



MEMORANDUM

TO: Deschutes County Board of Commissioners

FROM: Will Groves, Planning Manager

DATE: September 23, 2025

SUBJECT: Department of Land Conservation and Development / Technical Assistance Grant Application

The Community Development Department (CDD) seeks Board of County Commissioners (Board) approval to submit an Oregon Department of Land Conservation and Development (DLCD) Technical Assistance (TA) Grant application for the Terrebonne Community Plan Update, including a letter of support from the Board, consistent with Administrative Policy No. GA-20¹. The deadline for submitting the grant application is October 10. If awarded, the grant duration is expected to be from approximately January 2026 to June 2027.

I. Background

On July 23, 2025 CDD staff presented a Planning Division Work Plan Update to the Board.² Among other items, the Board expressed interest in proceeding with an update to the Terrebonne Community Plan. The timing of the DLCD TA grant cycle provides an opportunity for financial support for this project.

II. TA Grant Contributions and Tasks

A DLCD TA Grant will leverage in-kind and reserve funds to facilitate the update of the Terrebonne Community Plan as summarized in Table 1 and described in more detail below. DLCD does not require a funding match for Technical Assistance Grants; however, local governments must provide in-kind resources for grant administration, and staff estimates the project as a whole will utilize staff resources beyond the grant request amount as noted below.

Table 1 – Grant Contributions

Project	TA Grant Request	County Match	Total Budget
Terrebonne Community Plan Update	\$100,000	\$50,000 (in-kind)	\$150,000
Total	\$100,000	\$50,000	\$150,000

¹ The Department Director must inform the County Administrator and receive approval from the Board to proceed with any proposed grant application.

² <https://www.deschutes.org/bcc/page/board-county-commissioners-meeting-243>

Terrebonne Community Plan Update

The Terrebonne Community Plan is a component of the Deschutes County Comprehensive Plan. The Comprehensive Plan was updated in 2025, but the associated community plans, including the Tumalo Community Plan and the Newberry Country Plan, have historically been updated independently. Updating Terrebonne's plan is timely following the recent sewer feasibility study completion and the Terrebonne Sanitary District's formation. The eventual construction of sewer in Terrebonne has the potential to affect future growth and development patterns, including commercial opportunities and economic development.

The 2010 Plan is predicated on septic infrastructure and policies supporting modest growth. The Terrebonne Sanitary District (TSD), formed in 2023, has advanced significantly. Sewer mains are being installed along Highway 97, 11th Street, and Smith Rock Way, and lateral connections are scheduled for later this year. More than 100 properties have been annexed into the sanitary district. The sanitary district has an intergovernmental agreement with the City of Redmond for treatment of effluent, and has secured capacity for up to 800 future units. While some state and federal funds did not materialize, the project remains on track for operation by 2028, supported by a mix of grants, loans, and other investments. Community interest in annexation and participation in local planning discussions has increased. Sewer infrastructure is expected to reshape development potential in Terrebonne. Previously septic-limited lots will become viable for increased residential and commercial development. At the same time, there are unresolved questions about zoning flexibility, development standards, and lot area requirements.

The 2025-2027 Technical Assistance Grant is expected to cover the process of a community plan update, including public and stakeholder outreach, up to the creation of hearings-ready plan documents. The legislative process for adoption, which includes hearings before the Planning Commission and the Board of County Commissioners, would occur after the grant project concludes and would be funded by in-kind and reserve funds from the Planning Division, as would any future code amendments to implement components of the Terrebonne Community Plan.

III. Next Steps

As noted above, staff seeks Board approval and letter of support for submittal of a TA Grant application to DLCD by October 10, 2025.

Attachments

1. TA Grant Application
2. BOCC Letter of Support