**Board of Directors**

January 5, 2021

**District Office Building | 799 SW Columbia | Bend, Oregon**

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To support Governor Brown’s recommendation for social distancing, the Board of Directors conducted the regular board meeting by video.

**The board meeting can be viewed on the website:**

**BOARD PRESENT**

Nathan Hovekamp, Chair

Ariel Méndez, Vice Chair

Jason Kropf

Deb Schoen

Ted Schoenborn

**STAFF PRESENT**

Don Horton, Executive Director

Michelle Healy, Deputy Executive Director

Julie Brown, Manager of Communications and Community Relations

Lindsey Lombard, Administrative Services Director

Matt Mercer, Director of Recreation

Sheila Reed, Executive Assistant

Betsy Tucker, Finance Manager

Henry Stroud, Trail Planner

Jason Powell, Construction Manager

**5:30 p.m. MEETING CONVENED**

**VISITORS**

Morgan Schmidt: Ms. Schmidt expressed her concern about only allowing comments made at the meeting to be part of the public record. She said this format could be difficult for some in the community and suggested that letters emailed to the board be included in the meeting record. She further asked the board to consider removing the cap from the affordable housing SDC waivers. Ms. Schmidt asked the board to stop the narrative that park resources are scarce and that waiving SDCs would compromise the system in any way. She added that housing is a basic human right and said our community can make sacrifices for this.

Lindsey Stailing: Ms. Stailing requested that the board make the SDC waivers for affordable housing permanent and without a cap. She said she would also like the board to stop perpetuating a false scarcity mentality when discussing the waivers publicly. She said the waivers are for a select group of projects and the district will continue to receive some revenue from SDCs. She said the waivers may delay or postpone park projects, but said the district is an award-winning system with other funding avenues. She said any non-profit in town would beg for the resources at the district’s disposal. Ms. Stailing added that the community needs 100% of elected officials to do everything possible to make these projects happen.

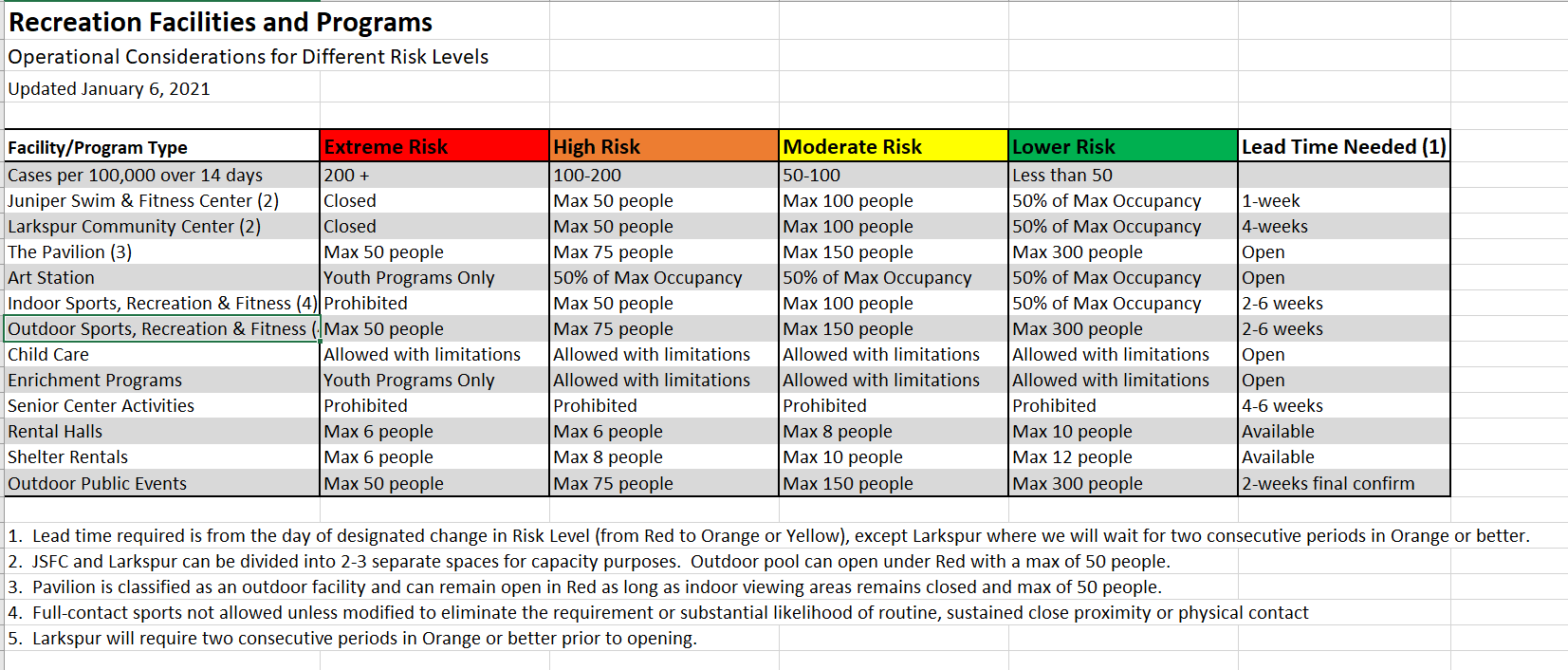
Robin Vora: Mr. Vora said he understands the reluctance to continue to waive SDCs for affordable housing and acknowledged that the people in these developments will need parks. He said he favors mixed housing models of market rate and subsidized housing. He said SDCs should be waived for facilities that provide significant services to vulnerable populations anywhere in the city and said the board could approve them on a case by case basis. He suggested that the board could review and approve all SDC waivers for affordable housing, and could target certain areas like the Core Urban Renewal area. He favors smaller projects that benefit local builders and non-profits.

Ginny Sackett: Ms. Sackett said she supports making the waivers for affordable housing permanent and without a unit cap. She said the waivers are critical in the community to make Bend a place where everyone can live and enjoy the parks. She also asked the board to reconsider how public comments are entered into the record since not everyone can attend a Zoom meeting.

**WORK SESSION**

1. Operations Under New COVID-19 Framework – *Matt Mercer (30 min)*

Mr. Mercer explained how the new state designations affect the district operations. He shared the following slide and shared the impacts to staff at each level.



Due to the current levels in Deschutes County, Mr. Mercer predicted that the soonest the district could move out of the red zone is January 29. He shared that staff is staying in contact with employees to prepare for reopening. Mr. Mercer said he does not want to open and then have to close down again. Staff will wait for two cycles in the orange zone to open Larkspur Center.

Mr. Mercer next explained the following:

Programming: Indoor activities will count spectators just as spectators are counted at the Pavilion. This will limit the number of spectators that can be indoors due to the above guidelines.

He said staff is now making plans to offer outdoor spring sports with modifications.

Childcare: Allowed at all levels with same limitations all the way through the zones. Youth programming and adult programming allowed in the orange zone with limitations. Senior Center activities are prohibited even through the lower risk guidelines.

Rentals: Extremely limited and not feasible for rental with the numbers allowed in the guidelines. Outdoor shelter rentals offer a little more flexibility under the guidelines, but still very limited. Outdoor public events are currently allowed because of the ability to distance.

Mr. Mercer said operating under red until spring break is his best prediction. He said there may a be a change in the framework depending on how the vaccinations are rolled out. Schools will be announcing the return to school decisions in the next day or two that will impact the Team Up childcare program.

1. SDCs and Affordable Housing – *Michelle Healy and Lindsey Lombard (40 min)*

Ms. Healy said she is bringing a draft resolution to the board tonight that reflects the guidance the board provided at the last meeting. She said the resolution was updated prior to the meeting and emailed to the board. The updated resolution is attached to the minutes.

Ms. Healy reviewed the changes to the resolution. She said there are 20 waivers still left from the 400 in the first agreement and staff is recommending another 75 each year until the end of the program in 2022. Waivers for developments with 54 units or less are eligible for waivers on 100% of the project, developments with more than 54 units would be eligible for waivers on 50% of the units in the project, and no development could get more than 75 waivers. The updated resolution also states that homeless and emergency shelters (crisis shelters) are exempt from the cap on the waivers and would receive 100% of the park SDC waivers.

Ms. Healy said the resolution includes the suggestion from the board to work in a committee with the city of Bend on strategies for longer term funding after the sunset of the program. The pilot program was intended to give the district and the city an idea of what is needed and the program has already changed. The intent is to have the conversation ahead of the sunset of the program to discuss the needs of the program and explore other avenues outside of SDC waivers.

Estimated cost of the additional waivers is $875,000 – $1.2 million (depending on the type of developments) with a total cost of $3.5 million over the span of the program. Changes to the CIP will be made as a result of this resolution, and will be worked through in the CIP process.

The board asked if staff asked for feedback from the city on the resolution. Ms. Healy said staff requested additional information from the city that the board was copied on, staff used the information they already had from the city to help create the resolution. She said there is a lot of value in having the longer-term conversation with the city, but did not think this could be done quickly enough to resolve the issue of the needed waivers now.

The board asked why the limit of 75 waivers per year was important. Ms. Healy responded that staff wanted to be sure there was some spacing out this time to create availability for more projects. She said the first 400 in the pilot were not spaced out. Ms. Healy said she requested further information from the city about projected projects, but the city could not provide any additional info beyond the information shared at the board meeting in December. Ms. Healy added that the waivers capture what is in the provided pipeline and in line with past projects outside of the Wishcamper development which she described as an outlier.

Ms. Healy addressed comments from the board in regards to savings that have come in with Alpenglow Park. She said the costs of Alpenglow did come in lower than anticipated, but a lot of projects come in higher and staff cannot count on further projects coming in lower. Ms. Lombard added that the SDC methodology is a 10-year plan and cautioned looking at it in the short term, she said staff still needs to plan for resources that the community will need and cannot look at each project with costs being low or high.

The board discussed the Mayor’s estimation of 380 affordable housing units in the next two years, but acknowledged that the actual data does not reflect that high of a number. The board discussed that the waivers could be revisited if needed and a proposed amendment to the resolution that would allow up to five waivers for market rate developments that included affordable housing.

**CONSENT AGENDA**

1. Minutes 12/01/2020
2. Minutes 12/15/2020

Director Méndez corrected a statement in the 12/01/2020 minutes, he said letters to the board, even if requested, are not made part of the public record.

***Director Méndez made a motion to approve the consent agenda. Director Schoen seconded. The motion passed unanimously, 5-0.***

**BUSINESS SESSION**

1. Appoint Budget Committee Members– *Betsy Tucker (15 min)*

Ms. Tucker presented the vote of the board for the budget committee members. Ms. Tucker announced that Tom Fisher and Joanne Mathews were selected by the board to serve on the budget committee. The board thanked all the applicants and commented on the high-quality applicant pool.

***Director Schoenborn made a motion to appoint Joanne Mathews and Tom Fisher to serve on the Bend Park and Recreation District’s budget committee for a term of three fiscal year budget processes each, beginning with the 2021-22 fiscal year budget process. Director Méndez seconded. The motion passed unanimously, 5-0.***

1. Approve Resolution No. 2021-01 related to System Development Charges (SDC) and Affordable Housing Waivers – *Michelle Healy and Lindsey Lombard (20 min)*

Executive Director Horton stated that through all the discussion tonight that it is important to think about what the district does well. He said the district did receive the Gold Medal Award, but that was 16 years ago and the message to staff since has been to not sit on their laurels and continue to address the needs of the public. He corrected an earlier visitor comment that 1% of the budget serves low income families by stating that it is actually 15% of the budget. Executive Director Horton reminded the board that staff did not receive COLA or merit raises this year which impacts staff that provides the services for the community. He added that as far as he knows, the district is the only government agency in town that did not provide the cost of living increase. Executive Director Horton asked the board to consider the true financial condition of the district due to the pandemic and balance the services that the district is able to provide.

***Director Schoenborn made a motion to approve Resolution No. 2021 - 01, adopting additional SDC waivers for Affordable Housing. Director Schoen seconded. The motion passed unanimously, 5-0.***

***Director Méndez moved to amend resolution No. 2021 - 01 as amended and subject to further review by staff (legal) to add mixed income developments with the following:***

Mixed Income Developments

1. For any multi-family project with at least 5 market rate units, up to a maximum of 5 Deed-Restricted Affordable Housing waivers may be provided to match the number of Deed-Restricted Affordable Housing units built.
2. The limitation on the number of waivers that may be approved for Deed-Restricted Affordable Housing units shall not apply to waivers granted for projects of this type.

***The motion passed unanimously, 5-0.***

***Director Kropf moved to amend the resolution to remove the cap of 75 per year. Director Méndez seconded.***

Director Méndez remarked that if the cap is removed, the board runs the risk of not having any for the next year. Director Kropf said he sees this as an incremental step to provide more waivers.

Executive Director Horton said the cap is to encourage wise use of waivers. The district did not intend for every project to get 100% waivers, just enough to make a project pencil. All applicants in the last two years received 100% waivers for their projects.

Director Schoenborn said the 75 cap is the incremental waivers that the district would like to offer and sees no reason to make this change. The board can revisit if a compelling case were presented.

Director Schoen said the cap is in place for a good reason. She is comfortable with the number of waivers offer through the sunset. She supports creating a committee to work with the city for further action after the sunset.

Director Kropf asked for reassurances from the board that they would be willing to revisit the number of waivers if the need arises.

Director Méndez said he does not want to make commitments without looking at the CIP. He does not want to see projects lose opportunity that are not currently on the CIP. He said the district needs to play a part, but fundamentally this is not the tool. He asked if director Kropf would be satisfied with a higher number. Director Kropf asked to keep the conversation going based on what happens over time. He said he thinks the 75 may be a comfortable number to absorb, but wants to be open later should opportunity arise.

***The board voted on the amendment to remove the cap on the 75 waivers a year. The motion failed 1-4 with directors Hovekamp, Schoenborn, Schoen and Mendez voting against.***

***Director Kropf requested an amendment to change the language about the committee to begin discussions now instead of waiting until there is a need for more waivers.***

Executive Director Horton said he intends to send a copy of the resolution with a letter requesting a committee.  After the discussion, Director Kropf removed the amendment.

***Director Hovekamp asked for a vote on the original motion with the amendments.***

Director Kropf said he is appreciative of the equity work, scholarships, childcare and how the district runs, and the 380 waivers that have been used so far and the additional 150. He said this will not be the last time he pushes the board on waivers.

***Director Hovekamp asked for a vote on the amended resolution 2021-01. The motion passed unanimously, 5-0.***

1. Approve Acceptance of Dedicated Property from Rio Lobo Investments, LLC. – *Henry Stroud and Michelle Healy (10 min)*

Director Hovekamp disclosed that he is an employee of Central Oregon Landwatch. Landwatch is an agency that negotiated the shape and open land dedication of the property with the Rio Lobo Investments. He said that a conflict of interest does not exist, but wanted to disclose the association.

Mr. Stroud said he is here to speak about the Westgate development that was granted limited development. He said the new zoning requirements and an agreement with Landwatch will allow for 100 homes in this development. He said the district is seeking to acquire 8.2 acres of open space near Shevlin Park to facilitate trail development and enhance park access. He added that there is an adjacent planned development that will have a neighborhood park. The land acquired will be used to build trails in the area and will link several residential areas to Shevlin Park. Staff has negotiated the transfer of the property from Rio Lobo Investments to the district at no cost, minus due diligence.

***Director Schoen made a motion to authorize the executive director to execute the statutory bargain and sale deed with Rio Lobo Investments LLC for the acquisition of 8.2 +/- acres of property at no cost. Director Méndez seconded. The motion passed unanimously, 5-0.***

1. Alpenglow Park Contract Award – *Jason Powell (10 min)*

Mr. Powell described Alpenglow Park as a 37-acre area on the east side of Bend. He said the public outreach began in 2017 and the masterplan was approved in 2018. He gave a description of the park area and the amenities. Mr. Powell said in October 2020 the district advertised a lump sum bid and received seven bids that were opened in November; Griffin Construction, LLC came in as the low bid.

The board asked why this bid was so much lower. Mr. Powell said that it may be lower because the contractor has the ability to do a lot of their own work. He added they are very excited about the project.

Ms. Healy pointed out that staff is asking for a higher contingency on this project than normal.

***Director Schoenborn made a motion to authorize the executive director to award a construction contract to Griffin Construction LLC, for construction of Alpenglow Community Park for a total bid amount of $5,614,000, and to approve an additional 15% construction contingency of $842,100, for a total construction budget not to exceed $6,456,100. Director Méndez seconded. The motion passed unanimously, 5-0.***

**EXECUTIVE DIRECTOR’S REPORT**

Executive Director said the board workshop is coming up and is an all-day event. The meeting will be held virtually and asked the board if they would like to split up the meeting over a couple of days. The board expressed interest in splitting up over two days. Executive Director Horton made comments about all the programming the district offers to serve the community and the underserved populations. He said the community comments focus on parks and ignore that the lion share of the district work that helps the community. He said the district is what it is because of the staff that provide the programs and said recreation is in a sector that is underpaid and the district couldn’t give cost of living increases this year. He shared his concern about keeping staff paid at a level to get them to a market rate home. Childcare is associated with affordable housing, he said he was disappointed that the city said helping with childcare wasn’t in their budget; he said it wasn’t in the district budget either and staff still made it happen, but cannot do it alone. If childcare is going to be a priority in the community, the district is going to need some help. The Team Up program has brought many lower income families to the district and would like to keep these families engaged with other programs.

**PROJECT REPORT**

**BOARD MEETINGS CALENDAR REVIEW**

**GOOD OF THE ORDER**

* Director Kropf said the board received a number of emails on dog river access and thanked the community for sending them. He said he would like to contemplate how to get more opportunities for people to be a part of the public record.

Executive Director said their will be a public process for the River access plan that will allow for comment and participation.

* Director Schoen congratulated Director Kropf on his appointment as vice-chair to the House Economic Recovery and Prosperity Committee. She next congratulated Director Schoenborn and Sarah Bodo on their appointment to Bend 2030. Director Schoen asked about the timeline on a board update on working with the DEI consultant. Ms. Healy said this was a little delayed and should have more info in the next month.
* Director Méndez said he is grateful for all the applicants for the budget committee, he said he would have been happy to serve with all of them. He spoke about emails and public comment and addressed that there seems to be a public perception that public comment weighs heavier than letters to the board. Adding that people may think if their email is not included in the minutes that it doesn’t count. He said he wanted the community to know that he reads every email, and there has been a lot of them. He suggested that social media is also available and district staff responds pretty regularly. He reiterated that the emails do count and even though they are not included as part of the meeting does not mean they don’t count.
* Director Hovekamp said the district has always and will continue to play a part of affordability and quality of life in this community. He said he appreciates the comments that have been received, some comments are less productive when assumptions are painted about the board. Not one person on the board is callous to the challenges of affordability. As a teacher for 30 years, mostly at the community college level, he has seen students struggle with many complexities of life and challenges and is proud of them for sitting in his class. Director Hovekamp asked the community to keep the comments informative, instructive, progressive and not paint negative assumptions. He said he is encouraged by the lengthy discussion tonight and thinks the board arrived at a good balance this evening. He said he would like to find a way to make progress on affordability and nice parks. Affordable housing should not be at the expense of sacrificing parks.

**ADJOURN** 9:37 pm

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Prepared by,

Sheila Reed

Executive Assistant

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Nathan Hovekamp, Chair Ariel Méndez, Vice-Chair

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Jason Kropf Deb Schoen

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