

DATE: 5/10/09

TO: Peter Gutowsky, Nick Lelack, Deschutes County Planning Dept.

FR: Merry Ann Moore, Executive Committee, Juniper Group Sierra Club

RE: Comments to Deschutes County on Destination Resort Remapping Process

Thank you Peter and Nick, for including Sierra Club in the scoping for the revision of Deschutes County's destination resort map. We greatly appreciate inclusion in this important public process.

I am encouraged that the county has listened to citizens, and recognizes the urgent need to reform its destination resort policy and map. I urge you to consider the following as part of the remapping process.

Because the pro-resort lobby points to property tax money generated as its chief selling point, I would like the county to develop data 1. comparing the true economic contributions AND downsides of resorts, and 2. determining if more resorts are warranted given market conditions, including the housing glut. It is only by **presenting a complete cost-benefit and housing market analysis that the county will be able to make a prudent judgment on resort remapping.** Please develop and provide as part of your remapping presentation the following data:

- a. What is the inventory of housing units (both occupied and unoccupied) that has been approved for construction in new (Goal 8) resorts in Central Oregon?
- b. How long will this inventory take to be absorbed?
- c. How many actual overnight lodging units have been built in Central Oregon resorts? And how many should really have been built by now, if statutes were really being followed?

Also, please include in your presentation the written principles that will guide the remapping process, and support each principle with the planning department's rationale. Here are principles that Sierra Club would like to see included.

Principle 1: The County should abide by the results of extensive public hearings throughout Deschutes County and severely curtail resort development.

Rationale: The vast majority of county citizens have made it clear they do not want this form of development to continue.

Principle 2: Visitor amenities are desirable, but they should be sited away from the "destinations" that make people want to come to Central Oregon, so these areas can be preserved for all to enjoy.

Deschutes County has an opportunity to be a world leader in sustainable tourism. Eco-tourism and cycling are already economic powerhouses for Central Oregon. Some facts:

- d. A new ODFW study¹ shows that in Deschutes County in 2008, \$20 million was spent on travel-generated expenditures for fishing, \$6.7 million for hunting, and \$42.8 million for wildlife viewing, for a total of \$69.5 million. This includes spending on fuel, lodging, groceries, meals, retail purchases and other travel expenses. Please compare that to the resort lobby's own figure of \$28.7 million in tax revenue for all Deschutes County resorts COMBINED (Sunriver, Caldera Springs, Black Butte Ranch, Eagle Crest, and Pronghorn) in 2006.²
- e. Cycling is a major draw, with the Cascade Cycling Classic, Cycle Oregon, the Cyclocross National Championships, USA Cycling's Road National Championships now annual events. Some of these rely on relatively untrammelled rural roads for routing their races.
- f. A 2009 study by Visit Bend found the most frequent activities during a visit to Bend were dining (57%), hiking/trail running (54%), shopping (49%), then biking (31%), arts/cultural activities (25 percent), camping (17 percent), and finally golf (17 percent).³

Principle 3: Any new county map should allow resorts only in areas where state and local statutes can be met. These should be areas where independent scientists and experts (biologists, forestry experts, fish and wildlife experts, hydrologists, naturalists) believe there will likely be no net loss of wildlife, fish or habitat. Only property where a proposed resort is not likely to exceed the carrying capacity of the natural resources (air, land, water) should be included in a new map. The **cumulative** impacts/drain on resources from all resorts that are already approved must be included as a factor in whether there can be no net loss in an area.

Rationale: Current resorts (Goal 8) are not meeting state and local statutes' requirements to fully mitigate their environmental impacts. There has been no analysis of the cumulative effect on fish, wildlife and habitat of all resorts combined.

Principle 4: We support the county's proposal to remove existing housing subdivisions, and lands platted for subdivisions, from the destination resort map.

Rationale: Deschutes County and state resort statutes expressly state that overnight lodging must be built before any housing lots are sold. They also expressly state that housing subdivisions are not resorts. Furthermore, the open space, density, amenity and setback requirements are different for housing subdivisions than for resorts.

¹ Fishing, Hunting, Wildlife Viewing, and Shellfishing in Oregon, 2008 Trip Characteristics and Expenditure Estimates, study by Dean Runyan for ODFW

²"Resort Development in Central Oregon: Costs vs. Benefits," presentation by Linda Swearingen, Bend City Club Forum, 7/17/08

³Bend Area Visitor Intercept & Web Surveys, Summer 2008

Principle 5: We support the county’s proposal to prohibit the siting of resorts in areas that are critical range or migration paths for big game. The maps which designate these areas should be updated so they are current, or no older than five years. There is a new ODFW elk and deer winter range map covering a portion of Deschutes County, which I have provided to the Planning Department.

Rationale: Resorts must comply with existing county and state code, to protect wildlife and habitat. Many of the maps the county has been using for elk and deer winter range and migration paths, sensitive bird habitat, wildlife combining zones, endangered and threatened species, neotropical migratory birds, and species of special concern are not current. They must be updated to be scientifically meaningful in the mapping process.

Principle 6: Resorts may not be sited in areas that will result in detriment to threatened or endangered species.

Rationale: Recent native fish reintroduction efforts that are costing hundreds of millions of dollars will be rendered meaningless, and the fish will not survive, if adequate water is not available to sustain them. Water use by resorts—or any other type of development—should not be permitted if it will potentially result in degraded habitat for endangered species. Federal law prohibits the taking of such species.

Principle 7: We support the county’s recommendation that parcels of land under 160 acres be removed from the resort map.

Rationale: This will bring the county into compliance with state statute.

Principle 8: We support the proposed state policy (HB 2227, now being considered in the Oregon legislature) of prohibiting destination resorts within irrigation districts.

Rationale: This is important for insulating farm lands from development pressure, and assuring there is adequate water to serve existing farm uses. Swalley Irrigation District supports this policy with the following description from manager Jan Lee:

“Development on lands within irrigation districts generally requires the removal of water rights from the irrigated acres. When that occurs, the assessment base for the district is decreased and then the cost of operation has to be spread over the remaining customers. Irrigated acres are taken out of production as well. Also our infrastructure then requires piping as development occurs around the rural open canals. The cost of piping averages out to about \$1 million per mile. Districts statewide do not have an enforcement tool that allows us to require a developer to pipe a canal when the developer creates impact around our delivery system. Further, when urban-like development occurs in rural areas there are conflicts that are created under the right-to-farm statute.” May 6 testimony to members of the Senate Energy & Environment Committee

Principle 9: The Whychus Creek watershed should be excluded from the resort map.

Rationale: Already, water temperatures in the prime spawning areas for reintroduced steelhead in Whychus Creek are too high for successful fish spawning. Water experts indicate it will not be possible to adequately mitigate any further water withdrawals from the Whychus Creek area. Here is what the Deschutes Ground Water Mitigation Program, Five-Year Program Evaluation Report (2/29/08) stated about why mitigation of water drawn from the Whychus area is difficult to impossible:

“Mitigation water in this zone has primarily originated from instream leases, which have generally been for one year periods, through the Three Sisters Irrigation District. There has only been one permanent instream transfer that established mitigation water in this zone. There may be fewer opportunities to generate mitigation water in this zone of impact and continued increase in supply of mitigation water is less certain than in the Middle Deschutes and General Zones of Impact. Land use in the Whychus Creek Zone of Impact tends to be more agricultural based and there is less urbanization.”

Principle 10: Land within three miles of a “high-value crop” area must be unmapped. The county should seek new clarification from the state on what constitutes a high-value crop.

Rationale: This will bring the county into compliance with state resort code. A review and potential redefinition of “high-value crop” is long overdue, since the value of crops has changed dramatically since the resort statute was written.

Sierra Club Policy Statement on Resort Remapping

It is our position that if these principles are abided by, there are no areas left in Deschutes County that are appropriate for resorts. Our county in fact has more resorts than its resources can sustainably support. Resorts that have been approved and built under Goal 8 guidelines have proved to be damaging to natural resources, have **not** resulted in no net loss of wildlife or habitat, and will strain water sources (groundwater, rivers, streams) beyond their carrying capacity. They are resulting in sprawl development, with consequently higher carbon emissions from commuting employees, homeowners and visitors. They furthermore overstretch public facilities, and burden taxpayers with an unfair and hefty share of transportation improvements, emergency services and other infrastructure costs.

Sierra Club’s position is therefore that the county destination resort map should be repealed, following the example set by Crook County citizens. No further resorts should be allowed. **Please include this as a third unmapping concept as you develop the ground rules for amending county codes.**

Additional Recommendations on Resort Policy Reform

We also urge the county to include the following in revisions to the County Comprehensive Plan.

Principle 11: Resorts that have an approved plan, but that do not follow through on their commitments to build within the time stated on their applications, should have their permits/applications revoked after that time expires.

Rationale: This will prevent any “grandfathering in” of these resorts years down the road, and any attempts by developers to have old zoning/planning rules applied when future, new rules may be in place. Likewise, it will be important to have this principle in place in case developers sell their proposed project to a third party, and the new owner tries to substantially change the resort application.

Principle 12: Real estate market conditions and forecasts, projected absorption rates of existing or approved resort housing, and the costs and benefits to taxpayers should be required to be submitted as part of a resort application.

Rationale: The public and county decision-makers need this information before an application is granted, to be able to evaluate if resort development is in the best interest of citizens. It should be the onus of the developer to show that a project will truly fill a market need, and not simply be a path for short-term profit-taking at the expense of taxpayers.

Principle 13: Do not count golf courses as resort open space.

Rationale: Some of the goals of open space within developments are to provide room for wildlife and free access of residents to this land. Golf courses use herbicides, pesticides and fertilizers that can harm wildlife and habitat. Also, golf courses are not open spaces, but tightly controlled, manicured expanses of grass where people are forbidden from walking unless they are playing golf. Central Oregon is saturated with golf courses. The county should encourage sustainable, low-impact tourism that capitalizes on our outstanding natural resources, just as the Visit Bend report indicates.

Principle 14: Developers should show as part of their resort application that they are in good standing financially, and that any overdue county taxes owed on **any** property owned by themselves, their partners and their business entities are paid before their resort application can be considered.

Rationale: Already we are seeing stalled resort development, with high potential for blight from abandoned projects. Also, it is deceptive for developers to on one hand promote the tax revenues resorts bring to the county, but then fail to make those payments in full.

Principle 15: The amount and type of bonds required to be carried by a resort applicant should be changed and raised from 10% to a higher percentage. The percentage should be enough to assure that if the developer fails to follow the master plan the County can assume control of the project and insure that the plan is followed. The bond money should be eligible to pay not just for overnight lodging but for traffic, wildlife and water mitigation should there be problems with these upon project completion. The bond money should be held for a long enough period to determine if mitigations are actually working. Developers should pay for on-going monitoring of mitigation by independent scientists out of the bond monies. The county should establish and enforce fines on developments whose mitigation plans fail.

Rationale: Current bonding policy is not working to force developers to comply with overnight lodging requirements. There is no meaningful recourse if wildlife, water, fish and habitat mitigations fail, or are not followed as laid out in a project's master plan.

Principle 16: Developers should be required to include as part of their application an analysis of any loss of tourism revenue that will result from their resort.

Rationale: Citizens and lawmakers should be made aware of the costs that come with a resort. For example, what is the value of an untrafficked rural road for cycling tourism? Will a resort result in loss of wildlife viewing, fishing, hunting and camping tourism opportunities and revenue for the county?

Principle 17: A resort developer should be required to fund studies, using current science, to determine if a project will have negative impacts in the following areas before an application is approved by the county:

- rivers, streams, and surface flows within the zone of influence affected by the development (including decrease flow, increased temperature, increased siltation, increased particulate, etc.);
- groundwater resources within the zone of influence affected by the development, including groundwater available to other landowners and existing groundwater rights within the zone of influence affected by the development;
- wildlife resources; and
- fish resources.

If there are negative impacts, the project should be denied. One way to assure that the data developed are independent and unbiased would be to have a county fund which developers pay into for these preliminary scientific studies. The county would then be responsible for hiring contractors from a pre-approved list of experts to conduct the studies.

Rationale: The current resort approval process has revealed that county government lacks the resources to generate this critical information. Yet these scientific data are absolutely essential if a project's impacts are to be honestly evaluated. In order for the results to be universally accepted by stakeholders, they must be developed by experts who are independent of the applicant.

Conclusions

The new Central Oregon destination resorts are not primarily visitor-serving. They have proven to be exclusive, gated sagebrush subdivisions, not places oriented to attracting tourists.

At a time when our country is beginning to recognize the need to live more sustainably, drive less, eat local foods, restore endangered fish, protect habitat, and plan for expected global warming impacts such as water shortages, the last thing we need is more golf course communities using scarce water resources in arid Central Oregon. Cities and counties will no doubt be required in the not-distant future to consider the carbon footprint of their projects and planning policies, and Deschutes County should not ignore such impacts. And Central Oregonians shouldn't be burdened with the costs of new infrastructure that resorts bring.

Oregon waterways and landscapes are what draw thousands of visitors, stimulate local economies, provide limitless enjoyment for residents, provide critical wildlife habitat, and serve as vital fish nurseries for fishing industries. The resort remapping process represents an opportunity to reorient county planning to preservation and restoration of our rivers and surroundings. This can be best accomplished by repealing the resort map, and promoting and requiring infill development within Urban Growth Boundaries.

Deschutes County needs smart growth, not more resorts that diminish or destroy the natural resources that are the engine of tourism—and a much-treasured aspect of residents' quality of life. We look forward to working with the county on this forward-looking effort, and attending the July work session.

Thank you for considering our comments.

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Cc: Deschutes Board of County Commissioners, Deschutes County Planning Commission