



**Location:** City Hall – Council Chambers  
**Date:** March 26, 2024  
**Time:** 6:00 PM

## City Council Meeting Agenda

Mayor Jason Beebe, Council Members Steve Uffelman, Janet Hutchison, Shane Howard, Gail Merritt, Scott Smith, Marv Sumner and City Manager Steve Forrester  
**ATTEND TELEPHONICALLY BY CALLING 346-248-7799 Meeting ID: 947 5839 2608 Passcode: 123456**

### Call to Order

### Flag Salute

### Additions to Agenda

### Consent Agenda

1. Regular Meeting Brief 3-12-2024

### Visitors, Appearances and Requests

2. Ceremonial Swear In - Officer Zarom Bruce - Interim Chief Wilson

### Council Presentations

3. Airport Intergovernmental Agreement Presentation- Commissioner Brian Barney / Andy Parks

### Council Business

4. Intent to Award 2024 Spring Paving Project - Casey Kaiser
5. Reading of a Proclamation - International Dark Skies Night - Mayor Beebe

### Staff Reports and Requests

6. City Manager's Report - Steve Forrester

### Committee Reports

### Ordinances

7. Ordinance No. 1289 - Amending the Prineville Zoning Map and Comprehensive Plan Map to Reconcile Discrepancies Between the Two Maps (**FIRST PRESENTATION**) - Josh Smith

### Resolutions

8. Resolution No. 1590 - To Approve the Establishment of a School Support Fee of 15% - Kelsey Lucas

### Visitors, Appearances and Requests

### Adjourn

*Agenda items maybe added or removed as necessary after publication deadline*



**CITY OF PRINEVILLE**  
**Regular Meeting Brief**  
387 NE Third Street – Prineville, OR 97754  
541.447.5627 ph 541-447-5628 fax

Full Meeting Recordings Available at:  
<http://cityofprineville.com/meetings/>

**City Council Meeting Brief**  
**March 12, 2024**

**Council Members Present:**

Marv Sumner  
Jason Beebe  
Gail Merritt

Steve Uffelman  
Scott Smith  
Shane Howard  
Janet Hutchison

**Council Members Absent**

None.

**Additions to the Agenda**

None.

**Consent Agenda**

1. Regular Meeting Brief March 12-2024

**Councilor Howard made a motion to approve consent agenda as presented. Motion seconded. No discussion on motion. All in favor, motion carried.**

**Visitors, Appearances and Requests**

No one came forward.

**Council Presentations**

None.

**Council Business**

2. **Consideration of a Proclamation – International Dark Skies Night – Sponsor Councilor Sumner**

Councilor Sumner provided background information on the proclamation request.

Councilor Uffelman announced that the concrete pad has been installed at Barnes Butte Recreation Area (BBRA) and that assembly of the telescope is intended to be completed soon. The telescope will be donated to the City.

Councilor Sumner stated that there will be a presentation at COIC on this as well.

No further discussion.

**Councilor Uffelman made a motion to accept the proclamation. No discussion on motion. All in favor, motion carried.**

**3. Consideration of a Proclamation – Vietnamese Remembrance Day – Sponsor Mayor Beebe**

Mayor Beebe explained that he is sponsoring this proclamation and has sponsored the Vietnamese proclamations in the past.

There were no discussions.

**Councilor Merritt made a motion to accept the proclamation. Motion seconded. No discussion on motion. All in favor, motion carried.**

**4. Review of Planning Commission Recommendation for Zone & Comprehensive Plan Maps Update – Josh Smith**

Josh Smith, Planning Director said there is not a power point presentation since all of the information is in the packet. This is meant to reconcile the Comprehensive Plan map with the Zoning map. There was no opposition received, though several people showed up for the public hearing in favor of this, especially since it could affect some lending options with the differences between the two maps.

There were discussions regarding commercial and outlying commercial and that there are no differences between the two.

Mayor Beebe stated he doesn't want to review it since he believes this is why we have a Planning Commission.

Council agreed not to review.

Mr. Smith explained that an ordinance will come to Council at the next meeting for its first presentation.

**Staff Reports and Requests:**

**5. City Manager's Report– Steve Forrester**

Steve Forrester, City Manager went through highlights for each department.

Mr. Forrester added that Bureau of Reclamation (BOR) has instructed Ochoco Irrigation District (OID) to release water from both Ochoco and Prineville reservoirs as the snow pack is over average. Both reservoirs are expected to be completely full.

Caroline Ervin, Director of Strategy and Economic Development reported that the city is going to receive an additional \$3M in grant funding that has been announced in the last few weeks. We have \$2M that is coming in from the state legislature which is to support new housing starts and support infrastructure for water and wastewater services. We also have \$1M coming in from congressionally directed spending dollars thanks to Senators Merkley and Wyden who were instrumental in that.

Discussions continued regarding the irrigation pipe going through BBRA and that the request for bids are expected to go out in May. Grading work will be done along the canal during the summer in anticipation of switching to the new pipe after irrigation season. This project would not have been possible without the partnerships the city has formed in the community. The pipe will be running adjacent to the new road for the Combs Flat Road extension project.

There were no further questions or comments.

#### **6. City Water Supply History and Future Position Presentation – Casey Kaiser / Adam Sussman (GSI)**

Casey Kaiser, Public Works Director went through a power point presentation stating he wanted to take a little time to go through with summer coming up. Mr. Kaiser explained that there are two types of water: physical and paper.

Mr. Kaiser said that we are in a unique position compared to other cities in the west.

Mr. Kaiser continued with the current city water system and went through water, water rights and mitigation credits and highlighted some of the strategic decisions made over the years to help us get here.

The presentation continued with an introduction to the Aquifer Storage and Recovery (ASR) facility and how it works. The water demand cycle, the water demand with the ASR program, and the many advantages of the ASR.

Adam Sussman, GSI came forward and provided background on the state of the city's water rights and supply in 2005 versus present and the remarkable position of the city for the future. The city has gone from a loss of 30% water pumping loss to under 5%.

Mr. Sussman went through a summary of the water rights acquired, how and where they were acquired.

Mr. Kaiser continued with water rights and permits the city has versus the current and future demands.

Discussions continued regarding our conservation efforts, upgrading the system and fixing leaks. Implementation of a regular water line replacement routine and achieving the replacement of the last known wooden pipes in town. The city also provides water conservation items to customers such as leak detection tablets and efficient shower heads. The city didn't rely on any one thing to get us to this position and the telemetry system also contributing to conserving.

There were no further discussions.

### **7. Railroad Capital Improvement Projects Presentation – Matt Wiederholt**

Matt Wiederholt, Railroad Manager provided an update highlighting that they have replaced 26 switches and implemented a bridge maintenance program that includes an annual inspection by an engineer. Mr. Wiederholt now has about 12 years of documentation. Every two years the bridge goes through “knock” inspections and every five years undergoes and ultrasound testing and drone inspection which started about two years ago.

Mr. Wiederholt continued with pictures of the bridge projects and industry recruitment efforts for the railroad.

The new locomotive is still in Coos Bay and waiting on mechanical inspection. Coos Bay also just lost two bridges so they are looking at about 1.5 months before we see it.

There was no further discussion.

### **Committee Reports**

Council Smith reported that he participated in an interview panel last Friday for ODOT since Gary Farnsworth has retired. Councilor Smith talked about some of the candidates and added that they are down to two now who are Bob Townsend and Tiffany Johnson who is currently an Amazon Manager.

### **Ordinances:**

None.

### **Resolutions**

None.

### **Visitors, Appearances and Requests:**

No one came forward.

**Adjourn**

**Councilor Hutchison made a motion to adjourn the meeting. Motion seconded. No discussion on motion. All in favor, motion carried.**

Meeting adjourned at 7:30 P.M.

**Motions and Outcomes:**

Motion:	Outcome	Beebe	Howard	Hutchison	Merritt	Smith	Sumner	Uffelmann
Consent Agenda as presented	PASSED	Y	Y	Y	Y	Y	Y	Y
Motion to Accept the International Dark Skies Night Proclamation	PASSED	Y	Y	Y	Y	Y	Y	Y
Motion to Accept the Vietnamese Remembrance Day	PASSED	Y	Y	Y	Y	Y	Y	Y
Adjourn Meeting	PASSED	Y	Y	Y	Y	Y	Y	Y

Public Records Disclosure

Under the Oregon public records law, all meeting information, agenda packets, ordinances, resolutions, audio and meeting briefs are available at the following URL:

<https://www.cityofprineville.com/meetings> .



# STAFF REPORT

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**MEETING DATE:** 3/26/2024      **PREPARED BY:** Casey Kaiser  
**SECTION:** Council Business      **DEPARTMENT:** Public Works  
**CITY GOAL:** Quality Municipal Services & Programs  
**SUBJECT:** Intent to Award 2024 Spring Paving Project

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## REASON FOR CONSIDERATION:

The rehabilitation and overlay of Fairgrounds road, and Meadow Lakes Golf Course Parking lot.

## BACKGROUND:

The City of Prineville received proposals March 12, 2024 for the 2024 Spring Paving Project that will consists of rehabilitation and overlay of 39,000 sq. ft. of Fairgrounds Road. This also allowed us to incorporate the overlay of Meadow Lakes Golf Course Parking lot.

There were five responsive bidders on the project.

Owens Asphalt, LLC	\$149,500.00
Bartlett Excavation	\$159,332.59
7 Peaks Paving	\$163,361.00
Tri-County Paving	\$195,600.00
K & L Industries	\$198,100.00

**FISCAL IMPACT:** See below

## RECOMMENDATION:

After reviewing the bid documents and bid bonds, staff recommends Council approve the Intent to Award for the 2024 Spring Paaving Project to Owens Asphalt, LLC. in the amount of **\$149,500.00**



# PROCLAMATION

**WHEREAS:** The experience of standing beneath a starry night sky inspires feelings of wonder and awe, and encourages stewardship of our shared environment and our magnificent dark skies; and

**WHEREAS:** Dark skies are an integral aspect of the sustainability of Oregon's wild ecosystems as a key environmental factor in bird migration, insect pollination, and human sleep patterns; and

**WHEREAS:** Oregon's dark skies are a significant natural resource, with two accredited Dark Sky Places to date—Sunriver and Prineville Reservoir State Park; and

**WHEREAS:** Oregon holds the largest area of pristine night skies in the contiguous 48 states; and

**WHEREAS:** Astro-tourism, including star gazing, astronomy star parties, and dark sky photography, is an evolving facet of outdoor recreation with real economic benefits for communities across Oregon, and which promotes the mitigation of light pollution; and

**WHEREAS:** International Dark Sky Week is observed in April on the week of the new moon.

**NOW, THEREFORE,** I, Jason Beebe, the Mayor of the City of Prineville, Oregon, hereby proclaim **April 2- 8 2024** to be

## **International Dark Sky Week- Prineville, Oregon**

in Prineville, Oregon and encourage all Oregonians to join in this observance.



\_\_\_\_\_  
Rodney J. Beebe, Mayor

## **City Manager Update to Council**

**March 26, 2024**

### **Public Safety / Dispatch**

Welcome back Mary Dethman! Mary has joined the team again after retiring, to assist in the PD office on a temporary part-time basis. Mary will also help train the person selected for the permanent position.

Training continues to go well and Katie our Dispatch Supervisor will be going off for more supervisor training at DPSST.

Jefferson County continues to show interest in coming under the Prineville Dispatch umbrella.

### **Public Works**

The ASR injection continues without any issues or complication and are injecting 765 gpm into the aquifer and be completed at the end of March.

The 30" waterline project is progressing on time and on budget.

The Waste Water Treatment Plan is in the process of standardizing our pumps and upgrading our controls. As we replace pumps, we are also rebuilding some of the old ones and storing them so we will now have some back up pumps on site.

### **Railroad**

Hauling cars are ticking up in activity. Union Pacific will be getting out to finally inspect the new locomotive for transport, though the bridges are still out. They hope to have the bridges back open this week.

### **Meadow Lakes Golf**

Meadow Lakes has been extremely busy with the recent warmer weather. The parking lot is already to go for the paving project.

**Airport** – No Update

### **Planning**

Commercial and residential development interests continue throughout the city with some interest in residential property behind Rays and more multi-family housing off Madras Highway.

## **Human Resources**

Karee attended a conference the week of March 18<sup>th</sup> on employment law updates.

## **Information Technology**

IT is busy working on site projects and getting the Fire Department all wired up at their temporary location while their existing building gets a seismic upgrade.

**Finance** – No Update

**City Recorder/Risk Management** – No Update

**City Legal** – No Update

## **EDCO**

EDCO remains busy with commercial development inquiries and will be covering a resolution later in the meeting regarding HB2009.

**Public Relations** – No Update.

## **Mayor/Council**

You should have a meeting invite on your calendars for a Council retreat in April. This will be an informal meeting for Council to interact with each other and learn about each other's personal goals and no decisions will be made.

## **Other**

City Hall will be starting a long awaited and needed HVAC project in April.

ORDINANCE NO. 1289

**AN ORDINANCE AMENDING THE CITY OF PRINEVILLE ZONING MAP AND COMPREHENSIVE PLAN MAP, TO RECONCILE DISCREPANCIES BETWEEN THE TWO MAPS**

**WHEREAS**, the City of Prineville desires to reconcile discrepancies between its Zoning and Comprehensive Plan maps; and

**WHEREAS**, Prineville Code establishes the policy and procedure allowing the Planning Commission to initiate amendments to the zoning and Comprehensive Plan Maps; and

**WHEREAS**, all required notice was provided in accordance with state law and city ordinance, including notice to the State Department of Land Conservation and Development, newspaper notice and notice to neighboring property owners; and

**WHEREAS**, the City Planning Commission reviewed the proposal on January 17<sup>th</sup>, 2023 with a final review prior to the hearing on January 30<sup>th</sup> 2024; and

**WHEREAS**, the City Planning Commission held a public hearing on February 20<sup>th</sup>, 2024 in order to solicit comments from property owners, neighbors and other members of the community; and

**WHEREAS**, after hearing no citizen opposition at the hearing and considering the staff report and all items in the record of planning application AM-2024-100, the Planning Commission voted unanimously to recommend the City Council approve the proposed amendments; and

**WHEREAS**, the City Council reviewed the Planning Commission's recommendation on March 12, 2024 and accepted their recommendation.

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF PRINEVILLE ORDAIN AS FOLLOWS:**

1. The City zoning map and Comprehensive Plan map shall be amended as shown on Exhibit A; Areas 1-9 and described in the Planning Commission's Recommendation on Exhibit B.

Presented for the first time at a regular meeting of the City Council held on March 26, 2024, and the City Council finally enacted the foregoing ordinance this \_\_\_\_ day of April, 2024.

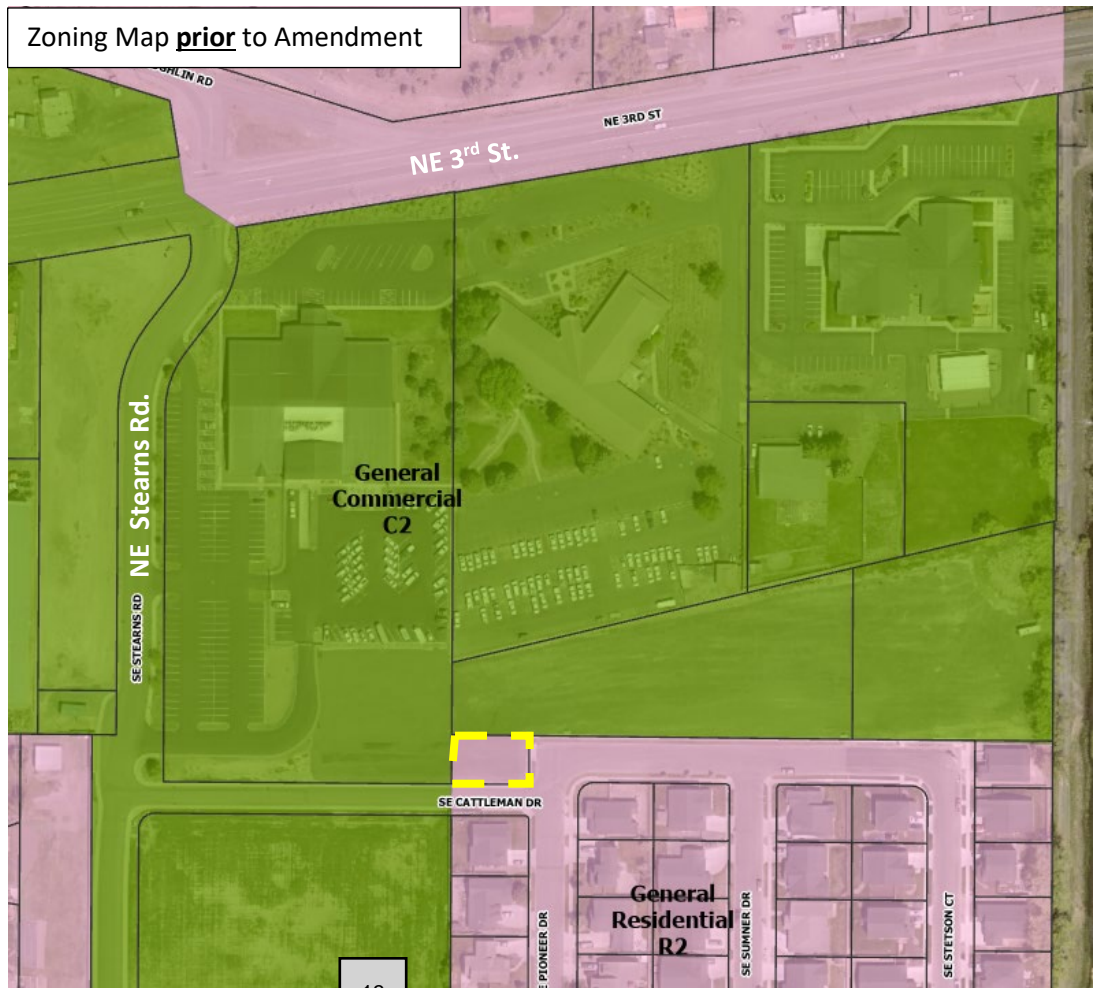
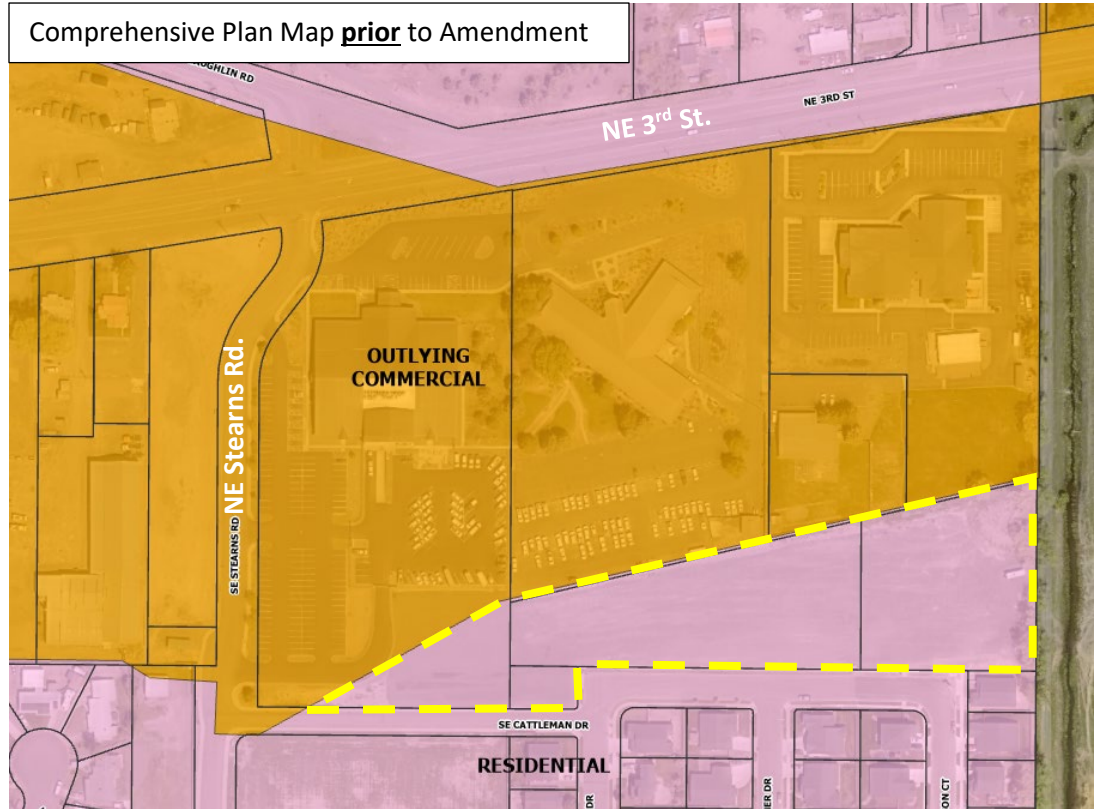
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Jason Beebe  
Mayor

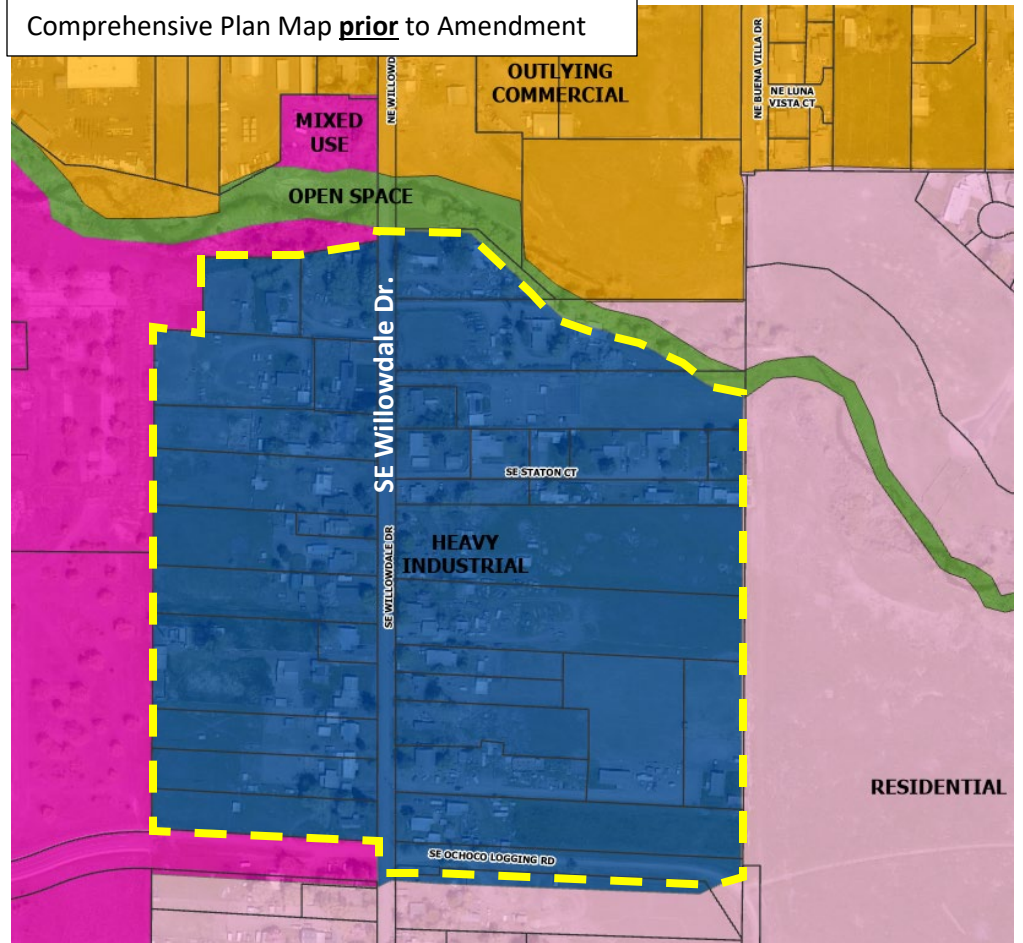
ATTEST:

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Lisa Morgan, City Recorder



Comprehensive Plan Map **prior** to Amendment



- Map & Tax lots:**  
 151604C000200 & 300  
 151604C003000 & 3100  
  
 151604B006300 – 6305,  
 151604B006000 & 6100,  
 151604B005700 – 5702,  
 151604B005800, 5801, 5803  
 151604B005900,  
 151604B005600 & 5601,  
 151604B005400 & 5500,  
 151604B006400 & 6401,  
 151604B006500 – 6900,  
 151604B007100 & 7102,  
 151604B007000 & 7001,  
 151604B007004

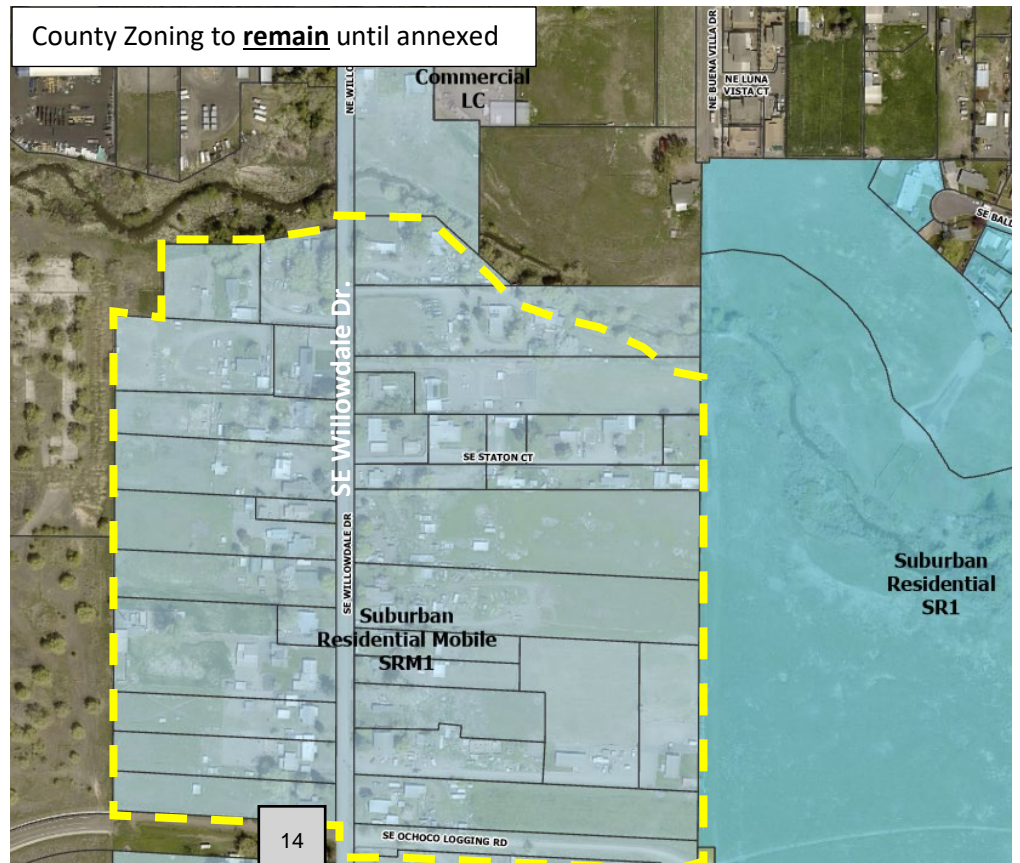
**DESIGNATION:**

**Heavy Industrial**

*changed to*

**Residential**

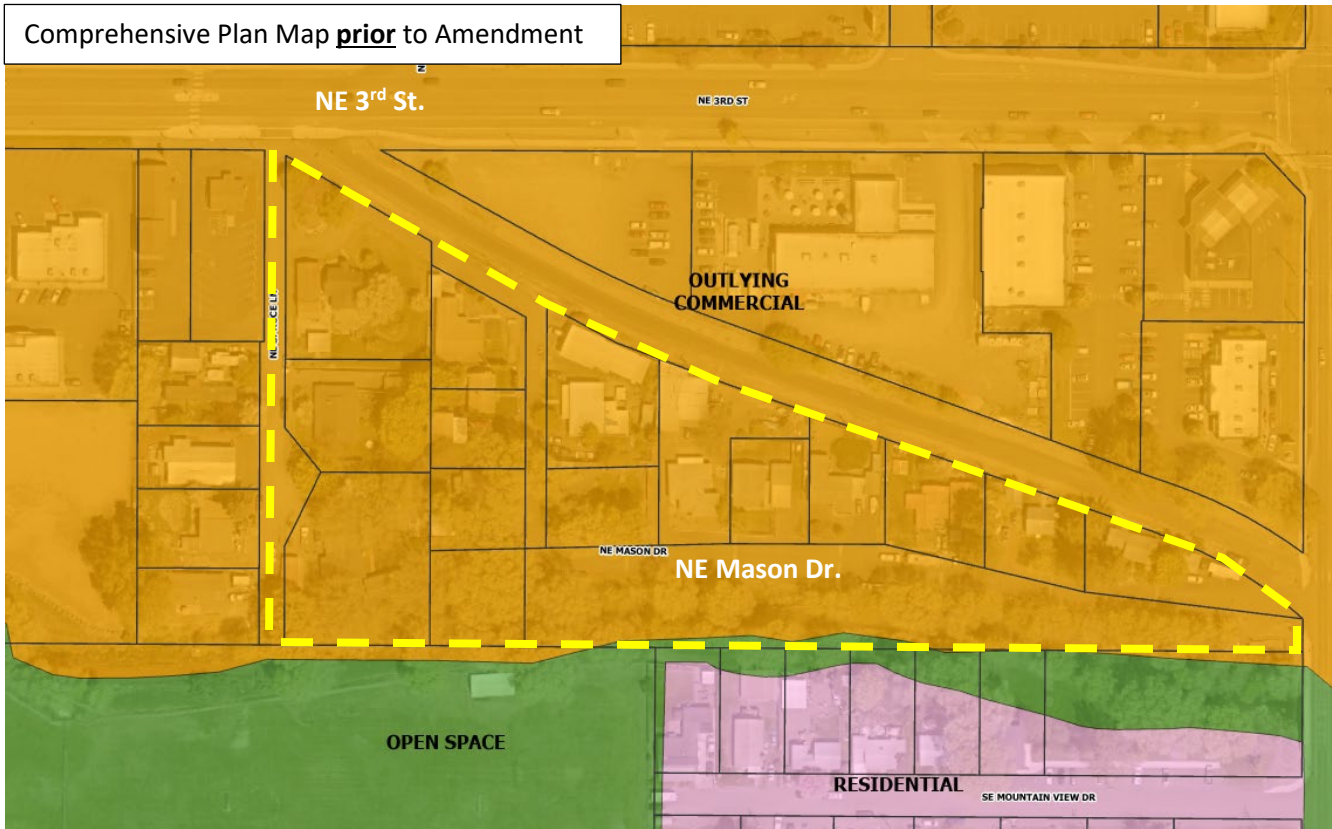
County Zoning to **remain** until annexed



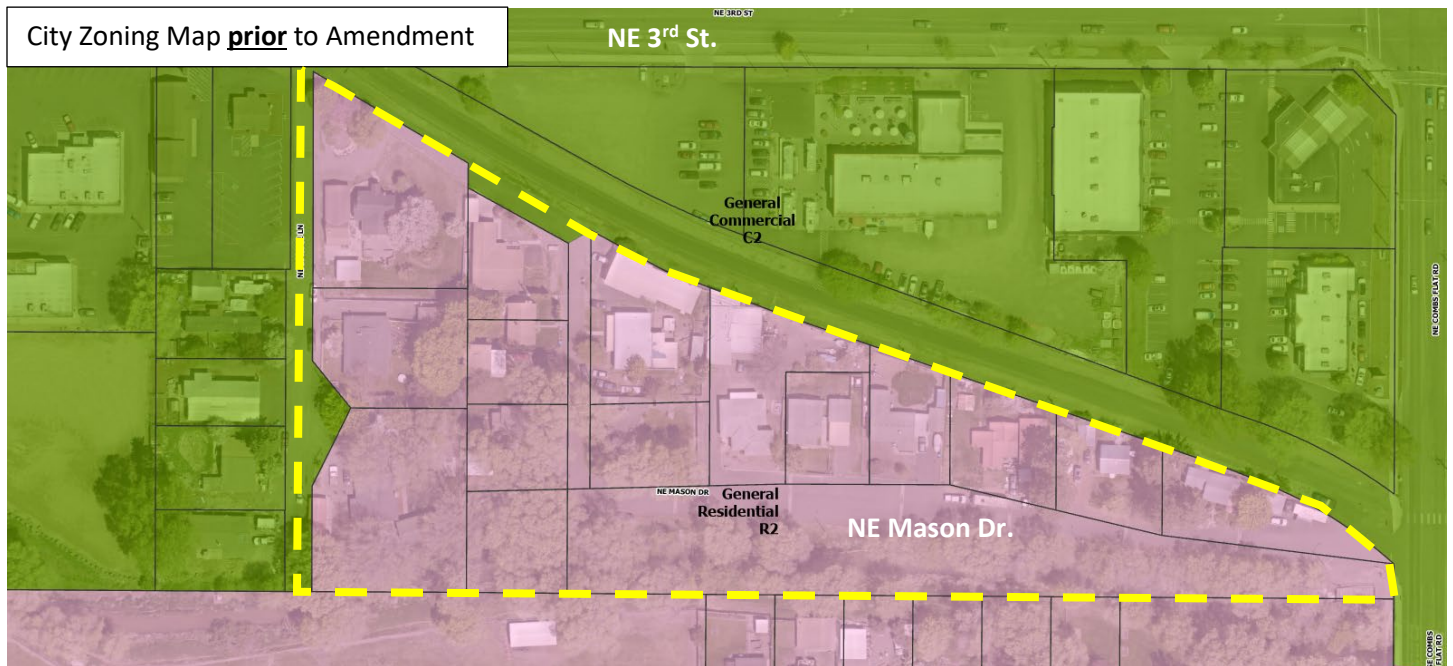
No change in "SRM1" Zoning

Map & Tax lots: 151605AA01800 - 3200 & 3400

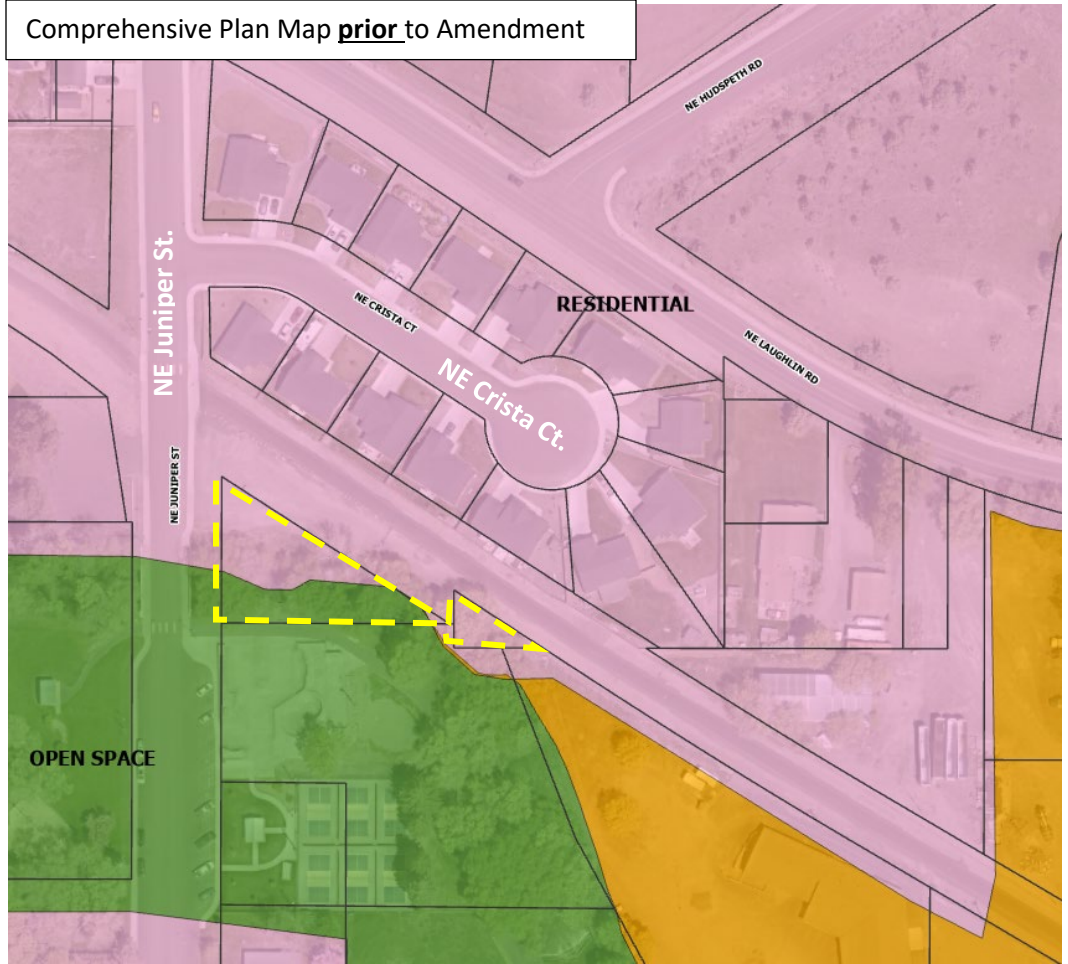
**DESIGNATION:** Outlying Commercial *change to* Residential



No change in "R2" Zoning



Comprehensive Plan Map prior to Amendment



Map & Tax lots:  
151605AB00900 & 800

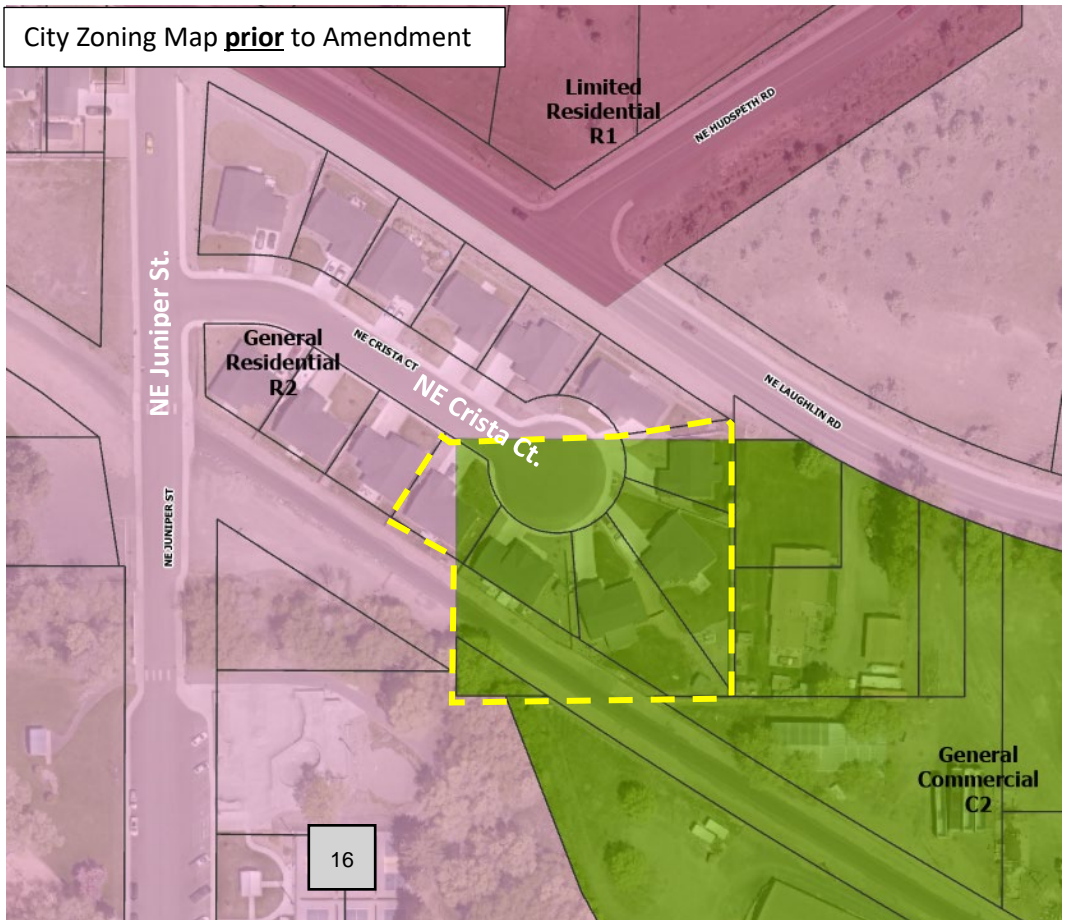
**DESIGNATION:**

Residential

*changed to*

Open Space

City Zoning Map prior to Amendment



Map & Tax lots:  
151605AB00800,  
141632DC05807 - 05811

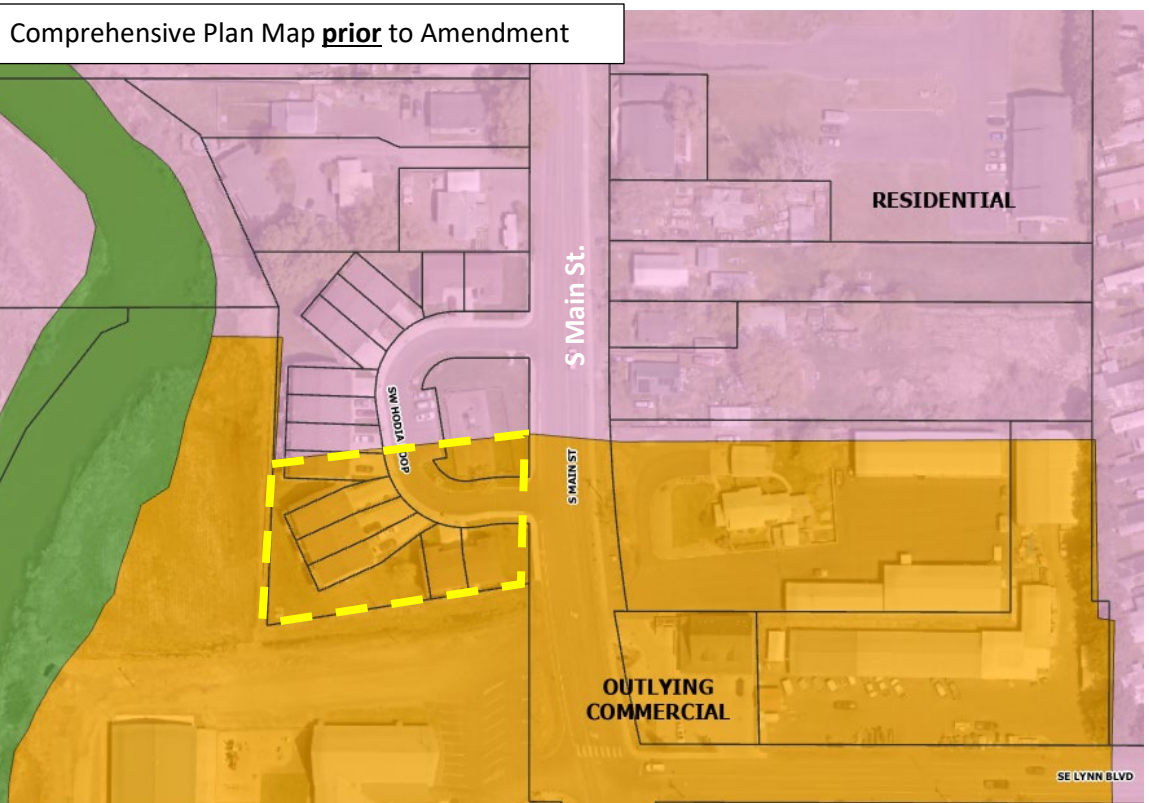
**ZONING:**

General Commercial (C2)

*changed to*

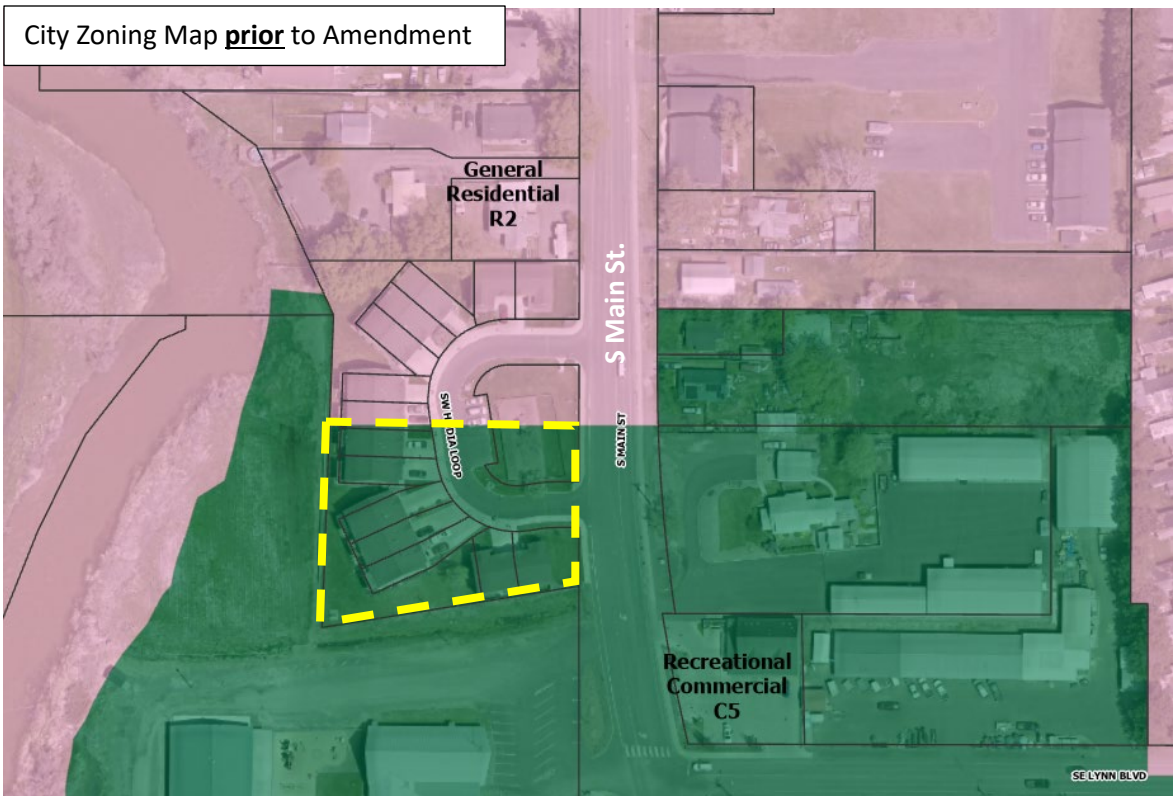
General Residential (R2)





**Map & Tax lots:**  
151606DA03600  
151606DA3608  
151606DA03611 - 03617

**DESIGNATION:**  
**Outlying Commercial**  
*changed to*  
**Residential**

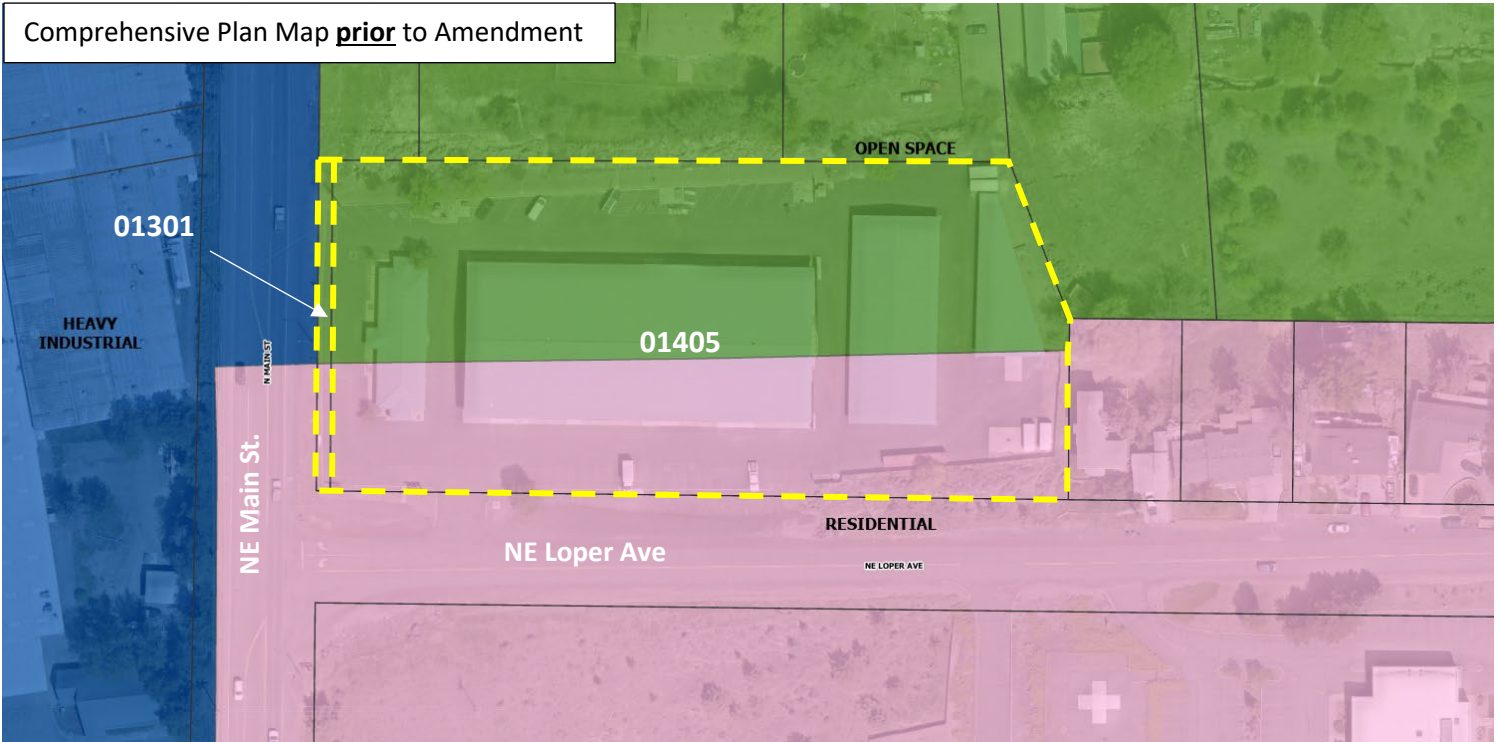


**Map & Tax lots:**  
151606DA03600  
151606DA3608  
151606DA03611 – 03617

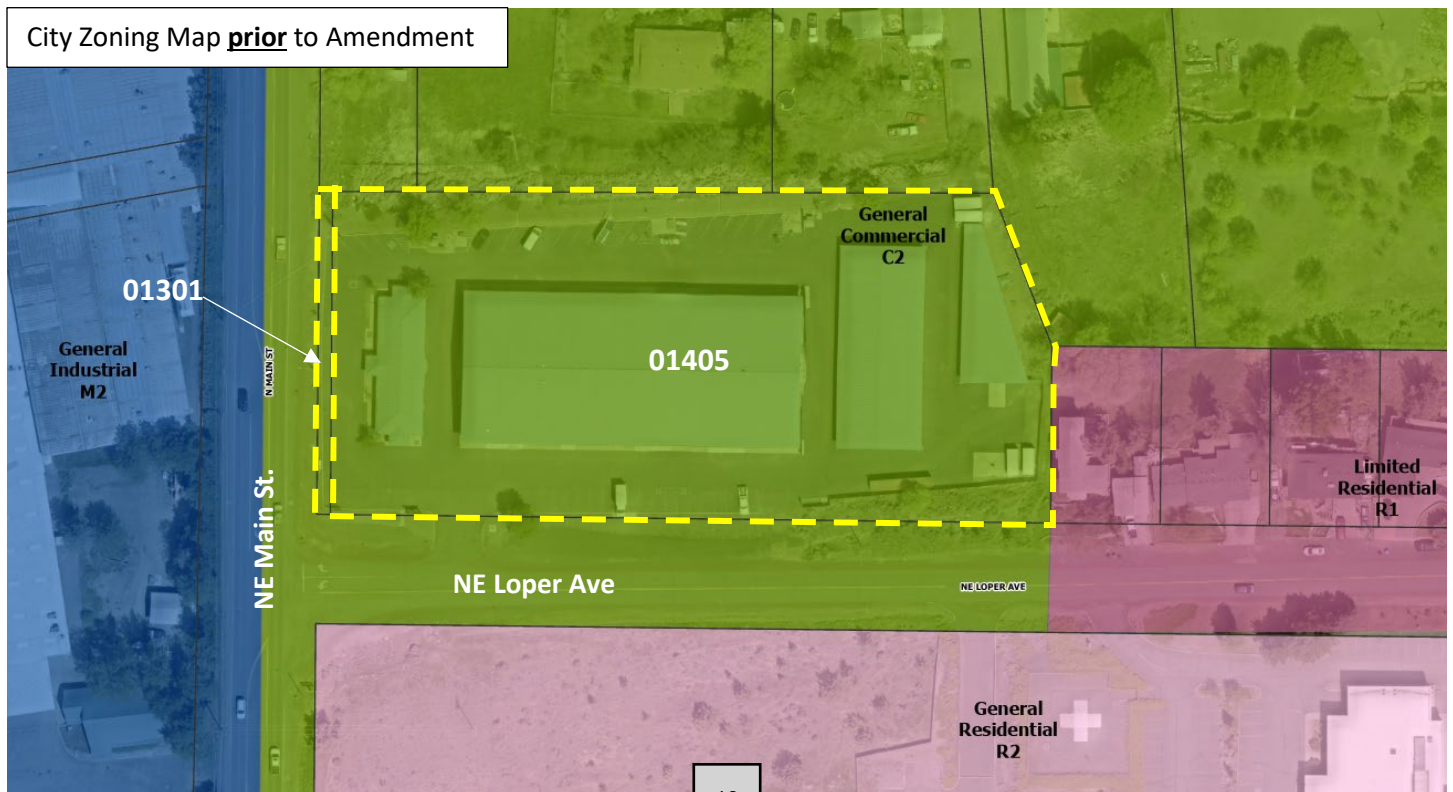
**ZONING:**  
**Rec. Commercial (C5)**  
*changed to*  
**General Residential (R2)**

Map & Tax lots: 141632CB01405 & portion of 141632CB01301

**DESIGNATION:** Open Space/Residential change to Outlying Commercial



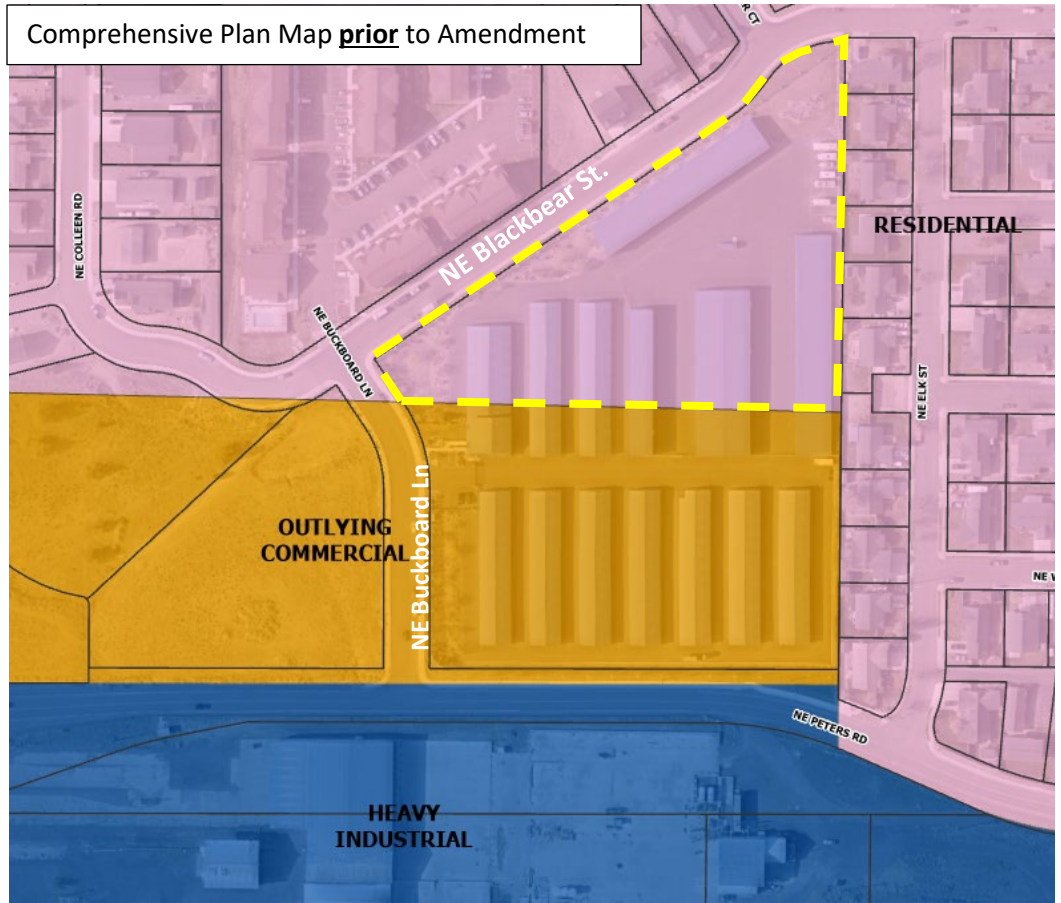
No change in "C2" Zoning



Comprehensive Plan Map prior to Amendment

Map & Tax lot:  
141629CC00105

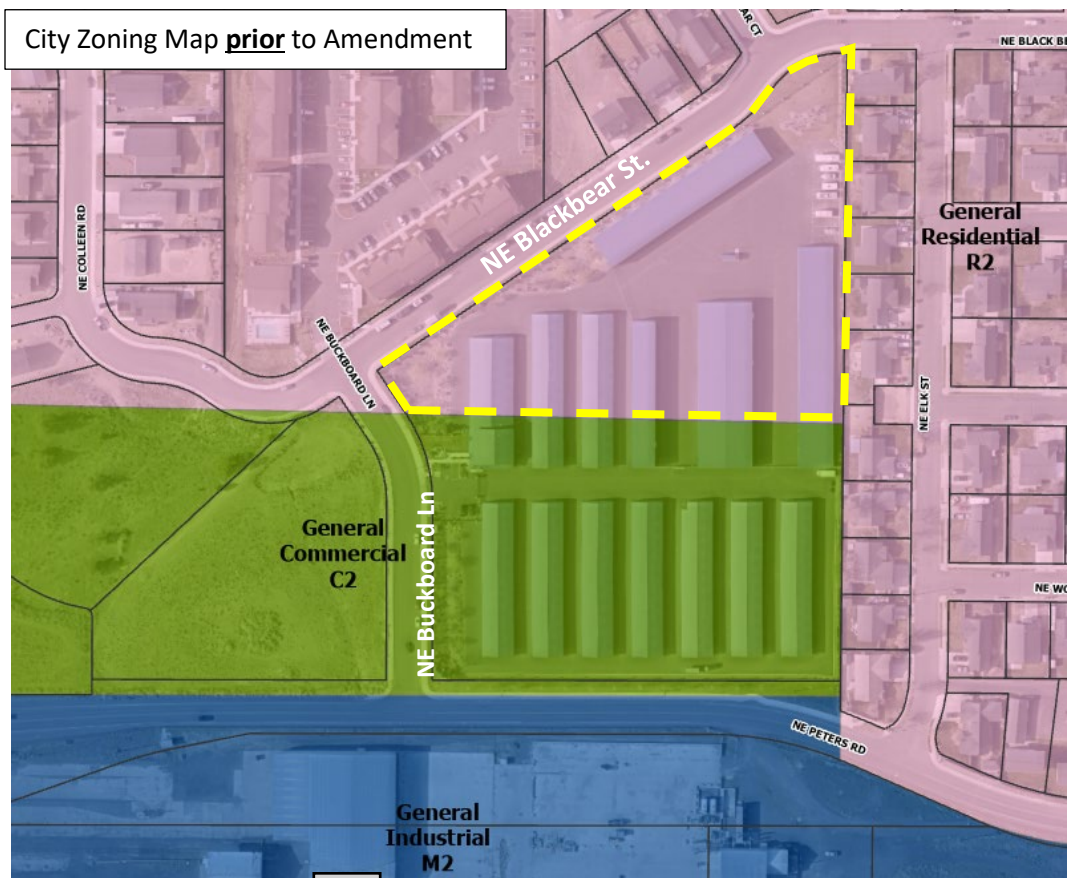
**DESIGNATION:**  
**Residential**  
*changed to*  
**Outlying Commercial**



City Zoning Map prior to Amendment

Map & Tax lot:  
141629CC00105

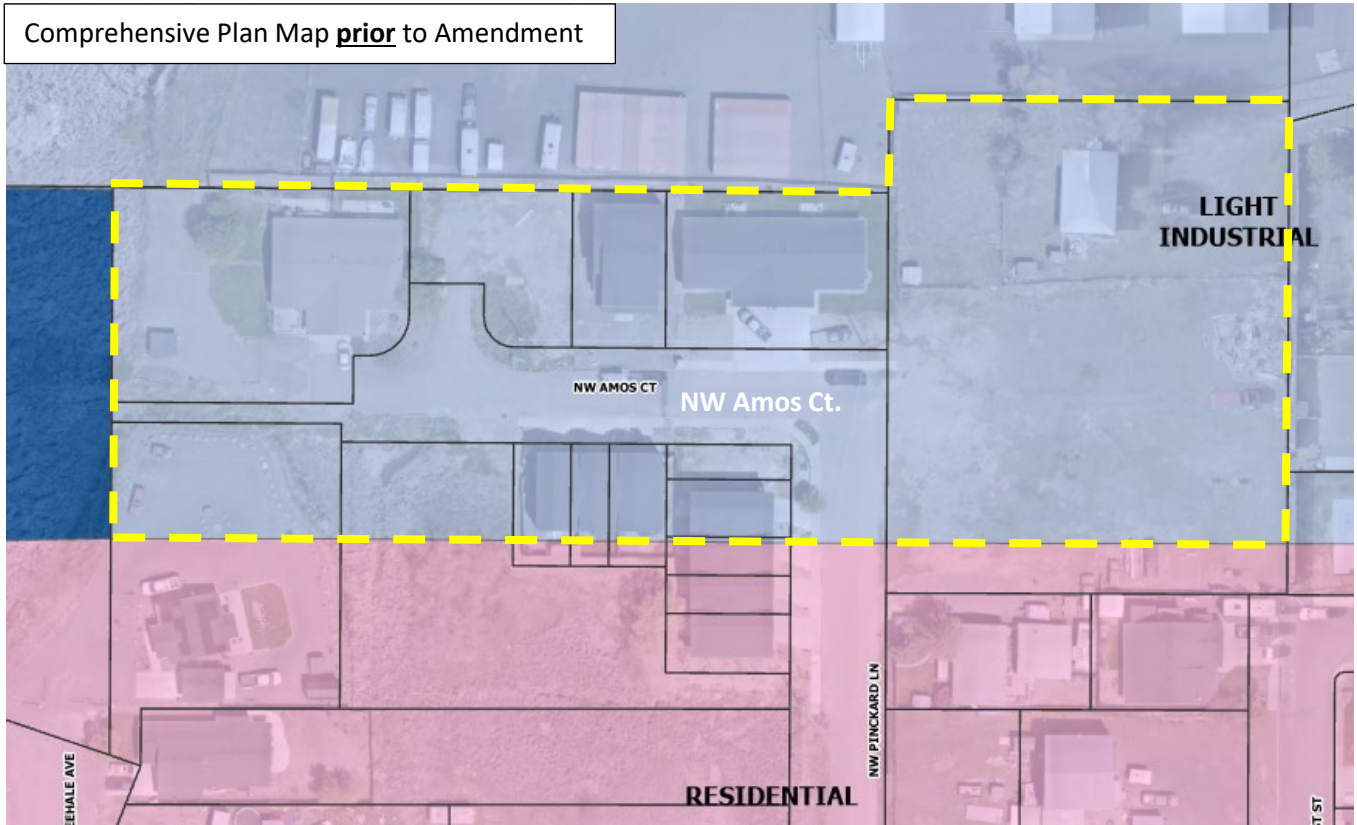
**ZONING:**  
**General Residential (R2)**  
*changed to*  
**General Commercial (C2)**



Map & Tax lots: 141631BD01200, 01700, 01800, 01801, 01900, 02000 – 02005 & 02200

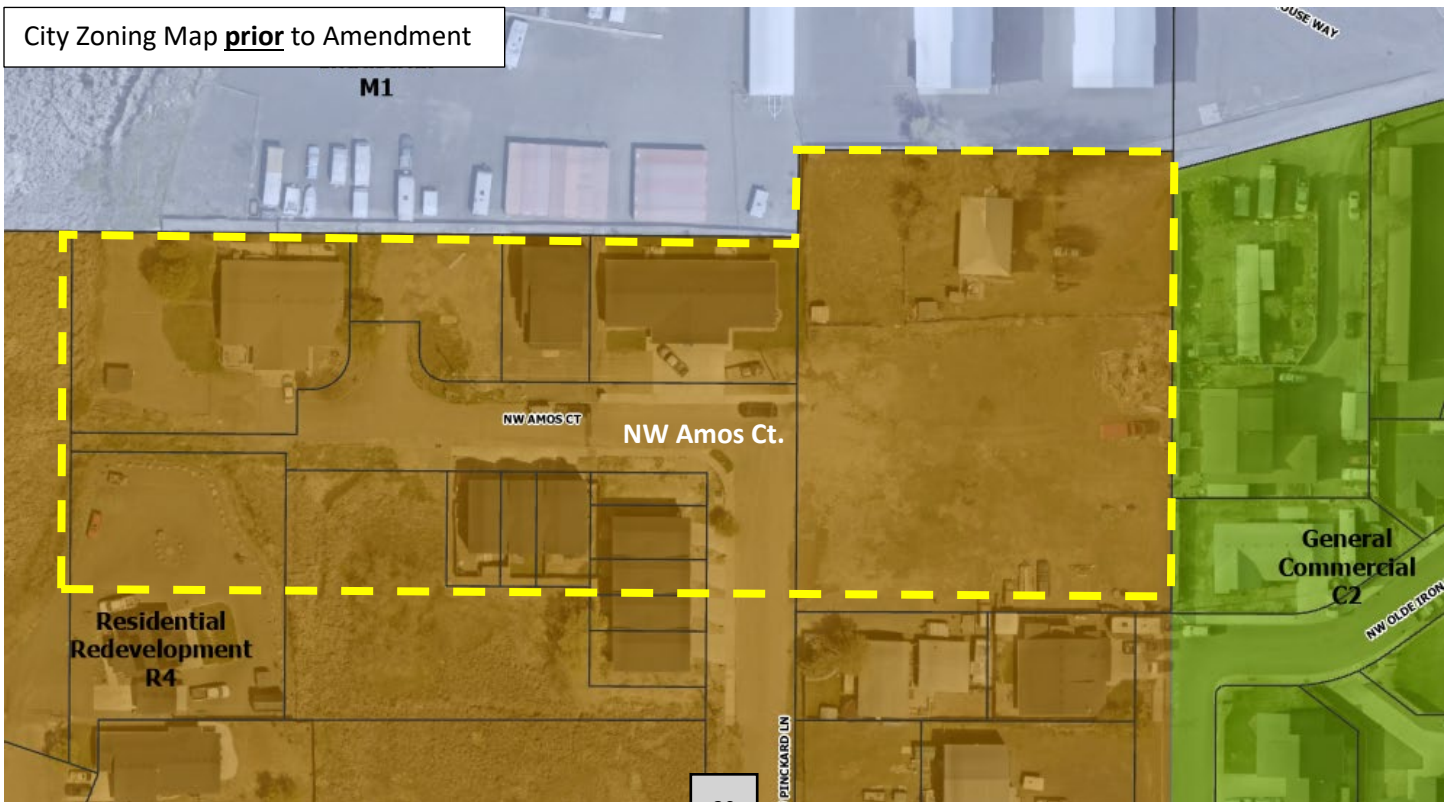
**DESIGNATION:** Light Industrial *change to* Residential

Comprehensive Plan Map **prior** to Amendment



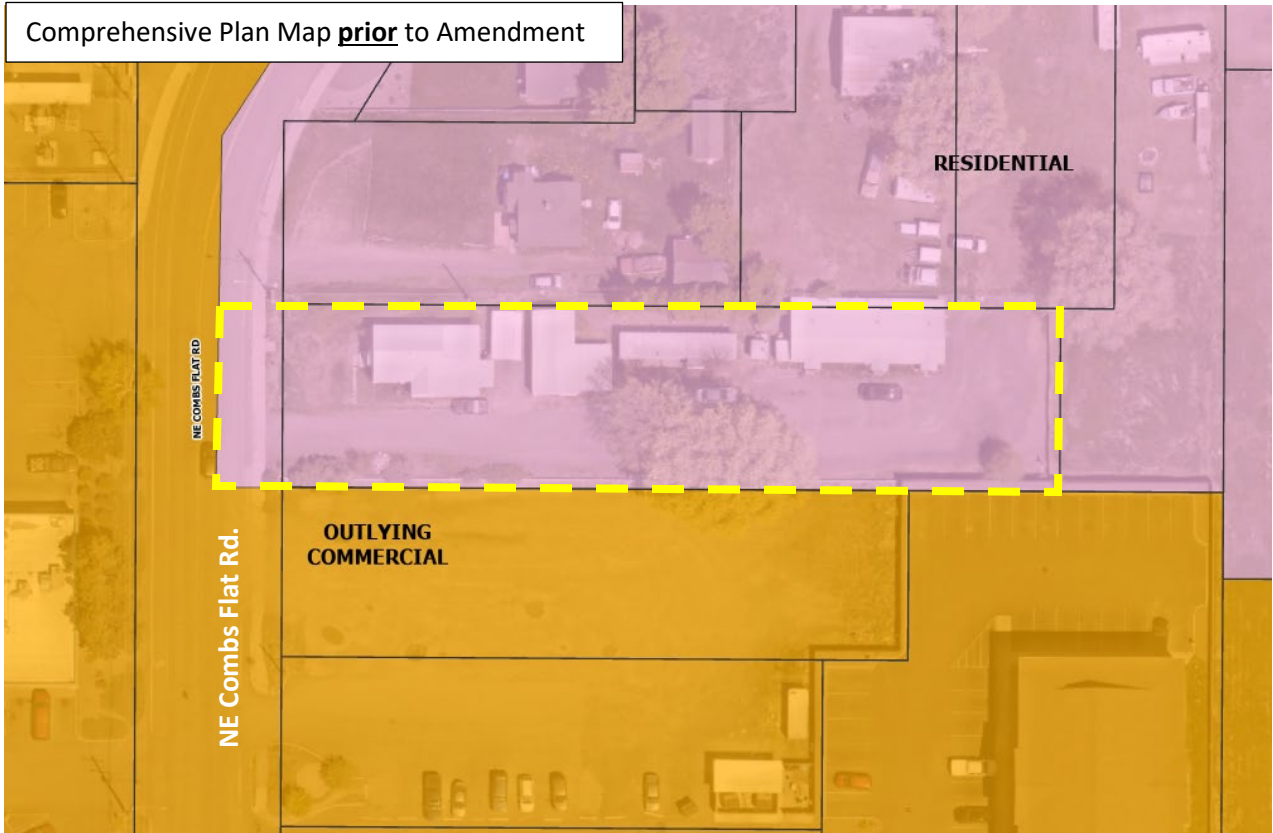
No change in "R4" Zoning

City Zoning Map **prior** to Amendment



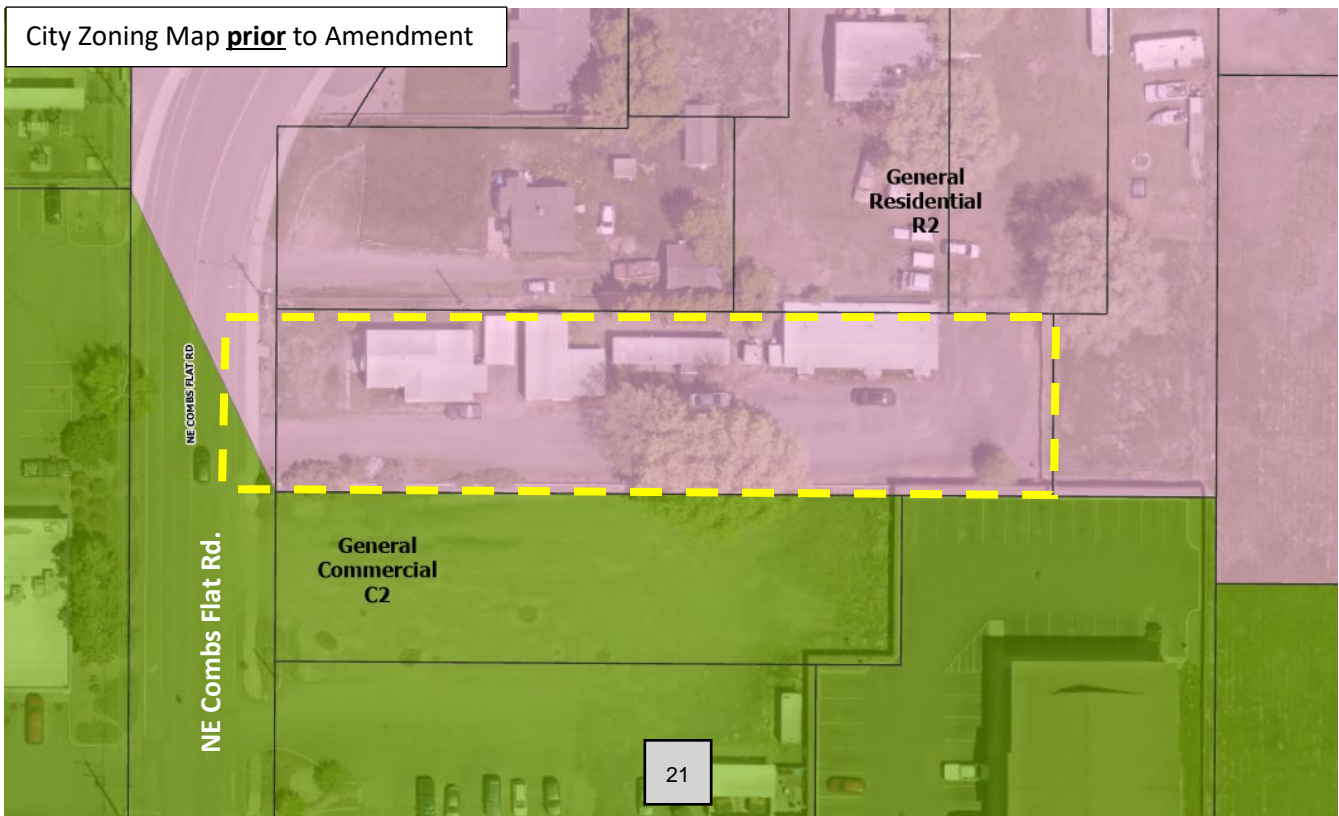
Map & Tax lot: 151604B003300

**DESIGNATION:** Residential *change to* Outlying Commercial



Map & Tax lots: 151605151604B003300

**ZONING:** General Residential (R2) *change to* General Commercial (C2)





**City of Prineville**  
**DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT**  
**PLANNING COMMISSION RECOMMENDATION**

**File No.:** AM-2024-100

**Applicant:** City of Prineville

**Notice to DLCD:** 1/9/2024

**PC Review:** Initial review 1/17/2023, Final review 1/30/2024

**Public Notice:** Newspaper Notice – 2/6/2024  
 Mailed Notice – 1/16/2024

**Public Hearing:** Planning Commission – 2/20/2024  
 City Council Review – 3/12/2024

**Staff:** Joshua Smith,  
 Planning Director

**Proposal:** Legislative Amendments to amend the City’s Comprehensive Plan Map and Zoning Map. The primary purpose of these amendments is to reconcile discrepancies between the Comprehensive Plan Map, Zoning Map and existing uses of multiple properties within the Urban Growth Boundary.

**Applicable Criteria:** ORS – 227 & 197, OAR – 660-015 (Goal 2 & 10), City Comprehensive Plan, Land use Code Chapter 153 sections 153.230 – 153.236 & 153.252, 153.256.030

**Background:**

City zoning works on a two-map system, the Comprehensive Plan Map (Comp Plan) and a Zone Map. The Comp Plan Map provides basic designations of residential, commercial and industrial. The zoning map refines these designations into multiple zones within each designation. In 2007 the City adopted its first Comprehensive plan and map, separating itself from the County. At that time an existing County map from 1984 was used as the base map for the plan instead of the current zoning map. This created discrepancies where the zones do not align with their Comprehensive Plan designations. The 1984 map was of poor quality; therefore, many of the errors are on the zone boundaries where it was difficult to decipher where the line should be. Several areas have already been amended and more will need to be amended. These proposals focus on areas where the current and future use of the property is not in question.

**Findings:**

The following describes each exhibit and the reason for the change.

**Statewide Planning Goal 10, *To provide for the housing needs of citizens of the state.*** - These proposed changes have no impact on the housing capacity of the City. The purpose of these changes is to reconcile discrepancies between the comprehensive plan designation, zoning and existing uses. These discrepancies have created problems with property sales and lending primarily for residential uses. These amendments have no effect on the City’s Housing needs analysis as the changes are on properties that are already zoned residential or have existing residential or commercial developments.

**Area 1** – This area as described on Exhibit A, is designated as “Residential” in the Comprehensive Plan. The area has been zoned commercial for decades, other than a small residential lot associated with the Crystal Springs Subdivision. The Comprehensive plan is proposed to change from “Residential” to “Outlying Commercial” and the zone for the residential lot will change to “General Commercial”. All but tax lot 1000 (BLM building) are in the process of being consolidated. A commercial development has also been approved for the site and this proposed change was a condition of approval.

**Area 2** – This area as described in Exhibit A, is currently zoned residential in the County outside the City limits, but within the UGB. The City’s Comprehensive Plan for this area has a “Heavy Industrial” designation, presumably left over from when the Ochoco Lumber Mill was operating. That mill site has since been re-zoned to “Mixed Use” leaving this area designated for heavy industrial that is inappropriate for the area and the predominate residential uses. It is not likely the City will ever annex this area as heavy industrial and is therefore; proposing to change the Comprehensive Plan designation from “Heavy Industrial” to “Residential” to avoid this issue in the future, as the City grows.

**Area 3** – This area as described in Exhibit A, is currently designated as “Outlying Commercial” in the Comprehensive Plan. The area has been zoned “General Residential” and developed as residential for decades. Due to existing narrow roads and lack of City water, it is unlikely this area will become commercially viable without significant redevelopment. This proposal will change the Comprehensive plan designation for this area to “Residential” to match the current zone.

**Area 4** – This area as described in Exhibit A, is designated as “Residential” in the Comprehensive Plan and zoned Commercial (C2). The “Skate Park” Subdivision of 2016, was knowingly approved on properties that were zoned both residential and commercial. The City’s Commercial (C2) zone allows residential; however, the intent was to correct this zoning in combination with others zone corrections at a later date. The zoning for the five (5) lots that remain in the (C2) zone are proposed to be changed to Residential (R2), to match the use and the rest of the subdivision. The two City owned lots adjacent to the creek will be zone residential, but have a Comprehensive Plan designation of “Open Space”.

**Area 5** – This area as described in Exhibit A, is currently designated as “Outlying Commercial” in the Comprehensive Plan and zoned Recreational Commercial (C5). The “Rivers Edge” subdivision of 2006 was knowingly approved on properties that were zoned both residential and commercial. The majority zone of the original parcel was Residential (R2) and was used to justify the residential subdivision. The zoning for the seven (7) lots and a portion of the open space lot that remain in the (C5) zone are proposed to be changed to Residential (R2) and designated “Residential” on the Comprehensive Plan to match the use and the rest of the subdivision.

**Area 6** – This area as described in Exhibit A, is currently designated as “Open Space” and “Residential” on the Comprehensive Plan Map. The area has been zoned Commercial (C2) since 2004 (*Ordinance 1117*). This proposal will change the Comprehensive Plan Designation to “Outlying Commercial” to match the use and the zone.

**Area 7** – This area as described in Exhibit A, is currently designated as “Residential” on the Comprehensive Plan Map and zoned Residential (R2). The commercial storage facility (*Secure Storage*) was knowingly approved in 2014 on a property that is zoned both residential and commercial. The majority zone of the parcel is Commercial (C2) and was used to justify the Commercial development. The intent was to correct this zoning in combination with others zone corrections at a later date. This proposal will change the Comprehensive Plan Designation to “Outlying Commercial” and the zone to Commercial (C2), to match the use and zoning on the rest of the property.

AM-2024-100  
Amending Zoning and Comp Plan maps

**Area 8** – This area as described in Exhibit A, is currently designated as “Light Industrial” on the Comprehensive Plan Map. The area has been zoned Residential (R4) since at least the late 90’s and is developed as residential. This proposal will change the Comprehensive Plan Designation to “Residential”, to match the uses and current zoning.

**Area 9** – This area as described in Exhibit A, is not a correction and is being added to this process for efficiency purposes. If there is opposition to this change, Area 9 can be removed from this process and reviewed as a separate application. This area is currently zoned Residential (R2) and developed as residential with four older residential units and an unused, defunct single-wide trailer. The property to the south is zoned Commercial (C2) and has a new commercial development. These two lots are relatively narrow; the southern property is interested in purchasing the property for better access and to potentially expand the commercial use in the future. The existing use will remain until redeveloped.

**Planning Commission Conclusions and Recommendation:**

Based on the findings stated above, the Planning Commission finds these changes to be necessary to preserve the integrity of our zoning maps and to prevent any unnecessary hardships for property owners. The Planning Commission recommends adoption of these zone changes as presented.

**EXHIBITS**

Exhibit A - Areas 1-9 show the existing plan designation and zoning for the individual properties and states the proposed change.

Marty Bailey: W M Bailey Date: 2-21-24  
Planning Commission Chair



**RESOLUTION NO. 1590  
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION TO APPROVE THE ESTABLISHMENT OF A SCHOOL SUPPORT  
FEE OF 15%**

**Whereas,** HB 2009 (2023) was passed in 2023 and became part of ORS 285C.067.

**Whereas,** HB 2009 (2023) requires the governing body of each school district along with the governing body of the zone sponsor to set a rate for the school support fee imposed pursuant to Section 48(2) and 51(2) of HB 2009 (2023).

**Whereas,** this rate must be at least 15 percent and not more than 30 percent.

**Whereas,** the Crook County School District has coordinated with the governing body of the City of Prineville and Crook County to set the rate.

**Whereas,** by November 1<sup>st</sup> in any applicable year, the districts shall send to the business firm a notice of the required fee, with a due date not later than December 31<sup>st</sup> of the same year.

**Whereas,** by December 1<sup>st</sup> in any applicable year, the districts shall send to the business firm a notice of the required fee, with a due date not later than December 31 of the same year.

**Whereas,** the districts shall be responsible for making refunds to business firms of overpayments.

**Whereas,** if a fee payment is delinquent for more than 60 days following the date of delinquency or any later date allowed for curing the delinquency, the Board shall give written notice of the delinquency to the business firm and the assessor of the county.

**Now, Therefore, the City of Prineville Resolves as follows:**

1. The City of Prineville, as part of the governing body of the Crook County Enterprise Zone establishes the rate of the school support fee of 15 percent.

Approved by the City Council this \_\_\_\_ day of March, 2024.

\_\_\_\_\_  
Rodney J. Beebe, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Morgan, City Recorder

## AGENDA ITEM REQUEST



**Date:**

March 14, 2024

**Meeting date desired:**

March 20, 2024

**Subject:**

This request is to consider and adopt a resolution to set the Enterprise Zone School Support Fee as required by House Bill 2009, passed in 2023 state legislative session. EDCO is recommending that the County sign off on the 15% fee, as passed by the Crook County School District Board.

**Background and policy implications:**

HB 2009 was passed and signed into law requiring a School Support Fee to be set by local school districts and charged to businesses utilizing the enterprise zones (SEZ) and long-term rural enterprise zones (LTREZ). CCSD's school board voted on 15% and Zone Sponsors (City and County) must pass their own resolutions in alignment.

**Budget/fiscal impacts:**

N/A - this will not impact the County's current budget. The fee is paid to the local school district in years 4 and 5 (SEZ) or 6-15 (LTREZ) by businesses utilizing the Crook County Enterprise Zone.

**Requested by:**

Kelsey Lucas | Prineville/Crook County Sr. Director | Economic Development for Central Oregon (EDCO) | kelsey@edcoinfo.com | 541.213.3169

**Presenters:**

Kelsey Lucas | Prineville/Crook County Sr. Director

**Legal review (only if requested):**

None following meeting, drafted County resolution to be considered on the meeting date and signed by Commission.

**Elected official sponsor (if applicable):**

N/A



HB



ENTERPRISE ZONE



SCHOOL SUPPORT FEE



2009



# WHAT IS THE SCHOOL SUPPORT FEE?

During the 2023 Legislative Session, House Bill 2009 was passed and signed into law. The bill included provisions that created a new “School Support Fee” to be paid to school districts by businesses who are granted property tax exemptions in both standard enterprise zones (SEZ) and long-term rural enterprise zones (LTREZ). These support fees are a payment in lieu of property tax that applies to years 4 and 5 of a SEZ and years 6 to 15 of a LTREZ. These support fees can be set by each district in the amount of 15%-30% and will be paid to the school district as district local revenue in the State School Funding formula. Moreover, the fee money will not benefit the school district’s budget, in that its State School Fund distribution is reduced dollar for dollar.

ENTERPRISE ZONE PROGRAM -	STANDARD	LONG-TERM RURAL FACILITY
WHEN K-12 SCHOOL DISTRICT INVOICES BUSINESS TO ANNUALLY COLLECT FEE	IN YEAR 4 AND 5	IN YEARS 6 THROUGH 15
THUS, LIKELY NOT TO BEGIN BEFORE	2028	2030

# WHO PAYS THE SCHOOL SUPPORT FEE?

The school support fee is paid directly to the district by the company receiving the extended (4-5 year) or long-term abatement (6-15 year). The district is required to invoice the company based on the annual tax savings calculated by the county in years four and five or six-plus. The governing body of the zone sponsor, EDCO, will work with the County Assessor's office to provide the district with all information necessary for the district to collect the fee.

# WHY IS THE 15% SCHOOL SUPPORT FEE RECOMMENDED?

Lower net temporary financial incentive (property tax abatement) is less attractive to companies to invest and create jobs locally. Higher net cost of investment yields:

- Lower incentive for existing companies to grow and add jobs
- Lower incentive for job-creators to move to Crook County
- Lower incentive for entrepreneurs to start new companies in Crook County
  - Fewer entrepreneurs attracted to Crook County – who create opportunities
  - Fewer jobs created
  - Lower taxable assets / lower property tax revenue for our community
  - Fewer students yielding lower school district revenue

# WHAT HAPPENS IF THE FEE IS NOT PAID BY THE BUSINESS?

If the company does not pay the school fee within 60 days of the due date, the school board is required to give written notice to the company and the County Assessor of the delinquency. If the company does not pay the school fee, including relevant penalties and interest charges, they forfeit the remaining years of their abatement and are liable to pay the full amount of property taxes they were originally supposed to pay for the remaining period of the extended abatement.



# THANK YOU



Kelsey Lucas,  
***Prineville/Crook County Director***



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