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

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 DeBone called the meeting to order at 9:00 a.m.

PLEDGE OF ALLEGIANCE

CITIZEN INPUT: None

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

1. Approval of Board Signature of Order No. 2023-030 appointing Health Services Director's Designees

2. Authorize the Risk Manager to renew the County's Property Insurance Policy

3. Authorize the Risk Manager to renew the County's Excess Liability Insurance Policy

4. Approval of minutes of the June 30, 2023 BOCC Legislative Update meeting
5. Approval of the May 17 and May 31, 2023 BOCC meeting minutes

ADAIR: Move Board approval of the Consent Agenda as presented
CHANG: Second

VOTE: ADAIR: Yes
CHANG: Yes
DEBONE: Chair votes yes. Motion Carried

ACTION ITEMS:

6. Presentation of 25-year service award to Sara Crosswhite and Megan Craig

Nick Lelack, County Administrator, presented 25-year service awards to 9-1-1 Director Sara Crosswhite and 9-1-1 Training Manager Megan Craig. Lelack spoke to their remarkable accomplishments, relayed accolades from Chief Roger Johnson of the Sisters-Camp Sherman Fire District, and thanked them for their service to the County and the community.

Chief Devin Lewis of the Redmond Police Department agreed that both Crosswhite and Craig demonstrate high levels of professionalism.

7. 2023 Legislative Session Report

Whitney Hale, Deputy County Administrator, introduced Doug Riggs with Northwest Policy Advocates who presented an end-of-session report for the 2023 Oregon State legislative session. Riggs said although the session included a long-term walkout of several senators, during which votes could not be taken, various key bills were passed including SB 644A which relates to rural accessory dwelling units.

Commissioner Adair recognized Budget Committee Member Judy Trego who traveled to Salem with her to lobby for an appropriation for the County’s courthouse expansion, after which the legislature voted to approve a $15 million contribution to this project.

Riggs reviewed bills which were declared to be priorities for the County and their outcomes, expressing his surprise that HB 3126, which related to behavioral health treatment, did not pass.
Commissioner DeBone reported on a $1.5 million appropriation for infrastructure in La Pine which will be used for industrial development.

Peter Gutowsky, Community Development Director, spoke to HB 3197 and the County’s need to ensure that its housing development regulations are clear and objective.

Riggs commended the Commissioners on their efforts to engage with the legislators throughout the session, even during the time of the walkout. He requested that the Board identify potential 2024 issues, participate in interim legislative hearings, and continue to collaborate with local and regional partners.

8. Public Hearing to consider transferring jurisdiction of a portion of Bear Creek Road to the City of Bend

Cody Smith, County Engineer and Assistant Road Director, said the City of Bend has annexed and requested jurisdiction of a portion of Bear Creek Road in accordance with a formal agreement between the City and the County which requires the transfer of all County rights-of-way annexed by the City. Smith said this particular transfer would involve approximately 0.25 miles of Bear Creek Road; if approved by the Board, the transfer would take effect at midnight tonight.

*The public hearing was opened at 10:17 am. There being no one who wished to speak, the public hearing was closed at 10:18 am.*

CHANG: Move approval of Order No. 2023-022 transferring jurisdiction of a portion of Bear Creek Road to the City of Bend

ADAIR: Second

VOTE: ADAIR: Yes
CHANG: Yes
DEBONE: Chair votes yes. Motion Carried

9. Public Hearing: Destination Resort Text Amendments

Tarik Rawlings, Associate Planner, described the proposed amendments to Deschutes County Code chapters 18 and 19 to incorporate language from ORS 197.455(1)(a) which would limit residential uses in any new destination resorts to those necessary for the staff and management of the resort.

*The public hearing was opened at 10:26 am.*
Rawlings said this application was submitted by Central Oregon LandWatch (COLW) and recommended for approval by the Planning Commission on a vote of 3 – 1 with two Commissioners recusing themselves. Rawlings presented the proposed text modifications to DCC Sections 18.113 and 19.106 for the Board’s consideration.

Rory Isbell, representing Central Oregon LandWatch, said the County’s Comprehensive Plan makes it clear that destination resorts shall only be allowed within certain areas and when they comply with ORS. Further, the Comprehensive Plan explicitly states that destination resorts shall not be allowed within 24 air miles of an urban growth boundary of any city which is over 100,000 in population unless residential uses are limited to those necessary for the resort staff and management. Isbell said because the City of Bend’s population exceeded 100,000 in 2021, these provisions now apply.

Continuing, Isbell emphasized that these changes would not modify the boundary of the County’s Destination Resort Combining Zone but would only affect the type of destination resort that would be allowed—i.e., the only residential housing that could be included would need to be for staff and management of the resort. Isbell agreed that this limitation does not apply to existing destination resorts but said it could apply to a proposal to expand an existing destination resort.

With respect to Measure 49, Isbell said this does not apply because there has been no change in law, only a change in circumstances. He summarized that because the population threshold has been met, the provision under discussion now applies to Deschutes County as do other statewide land use planning goals.

Rawlings said because public comments are still being received on this matter, he requested that the record be left open at the conclusion of the public hearing.

Commissioner DeBone noted the County has a standard annual Code update process and asked why this application was submitted outside of that. Isbell said COLW took it upon themselves to start the conversation.

- Paul Lipscomb said this proposal does not involve a change in law but rather serves as a notice to landowners and potential developers as to what is allowed and not allowed.
- Eva Eagle said in decades past, it made sense to have destination resorts; however, the area has grown over time and these are no longer needed to bolster the economy. She said new destination resorts with housing beyond that needed for staff would be a detriment rather than a benefit and constitute rural subdivisions disguised as destination resorts.
- Mary Fleischmann supported the proposed amendments, saying that destination resorts do not add to affordable housing for those who live and work here but rather serve to offer second residences for those who can afford more than one home.
- Bruce Bowen supported the text amendments as they would render County Code consistent with State law.

A break was announced at 11:12 a.m.; the meeting resumed at 11:18 a.m.

- Mark Stockamp opposed the text amendments, saying these would decrease the value of properties that could be developed as destination resorts and possibly lead to Measure 49 claims against the County. He specifically objected that the changes would devalue the worth of certain County-owned public land in Deschutes County.
- Richard Lance supported the text amendments, saying that the 24-mile rule has been in place for a long time and only now is applicable because of the population change. Adding that the public sentiment on this matter is clear, he said this change does not require amending the destination resort map.
- Joe Craig supported the proposed text amendments in order to align with State law. He said resorts stress wildlife and water supply, and Deschutes County does not need more of these.
- Abby Kellner-Rode advocated for the protection of rural lands and encouraged the Board to approve the text amendments, noting the relevant ORS language has been in place for nearly 50 years.
- Pamela Mitchell opposed the text amendments as these would greatly impact certain properties and prevent them from being developed. She said destination resorts are carefully planned and provide revenue to local governments and spoke in support of small, private developments instead of an ever-increasing urban growth boundary.
- Nunzie Gould said the proposed text amendments do not change the destination resort map nor propose to change it, hence, they do not prohibit development of mapped land so long as a development proposal meets all necessary eligibility criteria. She appreciated that the changes would ensure workforce housing for new destination resorts.
- Molly Honea said destination resorts encroach on wildlife habitat and require water. She supported the Planning Commission's recommendation in this matter.
- Kristine Larson said this restriction should have been imposed on the Thornburgh destination resort, but was not. She added that Eagle Crest has a hard time finding employees and many of them have long commutes.
Kenneth Katzaroff said these changes must be done as part of the mapping process, not as a separate text amendment. He disagreed that goals 9 and 10 do not apply to counties and said the County must consider the effect of this change on the economy.

Van Evans said because Bend's population has now exceeded 100,000, the restriction on residential development in destination resorts makes sense. He said residents care about the land and the community's future and urged wisdom before profit.

Susie Hart implored the Board to approve the proposed amendments and said that providing housing for staff in destination resorts would reduce traffic volumes.

In the time allotted for applicant rebuttal, Isbell said this change does not involve re-mapping eligible lands and in fact the maps will not change. Instead, this limitation which is already contained in State' land use regulations and the County's Comprehensive Plan would simply be added to its Code.

The public hearing was closed at 12:01 p.m.

Following discussion on whether to leave the record open and schedule deliberations for a different day or commence deliberations immediately, Chair DeBone noted the consensus of the Board to leave the written record open to 4:00 pm on Friday, July 14th and schedule deliberations for Wednesday, July 26.

Commissioner Adair acknowledged the letter from an attorney representing Sunriver Resorts and Caldera Springs which emphasized the value of economic certainty and sought assurance that the text amendments will apply only to newly proposed resorts or those seeking to expand.

10. **Sheriff's Office Terrebonne Substation Lease**

Joe Brundage, DCSO Business Manager, presented the documentation to renew the lease of space in Terrebonne for a substation. Brundage said the Sheriff's Office has leased this space for approximately fifteen years; this arrangement provides 1,911 square feet of office space at 8154 11th Street to assist the DCSO in its north county operations and services. The DCSO will pay $2,110.50 per month, which is a five percent increase from last year.

**ADAIR: Move approval of Board Signature of Document No.2023-672, Sheriff's Office Terrebonne Substation Lease**

CHANG: Second

VOTE: ADAIR: Yes
11. **Extension of the agreement with the Heart of Oregon Corps for youth work crews to assist the Solid Waste Department**

Tim Brownell, Solid Waste Director, explained that the department has a longstanding relationship with the Heart of Oregon Corps to provide work crews for various tasks and activities. The crew members are at-risk youth who pick up litter, support the annual Fire Free program, and perform other services as contracted. The agreement stipulates hourly rates for crew supervisors and youth laborers; the total amount is not to exceed $235,000.

**ADAIR:** Move approval of Board signature of Document No. 2023-655, amending the agreement with The Heart of Oregon Corps for FY24

**CHANG:** Second

**VOTE:**

- **ADAIR:** Yes
- **CHANG:** Yes
- **DEBONE:** Chair votes yes. Motion Carried

12. **Secure Rural Schools (SRS) federal funding allocation determinations**

Chris Doty, Road Director, explained that Deschutes County is able to specify certain allocation amounts for Secure Rural Schools (SRS) funds within identified parameters. Staff recommends that the County direct 85% of this revenue to be spent on roads and schools, 8% on federal projects on federal land, and 7% on county resource projects such as the local Firewise program.

Commissioner Chang said while he appreciated efforts to maximize revenue to County departments and operations, some of these funds could have greater impact if allocated differently—for example, to land steward clean-up operations. He suggested allocating 16% of the County's full payment amount to Title II and Title III projects, with 9% going to Title II projects and 7% going to Title III projects.

**CHANG:** Move approval of Resolution No. 2023-042 as amended to elect specific allocations for Secure Rural Schools federal funding, as follows: 84% to Title I projects, 9% to Title II projects and 7% to Title III projects

**DEBONE:** Second

**VOTE:**

- **ADAIR:** No
- **CHANG:** Yes
DEBONE: Chair votes yes. Motion Carried 2 - 1

13. Consideration to hear an appeal of a Hearings Officer decision on a Conditional Use Permit to establish a secondary accessory farm dwelling in the Multiple Use Agricultural Zone

Haleigh King, Associate Planner, said after the Hearings Officer denied an application for a Conditional Use Permit to establish a secondary accessory farm dwelling at 19825 Connarn Road, the applicant appealed that decision. King explained that the applicant seeks to utilize an existing manufactured home as a secondary accessory farm dwelling; however, while Deschutes County Code allows the use of a Class A manufactured home as a primary residence, the Hearings Officer denied its use as a secondary dwelling. King added that the mobile home was on the property and had previously been permitted as a temporary medical hardship dwelling when the property changed hands.

Responding to questions from Commissioner Chang, Will Groves, Planning Manager, said because Code allows the use of a Class C mobile home as a secondary dwelling, but not Class A or Class B, he interpreted this restriction as an unintended outcome of this Code section.

ADAIR: Move approval of Order No. 2023-029 agreeing to hear an appeal of a Hearings Officer decision on a Conditional Use Permit to establish a secondary accessory farm dwelling in the Multiple Use Agricultural Zone – Deschutes County Land Use File Nos. 247-23-000162-CU, 23-516-A, and specifying that the hearing will be limited de novo

CHANG: Second

VOTE: ADAIR: Yes
CHANG: Yes
DEBONE: Chair votes yes. Motion Carried

14. Resolution No. 2023-044, increasing the Fair & Exposition Department’s Imprest checking account for upcoming food and beverage activity

Geoff Hinds, Fair & Exposition Director, explained that this checking account, which is managed by Fair & Expo within guidelines established by the Finance department, is used to purchase food and beverage products in advance of resale. Hinds said this increase is larger than previous years due to the size of the upcoming Fairwell Music Festival and associated supply needs based on anticipated product demand. The funds will be reimbursed back to the depositing account upon conclusion of the festival and the annual Fair & Rodeo.
CHANG: Move approval of Resolution No. 2023-044 increasing the Fair & Expo Department's Imprint checking account fund by $615,000 in anticipation of the upcoming FairWell Festival and the annual Deschutes County Fair & Rodeo events

ADAI R: Second

VOTE: ADAIR: Yes
CHANG: Yes
DEBONE: Chair votes yes. Motion Carried

OTHER ITEMS: None

EXECUTIVE SESSION:

At 12:54 pm, the Board entered executive session under ORS 192.660 (2) (e) Real Property Negotiations.

The Board moved out of executive session at 1:05 p.m. to direct staff to proceed as discussed.

ADJOURN:

Being no further items to come before the Board, the meeting was adjourned at 1:05 pm.

DATED this 9th day of Aug 2023 for the Deschutes County Board of Commissioners.

ANTHONY DEBONE, CHAIR

PATTI ADAIR, VICE CHAIR

ATTEST:

PHIL CHANG, COMMISSIONER

RECORDING SECRETARY