are owned by third parties in a specific metro area to bring IT infrastructure closer to users. They handle real-time data processing. These centers reduce communication delays.
Container data centers: Container data centers come in shipping containers or modules. These are ready-made data centers, with all the components ready to go.

7 *Investing in the Rising Data Center Economy*, McKinsey & Company, 2023.

8 *Global Data Center Market Comparison*, Cushman & Wakefield, 2024.

9 *Data Center Real Estate: Challenges and Opportunities*, Development, Winter 2023/2024, and Mackenzie.

The primary driver of large site demand in Central Oregon is expected to come from hyperscale data centers, as demonstrated by Meta and Apple siting this type of data center in Prineville. The following are development characteristics and site needs of hyperscale data centers.

HYPERSCALE DATA CENTERS

This section discusses the characteristics and site needs of these modern very-large data centers. This analysis is intended to augment the prior siting criteria included in the 2011 study, to address the evolution of the data center industry over the past decade. By way of context, in 2010, the ratio of energy consumption for hyperscale and cloud data centers was 13% of the total and 87% for other types. As of 2022, hyperscale demand increased to 77% of the market.[10]

The following sections of this report primarily focus on the siting criteria for the **hyperscale category** of data center facilities, based on information derived from trade organizations, literature, and end users.

The availability of sufficient, affordable, and dependable electricity and water supply are critical factors driving site selection for data center development. Due to the need for data centers to stay in continuous operation, low natural hazards and security risks are also critical. There is also preference for milder climates, which reduces cooling demand and in turn, electricity, and water consumption.

Site and Building Characteristics

The typical site size for a hyperscale data center campus is 100 acres or more, including four or more buildings at 200,000 square feet (SF) to 250,000 SF each, with 5-10 acres for dedicated electrical substations. For hyperscale data centers, the minimum site size per building is approximately 25 acres; however, recent trends in Eastern and Central Oregon show that the development generally consists of four or more buildings on 100+ acres. For new hyperscale data center development, 100 acres is the minimum site size, with recent examples in Eastern Oregon averaging roughly 110 acres, and scaling to more than 150 acres in some cases.

While sites can have a variety of shapes, the minimum dimension is determined by the length of the data center buildings. Recent examples of hyperscale buildings range from 1,000 feet to 1,150 feet in length. Sites need to be large enough to contain these large buildings plus associated parking and circulation, utilities, supportive infrastructure, and buffers.

Site topography should be relatively flat, with a maximum grade of 5%, and site shape should accommodate large rectangular building(s). Building facilities, accompanying substations, and access roads should be located outside of areas of special flood hazard (i.e., 1% annual chance or “100-year” floodplain on Flood Insurance Rate Maps issued by the Federal Emergency Management Agency).

Location

Sites should be within 30 miles of an interstate highway or freight route. Frontage on major streets is not necessary as data centers do not rely on or benefit from high daily vehicle or pedestrian traffic, so facilities can be removed from major arterials. Proximity to marine ports and airports is generally not necessary. Proximity to rail lines is also not necessary.

Due to the noise produced by cooling equipment and backup generators, proximity to residential zones or other sensitive uses may be undesirable. While it is typically possible to mitigate those effects through building and landscape design, providing separation between hyperscale data centers and residential uses is typically desired to avoid these conflicts and to minimize exposure to potential emissions from back-up generators.

Water

[10] *What do you Need to Know About Designing Data Centers?,* Consulting Specifying Engineer, May/June 2023

Data centers utilize large amounts of water for cooling equipment. In some cases, the water demand for data centers is estimated based on their energy use, which is measured in megawatt-hours (MWh). The estimated water demand is 1,000 gallons per day per acre, which requires a minimum 12" high-pressure supply line.

Sanitary Sewer

According to Mackenzie civil engineers, a minimum 8" service line is required if the site is reliant on sanitary sewer. Some hyperscale data center projects have developed alternative methods of disposing or reusing wastewater that does not require disposal of cooling water via sanitary sewer. Individual projects will therefore differ in their sanitary sewer requirements based on the proposed approach.

Natural Gas

Natural gas supply is not required; however, a minimum 4" service line where available increases the marketability of sites and is highly recommended.

Electricity

Data centers have an extremely high demand for electricity to power and cool equipment. Cooling the equipment accounts for approximately 40% of total energy consumption. The minimum power requirement per building is 60 megawatts (MW), so a prototypical four-building campus would require a minimum supply of 240 MW. This level of demand requires a dedicated substation, typically 5-10 acres in size. Redundancy is required to ensure data centers can operate without interruption. According to the U.S. Department of Energy (DOE), data centers collectively account for about 2% of total U.S. electricity use.[11] Backup generators, typically diesel-powered, are also required.

Telecommunications

Data center facilities require major telecommunications infrastructure including fiber optic service and route diversity.

Transportation

Sites require adequate access and circulation for truck traffic and fire apparatus. Proximity to public transit, airports, marine ports, or railroads is not required. Data centers generate minimal traffic, so frontage on high-capacity road classifications is not critical to site selection. According to the Institute of Transportation Engineers (ITE) Trip Generation Manual, 11th Edition, the average daily trip (ADT) generation rate for Land Use Code 160 (Data Center) is 0.99 trips per 1,000 SF (KSF) of gross floor area (GFA), though ITE notes this rate is based on a limited data set.

Security

Sites require gated access, security lighting, and enhanced security systems to ensure data remains secure and systems stay online. Proximity to buildings or infrastructure which may be vulnerable to attack is a factor in evaluating site suitability.

Natural Hazards

Due to the need for the facility to be in continuous operation, sites must have minimal seismic, flood, or other natural hazard risk exposure.

Data Centers Impacts

The construction and operation of a large data center has significant economic and fiscal impacts. The demand for these types of facilities is expected to accelerate year-to-year for the foreseeable future. The United States remains the leading market in the world for data center development, capacity, and usage. There has been a trend toward aggregation of data center facilities into larger and larger campuses. Operating companies and investors are looking to lock in the efficiencies of scale from constructing and operating very large facilities in a single location and are confident that there will be ample demand for a huge amount of new capacity in coming decades.

[11] www.energy.gov/eere/buildings/data-centers-and-servers

The development of these facilities entails a high level of investment in real property and equipment. Data centers are a very high-investment category of development due to the amount of infrastructure and equipment that often exceeds $1 billion per data center needed to run these specialized facilities, in addition to the high density of information technology that users install within them. On average, the investment in development and equipment for data centers exceeds the cost for traditional industrial uses and even most high-tech manufacturing uses.

Development of these facilities provides a range of economic and fiscal benefits to the state, region, and local jurisdictions. The positive impacts include new employment, payroll, spending with vendors on construction and operations, new tax revenue, and indirect and induced economic activity from suppliers, vendors, and households. Negative fiscal impacts are typically negligible as these developments typically have the capacity to fund their own development and infrastructure.

Construction of these facilities provides significant direct employment, as well as indirect and induced employment. Operation of this type of facility supports direct employment in operations, maintenance, security, and other property management functions. It also supports significant indirect and induced employment through vendors, commercial services, and beneficiaries of increased spending in the community.

B. Industry Site Requirements for Other Target Industries

This section presents a series of tables that summarize key site requirements for a range of prospective tenant types.[12] This is followed by further discussion of needs for some industry sectors relevant to the local market.

The 14 site requirements listed on the matrix provide a basis for establishing a profile of the physical and other site needs of the identified industry. The site requirements are intended to address the typical needs of each of the industry categories, and it is recognized that there will likely be unique or non-typical needs of a specific user that will need to be evaluated on a case-by-case basis.

The following describes a few general requirements that apply to *all* industry type categories under consideration and then an overview of the 14 site requirements listed on the matrix.

General Requirements:

- The underlying zoning on the site must allow the use outright within the identified category. For example, no zone change, conditional use and/or similar land use review is necessary. Many jurisdictions typically require a design or development review which is acceptable, since the timeframe for obtaining such design-related approvals will be addressed in the State's rating system.
- The site under consideration must be located geographically within a UGB.
- The site is not located within a 100-year floodplain as mapped by FEMA, although sites with approved FEMA map amendments (e.g., LOMA & LOMR) are acceptable.
- The net contiguous developable area (NCDA) of the site does not include hazardous contaminants as verified by a Level 1 Environmental Report, or a Level 2 Report that has received a "No Further Action" approval from DEQ; or existing wetlands or other natural features which are regulated at the State, Federal or local level; or federally endangered species.
- The NCDA does not contain any cultural or historical resources that have been identified for protection at the State, Federal or local level.
- The NCDA does not have mitigation plans that can be implemented in 180 days or less.

12 Business Oregon, Mackenzie.

SITE REQUIREMENTS:

- **Total Site Size:** The site size is taken to mean the size of the building footprint and includes buffers, setbacks, parking, mitigation, and expansion space.

- **Competitive Slope:** Most industrial uses require relatively large building footprints that do not accommodate steps in floor slabs, and sloping topography will require extensive excavation and retaining systems that increase development cost over flat sites. The figures given are the preferred maximum average slope across the developable portion of the site, recognizing that sites with additional area outside the building, or developments with multiple building pads, generally will have lower slope earthwork costs than sites with limited space outside the building footprint.

- **Trip Generation:** Sites are frequently limited by a jurisdiction to a specified total number of vehicle trips entering and exiting the site. This site requirement is an estimate of the minimum number of average daily trips per acre (based on the range of building coverage) that should be available for each of the industrial categories based on the Institute of Traffic Engineers (ITE) Manual-Ninth Edition. The following table lists the ITE codes used to estimate average trips for the industry profiles represented in the matrix.

- **Miles to Interstate or Freight Route:** With few exceptions, access to major freeways or freight routes is critical for the movement of goods. This site requirement indicates the typical maximum distance, in miles, from the site to the freeway or highway access. The roadways/intersections between the site and freeway/highway must generally operate at a level of service 'D' or better in accordance with the Highway Capacity Manual methodologies and general engineering standards.

- **Miles to Frequent Transit Service: Businesses** located walking distance (within one-quarter of a mile) to a bus stop that is serviced by a frequent bus line enjoy a competitive advantage over others that are more limited in transportation access options.[13]

- **Railroad Access:** The need for access to railroad for the movement of goods within each industrial category is dependent upon individual users, so the site requirements are identified as either "Preferred," "Not Required," or "Avoid" in some cases where the presence of rail may be considered a deterrent to business.

- **Proximity to Marine Port:** The need for access to a marine port for the movement of goods within each industrial category is dependent upon individual users.

- **Proximity to International/Regional Airport:** The need for access to a regional airport for the movement of goods or business travel within each industrial category is dependent upon individual users.

- **Availability of Water:** This requirement indicates the minimum sizes of domestic water and fire lines immediately available to the site. In certain rural cases, a comparable supply from an on-site water system (i.e., well or reservoir with available water rights) may be acceptable. In addition to lines sizes, preference for high-pressure water capabilities and average flow demand in gallons per day is specified for each industry type.

- **Availability of Sanitary Sewer:** This requirement indicates the minimum size of public sanitary sewer service line immediately available to the site. In certain rural cases, an on-site subsurface system providing a comparable level of service may be acceptable. Sewer flow requirements were determined by calculating a percentage of the water flow for each industry type.

- **Natural Gas:** This requirement indicates the minimum size natural gas line that is immediately available to the site. It is assumed that the pressure demand for all industry categories is 40-60 psi.

[13] We have defined "frequent bus line" as one with service occurring in no longer than 15-minute intervals.

- **Electricity:** This requirement indicates the minimum electrical demand readily available to each industry and where proximity to a substation and redundancy dependency rank on the continuum of less critical to more critical. Estimated demand is based on review of existing usage from local utility providers, referencing industrial NAICS codes for the various profiles.

- **Telecommunications:** This requirement indicates whether the availability of telecommunication systems is readily available, and where major commercial capacity, route diversity and fiber optic lines rank on the continuum of less critical to more critical. All sites are assumed to have a T-1 line readily available.

- **Special Considerations:** Notes on industry-specific factors.

The following table summarizes the key locational requirements for major industry classifications. The industrial sectors targeted by this program would be included in profiles A, E, G, and I.

A: Computer & Electronic Manufacturing
E: Other Manufacturing
G: Wholesaling
I: Data Centers

	CRITERIA	PROFILE	A	B	C	D	E	F	G	H	I	J
			Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
	GENERAL REQUIREMENTS		Use is permitted outright, located in UGB or equivalent and outside flood plain; and site (NCDA) does not contain contaminants, wetlands, protected species, or cultural resources or has mitigation plan(s) that can be implemented in 180 days or less.									
	PHYSICAL SITE											
1	TOTAL SITE SIZE*	Competitive Acreage**	5 - 100+	5 - 15	5 - 20	5 - 25+	5 - 50+	20 - 100+	10 - 100+	5 - 20	10 - 100+	5 - 25+
2	COMPETITIVE SLOPE:	Maximum Slope	0 - 5%	0 - 7%	0 - 7%	0 - 5%	0 - 5%	0 - 7%	0 - 3%	0 - 7%	0 - 7%	0 - 5%
	TRANSPORTATION											
3	TRIP GENERATION:	Average Daily Trips per Acre	40 - 60	80 - 200[1]	120 - 240[2]	50 - 60	40 - 50	60 - 150	50 - 60[3]	400 - 500[4]	20 - 30	40 - 50
4	MILES TO INTERSTATE OR FREIGHT ROUTE:	Miles	w/in 10	w/in 5	w/in 5	w/in 30	w/in 20	w/in 5	w/in 5	w/in 5	w/in 30	N/A
5	MILES TO FREQUENT TRANSIT SERVICE (15 MIN OR LESS)	Miles	0.6	0.5	0.8	< 0.1	0.2	0.1	0.3	< 0.1	0.1	< 0.1
6	RAILROAD ACCESS:	Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Avoid	Avoid	N/A
7	PROXIMITY TO MARINE PORT:	Dependency	Preferred	Not Required	Not Required	Preferred	Preferred	Preferred	Preferred	Not Required	Not Required	N/A
8	PROXIMITY TO INTERNATIONAL/ REGIONAL AIRPORT:	Dependency	Competitive	Required	Preferred	Preferred	Preferred	Required	Not Required	Not Required	Competitive	N/A
		Distance (Miles)	This criteria cannot be met in Eastern Oregon									

		PROFILE	A	B	C	D	E	F	G	H	I	J
CRITERIA			Computer & Electronic Manufacturing (High-Tech R&D)	Software & Media	Multi-Tenant Office	Food Processing	Other Manufacturing	Life/Bioscience R&D Campus	Wholesaling	Retail	Data Center	Incubator
	UTILITIES											
9	WATER:	Min. Line Size (Inches/Dmtr)	12" - 16"	6" - 8"	8" - 10"	12" - 16"	6" - 10"	8" - 12"	6" - 10"	8" - 12"	16"	4" - 8"
		Min. Fire Line Size (Inches/Dmtr)	12" - 18"	8" - 10"	8" - 12"	10" - 12"	8" - 10"	8" - 12"	8" - 10"	8" - 12"	10"-12"	6" (or alternate source)
		High Pressure Water Dependency	Required	Not Required	Not Required	Required	Not Required	Preferred	Not Required	Not Required	Required	Not Required
		Flow (Gallons per Day per Acre)	5,200	1,200	1,500	3,150	1,850	2,450	1,200	1,800[5]	50 - 200†	1,200
10	SEWER:	Min. Service Line Size (Inches/Dmtr)	12" - 18"	6" - 8"	8" - 10"	10" - 12"	6" - 8"	10" - 12"	6" - 8"	6" - 10"	8"- 10"	4" - 6" (or on-site source)
		Flow (Gallons per Day per Acre)	4,700	1,000	2,000	2,600	1,700	2,000	1,000	1,500[5]	1,000‡	1,000
11	NATURAL GAS:	Preferred Min. Service Line Size (Inches/Dmtr)	6"	4"	4"	4"	4"	6"	4"	4" - 6"	4"	N/A
		On Site	Competitive	Preferred	Competitive	Preferred	Competitive	Competitive	Preferred	Competitive	Preferred	Preferred
12	ELECTRICITY:	Minimum Service Demand	4 - 6 MW	1 - 2 MW	0.5 - 1 MW	2 - 6 MW	0.5 MW	2 - 6 MW	0.5 MW	0.5 - 1 MW	5 - 25 MW	1 MW
		Close Proximity to Substation	Competitive	Competitive	Preferred	Not Required	Preferred	Competitive	Not Required	Preferred	Required, could be on site	Not Required
		Redundancy Dependency	Preferred	Preferred	Preferred	Not Required	Not Required	Competitive	Not Required	Preferred	Required	Not Required
13	TELECOMMUNICATIONS:	Major Communications Dependency	Required	Required	Required	Preferred	Required	Required	Preferred	Required	Required	Preferred
		Route Diversity Dependency	Required	Required	Required	Not Required	Not Required	Required	Preferred	Preferred	Required	Not Required
		Fiber Optic Dependency	Required	Required	Required	Preferred	Preferred	Required	Competitive	Preferred	Required	Not Required

CRITERIA		PROFILE A: Computer & Electronic Manufacturing (High-Tech R&D)	B: Software & Media	C: Multi-Tenant Office	D: Food Processing	E: Other Manufacturing	F: Life/Bioscience R&D Campus	G: Wholesaling	H: Retail	I: Data Center	J: Incubator
14	**SPECIAL CONSIDERATIONS:**	Acreage allotment includes expansion space (often an exercisable option). Very high utility demands in one or more areas common. Sensitive to vibration from nearby uses.	1: Research & Development @ 80 ADTs per acre on the low end, estimated 200 ADTs per acre for general office on the high end. Location specific.	2: Range represents FAR 0.25 - 0.5 of office uses Location to other cluster industries.	May require high volume/supply of water and sanitary sewer treatment. Often needs substantial storage/yard space for input storage. Onsite water pre-treatment needed in many instances.	Adequate distance from sensitive land uses (residential, parks) necessary. Moderate demand for water and sewer. Higher demand for electricity, gas, and telecom.	High diversity of facilities within business parks. R&D facilities benefit from close proximity to higher education facilities. Moderate demand on all infrastructure systems.	3: General warehousing rates	4: Based on discount warehouse @ 0.25 FAR 5: Dependent on use, i.e., brewery vs. restaurant Location to cluster industries.	Site size differs due to land cost and availability. Urban-area centers may require 10-20 acres, while E. Oregon centers will typically use larger sites. Also the trend is towards increasing site size as cloud storage needs continue to increase. Power delivery, water supply, and security are critical. Surrounding environment (vibration, air quality, etc.) is crucial. May require high volume/supply of water and sanitary sewer treatment.	Often established by municipalities and have symbiotic relationships with colleges and/or universities.

Terms:

More Critical ↑ Less Critical	**'Required'** factors are seen as mandatory in a vast majority of cases and have become industry standards.
	'Competitive' significantly increases marketability and is *highly recommended by Business Oregon* . May also be linked to financing in order to enhance the potential reuse of the asset in case of default.
	'Preferred' increases the feasibility of the subject property and its future reuse. Other factors may, however, prove more critical.
	'Not Required' does not apply for this industry and/or criteria.
	'Avoid' factors act as deterrents to businesses in these industries because of negative impacts.

*Total Site: Building footprint, including buffers, setbacks, parking, mitigation, and expansion space.

**Competitive Acreage: Acreage that would meet the site selection requirements of the majority of industries in this sector.

† Data Center Water Requirements: Water requirement is reported as gallons per MWh to more closely align with the Data Center industry standard reporting of Water Usage Effectiveness (WUE).

‡ Data Center Sewer Requirements: Sewer requirement is reported as 200% of the domestic usage at the Data Center facility. Water and sewer requirements for Data Centers are highly variable based on new technologies and should be reviewed on a case-by-case basis for specific development requirements.

Source: Business Oregon, Macke

APPENDIX A: LARGE LOT SITE INVENTORY

This section summarizes the current inventory of large lot industrial sites in Central Oregon. The following two tables summarize known large lot industrial sites in the region. Additional information on these sites is contained in Appendix A.

FIGURE 6.01: SUMMARY OF LARGE LOT INDUSTRIAL SITES, CENTRAL OREGON

	Prineville	La Pine	Redmond	Total
25-50	3	1	1	5
50-100	3	1	0	4
100-200	1	0	0	1
200+	0	0	1	1
Total	7	2	2	11

The current inventory contains a total of 11 sites greater than 25 acres in size, and 6 sites greater than 50 acres size. Several of these sites are limited to lease options.

A large lot as defined under OAR 660-024-0045 is at least 50 acres in size. This includes a single parcel, an aggregation of existing lots or parcels under the same ownership, or an aggregation of existing lots or parcels maintained as a unit of land through a binding agreement among the owners. We have included a summary of lots between 25 and 50 acres in size for context, but these lot sizes are not included in the program outlines in OAR 660-024-0045.

FIGURE 6.02: LARGE LOT INDUSTRIAL SITES, CENTRAL OREGON

	PRINEVILLE					
Site	**Draper Industrial Park**	**Hunter Property**	**Porfily Property**	**Pineville Legacy Ranch**	**Prineville Millican Rd**	**Rhoden Industrial**
Location	Houston Lake Road, 97754	2420 SW Baldwin Rd	2205-2251 Lon Smith Rd 97754	Houston Lake Rd, 97754	Millican Rd. & Hwy 126, 97754	0 NW Lamonta Road , 97754
Acreage						
Largest	25	80	70.2	160	90	28.5
Smallest	2	1	9.5	160	5	28.5
Additional	31.65		60.71	1000		
Characteristics						
Wetland	N/A					
Flood Plain	N/A		N/A			N/A
Topography	Flat		Mixed	Flat		
Use Limitations				FAA		
Highway Distance	1>	1.25	0	0	0.2	4
Interstate Distance		98	90	0	90	
Airport	1>	1.5	4.4	Adjacent	0.5	6
Rail	3	6	3	3.8	3.8	Adjacent

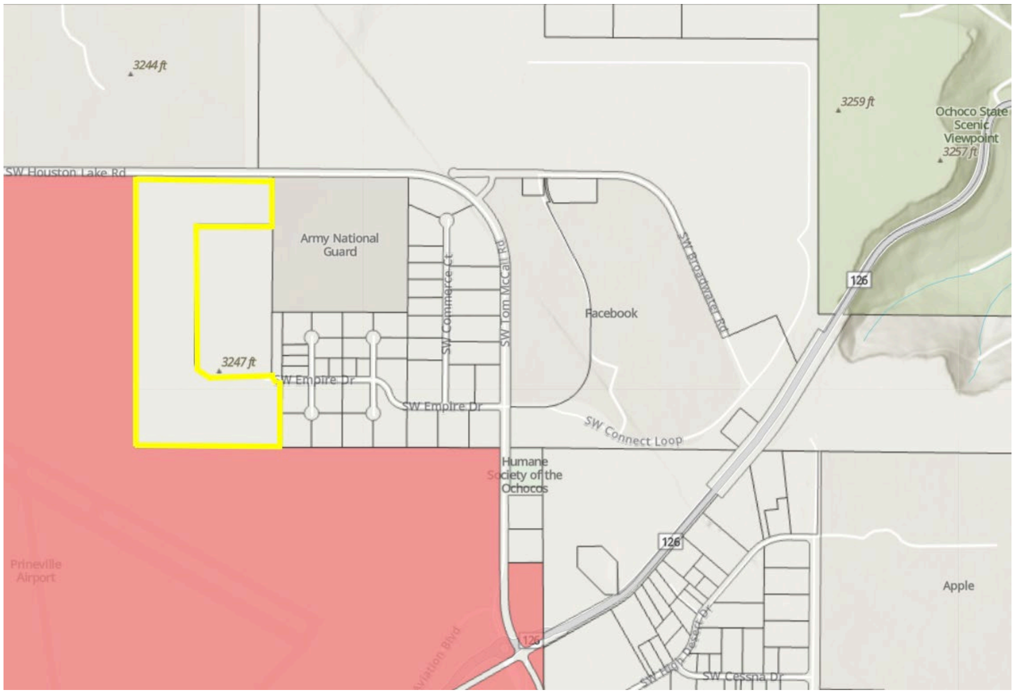
	LA PINE		REDMOND		
Site	**La Pine 1**	**La Pine 2**	**Redmond Industrial Lot**	**Redmond Industrial Park**	**South Redmond Tract**
Location	16555 REED RD, La Pine, 97739	51465 Mitts Way, La Pine 97739	601 E Antler Avenue 97756	601 NE Antler Avenue, 97756	4800 SW 19th Street, 97756
Acreage					
Largest	75.75	28.6	17.6	44.6	780
Smallest	10	28.6	5.7	44.6	200
Additional				30.61	
Characteristics					
Wetland	N/A	No			
Flood Plain	N/A	No			
Topography	Flat	Flat			
Use Limitations					
Highway Distance	0.5	0.5	2 blocks	1>	
Interstate Distance	108	108		1>	
Airport	18	18	1.56	1.56	1.5
Rail	0	0	"close"	"close"	6.3

The following is a summary of the current inventory of large lot industrial sites in Central Oregon that are available for the targeted industries.

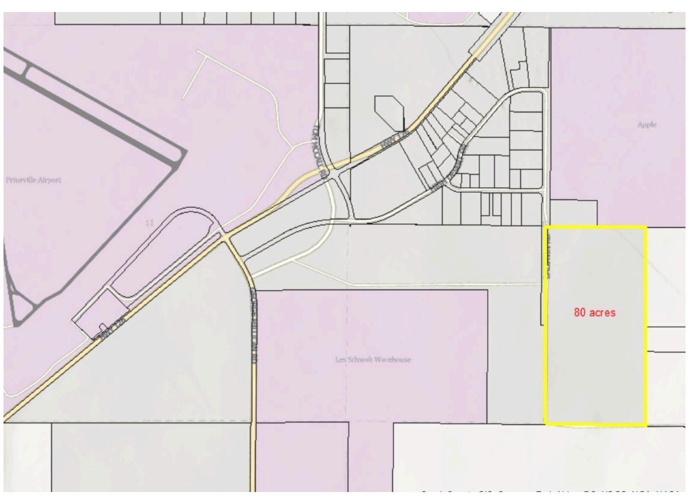
PRINEVILLE

There are seven possible sites in Prineville. These sites have all modern utilities.

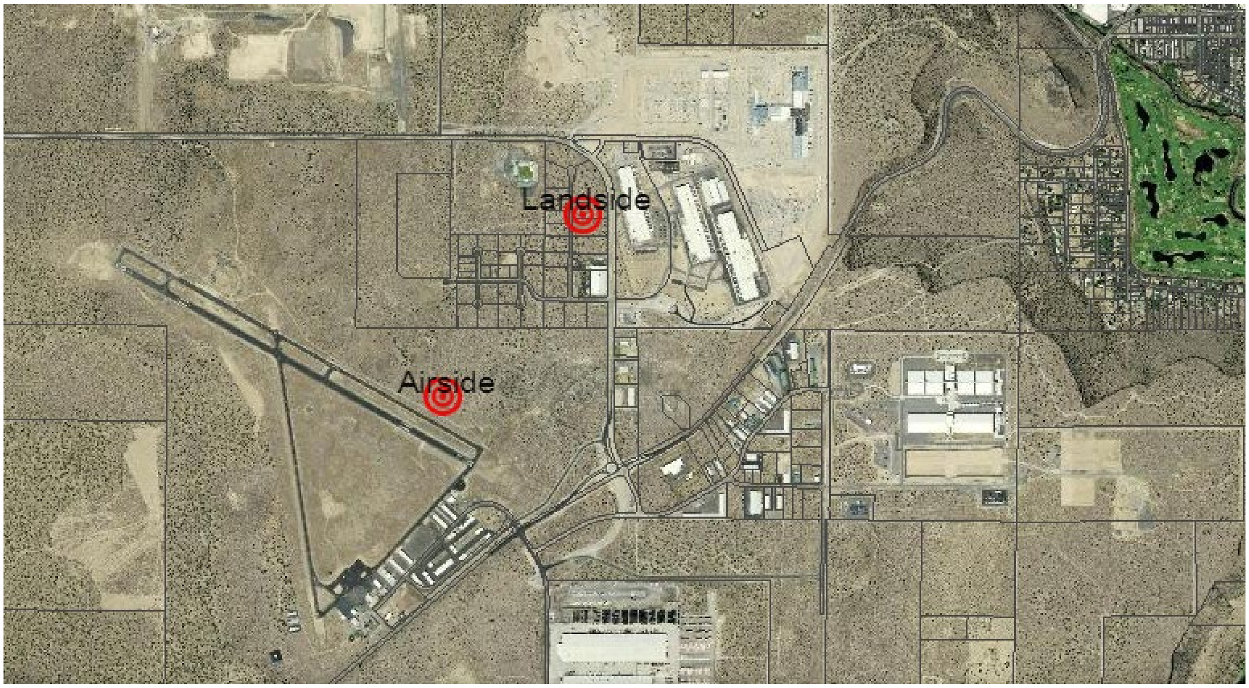
Draper Industrial Park: The Draper Industrial Park has a max leasable acreage of 25 acres, and a minimum of 2 acres. The property has an additional 25 acres adjacent to it, with 31.65 supplementary acres available for development. This property is close to the airport as well as the highway, and 3 miles from the nearest railroad access. It is also zoned for light industrial use.



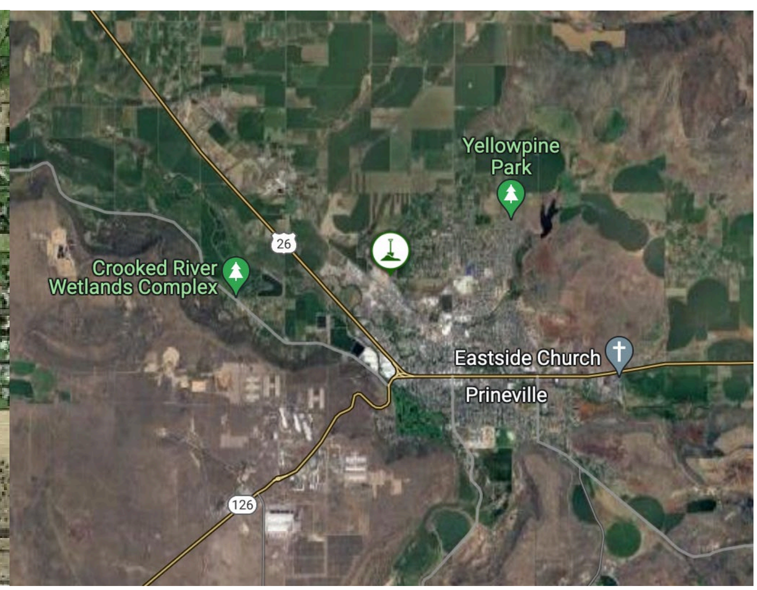
Hunter Property (2420 SW Baldwin Rd): The "Hunter Property" has a maximum acreage of 80 acres and minimum of 1 acre for sale, for a negotiable sale price. The property is 1.25 miles from the highway, 1.5 miles from the airport, and 6 miles from the nearest rail access. It is zoned for light industrial use and located in the enterprise zone and the opportunity zone.



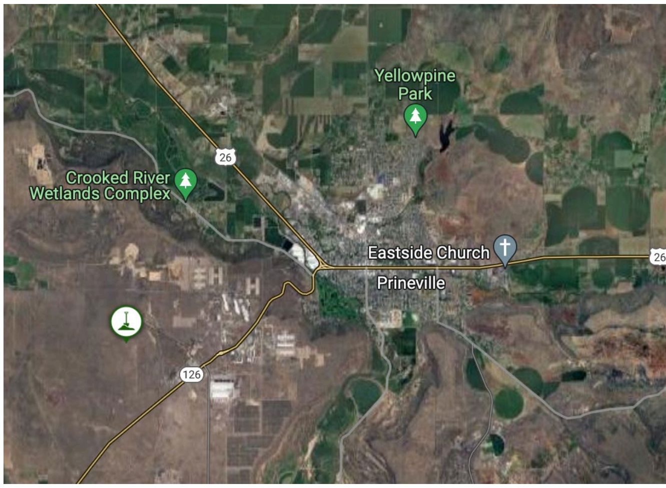
New Prineville Airport Property (4585 Airport Way): This property has a maximum 20 acres and a minimum of 1 acre for lease, at $0.26/sf. It is 0.2 miles away from the highway, 3.8 miles from the nearest rail access, and adjacent to the airport. It is also located in the enterprise zone. As it is less than 25 acres in size, it is included in this analysis for context.

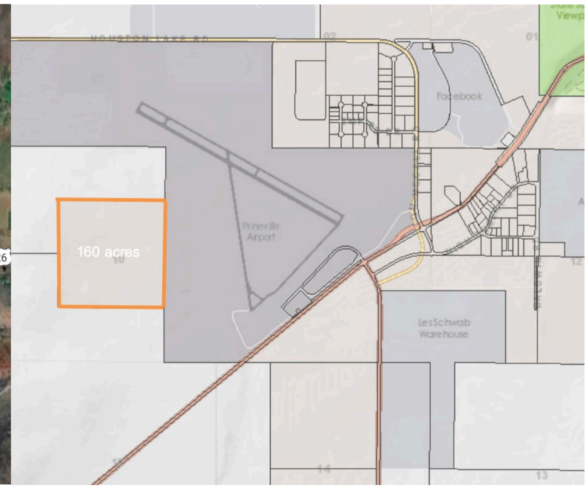


Porfily Property (2205-2251 Lon Smith Rd): The Porfily Property has 70.2 acres for sale, with a minimum of 9.5 acres. The asking price is $37,100 for acre, or $2,602,938 for all 70.2 acres. The property is 4.4 miles from the airport, 3.8 miles from the nearest rail access, and adjacent to the nearest highway. The zoning code is heavy industrial mix. The topography is not entirely flat and is instead listed as "mixed." The property is in an enterprise zone. The upper two parcels of this property are called out in the city's comprehensive plan to be changed from industrial uses.

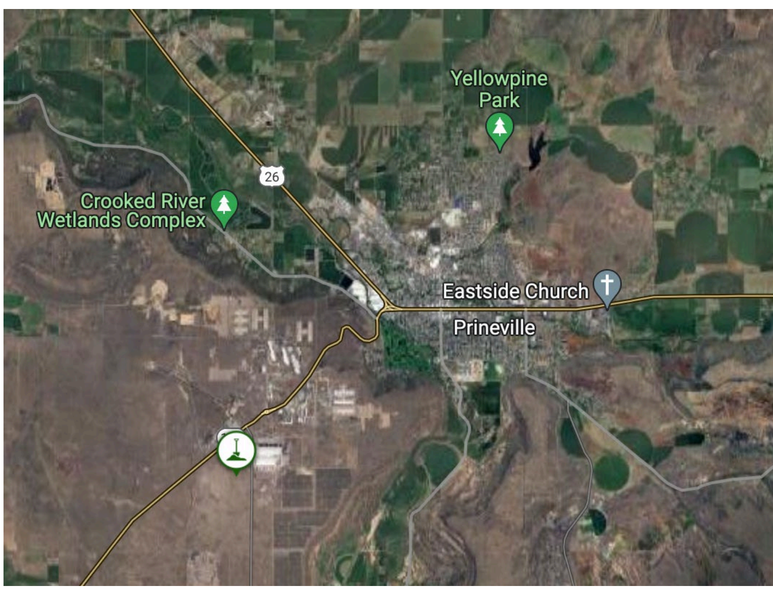


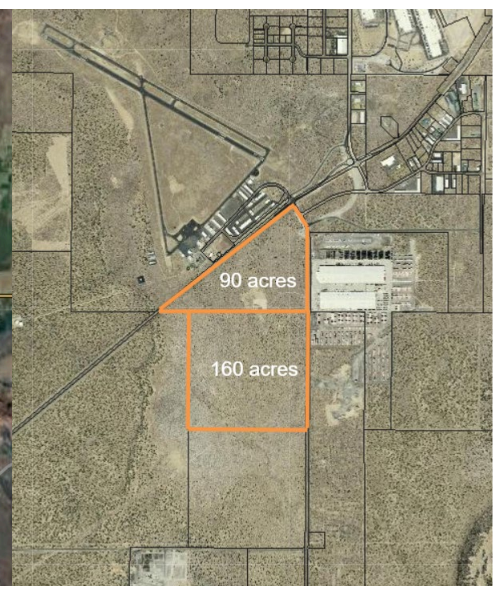
Prineville Legacy Ranch: The Prineville Legacy Ranch has 160 listed acres, with over 1,000 additional acres available for purchase. The asking price for the 160 acres is $5,000,000. The property is zoned for light industrial use and located in an enterprise zone.



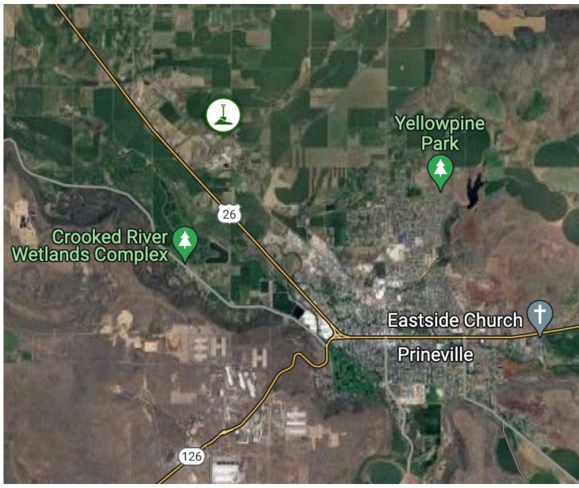


Prineville Millican Rd: The Prineville Millican Rd property has 90 acres for sale, with an asking price of $3,600,000. The minimum amount of acreage for sale is 5 acres. The site could be increased to 250 acres if joined with the 160-acre parcel to the south. The property is 0.2 miles away from the highway, 0.5 miles from the airport, and 3.8 miles from the nearest rail access point. The property is in both an enterprise and opportunity zone and zoned as an industrial park.



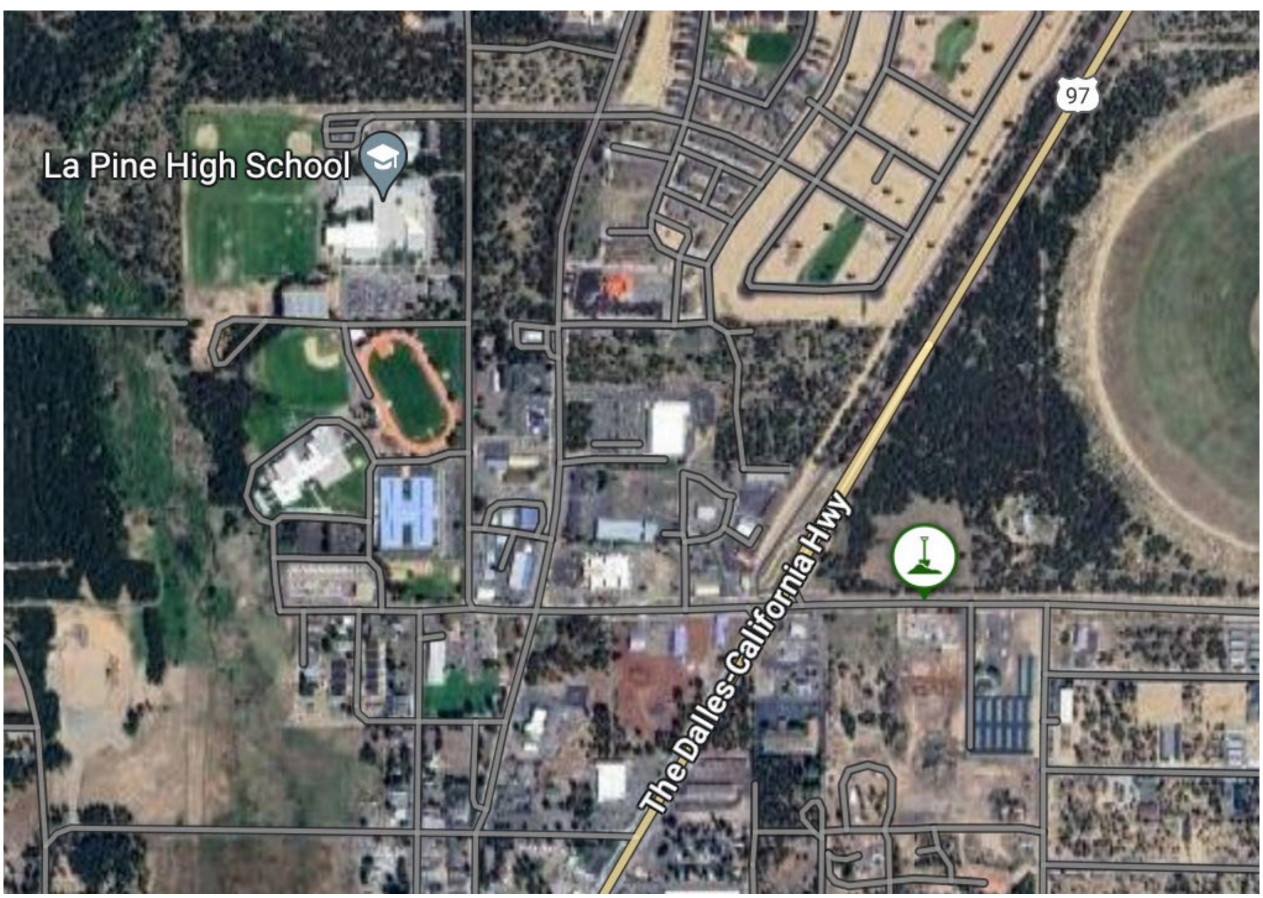


Rhoden Industrial: The Rhoden Industrial property has 28.46 acres for sale for $980,000. This property is not in the city's UGB and is unlikely to be included due to distance from the current UGB. The property is 4 miles from the nearest highway, 6 miles from the nearest airport, and is adjacent to the railway. The property is in an enterprise zone and zoned for heavy industrial use.



LA PINE

La Pine 1 & 2: There are two potential sites in La Pine, the first, La Pine 1, at 16555 Reed Rd and the second, La Pine 2, at 51465 Mitts Way. These two properties are 0.5 miles from the nearest highway, 18 miles from the nearest airport, and adjacent to the nearest railway. They both have all modern utilities and are in the enterprise zone. These properties are both for sale for $1.75/sf and for lease at $0.10/sf. The price is negotiable depending on the capital investment and anticipated number of jobs provided. They are both zoned for industrial use.

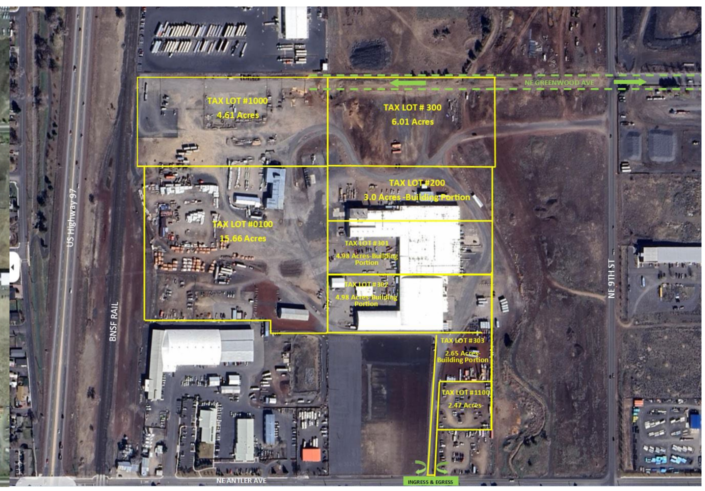


Redmond

Redmond has three potential industrial sites, two of which are immediately adjacent.

Redmond Industrial Lot/Redmond Industrial Park (601 E Antler Ave/601 NE Antler Ave: The Redmond Industrial Lot and Redmond Industrial Park are immediately adjacent to each other. They are both well under a mile from the nearest highway and interstate, 1.56 miles from the nearest airport, and have close rail access. They are also both heavy industrial zoned and have all utilities. The Redmond Industrial Lot has a maximum of 17.6 acres for sale, spread across three different lots. The asking price of lots 10 & 12is $4,131,383 and the asking price for lot 3 is $4,124,457 for a total of $8,255,840.

The Redmond Industrial Park has a 195,520 square foot building that is 100% occupied with twelve tenants. The total acreage is 44.6 acres, with 30.61 additional acres ready for development. The property is for sale with a list price of $28,780,287 at a 7% cap rate.



South Redmond Tract (4800 SW 19th St): The South Redmond tract has a maximum of 780 acres for sale, and minimum of 200 acres. The property is 1.5 miles from the nearest interstate highway and 6 miles from the nearest airport. The property is zoned for large lot industrial use and is in an enterprise zone.

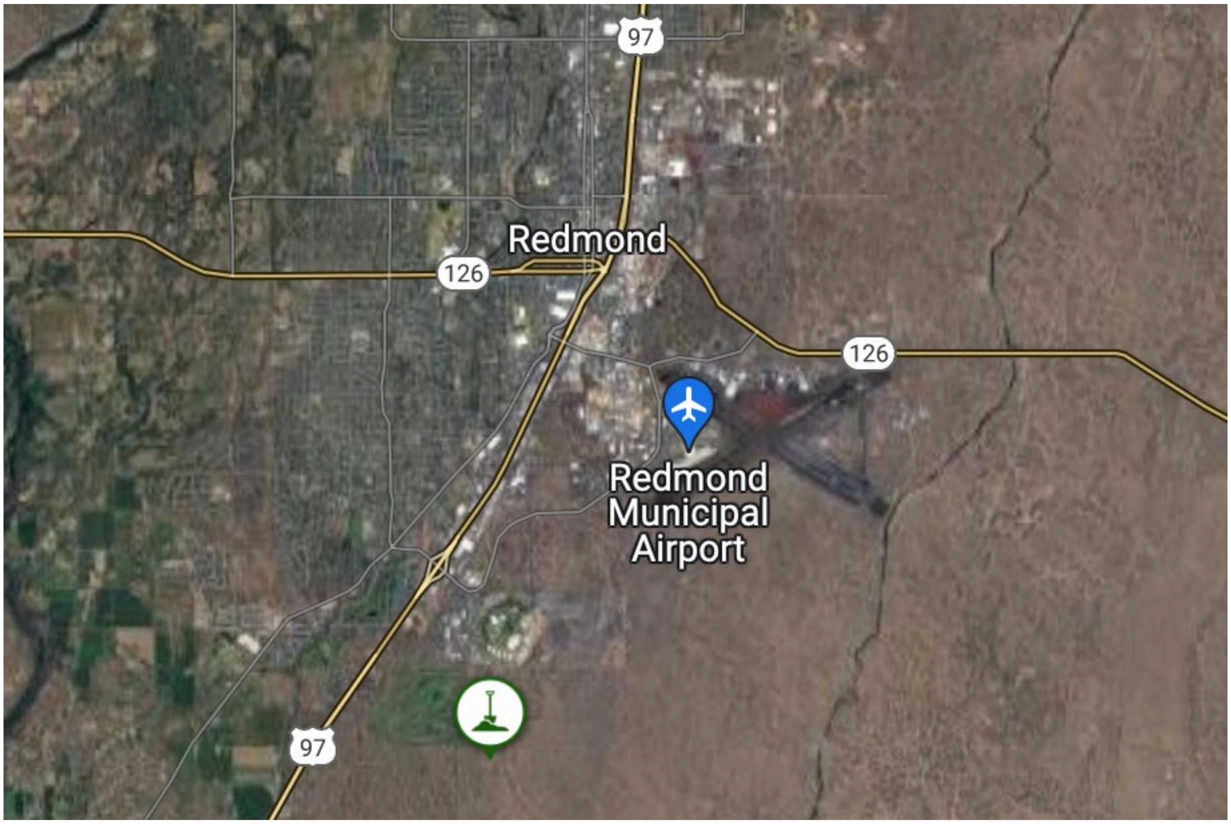


EXHIBIT B

COIC

COUNCIL BOARD RESOLUTION #368

WHEREAS, the Central Oregon Intergovernmental Council (COIC) has been identified as the regional administrator of the Central Oregon Large Lot Industrial (LLI) program, which was developed to create a region-wide inventory of large, undivided industrial sites which would otherwise have not been eligible to bring into a community's UGB due to state land use rules, and

WHEREAS, the Central Oregon Large Lot Industrial program relies on the findings of a 2013 Regional Economic Opportunity Analysis (REOA) which defined the need for such large, industrial sites, and

WHEREAS, it has been more than ten years since the Central Oregon LLI program was authorized in state statute and Oregon Administrative Rules (660-024-0045), and the OARs state that the program would be effective for ten years, and

WHEREAS, Oregon Department of Land Conservation (DLDC) staff guidance is that COIC and our partners would need to produce an updated REOA in order to maintain the Central Oregon LLI program after the ten year period, and

WHEREAS, COIC received funding from a Business Oregon grant to updated the REOA, formulated a regional Steering Committee to oversee the work, and secured Johnson Economics to complete the REOA, and

WHEREAS, the REOA has been reviewed by the Steering Committee and DLCD has determined that the REOA is complete and sufficient,

NOW, THEREFORE BE IT RESOLVED that the Central Oregon Intergovernmental Council:

Adopts the 2025 Central Oregon Regional Economic Opportunity Analysis by Resolution.

APPROVED AND ADOPTED by the

Central Oregon Intergovernmental Council

on this the 3rd day of April, 2025.

334 NE Hawthorne Avenue, Bend, OR 97701
(541) 548-8163 - Fax: (541) 923-3416
Office Locations: Bend. La Pine. Madras. Prineville, Redmond

COIC

Signed:

Councilor Mike Riley, Chairman
Central Oregon Intergovernmental Council

Attest:

Tammy Baney, Executive Director
Central Oregon Intergovernmental Council

334 NE Hawthorne Avenue, Bend, OR 97701
(541) 548-8163 - Fax: (541) 923-3416
Office Locations: Bend. La Pine. Madras. Prineville, Redmond

EXHIBIT C

FINDINGS FOR AN AMENDMENT TO THE REDMOND COMPREHENSIVE PLAN TO ADOPT THE 2025 CENTRAL OREGON REGIONAL ECONOMIC OPPORTUNITIES ANALYSIS AS A SUPPORTING PLAN TO THE COMPREHENSIVE PLAN

HEARING DATE:	June 10, 2025, 6:00 PM, Redmond City Hall Council Chambers and via digital conference (GoTo Meeting)
HEARINGS BODY:	Redmond City Council
FILE NUMBER:	711-25-000092-TA
FILE NAME:	Redmond Comprehensive Plan Amendment
REQUEST:	A legislative amendment to adopt the 2025 Central Oregon Regional Economic Opportunities Analysis (for the Large Lot Industrial program) as a supporting plan to the Redmond Comprehensive Plan
APPLICANT:	City of Redmond
REVIEWING STAFF:	Kyle Roberts, AICP, Planning Director Steve Curley, Director of Redmond Economic Development Inc.

I. BACKGROUND

<u>Summary:</u>
Redmond's Comprehensive Plan 2040 is the blueprint for the City's future development over the next 20 years. The Comprehensive Plan serves as the primary land use planning document, establishing a series of goals and policies that guide future growth and development. City leaders use the Comprehensive Plan to manage expected population and employment growth, coordinate public investments and make decisions about new and existing businesses, housing and neighborhoods, transportation, parks and trails, infrastructure, and more.

The series of goals and policies contained in the Comprehensive Plan are informed by a number of adopted supporting plans or reference documents. This Comprehensive Plan amendment involves adopting the 2025 Regional Economic Opportunities Analysis (REOA), which is an update to the Central Oregon Large Lot Industrial Land Need Analysis – a supporting plan to Goal 9 of the Comprehensive Plan.

<u>Proposal:</u>
The Central Oregon Large Lot Industrial program was established under Oregon Administrative Rule (OAR) 660-024-0045 and was supported by a regional analysis completed in 2011. The program essentially identified the need for large lot industrial sites within Crook, Deschutes, and Jefferson counties, specifically within La Pine, Prineville, and Redmond. Each site is at least 50 acres in size and is intended for traded sector uses.[1] The City of Redmond officially joined the program when adopting the Central Oregon Large Lot Industrial Land Need Analysis as a reference document while also adding associated goals and policies to Chapter 9 of the Comprehensive Plan. The enabling ordinance (Ord. 2013-15) was adopted in December 2013.

As required by OAR 660-024-0045(13), local governments participating in the Central Oregon Large Lot Industrial program must update the regional analysis that demonstrates the need for large lot

[1] Oregon Revised Statute (ORS) 285B.280 defines "traded sector" as meaning industries in which member firms sell their goods or services into markets for which national or international competition exists.

industrial sites after ten years if the regional supply of sites has not already been replenished. This Comprehensive Plan amendment involves adopting the updated regional analysis that includes updated information on employment patterns and trends in the region, industrial land absorption and utilization patterns, and shifting industry patterns and site requirements. The updated REOA is intended to ensure that the regional industrial land inventory is adequate to support the specific needs of large lot industrial users, and that the region has a competitive inventory of large lot industrial sites.

Exhibits:
The following exhibits make up the record in this matter:

Exhibit A – Central Oregon Intergovernmental Council (COIC) Updated 2025 Regional Economic Opportunities Analysis Large Lot Industrial Sites, March 2025
Exhibit B – COIC Council Board Resolution #368

Noticing:
Noticing for the first evidentiary hearing scheduled for May 21, 2025, was noticed as follows:

- Per ORS 197.610, a notice of proposed change to an implementing regulation and zoning map amendment was submitted to the Department of Land Conservation and Development (DLCD) on April 16, 2025.
- Per Section 8.1110 of the Redmond Development Code, a public hearing notice for the May 21st Planning Commission hearing was published in the *Redmond Spokesman* on May 8, 2025.

Noticing for the second evidentiary hearing scheduled for June 10, 2025, was noticed as follows:

- Per Section 8.1110 of the Redmond Development Code, a public hearing notice for the June 10th City Council hearing was published in the *Redmond Spokesman* on May 29, 2025.

Applicable Criteria:
The following are the applicable sections from the Oregon Revised Statutes, Oregon Administrative Rules, and the Redmond Development Code:

- Oregon Revised Statutes (ORS) – Chapter 197
- Oregon Administrative Rules (OAR), Chapter 660:
  - Division 15, Statewide Planning Goals and Guidelines
  - Division 18, Post-Acknowledgement Amendments
  - Division 24, Urban Growth Boundaries
- City of Redmond Development Code:
  - Article I – Zoning Standards
  - Section 8.760: Criteria for Amendments

II. FINDINGS & CONCLUSIONS

Findings:
Redmond Development Code, Article I – Zoning Standards: Amendments: Sections 8.750 through 8.770 set forth the procedure and standards for an amendment to the Redmond Comprehensive Plan. Specifically, Section 8.760 sets forth the four review criteria that must be met when evaluating amendment requests. Findings for each criterion are presented below.

8.760 Criteria for Amendments. The burden of proof is upon the applicant. The applicant shall show the proposed change is:

1. In conformity with all applicable State statutes;

FINDING: The following State statutes apply directly to this application:

ORS 197.610, *Submission of proposed comprehensive plan or land use regulation changes to Department of Land Conservation and Development*

ORS 197.610 requires local jurisdictions to submit proposed comprehensive plan or land use regulation changes to Department of Land Conservation and Development (DLCD). Notice of the proposed amendment to the Redmond Comprehensive Plan has been provided to DLCD more than 35 days in advance of the first evidentiary hearing concerning the amendments.

ORS 197.797, *Local quasi-judicial land use hearings; notice requirements; hearing procedures*

ORS 197.797 sets forth noticing requirements. The applicable RDC standards that address amendment and legislative procedures and noticing requirements (i.e., Sections 8.750-8.770 and 8.1100-8.1125) were developed in compliance with the applicable State statute regarding noticing and public hearings. The relevant findings, incorporated by reference herein, show compliance with the aforementioned statutes.

Notice of the proposed Comprehensive Plan amendment has been advertised in the local newspaper (public notice) as required by the RDC and State statute. Regarding statutory public hearing requirements, this proposal is legislative and not quasi-judicial. Sections 8.1100 through 8.1125 of the RDC implement the quasi-judicial statutory requirements in similar fashion and have been met. The Redmond Urban Area Planning Commission and City Council's public hearing and review processes meet the statutory requirements for the purpose of the review.

Based on the above discussion and finding, staff concludes that the proposed amendment complies with criterion #1.

2. In conformity with the State-wide planning goals whenever they are determined to be applicable;

FINDING: The following State-wide planning goals have been determined to apply directly to this application:

Goal 1 – Citizen Involvement - calls for the opportunity for citizens to be involved in all phases of the planning process. The Redmond Urban Area Planning Commission serves as the City's formal citizen advisory commission to fulfill Goal 1 and is made up of Redmond area residents.

The agenda for the Planning Commission public hearing, where and when the proposed amendments are discussed, were provided in accordance with law. All documents were available for public review. Public notice advertising the May 21st public hearing was published in the *Redmond Spokesman*.

Goal 2 – Land Use Planning – requires establishing a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions.

As mentioned earlier, adopting the updated REOA essentially authorizes the continuation of the Central Oregon Large Lot Industrial program. Because the program involves participation of multiple jurisdictions, the Central Oregon Intergovernmental Council (COIC) is identified as the regional administrator of the program and is the first to adopt the updated REOA. Each participating jurisdiction must adopt the updated REOA thereafter. Input on the updated REOA will be received from the

Planning Commission, City Council, and residents of the community through the public hearing process.

Goal 3 – Agricultural Lands – is not applicable because there are no agricultural lands in the city limits.

Goal 4 – Forest Lands – is not applicable because there are no forest lands in the city limits.

Goal 5 – Natural Resources, Scenic and Historic Areas, and Open Spaces – is not applicable because the proposed amendment will not affect any regulation that implements Goal 5 and the City's acknowledged regulations implementing Goal 5 remain in effect with no change in applicability.

Goal 6 – Air, Water, and Land Resources Quality – is not applicable because the City's acknowledged regulations implementing Goal 6 remain in effect with no change in applicability.

Goal 7 – Areas Subject to Natural Hazards – is not applicable because the City's acknowledged regulations implementing Goal 7 remain in effect with no change in applicability.

Goal 8 – Recreational Needs – requires the City to satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts. This goal is not applicable as the amendment will have no effect on the availability of or access to recreational opportunities.

Goal 9 – Economic Development – requires the City to plan and zone enough land to meet the community's projected commercial and industrial needs. The City adopted an Economic Opportunities Analysis (EOA) in 2020. This document serves as the City's compliance document under Goal 9, OAR 660-009-0015, and ORS 197.712. Strategies identified in the EOA, which include participation in the Large Lot Industrial program, carried over as economic development goals and policies outlined in Chapter 9 of the City's Comprehensive Plan.

Furthermore, Goal 9 is applicable because in coordination with its regional partners, the City participated in the preparation of the original analysis of the economic opportunities and constraints associated with users of large industrial parcels in the Central Oregon region. The original and updated REOA conclude that Central Oregon currently serves as an integrated economic unit.

Goal 10 – Housing – provides for the housing needs of citizens of the state. The City adopted a Housing Needs Analysis (HNA) in 2019. This document serves as the City's compliance document under Goal 10, OAR Chapter 660, Division 008, and ORS 197.296(3). This report concludes that Redmond should plan to accommodate development of 6,963 new dwelling units over the next 20 years in order to house the projected population growth. The proposed amendment will have no impact on lands needed for housing. The large lot industrial program is only concerned with industrial lands.

Goal 11 – Public Facilities and Services – requires the City to plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development. The proposed amendment will have no impact on the City's ability to plan and develop public facilities and services. However, it should be noted that while the updated REOA does not add land into Redmond's existing large lot industrial inventory, the City, along with stakeholders, is currently developing an infrastructure master plan for the large lot industrial lands. This plan will identify the major infrastructure needs required to activate these sites. Adoption of the plan is tentatively scheduled for late 2025.

Goal 12 – Transportation – requires the City to provide and encourage a safe and convenient and economic transportation system. Per OAR 660-012-0060, the proposed amendment will have no impact on an existing or planned transportation facility.

Goal 13 – Energy Conservation – is not applicable because the City's acknowledged regulations implementing Goal 13 remain in effect with no change in applicability.

Goal 14 – Urbanization – requires the City to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities. The proposed amendments do not encourage uncoordinated development, sprawl, or lower targeted densities. The management of the City's land use inventories is unaffected by this amendment.

Goal 15 – Willamette River Greenway – is not applicable to the city of Redmond.

Goal 16 – Estuarine Resources – is not applicable to the city of Redmond.

Goal 17 – Coastal Shorelands – is not applicable to the city of Redmond.

Goal 18 – Beaches and Dunes – is not applicable to the city of Redmond.

Goal 19 – Ocean Resources – is not applicable to the city of Redmond.

Based on the above discussion and finding, the proposed amendment is consistent with the statewide planning goals and therefore complies with criterion #2.

3. In conformity with the Redmond Comprehensive Plan, land use requirements and policies; and

FINDING: The following Comprehensive Plan chapter and policies have been determined to apply directly to this amendment:

Chapter 9 of the Comprehensive Plan identifies goals and policies that pertain to economic development. Goal 2 of the chapter pertains to large lot industrial land supply. The goal states "*Continue to coordinate with the Central Oregon Intergovernmental Council (COIC) on the large lot industrial site program. The City supports a multi-jurisdictional cooperative effort to pursue a regional approach to establish a short-term supply of sites particularly designed to address out-of-region industries that may locate in Central Oregon. The City recognizes the importance of maintaining a large-lot industrial land supply that is readily developable in Central Oregon.*" The goal is further elaborated through strategies as outlined in Policies 9-2-1 through 9-2-5. Additionally, Goal 4, Policy 9-4-1 directs the City to continue planning for the development of the Large Lot Industrial lands within Redmond. As mentioned earlier, this amendment to the Comprehensive Plan involves adopting the updated REOA, which will essentially authorize the continuation of the Central Oregon Large Lot Industrial program.

Staff concludes that the proposed amendment is consistent with the applicable Redmond Comprehensive Plan goals and policies.

4. That there is a change of circumstances, further studies justifying the amendment or mistake in the original zoning.

FINDING: As previously mentioned, the Regional Large Lot Industrial Program was established by OAR 660-024-0045. As required by OAR 660-024-0045(13), the participating local governments shall review the regional economic opportunities analysis after the regional supply of six sites either has been replenished by three additional sites or after ten years, whichever comes first.

Because the ten-year mark has come first, this amendment (i.e., the 2025 REOA) is an update to the 2012 REOA, which includes updated information on employment patterns and trends in the region, industrial land absorption and utilization patterns, and shifting industry patterns and site requirements. Ultimately, the new REOA is intended to ensure that the regional industrial land inventory is adequate to support the specific needs of large lot industrial users, and that the region has a competitive inventory of large lot industrial sites.

III. RECOMMENDATION

As required through the legislative amendment process, the Redmond Urban Area Planning Commission held the first evidentiary public hearing on May 21, 2025. There was no public testimony. After review and deliberation, the Commission voted unanimously (5-0) to recommend City Council adopt the proposed amendment as presented by staff.

REGIONAL LARGE LOT INDUSTRIAL PROGRAM

UPDATED 2025 REGIONAL ECONOMIC OPPORTUNITIES ANALYSIS

REDMOND CITY COUNCIL

JUNE 10, 2025

REDMOND COMPREHENSIVE PLAN

SLIDE / 2

- The Comprehensive Plan guides how Redmond will plan for and manage future growth and development over the next 20 years.

GOAL 9: TO PROVIDE ADEQUATE OPPORTUNITIES THROUGHOUT THE STATE FOR A VARIETY OF ECONOMIC ACTIVITIES VITAL TO THE HEALTH, WELFARE, AND PROSPERITY OF OREGON'S CITIZENS.

REGIONAL LARGE LOT INDUSTRIAL PROGRAM

SLIDE / 3

- The regional large lot industrial program was established under OAR 660-024-0045 and supported by a regional analysis completed in May of 2011.

- Region includes Deschutes, Crook and Jefferson counties.

VISION: TO BUILD A STRONG AND THRIVING REGIONAL ECONOMY BY ESTABLISHING AND ACTIVELY MAINTAINING A COMPETITIVE PORTFOLIO OF LARGE LOT EMPLOYMENT SITES AND COORDINATING PUBLIC INVESTMENTS, POLICIES AND REGULATIONS TO SUPPORT REGIONAL AND STATE ECONOMIC DEVELOPMENT OBJECTIVES.

REGIONAL LARGE LOT INDUSTRIAL PROGRAM

SLIDE / 4

- The regional large lot industrial program has been in place for over a decade now, and the availability of large lot industrial sites is crucial for the region's economic competitiveness and development.
- This includes the maintenance of a short-term competitive supply of large lot industrial sites that are “development ready,” which are available to allow the region to compete for major industrial employers cross shopping the region against other prospective locations.
- The program aims to provide land for traded sector industries, which bring new money into the local economy.

REGIONAL LARGE LOT INDUSTRIAL PROGRAM

- The program supports six sites of varying sizes:
  - Three 50 – 100-acre sites (open)
  - Two 100 – 199-acre sites (open)
  - One 200+ acre site (designated)
- The South Redmond Tract of over 750 acres is the 200+ acre site
- The only other site developed was in Madras: Daimler Truck test site (100 acres)
- Madras is currently applying for a 199-acre site

REGIONAL ECONOMIC OPPORTUNITIES ANALYSIS

- It has been over ten years since the program was authorized in state statute and OAR 660-024-0045 states that the program would be effective for ten years.
- Oregon Dept. of Land Conservation and Development (DLCD) provided guidance that to maintain the program after ten years, an updated REOA would need to be produced.
- Central Oregon Intergovernmental Council (COIC) is the regional administrator of the Central Oregon Large Lot Industrial program and oversaw the process of updating 2025 REOA.

REGIONAL ECONOMIC OPPORTUNITIES ANALYSIS

- The 2025 updated report serves as an update to the 2012 REOA, focusing on employment patterns, industrial land utilization, and shifting industry requirements.
- The COIC board has adopted the updated 2025 Central Oregon Regional Economic Opportunity Analysis by Resolution.
- Adoption of the updated 2025 Central Oregon REOA is required by the local municipalities continuing to participate in the program.

QUESTIONS?

AIRPORT
C1
M1
R2
R4
R5
PARK
MUN
PF
UH10
SW ELKHORN AVE
C5
OSPR
OS&C
MUA10
EFUTRB
EFUAL
REDMOND
OREGON
Est.
1910

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Witcosky, City Manager
Steve Ashworth, Deputy City Manager
FROM: Linda Cline, Housing Program Analyst
SUBJECT: Safe Parking - An increase in allowable shelter vehicle spaces on City-owned property

Report in Brief:
This item requests the City Council increase the allowable number of vehicles used as shelters at the City-owned Safe Parking site on the west side of South Highway 97 from six shelters to eight units.

Background:
On May 9, 2023, the City Council approved the use of two City-owned sites on S. Hwy 97 for use as Safe Parking sites. The identified parcels are reserved as right-of-way on Hwy 97 for the possible future extension of Quartz Avenue. At the time of approval, the City Code allowed a maximum of six shelter vehicles on Safe Parking sites. In December 2024, Council adopted a Code provision, allowing a maximum of eight shelter vehicles on Safe Parking sites with an approved site plan.

The Safe Parking Program is a beneficial service for people experiencing homelessness. It provides participants with short-term safe and legal places to sleep while receiving case management and other services that allow participants to lift themselves out of homelessness and into a more stable living situation.

Discussion:
MVCD has requested an increase in Safe Parking participation on the west side City-owned parcel through an increase of six to eight vehicles used as shelter, as allowed by City Code Chapter 5. This action does not allow microshelters on this or any City-owned site. The current fenced area will remain the same. No change is requested for the Safe Parking site on the east side of Hwy 97.

Any increase in the maximum number or type of shelter allowed on a City-owned site requires an opportunity for public comment and Council approval. In addition, property owners of record within 200 feet of the site must be notified. A letter of notification was sent by City staff on May 20, 2025, to property owners Wright Brothers Investment, H&S Energy Venture Group (Chevron), Central Oregon Irrigation District (COID), and tenant Redmond Spa Stove & Sauna. Tom Wright responded with a note saying, "Thank you for the update -- No problem for us." Verbally, COID staff also reported no concerns.

Fiscal Impact:
There is no anticipated cost to the City if this action is approved.

Alternative Courses of Action:

1. Approve the request to increase allowable shelter vehicles from six to eight at 1949 S. Hwy 97.
2. Approve the request to increase allowable shelter vehicles from six to eight at 1949 S. Hwy 97 with additional conditions.
3. Provide additional direction or desired next steps.
4. Take no action and request more information.
5. Do not approve.

Recommendation / Suggested Motion:
If City Council decides to approve the sites, then the suggested motion would be:

"I hereby move to authorize an increase in the allowable number of shelter vehicles, from six to eight, used in the Safe Parking Program located on City-owned properties at 1949 S Highway 97."

SAFE PARKING

ADJUST NUMBER OF SPACES FOR CITY-OWNED PROPERTY

REDMOND CITY COUNCIL

JUNE 10, 2025

1949 S. HIGHWAY 97: WEST QUARTZ RIGHT-OF-WAY

DISCUSSION & MOTION

CITY OF REDMOND

CITY HALL
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541.923.7710
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STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Witcosky, City Manager
FROM: Jason Neff, Deputy City Manager/Chief Financial Officer
Herlinda Corn, Budget Analyst
SUBJECT: Resolution #2025-10 - A resolution of the City of Redmond, Oregon authorizing the execution and delivery of multiple amendments to Clean Water State Revolving Fund Loan Agreement Number R76074 in an aggregate amount not to exceed $81,250,000 to finance the design and construction of a Wastewater Treatment Plant; authorizing such other agreements, certificates and documents as may be necessary and appropriate to carry out such transaction; designating an authorized representative; delegating responsibilities; and related matters.

Report in Brief:
A resolution to approve amendments to the Department of Environmental Quality Clean Water State Revolving Fund loan (DEQ loan) agreement for the construction of the Redmond Wetlands Complex.

Background:
The City's Water Pollution Control Facility (WPCF) was constructed in 1978. Since then, several expansion and upgrades have occurred to meet the community's growing needs. In 2019, a Wastewater Facility Plan (WWFP) was developed to assess the existing capacity and consider current projected future 20-year service needs with respect to system capacity. In 2020, the City amended the 2019 WWFP to update the design criteria to the year 2045, and add an alternative for a lagoon treatment system with a constructed wetland treatment and disposal system, the Redmond Wetlands Complex (RWC), to meet the City's needs.

In March 2021, the City Council authorized a contract with Anderson Perry and Associates, Inc. to provide engineering services for the design and construction management of the RWC. Further, on July 14, 2021, the City Council approved Resolution #2021-17 entering into a Clean Water State Revolving Fund (CWSRF) design loan from the Department of Environmental Quality (DEQ) for $6.4 million, which will be amended to cover constructions costs.

On May 27, 2025, the City Council awarded a $76,960,000 construction contract to Taylor Northwest, LLC.

Discussion:
The next step in the CWSRF loan process is an approval of 2 loan amendments to increase the loan amount to $81,250,000. The first loan amendment will be $40,000,000, presented tonight (June 10th), and the second amendment will be $34,850,000, which is expected to be received in the first quarter of Fiscal Year 2025/2026. The loan amendments include construction costs and the following significant updates:

- Interest rate: 1.82% per annum (including 0.5% annual fee = 2.32%)
- Repayment period and term of the loan: 30-years after completion date
- Estimated completion date: September 30, 2028
- Loan reserve requirement (estimate on full loan drawdown*): $1,737,141

* to be determined based on actual loan drawdown

The City Council awarded a construction contract to Taylor Northwest, LLC for $76,960,000 for the construction of the RWC. The estimated project costs are $88.8 million and are broken down as follows:

• Design	$ 5.6 million
• Construction Management & Inspection	$ 2.0 million
• Construction	$77.0 million
• 5% Contingency	$ 4.2 million
• **Total Costs (optimal confidence)**	**$88.8 million**

Fiscal Impact:
Additional to the CWSRF loan, the project will be funded through the following:

- System Development Charges (SDCs) Revenue
- Wastewater Operations Revenue
- Deschutes County in support of Terrebonne Sewer District
- Congressional Direct Spending grant

The project continues to be eligible for a $500,000 loan forgiveness due to meeting the Green Project Reserve Criteria.

Loan payments will come from Wastewater Operations (rate payer) and System Development Charge (SDC) revenue funds. Modeling of the Wastewater Operations and SDC sub-funds indicate that sufficient revenue is available to meet loan payments and is financially feasible.

Alternative Courses of Action:

1. Adopt Resolution #2025-10 authorizing the City Manager to execute and deliver Clean Water State Revolving Fund loan agreement number R76074.
2. Do not approve the loan amendments
3. Request additional information

Recommendation / Suggested Motion:
"I move to adopt Resolution #2025-10."

REDMOND RESOLUTION
RESOLUTION NO. 2025–10

A RESOLUTION OF THE CITY OF REDMOND, OREGON AUTHORIZING THE EXECUTION AND DELIVERY OF MULTIPLE AMENDMENTS TO CLEAN WATER STATE REVOLVING FUND LOAN AGREEMENT NUMBER R76074 IN AN AGGREGATE AMOUNT NOT TO EXCEED $81,250,000 TO FINANCE THE DESIGN AND CONSTRUCTION OF A WASTEWATER TREATMENT PLANT; AUTHORIZING SUCH OTHER AGREEMENTS, CERTIFICATES AND DOCUMENTS AS MAY BE NECESSARY AND APPROPRIATE TO CARRY OUT SUCH TRANSACTION; DESIGNATING AN AUTHORIZED REPRESENTATIVE; DELEGATING RESPONSIBILITIES; AND RELATED MATTERS.

WHEREAS, the City of Redmond (the "City") has proposed an expansion to the Water Pollution Control Facility including, without limitation, the construction of a lagoon treatment system with a constructed wetland treatment and disposal system to meet the City's current and future water treatment requirements (the "Water Pollution Control Facility Expansion Project"); and

WHEREAS, the Water Pollution Control Facility Expansion Project final design included sixty, ninety, and one hundred percent design packages which include technical specifications, final design drawings, contract documents, and final cost estimates. In addition, final design services included agency coordination with the Oregon Department of Environmental Quality and services during construction, including construction management and inspection; and

WHEREAS, pursuant to the applicable provisions of ORS Chapters 190, 286A, 287A and 468 and OAR Chapter 340 (collectively, the "Act"), the City entered into a loan with the State of Oregon, Department of Environmental Quality, Clean Water State Revolving Fund in the amount of $6,400,000 for the design of the Water Pollution Control Facility Expansion Project, which was approved by the Redmond City Council (the "Council") pursuant to Resolution 2021-17; and

WHEREAS, the terms and conditions of the loan were evidenced by the Clean Water State Revolving Fund Loan Agreement No. R76074, dated as of August 2, 2021 (the "Original Loan Agreement"); and

WHEREAS, the City has requested that the Original Loan Agreement be amended and supplemented pursuant to multiple amendments to provide funds, pursuant to the Act, to finance all or a portion of the Estimated Project Costs in an aggregate amount not to exceed $81,250,000 (the "Clean Water Loan Amendments" and together with the Original Loan Agreement, the "Clean Water Loan Agreement"); and

WHEREAS, it is in the best interests of the city to authorize the Authorized Representative (as defined herein) to execute and deliver the Clean Water Loan Amendments and such other agreements, certificates and documents as may be necessary to provide for the financing of the Water Pollution Control Facility Expansion Project.

NOW, THEREFORE, THE REDMOND CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Authorization of the 2025 Clean Water Loan. The Council authorizes the Authorized Representative to execute and deliver the Clean Water Loan Amendments in an aggregate amount not to exceed $81,250,000. The Council hereby ratifies its prior findings and determination that the financing of the design and construction of the Water Pollution Control Facility Expansion Project is in furtherance of the purposes of the City and is in the public interest.

Section 2. Authorized Representative. The Council authorizes and directs the City Manager, the Chief Financial Officer or their respective designees (each, an "Authorized Representative"), each acting individually, to execute and deliver the 2025 Clean Water Loan and to take such other actions as set forth in Section 4 herein.

Section 3. Security. The Council authorizes the pledge of the Net Revenues (as defined in the Original Loan Agreement) to secure payment of and to pay the amounts due under the Clean Water Loan Amendments.

Section 4. Delegation for Establishment of Terms and Sale of Loans. In connection with the execution and delivery of the Clean Water Loan Amendments, the Authorized Representative is hereby authorized, on behalf of the City and without further action of the City Council, to:

a) negotiate, execute and deliver amendments to the Original Loan Agreement that among other things, sets forth the final terms, covenants, representations and agreements determined by the Authorized Representative to be necessary and appropriate in connection with the execution and delivery of the Clean Water Loan Amendments and consistent with the intents and purposes set out in this Resolution;

b) establish funds and accounts, as may be necessary or required in connection with the Clean Water Loan Amendments, which funds and accounts shall be continually maintained, except as otherwise provided, so long as the obligations under the Clean Water Loan Agreement remain outstanding;

c) approve, execute and delivery any other agreements, certificates and documents and take other actions as may be necessary to provide for the financing of the Water Pollution Control Facility Expansion Project.

<u>Section 5. Effective Date of Resolution</u>. This Resolution shall take effect immediately upon adoption by the Council.

PASSED by the Redmond City Council and **APPROVED** by the Mayor this 10th day of June 2025.

____
Ed Fitch, Mayor

ATTEST:

____
Kelly Morse, City Recorder

State of Oregon

County of Deschutes

This instrument was acknowledged before me this ______ day of ______________, 2025 by Ed Fitch, Mayor.

____
Kelly Morse, City Recorder

My commission expires________________

CLEAN WATER STATE REVOLVING FUND
LOAN AGREEMENT NO. R76074
AMENDMENT NO. 1

CITY OF REDMOND

This Amendment No. 1 ("Amendment") to Loan Agreement No. R76074 (the "Loan Agreement") is executed between the STATE OF OREGON ACTING BY AND THROUGH ITS DEPARTMENT OF ENVIRONMENTAL QUALITY ("DEQ") and City of Redmond (the "Borrower"), effective as of the Effective Date indicated below. Capitalized terms used in this Amendment which are not defined herein have the meanings assigned to them in the Loan Agreement.

The purpose of this amendment is to increase the loan amount by $40,000,000 to include construction costs; update the project title and description; update the interest rate; update the repayment period and term of the loan; update the estimated completion date and estimated total costs of the project; update Appendices A and B and the Loan Reserve Requirement accordingly; incorporate the requirements of the Build America Buy America Act; add Appendix I Build America Buy America Requirements; and add Appendix J Federal Loan Identification, which designates this loan as a Federal Loan.

Date of Loan Agreement: August 2, 2021
Date of Loan Amendment #1: May 22, 2025

The parties agree as follows:

1. **EFFECTIVE DATE.** This Amendment is effective on the date that it is fully executed and approved as required by applicable law.

2. **AMENDMENTS TO AGREEMENT.**

a. ARTICLE 1(C) is amended and restated as follows:

"**(C) LOAN AMOUNT:** $46,400,000."

b. ARTICLE 1(E) is amended and restated as follows:

"**PROJECT TITLE:** Design and construction of Redmond Wetlands Complex ("Project"), a new wastewater treatment plant.

c. ARTICLE 1(F) is amended and restated as follows:

"**DESCRIPTION OF THE PROJECT:** In this design and construction loan, the Borrower will design and construct the Project, an aerated lagoon wetland treatment and disposal facility. The Project will include a headworks component for primary treatment, a series of aeration and settling lagoons for secondary treatment, lined constructed wetlands for tertiary treatment and unlined disposal wetlands for effluent disposal."

d. ARTICLE 1(G) is amended and restated as follows:

"**INTEREST RATE:** ONE AND 82/100 (1.82%) per annum. Calculation of interest is also discussed in ARTICLE 2(E) and in ARTICLE 2(F)(4) of this Agreement."

e. ARTICLE 1(H) is amended and restated as follows:

"**REPAYMENT PERIOD:** Ending no later than (a) thirty (30) years after the Completion Date or (b) thirty (30) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier."

f. ARTICLE 3(A)(10) is amended and restated as follows:

"(10) The estimated Completion Date of the Project is September 30, 2028. The Borrower agrees to complete the Project by the estimated Completion Date."

g. ARTICLE 3(A)(11) is amended and restated as follows:

"(11) The estimated total Costs of the Project are $81,250,000"

h. ARTICLE 5(C)(1) is amended and restated as follows:

"(1) Loan Reserve Requirement: The Loan reserve requirement equals one-half of the average annual debt service based on the final Payment Schedule. Until the Final Loan Amount is calculated, the Loan Reserve Requirement is $1,035,886. The Borrower shall deposit the Loan reserve requirement into the Loan Reserve Account no later than the date the first payment is due hereunder."

i. Add Article 6(F) BUILD AMERICA BUY AMERICA ACT to state as follows:

The Borrower shall:

(1) Comply with the federal statutory requirements commonly known as "Build America, Buy America" ("BABA") that require all of the iron and steel, manufactured products, and construction materials used in the Project are produced in the United States ("Build America, Buy America Requirements"), including iron and steel, manufactured products, and construction materials provided by the Contactor pursuant to this Agreement.

(2) Include in all contracts for the Project the language set forth in APPENDIX I. All contracts and subcontracts of Borrower for the Project must have a provision requiring compliance with the Build America, Buy America Requirements. APPENDIX I is an example provided by the EPA. Neither the EPA nor DEQ makes any claims regarding the legality of this clause with respect to state or local law.

(3) The requirements of this Article 6(F) do not apply if (i) the Borrower has requested and obtained a Build America, Buy America waiver from the EPA pertaining to the Project or (ii) DEQ has otherwise advised the Borrower in writing that the Build America, Buy America requirements are not applicable to the Project.

j. The attached "Appendix A: Repayment Schedule" replaces the current "Appendix A: Repayment Schedule" in its entirety.

k. The attached "Appendix B: *Estimated* CWSRF Loan Disbursement Schedule" replaces the current "Appendix B: *Estimated* CWSRF Loan Disbursement Schedule" in its entirety.

l. Add Appendix I: "Build America Buy America (BABA) Requirements".

m. Add Appendix J: "Federal Loan Identification".

3. **COUNTERPARTS.** This Amendment may be executed in two or more counterparts, each of which is an original and all of which when taken together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.

4. **ORIGINAL AGREEMENT.** Except as expressly amended above, the terms and conditions of the Loan Agreement shall remain in full force and effect. The Borrower certifies that the representations, warranties and certifications in the original Agreement are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

BORROWER: CITY OF REDMOND

By:______________________________________ Date: __________________

Typed Name: ____________________________

Title: ____________________________

STATE OF OREGON ACTING BY AND THROUGH ITS
DEPARTMENT OF ENVIRONMENTAL QUALITY

By:______________________________________ Date: __________________
Jennifer Wigal, Administrator
Water Quality Division

APPENDIX A: PRELIMINARY REPAYMENT SCHEDULE

BORROWER:	City of Redmond	INTEREST RATE:	1.82%
SRF LOAN NO.:	R76074	TERM IN YEARS:	30
LOAN AMOUNT:	$46,400,000	PAYMENT AMOUNT:	$ 1,008,861
		ANNUAL FEE:	0.50%

Due Date	Pmt#	PAYMENT Principal	Interest	Fees	Total	Principal Balance
						45,900,000
12/1/2028	1	0	2,630,347	0	2,630,347	45,900,000
6/1/2029	2	591,171	417,690	229,500	1,238,361	45,308,829
12/1/2029	3	596,551	412,310	0	1,008,861	44,712,278
6/1/2030	4	601,979	406,882	223,561	1,232,422	44,110,299
12/1/2030	5	607,457	401,404	0	1,008,861	43,502,842
6/1/2031	6	612,985	395,876	217,514	1,226,375	42,889,857
12/1/2031	7	618,563	390,298	0	1,008,861	42,271,294
6/1/2032	8	624,192	384,669	211,356	1,220,217	41,647,102
12/1/2032	9	629,872	378,989	0	1,008,861	41,017,230
6/1/2033	10	635,604	373,257	205,086	1,213,947	40,381,626
12/1/2033	11	641,388	367,473	0	1,008,861	39,740,238
6/1/2034	12	647,225	361,636	198,701	1,207,562	39,093,013
12/1/2034	13	653,115	355,746	0	1,008,861	38,439,898
6/1/2035	14	659,058	349,803	192,199	1,201,060	37,780,840
12/1/2035	15	665,055	343,806	0	1,008,861	37,115,785
6/1/2036	16	671,107	337,754	185,579	1,194,440	36,444,678
12/1/2036	17	677,214	331,647	0	1,008,861	35,767,464
6/1/2037	18	683,377	325,484	178,837	1,187,698	35,084,087
12/1/2037	19	689,596	319,265	0	1,008,861	34,394,491
6/1/2038	20	695,871	312,990	171,972	1,180,833	33,698,620
12/1/2038	21	702,204	306,657	0	1,008,861	32,996,416
6/1/2039	22	708,594	300,267	164,982	1,173,843	32,287,822
12/1/2039	23	715,042	293,819	0	1,008,861	31,572,780
6/1/2040	24	721,549	287,312	157,864	1,166,725	30,851,231
12/1/2040	25	728,115	280,746	0	1,008,861	30,123,116
6/1/2041	26	734,741	274,120	150,616	1,159,477	29,388,375
12/1/2041	27	741,427	267,434	0	1,008,861	28,646,948
6/1/2042	28	748,174	260,687	143,235	1,152,096	27,898,774
12/1/2042	29	754,982	253,879	0	1,008,861	27,143,792
6/1/2043	30	761,852	247,009	135,719	1,144,580	26,381,940
12/1/2043	31	768,785	240,076	0	1,008,861	25,613,155
6/1/2044	32	775,781	233,080	128,066	1,136,927	24,837,374
12/1/2044	33	782,841	226,020	0	1,008,861	24,054,533
6/1/2045	34	789,965	218,896	120,273	1,129,134	23,264,568
12/1/2045	35	797,153	211,708	0	1,008,861	22,467,415
6/1/2046	36	804,408	204,453	112,337	1,121,198	21,663,007
12/1/2046	37	811,728	197,133	0	1,008,861	20,851,279
6/1/2047	38	819,114	189,747	104,256	1,113,117	20,032,165
12/1/2047	39	826,568	182,293	0	1,008,861	19,205,597
6/1/2048	40	834,090	174,771	96,028	1,104,889	18,371,507
12/1/2048	41	841,680	167,181	0	1,008,861	17,529,827
6/1/2049	42	849,340	159,521	87,649	1,096,510	16,680,487
12/1/2049	43	857,069	151,792	0	1,008,861	15,823,418
6/1/2050	44	864,868	143,993	79,117	1,087,978	14,958,550
12/1/2050	45	872,738	136,123	0	1,008,861	14,085,812
6/1/2051	46	880,680	128,181	70,429	1,079,290	13,205,132
12/1/2051	47	888,694	120,167	0	1,008,861	12,316,438
6/1/2052	48	896,781	112,080	61,582	1,070,443	11,419,657
12/1/2052	49	904,942	103,919	0	1,008,861	10,514,715
6/1/2053	50	913,177	95,684	52,574	1,061,435	9,601,538
12/1/2053	51	921,487	87,374	0	1,008,861	8,680,051
6/1/2054	52	929,873	78,988	43,400	1,052,261	7,750,178
12/1/2054	53	938,334	70,527	0	1,008,861	6,811,844
6/1/2055	54	946,873	61,988	34,059	1,042,920	5,864,971
12/1/2055	55	955,490	53,371	0	1,008,861	4,909,481
6/1/2056	56	964,185	44,676	24,547	1,033,408	3,945,296
12/1/2056	57	972,959	35,902	0	1,008,861	2,972,337
6/1/2057	58	981,813	27,048	14,862	1,023,723	1,990,524
12/1/2057	59	990,747	18,114	0	1,008,861	999,777
6/1/2058	60	999,777	9,098	4,999	1,013,874	0
TOTALS		45,900,000	16,253,160	3,800,899	65,954,059	

REQUIRED LOAN RESERVE: $ 1,035,886

APPENDIX B: ESTIMATED DISBURSEMENT SCHEDULE

Borrower:		City of Redmond					
Loan #:		R76074					
Int. Rate:		1.82%					
1st Pmt:		12/1/2028					
Disb. Number	**Paid/ Estimate**	**Gross Disb. Amount**	**Principal Forg. Applied**	**Net Amount Disbursed**	**Disb. Date**	**Total # of Days**	**Interest Amount**
1	Paid	$ 415,624	$ 207,812	$ 207,812	3/17/2022	2,451	25,377.71
2	Paid	$ 535,718	$ 267,859	$ 267,859	6/28/2022	2,348	31,334.87
3	Paid	$ 260,571	$ 24,329	$ 236,242	8/31/2022	2,284	26,882.33
4	Paid	$ 637,392	$ 0.00	$ 637,392	9/21/2022	2,263	71,862.35
5	Paid	$ 98,312	$ 0.00	$ 98,312	11/17/2022	2,206	10,804.70
6	Paid	$ 150,114	$ 0.00	$ 150,114	12/22/2022	2,171	16,235.87
7	Paid	$ 746,397	$ 0.00	$ 746,397	4/11/2023	2,061	76,634.10
8	Paid	$ 380,037	$ 0.00	$ 380,037	5/15/2023	2,027	38,374.88
9	Paid	$ 584,478	$ 0.00	$ 584,478	10/3/2023	1,886	54,909.37
10	Paid	$ 433,538	$ 0.00	$ 433,538	12/20/2023	1,808	39,043.00
11	Paid	$ 257,849	$ 0.00	$ 257,849	2/22/2024	1,744	22,400.03
12	Paid	$ 388,848	$ 0.00	$ 388,848	8/7/2024	1,577	30,551.13
13	Paid	$ 101,919	$ 0.00	$ 101,919	2/18/2025	1,382	7,018.64
14	Estimate	$ 10,000,000	$ 0.00	$ 10,000,000	8/1/2025	1,218	606,873.75
15	Estimate	$ 10,000,000	$ 0.00	$ 10,000,000	12/1/2025	1,096	546,040.87
16	Estimate	$ 10,000,000	$ 0.00	$ 10,000,000	2/1/2026	1,034	515,125.80
17	Estimate	$ 10,000,000	$ 0.00	$ 10,000,000	6/1/2026	914	455,290.19
18	Estimate	$ 1,409,203	$ 0.00	$ 1,409,203	10/1/2026	792	55,587.04
TOTAL:		**$ 46,400,000**	**$ 500,000**	**$ 45,900,000**			**2,630,346.64**

APPENDIX I: BUILD AMERICA, BUY AMERICA REQUIREMENTS

The Contractor acknowledges to and for the benefit of the City of Redmond ("Owner") and the State of Oregon, acting by and through the Department of Environmental Quality Clean Water State Revolving Fund (the "State") that it understands the goods and services under this Agreement are being funded with monies made available by the Clean Water State Revolving Fund that have statutory requirements commonly known as "Build America, Buy America" that requires all of the iron and steel, manufactured products, and construction materials used in the project to be produced in the United States ("Build America, Buy America Requirements"), including iron and steel, manufactured products, and construction materials provided by the Contactor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Owner and the State that (a) the Contractor has reviewed and understands the Build America, Buy America Requirements, (b) all of the iron and steel, manufactured products, and construction materials used in the project will be and/or have been produced in the United States in a manner that complies with the Build America, Buy America Requirements, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information, certification, or assurance of compliance with this paragraph, or information necessary to support a waiver of the Build America, Buy America Requirements, as may be requested by the Owner or the State. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Owner or State to recover as damages against the Contractor any loss, expense, or cost (including, without limitation, attorney's fees) incurred by the Owner or State resulting from any such failure (including, without limitation, any impairment or loss of funding, whether in whole or in part, from the State or any damages owed to the State by the Owner). While the Contractor has no direct contractual privity with the State, as a lender to the Owner for the funding of its project, the Owner and the Contractor agree that the State is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the State.

APPENDIX J

Information required by 2 CFR § 200.332(b)(1)

Federal Award Identification:

(i) Subrecipient name (which must match the name associated with its unique entity identifier): City of Redmond

(ii) Subrecipient's unique entity identifier: TBD

(iii) Federal Award Identification Number (FAIN): 4C-02J76801 (Supplemental 2023); TBD (Base Cap Grant 2024 – in process to be awarded)

(iv) Federal award date: 7/31/24 (Supplemental 2023); TBD (Base Cap Grant 2024)

(v) Sub-award period of performance, start and end date: from July 2024 to June 2026 (Supplemental 2023); July 2025 to June 2027 (Base Cap Grant 2024)

(vi) Sub-award budget period start and end date: from July 2024 to June 2026 (Supplemental 2023); July 2025 to June 2027 (Base Cap Grant 2024)

(vii) Total Amount of Federal funds obligated by this Agreement: $40,000,000

(viii) Total Amount of Federal funds obligated by this initial Agreement and any amendments: $40,000,000

(ix) Total amount of Federal award committed to the Subrecipient by the pass-through entity: $40,000,000

(x) Federal award project description: Clean Water State Revolving Fund

(xi) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity:

(a) Name of Federal awarding agency: EPA
(b) Name of pass-through entity: Oregon Department of Environmental Quality
(c) Contact information for awarding official of the pass-through entity:

(xii) Assistance listings number and title: 66.458 - Capitalization Grants for Clean Water State Revolving Funds

Amount: $23,546,000 (Supplemental 2023); $9,222,000 (Base Cap Grant 2024)

(xiii) Is award R&D? N/A

(xiv) Indirect cost rate for the Federal award per 2 CFR § 200.414: N/A%

REDMOND WETLANDS COMPLEX (RWC) CWSRF LOAN AMENDMENTS

REDMOND CITY COUNCIL
JUNE 10, 2025

RWC

STEPS

01
BID AWARD
MAY 27, 2025

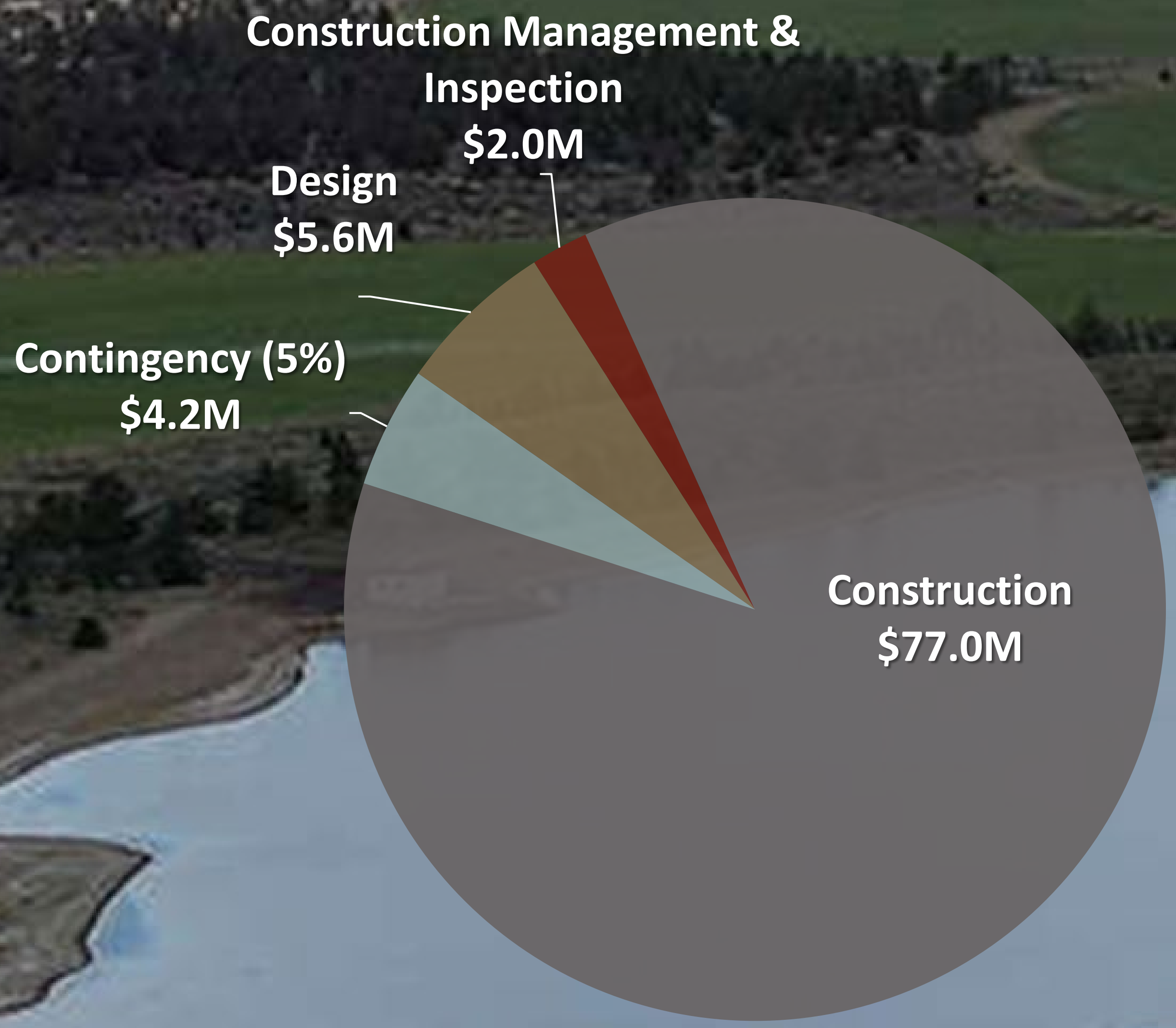
02
COUNCIL LOAN RESOLUTION FOR $81.25M
LOAN AMENDMENT (FROM $6.4M TO $46.4M)
JUNE 2025

03
LOAN AMENDMENT ($46.4M TO $81.25M)
FALL 2025

04
PROJECT COMPLETION
WINTER 2027

05
LOAN PAYMENTS BEGIN
SPRING 2028

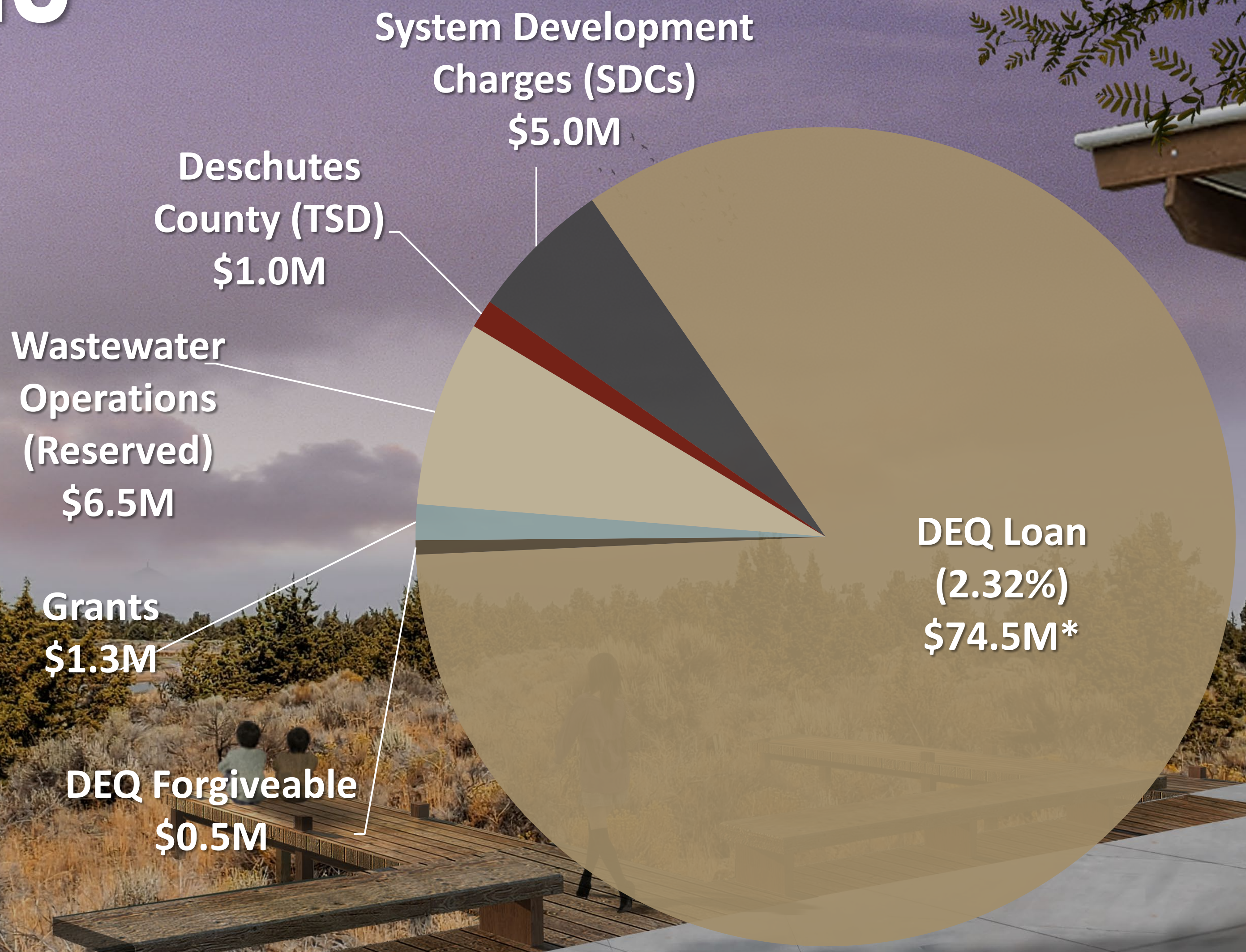
PROJECT COST BREAKDOWN



$88.8 MILLION

PROJECT FUNDING

$88.8 MILLION



* $74.5M is the estimated drawdown, seeking approval up to $81.25M

DEQ LOAN TERMS

- INTEREST RATE: 1.82%
- ANNUAL FEE 0.5%

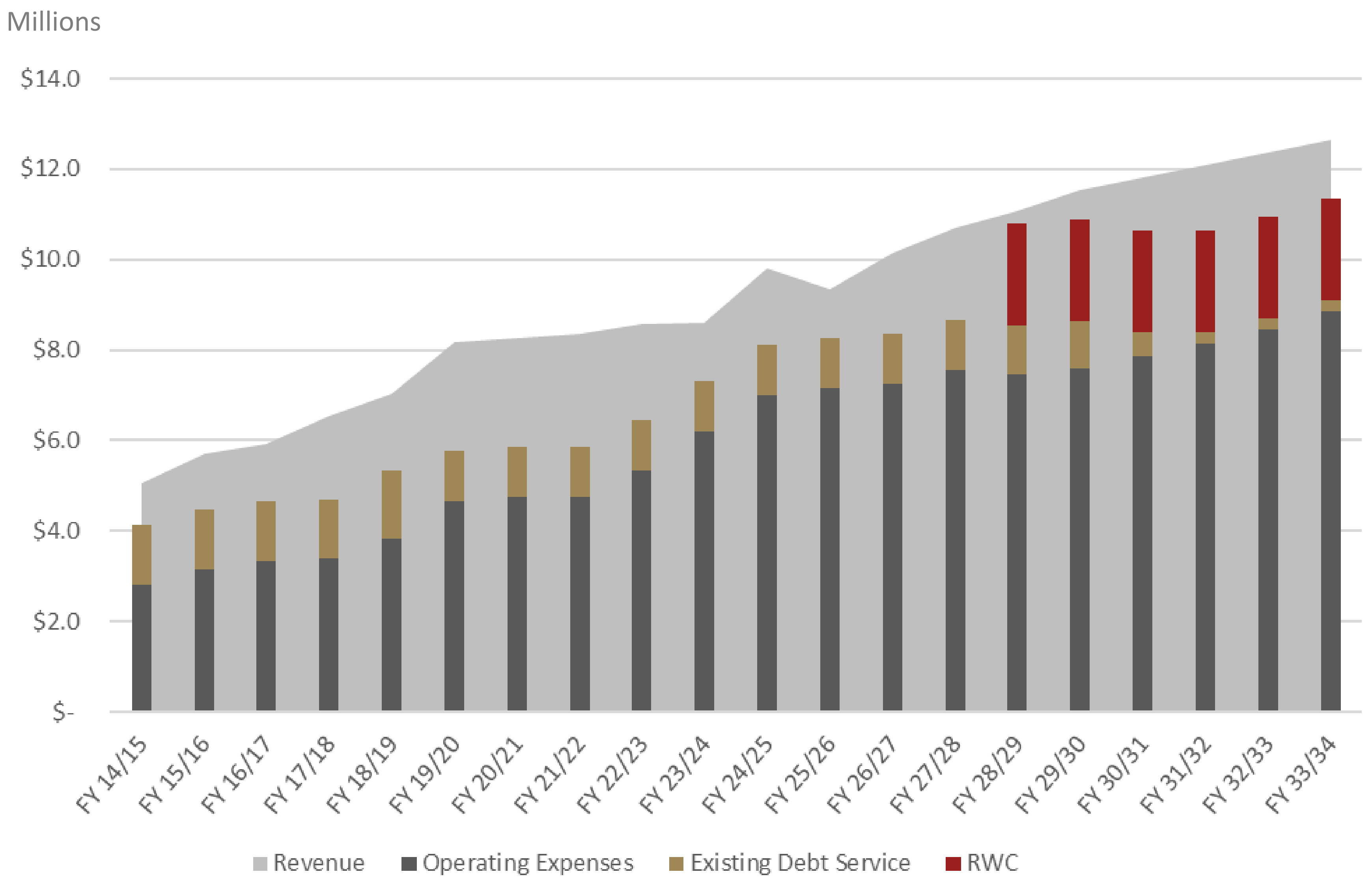
2.32%

- TERM OF THE LOAN: 30-YEARS
- DEQ LOAN AMOUNT: $81,250,000
- FORGIVABLE: $500,000
- LOAN RESERVE REQUIREMENT: $1,737,141*

*estimated, based on total loan drawndown

REDMOND WETLANDS COMPLEX (RWC)

FINANCIAL FEASIBILITY



RWC = $3.5 MILLION ANNUAL DEBT SERVICE

REDMOND
EST. 1910
OREGON

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE: June 10, 2025
TO: City Council
THROUGH: Keith Witcosky, City Manager
Jason Neff, Deputy City Manager/Chief Financial Officer
FROM: Steve Ashworth, Deputy City Manager
SUBJECT: Central Electric Cooperative Material Deposit for Northpoint Vista Project: $376,359

Report in Brief:
This item requests the City Council authorize a deposit of $376,359 to pay Central Electric Cooperative (CEC) for the extension of electrical service through backbone infrastructure to enable the development and occupancy of housing units at Northpoint Vista.

Background:
The extension of electrical service through backbone infrastructure by Central Oregon Cooperative (CEC) is essential to enable the development and occupancy of housing units at Northpoint Vista. CEC, a not-for-profit member-owned utility, is the designated service provider for the area. A deposit of $376,359 is needed to order components for the backbone infrastructure to be installed in public right-of-ways.

CEC must place a deposit for materials needed for backbone infrastructure to serve all the Northpoint Vista Mixed-Income Neighborhood. As a not-for-profit, member-owned electrical cooperative, a deposit is required up front, usually paid for by the developer. As the City is the property owner, and no development or disposition agreements have been executed, this cost falls on the City at this time.

Discussion:
While the backbone electrical infrastructure will be in public right-of-way, it will technically be owned by CEC, and therefore is not eligible for reimbursement by the City's current infrastructure grants.

- It is a required utility to **support all new housing**.
- It is installed in the **public right-of-way** and is part of the utility network serving the broader community.
- It addresses a **critical infrastructure barrier** to achieving the State’s stated housing goals attached to this House Bill 4079 Affordable Housing pilot project.
- If not paid by the City, this **puts at risk the construction of affordable housing** in the first phases of housing construction.

Fiscal Impact:
This item will require up-front financing of $376,359 from the General Fund. Costs expended will be recovered through future disposition of City-owned property at Northpoint Vista over the next one to five years. Future CEC-related costs will be paid for by each property developer according to the needs of each parcel. The cost will need to be covered by General Fund reserves and will necessitate a budget adjustment at the June 24, 2025, City Council meeting. General Fund reserves are available via funds saved for the Eastside Arterial project in Fiscal Year 2026/2027. To ensure no impact to the Eastside Arterial Project, it is expected that savings from the Public Safety Facility project could be used to back fill the use of $376,359 in the event the funds are not recovered from land disposition. This procurement is being made through Redmond City Code 2.410(5)(6), and in coordination with the "Northpoint Mixed-Income Neighborhood Project Master Developer Request for Qualifications" awarded to deChase Miksis Development on February 28, 2023.

Alternative Courses of Action:

1. Approve the CEC deposit.
2. Do not approve the CEC deposit.
3. Take no Action and Request more information

Recommendation / Suggested Motion:
"I approve a deposit of $376,359 to Central Oregon Cooperative for backbone electrical infrastructure materials for the Northpoint Vista Mixed-Income Neighborhood project."

NORTHPOINT VISTA

CENTRAL ELECTRIC MATERIAL DEPOSIT: $376,359.00

REDMOND CITY COUNCIL

JUNE 10, 2025

NORTHPOINT VISTA

CENTRAL ELECTRIC BACKBONE

DISCUSSION & MOTION

PublicTestimony@RedmondOregon.gov

June 4, 2025

RE: Emergency Access Issues for City Council Meeting June 10, 2025

Dear Mayor and Honorable Members of the Council:

Attached, kindly find a petition signed by numerous residents of the Red Tail Ridge Community in Redmond, Oregon, in anticipation of the upcoming City Council meeting scheduled for June 10, 2025. Our community is deeply concerned about ongoing development in our area, infrastructure challenges, and other pressing issues outlined in the petition. While the petition specifically addresses proposed project number **711-25-000060**, our concerns regarding emergency evacuation extend beyond this single project, prompting us to bring this critical issue to your attention and request immediate action.

The safety of our residents is increasingly at risk due to mounting development and the limited availability of evacuation routes. Currently, our community has only two access points—43rd Street and a route through the Trail Side development—leaving **many homes and families vulnerable** in the event of a natural disaster. As fire season approaches, we are alarmed that the existing infrastructure does not appear sufficient to facilitate the safe evacuation of **300–600 vehicles** or ensure timely access for first responders.

To mitigate this growing risk, we respectfully request that the city immediately mandate the availability of evacuation routes as depicted on the attached map. Additionally, given the ongoing **construction-related closure of a portion of Wickiup**, which further restricts access, time is of the essence. We urge the city to take the following immediate actions related to the access points shown on the map and corresponding to the following numbers:

1. **47th and Yew Avenue:** The fire gate is currently secured with a lock. Please remove the lock to allow residents to open the gate for emergency evacuation.
2. **45th and Yew Avenue:** Large rocks and a curb obstruct this access point. Kindly remove the rocks and smooth over the curb to ensure ease of exit.
3. **43rd and Antelope Avenue:** A barrier and boulders currently block this access point. Please remove these obstructions and open this route for emergency use.
4. **47th and Antelope Avenue:** The fire gate here is secured by a padlock. We request its removal to allow residents access in case of an emergency.

We greatly appreciate your attention to this urgent matter and look forward to discussing it further at the City Council meeting on June 10th.

1. **Resident Safety** – With only two access points (43rd Street and a route through the Trail Side development), the safety of over 300 homes is at risk. In the event of a natural disaster, the current infrastructure does not appear sufficient to allow 300–600 vehicles to evacuate safely or ensure timely access for first responders.

2. **Water Supply and Sustainability** – The City has a duty to ensure ample and sustainable access to drinking water for its residents. Our water table is rapidly depleting, as evidenced by farms east of Red Tail Ridge that have had to drill hundreds of feet deeper to reach groundwater. The addition of the newly approved Antelope Flats, along with developments on Canal and Badger, will further strain our water resources, exacerbating an already critical situation.

3. **Parks and Open Space** – Our community currently lacks parks, and open spaces are disappearing rapidly due to ongoing development. Access to outdoor recreation and preservation of natural habitats is essential for residents' well-being, yet indigenous species—such as the large jackrabbit—are disappearing, disrupting the local ecosystem.

4. **Environmental Impact** – It is imperative to assess how the proposed Project aligns with the City's policy on maintaining native trees and ecosystems. A comprehensive environmental study should be conducted to understand its effects on the existing natural landscape and biodiversity.

NAME	Address	[redacted]
Debra Hughes	[redacted]	[redacted]
Ed Hughes	[redacted]	[redacted]
Ruby Isaacson	[redacted]	[redacted]
[illegible]	[redacted]	[redacted]
Diane Coon	[redacted]	[redacted]
Paul Coon	[redacted]	[redacted]

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSE ONLY

11/23/2020

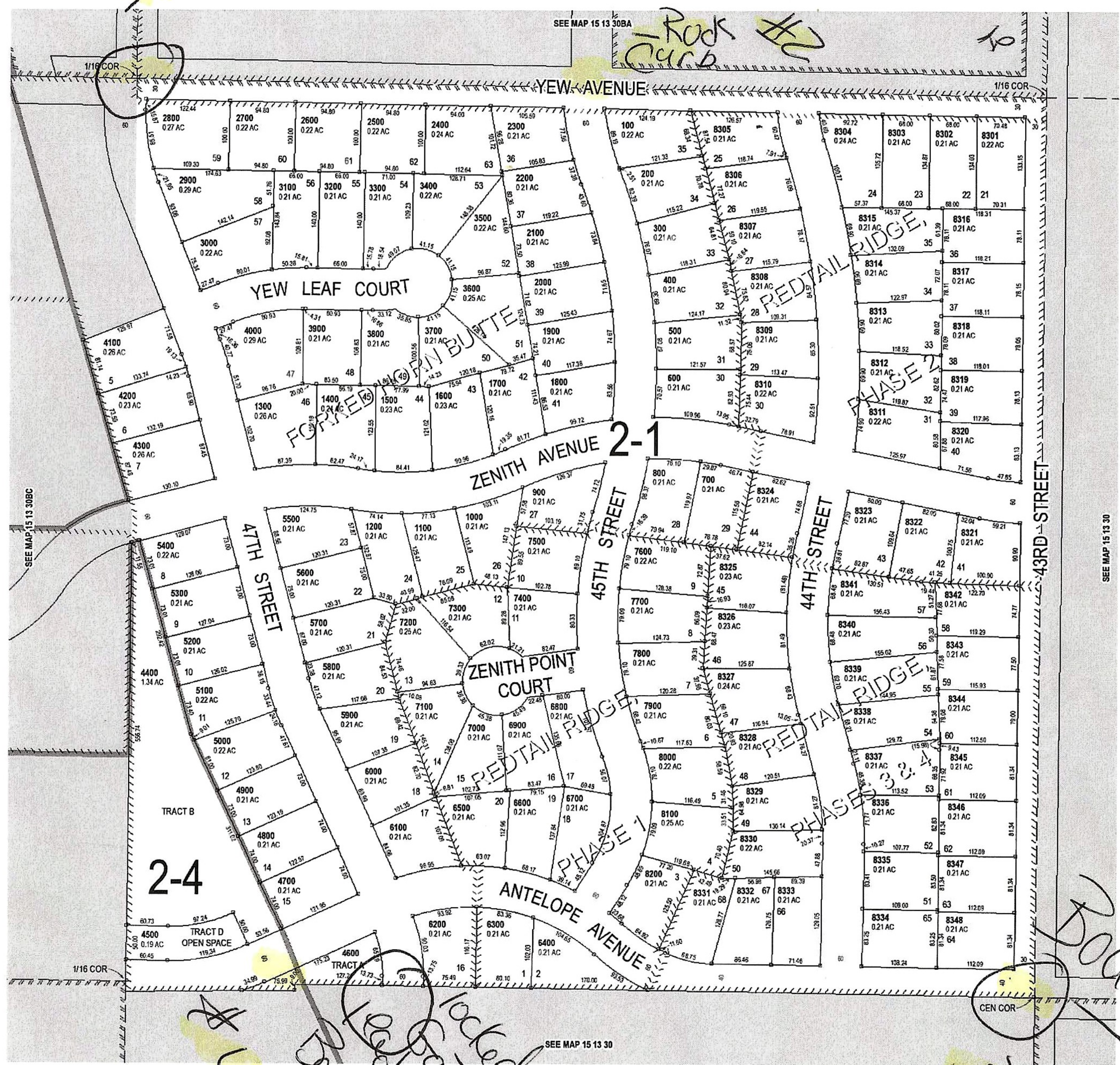
S.E.1/4 N.W.1/4 SEC.30 T.15S. R.13E. W.M.

DESCHUTES COUNTY

1" = 100'

15 13 30BD

Cancelled Nos.
8300



15 13 30BD