

To County Commissioners Adair, Chang, and DeBone,

I wish to have officially recorded this response to the Deschutes County campground proposal.

My name is Lindsey Wilcox and I am writing you on behalf of myself and my spouse, Alexander Tarnoff. We are residents of the Harris Way community and are concerned with the discussed possibility of a campground on Fort Thompson Way. Though we are not professional public policy researchers, we do have MBAs from Dartmouth and work as professional management consultants – I for McKinsey & Company and Alex for Oliver Wyman. It is our career to help large corporations and governments make sound financial investments and decisions with their capital. This proposal, at its core, is in no way financially sound.

We have read the ECO Northwest Report in detail and, before further discussion in this letter, want to reiterate that it clearly states that Drafter Way is the “most viable for an RV park due to its size, highway access, zoning allowances, and infrastructure.”¹ It is highly disappointing that our elected officials have chosen to pursue the most expensive option (on a total and per site basis) in direct conflict with a non-biased, expert assessment. This act feels in direct contradiction with the interests of local taxpayers and community members.

While we both recognize the county’s need for additional RV space to support the growing interest in recreation in our beautiful region, there are a myriad of reasons why the Fort Thompson option should not be pursued due to exceptional risk. Namely, the following issues:

- 1. Underlying risk of economics and assumptions within the modeling**
- 2. Community safety, including fire risk and an increase in non-local traffic**
- 3. Deleterious impact to the local ecosystem**

1. Economics: Cost: To begin, this is by far the most expensive option to address a non-justified demand of 300+ units. The report found that only 98 additional hotel rooms would be needed to balance supply and demand in our region.² Assuming a rough ~60% occupancy rate (per the report), that is ~60 filled rooms/night. If we trust this assessment, a development of 300+ available units for a park that will serve “as an alternative to hotels”³ is much too large of an investment to justify to taxpayers and other stakeholders.

The estimated cost of \$21.6M (again, an astronomical price for an investment that does not serve the local population) makes other critical assumptions that should be analyzed – none more important than the fact that it does not “include additional costs associated with permitting, zoning, and other land use challenges expected for... Fort Thompson Road.”⁴ It is an egregious use of County funding to pursue an option without understanding the complete price, especially considering the likely litigation due to zoning and further challenges with the Swalley canal and farmland zoning.

¹ ECONorthwest, “Deschutes County Campground Feasibility Study,” P. 47

² P. 34

³ P. 39

⁴ P. 40

Even assuming that there is no additional cost to the low \$21.6M estimate, which ECONorthwest admits includes “uncertainties,”⁵ the Fort Thompson option is still the most expensive on a per unit basis at \$72,000/unit. ECONorthwest notes that an RV site should cost between \$15,000 and \$50,000/unit. ⁶ It does not seem feasible that the County should pursue an option that is 44% higher than the top end of the justified market rate. This is, at its core, poor economics. The Drafter Road site, which is more attractive due to numerous factors, is \$58,730/site. While still 17% higher than market rate, this option is at least defensible.

Finally, and perhaps most importantly, the ultimate question of funding. The ECONorthwest report assumes all investment and fees are incurred on a complete cash basis in the calendar year 2025 – “the primary source of funding would likely come from the County itself.”⁷ Putting the unrealistic timeline aside, it is critical to confront the very real possibility of the County needing to take on debt to finance this project. While there are numerous grants available to fund this project, the unforeseen additional costs and lengthy development timeline, including likely litigation over land rights, make it more than feasible that the County will need to incur additional debt.

Let’s presume a fairly simple situation: a 5% non-amortizing interest rate, as noted within the report, with a need for an additional \$10M in funding over a 10-year horizon. This is an additional \$3M – just in interest. Again, how is this option in the best interest of your taxpaying citizens?

Ultimately, the cost itself – the total bill of \$21.6M, the unknown additional costs, questions of funding – should pull this option from the table immediately.

Economics: Revenue: There are also assumptions within the revenue figures that should be questioned. The fundamental assumption of a go-forward 50% occupancy for the 300+ units is highly aggressive and will require significant (and increasing) ongoing operational cost that will likely not be recouped through regular revenue operations. The occupancy rate of ~50% suggests that there will be demand within the park for 150 RVs nightly in 5.5 years. This is a 150% increase from today’s estimated demand of 60 rooms/night. Though we live in a very uncertain time, this appears to be an exceptionally aspirational estimation.

It should also be noted that the utilization rates within the report are fundamentally bad analogs. Notably, many of the sites are only open seasonally – thereby inflating overall utilization – and are much smaller. Cultus lake, with 54 sites, is only 18% of the proposed Fort Thompson development. These are not comparable.

Leaving the poor analogs aside and assuming that a 50.6% go-forward rate *is* realistic, the report assumes the same go-forward occupancy rate for the Drafter Road site and the Fort Thompson site (50.6%). However, the report mentions that the Drafter Road site is “close to a wealth of recreational activities and attractions,” whereas Fort Thompson is inconveniently located to our recreation areas (thereby increasing arterial road traffic, to be mentioned later).⁸ The assumed equal occupancy rate feels like another inherent flaw

⁵ P. 39

⁶ P. 44

⁷ P. 43

⁸ P. 13

in the report's assessment of the economics – we are assuming a set demand, regardless of location in the region.

Finally, and perhaps most glaringly, Commissioner Chang is on record stating, “I think a developed campground...would make it easier to know where our home less folks are and you, know do an outreach and support them or send law enforcement to work with them as necessary.”⁹ Putting aside the blatant disregard for families in the area – Commissioner Chang admits law enforcement for this population will be necessary – any sort of support for the unhoused community in this park will undoubtedly drive occupancy rates down. While getting an exact data point to substantiate the importance of security to campers is difficult, KOA advises its members that “motor homes and trailers are of... interest to criminals.”¹⁰ At an average investment of \$100,000, it is doubtful that many RV owners will be keen to share property with a community known to law enforcement (as admitted by Commissioner Chang.)

2. **Community Safety:** Economics aside, safety is the second concern. The Fort Thompson site estimations equate to adding ~150 large vehicles with blind-spots to a section of 97 already known to be dangerous.¹¹ At peak time, this is an additional 300 vehicles. These large and slow vehicles, driven by people non-familiar with our area, will be merging onto a fast-moving highway with increased traffic from Redmond in an area designated for significant lane changing between the new business route and highway. This is a recipe for numerous fatal collisions. As mentioned before, the location of this site also requires that our visitors travel through town to reach popular recreation sites, further degrading our roadways and blocking traffic for locals.

The cost of security needed to oversee a park this large should also not be overlooked. At any given time, there is the possibility of up to 300 independent campfires (assuming all spaces booked and burning wood). The fire risk to the local community is just too significant to ignore.

3. **Impact to ecosystem:** Finally, I do want to call out the deleterious effects to our natural surroundings if Fort Thompson is pursued. We are desperately losing our tree canopy in Bend and critical habitat continues to be destroyed for the animals who are necessary members of our communities. This property is home to numerous mule deer, who are facing a worrying population decline in the area,¹² coyotes, bobcats, small mammals and birds of prey, including Bald Eagles. Even ECONorthwest notes that the property is “wildlife habitat.”¹³ This property is a critical thoroughway for their passage to the Greelee Land Trust, one of the bastions of safety for these animals as the city boundaries move North.

Phil Chang states on his platform that one of his pillars is “preserving our rural environment while ensuring housing is affordable.” The economics of this project already suggest that it is not affordable to the County and taxpayers, and this move against key habitat is in direct conflict with his mission. He also promotes wildfire safety and water conservation. While this particular letter does not review impacts to our local farms in detail, some of this land is zoned high-value farmland – a rarity in Central Oregon – with

⁹ Bend Bulletin, May 4, 2024

¹⁰ <https://koa.com/blog/keeping-your-rv-secure/>

¹¹ <https://ktvz.com/stacker-oregon/2023/03/22/these-are-the-highways-in-oregon-with-the-most-fatalities/>

¹² https://www.dfw.state.or.us/wildlife/management_plans/mule_deer/Chapter_2_Oregon_Mule_Deer_Distribution_and_History.pdf

¹³ ECONorthwest, P. 12

the ever-important Swalley Canal running through it. An RV park over this critical waterway will most certainly create runoff not suitable for farm use.

Ultimately, the move to pursue a grant for the development of a Fort Thompson campground is in direct conflict with the taxpayers' interests, especially since a better option exists in Drafter Road. Drafter is significantly more cost effective and greener given its relative location to recreation sites and walkability to dining and other "retail stores offering essential goods and services."¹⁴ Fort Thompson offers no walkability and, at worse, may increase foot traffic on 97.

Drafter Road allows 63 sites to come onto market very quickly to meet today's demand at a relatively low cost. Given that the County hasn't developed a campground in 40+ years, moving with agility to finetune the approach with a small campground to start feels like the responsible move.

We kindly ask that all commissioners deeply review the economics and impacts to the local community (both human and wildlife) before choosing to further pursue the Fort Thompson option.

Regards,

A handwritten signature in cursive script that reads "Lindsey Wilcox".

Lindsey Wilcox and Alexander Tarnoff
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