



MEMORANDUM

**TO:** Deschutes County Planning Commission

**FROM:** Nick Lelack, AICP, Director  
Peter Gutowsky, AICP, Planning Manager

**DATE:** January 7, 2021

**SUBJECT:** Deschutes 2040 / Orientation to Statewide Planning Goal 8

**I. Background**

The Community Development Department (CDD) anticipates initiating a Deschutes County Comprehensive Plan Update (Deschutes 2040) in Fall 2021. Staff prepared a seven-month, 12-part orientation for the Planning Commission to familiarize itself with the Statewide Planning Goals and their relationship to noteworthy state statutes (ORSs), administrative rules (OARs), Comprehensive Plan Sections, implementing codes, and issues emerging since 2010. More information is available at [www.deschutes.org/Plan2040](http://www.deschutes.org/Plan2040). Table 1 lists the Planning Commission work session dates for the Statewide Planning Goals. The February or March dates may be modified to accommodate an annual joint meeting with the Board of County Commissioners (Board). This is part 7 of 12 of the orientation series.

**Table 1 – Planning Commission Work Session Dates & Discussion Topics**

<i>Dates</i>	<i>Statewide Planning Goals</i>
September 10	<b>Oregon Land Use Program Overview</b>
September 24	<b>Goal 1 - Citizen Involvement</b> <b>Goal 2 - Land Use Planning</b>
October 8	<b>Goal 3 - Agricultural Lands</b> <b>Goal 4 - Forest Lands</b>
October 22	<b>Goal 5 - Natural Resources, Scenic and Historic Areas, and Open Spaces (PART 1 - Water Resources, Wildlife)</b>
November 12	<b>Goal 5 - Natural Resources, Scenic and Historic Areas, and Open Spaces (PART 2 - Scenic and Open Spaces and Historic Resources)</b> <b>Goal 5 - Natural Resources, Scenic and Historic Areas, and Open Spaces (PART 3 - Mineral and Aggregate Resources)</b>
December 10	<b>Goal 6 - Air, Water, and Land Resources Quality</b> <b>Goal 7 - Areas Subject to Natural Hazards</b>
January 14	<b>Goal 8 - Recreational Needs</b>

January 28	<b>Goal 9 - Economic Development</b>
February 11	<b>Goal 10 - Housing</b> <b>Goal 11 - Public Facilities and Services</b>
February 25	<b>Goal 12 - Transportation</b>
March 11	<b>Goal 13 - Energy Conservation</b> <b>Goal 14 - Urbanization</b>
March 25	<b>Recap / Annual Work Plan Work Session - Discussion</b>

## II. Statewide Planning Goal 8

### Goal 8 – Recreation Needs

Goal 8 requires local governments to plan for the recreation needs of their residents and visitors. The goal places priority on non-motorized forms of recreation and recreation areas that serve high-density populations with limited transportation options and limited financial resources. It also prioritizes recreation areas that are free or available at a low cost to the public. Oregon Administrative Rule (OAR) 660, Division 34 addresses recreation, however local governments are not required to provide park and recreation services.

In 1994, Goal 8 was amended to include information on small and large destination resorts. Destination resorts are self-contained developments that provide visitor-oriented lodging and developed recreational facilities in a setting with high natural amenities. There are specific definitions and statutes relating to the creation of destination resorts. ORS 197.435 to 197.467.<sup>1</sup>

## III. Deschutes County Comprehensive Plan

### Sections 3.8 – Rural Recreation

Section 3.8 discusses recreational tourism and highlights Central Oregon Visitors Association’s (COVA) 2008 tourism projections (Attachment 1). Their most recent annual report in 2018 highlights:

- 4.3 million overnight visitors in 2015 with an average daily spend of \$205 per visitor, per day;
- Central Oregon tourism employs 9,400 residents, up 1.85%; generating nearly \$1.2 billion in regional economic impacts;<sup>2</sup> and
- Deschutes County Transient Room Tax (TRT), a portion of which funds COVA’s regional destination marketing programs, is collected from overnight accommodations outside of the incorporated cities of Bend, Redmond, Sisters and La Pine. In fiscal year 2018, COVA received over \$7 million.<sup>3</sup>

<sup>1</sup> [https://www.oregonlegislature.gov/bills\\_laws/ors/ors197.html](https://www.oregonlegislature.gov/bills_laws/ors/ors197.html).

<sup>2</sup> <https://industry.visitcentraloregon.com/wp-content/uploads/2018/10/COVA-Annual-Report-2018-1.pdf>. Page 5. Central Oregon consists of Deschutes, Crook, Jefferson and south Wasco counties.

<sup>3</sup> Ibid. Page 7.

This section also summarizes recreational assets and opportunities on federal lands within the Deschutes National Forest (DNF) and Bureau of Land Management (BLM) and state lands.<sup>4</sup> Deschutes County does not have a parks department. Instead it coordinates with federal and state agencies and local park districts that provide park and recreational opportunities.<sup>5</sup>

Title 18, Deschutes County Zoning, does not have specific regulations addressing public recreation. The Comprehensive Plan's Recreational Needs Goals and Policies recognize among others:

- Work cooperatively with public agencies to promote standards for consolidation of public land access and to ensure recreational entry to those lands, especially along rivers and streams.
- Participate in federal recreation planning on federal lands and state park planning on state lands.
- Coordinate trail design and funding with transportation system plans and support efforts to provide and manage rural trail segments and bicycle routes.

Since the Comprehensive Plan was last updated in 2010, three issues have emerged in relation to recreational needs.

- Sisters Country Vision Action Plan / Implementation for Rural Trails. CDD was recently awarded a \$75,000 Transportation Growth Management (TGM) grant. One of the two project elements will identify and prioritize equestrian, bicycle, and pedestrian trails to add to the bicycle / pedestrian section of the Deschutes County Transportation System Plan (TSP).<sup>6</sup>
- Wilderness Permits. Some trailheads in the Deschutes National Forest will require a user permit. The initial rollout of the permitting system was planned for April 7, 2020, but was delayed due to COVID-19. The new permitting system will affect day use on 19 trailheads and overnight use on over 90 trailheads in the Central Cascades. The entry permit system is intended to prevent the overuse of wilderness areas, trailheads and designated parking.
- Smith Rock State Park / Overflow Parking Concerns. Travel Oregon defined the 7 Wonders of Oregon in 2014, when the state agency announced a campaign promoting Crater Lake, Painted Hills, Smith Rock, the Willamette, Mt. Hood, Columbia River Gorge and Oregon Coast on television and in movie theaters.<sup>7</sup> Smith Rock State Park has experienced a steady increase in visitation, now attracting approximately 1 million visitors every year. Earlier this summer, the Oregon Parks and Recreation Department (OPRD), County Road Department and Board met to discuss parking plans

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<sup>4</sup> Deschutes County contains five state parks: Cline Falls State Scenic Viewpoint, La Pine State Park, Pilot Butte State Scenic Viewpoint, Smith Rock State Park, and Tumalo State Park.

<sup>5</sup> There are four local park and recreation special service districts in Deschutes County, governed by an elected Board of Directors: Bend Park and Recreation District, La Pine Park and Recreation District, Redmond Area Park and Recreation District, and Sisters Park and Recreation District.

<sup>6</sup> The Sisters Country Vision Action Plan (2019) calls for an expanded trail system under the Livability section, Strategy 4. This project will support efforts by the Sisters National Trail Alliance (STA) and the US National Forest (USFS) to expand and integrate equestrian, biking and hiking trails within Sisters Country and connections to down Sisters and potentially, links between Sisters, Tumalo, Bend, and Redmond.

<sup>7</sup> <https://traveloregon.com/things-to-do/trip-ideas/7-wonders/>

to alleviate overflow parking concerns of nearby Terrebonne residents. Conversations are ongoing. A newly formed neighborhood association, the Terrebonne Neighborhood Alliance, is exploring an interim solution, even creating a petition in an attempt to generate support.

In addition, the Planning Division's FY 2020-21 Work Plan includes an action item to "consider adding a natural resource stewardship position or services to inventory assets and uses/trails, wildlife, rare Oregon plants on County owned lands, oversee conservation easements, etc." The Division will seek Board direction on whether to initiate the project in late January and in coordination with County Administration and the County Forester.

### **Sections 3.9 – Destination Resorts**

Section 3.9 discusses destination resorts, starting with the origins of the state legislation in 1989 (Attachment 2). A destination resort chapter was added to the Deschutes County Comprehensive Plan in 1992 at the request of Eagle Crest Resort.<sup>8</sup> Under state law, destination resorts are only allowed in areas designated on a county destination resort map. ORS 197.455(2). In 1992, the County supplemented the state's criteria by excluding large agricultural and forest parcels and resource lands within one mile of an Urban Growth Boundary (UGB). During periodic review, the mapping was done in a phased sequence, based on pending farm and forest studies. Additionally, as a result of a court case, lands within three miles of the county border were also excluded since most of the lands in Jefferson and Crook counties had not yet been evaluated. At that time, it could not be demonstrated they contained high-value crop areas excluded by Statewide Planning Goal 8 and Oregon Revised Statutes (ORS). If a property was not excluded from the map by state or county criteria, it was automatically designated beginning in 1992 on Deschutes County's Destination Resort Overlay Zone Map. This map designated 112,448 eligible acres for siting a resort.<sup>9</sup> Deschutes County Code (DCC) Chapter 18.113, Destination Resort, regulates destination resort development.

Deschutes County has four destination resorts, the most of any county in the state.<sup>10</sup> Originally, an acknowledged destination resort map could only be amended during a state periodic review process. That changed when the Oregon Legislature amended state statute exempting counties from periodic review.<sup>11</sup> New language was added to Goal 8 and statute in 2005 allowing counties to remap not more than every 30 months. Remapping is dependent on creating a process for collecting and processing all map amendments made within a 30-month planning period. Deschutes County completed that process in 2010 and updated its Destination Resort Overlay Zone Map in 2011. This map, which has only been amended once, now identifies 22,000 eligible acres for siting a resort. Caldera Springs, a 390-acre destination resort, took

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<sup>8</sup> Eagle Crest Resort Phase 1 preceded the State's destination resort legislation. It was approved in 1981 under County Code as a resort. Phases 2 and 3 were subsequently entitled as a Goal 8 Destination Resort.

<sup>9</sup> A vast majority were unsuitable for resort development because they were irreversibly committed to platted subdivisions, rural residential development or small lots. Under state law, the minimum area for a destination resort is 160 acres.

<sup>10</sup> Eagle Crest was Deschutes County's first destination resort, followed by Pronghorn, Caldera Springs and Tetherow. A fifth resort, Thornburgh, although it has received conceptual and final master plan approval, remains mired in litigation.

<sup>11</sup> Periodic Review is a term used in Oregon law to describe the periodic evaluation and revision of a local comprehensive plan. Since 1981, state law (ORS 197.628 - 636) has called for cities and counties to review their comprehensive plans according to a periodic schedule established by the Land Conservation and Development Commission (LCDC). In 2003, the Legislature eliminated Periodic Review requirement for counties by passing SB 920.

advantage of this map amendment in 2015 by expanding its conceptual and final master plans to include an adjacent 614-acre property.

Every year each destination resort must submit documentation demonstrating compliance with their overnight lodging unit (OLU) requirements. Last year's 2019 annual reports are attached (Attachment 3). In 2016, the Board adopted a text amendment initiated by Eagle Crest Resort. Eagle Crest is required to annually account for one overnight lodging unit for every 2.5 residential units, a 2.5:1 ratio. Eagle Crest has 1,911 residential units (as platted residential lots) and 430 overnight units (as hotel, timeshare, and fractional ownership units) that meet county code, for a ratio of 4.44 residential units per a single overnight unit. To comply with the 2.5 to 1 overnight lodging ratio, Eagle Crest initiated a text amendment to Deschutes County's destination resort code which were subsequently codified in Ordinance 2016-003.

Under Ordinance 2016-003, which became effective in April 2016, overnight lodging units are documented through a monthly review of the Eagle Crest central reservation system as well as third-party websites, e.g., VRBO, Flipkey, Homeaway, that advertise individually owned units available for overnight stays. Eagle Crest is required to document the weeks the units are advertised as being available and count as overnight units that meet or exceed the 38-week minimum. Ordinance 2016-003 also includes a compliance fee that provides the County with a remedy to recoup Transient Lodging Tax (TLT) each year in the event the reporting mechanism revealed a shortfall in meeting the overnight lodging ratio, i.e., one overnight lodging unit for each 2.5 platted lots. After documenting Eagle Crest's central reservation system and third-party websites, if the Resort is deficient of the required units, the Resort is assessed a compliance fee equivalent to the lost transient lodging tax the county would have collected from those units.<sup>12</sup>

Destination Resort Goals and Policies recognize among others:

- Destination resorts shall only be allowed within areas shown on the "Deschutes County Destination Resort Map" and when the resort complies with the requirements of Goal 8, ORS 197.435 to 197.467, and Deschutes County Code 18.113.
- The zoning ordinance shall include measures that assure that developed recreational facilities, visitor-oriented accommodations and key facilities intended to serve the entire development are physically provided or are guaranteed through surety bonding or substantially equivalent financial assurances prior to closure of sale of individual lots or units. In phased developments, developed recreational facilities and other key facilitated intended to serve a particular phase shall be constructed prior to sales in that phase or guaranteed through surety bonding.

Looking forward to Deschutes 2040, new destination resorts will no longer be eligible in Deschutes County when the City of Bend UGB reaches 100,000. Comprehensive Plan Policy 3.9.3(a)(1), which is consistent with ORS 197.455(1)(a) states:

- To assure that resort development does not conflict with the objectives of other Statewide Planning Goals, destination resorts shall pursuant to Goal 8 not be sited in Deschutes County in the following areas:

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<sup>12</sup> Eagle Crest Resort paid a compliance fee in 2016, 2017, 2018 and 2019. The amounts were \$81,609, \$92,865, \$105,380, and \$100,569 respectively.

Within 24 air miles of an Urban Growth Boundary with an existing population of 100,000 or more unless residential uses are limited to those necessary for the staff and management of the resort.

Portland State University's Population Research Center is an interdisciplinary public service, research, and training unit for population-related data and research for the State of Oregon. The 2020 forecast for the City of Bend, certified on December 15, was 92,840.<sup>13</sup>

Attachments:

1. Comprehensive Plan Section 3.8
2. Comprehensive Plan Section 3.9
3. Destination Resort Annual OLU reports

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<sup>13</sup> <https://www.pdx.edu/population-research/population-estimate-reports>.

## Section 3.8 Rural Recreation

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### **Background**

Recreation is an important quality of life issue for Deschutes County and recreational tourism is an important part of the economy (see Section 3.4). Both residents and visitors are drawn by the extensive public lands, seasonal climate and wide variety of activities and settings. Recreation opportunities include places set aside for specific activities such as campgrounds or sports fields as well as passive spaces such as natural areas. The primary focus of recreation in rural Deschutes County is outdoor recreation.

Outdoor activities promote healthy communities by encouraging people to enjoy an active lifestyle and by providing opportunities to reconnect with the natural world. The Central Oregon Visitor Association, a regional voice for the tourist industry, reported in their 2008 Annual Report that 2.5 million visitors came to Central Oregon in 2006, approximately 60% of whom were here for destination resort vacation travel. That report showed that in 2007 travel impacts for Deschutes County totaled over \$470 million and supported over 5,400 jobs.

The Oregon Parks and Recreation Department is the agency responsible for overall coordination on park planning. That agency regularly produces a Statewide Comprehensive Outdoor Recreation Plan (SCORP) which helps in planning and ranking recreation needs.

Statewide Planning Goal 8, Recreation and Oregon Administrative Rule (OAR) 660-034 address recreation, but do not require local governments to provide park and recreation services. The County does not have a parks department. Instead it coordinates with the federal and state agencies, local park districts and private entities that provide park and recreational opportunities. Coordination assures that resources are used efficiently and duplication is avoided.

### **Federal Recreation**

#### *Recreation Opportunities on Federal Lands*

The federal government, primarily the U.S. Forest Service and Bureau of Land Management, govern over 76% of the lands in the Deschutes County. Those lands are managed for a mix of uses, including recreation. They provide opportunities for a wide variety of outdoor activities such as hiking, hunting, off-road vehicle riding, rock climbing, kayaking or skiing.

#### *Deschutes National Forest - Sustainable Recreation*

The Deschutes National Forest is developing a strategy for sustainable recreation. A national team has been working on this concept and has drafted a framework. Recreational lands provide an opportunity to improve health through physical activity, contribute to local economies, provide needed environmental services such as clean water and preserve important national treasures.

At the same time, there are unprecedented challenges to providing quality recreation, including deteriorating recreation facilities, degraded natural areas, growth in demand for recreational spaces and facilities and inadequate funding.

By focusing on the three spheres that frame sustainability - environmental, social and economic, and investing in a community's ability to lead, a recreation program for the Deschutes National Forest has the potential to greatly contribute to the agency's mission.

The majority of the National Forest lands are available for outdoor recreation including the defined areas listed below.

- Winter Recreation Areas – such as Crescent Lake Area, McKenzie Pass Area or Three Creek Lake Area
- Resorts with Special Use Permits from the Deschutes National Forest such as Cultus Lake Resort, Elk Lake Resort or Paulina Lake Resort
- Three Sisters Wilderness Area

#### *Bureau of Land Management (BLM)*

The Upper Deschutes Resource Management Plan was completed by the Bureau of Land Management in 2005. The Plan directs management of approximately 400,000 acres of land in Central Oregon. It describes the overall vision and goals for the planning area and includes area-specific plans and objectives.

The majority of the Bureau of Land Management lands are available for outdoor recreation including the defined areas listed below.

- Recreation Areas – such as Cline Buttes Recreation Area, La Pine Recreation Area or Millican Valley OHV Area
- Oregon Badlands Wilderness Area

#### *Other Federal Recreation Sites*

The Newberry National Volcanic Monument Comprehensive Management Plan covers the Newberry National Volcanic and Newberry Crater National Monuments. The Upper Deschutes Wild and Scenic River and State Scenic Waterway Comprehensive Management Plan governs the federal and state wild and scenic rivers (Upper Deschutes River, Upper Whychus Creek).

### **State Recreation**

#### *Oregon Statewide Comprehensive Outdoor Recreation Plan (SCORP)*

The SCORP, prepared by the Oregon Parks and Recreation Department (ORPD) was most recently completed and accepted by the National Park Service in 2008. The plan constitutes Oregon's five-year plan for outdoor recreation (2008-2012). It also provides guidance for the Land and Water Conservation Fund (LWCF), a federal program that provides grants to state and local governments for land acquisition for outdoor recreation, and other ORPD grant programs. In most years, all states receive LWCF grant funds based on a national formula, with state population being the most influential factor. To qualify for statewide LWCF funding, each state must prepare a SCORP every five years. The primary purpose of the SCORP is to provide recommendations to the Oregon State Park System operations, administration, planning, development, and recreation programs. It also provides guidance for other ORPD-administered grant programs including the Local Grant, County Opportunity Grant, Recreational Trails and All-Terrain Vehicle Programs.

Oregon's Scenic Waterways Act declares recreation, fish, and wildlife as the highest and best water uses in scenic waterways (ORS 390. 835 (1)). The Scenic Waterways Act and case law govern protection of these areas.



### *State Parks*

- Cline Falls State Scenic Viewpoint
- La Pine State Park
- Pilot Butte State Scenic Viewpoint
- Smith Rock State Park (Internationally acclaimed rock climbing site)
- Tumalo State Park

### *Oregon Scenic Waterways*

- Upper Deschutes River (segments)
- Middle Deschutes River (segments)

### *Oregon Scenic Byways*

- Cascade Lakes Scenic Byway
- McKenzie Pass – Santiam Pass Scenic Byway

## **Local Recreation**

There are four local park and recreation special service districts established in Deschutes County. Each is governed by an elected five member Board of Directors. Together they provide a variety of parks and recreational programs for their respective communities.

### *Bend Park and Recreation District*

Bend Park and Recreation District maintains and operates more than 2,000 acres of developed and undeveloped parkland, that includes 74 parks and open spaces and 56 miles of trails. Over 770 recreation programs are offered and a number of special community events are held. In 2006, Bend Park and Recreation District received the National Gold Medal Award for excellence in Park and Recreation management. This award is given to the best park and recreation agency in the nation for its population category.

### *La Pine Park and Recreation District*

The La Pine Park and Recreation District was established in 1990 and covers 85 square miles in south Deschutes County, including the City of La Pine. The first Board of Directors was elected at the time of formation, but a tax rate was not established or approved by voters until May, 2009. Before the tax was approved the district was managed by committed volunteers. The first director was hired in January, 2010 allowing the district to build a solid foundation for future growth.

### *Redmond Area Park and Recreation District*

Redmond Area Park and Recreation District was established in 1975. The district's facilities include the Cascade Swim Center (CSC) and CSC Park, the RAPRD Activity Center, the High Desert Sports Complex, Borden Beck Park, and undeveloped parks at Majestic Ridge in Redmond and outside the city limits at Tetherow Crossing. The district sponsors a wide variety of recreation programs.

### *Sisters Park and Recreation District*

The Sisters Park & Recreation District was established in 1998 under the name of an earlier non-profit called Sisters Organization of Activities and Recreation (SOAR). The district serves Sisters and the outlying areas of about 14,000 residents. In 2009 the name of the organization was changed from SOAR to Sisters Park & Recreation District.

## **County Parks**

The only public parks the County maintains are a section of the County Fairgrounds and the Worrell Wayside in downtown Bend. However, although there is no County parks department, there are County-owned properties which are designated as park lands. Starting in 1994 the County began to designate certain sensitive properties along rivers, creeks or streams or with wildlife, wetlands or other values, as park lands. The intent was not to develop these lands for park use but rather to preserve lands with valuable resources. The park designation means that the lands would be retained in public ownership unless there was a public hearing and the Board of County Commissioners determined that selling was in the best interest of the public. ORS 275.330 governs the disposal of these lands, stating that if they are sold the proceeds must be dedicated to park or recreation purposes. As of 2009, there were approximately 70 properties designated as park lands. These lands were designated to protect resources such as water, wildlife or rivers (see Section 1.3).

## **Private Recreation**

Private recreational sites are generally open to the public for a fee. They include destination resorts (see Section 3.9) and resort communities (see Section 4.7). Additionally there are 23 golf courses within an hour of Bend/Sunriver including award-winning layouts designed by Jack Nicklaus, Tom Fazio, David McLay Kidd, Peter Jacobsen and Tom Doak.

A different type of recreation is provided by the High Desert Museum. The nationally acclaimed High Desert Museum is dedicated to broadening the understanding of the High Desert's wildlife, culture, art and natural resources. In doing so, it strives to promote thoughtful decision making to sustain the region's natural and cultural heritage.

## **Notable Local Sites and Activities**

The following are just a sample of the sites and activities available in Deschutes County.

### *Mt. Bachelor*

Mt. Bachelor Ski Resort with a summit of over 9,000 feet, has over 3,700 acres of varied terrain for skiers, snowboarders and Nordic skiers. Mt. Bachelor also offers restaurants, ski shops and numerous activities, from snowshoeing in the winter to hiking in the summer.

### *Phil's Trailhead System (Central Oregon Trail Alliance)*

The Deschutes National Forest and Bureau of Land Management – Prineville District are recognized for having some of the best mountain biking in the nation. The Central Oregon Trail Alliance, in partnership with those agencies and other land managers build and maintain trails throughout Central Oregon. Central Oregon is a year-round destination for professional and amateur mountain bikers.

### *Cascade Cycling Classic*

The Cascade Cycling Classic is the longest consecutively run elite stage race in the country and has attracted most of North America's top cyclists and teams over the years. The quality of the race courses, the beauty of Central Oregon and the fun atmosphere of the race has made it a perennial favorite and has the competitors returning year after year.

### *Fly Fishing*

The Upper Deschutes River offers fly fishing opportunities for Brook, Brown and Rainbow trout. The Upper Deschutes River has easy access either by foot, boat or SUV. Fall River, a spring fed high mountain stream 25 miles southwest of Bend is a fly fishing only river in an attractive setting.

### *Off Highway Vehicles*

The Deschutes National Forest and Bureau of Land Management offer numerous challenging off road vehicle trails.

### *Pole Peddle Paddle*

The annual Pole, Pedal, Paddle event draws approximately 2,800 participants competing as teams, tandems and individuals in a race that includes both alpine and Nordic skiing, cycling, running, paddling and sprinting, from Mt. Bachelor Ski Resort to Bend's Les Schwab Amphitheater.

### *Deschutes River Paddle Trail*

The Deschutes Paddle Trail, sponsored by the Bend Paddle Trail Alliance includes the navigable sections of the Deschutes River and the Little Deschutes River in Deschutes County, along with nine of the largest Cascade lakes in the County.

Although the Deschutes Paddle Trail has sections that everyone can safely enjoy, the levels of difficulty include everything from placid easy sections (Class I) to very difficult (and dangerous) sections (Class V) that are for experts only.

## **Recreational Trends**

As of 2009 there were two groups working on separate aspects of recreation planning.

*Ad Hoc Committee on Recreational Assets:* This committee was created in 2007 to promote economic development, local quality of life and health and wellness. County Commissioner Tammy Baney was co-chair of this committee. The committee identified and prioritized specific improvement projects that will enhance the County's recreational assets based on the following principles:

- Restore healthy forests in the area bounded by the Deschutes River, Elk Lake and Skyline Forest;
- Promote accessible, dispersed recreation to diverse activities and skill sets;
- Promote connectivity between towns;
- Leverage project investment with user group contributions;
- Coordinate with the Trust for Public Lands.

*Deschutes County Greenprint:* The non-profit Trust for Public Lands led a collaborative County-wide effort in 2007-2010 to identify lands with important natural resource, open space or recreational value. They also provided strategies for obtaining the funding needed to purchase and manage the lands recommended for preservation. Deschutes County was a partner in this effort (see Section 1.3).

## **Future Opportunities**

With federal and state agencies as well as four local park and recreation districts, it is important to work cooperatively to assure wise use of scarce resources. The results of the Recreation Assets Committee and the Trust for Public lands will be useful in providing guidance on priority recreational projects and lands. One potential area for cooperation that came out of the public outreach for this Plan was working with federal and state agencies to ensure safe and convenient access to rivers and streams.

Trails are an element of park and recreation planning where the County has the potential for active involvement. Many of the initiatives identified by the Committee on Recreational Assets are related to trails. There are numerous trails throughout the County and region that have been created and are maintained by various agencies and organizations. The goal is to tie these trails together to make movement between areas possible. Besides connecting trails, there also needs to be work done to minimize the conflicts between hikers, equestrians and bicyclists. Each of these groups has different needs from a trail system.

Recreation planning always needs to address the concern that growth will lead to overuse and degradation of the assets that attract user groups. The demand for recreation can lead to crowds at wilderness areas, trails and mountain lakes, impacting the experience. Working cooperatively with all stakeholders will assure that recreation planning minimizes these potential conflicts and maximizes the available recreational opportunities.

## Section 3.8 Rural Recreation Policies

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### Goal and Policies

- Goal I**      **Promote a variety of passive and active park and recreation opportunities through a regional system that includes federal and state parks and local park districts.**
- Policy 3.8.1      Cooperate with public agencies and local park districts to provide park and recreation lands, facilities and opportunities.
- a. The Statewide Comprehensive Outdoor Recreation Plan and State Park Master Plans shall serve as a basis for coordination on County-wide park and recreation issues.
  - b. Support exceptions to Statewide Planning Goals for urban fringe areas owned or acquired and operated by park and recreation districts.
- Policy 3.8.2      Work cooperatively with public agencies to promote standards for consolidation of public land access and to ensure recreational entry to those lands, especially along rivers and streams.
- Policy 3.8.3      Encourage coordination between the U.S. Forest Service, the Bureau of Land Management and off-road vehicle organizations to regulate use of motorized vehicles, including motorbikes, ATVs and snowmobiles in order to minimize environmental degradation, agricultural fragmentation and user conflicts on private property.
- Policy 3.8.4      Participate in federal recreation planning on federal lands and state park planning on State lands.
- Policy 3.8.5      Support accessible park and recreation opportunities in compliance with the Americans with Disabilities Act.
- Policy 3.8.6      Support efforts to coordinate recreation planning between park and recreation districts, school districts, irrigation districts and cities.
- Policy 3.8.7      Work with Unincorporated Communities that express an interest in parks, open spaces and community centers.
- Policy 3.8.8      Coordinate trail design and funding with transportation system plans and support efforts to provide and manage rural trail segments and bicycle routes.
- Policy 3.8.9      Support the Committee on Recreational Assets in identifying priority recreational projects, including incorporating as appropriate, elements of the Committee on Recreational Assets into this Plan.
- Policy 3.8.10      Update County Code as needed to define rural recreational uses such as private parks.

## Section 3.9 Destination Resorts

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### Background

Since 1979 destination resorts have increased in importance to the economy of Deschutes County. In 1989, recognizing the importance of tourism to the economy of the State of Oregon, the state legislature and the Land Conservation and Development Commission (“LCDC”) took steps to make it easier to establish destination resorts on rural lands in the state. Statewide Planning Goal 8, the recreation goal, was amended to specify a process for locating destination resorts on rural land without taking an exception to Goals 3, 4, 11 and 14, which govern development in rural resource lands. This was followed by legislation incorporating Goal 8 into Oregon's land use statutes. By these actions, the State of Oregon recognized destination resorts as a legitimate rural land use. Under these changes, destination resorts may be sited in EFU zones where they weren't allowed before.

Following the changes to the state regulations, because implementation of destination resort siting under Goal 8 was optional and the county had not undertaken that implementation, the developers of Eagle Crest applied for legislative changes in the County's comprehensive plan and implementing land use ordinances. The Eagle Crest developers wished to expand their current destination resort onto adjacent lands and wished to do so without going through the exceptions process. They were able to do so when the County adopted a destination resort overlay map. In order, Pronghorn, Caldera Springs, and Tetherow resorts have been sited since that time. Resorts existing prior to the legislative change, such as Black Butte, Sunriver and the Inn of the Seventh Mountain have also expanded and been rezoned to Urban Unincorporated Community and Resort Community, respectively.

In March 1990, LCDC adopted the “forest rule.” This rule allows destination resorts to be sited on forest lands pursuant to Goal 8. The county adopted this rule for land zoned Forest Use-2. Additionally, the legislature, in 2003, amended the state statutes, adding new language allowing counties to remap eligible lands for destination resorts not more frequently than once every thirty (30) months. Remapping is now dependent on creating a process for collecting and processing all proposed map amendments submitted to the county within that thirty (30) month planning period.

In order to allow destination resorts within the county, Goal 8 requires that Deschutes County adopt a map showing which lands are available for destination resort development. The purpose of the map is to provide greater certainty concerning destination resort siting than is available under the exceptions process. To protect forest and farm resources, Goal 8 prescribes that certain classes of lands are off limits to destination resort development. The final map must reflect exclusion of such areas. However, although a property is mapped as eligible for a destination resort, a destination resort may not be permitted outright in that location. In order to be approved, a proposal for a resort must be processed as a conditional use and must comply with the specific standards and criteria established by the county for destination resorts.

Goal 8 and the state statute also recognize that destination resorts can have negative impacts on neighborhoods, transportation facilities and the rural quality of life. These impacts can, however, be substantially mitigated. The County recognizes the importance of balancing protection mechanisms for resource lands and rural land uses with the economic benefits destination



resorts provide. The County further recognizes that this balance can be struck by the manner in which areas are designated as being available for destination resort development and by establishing thorough siting criteria. In establishing these thorough siting criteria, the County recognizes that it has the option to be more restrictive than state law in the areas it chooses to exclude from destination resort siting through the mapping process.



## Section 3.9 Destination Resort Policies

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### Goals and Policies

- Goal 1** To provide for development of destination resorts in the County consistent with Statewide Planning Goal 8 in a manner that will be compatible with farm and forest uses, existing rural development, and in a manner that will maintain important natural features, such as habitat of threatened or endangered species, streams, rivers and significant wetlands.
- Goal 2** To provide a process for the siting of destination resorts on rural lands that have been mapped by Deschutes County as eligible for this purpose.
- Goal 3** To provide for the siting of destination resort facilities that enhances and diversifies the recreational opportunities and economy of Deschutes County.
- Goal 4** To provide for development of destination resorts consistent with Statewide Planning Goal 12 in a manner that will ensure the resorts are supported by adequate transportation facilities.
- Policy 3.9.1 Destination resorts shall only be allowed within areas shown on the “Deschutes County Destination Resort Map” and when the resort complies with the requirements of Goal 8, ORS 197.435 to 197.467, and Deschutes County Code 18.113.
- Policy 3.9.2 Applications to amend the map will be collected and will be processed concurrently no sooner than 30 months from the date the map was previously adopted or amended.
- Policy 3.9.3 Mapping for destination resort siting.
- a. To assure that resort development does not conflict with the objectives of other Statewide Planning Goals, destination resorts shall pursuant to Goal 8 not be sited in Deschutes County in the following areas:
    1. Within 24 air miles of an urban growth boundary with an existing population of 100,000 or more unless residential uses are limited to those necessary for the staff and management of the resort;
    2. On a site with 50 or more contiguous acres of unique or prime farm land identified and mapped by the Soil Conservation Service or within three miles of farm land within a High-Value Crop Area;
    3. On predominantly Cubic Foot Site Class 1 or 2 forest lands which are not subject to an approved Goal exception;
    4. On areas protected as Goal 5 resources in an acknowledged comprehensive plan where all conflicting uses have been prohibited to protect the Goal 5 resource;
    5. Especially sensitive big game habitat, and as listed below, as generally mapped by the Oregon Department of Fish and Wildlife in July 1984 and



- as further refined through development of comprehensive plan provisions implementing this requirement.
- i. Tumalo deer winter range;
  - ii. Portion of the Metolius deer winter range;
  - iii. Antelope winter range east of Bend near Horse Ridge and Millican;
6. Sites less than 160 acres.
- b. To assure that resort development does not conflict with Oregon Revised Statute, destination resorts shall not be sited in Deschutes County in Areas of Critical State Concern.
  - c. To assure that resort development does not conflict with the objectives of Deschutes County, destination resorts shall also not be located in the following areas:
    1. Sites listed below that are inventoried Goal 5 resources, shown on the Wildlife Combining Zone, that the County has chosen to protect:
      - i. Antelope Range near Horse Ridge and Millican;
      - ii. Elk Habitat Area; and
      - iii. Deer Winter Range;
    2. Wildlife Priority Area, identified on the 1999 ODFW map submitted to the South County Regional Problem Solving Group;
    3. Lands zoned Open Space and Conservation (OS&C);
    4. Lands zoned Forest Use I (F-I);
    5. Irrigated lands zoned Exclusive Farm Use (EFU) having 40 or greater contiguous acres in irrigation;
    6. Non-contiguous EFU acres in the same ownership having 60 or greater irrigated acres;
    7. Farm or forest land within one mile outside of urban growth boundaries;
    8. Lands designated Urban Reserve Area under ORS 195.145;
    9. Platted subdivisions;
  - d. For those lands not located in any of the areas designated in Policy 3.9.3(a) though (c), destination resorts may, pursuant to Goal 8, Oregon Revised Statute and Deschutes County zoning code, be sited in the following areas:
    1. Forest Use 2 (F-2), Multiple Use Agriculture (MUA-10), and Rural Residential (RR-10) zones;
    2. Unirrigated Exclusive Farm Use (EFU) land;
    3. Irrigated lands zoned EFU having less than 40 contiguous acres in irrigation;
    4. Non-contiguous irrigated EFU acres in the same ownership having less than 60 irrigated acres;
    5. All property within a subdivision for which cluster development approval was obtained prior to 1990, for which the original cluster development approval designated at least 50 percent of the development as open space and which was within the destination resort zone prior to the effective date of Ordinance 2010-024 shall remain on the eligibility map;
    6. Minimum site of 160 contiguous acres or greater under one or multiple ownerships;

- e. The County shall adopt a map showing where destination resorts can be located in the County. Such map shall become part of the Comprehensive Plan and Zoning Ordinance and shall be an overlay zone designated Destination Resort (DR).

Policy 3.9.4 Ordinance provisions.

- a. The County shall ensure that destination resorts are compatible with the site and adjacent land uses through enactment of land use regulations that, at a minimum, provide for the following:
  - 1. Maintenance of important natural features, including habitat of threatened or endangered species, streams, rivers, and significant wetlands; maintenance of riparian vegetation within 100 feet of streams, rivers and significant wetlands; and
  - 2. Location and design of improvements and activities in a manner that will avoid or minimize adverse effects of the resort on uses on surrounding lands, particularly effects on intensive farming operations in the area and on the rural transportation system. In order to adequately assess the effect on the transportation system, notice and the opportunity for comment shall be provided to the relevant road authority.
  - 3. Such regulations may allow for alterations to important natural features, including placement of structures, provided that the overall values of the feature are maintained.
- b. Minimum measures to assure that design and placement of improvements and activities will avoid or minimize the adverse effects noted in Policy 3.9.4(a) shall include:
  - 1. The establishment and maintenance of buffers between the resort and adjacent land uses, including natural vegetation and where appropriate, fenced, berms, landscaped areas, and other similar types of buffers.
  - 2. Setbacks of structures and other improvements from adjacent land uses.
- c. The County may adopt additional land use restrictions to ensure that proposed destination resorts are compatible with the environmental capabilities of the site and surrounding land uses.
- d. Uses in destination resorts shall be limited to visitor- oriented accommodations, overnight lodgings, developed recreational facilities, commercial uses limited to types and levels necessary to meet the needs of visitors to the resort, and uses consistent with preservation and maintenance of open space.
- e. The zoning ordinance shall include measures that assure that developed recreational facilities, visitor-oriented accommodations and key facilities intended to serve the entire development are physically provided or are guaranteed through surety bonding or substantially equivalent financial assurances prior to closure of sale of individual lots or units. In phased developments, developed recreational facilities and other key facilitated intended to serve a particular phase shall be constructed prior to sales in that phase or guaranteed through surety bonding.



May 29, 2020

### Caldera Springs Destination Resort

Caldera Springs is a 390-acre destination resort located south of Sunriver, lying both south and east of South Century Drive, west of Burlington Northern Santa Fe Railroad and U.S. 97 and north of Vandevent Road.

#### Conceptual Master Plan

The Conceptual Master Plan (CMP) was approved in 2005 (file no. CU-05-7). The Resort's CMP identified 150 rental units available in a combination of cottages, condominiums, and lock-off units. The latter are bedrooms within a residence that could be rented overnight separately. Some of the single-family residential units were also proposed to be rentable. Phase I included eating and meeting facilities to accommodate 100 people. Amenities included bike and pedestrian trails, lakes and ponds, and a nine-hole golf course. The resort was required to build, or bond, for \$3,636,190 in recreational facilities based on 2004 dollars. The CMP was modified in 2007 by file no. MC-07-2, which dealt with internal dimensions for lots containing overnight cottages in the core area, but did not change any land uses or ratios.

Conceptual Master Plan Approvals		
350 single-family homes	150 cottages, condominiums, and lockout units	500 total residential units

*\*No hotel proposed*

#### Final Master Plan

The Final Master Plan (FMP) was approved in 2005 (file no. M-05-1). The plan included 320 single-family homes, some of which would be rentable, and 30 to 75 cottage or cabin units, each with up to five lock-off units which can be rented separately as overnight accommodations. File no. M-05-1 required a nine-hole short golf course, three practice golf holes, practice putting green, croquet and tennis courts, walking/biking trails, lakes for canoeing and fishing, and a clubhouse with recreational amenities. File no. MC-13-4 modified both the CMP and FMP to change the weeks the overnight lodging units (OLUs) were required to be available for rent from 45 to 38 weeks. Prior to sale of Phase I, the applicant was required to construct or bond for \$4,305,000 (2004 dollars) for a short course, putting green, three practice holes, a core playground and an outfitters cabin.

Final Master Plan Approvals	
Total Units	500 total residential units
Single-family	320 single-family homes, some of which are rentable
Overnight Units	30-75 cabins or cottages with up to five (5) lock-out units each
Overnight Units	Total of 150 rentable units

### Expansion

File No. 247-15-000464-CU expanded Caldera Springs to include an adjacent 614-acre property. The annexed property will include a maximum of 395 single-family residences, a maximum of 95 additional overnight lodging units, recreation facilities and additional resort core amenities. As part of this application, the applicant modified the Caldera Springs Conceptual Master Plan and ratio of single-family residences to overnight lodging units from 2:1 to 2.5:1.

### Overnight Lodging Requirements

File no. SP-05-53 required one-hundred fifty (150) overnight units in the resort’s core, including a three-key cottage for three (3) units and a four-key cottage for four (4) units. The plot plan had twenty-three (23 structures) on two tracts. File no. SP-06-61 modified file no. SP-05-53 to have twenty-two (22) cottages with up to eighty-six (86) lock-off units within Tract 1. Tracts 2 and 3 would have twenty-three (23) cottages each. The findings and decision of SP-06-61 stated that ultimately Caldera Springs would have a total of one-hundred-sixty (160) lock-off units on Tracts 1, 2, and 3, spread among 45 cottages.<sup>1</sup>

Caldera Springs uses codes, covenants, and restrictions (CC&Rs) to designate individually owned overnight units on recorded subdivision plats. The resort also notes the overnight lodging units in its CC&Rs. According to County legal counsel, CC&Rs are equivalent to deed restrictions for Caldera Springs Resort’s purposes. There are currently 320 platted residential lots, including 45 platted for cabins. Caldera Springs relies on lock-off units within the cabins as “overnight lodging” under DCC 18.04. In calendar year 2019, Caldera Springs relied on 33 cabins with 144 keys to satisfy their overnight lodging requirements.

Overnight Lodging Status for 2019		
<i>Number of platted lots</i> 320 platted residential lots	<i>Overnight Units</i> 33 cabins with 144 keys	<u>2.2:1</u> platted residential lots to overnight units

For calendar year 2019, Caldera Springs complies with their OLU ratio requirement.

<sup>1</sup> The decision also states the number of keys within each cottage is subject to variation between cottage models, which determines the number of keys. Caldera documented 144 keys, not 160, spread across the 33 cabins in the 2019 annual report.



May 01, 2020

## Eagle Crest Destination Resort

### Background

Eagle Crest Resort has received a number of land use approvals beginning in 1982.

- Approved in 1981, Phase 1 consisted of 508 acres located on the east side of Cline Falls Highway. Phase 1 preceded Statewide Planning Goal 8, which detailed destination resort requirements. It contained 202 lots.
- In 1993, after Deschutes County mapped areas for destination resorts and provided a zoning overlay district, Eagle Crest expanded into Phase 2. Located on the west side of Cline Falls Highway on the east slope of Cline Buttes, Phase 2 contained 746 acres. Under the Phase 2 expansion, Eagle Crest received approval for 497 single-family home-sites, 162 multi-family units, 120 timeshare townhouses and 226 hotel room facilities. It contained 903 lots in total.
- None of the individually-owned residential properties are deed restricted.
- In 2001, Phase 3 was proposed on 480 acres south and southeast of Cline Butte. The proposal was to expand the existing resort by developing 480 non-contiguous acres with up to 900 dwellings units, which contained overnight units. Commercial uses and recreational amenities were also proposed. Phase 3 contained 806 lots.

<b>Table 1 - Platted Residential Lots</b>				
	Phase 1	Phase 2	Phase 3	Total
Eagle Crest Lots	202	903	806	<b>1,911</b>

Table 2 identifies the overnight lodging units (OLUs) properties under Eagle Crest’s control.

<b>Table 2 - Current Overnight Lodging</b>		
<i>Eagle Crest Lodging</i>	<i>Hotel</i>	<i>Timeshare</i>
Lodge at Eagle Crest	100	
VROA		124
WorldMark – Lodge		43
WorldMark – Ridgehawk		34
WorldMark – Redtail		5
Fairway Vista		32
River View Vista		57

Eagle Creek		10
Eagle Springs		1
WorldMark – 8Plex		24
<b>TOTAL OLUs</b>		<b>430</b>

### Overnight Lodging Requirements

Eagle Crest is required to annually account for one OLU for every 2.5 residential units, a 2.5:1 ratio. Eagle Crest has 1,911 residential units (as platted residential lots) and 430 overnight units (as hotel, timeshare, and fractional ownership units) that meet county code, for a ratio of 4.44 residential units per a single overnight unit. To comply with the 2.5 to 1 overnight lodging ratio, Eagle Crest initiated a text amendment to Deschutes County’s destination resort code. These amendments were codified in Ordinance 2016-003.

### Ordinance 2016-003

Under Ordinance 2016-003, which became effective in April 2016, OLUs are documented through a monthly review of the Eagle Crest central reservation system as well as third-party websites, e.g., VRBO, Flipkey, Homeaway, that advertise individually-owned units available for overnight stays. Eagle Crest is required to document the weeks the units are advertised as being available and count as overnight units all units that meet or exceed the 38 week minimum during a calendar year.

Ordinance 2016-003 also includes a compliance fee that provides the County with a remedy to recoup Transient Lodging Tax (“TLT”) each year in the event the reporting mechanism revealed a shortfall in meeting the overnight lodging ratio, i.e., one OLU for each 2.5 platted lots. After documenting Eagle Crest’s central reservation system and third-party websites, if the Resort is deficient of the required units, the Resort will be assessed a compliance fee equivalent to the lost transient lodging tax the county would have collected from those units.

### 2019 Annual Report

Eagle Crest representatives provided the Planning Division with OLU data based on a collection system utilizing sophisticated web-based technologies that included screenshots of each unit listing and schedule of availability. Data sources included Flip Key, HomeAway, VRBO, and VacationRentals.com. Using this data, Eagle Crest was able to document 92 individually owned, non-deed restricted vacation rental units that were not directly managed by the resort in 2019.

Based on data provided by the resort, staff’s conclusions are highlighted in the following bullet points.

- Eagle Crest Resort possesses 473 OLUs as of December 31, 2019, including 100 hotel units, 320 timeshare units and 53 individually-owned, yet managed by Eagle Crest, non-deed restricted vacation rental units.

- Eagle Crest Resort documented an additional 92 individually owned, non-deed restricted vacation rental units that are not directly managed by the resort.<sup>1</sup>
- Per the above, Eagle Crest Resort counted a total of 565 OLU's available for the 2019 calendar year.
- Eagle Crest Resort has 1,911 platted lots. When the 53 OLU's under Eagle Crest's control and 92 individually owned OLU's are removed from the 1,911 platted lots, Eagle Crest Resort has 1,766 net platted lots devoted to non-OLU's. To comply with the 2.5:1 ratio, Eagle Crest Resort is required to have 706 OLU's.
- Subtracting the OLU's counted in 2019 (i.e., 565) from the 706 required OLU's, Eagle Crest has a deficiency of 141 OLU's.<sup>2</sup>
- Eagle Crest Resort paid \$337,374 in TLT for the 2019 calendar year. Per DCC 18.113.060(L)(7), this amount is then divided by the OLU's actively managed by the resort, or 473 OLU's for **\$713.26** per OLU.
- Therefore, the compliance fee is **\$100,569.66** (\$713.26 multiplied by 141 or the OLU deficit).

Staff is coordinating with Eagle Crest to pay the compliance fee by July 31, 2020.<sup>3</sup>

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<sup>1</sup> These units were documented in a spreadsheet provided by Eagle Crest and incorporated herein by reference. The spreadsheet was populated with data from the web scraper utilized by the resort.

<sup>2</sup> 706 (OLU Requirement) – 565 (473 OLU's controlled by Eagle Crest + 92 OLU's individually-owned and not controlled by Eagle Crest) = 141 (OLU deficit).

<sup>3</sup> Eagle Crest requested a payment date extension due to the financial effects of the COVID-19 pandemic.



March 19, 2020

## Pronghorn Resort

Pronghorn Resort consists of 640 acres located east of U.S. 97 and west of Powell Butte Highway, between Bend and Redmond.

### Conceptual Master Plan

The Conceptual Master Plan (CMP) was approved in 2001 (file no. CU-00-118) and modified in 2013 (file no. MC-13-6). The Resort's CMP identifies 160 to 180 rental condominium units and 75 to 100 hotel rooms in the first phase of development. Amenities were to include a 10,000 square-foot conference center, specialty retail center, two golf courses, swimming pools, tennis courts and pedestrian and equestrian trails.

Conceptual Master Plan			
420 single family units	160-180 condominium units	75- 100 hotel units	<b>700 total</b>

### Final Master Plan

The Final Master Plan (FMP) was approved in 2002 (file no. M-02-1) and modified in 2013 (file no. MC-13-6). The modification allowed overnight rentals for no fewer than 38 weeks per year through a central reservation system and the ratio of residential units to overnight units to be 2.5 to 1. According to the FMP, the resort's hotel would have a traditional central registration and check-in mechanism, which would also be responsible for coordinating registration and check-in for all overnight lodging units.

The reservation system for the hotel and all additional overnight lodging units were created and operated by the applicant, or by an entity to which the applicant assigned them. CC&Rs required all designated overnight units to be available for overnight rentals no fewer than 38 weeks per year through the central reservation system.



<b>Final Master Plan</b>	
The Estates at Pronghorn	420-450 units occupying 220 acres.
The Resort and Spa at Pronghorn	Golf course, hotel with 75-100 rooms, spa/fitness center, tennis courts, swimming pool, restaurants and related amenities occupying 190 acres.
The Club at Pronghorn	Private golf club with golf course, clubhouse, swimming pool, tennis court, driving range and practice facilities occupying 230 acres. The resort includes 160-180 condominium units.

### Overnight Lodging Requirements

At the end of calendar year 2019, there were 379 platted residential lots at Pronghorn Resort. The Resort relies on six, eight-unit structures containing 48 timeshare units in addition to a 104-room hotel toward the OLU requirement.<sup>1</sup> The hotel was open for reservations on April 1, 2019.

The following table summarizes Pronghorn Resort's overnight lodging requirements for 2019.

<b>Overnight Lodging Status in 2019</b>		
379 platted residential lots	152 overnight units <sup>2</sup>	2.5 to 1 platted residential lots to overnight units <sup>3</sup>

For calendar year 2019, Pronghorn was in compliance the OLU ratio requirement.

<sup>1</sup> Eight of the timeshare units are deed restricted (file nos. SP-07-55 and SP-07-56).

<sup>2</sup> 48 condo units + 104 hotel units.

<sup>3</sup> Required ratio is 2.5:1, platted residential lots to overnight units (379 platted lots / 152 OLU = 2.5: 1).



March 19, 2020

## Tetherow Destination Resort

Tetherow Resort consists of 706 acres located within a 906-acre parcel located at the western edge of Bend, lying south of Skyliners Road and east of the Deschutes National Forest, west of SW Mount Washington Drive and Metolius Drive, and north of Cascade Lakes Highway, also known as Century Drive. The resort was originally called Cascades Highlands.

### Conceptual Master Plan

The Conceptual Master Plan (CMP) was approved in 2004 (CU-04-94). The Resort's CMP identified 379 single-family units, 210 multi-family units, a 300-unit resort hotel, and approximately 15,000 square feet of commercial and specialty retail. Amenities included bike and pedestrian trails, tennis courts, pool, a clubhouse, and an 18-hole golf course.

A condition of approval in the CMP regarding financial guarantees for overnight accommodations was the subject of reconsideration in file no. RC-05-01. This file modified CU-04-94 to require 150 overnight units either be constructed or financially assured prior to the closure of sales on residential lots instead of requiring that 50 overnight units be constructed prior to residential sales as previously required under Condition 11.

Conceptual Master Plan		
589 total residential units		300-unit hotel
379 single-family homes	210 multi-family units	

### Final Master Plan

The Final Master Plan (FMP) was approved under M-05-2 and included the extension of Skyline Ranch Road from Century Drive (Cascade Lakes Highway), north to Skyliners Road, and Metolius Drive east to Mount Washington. The required overnight lodging rate of permanent to overnight units was 2:1 and the overnight units needed to be available for at least 45 weeks out of the year. The FMP was appealed by two different parties. One appeal focused on the location and possible relocation of a power line and the other focused on the protection of natural features. The appeal file nos. were A-05-10 and A-05-11. The parties in

the power line appeal reached a settlement which was then incorporated into the A-05-10 decision. The appeal regarding protection of natural features, A-05-11, was denied.

Final Master Plan		
589 total residential units		Overnight Units 300
379 single-family units	210 multi-family units	

Since 2005, Tetherow Resort has modified its conceptual and final master plan several times. Most recently, file nos. 247-17-000121-MC and 125-MC, added a total of six single-family residential lots and removing three multi-family residential units. The following table reflects the current requirements for their residential and overnight lodging units.

Modified Conceptual and Final Master Plan		
589 total residential units		Overnight Units 300
468 single-family units	121 multi-family units	

**Overnight Lodging Requirements**

The application materials in file no. M-05-2 stated the 300-unit hotel was to be used to meet the overnight lodging requirements. Nonetheless, if any dwellings in the future were used to meet the then 2:1 overnight ratio, those units would be available for at least 45 weeks out of the year via CC&Rs and a resort check-in service per Conditions 5 and 11. File no. MC-13-3 modified the overnight ratio to 2.5:1, permanent residents to overnight lodging units, and reduced the minimum time requirement for rental availability from 45 weeks to 38 weeks.

The following table summarizes Tetherow Resort’s overnight lodging ratio status for the calendar year 2019.

Overnight Lodging Status for 2019			
589 platted residential lots		<i>Current Overnight Units</i> 238*	2.47:1 platted residential lots to overnight units
483 single-family residential units	106 multi-family units		

\*238 overnight lodging units are either constructed (219) or financially secured (19).

For calendar year 2019, Tetherow was in compliance for the OLU ratio requirement.