July 14, 2026

Dana Krawczuk
Stoel Rives LLP
760 SW 9th Ave, Suite 3000
Portland, OR 97205

Re: *Determination Whether Project is Subject to Prevailing Wage Rate Laws*
Project: Emblem Bend Apartments
Ref: **26-0391**
Requested by: Stoel Rives LLP of behalf of QMC Ferguson Village Holdings, LLC

Dear Dana Krawczuk:

On January 12, 2026, the Bureau of Labor and Industries ("BOLI") received the request you submitted on behalf of QMC Ferguson Village Holdings, LLC asking if the Prevailing Wage Rate laws would apply to the Emblem Bend Apartments project. The Commissioner issues the following determination:

FINDINGS OF FACT

1. QMC Ferguson Village Holdings, LLC (the "LLC"), a private entity, purchased privately-owned property located at 61105 Ferguson Road in Bend, Oregon (the "Property") in December 2025. The LLC proposes to construct multifamily residential housing on the property. The project is referred to as the Emblem Bend Apartments project (the "Project").

2. In June 2022, the City of Bend (the "City"), a public agency under ORS 279.800(5), established the Multiple Unit Property Tax Exemption ("MUPTE") program to incentivize multi-unit housing and commercial developments in MUPTE-eligible vacant or under-utilized sites in the core and transit-oriented areas in Bend by providing tax exemptions for developments that incorporated qualifying community benefits. In December 2024, the City paused MUPTE to evaluate the program criteria and balance financial impacts to the Core Area Tax Increment Finance revenue projections.

3. Prior to pausing MUPTE, in a January 17, 2024 joint-work session of the City Council and the Bend Urban Renewal Agency ("BURA"), a public agency under ORS 279C.800(5), councilmembers directed staff to develop policies for a tax increment finance-funded alternative to MUPTE that would encourage the development of housing and employment opportunities, focusing on site-specific investment areas. As a result, on October 16, 2024, BURA adopted the Policy on Tax Increment Assistance for Housing Affordability and Employment Growth (the "Policy"). The stated purpose of this policy was to establish a BURA tax increment reimbursement program (the "Program") to support income attainable residential options and living-wage employment developments within new and established tax increment finance ("TIF") areas.

4. Section 2(A) of Exhibit A of the Policy states "BURA may provide Program assistance in the form of either an annual tax increment reimbursement payment over a specified period of time and/or payment of City development fees associated with the proposed development ("Assistance") for projects and sites that meet the following criteria:

i. Fifteen percent (15%) of dwelling units are restricted to households earning ninety percent (90%) of the area median income ("AMI");
ii. For such rent-restricted units, rent increases must be lower than those allowed under ORS 90.323, 90.324, and 90.600.

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

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

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

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

5. Section 6 of Exhibit A of the Policy states that if BURA approves a project for participation in the Program, "a development agreement will be required between BURA and the approved project developer that will delineate the requirements of the project's participation in the Program, including meeting Program requirements for the duration of the reimbursement. Failing to meet Program requirements may include a claw back provision for tax increment assistance provided under this Program. All proposed developments will be required to obtain a certificate of occupancy within three years of Plan approval or within another time period as otherwise accepted by BURA."

6. Section 8 of Exhibit A of the Policy states that "Program participants must submit to BURA a certificate of compliance with all Program elements no later than November 15 of the year prior to receiving the annual tax reimbursement."

7. On May 3, 2025, the LLC's parent company, Quarterra Multifamily Communities, LLC, a private entity, submitted a tax increment finance application requesting the creation of a tax increment finance area for the Property. As a result, on October 15, 2025, the City Council created a new urban renewal area known as the Emblem Tax Increment Finance Area (the "TIF Area"), and adopted both the

Emblem District Tax Increment Finance Plan (the "TIF Plan") and the Emblem District Tax Increment Finance Plan Report (the "TIF Report"). The TIF Plan is anticipated to last 26 years, resulting in 24 years of tax increment collection.

8. According to Section II.A of the TIF Plan, ORS 457 "allows for the use of tax increment revenues, a financing source that is unique to TIF Areas, to fund projects within a specific boundary. Tax increment revenues - the amount of property taxes generated by the increase in total assessed values within a TIF Area from the time an Area is first established - are used to repay borrowed funds or meet contractual obligations. The borrowed funds and contractual obligations fund projects within an Area that meet the goals of the plan and cannot exceed the maximum indebtedness amount set by a TIF plan."

9. Section III of the TIF Plan states the "maximum indebtedness that may be issued for incurred under the TIF Plan, based upon good faith estimates of the scope and costs of the projects in the Plans and the schedule for their completion, is $22,102,251. This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness, or interest earned on bond proceeds. The projects under this plan are not anticipated to be financed through bonds, but primarily through rebate of property taxes paid." Similarly, Section X.A states the TIF Plan "will be financed using tax increment revenues. Revenues obtained by [BURA] will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in planning and undertaking project activities…"

10. Section IV of the TIF Report provides the estimated cost of each 'project,' meaning the cost of the developer incentives and the cost to BURA for administration of the TIF Plan, while acknowledging that the estimates must fit within the maximum indebtedness amount of $22,102,251. The estimates assume the LLC will receive 97% of the tax increment from the TIF Plan, or $21,439,183, as incentives for the Project. The remaining 3%, or $663,068, is anticipated to be allotted to BURA for administration of the TIF Plan, including staff support, legal counsel assistance, review of annual payments, budget preparation, and annual reports pursuant to ORS 457.460.

11. On November 26, 2025, BURA issued a Letter of Intent to Award (the "LOI") describing the assistance available to the Project and the qualifying Project requirements. The LOI is non-binding and contingent upon the final approval and execution of a formal agreement between BURA and the LLC (the "Agreement"). While the LOI does not include all terms that are expected to be included in the Agreement, it states that the Project may receive assistance from BURA in the form of an annual rebate of property taxes paid and received by BURA for the Property, up to a total amount of $21,439,183 until either the termination of the TIF Plan or the cumulative rebate reaches the maximum authorized amount, whichever occurs first. In exchange for the assistance, the Project must meet the following requirements:

    i. A minimum of 53 residential units, or 20% of the total residential units, whichever is greater, must be offered annually for rent to households earning at or below 90% of the area median income ("AMI") for the duration of the assistance period;
    ii. Of these units, the Project must annually include at least 13 one-bedroom units for households earning at or below 70% AMI, 13 one-bedroom units for households earning at or below 80% AMI, and 27 one-bedroom units for households earning at or below 90% AMI;
    iii. Rent increases for these units must remain below the maximum increases permitted under ORS 90.323, 90.324, and 90.600 for the duration of the assistance period;
    iv. The Project must obtain and maintain National Green Building Standards Certification; and
    v. The Project must utilize at least 45% local contractors during construction.

12. BURA and the LLC expect that the Agreement will also include terms related to:

    i. The BURA incentives that are capped at a total of $21,439,183 will be comprised of:
        - Up to $2,624,688 of systems development charges (“SDCs”) for the Project assessed by the City will be paid by BURA, including any costs associated with deferring SDC payments until the date of certificate of occupancy for the Project.
        - Following certification of occupancy for the Project, and during the term of the Agreement, BURA will reimburse the LLC for up to 97% of the Property’s yearly property taxes (the “TIF Reimbursement”). The TIF Reimbursement value depends upon the actual tax increment created, but is expected to be valued at approximately $18,814,495 over the estimated 26-year life of the TIF Plan.

    ii. BURA shall have and exercise no control over the construction of the Project.

13. The Project includes the construction of nine three-story buildings and a one-story clubhouse. The Project will include a total of 264 apartment units, made up of a mix of one-, two-, and three-bedroom units. The clubhouse will contain office space for property management, parcel lockers, a fitness center, an indoor lounge, an outdoor lounge, and a pool. The Project also includes kayak and bike storage, dog runs, and a playground, as well as other incidental items such as site work, street work, sidewalks, utilities, and parking areas. The Project does not include any commercial space.

14. Thirteen apartment units will be restricted to occupants with incomes not more than 70 percent of the area median income. Thirteen apartment units will be restricted to occupants whose incomes are not more than 80 percent of the area median income. Twenty-seven apartment units will be restricted to occupants whose incomes are not more than 90 percent of the area median income.

15. The total cost of the Project is approximately $85,000,000. The Project will use the following funds:

$18,814,495	BURA Property Tax Reimbursement (estimated total over the 26-year life of TIF Plan)
$ 2,624,688	BURA Funds for City of Bend SDC Fees

    In addition, the Project will use an estimated $63,560,817 from private sources.

16. No public agency will occupy or use any of the square footage of the completed Project.

ANALYSIS AND CONCLUSIONS OF LAW

1. Under OAR 839-025-0004(11)(a), “funds of a public agency” includes any funds of a public agency that are directly or indirectly used. Under OAR 839-025-0004(11)(a)(A), “directly used funds of a public agency” means revenue, money, or that which can be valued in money collected for a public agency or derived from a public agency’s immediate custody and control and includes, but is not limited to, any money loaned by a public agency for the specific purpose of financing a project. Under OAR 839-025-0004(11)(a)(B), “indirectly used funds of a public agency” means that a public agency ultimately bears the cost of all or part of the project, even if a public agency is not paying for the project directly or completing payment at the time it occurs or shortly thereafter. The Project will use an estimated $18,814,495 in indirectly used funds of a public agency from the Bend Urban Renewal Agency annual property tax reimbursement payments.

2. Pursuant to ORS 279C.810(1)(a), building and development permit fees paid for or waived by a public agency and tax credits or abatements are not funds of a public agency. As such, the BURA funds for the payment of SDC fees are not funds of a public agency.

3. Under ORS 279C.810(1)(a)(C), "funds of a public agency" does not include tax credits and tax abatements. While the annual property tax reimbursement payments, or TIF Reimbursement, is characterized by the requesting party as a tax reimbursement or rebate, it is best characterized as a development incentive sourced from tax increment financing by an urban renewal agency. As such, the TIF Reimbursement is not a tax abatement or tax credit under ORS 279C.810(1)(a)(C).

4. The Project includes construction, reconstruction, major renovation, painting, demolition, or removal of hazardous waste and will use $750,000 or more in funds from a public agency. Therefore, the Project meets the definition of "public works" under ORS 27C.800(6)(a)(B).

5. The total cost of the Project is approximately $85,000,000 and, as noted above, the Project will use $750,000 or more in funds of a public agency. Therefore, the exemptions from the Prevailing Wage Rate laws under ORS 279C.810(2)(a), ORS 279C.810(2)(b), and ORS 279C.810(2)(c) will not apply to the Project.

6. Pursuant to ORS 279C.810(2)(d), the Prevailing Wage Rate laws do not apply to projects for residential construction that are privately owned and that predominately provide affordable housing. ORS 279C.810(2)(d)(A) defines "affordable housing" as housing that serves occupants whose incomes are no greater than 60 percent of the area median income. "Predominantly" is defined in ORS 279C.810(2)(d)(B) as 60 percent or more. The Project does not predominantly provide affordable housing because none of the apartment units will be restricted to occupants whose incomes are no greater than 60 percent of the area median income. As such, the exemption from the Prevailing Wage Rate law under ORS 279C.810(2)(d) will not apply to the Project.

7. No other exemptions to the Prevailing Wage Rate laws apply to the Project.

DETERMINATION

Based on the foregoing, the Prevailing Wage Rate laws, ORS 279C.800 to ORS 279C.870, and OAR Chapter 839, Division 025, will apply to the Emblem Bend Apartments project.

This determination is based on the agency's file as of the date of this determination. If any of the project information provided is incorrect or incomplete, this determination may no longer apply. If the project or project documents are modified or supplemented after the date of this determination, this determination may no longer apply. The commissioner may make a different determination if any of the project information is incomplete or incorrect, or if the project or project documents are modified or supplemented after the date of this determination. A new determination may be requested based on the modified or supplemented information or documentation.

RIGHT TO A HEARING

The requestor and any person adversely affected or aggrieved by this determination are entitled to a hearing as provided by the Administrative Procedures Act (ORS 183.413 to 183.470) and ORS 279C.817. If you want a hearing, the Bureau of Labor and Industries, Wage and Hour Division must receive your written request for hearing within 21 days from the date this notice was mailed. Hearing requests should be addressed and delivered to:

Administrator
Wage and Hour Division
Bureau of Labor and Industries
1800 SW 1st Avenue, Suite 500
Portland, Oregon 97201

If a written request for hearing is not received within this 21-day period, your right to a hearing shall be considered waived, this determination order will be final, and the agency file on this matter shall serve as the record for purposes of proving a prima facie case.

If you request a hearing, you will be notified of the date, time and place of the hearing. You have the right to be represented by legal counsel at a hearing. However, if you are a government agency, corporation, partnership, or unincorporated association, you must be represented by either legal counsel or an authorized representative. If you request a hearing, you will receive information on Contested Case Rights and Procedures before the hearing. After the hearing, an order confirming, modifying, or reversing this determination order will be issued. This determination shall remain in effect until the final order is issued.

If you request a hearing, but fail to appear at any scheduled hearing, you will have waived your right to hearing, and the commissioner may issue a final order by default. If the commissioner issues a final order by default, the agency file on this matter shall serve as the record for purposes of proving a prima facie case.

Date: July 14, 2026

CHRISTINA E. STEPHENSON, Commissioner
Bureau of Labor and Industries

Laura van Enckevort
Wage and Hour Administrator

Certificate of Service

On July 14, 2026, I mailed the Prevailing Wage Rate Determination for the Emblem Bend Apartments project to the requestor and interested parties, as follows:

Dana Krawczuk
Stoel Rives LLP
760 SW 9th Ave, Suite 3000
Portland, OR 97205

Karen Swenson
City of Bend
P.O. Box 431
Bend, OR 97709

Jonathan Taylor
Bend Urban Renewal Agency
P.O. Box 431
Bend, OR 97709

Katie Treanor

Katie Treanor
Compliance Specialist
Wage and Hour Division
Bureau of Labor and Industries