

WORKSHOP MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
DECEMBER 6, 2007

**MEMBERS PRESENT:**

Brad Boyd	Mayor
Bill Merrill	Council President
Lon Kellstrom	Councilor
Sharlene Weed	Councilor
Shawna Bell	Councilor

**STAFF PRESENT:**

Eileen Stein	City Manager
Brad Grimm	Public Works Director
Lisa Young	Finance Director
Eric Porter	Planning Director
Kathy Nelson	City Recorder

**GUESTS:**

Steve Hultberg	Attorney representing McKenzie Meadow Village
Curt Kahlberg	McKenzie Meadow Village Partner
Elaine Drakulich	Sisters School District Superintendent
Scott Steele	President, Steele & Associates
Ryan Reed	McKenzie Meadow Village Partner
Ashley Reed	McKenzie Meadow Village Partner
Wendy Holzman	CCI Member

The meeting was called to order at 8:00 a.m. by Mayor Boyd.

1. McKenzie Meadows Village Update

**Steve Hultberg**, attorney representing McKenzie Meadow Village began by stating that the objective of the meeting was to describe the vision for McKenzie Meadow Village and to seek tentative approval from the City Council to move forward with the development. He stated that in order to move forward the property needs to be formally annexed by the City which requires Council approval. He stated the annexation was approved by the people's vote in 2006 and they are asking to move forward with that request. He stated that under the City Charter the decision to expand the boundary is left solely to the voters of the City. He stated the Charter includes a provision that the City shall include all territory encompassed by its boundaries as they now exist or are here after modified by a majority of the voters. He stated that since voters approved the request they are asking for implementation. He stated that annexation is a big issue and needs to be weighed seriously by the Council but that the Council already looked at the issue in 2006 and passed a resolution to send it to the voters. He stated that state law also provides guidance stating that after a vote has been taken the Council shall pass an ordinance to approve the annexation. He stated that representatives for McKenzie Meadow Village have worked with the City on the annexation agreement as well as the affordable housing agreement and requested the Council provide approval to enable the development to move forward as desired by the voters.

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**Curt Kallberg**, McKenzie Meadow Village partner provided a brief history of the property, stating that in 1993 the 90 acre parcel known as McKinney Butte Ranch was purchased by the Kallberg family. He stated that later in the year he, the Reed family and Bill Willetts formed a partnership to own the property and changed the name to McKenzie Meadow. He stated the partnership contributed towards the upsizing of the sewer system to Sisters High School and Sisters Middle School. He stated the partnership purchased land to extend the road, sewer, water and high-speed internet onto the property and in 2006 the partnership helped to build the Tollgate Trail by contributing machinery, materials and labor. He added that the partnership hopes to extend these trails through the project to make it a pedestrian/bike friendly development.

**Elaine Drakulich**, Sisters School District Superintendent, voiced her support for an early intervention educational center in McKenzie Meadow Village. She stated that beginning data on sub-group achievement shows that children of poverty are not achieving at the same rate as other children. She stated that strong educational intervention would help level the playing field for those children. She stated a quality early daycare is needed and would benefit the entire community. She stated it would also provide high school students that have an interest or aptitude an opportunity for an internship. She added that a lack of affordable housing impacts the District's ability to draw quality teachers to the area.

**Scott Steele**, Steele & Associates, directed the Council to the circulated information (copy attached) showing that the property is perfectly located to provide a walkable distance to a small neighborhood community center. He stated the proposed mixed use development will decrease vehicular traffic and create a bicycle and pedestrian friendly environment. He stated it will provide a traditional neighborhood design and structure. He stated that the increased density and diversity of the development is a more efficient use of space that will increase the quality of life for those abiding there.

**Ryan Reed**, McKenzie Meadow Village partner, stated the partnership is looking at a 20 year plan for building the proposed housing. He stated instead the group hopes to jumpstart the child care center and senior housing center and complete those projects first. He stated the Three Friends Lodge for Sisters senior citizens will allow people to remain in Sisters their entire life. He stated the partnership hopes to build an asset for the community that will be utilized by multiple generations.

**Ashley Reed**, McKenzie Meadow Village partner, stated she grew up in Sisters and her parents were always involved with Sisters school children; her mother was a Start Making a Reader Today (SMART) volunteer for 12 years and her father was on the school board for 13 years. She stated her parents always supported children and the community. She stated by placing the early childhood development center next to the senior center, the partnership hopes to develop a camaraderie and community spirit between the both groups. She stated the centers will provide essential services to the City. **Ms. Reed** opened up the presentation to questions.

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**Councilor Merrill** stated that since the Council is being asked to complete the annexation process what assurances will the City have that upon annexation the plan will take place as presented. **Mr. Hultberg** stated that the annexation agreement provides great flexibility to the City in that it can have conditions attached that will bind the partnership to its word legally.

**Councilor Weed** stated that due to a conflict of interest with the issue she would not participate in the discussion.

**Mayor Boyd** stated he was in support of the idea for an early childhood center and a senior center and was concerned that the centers will be built in a timely fashion. He stated he wants to make certain the plans don't get changed to build something other than presented. **Ms. Reed** stated that she grew up in Sisters and chooses to live here as do the other partners. She stated that none of them want to see Sisters develop into something the community doesn't want. She stated that the neighborhood commercial component is essential to the community needs. **Mayor Boyd** stated that before final approval is given the Council will need to know exactly what will be built and the timeframe for the buildings. He added the plan needs to be binding even if the property is sold to another owner. **Mr. Hultberg** stated that will be possible by placing those restrictions in the agreement.

**Ms. Reed** asked for the Council thoughts on the project as it was presented. **Councilor Bell** stated that she found the ideas presented intriguing but since it was all new information she needed more time to absorb it all. **Councilor Kellstrom** stated he feels it is a great concept with beneficial aspects and should be given serious consideration. **Councilor Merrill** stated he felt that both Mr. Kallberg and Mr. Hultberg know how he feels about the project and read from the regular meeting minutes of the August 23, 2007 that quoted City Attorney Bryant as stating that a vote by the people is not an automatic annexation. He read that Manager Stein was quoted as saying in 2006 that if the Council did not intend to annex the property right away she did not recommend they allow the annexation be put to a vote of the people. He stated he was quoted as saying that what is legal, right and ethical are not always in agreement. **Councilor Merrill** stated the owners of the property shouldn't be misled while keeping in balance what is best for the City.

**Mayor Boyd** stated that with the number of available buildable lots and current market conditions the City doesn't need 30 more acres of residential. He stated he asked for something the community needs and that both the senior center and early childhood center are good ideas. He stated that if the annexation agreement has the specificity, details and timelines he outlined he would support annexation at this time. He stated the issue is about bringing those components to the forefront that provides community benefit.

**Manager Stein** stated that she was not in possession of a comprehensive annexation agreement that includes the affordable housing component and asked to be provided with the document. **Mr. Hultberg** stated he would forward the most recent version to her. **Mayor Boyd** asked what the next step will be. **Manager Stein** stated she will look at the annexation agreement and work on

the details of it with staff. **Mr. Hultberg** stated that the agreement does not include the details discussed today such as phasing and timing but those elements will be incorporated into the document prior to it being forwarded to the City. **Mr. Kallberg** thanked the Council for allowing the group to speak.

## 2. Housing Plan Scope of Work

**Susanna Julber**, Contract Planner, briefed the Council on the draft scope of work for the Housing Plan. She stated she has divided the project into five phases and was looking specifically for input with regard to the public involvement piece of Phase 1. She stated the purpose of the housing plan is to provide a strategy to create housing for all income levels. She stated that currently the City has high income and low income housing available but there is a significant gap in the middle income level.

**Ms. Julber** stated a revised housing needs analysis is needed as the one in the Comprehensive Plan is already several years old, adding that a lot of the work has already taken place through the efforts of other agencies. She stated that if the work on the Housing Plan begins immediately she feels that it will come before the Council for adoption by August 2008, adding that the date is dependent on the public involvement process.

**Ms. Julber** stated she envisions the public involvement process be approached via two venues; 1) through a small stakeholder group comprised of representatives from the Council, Planning Commission, Committee for Citizen Involvement (CCI), other city leaders and city residents that meets often to provide oversight to the plan and 2) two or three public workshops.

**Councilor Merrill** stated he feels creating a stakeholder group is unnecessary and will only serve to delay the process. He stated he agrees with the other suggested phases to the scope of work but feels that staff can provide the input and eliminate all public involvement with the exception of the necessary public hearings where the public will have the opportunity to weigh in.

**Mayor Boyd** stated that he agrees with Councilor Merrill and would like to see the process streamlined. He suggested looking to the “best practices” from other cities. He stated he would suggest that staff make a recommendation, bring that to the public, fine tune the document from the input received and move forward.

**Councilor Weed** stated creating a Housing Plan is a very complex issue with a myriad of avenues and considerations. She stated she feels it is extremely important to have a stakeholder group to discuss and explore ideas in a committee setting prior to the plan ever coming to the Council, Planning Commission or public. She suggested utilizing the many experts in the region to help with the process. She added she feels including the public improvement process will produce a better end product. She stated she feels the CCI should be tasked with determining the best

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method to get public involvement but sees no need for a CCI member to be included in the stakeholder group.

**Mayor Boyd** stated from his perspective Ms. Julber can have conversations with the experts on her own without a committee setting and save time in the process. He stated the City already knows how to create affordable low income housing but needs to figure out how to create housing for the middle income person making \$50,000 to \$60,000 a year. He stated there are program that are working in other cities and staff can learn from them.

**Councilor Weed** asked what the difference is between the Housing Plan and Transportation Plan and why the Transportation Plan should have public involvement piece but not the Housing Plan. **Mayor Boyd** stated he doesn't see the same interest level. **Councilor Weed** stated she thinks the issue will be of great interest to the community. **Ms. Julber** stated that the State requires that the City provide citizen involvement in the process and that she would be uncomfortable making decision without input from a stakeholder group comprised of professionals and general citizens. She stated that housing and land costs are a big topic among the general public.

**Councilor Merrill** reiterated that the Housing Plan is not just an affordable housing plan and that citizen involvement can take place in a number of ways. He stated he doesn't want advocates to get involved as they tend to push their agenda. He stated he is not trying to denigrate or reduce the requirement for affordable housing but stress that there are other elements that need consideration in the Housing Plan.

**Councilor Bell** stated that she doesn't view the plan as an affordable Housing Plan and feels the plan needs to meet all economic levels as stated. She stated she feels that all resources including Housing Works, Neighbor Impact and Habitat for Humanity need to weigh in and provide information and feedback. She suggested that Economic Development for Central Oregon (EDCO) or the Central Oregon Association of Builders (COBA) also weigh in to provide information on workforce housing. She stated it needs to be a Housing Plan for all levels and likes the idea of including a builder, developer and real estate professional in the stakeholder group to provide input. **Councilor Weed** agreed that the Council is getting hung up on the labels of "affordable" or "workforce" but that the challenge in Sisters is to provide moderate and low income housing. **Councilor Bell** stated that she likes the idea that the information will be bounced off the committee members prior to coming the Council and public, but agrees that the stakeholder group may not need to meet monthly. She stated she also likes Mayor Boyd's idea of building off the best practices of other cities.

**Councilor Kellstrom** stated that he feels everything takes too long and costs too much money. He stated he feels that Ms. Julber can pull all this information together with input from experts in the field prior to presenting to the public and this will move the process along more quickly. The **Council** agreed that Ms. Julber can call in the stakeholders, an informal group of experts, for input as needed. **Manager Stein** asked who will determine who is invited to the stakeholder meeting

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and if it will include the Planning Commission and Council. She asked if the Council will want to identify city residents to be included. **Mayor Boyd** suggested that the Council should figure out what the committee will be discussing first and then choose the appropriate group to provide input. **Manager Stein** stated it could be an issue based group.

**Manager Stein** asked if the Council wanted to involve the CCI in their decision on this matter and **Mayor Boyd** stated that he felt it was too premature to involve the committee at this time but rather allow them to meet and create their Charter. **Manager Stein** stated she feels the Council's discussion will convey to the CCI as to what their mission will be. **Mayor Boyd** stated that the Council is looking for the CCI to foster better communication with citizens of the city and they may become involved at a later junction. He stated that Ms. Julber is being asked to provide a technical opinion. **Councilor Weed** stated she agreed that the CCI shouldn't weigh in on the policy decision but feels that the CCI should help determine the best way to get information out to the public. She stated she feels the Council should ask the CCI how to get citizen input on the issue.

**Councilor Kellstrom** stated the City shouldn't ask people without knowledge on the subject to provide input. **Wendy Holzman**, CCI member stated that she agrees that CCI involvement at this level is premature. She stated that allowing the CCI to get further along in its process will be beneficial but that she feels the Committee will likely want to be involved in some planning and land use issues at a later time.

**Mayor Boyd** summarized the discussion by asking Ms. Julber to streamline the process, find best practices and recommendation, when that information is gathered pull together a stakeholder group to meet and discuss the plan, contact the CCI for possible recommendations on how to best reach the public and keep the Council apprized of progress on the Housing Plan.

**Councilor Bell** asked that the geographic boundaries used for the Housing Plan be clearly defined in Phase II of the scope of work. **Mayor Boyd** stated that the City is only interested in data within the city limits.

### 3. Preview December 13, 2007 Workshop and Regular Meeting

**Manager Stein** provided an overview of the upcoming workshop and regular meeting on December 13<sup>th</sup>. She added that the information regarding Ordinance No. 376 (Tree City USA) has been provided to the Council in advance as the ordinance is also on the agenda for adoption during the regular meeting later in the evening. She stated this will allow the Council the opportunity to discuss any questions or concerns regarding the ordinance with Associate Planner Lehman prior to the workshop.

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**Manager Stein** informed the Council that the Veterans of Foreign Wars (VFW) will likely attend the regular meeting to discuss the Council decision to not allow a permanent flagpole at the Village Green Park, a decision they do not agree with.

**Manager Stein** stated that staff needs some direction regarding the upcoming public hearing and consideration of the appeal of the Planning Commission decision for North Park. She stated that staff will need to build a record of the hearing which is a time consuming project if the Council hears the appeal. She requested that Ms. Julber walk through the issue with the Council. **Ms. Julber** informed the Council there are two options regarding the appeal; 1) to hear the appeal or, 2) not hear the appeal and send it directly to the Land Use Board of Appeals (LUBA). She stated that cities will often do this when the appeal does not have city wide impact although the City will still be responsible for creating the hearing record. **Manager Stein** added that LUBA is the first level court on land use issues and preparing for such an appeal is like preparing for a court case. **Ms. Julber** provided a history of the case and stated that Mr. Lee continues to ask the City to uphold the terms of the development agreement (specifically a height restriction of 20 feet and 50 foot setback) for the property that expired in April 2005. She stated that Mr. Hall, owner of the property, submitted a master plan this summer for development of the property and agreed to continue to honor the 50 foot setbacks but in order to provide more interesting single family dwelling requested a 25 foot height restriction. The plan was approved by the Planning Commission in October 2007. She stated that Mr. Lee is asking that the 20 foot height restriction be upheld.

**Mayor Boyd** stated that the Council has a procedural choice to hear the appeal or send it directly to LUBA at the December 13<sup>th</sup> regular meeting. **Director Porter** stated that if the Council decides not to hear the appeal they will be upholding the Planning Commission decision and also allowing Mr. Lee to forward his appeal to LUBA if he chooses.

**Councilor Merrill** stated he feels the Council should follow the City Attorney's recommendation to not hear the appeal. **Councilor Kellstrom** asked if the Council decides to not hear the appeal if staff will still need to create the hearing record. **Manager Stein** stated that if Mr. Lee decides to appeal to LUBA then the City will still be responsible for building the record.

**Councilor Weed** stated that the Council has already approved this matter and asked why the Council would be asked to hear the appeal. **Manager Stein** stated the Council approved the development in a legislative decision and at the hearing the Council would be acting in a quasi-judicial capacity for the appeal.

**Councilor Merrill** brought up the subject of Ordinance No. 375, the open burning ban and stated that he understands per the Charter that if someone brings up the subject during visitor communication at a regular meeting that the Council should listen but not comment. **Mayor Boyd** stated the Charter should be used as a guideline but not necessarily a rule. **Councilor Merrill**

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stated he thinks that people deserve a response and wanted to know how the rest of the Council felt on the matter.

**Councilor Weed** stated she feels the Council should not engage in conversation with the individuals speaking on the burning ban unless the Council is willing to revise the ordinance. **Mayor Boyd, Councilor Weed and Councilor Merrill** all stated they would be willing to reconsider revising the rules regarding burning in the industrial park under certain conditions. **Mayor Boyd** stated that if several individuals speak on the ordinance the Council can thank them for their input and inform them that the ordinance will be reconsidered, rewritten and brought before the Council again as a new ordinance.

**Mayor Boyd** stated he wants to add an executive session after the regular meeting in order for City Attorney Bryant to educate the Council on the process and regulations regarding the evaluation process prior to Manager Stein's evaluation on December 20th. **Councilor Merrill** stated that he feels it is important for new councilors to hear the information. He stated the Council's success depends on Manager Stein and vice versa. He stated he would like to see an evaluation based on a team response. **Manager Stein** stated that if the Council chooses to evaluate her in a different form or criteria than the one presently used it needs to be approved by the Council at a public meeting. **Mayor Boyd** requested that completed evaluations be given to Councilor Merrill or himself by December 13<sup>th</sup> to allow time to consolidate the information onto a spreadsheet.

**Councilor Kellstrom** requested that monthly financial reports be given to the Council. **Finance Director Lisa Young** stated that she is in the process of refining the reports and has been giving monthly reports to Directors. She stated she is drafting a quarterly report to give to the Council. **Councilor Kellstrom** stated he would prefer a monthly report and the other councilors agreed. **Director Young** stated she will provide a copy of the monthly report to the Council as well as a quarterly report.

**Councilor Weed** asked for clarification on the memo from Director Porter to the Council regarding the Development Code update. She asked the purpose of a technical advisory committee and if the Council will have the opportunity to approve this work in advance or if Director Porter will just move forward. **Director Porter** stated that the code updates are being divided into two parts, emergency and non-emergency. He stated a technical advisory committee will be comprised of the individuals who use the code in day to day operations such as himself, Director Grimm, and Fire Marshall Wheeler. He stated the intent is to get the update to the Council quickly in order to have it implemented as soon as possible. He added the emergency updates are not discretionary but rather housekeeping issues. He stated the Council will be apprised as the process progresses.

#### 4. City Manager Update

Due to lack of time Manager Stein did not provide an update.

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The meeting was adjourned at 10:21 a.m.

Respectfully submitted,

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Kathy Nelson, City Recorder

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Brad Boyd, Mayor