



BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon
(541) 388-6570

FOR RECORDING STAMP ONLY

BOCC MEETING MINUTES

9:00 AM

WEDNESDAY March 25, 2026

Barnes Sawyer Rooms
Live Streamed Video

Present were Commissioners Phil Chang, Anthony DeBone and Patti Adair. Also present were County Administrator Nick Lelack; County Counsel David Doyle; and BOCC Executive Assistant Brenda Fritsvold.

This meeting was audio and video recorded and can be accessed at the Deschutes County Meeting Portal website www.deschutes.org/meetings.

CALL TO ORDER: Chair Chang called the meeting to order at 9:00 am.

PLEDGE OF ALLEGIANCE

CITIZEN INPUT: None

COMMISSIONER ANNOUNCEMENTS:

Commissioner DeBone reported on the BOCC's joint meeting with the board of the Sunriver Owners Association last Friday. He said at last week's meeting of the Behavioral Health Advisory Board, the BHAB conducted a high-level review of the department's budget.

Commissioner Adair referred to last Thursday's BOCC presentation at Leadership Redmond and shared that Hospice of Redmond has changed its name to ClearPath.

Commissioner Chang reported on last Thursday's forum hosted by City Club regarding County Commissioner elections.

Commissioner Chang additionally reported on a managed camp meeting held last Thursday in Redmond where the subject of the City's planned closure of Desert Rise was discussed.

Commissioner Adair noted that she too had attended the City Club forum, after which she traveled to Sisters for an Economic Development Board meeting.

CONSENT AGENDA: Before the Board was consideration of the Consent Agenda.

1. Approval of Document No. 2026-0207, a Notice of Intent to Award a contract for the Road Department Campus Fence Project
2. Consideration of Board signature on letter reappointing Ethan O'Brien for service on the Wolf Depredation Compensation and Financial Assistance Committee
3. Approval of the minutes of the March 2, 2026 BOCC meeting

ADAIR: Move Board approval of the Consent Agenda as presented

DEBONE: Second

VOTE:

DEBONE: Yes

ADAIR: Yes

CHANG: Chair votes yes. Motion Carried 3 - 0

Referring to the award of a contract for the Road Department's campus fence to an out-of-state company, Commissioner Adair objected to awarding contracts to non-local businesses. She supported allowing for preference to be given to locally owned businesses as is done for veteran-owned businesses.

County Counsel David Doyle said the State does allow for local preferences, but only under certain circumstances. Because the contract for the Road Department's fence pertains to construction and not to professional services, it must be opened for bids and then awarded to the lowest responsible bidder. He offered to coordinate with the Procurement Manager to further investigate local preferences.

Commissioner DeBone appreciated the discussion and agreed it was a shame that a local company will not be awarded this contract.

Commissioner Adair said because Washington State does not have a Corporate Activity Tax (CAT) as Oregon does, Oregon businesses are at a disadvantage when bidding against businesses based in Washington.

Commissioner Chang was open to directing Legal and Finance to explore this question; however, he suggested checking with local contractors before instituting a local preference to gauge if doing that could result in a net loss for local businesses should other jurisdictions follow suit.

Commissioner DeBone supported communicating with local businesses on the possible effects of instituting a local preference for construction contracts.

ACTION ITEMS:

4. Application to renew a Qualified Rental Property Tax Exemption for Mountain Laurel Lodge, 990 SW Yates Drive, Bend

Kerry Bell, Housing Production & Incentives Coordinator for the City of Bend, introduced the request from the owner of Mountain Laurel Lodge to renew its Qualified Rental Property Tax Exemption. The company's original 20-year property tax exemption will sunset this year, and the applicant seeks to renew the exemption for another 20 years. The property is restricted by its deed to be income- and rent-restricted until 2066.

Bell reviewed the criteria that must be met to qualify for a rental property tax exemption.

John Gilbert, property owner, explained that the Lodge provides housing for seniors aged 55 and over. Although the facility is deed-restricted to house those with incomes under 60% of the area median income (AMI), rents are set at just 40% to 50% of AMI. Referring to the income limit set by the State, Gilbert said the average income of Lodge residents is much lower at about \$28,000 to \$29,000.

In response to Commissioner Adair, Gilbert said residents pay their own utility bills and tend to be frugal with respect to their use of electricity to keep that cost down.

Commissioner DeBone inquired about the facility's pro forma. Gilbert said while expenses have gone up about 4% per year since 2006, the company has increased rents just 1.5% per year on average.

Responding to Commissioner DeBone, Gilbert said approximately half of the residents utilize housing vouchers from the State to pay their rent. Gilbert confirmed there is always a wait list for units.

Noting that the County is in a tough spot with regard to revenues and expenses, Commissioner DeBone did not support renewing the tax exemption.

In response to Commissioner Adair, Bell confirmed that because the decisions of affected jurisdictions are weighted according to their proportionate share of the total requested exemption, the City of Bend and the Bend-La Pine School District together can satisfy the 51% threshold required to impose the exemption on all taxing districts.

Saying that many residents who live at Mountain Laurel Lodge cannot afford to live elsewhere, Commissioner Chang expressed thanks to the Lodge's parent company, Pacific Crest Affordable Housing, for pioneering affordable housing for seniors in Deschutes County. Adding that facilities such as Mountain Laurel Lodge serve a shield against homelessness for many seniors, he said keeping them housed is a good deal for the County at the approximate cost of \$16,000 per year.

Commissioner DeBone said while housing is critical and a team effort, and he appreciated these facilities, the economic landscape is hard for everyone these days and each of us needs to pay as we're able.

Commissioner DeBone moved to decline to consider the request. There was no second to the motion.

In response to Commissioner Adair, Gilbert said Pacific Crest has seven properties in Deschutes County, four of which serve seniors.

Discussion ensued of the amount of property taxes that would be exempted by the County if the request was approved and of the timing of expected consideration by the School District and the City on April 14th and April 15th, respectively.

Bell explained the 60-day window to process and decide this application will expire on April 20th.

Commissioner Adair said helping seniors stay in their home is important.

ADAIR: Move approval of an application to renew a Qualified Rental Property Tax Exemption for Mountain Laurel Lodge, 990 SW Yates Drive, Bend

CHANG: Second

VOTE: DEBONE: No
ADAIR: Yes
CHANG: Chair votes yes. Motion Carried 2 – 1

Commissioner DeBone stressed that while he is not against these facilities, paying property taxes would demonstrate partnership and engagement by the property owner with respect to all of the services provided by the County.

5. Deliberations: Application for a proposed commercial activity in conjunction with farm use (winery / Lava Terrace Cellars) in the Multiple Use Agricultural Zone at 20520 Bowery Lane, Bend

Commissioner Chang announced he would recuse himself from voting or participating in this item as he had done the previous times it came before the Board. He turned control of the gavel over to Vice Chair DeBone at 9:49 am and left the dais.

Nathaniel Miller, Associate Planner, reviewed the background of the application for a proposed commercial activity in conjunction with farm use (winery / Lava Terrace Cellars) in the Multiple Use Agricultural Zone at 20520 Bowery Lane, Bend.

Before proceeding to deliberations on this matter, Miller said the Board must determine whether to allow certain comments into the record.

1. Three public comments received after the first reopened public record period in August of 2024; these were initially left in the record.
2024-08-22 D. Gant
2024-08-27 R. Freed
2024-08-28 D. Voiles
2. Three public comments received after the second public hearing was closed on February 25, 2026.
2026-02-25 M. Platt
2026-02-25 T. Bayard
2026-02-26 G. Krambeal

Miller asked if the Board will allow these comments in the record and consider them as it makes its deliberations.

Commissioner DeBone asked if it would present a procedural problem to accept these comments into the record.

Stephanie Marshall, Senior Assistant Legal Counsel, stressed that all the referenced comments were received after the relevant open record period was closed. She said a procedural error may result if the Board waives its previous closures of the record by allowing the submission of comments outside of an open record period.

Commissioners DeBone and Adair agreed to adhere to the earlier decisions of the Board with respect to record closures and not consider any comments submitted outside of an open public record period.

Miller then presented the matrix of decisions before the Board, as follows:

1.a. Does the proposal comply with requirements for off-street parking?

The Commissioners were in consensus that the proposal complies with requirements for off-street parking,

1.b. Does the Board agree to change two conditions of approval as requested by the applicant, as follows:

- Condition of Approval L: change the number of required parking spaces from 21 to 14; and
- Condition of Approval Q: reduce the total required amount of landscaping in the parking area to 350 sf from 525 sf (25 sf per parking space).

The Commissioners were in consensus to change Condition of Approval "L" and Condition of Approval "Q" as stated.

2. Does the proposal comply with the requirements for Clear Vision Areas?

The Commissioners were in consensus that the proposal complies with the requirements for Clear Vision Areas.

3. Does the proposal comply with the requirements for Service Drive Widths?

The Commissioners were in consensus that the proposal complies with the requirements for Service Drive Widths.

4. Does the proposal comply with the Site Plan Review requirements for a safe environment?

The Commissioners were in consensus that the proposal complies with the Site Plan Review requirements for a safe environment, and further meets all DEQ requirements.

5.a. Does the proposal comply with the Site Plan Review requirements for Transportation Access?

The Commissioners were in consensus that the proposal complies with the Site Plan Review requirements for Transportation Access.

- 5.b. The applicant proposed two alternate conditions to replace one condition regarding the Evacuation of the Right of Way crafted by the Hearings Officer.

The Commissioners were in consensus to revise Condition EE, regarding the Evacuation of the Right of Way, as recommended by staff, to wit: "Prior to April 30, 2027, the property owner shall cause for the removal of all private property, including fences, posts, walls, crops, landscaping, and other features, from the existing public right of way for Bowery Lane along the frontage to the subject property."

6. Does the Winery Building comply with the required 20-foot front yard setback?

The Commissioners were in consensus that as the winery building currently does not comply with the setback standards of the MUA10 Zone, this be addressed by modifying condition of approval G in the Hearings Officer Decision to read: "Prior to the initiation of use, the Winery Building shall receive approval from the Building Division for the required modification to meet the front setback of 20 feet."

7. Can wineries only be sited on property in the EFU zone pursuant to DCC 215.452, and not in any other zone?

The Commissioners were in consensus that wineries are not restricted to property in the EFU zone.

8. Did the Hearings Officer consider only a portion of the record when crafting the Hearings Officer decision?

The Commissioners were in consensus that the Hearings Officer considered the full record when crafting the Hearings Officer decision.

9. Is the site suitable for the proposed use based on:
- 1) Site design, and operating characteristics of the use;
 - 2) Adequacy of transportation access to the site; and
 - 3) The natural and physical features of the site, including, but not limited to, general topography, natural hazards, and natural resource values.

The Commissioners were in consensus that the site is suitable for the proposed use under all approved conditions.

10. Will the use be compatible with existing and projected uses on surrounding properties based upon the following factors:

- 1) Site, design, and operating characteristics of the use;
- 2) Adequacy of transportation access to the site; and
- 3) The natural and physical features of the site, including, but not limited to, general topography, natural hazards, and natural resource values.

The Commissioners were in consensus that the use will be compatible with existing and projected uses on surrounding properties based upon all approved conditions.

Following the conclusion of decisions made according to the provided matrix, the Board took the following action:

ADAIR: Move approval of the application for a proposed commercial activity in conjunction with farm use (winery / Lava Terrace Cellars) in the Multiple Use Agricultural Zone at 20520 Bowery Lane, Bend, and direct staff to return with a written decision for the Board's consideration

DEBONE: Second

VOTE: DEBONE: Yes
 ADAIR: Yes
 CHANG: (*Chair had recused himself*) Motion Carried 2 - 0

Chair Chang returned to the dais at 10:18 am.

6. 2026 Legislative Session Review from Northwest Policy Advocates

Jen Patterson, Strategic Initiatives Manager, introduced Doug Riggs from Northwest Policy Advocates who serves as the County's lobbyist. Riggs provided an overview of the 2025 legislative short session, during which 304 bills were introduced. He listed various issues which arose during the session and numerous bills which were passed, including HB 4153 relating to farm stores and HR 4148 and HB 4134 relating to the Transient Lodging Tax.

Riggs said issues left unresolved include funding for Community Corrections and a solution for long-term transportation funding.

Commissioner DeBone reported that CORE3 will start building next year using the \$10 million already appropriated by the State. The funds will be used to construct a fence on the perimeter of the property, a front gate, and a skid pad.

Noting that the governor is convening a Transportation Advisory Committee this Friday, Commissioner Chang asked that Riggs keep the County apprised regarding what role that group is expected to play in advance of the 2027 legislative session.

Commissioning Chang suggested that the County consider inviting Central Oregon legislators who serve on the Ways & Means Committee to tour Community Corrections facilities later this year. Riggs advised that be considered for June, July or October.

7. Sponsorship Requests and FY 2027 Discretionary Grant Timeline

Strategic Initiatives Manager Jen Patterson reminded that \$268 remains available in the sponsorship and fundraising budget for the Board to distribute. She described two recent requests: one from REDI for its upcoming annual luncheon on April 8th, and the second from the "Build a Better Bend Lecture Series."

Commissioner DeBone said individual tickets can be purchased for the REDI luncheon.

At Commissioner DeBone's suggestion, the Board was in consensus to grant the "Build a Better Bend Lecture Series" \$250 for its May 7th lectures.

With regard to sponsoring annual luncheon tables in FY 2027 for EDCO, SLED and REDI, Patterson advised that the Board direct EDCO to utilize its \$5,000 increase in video lottery funds granted by the County for FY 2027 to cover sponsored tables at the annual luncheons. The Board agreed to incorporate the annual luncheon sponsorships in the FY 2027 fund distributions to EDCO as described.

The Board further agreed to retain the current timeline of reviewing discretionary grant requests in October.

OTHER ITEMS:

- Commissioner DeBone noted that AOC is soliciting to fill a vacancy on its Regional Solutions Advisory Committee for the Central Region.
- County Administrator Nick Lelack spoke to having attended the Redmond City Council meeting last night at which the City's decision to remove encampments from the City-owned Desert Rise property in East Redmond was taken up.

The Board discussed recent conversations with City leadership and concerns about displacement of individuals moved out of Desert Rise, including the likelihood that displaced individuals would relocate to adjacent County-owned property.

Erik Kropp, Deputy County Administrator, relayed that Redmond Mayor Ed Fitch had said while he understood the County's concerns, the City will move forward with closing Desert Rise, beginning with issuing notices to vacate next week. Kropp added that the number of encampments had grown over the last year or so, and businesses in the area had expressed concerns for the safety of their employees. He

said the City has acknowledged that its actions will move a problem off of City property onto County property, and the topic of a possible safe parking site on the County-owned "green zone" property was raised.

Lelack added that Mayor Fitch anticipates some "rough months" lay ahead as the City requires people to move.

Commissioner Chang said this matter was also discussed at last week's managed camp meeting, and Redmond may be open to co-investing with the County in a temporary safe stay area as has been done in collaboration with the City of Bend to address sanitation and safety concerns which arise from unsanctioned camps.

In response to Commissioner Adair, Kropp said it's estimated that about 150 people live at the TSSA currently. Kropp reminded that when the TSSA is closed in the summer of 2027, it's expected that some campers will relocate to other public lands.

Commissioner Chang spoke to the possibility of doubling the capacity of the managed camp in the future and said Redmond should help mitigate any negative effects which result from closing Desert Rise.

Lelack said Redmond hopes that City and County staff will work closely on the timelines to issue notifications and is of the assumption that moving people to the County-owned property in East Redmond is the objectively reasonable alternative location for those moved out of Desert Rise.

Responding to Commissioner Adair, Kropp said the analysis of the three received proposals for a vendor to operate the managed camp is expected to be released next week.

Commissioner DeBone noted that the Board has not approved allowing unsanctioned encampments on the "green zone" property. Commissioner Chang suggested considering donating that land to the City. Lelack described the "green zone" as County-owned property where no projects are currently planned.

Discussion ensued of whether the Redmond Police Department has any responsibility to patrol in its urban area reserve or UGB, or if the Deschutes County Sheriff's Office (DCSO) is wholly responsible for law enforcement in those areas. Kropp said Redmond PD has offered to back up DCSO when needed.

Commissioner DeBone said the County and cities cannot address this by themselves but need partnership and guidance from the State.

Commissioner Chang said the primary question at this time is whether the County wants to ask Redmond to help manage, in some way, the turbulence that will be caused by closing Desert Rise.

Commissioner Adair said it's not yet known how many unauthorized campers will be open to relocating to the managed camp where they will be required to follow rules.

The Board was in consensus to direct staff to return the following week for further discussion.

A break was announced at 11:37 am. County Counsel read aloud the Executive Session announcement. The meeting resumed at 11:39 am.

EXECUTIVE SESSION:

At 11:39 am, the Board recessed into Executive Session under ORS 192.660 (2) (e) Real Property Negotiations.

The Board exited Executive Session at 12:00 noon, invited the audience back into the room, and directed staff to proceed as discussed.

ADJOURN:

Being no further items to come before the Board, the meeting was adjourned at 12:01 pm.

DATED this 8th day of April 2026 for the Deschutes County Board of Commissioners.



PHIL CHANG, CHAIR

ATTEST:



RECORDING SECRETARY



ANTHONY DEBONE, VICE CHAIR



PATTI ADAIR, COMMISSIONER