



Board of Directors

April 21, 2020

District Office Building | 799 SW Columbia | Bend, Oregon

To support Governor Brown's recommendation for social distancing, the Board of Directors conducted this meeting by video.

The meeting can be viewed via [Bend Park and Recreation Facebook page](#).

BOARD PRESENT

Ted Schoenborn, Chair

Nathan Hovekamp, Vice Chair

Ariel Méndez

Jason Kropf

Deb Schoen

STAFF PRESENT

Don Horton, Executive Director

Michelle Healy, Deputy Executive Director

Julie Brown, Manager of Communications and Community Relations

Sheila Reed, Executive Assistant

Brian Hudspeth, Development Manager

Sarah Bodo, Park Planner

Bronwen Mastro, Landscape Architect

5:30 p.m. CONVENE MEETING

WORK SESSION

1. Stillwater Crossing Tax Abatement – *Sarah Bodo and Tyson O'Connell, Wishcamper Development Partners*

Mr. O'Connell introduced the Stillwater Crossing project, a 240-unit affordable housing project on the southside of Bend. He said this project would begin in August of 2020 and be complete April of 2022. The land use plan has been submitted to the city, plans are almost complete with the architect and construction bids should be ready to go out in June. The project will be phased with the first building being complete in ten months and the project finished in another 18 months.

Mr. O'Connell spoke about his experience with Wishcamper Development Partners which develops affordable apartment housing throughout the country. In Oregon, Wishcamper has proposed projects in Bend, Woodburn, Beaverton and Roseburg. He presented a map that showed the developments that they have done across the country and explained how they work with states and agencies for affordable housing. He remarked that in Oregon there is an underutilized 4 percent tax credit and a need for affordable housing.

Mr. O'Connell said affordable housing units are limited on the rent that can be charged for the properties, but the cost to build does not change and can sometimes even increase with regulations.

He said Oregon has a number of resources to help create affordable housing:

- Real Estate Tax Exemptions
- SDC Fee Waivers
- Local Innovation and Fast Track (LIFT) Funding (Not being used in Bend)
- Metro Bonds
- Affordable Housing Funds

He said the only way to make this project work is to get all of the available funding. He is expecting that the development company will borrow \$34 million for the project and designate 100 percent of the units as affordable, he added that this project needs SDC waivers and a full real estate tax exemption to make the loan feasible. The real estate tax exemption is allowed if 51 percent of the taxing authority approves the project.

He showed a rendering of the project building and the site plan explaining the location.

The board asked about the tax exemption and the cost to the district. It was pointed out that the property is located in an urban renewal district that already takes away revenue from the district for 20 years. This request asks for a waiver of even more revenue. The additional cost to the district for the property tax exemption is about \$8,000. Matt Stuart from the city explained that once the urban renewal has ended, the developed area will give the district a boost in revenue from the property taxes generated from the development in the urban renewal area. This project would use the majority of the SDC waivers (400 units) that the district committed to for affordable housing. The board expressed some concern for the loss of revenue due to: the urban renewal area, the SDC waivers and this additional request of the tax abatement, leaving the district less revenue to develop amenities the community expects. The approval could also set a precedent for future projects. Mr. O'Connell responded by saying that the urban renewal has been in place since 2008 with no development to the area of the affordable housing project. Without development, the district is not losing any revenue. He also said that because the property has been vacant that it is not likely to be developed outside of this project. Furthermore, he stated that this project can encourage other development to the area as well creating a larger gain of revenue to the district once the urban renewal has expired.

Mr. O'Connell added that this project will be 100 percent affordable housing serving the population of the community that earns 60 percent of the area median income or below. This translates to people making \$34,000-\$44,000 annually with rents capped. If residents end up earning more than the range over time they can still remain in the housing complex. He reiterated that without the property tax exemption, the project would be dead.

The board asked whether the project would be better as a mixed project with market rate and affordable housing. Mr. O'Connell said the management does a good job in managing the project and keep out the problems out that can be associated with other affordable housing projects.

Mr. O'Connell committed to a follow up conversation with Executive Director Horton to discuss how the district can partner outside of the tax exemption and make the project work for both agencies. The board supports affordable housing and the district working with Wishcamper Development Partners.

2. Core Area Urban Renewal Plan Update – Sarah Bodo and Matt Stuart, City of Bend

Mr. Stuart said he here is going to give an overview and update in regard to the Core Area Tax Increment Finance (TIF) Plan and Report. He explained that the city will use the term TIF rather than “urban renewal” due to the negative connotations related to other urban renewal agencies throughout the county that displaced minorities and vulnerable populations to clear the way for redevelopment.

Mr. Stuart showed a map of the area, stating that it is 637.15 acres and includes four opportunity areas:

- East Downtown
- KorPine
- Inner Highway 20/Greenwood
- Bend Central District

The project categories for the TIF plan are:


- Transportation, streetscape and utility infrastructure (52%, \$100.5 million)
- Affordable housing redevelopment and development assistance, partnership and support (18%, \$36.4 million)
- Business and redevelopment and development assistance, partnership and support (15%, \$28.6 million)
- Open space, facilities, amenities and wayfinding (10%, \$18.8 million)
- Plan administration, implementation, reporting, planning refinement and support (5%, \$9.7 million)

The maximum indebtedness is the total amount of dollars the Bend Urban Renewal Agency (BURA) is allowed to spend on projects, programs and administration throughout the 30-year life of the plan. The amount is \$195,000,000 and does not include interest paid on debt. The estimated tax increment revenues including expected interest on debt are estimated at \$237,334,824. The specifics of the duration of the provision are:

- BURA intends not to collect tax increment revenues after FYE 2051
- No Projects will be initiated unless proceeds can be paid on or before FYE 2051
- BURA shall structure all indebtedness to be paid in full on or before FYE 2051

The plan also contains a statement that specifically acknowledges that BURA may decide to do an under-levy. An under-levy is an annual decision by BURA to collect less tax increment revenue than would be allowed.

Mr. Stuart said the estimated frozen base of the area is \$439 million. This is the estimated total assessed value of the area including real, utility, personal and manufactured property values. The frozen base is set by the county assessor after the plan is adopted and taxing districts continue to receive taxes off the frozen base. Mr. Stewart provided this graph to show the break down of the funding in five-year increments.


FUNDING CAPACITY OVER TIME 

Assessed Value (2020 Projection)	\$39,052,402
NET IF YOE'S*	\$27,124,824
Maximum (Indebtedness) YOE'S*	\$15,000,000
Capacity (2020-30)	\$16,927,107
Years 1-5	\$10,367,874
Years 6-10	\$26,042,897
Years 11-15	\$13,044,250
Years 16-20	\$19,331,320
Years 21-25	\$20,264,766
Years 26-30	\$22,625,000

*YOE \$'s (Year of Expenditure)

CITY OF BEND | ECONOMIC DEVELOPMENT

This table shows the estimated total impacts to the taxing districts over the 30-year Plan duration.

IMPACT TO TAXING DISTRICTS 

Taxing District	Total Impact - 30 years	Category/Subtotal
Deecheeta County	\$22,279,800	
County Library	\$10,058,186	
Countywide Law Enforcement	\$19,750,623	
County Extension	\$408,643	
911	\$6,616,459	
City of Bend	\$61,269,325	
Bend Metro Parks & Rec	\$26,716,204	
Subtotal General Government		\$137,102,241
Bend/La Pine School District	\$87,124,021	
High Desert ESD	\$1,762,926	
Central Oregon Comm College	\$11,345,636	
Subtotal Education		\$100,232,583
Total		\$237,334,824

CITY OF BEND | ECONOMIC DEVELOPMENT

The next steps of the plan include a review of the draft plan and report and a vote on a resolution to forward the plan and report to the formal review process:

- Transmittal to taxing districts
- County Commission briefing
- Planning Commission review
- City Council hearing and vote on non-emergency ordinance

The intent is to complete the adoption process prior to October 2020.

The board expressed that they would like to see more greenspace. In the past, the downtown urban renewal area included park spaces and ultimately, they were cut from the plan. The 10 percent for open spaces is not a requirement, and the board is concerned that this could be lost too and suggested someone represent the district on the Bend renewal agency. Mr. Stuart said the city feels more comfortable with the conservative planning that these spaces will happen, but acknowledged there is no guarantee. He said the city recognizes that public gathering and open spaces are important; all of the projects require acquisition of land and will be dependent upon getting it. Adding that although there is not a place for representation on the Bend renewal agency, there is opportunity through advisory committees.

The board voiced concern about being asked for additional tax exemption waivers in this core area as talked about in the first topic of the meeting tonight. Mr. Stuart replied that is a possibility and the city has identified tax exemption programs for market rate development. This is being looked at to promote housing to meet the goals of the project.

The board asked how much development would happen without the TIF. Mr. Stuart responded by stating the percentages of development that is happening and that by making this investment now, there will be about billion dollars going into development with the \$200 million investment.

Mr. Stuart spoke about an SDC financing program, he said the city currently allows for SDC financing on multifamily projects and will explore how the city can be more competitive with financing. He said the city may look at lowering the interest rate and offer as a tool to be paid off over ten years following the construction of a project. The city is considering the allowance for multifamily projects to delay when SDCs must be paid and may extend to other types of projects. Land exchanges could happen with land owned in Juniper Ridge if appropriate to obtain the land needed in the TIF for the identified projects.

The board took a 5 min break at 7 pm.

CONSENT AGENDA

1. Meeting Minutes – 02/18/2020
2. Meeting Minutes – 03/13/2020
3. Meeting Minutes – 03/30/2020

Director Hovekamp made a motion to approve the consent agenda. Director Schoen seconded. The motion passed unanimously, *4-0.

****Director Mendez had not returned to the meeting when the vote took place***

BUSINESS SESSION

1. Northpointe Park Award Design Contract – *Bronwen Mastro*

Ms. Mastro reminded the board of the approval of the masterplan and name of Northpoint Park at a prior board meeting. Staff solicited an request for proposal for concept design, design development, construction documents, permitting, construction administration, which she described as the full suite of design services for the project through construction. Five proposals were received in February. The proposals were reviewed by a committee of five staff. The consulting team led by Szabo Landscape Architecture from Bend, Oregon was selected to enter into contract negotiations with the district.

The board asked what stood out in the proposal. Ms. Mastro explained that they were the only firm that showed any design thinking in the proposal, she said it was clear that the designers looked at the masterplan and made some sketches on the design proposal. The committee also liked that it was a landscape firm that works with an engineering firm that has worked with the district.

The board asked how public outreach will be done if meetings are not allowed due to the pandemic. Ms. Mastro said she is working with the IT department to come up with several ideas to do outreach.

The board asked how the district can defend spending the money here, when the district is cutting other programs. Executive Director Horton said this area has been underserved since it was incorporated in 2004. The new developments in the area have paid SDC fees and the funding for this park is through SDC funds. The general fund is the money that the district is conserving due to the pandemic. At time of bidding for the park, if the climate is not right Executive Director Horton said the board can decide to delay, but that funding will also be with SDCs.

Director Hovekamp moved to authorize the executive director to award a professional services contract for Northpointe Park to Szabo Landscape Architecture with a cost not to exceed \$209,540, and to approve an additional 10% contingency of \$20,954, for a total design budget not to exceed \$230,494. Director Mendez seconded. The motion passed unanimously, 5-0.

VISITORS

No visitor comments were submitted for the meeting.

EXECUTIVE DIRECTOR’S REPORT

- Executive Director Horton shared the summary of summer registration. He said the numbers are looking optimistic. Registration comparing the first 30 hours of this year compared with the same period last year. Also, of note is that people have paid over \$262,000 in fees despite the fact that they do not need to pay anything until 30-days before the program they registered for begin.

Summary of Summer Registration (first 30 hours)

	This Year	Last Year	Increase
# of Registrations	4,599	2,465	87%
\$ in Registration	\$823,274.85	\$384,900.60	114%

- University of Washington has been looking at models by state to predict how long this pandemic will last. Oregon’s date is May 18 on the model. Executive Director Horton said he is optimistic that there will be some summer programming this year.
- COVID update
 - Staff is reporting a lot of vandalism in the parks and barricades and caution tape are being removed from playgrounds, courts and skate parks.
 - Parks and trails continue to be busy, most people are social distancing. 14 full-time recreation staff training to be temporary Park Stewards to provide over 160 hours of additional Park Steward coverage, doubling the current level of service. Staff is working between 10-20 hours as stewards with the rest of their hours still devoted to planning recreation programs for summer and fall
 - A new map has been produced by City of Bend that identifies locations of restrooms, porta potties, hand wash stations and food locations for park patrons, homeless and service providers. Almost all restrooms on the map are district facilities.

- Construction projects are moving forward as scheduled. There are five volleyball courts being built by North Pacific Junior Volleyball. The courts will be done early summer but not open to the public until restrictions are lifted.
- Maintenance work is being done on Juniper Swim and Fitness during the closure.
- In a prior conversation with Director Mendez, who asked what more the board can be doing, Director Horton suggested that board members take sample videos of people using the park facilities safely and send in to staff to edit and create a campaign encouraging wise behaviors.
- Staff is putting together talking points on why it is important to keep parks and trails open and when staff will be hired back. Points include updates on COVID-19 as well and will be provided to the board in the next couple of days.

Director Schoenborn added that Director Mendez put together some mental health talking points and asked him to send them to Julie Brown, the Manager of Communications and Community Relations.

Director Mendez shared some of his ideas about balancing the stay at home advice and mental health.

Executive Director Horton shared that many kids are unsupervised in the parks and it is hard to get them to follow the rules because they are not with a parent. Director Kropf asked what the responsibility of the district is to enforce social distancing. Executive Director Horton replied that the district does not have the authority to enforce social distancing and try to educate with signs and talking to people; he added that most people are doing the right thing.


Director Schoen said she is excited about the registration numbers and commends staff for not asking for payment. She also added that the social media presence has been great.

Director Hovekamp made some general comments about affordable housing and negative comments that can be made by others when the board worries about some of the pressures that the loss of revenue has on the district. He made the point that the board supports and wants affordable housing and would like to systematically address these projects since they come to the board in piecemeal. Director Kropf asked for a discussion with staff to determine how the board wants to handle future requests on these projects. Director Schoenborn commented that it is frustrating that the district does not have much leverage except with SDCs. The city has most of the control and the district needs to think strategically about how to use the SDC waivers. Director Hovekamp said he is on board with the progressive formulation of SDC fees and there are other ways to get to the good intentions, but anytime the burden is lifted somewhere, there is an impact elsewhere on the budget. Executive Director Horton said that it is not a good idea to make policies during a crisis and suggested scheduling some time to discuss these topics around affordable housing and tax abatements. He added that he does not think the city is creating these programs to hurt the park district, he continued to say they are likely looking at it through their own lens with other funding sources to help out (bonding measures, gas tax). The district funding is more limited and will have to be looked at that way. He thinks being more creative and agreeing to work with the developers is a better approach to a solution. Director Hovekamp recommended a number of staff members to be included in the meeting to discuss this.

PROJECT REPORT
BOARD MEETINGS CALENDAR REVIEW
GOOD OF THE ORDER
ADJOURN 7:48 pm



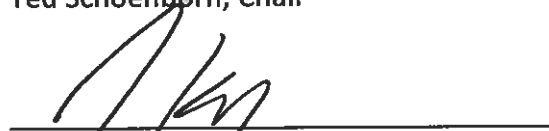
Prepared by,
Sheila Reed
Executive Assistant



Ted Schoenborn, Chair



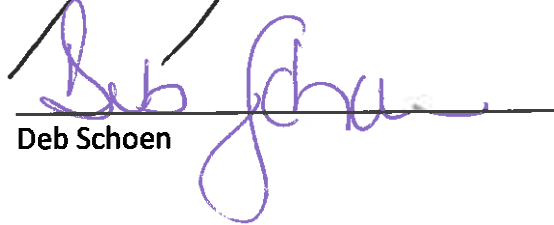
Nathan Hovekamp, Vice-Chair



Jason Kropf



Ariel Méndez



Deb Schoen