

MEETING MINUTES
JOINT MEETING WITH SISTERS CITY COUNCIL AND
GOVERNOR'S ECONOMIC REVITLIZATION TEAM
520 E. CASCADE AVENUE
FEBRUARY 05, 2009

COUNCIL MEMBERS PRESENT:

Lon Kellstrom	Mayor
Bill Merrill	Councilor President
Sharlene Weed	Councilor
Pat Thompson	Councilor
Jerry Bogart	Councilor

STAFF PRESENT:

Eric Porter	Comm. Dev. Director
Lisa Young	Finance Director
Brad Grimm	Public Works Director
Pauline Hardie	Senior Planner
Laura Lehman	Associate Planner
Kathy Nelson	City Recorder

ABSENT:

Eileen Stein	City Manager
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GERT MEMBERS:

Janet Brown	Economic Revitalization Team (ERT) Regional Coordinator
Ray Naff	Economic Revitalization Team (ERT) Director
Gary Farnsworth	Oregon Department of Transportation (ODOT)
Mark Radabaugh	Department of Land Conservation and Development (DLCD)
Debbie Price	Oregon Housing and Community Services (OHCS)
Clark Jackson	Oregon Economic and Community Development Department (OECDD)
Mike Solt	Oregon Economic and Community Development Department (OECDD)
Brett McKnight	Oregon Department of Transportation (ODOT)
Kirk Jarvie	Department of State Lands (DSL)
Tim Lindsey	Department of Consumer and Business Services (DCBS)
Karen Chase	Oregon Department of Energy (ODOE)
Parrish Van Wert	Department of Commerce (DOC)

The meeting was called to order by Mayor Kellstrom at 10:00 a.m.

A. Welcome and Introductions

Mayor Kellstrom welcomed the Economic Revitalization Team (ERT) members to Sisters. Introductions were made.

B. Purpose of Economic Revitalization Team and Representative Agencies

Ray Naff, ERT Director informed the Council that the Economic Revitalization Team (ERT) began with the organization of a program called Community Solutions. He stated that with the 2003 legislative session, HB 2011 codified the ERT into law. He stated the express purpose of ERT is to work with local partners to bring a group of state agencies who can work with local government partners to move projects forward that could have potential economic significance for

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an area. He stated that secondarily it is important to hear the message that local government has to convey to the State. He stated this collective effort helps to establish relationships. **Janet Brown, ERT Regional Coordinator** stated the team is comprised of 11 agencies and provides support for the county and city government in Deschutes, Jefferson and Crook counties. She added that the only two agencies not able to be in attendance at the meeting were the Oregon Water Resources Department (OWRD) and the Oregon Department of Agriculture (ODA).

C. New Economic Development Direction

Mayor Kellstrom stated the new Council is working diligently at pursuing economic development in Sisters and have accomplished a lot in a short period of time. He stated that Sisters is partnering with Redmond to apply for an enterprise zone which will provide benefit to both cities. He stated that Sisters boundary will contain approximately 300 acres and the City is working with Economic Development for Central Oregon (EDCO) to use its expertise. He stated a group of local business and community leaders, Sisters Business Attraction and Retention Team (SBART), have assembled to provide guidance to any interested or potential businesses that might consider locating in Sisters and that city staff has responded very well also. He stated Sisters does not see that it will be in competition with Redmond but rather that Sisters will act as an incubator city for businesses to grow. **Mark Radabaugh, Department of Land Conservation and Development (DLCD)** asked if there was any assistance the ERT group could offer such as a language update in the Comprehensive Plan or Economic Development Plan. **Community Development Director Porter** stated that assistance could be used and currently it is a matter of prioritization of projects. **Mr. Radabaugh** stated there are technical assistant grants available to help with the update process.

D. Status of Economic Stimulus Programs

1. State and Federal Programs

Mr. Naff stated the issue of an economic stimulus package on both the federal and state level is a vital topic important to the state and federal economy. He stated the State package's focus is to get people back to work while the \$900 billion federal stimulus package will provide money for infrastructure projects, education, transportation and competitive block grants. He stated the block grants will allow states to compete for funds for innovative, creative projects that could be replicated elsewhere. He stated the State is trying to position itself to be prepared to move forward on projects as soon as funds become available and to garner any additional funds it can.

Mr. Naff stated the State's economic picture is quite grime with an estimate of close to a \$1 billion dollar deficit projected for this biennium for state agencies. He stated Oregon is hopeful that some of the federal stimulus funds will help backfill some of the budget holes. He stated the

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FY 09-11 biennium is projected to have a \$2.1 to \$3.8 billion dollar shortfall if it were to maintain existing program levels and that economic uncertainty makes it difficult to project what the future holds. He stated there are opposing factions with regard to the \$600 to \$700 million dollar rainy day fund with those who are in favor of using the funds now and those who are not. He stated the Legislature is engaged in budget issues and it is imperative to maintain strong community links and work together.

Ms. Brown stated the economic stimulus program funds will mostly come in the form of loans not grants and be available through existing federal programs. She encouraged the City to also look at opportunities for assistance from the agencies represented by the ERT group. **Councilor Thompson** stated that part of the problem is timing as the City has always been very conservative and not planned far enough into the future for infrastructure needs. **Ms. Brown** stated his comment is one frequently heard in many cities and counties. She stated it requires a lot of resources for a city to stay abreast of future infrastructure planning.

2. City of Sisters List

Public Works Director Grimm provided an overview of the street, water and sewer projects submitted for stimulus program funds. **Gary Farnsworth, Oregon Department of Transportation (ODOT)** asked what assumptions Director Grimm was making on right of way (ROW) acquisition, specifically with regard to signaling the Highway 20 and Locust intersection and **Director Grimm** stated no ROW acquisition was included in the projected costs as the details of the projects are from the previous Transportation System Plan (TSP) since the new TSP has not been approved and adopted.

The ERT team discussed with the Council and staff the timing and construction of signal projects, new reservoir site and energy efficiencies with staff voicing frustration that the 120 day time frame to have projects shovel ready does not necessarily lead to long term economic development or jobs.

E. Neighborhood Stabilization Program Mapping

Debbie Price, Oregon Housing and Community Services (OHCS) stated that Sisters does not qualify for the funds to be distributed by the program under the formula used by Housing and Urban Development (HUD). **Councilor Weed** voiced her disappointment to not be eligible for any of the 19 million in funds that will be available as there are over 200 properties that are bank owned in Sisters. She stated that in nine months more funding will become available and Sisters hopes to meet the criteria to qualify for the program at that time. **Ms. Price** stated that Sisters is fortunate to have local capacity for homes to be built under this program. **Ms. Brown** suggested discussing the methodology inequities with David Blair from Senator Wyden's office and Judy Trego from Congressman Walden's Office.

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F. Sisters Transportation System Plan (TSP) Update

Director Porter stated the current TSP was adopted in 2001 and in need of an update which is underway and will likely be adopted in spring or early summer. He stated there is consensus with the project advisory committee (PAC) on the new TSP for the choice of an alternate route. He stated the route will use Barclay Drive and Locust Street to circumvent the downtown area for trucks and other vehicles attempting to move through Sisters more quickly. He stated there will be one additional community meeting before the plan comes before the Planning Commission and ultimately to the Council for adoption. He stated the new plan will provide opportunities to improve Cascade Avenue for both pedestrian and bicycle traffic. **Ms. Brown** asked if the City's system development charges (SDC's) were current. **Director Porter** stated the figures being used are from the 2001 TSP plan and need to be updated. He stated transportation SDC's would need to be raised 25% to offset actual costs and the City may need to discuss the possibility of phasing the charges. **Mr. Farnsworth** complimented the City on the work it has performed with regard to the TSP update.

G. Forest Service Property Status

Director Porter stated the Forest Service unsuccessfully attempted to sell its property at the corner of Highway 20 and Barclay Drive this past summer. He stated the City is working to help the Forest Service market the property while making certain it does not trigger the transportation planning rule. He stated language adopted to the Development Code more clearly defines future possibilities for the property. He added that the Forest Service may also derive benefit from the stimulus package.

H. Destination Resorts and Metolius Area of Critical Concern

Ms. Brown informed the Council of two public meetings that will take place with regard to designating the Metolius Basin as an Area of Critical Statewide Concern (ACSC) and encouraged the Council to forward any ideas it has to LCDC regarding the matter as it is moving forward at a very rapid pace. She stated a copy of the draft management plan is now available on the DLCD website. **Mr. Radabaugh** added that the website also provides an informative environmental background.

I. E-permitting Process

Director Porter stated the State has been charging four percent on building permits in order to fund and implement an e-permitting process. He stated that a "quick" permit process is already employed in some communities and allows for the remote purchase of simple permits. **Tim Lindsey, Department of Consumer and Business Services** stated the concept of the quick

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permits evolved into the concept of electronic permitting process where plans for a development can be submitted and reviewed electronically. He stated that currently Lane County, Springfield and Eugene are using the program and a demonstration of the process will take place at Sisters City Hall on February 27th for staff, members of Central Oregon Builders Association (COBA) and developers.

J. Pilot Project for Affordable Housing

Director Porter stated that HB 2225 establishes a pilot program for affordable housing that will be tried in five cities. He stated the bill will allow land to be brought into the urban growth boundary in a different way specific to developing affordable housing. He stated the City is interested in participating as it will dovetail with the City's adoption of a housing plan and implementation process.

K. Energy Projects for Wastewater Treatment Plant

Karen Chase, Oregon Department of Energy stated she would provide a list of resources and available opportunities to Director Grimm.

The meeting was adjourned at 11:23 a.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor