

**Bend Metro Park & Recreation District  
Board of Directors  
Work Session  
Minutes  
March 4, 2014**

**BOARD PRESENT:** Scott Wallace, Dan Fishkin, Ted Schoenborn and Craig Chenoweth.

**STAFF PRESENT:** Don Horton, Michelle Healy, Lindsey Lombard, Theresa Albert, Jan Taylor, Matt Mercer, Pat Erwert, Colleen McNally and Paula Lowery.

**LEGAL COUNSEL:** Paul Taylor.

**MEDIA:** None.

**VISITORS:** Sarah Olson and Debra Harr.

**WORK SESSION**

Chair Scott Wallace convened the work session at 5:35 pm.

**Commercial Naming of District Parks and Facilities**

Jan briefly reviewed the history of board discussion and action regarding the Non-Commercial Park & Facility Naming policy in April 2013. She noted the commercial naming aspect was separated from non-commercial at that time. She reported that Dan Fishkin had met with staff to provide information about commercial naming of facilities. Jan explained staff is asking the board to discuss the level of interest in leveraging district facilities for commercial gain. She noted that historically the district has not entered into commercial naming opportunities. She stated the district has operated a sponsorship program for numerous special events. Dan Fishkin stated that the board needs to consider in terms of our mission whether it is appropriate conceptually and philosophically to take commercial, private money in connection with publicly financed facilities. He stated if we decide that is something we want to explore, it involves a subset of categories from exclusive naming rights and criteria; deliverables connected to the naming rights; how much revenue can be expected; whether there are categories that would be excluded from consideration; and whether individual facilities would be named versus projects or sites. Ted Schoenborn stated that he is somewhat indifferent about commercial naming rights, but if it is pursued, the amount received for those rights should be substantial. He noted Simpson Pavilion is being built with bond money and people in the community have committed to the project through their taxes and that is somewhat uncomfortable. Don Horton explained there are certain rules attached to tax-free bonds, and if we were to enter into any partnership with the private sector to provide services at the facility there are rules that apply to that as well. He stated that in theory there may be facilities other than the pavilion to be considered. Scott Wallace stated he agrees with Ted that commercial naming should be for a substantial amount and asked if there would be additional opportunities to name specific amenities within a facility. Dan stated that he also agrees that it has to be for a substantial amount, and in order to achieve that there are a number of

deliverables you would need to offer to a potential sponsor. He stated it is very much a quantitative analysis based on the marketing budget, number of events and attendance in terms of how much would be paid for commercial naming rights. He added that naming rights can help offset operating costs and the anticipated deficit of operating the facilities. The board discussed the appropriate timing of venturing into commercial naming of district facilities and the investment of staff time. Dan also explained the components of commercial naming including the complexity of contracts and how the branding and exclusivity is addressed. He stated that he and staff had discussed the commercial naming of the entire Simpson site vs. the pavilion by itself in terms of value. Craig Chenoweth suggested creating the framework for commercial naming at this time to be in a position to take advantage of opportunities as they arise. Jan stated the district's internal sponsorship policy could be used along with the non-commercial naming policy as a framework to create a commercial naming process policy for board consideration. Lindsey Lombard stated that if we do move forward with a commercial naming policy the public needs to understand the revenue would not be directed to capital costs and would offset operating and maintenance costs of a facility or the district overall. Dan stated that he is personally in favor of exploring a commercial naming policy as it is a legitimate way of raising revenue, and it is the future of all professional sporting and commercial sporting facilities. The board agreed to consider a proposed commercial naming policy.

#### **Memorandum of Understanding with Bend Ice**

Matt Mercer introduced John Laherty, Bend Ice representative, and explained staff has been primarily working with him to develop the memorandum of understanding (MOU). He briefly reviewed the district's relationship with Bend Ice and noted changes due to modifications to the ice project. He explained the group's association with the project has moved to primarily that of support and operations of the facility. Matt explained that while the relationship does not involve substantial impact or implications, and will hopefully help create a successful facility and be mutually beneficial and longstanding. Scott Wallace asked about the status of Bend Ice's non-profit classification. John explained the process for applying for the non-profit status and stated that application has been filed with the IRS and is being processed. He stated it is anticipated Bend Ice will receive a decision in the next couple of months. Scott asked if there are enough assurances built into the MOU to help Bend Ice raise money for those things identified in the document. John stated the MOU is fairly general as we are in the early stages of this project and this facility however it includes one specific fundraising obligation of Bend Ice regarding the purchase of a scoreboard for the facility. He noted the language directing that Bend Ice may raise funds, or purchase or acquire other specialized equipment desired for hockey and other competitive sports, and assistance to develop and implement a fundraising/sponsorship program to help support ice related identified needs. He stated the specifics will need to be clearly defined in future agreements such as what potential donations will go toward. Matt stated that several ideas have been discussed with Bend Ice such as securing sponsors for free skate nights which is a way to promote the facility in a positive way and gives back to the community. He added sponsorship/advertising on dasher boards is potentially something Bend Ice could take on. He stated this agreement is clearly going to evolve over time and what we have developed is an understanding that that will occur. He stated the equipment exchange program will be important to getting a lot of programs off the ground, as it is not something we can incorporate into a program fee. He stated Bend Ice feels strongly that they can fulfill that commitment. John stated that the largest amount of Bend

Ice's time and resources will be spent on creating and operating the competitive hockey travel team, and the club will be the largest private renter of ice time of the facility. He explained how an established competitive club would draw kids into the facility and skating programs. Dan Fishkin noted the MOU is a non-binding agreement and asked about the transition and timing toward a binding agreement. Matt stated that will be determined by how Bend Ice's specific responsibilities evolve and it could become the same type of agreement the district has with Bend Pickleball. Dan stated that while it is a work in progress he feels there should be a goal toward a definitive agreement where both parties specify their expectations, obligations and rights. He stated that at some point he would like to see the agreement developed into something more binding providing assurances for both parties in terms of fundraising and staffing and the district's expectations regarding operations. Scott stated that he anticipates the agreement to lay out the framework of goals whether it is fundraising or setting up the equipment exchange, and then moving on to other things that will be important in running a topnotch facility year after year. John stated that Bend Ice will shy away from hard and fast requirements in terms of committing to specific fundraising amounts that could result in some liability as Bend Ice is operated solely by volunteers. Dan clarified that he was speaking to the good faith efforts to provide staffing, running the hockey program and gear exchange. John stated that Bend Ice's mission is to cultivate the culture of ice sports in Bend and we recognize that in order to do that parks and recreation has to be able to rely on Bend Ice to provide support services. He clarified that parks and recreation will run the recreational skate programs, and Bend Ice will be responsible for the USA Hockey League, and one will feed into the other. Don Horton stated with this new facility and program he anticipates the relationship will be developed over time in terms of where Bend Ice can help, and where their help makes the most sense. He stated he believes the relationship will begin to define itself over a couple of years. He added that in his opinion Bend is not big enough to support more than one competitive hockey league and raised the question about spin-off organizations such as what has occurred with soccer. He stated that if we begin with Bend Ice we need to make sure they are strong enough to continue the next year, and asked if we want to commit the district exclusively to Bend Ice to provide competitive hockey. Ted Schoenborn stated that the MOU sets forth a reasonable model to grow from and as we begin to program the facility we are going to learn more about the kinds of things we want to do; and Bend Ice will learn the kinds of things they want, and don't want to do. He stated this MOU covers the key elements and is the starting point we need to have. Dan stated that he would be in favor of providing Bend Ice with exclusive use for a competitive hockey program as they are currently the nucleus of hockey and ice skaters in town, and they have the most knowledge and expertise to put together the travel program. Ted stated the experience that we have had with the Bend Swim Club is the same type of model that would apply to Bend Ice. John reviewed the efforts of Bend Ice in creating a sanctioned, nationally recognized USA Hockey program for Bend and stated he believes that USA Hockey will sanction only one organization in a community. He also explained that if the desire for other competitive skating opportunities evolves from district recreation skating programs, Bend Ice could assist with forming those types of formal organizations. Dan asked if Bend Ice has been involved in collaborating on the needs for dressing rooms, spectator space and storage associated with a competitive hockey program. Matt stated that staff has met with Bend Ice and he feels we have been able to address the major needs within the limitations of the budget. John stated that Bend Ice has recognized the district's facility needs for the other types of sports uses during the other seven months of the

year and he feels we have been able to work through all of the major issues collaboratively. Scott thanked Bend Ice for their continued efforts in light of the number of changes resulting from the passage of the bond.

### **Review draft 2014-19 Capital Improvement Plan and receive project updates**

Michelle Healy referred to the document provided for the board and stressed this is the first draft effort of staff to provide more detailed information about projects contained in the 2014-19 Capital Improvement Plan (CIP). She explained the form is still evolving and the project pages include a project summary, purpose, location, scope of benefits and considerations, estimated project costs by year and funding source, and projected operating revenues and expenses. Michelle noted that at this time the document does not include information on every CIP project however that information will be forthcoming and will be a part of the budget document. Lindsey Lombard stated the operating revenues and expenses are a work in progress, particularly with regard to revenues. She stated the general fund subsidy is a cost to the district and that for most of the projects (parks), it reflects maintenance costs, and operations and maintenance costs for facilities.

Michelle then provided updates on various projects beginning with 1<sup>st</sup> Street Rapids Park. She explained there have been some changes that are anticipated to cost less depending upon design elements and staff anticipates bringing those changes to the board on March 18. She stated that staff is working on some conceptual designs for McKay Park and will be applying for a local government grant to help support some of those improvements. She also explained the CIP does not reflect grants in the funding source at this time. She reported the Miller's Landing project estimate has increased due to better numbers for the boardwalk and community garden. She stated the staking and survey work is underway for the boardwalk, and Park services is building the community garden boxes in-house while the fencing will be done by a contractor. She stated that staff is planning to complete phase one of Ponderosa this fiscal year and the playground is nearly completed. She stated that phase two of Ponderosa consists of work around the skatepark including the skate path and explained that work should be completed this spring and summer. She stated the landscape, irrigation and sidewalk work is being bid out. Michelle stated that phase one of the Pine Nursery (buildings) will be finished this fiscal year. She stated completion of the infrastructure consists of landscaping and irrigation and it is hoped that work will be completed during the summer. She referred to phase three and stated that has been adjusted per the board's discussion including the budget of \$800,000 for those projects recommended by staff with \$40,000 set aside for design work this year. She noted that the two fields to complete the wheel have been placed in phase five as a placeholder and the budget was increased to \$2 million recognizing additional funds would be needed to include all weather turf. She noted the phase four of Pine Nursery includes funds to tie into the Timbers field development. Ted Schoenborn clarified the lighting is for the parking lot only and field lighting would be part of the discussion for phase five field development. Scott Wallace asked about the restrooms and if it is anticipated that additional restrooms will be needed in phase four. Michelle explained the restrooms currently being built will serve the community park, two additional fields of the wagon wheel and the Timbers fields. She reported the cost estimates have been increased for Canal Row Park and the master plan will be presented to the board on March 18. She noted this park is different than most neighborhood parks as there are street improvements and a parking lot included in the development. Dan

Fishkin asked if the cost increases are discretionary or due to changes in scope. Michelle explained the cost of the components of the park development will be shared with the board and it is the board's discretion to determine if all elements of the design will be approved. Don Horton explained that the initial park development estimates are based on the SDC per acre cost, before we have any sort of plan, which won't build a park anymore. He explained staff is creating a master plan based on community input, and we aren't in the design stage yet. He added that when the board adopts the CIP budget, they are adopting the bottom line budget number for year one of the project. He stated that the cost estimate is projected several years before we do the project during which time building costs go up and if we don't adjust that number every year, it will result in a large escalation. He stated that when the board approves a construction dollar amount, that is when the budget is set, and 10% is usually added to the contract to cover potential change orders. Michelle noted a change in the previously stated amount for Discovery Park of \$2.5 million was changed to \$3 million to reflect the \$500,000 developer agreement projected to be outside of the five-year CIP. She added the cost estimate for the park will be presented to the board on March 18 and what is represented on the CIP document is a planning level estimate. She referred to the Stone Creek Neighborhood Park and explained this is the new park located on the former Trap Club site. She staff is currently working on the developer agreement that the board is anticipated to receive in April to review. Michelle reported staff has received a draft management plan for Riley Ranch that is being reviewed internally. She stated we will be sharing that in some upcoming public meetings to be followed by master planning in terms of infrastructure development. She briefly reviewed changes related to the Deschutes River Trail land acquisition and stated the contract has been signed with HDR and work will be underway on that project soon. She stated the project will begin with outreach for the south UGB bridge portion of the project as it is expected that segment will take the longest to complete. She stated Hickman-Williams has been hired to begin looking at a design for the Alpine Park Trailhead. Michelle stated the numbers are the same for Simpson Pavilion and staff will bring more information to the board based on the recent work done with Opsis on the support structures, roof design and site layout. She stated that we have received initial cost estimates on the Colorado Dam Safe Passage project and staff has been working on value engineering that will be discussed at the next board meeting. She stated the \$520,000 for the senior center is to do some initial renovation work to the existing structure to support the expansion which has been moved out to years four and five of the CIP. She added these renovations will contribute to more efficient operations in the shorter term. Michelle referred to the Riverbend boathouse and noted this has been placed in alternative funding in year five of the plan as staff has some work to do to determine whether this would be funded through a partnership agreement or other arrangements. She added the project is a placeholder until we know more about the scope of the project. Scott asked if the Nature Resource Center is planned for Shevlin Park. Don explained there may be an opportunity to create a facility at the Jeffers house and staff will assess that to determine where we want to make this investment. Michelle stated it may be possible to something small at each site depending on the master plan for Riley Ranch. Lindsey referred to a small change in the asset management plan to reflect a contingency for the informational kiosk at the district office that will need to be funded outside the grants for the solar system. Michelle stated the shop complex was added and shown as alternative funding potentially through the sale of surplus property. She stated a study will be included in the park services budget next year to assess the needs in terms of investing in the current site, building a new site and/or the creation of

satellite facilities. She reported an item for Skyline fields had been added as a result of the ADA upgrades planned for the facility and the realization there is more going on in terms of previous work and the necessity for an ongoing investment in the fields due to the location on a former landfill. She noted the increase to the flat roof at Juniper is due to the fact that staff has more information about the scope of the project and that is a rough estimate that could continue to evolve. Michelle noted a change to include the Drake Park Plaza in year five. Dan asked about including Mirror Pond over the next five years. He stated he thinks it should be included to acknowledge it is a huge contingent cost. Craig Chenoweth agreed that it is going to require some serious conversation. Ted Schoenborn stated that before we add it to the budget there is a lot of other discussion that should occur first about who may do that. Don suggested adding it to alternative funding without an amount. The board agreed to add Mirror Pond as a placeholder. Don also recommended the board begin to meet in executive session to discuss the conditions under which the board would be willing to accept Mirror Pond.

The board complimented the additional information provided on the projects. Scott suggested adding a year to the projects identified on the map. The board discussed additional options to associate the elements of projects with the years in which they will occur.

#### **EXECUTIVE DIRECTOR'S REPORT**

Don Horton reported that Budget Committee member, Scott Lauray, has resigned his position. He stated one year remains in his term. Lindsey Lombard explained several options available to the board to fill the position and stated the board will be provided with necessary information to make an appointment on March 18.

#### **BOARD CALENDAR REVIEW**

Don Horton noted the number of agenda items scheduled for March 18, and the estimated amount of time needed for the board to receive and discuss the information associated with each item. Following discussion the board determined the March 18 meeting would begin with a work session at 3:00 pm.

As there was no further business the work session was concluded at 8:10 pm.

Prepared by,

Paula Lowery  
Executive Assistant

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Scott Wallace, Chair

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Dan Fishkin, Vice-Chair

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Ted Schoenborn

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Scott Asla

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Craig Chenoweth