

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
NOVEMBER 06, 2008

MEMBERS PRESENT:

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

STAFF PRESENT:

Brad Grimm Public Works Director
Eric Porter Comm. Dev. Director
Lisa Young Finance Director
Brad Grimm Public Works Director
Kathy Nelson City Recorder

DESCHUTES COUNTY:

Mike Daly Commissioner
Dennis Luke Commissioner
Dave Kanner Administrator
Mark Pilliod Attorney
Terri Payne Senior Planner
Peter Russell Transportation Planner

ABSENT:

Eileen Stein City Manager

ABSENT:

Tammy Baney Commissioner

1. Quarterly Meeting with Deschutes County Commissioners

The joint meeting of the County Commissioners and Sisters City Council was called to order at 8:02 a.m. by Mayor Boyd and Commissioner Daly. **Mayor Boyd** welcomed the County staff.

Councilor Bell asked how the downturn in the economy is affecting Deschutes County. **County Administrator Dave Kanner** stated the County is fine with the exception of the Community Development Department (CDD) which has experienced some lay-offs. He stated that building and planning revenue is down significantly but reserves the department had set aside during the boon years from 2003 to 2007 are being used to balance the budget this year. He stated a majority of the funds will be gone by the next fiscal year. He stated that fee increases, budget cuts and the possibility of a General Fund transfers will help with the CDD budget next year.

Administrator Kanner stated that both vehicle registration and gas tax revenue are down which may play a factor in what types of road projects are considered. He stated the General Fund is in good shape with large reserves and he expects the next budget session to be a discussion on not what services to cut but a discussion on how much to draw down the reserves. He added that recording fees, the second largest revenue generating program for the County, are also down.

Councilor Weed asked how the room tax measure not passing during the general election will affect the County's budget. **Administrator Kanner** stated there will be no impact in that those

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funds had not been budgeted and the County had only considered ways they might have been used. He stated the County will need to consider other ways to pay for road maintenance and still contribute to the Fair and Expo Center capital reserves.

Administrator Kanner stated that the County did receive an additional \$2.2 million dollars from forest receipts that were not anticipated but the funds have been largely offset by the decrease in vehicle registration and gas tax receipts, leaving approximately \$1.1 million dollar that may be used towards the Deschutes Interchange project and fuel reduction projects, including some around Sisters area forest land.

Councilor Bell asked for an update on the Measure 37 claim for Pine Meadow Ranch. **County Attorney Mark Pilliod** stated that Measure 37 has largely been supplanted by Measure 49. He stated that the avenue of a vested rights determination does not apply to the Pine Meadow Ranch property as the development of the property has never been started. He stated that leaves the total number of additional permits that can be obtained for the property at only ten permits.

Councilor Bell asked for an update on destination resorts in general. **Deschutes County Senior Planner Terri Payne** stated the County is in the process of updating its Comprehensive Plan. She stated that currently the County is hosting “listening” sessions throughout the County to receive input from community members on what is important to them. She stated the public process will probably continue through the summer of 2009 and gathering input from community members on destination resorts is part of that process. She stated a mapping process will begin after the information gathering process has ended. **County Planner Payne** described the criteria for destination resorts.

Mayor Boyd stated he thought there was a limit on where destination resorts can be developed with regard to high value agricultural land and asked what that limit is. **County Planner Payne** stated that a destination resort can not be built within three miles of high value agricultural land and although there is no land that meets the definition in the County, the County has chosen to place a three mile buffer around the County.

Councilor Merrill stated the issue with destination resorts is to weigh the benefits versus the traffic concerns. **Commissioner Daly** stated he thought the City of Sisters should welcome the possibility of a destination resort at Aspen Lakes for the increase in retail income it will bring into the City. He added that he didn't think the traffic will be that much of a concern. **Mayor Boyd** stated that as a business owner he does appreciate the business but he is also not paying to upgrades to improve streets. He stated there is a need to protect the constituents of the City. **Commissioner Daly** stated that most destination resort developers are willing to mitigate traffic issues. **Councilor Weed** stated that it is helpful that most are willing but there is nothing that requires the developer to mitigate the increased traffic from the development.

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County Transportation Planner Peter Russell stated that Deschutes County asked for Crook County to condition the approval of a destination resort that backs up to Deschutes County in the amount of approximately \$100,000 worth of improvements. He stated that Crook County willingly imposed these conditions of approval on the developer, who was more than willing to pay for those improvements. He stated that if Aspen Lakes becomes a destination resort the City can work with the County to require mitigation for traffic concerns. **Councilor Merrill** stated the significance is that Deschutes County took the initiative with Crook County and asked if the City should be prepared to do the same. **Commissioner Luke** stated the County will work with the City if the destination resort at Aspen Lakes is approved and the City can demonstrate through traffic studies there are legitimate claims. **County Planner Russell** stressed the importance of coordinating with the Oregon Department of Transportation (ODOT) also.

Councilor Weed stated that with regard to destination resorts it is a matter of degree. She stated there is the possibility for five additional resorts surrounding Sisters, with its population of only 1825 people and there is the potential for huge impacts. She asked if during the approval process developers will be required to study these impacts on traffic, Whychus Creek and wildlife, just to name a few. **County Planner Russell** stated that the County's code requires a traffic study that covers traffic concerns for the next 20 years. He stated along with the study is the timing of the traffic concerns and who will be responsible to pay for mitigation of those concerns.

Mayor Boyd stated that there needs to be a distinction made between the various developments. He stated that Sun River, Black Butte Ranch and Eagle Crest provide an economic benefit to the area while developments like Pronghorn and Tetherow are high-end, gated communities that local community members can't even get into. **Commissioner Daly** stated that everyone needs to remember that when developers stop building the entire economy in the region slows down for everyone. **Mayor Boyd** stated that the region can never sustain the boom levels and there is a need to learn how to diversify the economy. **County Planner Payne** added that there is an extensive code requirement for destination resorts prior to any building permits being issued. **Mayor Boyd** stated if a destination resort is developed in the County it is the City's hope that the developer will look at the City anyway to see the impacts.

Mayor Boyd asked what the policy is with regard to destination resorts when Bend reaches a population of 100,000. **County Planner Payne** stated that once Bend reaches a population of 100,000 people, which it is anticipated to reach between 2015 to 2020, then there can be no additional destination resorts within 24 air miles. **Mayor Boyd** stated that will disqualify both Aspen Lakes and the Three Creek areas from becoming destination resorts if they are not developed prior to that timeframe.

Commissioner Luke asked where the City is with regard to urban growth boundary (UGB) expansion. **Councilor Merrill** stated there is a more than adequate supply for development for the next 20 years.

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Commissioner Luke asked if the Forest Service property will go back on the market.

Community Development Department Porter stated that the Forest Service plans to re-divide the property and take the smaller pieces back to market sometime in the spring of 2009 at the earliest.

Commissioner Luke asked about the City's budget and how it has been affected by the economy.

Mayor Boyd stated the City is fine. He stated that the City has always supplemented the Planning Department with transfers from the General Fund. He stated that there has been a slight slowdown in revenues but the City has good reserves.

Administrator Kanner stated that tipping fees will be raised in the next fiscal year an additional \$5 a ton.

Commissioner Luke stated that the County would like to give a Local Rule presentation at the next joint meeting of the Council and Commissioners prior to it will be going to a vote. He added the requirement for nitrogen reducing filters will be mandatory within the next 14 years.

Mayor Boyd thanked the County Commissioners and County staff for attending the meeting.

A brief recess was taken while the Commissioners and County staff exited the meeting.

2. Preview 11/13/08 Budget Committee and Regular Meeting Agendas

Finance Director Young provided an overview of the quarterly Budget Committee meeting. She stated she will present information on the ending fund balances for FY 07-08 and first quarter information on FY 08-09.

Mayor Boyd provided an overview of the City Council meeting. He asked Director Porter to provide a short summary on Ordinance No. 382 that will come before the Council at the regular meeting.

Director Porter stated the ordinance is in response to events when building permits were not obtained or inadequate permits were obtained for construction projects within the City. He stated the ordinance will add verbiage to the Municipal Code that allows designated City staff to cite violators.

3. City Manager Update

Due to Manager Stein's absence there was no update. **Mayor Boyd** asked if there were any other items for discussion.

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The **Council** requested staff send a \$100 donation to the National Parkinson's Foundation in memory of Manager Stein's father-in-law.

Councilor Merrill directed the conversation to the letter Council members received from Richard Esterman requesting he be allowed to move his Sisters Arts & Crafts Festival from Creekside Park, where it has taken place for several years, to Oak Street, where the street will be blocked off. **Mayor Boyd** stated that Mr. Esterman had come and talked with him regarding his request and that he plans to address the Council during visitor communication at the December 11th regular meeting to request a trial run of one year to host the event at the Oak Street location. He stated that blocking streets has not been an issue if it is before Memorial Day and after Labor Day but if Oak Street is blocked during peak summer traffic it could be problematic. He added the Council has never previously allowed an event of this nature during that timeframe.

Councilor Bell stated there was another car accident at the intersection of Barclay Drive and Highway 20. **Councilor Merrill** reported that the driver on Barclay Drive had run the stop sign.

Director Porter informed the Council that the Black Butte Crossing applicant submitted the additional items requested by the City to complete its application on October 24th. He reported the application will come before the Planning Commission at the December 18th meeting. He stated there are concerns with the intersection of Highway 20 and Locust Street failing.

Mayor Boyd asked for a timeframe for Black Butte Crossing to be built out. **Director Porter** stated that the applicant is requesting a four year period of time but he does not think the City's Development Code will support four years. **Mayor Boyd** voiced his concern that the applicant will build only the first phase of the development of multiple phases and not complete the remaining phases. **Director Porter** stated he is looking into requiring all infrastructure for the entire project be completed initially as opposed to one phase at a time. He stated that the Oregon Department of Transportation (ODOT) is actively involved in the review process.

Councilor Weed asked if negotiations with Bruce Forbes to complete the Timber Creek Bridge are at an impasse. **Mayor Boyd** reported that the City is waiting for an agreement to be signed by Mr. Forbes regarding the approach road. **Councilor Merrill** stated that the bridge was originally designed to be used as an emergency exit but with the Pahlisch development it may no longer be needed as another route has been built to accommodate the development.

The meeting was adjourned at 9:36 a.m.

Kathy Nelson, City Recorder

Brad Boyd, Mayor