



Board of Directors

January 2, 2024

District Office Building | 799 SW Columbia | Bend, Oregon



A video of the regular board meeting can be viewed on the website:

<https://www.bendparksandrec.org/about/board-meeting-videos/>

BOARD PRESENT

Nathan Hovekamp
Donna Owens
Deb Schoen
Jodie Barram
Zavier Borja - virtual

STAFF PRESENT

Don Horton, Executive Director
Michelle Healy, Deputy Executive Director
Matt Mercer, Director of Recreation
Brian Hudspeth, Development Manager
Kristin Toney, Administrative Services Director
Julie Brown, Manager of Communications and Community Relations
Henry Stroud, Planner
Sara Anselment, Planner
Bronwen Mastro, Landscape Architect
Eric Baird, Finance Manager

VISITORS

Larry Waters: Mr. Waters said he wanted to thank the board and staff for finishing the trail at Sunset Hill. He said it is beautiful with nice signage.

Brent Stinski: Mr. Stinski commended the district on the quality of the community needs survey that was just completed. He said the public response reflects trust in the district for the community.

WORK SESSION

1. Community Needs Survey report – *Sara Anselment and RRC*

Jake Jorgenson from RRC reviewed the final report of the Community Needs Survey. He explained the statistically valid sample and the open link sample and stated that 2,754 combined surveys were completed.

Mr. Jorgenson shared that trails are the most used recreation facility for both samples and the top three most visited facilities include: gravel/natural surface trails, natural area parks and paved trails, followed by off-leash parks and riverfront parks. He explained the needs and unmet needs and the desire for each according to the surveys. The top three facilities most important to households include:

soft surface trails, natural area parks and dog parks. He said this data helps to shape the top three community issues that were identified as:

- Maintain parks, trails and recreation facilities at a high level of care
- Provide stewardship of the natural areas along the Deschutes River
- Build new parks and trails in areas of town without park or trail access

The survey showed support for the additional following items:

- A future bond if the bond paid for things most important to their household.
- A southern footbridge crossing over the Deschutes River to connect to forest service land at Good Dog Park.
- Adding more park land and facilities to maintain the quality of service per resident for future growth.

Mr. Jorgenson said there were additional comments and suggestions focused on swimming and water facilities, natural parks and river access, disc golf and recreational courses, homelessness, housing and park usage and indoor facilities and ice rinks.

Next, Mr. Jorgensen revealed the key findings for trails as the most utilized recreation facilities (with use from 90 percent of the invite sample) and natural area parks, large community parks, riverfront parks and river access points (70 percent use from both samples).

Respondents also endorsed the following:

- trail development, land preservation for open space and trail improvement with substantial support from both samples.
- A willingness to pay extra to support BPRD in bonds.
- Approval for constructing a footbridge across the Deschutes River.
- Preference for adding more park lands and facilities to maintain service quality per resident.

2. Level of Service Update – *Sara Anselment and Henry Stroud*

Mr. Stroud explained the comprehensive plan as a ten-year plan and overarching policy direction that was last updated in 2018. He said it is a companion document to the capital improvement plan (CIP) and one of the key parts to the comprehensive plan is the needs assessment, along with inventory of the existing system, population and demographics, distribution of amenities and level of service metrics. He stated the district's most recent population estimate is 108,508 people and is estimated to grow to 121,000 by 2028.

He explained the level of service (LOS) for regional parks, community parks and trails and said the district is exceeding the goals for regional parks, but slightly under in neighborhood and community parks and trails. He shared the park area search update, noting that there are 26 park search areas.

Mr. Stroud gave an inequity map update and said staff uses census data and looks at indicators including percentages of disabled, poverty, age dependent, population density and minority

populations in areas of Bend. He showed a composite map based on these factors and said staff uses it to help prioritize projects and make decisions on funding.

Ms. Anselment said the comprehensive plan was adopted in 2018 with 99 projects. She reviewed the definitions of not started, in progress, complete and other. She said 25 have been completed, 38 not started, 32 in progress and four have been removed from consideration.

3. Sawyer Park project update – *Bronwen Mastro*

Ms. Mastro reviewed the project timeline; the park was dedicated to the district in 1980 and was identified as a renovation project in the 2018 Comprehensive Plan. She said the project started as a parking project, but staff learned from the community there was a desire for more amenities, and the project changed. The preferred concept and design received board approval in October 2022, with grants playing a crucial role in funding the project.

She reviewed the project budget and scope and mentioned that both increased significantly, and added that grant funding will cover about two-thirds of the cost. She reviewed the preferred concept design and spoke about coordination with the city to add a crosswalk near the park. She said the parking will be moved closer to the road and increased the number of spaces with room to grow. A picnic shelter and restroom will be built near the parking and existing ones will be re-done.

Ms. Mastro provided details on the archaeological site 35DS310 within the project area. The survey encompassed background reviews, pedestrian surveys, 14 shovel test excavations, and eight quarter test unit excavations. Results indicated the collection of 533 cultural materials and the observation of 20 artifacts on the surface, though not all were collected. The boundaries of the archaeological site were expanded based on the survey findings.

Ms. Mastro said the park is located on historical tribal lands, prompting staff to work with the tribe to create a final cultural and historic resources report that resulted in some revisions to the project plan. Ms. Mastro reviewed the recommended changes to the plan indicating that areas of the park will have no impact to the land. She said all the same elements of the plan stayed intact, but were moved or shrunk to accommodate the recommendations.

She reviewed the next steps:

- Design development, construction documents and permitting.
- Cultural and historic resource coordination through the National Park Service (NPS) and the State Historic Preservation Office (SHPO).
- Signed Memorandum of Agreement (MOA).
- LWCF notice to proceed.
- Construction with a completion date of early 2026.

CONSENT AGENDA

1. Minutes: 12/19/2023

Director Barram made a motion to approve the consent agenda. Director Schoen seconded. The motion was approved unanimously, 5-0.

BUSINESS SESSION

1. Accept 2022-23 Annual Comprehensive Financial Report – *Eric Baird and Brenda Bartlett (20 min)*

Mr. Baird introduced Ms. Bartlett as the auditor of the Annual Comprehensive Financial Report (ACFR). He explained the breakdown of the report as the introduction, financial section, statistical section and audit comments. He reviewed the fund highlights and announced the district is in a healthy financial position and reviewed the last five years of the district funds, revenues and expenditures.

Ms. Bartlett explained that they do a financial statement audit. She said the district received an unmodified or clean audit opinion for fiscal year 2023. She said Oregon state standards include determining if state law was followed for adoption of the budget and appropriations were not misused. She reviewed public contracts and purchasing rules and said nothing came to the attention to show that the rules were not followed. She remarked that policies and procedures of the district were solid.

Ms. Bartlett led the board through various pages of the document and explained what the auditors were looking at in the audit. She said the responsibility of the auditors is to the board and the audit was a clean audit with no major areas of concern to report.

Director Barram made a motion to accept the Bend Park and Recreation District's audited Annual Comprehensive Financial Report for the fiscal year 2023. Director Borja seconded. The motion was approved unanimously, 5-0.

2. Approve preferred concept for Manzanita Ridge – *Bronwen Mastro*

Ms. Mastro reviewed the Manzanita Ridge park project timeline and said the board will see the preferred concept tonight. She described the neighborhood park site as 3.5 acres adjacent to district owned natural area on the NW side of Bend. She reviewed the budget of \$1,668,510, funded by SDCs.

Ms. Mastro detailed the existing site conditions, emphasizing the presence of mature ponderosa pines, gentle elevation changes, and trail connections to other parks and trail systems. She noted the stunning views that contribute to the unique character of the location.

The project kickoff involved comprehensive outreach and park naming activities. Ms. Mastro shared that feedback from the community emphasized the desire for natural areas, inclusive amenities for multiple generations, and the creation of a community space. The importance of walking on trails, engagement with nature, and concerns about playgrounds, off-leash dogs, parking, increased traffic, and water use were also highlighted.

Three distinct park design concepts—Enhanced Nature, Modern Stargazing, Nature Discovery, and Art—were presented. Ms. Mastro said that these designs were circulated to the same individuals involved in the outreach efforts, resulting in 138 responses. The preferred concept design incorporates elements from all three initial designs.

Director Borja made a motion to approve the Manzanita Ridge Park Preferred Concept Design. Director Schoen seconded. The motion was approved unanimously, 5-0.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Horton shared that the board self-evaluation form was emailed to them today.

BOARD MEETINGS CALENDAR REVIEW

GOOD OF THE ORDER

- Director Schoen said she would like an update on the proposed sports complex meeting if staff attends the meeting.
- Director Hovekamp said that each board member received a copy of a draft letter that was requested by the board to the city on the SDC update and transportation fee. He mentioned the public comments in regards to the board's MUPTTE vote and shared some concerns about consistency from the board with these approvals. He reviewed the letter with the board (attached to the minutes). The board shared their support for sending the letter.

ADJOURN 8:36 pm



Prepared by,

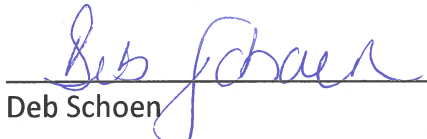
Sheila Reed
Assistant to the Executive Director


Nathan Hovekamp, Chair


Jodie Barram, Vice-Chair


Donna Owens

Zavier Borja


Deb Schoen



January 3, 2024

Bend City Council
710 NW Wall Street
Bend, OR 97701

SUBJECT: Comments on the city's SDC update and Transportation Utility Fee Proposal

Dear Mayor Kebler and Councilors:

We appreciate city staff's attendance at our December 19 work session and their efforts to proactively share details about your System Development Charge (SDC) update process, and proposal to create a new transportation fee on all residential and non-residential utility customers. Though the board took no formal action on either initiative, we do wish to share feedback and questions raised in advance of the upcoming council meetings where you will be discussing these initiatives.

Affordability is frequently discussed in the community and is something that both of our agencies are trying to address. Whether its decisions around what fees we charge, the choices we make about pursuing bond measures, or the provision of discounts or scholarships to those with less ability to pay, community affordability is always top of mind for the district. Our commitment to affordable living and our efforts to use tax payer dollars efficiently is why it is critically important that we highlight the potentially large effect of these two initiatives. Coupled with the effects from other recent initiatives such as, urban renewal, tax exemptions (i.e., multiple unit property tax exemption program), waivers of park SDCs for affordable housing projects, reduced SDC collections from our tiered methodology (over \$400K to date), and pending increases in city building and planning permit fees (expected to increase between 20-30% this year), cumulatively impact the district's ability to maintain core services and expand services to meet population growth.

While each request taken on its own may seem negligible, the collective impact adds up to millions of dollars in either diverted or forgone revenues, or increased costs for essential community services. These effects are felt not only by the park district, but other taxing entities, including the city, that face the same challenges. The city, however, has the advantage of other tools (like creating the utility fee, or pursuing a gas tax) to mitigate impacts that other agencies may not. To that end, the board wants to assure that as a partner agency, the city is considering the impact that our collective fees and taxes have on the cost of living and doing business in Bend.

Further, the district recently conducted two statistically valid surveys to identify the priority needs and issues that BPRD should address for the community. Resoundingly, both surveys demonstrate that people in Bend expect the district to focus on its mission and provide the services for which it was established. Cutting district services to support the provision of market rate housing, or waivers for affordable housing projects, was ranked far below providing the district's core services. It's within this context that we as the district's elected policy makers need to make decisions on behalf of the community.

System Development Charges

Both the district and the city rely on SDCs to fund needed infrastructure, yet if not properly structured they can affect the affordability of our community. We understand the challenges associated with building the necessary infrastructure our community relies on and SDCs are a tool to help keep pace with that demand. The district is in a unique position as both a collector of park SDCs and a payer of city SDCs for development projects. The comments below are provided from both perspectives.

Residential Tiered Fee Structure

We applaud the city's efforts to create a tiered SDC fee structure for residential development. The district adopted a tiered structure in 2019, and implemented it in 2021, following the city's roll out of new permitting software. After nearly two years of tiered rates, we see the greatest SDC savings for developers building multifamily housing developments with smaller units. Therefore, we were a bit surprised to see that the city is not considering a tiered approach for multifamily units, which would reduce the fees for smaller units. That said, the district is open to revisiting our structure and aligning the square footage tiers for single family units, and reconsidering our decision to tier multifamily developments, to be more consistent with the city's new structure. **We would like additional information from the city about the equity implications and supporting data related to the decision to not implement tiered rates for multifamily developments. This information will assist us in making informed decisions.**

Deferrals

The district's SDC ordinance currently only allows deferral of SDC payment to occupancy for multifamily developments. In the past there was trepidation about expanding deferrals to single family developments due to the inability of the city's permit system to track and assure payment at occupancy. City staff shared that the city's new system has the appropriate checks in place that would more easily allow for this to happen now. We are willing to consider expanding the deferral program to single family dwellings, however, **we want to assure that those seeking a deferral (single family or multifamily) are required to pay the SDC rates in place at the time of occupancy, rather than rates at the time of their deferral request.**

The district's and city's SDCs are currently indexed each year in an effort to keep up with the rising costs of land and construction. If developers seeking a deferral are not charged the established rates at the time of occupancy, or at least charged a sufficiently high enough interest rate to keep pace with development costs, these developers are provided a discount over other SDC payers, and the city and district are left with a shortage of revenue to build the necessary improvements to serve new growth. **It is essential to maintain equity by charging the rates in effect at the time of occupancy and evaluating the broader drawbacks of such changes.**

Exemptions and waivers

The district currently provides up to 75 affordable housing waivers a year for deed-restricted affordable housing that commits to a 30-year deed restriction, meet certain area median income requirements and receives city SDC exemptions. We also provide waivers for emergency, short term shelters outside of the annual cap for people experiencing homelessness, domestic violence or other similar situations.

Since the start of the district's SDC waiver program in 2019, the district has provided 540 waivers, valued at about \$3.25M. As of January 1, 2024, there are 75 waivers for deed restricted affordable housing available for eligible projects before the program ends on December 31, 2024.

With the proposed increases to the city's SDC rates, and the addition of the transportation fee, it is uncertain if the district will be able to extend the waiver program beyond the program's end date. **If the city is open to partnering with the district by providing some level of relief on city SDC rates and the transportation fee, it could assist in mitigating revenue impacts, making an extension of the waiver program more viable.**

Non-residential updates

The district only charges SDCs on residential development and overnight guest accommodations. We do not charge non-residential SDC rates. This decision was made in 2019 after feedback from the development community and city. However, the district is assessed city SDCs for the development of most parks and recreation facilities, and most commonly park SDCs are the funding source that pays the city SDC fees.

The district's SDC fees, like the city's fees, are calculated based on the growth impacts on the system and the costs of the park and recreation infrastructure projects needed to serve that growth. Project budgets include all the costs necessary for development – land acquisition, project administration (including city collection charges), design, permitting fees, and construction. Any time one of those individual costs goes up, it has a corresponding impact on the park SDC fee that must be charged.

The city's prior transportation methodology included discounts for some projects, including recreation centers. The removal of those discounts, along with the base rate increases in the new methodology, results in a significant increase to the cost of a new recreation center. Additionally, the shift from using water meter size to square footage as the determining factor for water SDCs also results in a large increase in costs to these types of projects and other park projects.

For example, a project like The Pavilion could see a significant increase in SDC fees. Although city staff has indicated that the unique nature of The Pavilion may qualify it for the "off-ramp" method of calculating SDCs, if The Pavilion was indoor court or field space instead of ice, the "indoor fitness and recreation" fee would be charged, resulting in over a 300% increase in fees (from \$500k to over \$2M).

We do appreciate that city staff listened to our feedback during the development of the new SDC methodologies, particularly related to sewer costs for pools and concerns around using square footage for water in parks. We also recognize the inherent challenge with the current non-residential structure with its multitude of different categories, and the desire to simplify the system and reduce administrative efforts. **That said, we are concerned some of the changes will have a sizable impact to the overall cost of public projects built by the district (and other public agencies) and request that the city consider changes or accommodations, such as discounts, to mitigate the costs and reduce the burden to the public.**

Transportation Utility Fee

While we understand the methodology for the transportation utility fee is still in flux, based on what we've heard thus far we are anticipating a cost of over \$150K annually to the district's operating budget, which is funded through tax dollars. These tax dollars are provided to the district by the public, who is also being asked to pay the transportation utility fee on their homes, and indirectly to local business owners and through taxes they pay for other government services. While \$15/month on residential units may seem meager to some, it could be a hardship to many in our community. The cumulative effect

of the residential and non-residential fee will be another element that impacts the cost of living and doing business in Bend.

The district provides 88 miles of trails, and is a partner with the city on building and maintaining the transportation system. Through the development of paved and natural surface trails, bridges and other improvements, we contribute to the city's low stress network that promotes walking and cycling. We also have an intergovernmental agreement (IGA) with the city for operations and maintenance of trails that are used for transportation purposes throughout town. Through the IGA the district maintains miles of trails and side paths that are part of the transportation system, including some within city rights of ways. This includes surfacing, sweeping, signage, snow removal, and other services. **The board wishes to highlight this relationship and propose two potential options for consideration: the city could either exempt the district from the transportation utility fee, or provide the district revenue from the fee to help support the operations and maintenance of the trail system.**

Further, we suggest the city consider other tools to help support the maintenance of the transportation system, such as revisiting the concept of a gas tax, which would recoup revenue from tourists, and other non-residents who also make use of and have an impact on the transportation system.

As public agencies, we are constantly balancing the costs of projects and fees with issues of affordability and the community's expectations. We understand that the city established service levels in the recently updated transportation system plan and water system plans based on community feedback. If the level of service for public amenities like roads are not considered with the need for other public services like parks, childcare, schools, libraries, fire, police, public health, etc. we question if the city's current initiatives are aligned with the broader community needs and the city's stated goals of addressing affordable housing. It is imperative that all public agencies assure their provision of services and associated costs balances our collective community's needs and ability to pay. We recognize that other market forces influence the cost of living in Bend aside from SDCs, a new transportation utility fee, or increases in permitting fees. However, the city has control over SDCs and other fees, and as a policy making board, we urge you to make decisions that assure an appropriate balance is struck in the best interest of the community.

Sincerely,



Nathan Hovekamp, Board Chair
Bend Park and Recreation District