

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
SEPTEMBER 3, 2009

MEMBERS PRESENT:

Lon Kellstrom Mayor
Bill Merrill Council President
Pat Thompson Councilor
Jerry Bogart Councilor

STAFF PRESENT:

Eric Porter Comm. Dev. Direct
Brad Grimm PW Director
Lisa Young Finance Director
Kathy Nelson City Recorder

VIA TELEPHONE CONFERENCE:

Sharlene Weed Councilor

ABSENT

Eileen Stein City Manager

GUESTS:

Bill Willits MMV Property Owner
Curt Kahlberg MMV Property Owner
Keith Sampson Senior Housing Developer
Jeff England MMV Development Engineer

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

1. McKenzie Meadow Village (MMV) Annexation Agreement Discussion

Public Works Director Grimm stated Community Development Director Porter gathered information for the staff report on the McKenzie Meadow Village (MMV) annexation agreement. He stated that after the original research staff discussed the provisions and obligations to determine if there were additional terms that should be included in the agreement. He reported that those comments were sent via email to the Council yesterday and would be included in today's discussion.

Director Porter stated he wanted to discuss each bullet point to make certain the items being proposed are agreeable to the Council. He stated the agreement will not be ready until these issues are resolved.

City Obligation #1: *City shall approve MMV annexation by ordinance, within 60 days of both parties executing this annexation agreement.*

City Obligation #2: *City shall provide appropriate levels of staffing, support and assistance to expeditiously approve the ensuing annexation ordinance, Comprehensive Plan amendments, zone change, and all other land use entitlements in accordance with applicable City Codes, Oregon Revised Statutes, and Oregon Administrative Rules.*

Councilor Weed stated she is uncomfortable with both of the City obligations and doesn't understand why the City would put itself in the position of rushing the process or having inadequate staff to handle the workload. She stated she didn't see the reason to include either obligation.

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Councilor Merrill asked if City Attorney Bryant was aware of the changes that staff was recommending. **Director Grimm** stated the changes were discussed with the City Attorney Bryant on Tuesday but he had not seen the additional staff comments. **Director Porter** assured the Council that the City Attorney will review any changes made to the agreement.

Developer Obligation #1: *Developer shall provide 1 in 10 affordable housing units at 80% area median income (AMI) as defined by either City Development Code or 2008 Housing Plan. The affordable housing requirement applies only to the single-family residential portion of the project. The affordable housing lots shall be identified at the beginning of each phase where this provision applies. Specific strategies for implementing and maintaining long-term affordability shall be developed concurrently with the master plan review and decision process.*

Director Porter stated this obligation should name the existing Housing Plan as the defining document. **Councilor Merrill** asked how the total of eight affordable dwelling units was decided upon. **Jeff England, MMV Development Engineer** stated the number was based on the total of the senior independent living cottages and the single family dwelling units, or 81 units.

Councilor Weed stated the 80% AMI proposed is too high as that figure represents the current market rate and recommended it be set at 50% AMI or below. She stated it appears the developer is counting the assisted living units for density bonus purposes but not for affordable housing unit purposes which sets the affordable housing units too low. She stated details on the affordable units also need to be included such as square footage and period of affordability.

Councilor Merrill stated calling the senior assisted living facility is a misnomer and it should instead be called a senior living facility that may include some assisted living. **Keith Sampson, senior housing developer**, stated the correct name is senior independent living with assisted living. **Mr. Sampson** stated the 82 proposed senior independent living units are planned to be developed in two or three phases.

Councilor Merrill asked if there are any single family housing units for non-senior families proposed. **Mr. England** stated the property will be designated as age 50+ and above. **Councilor Merrill** stated in counting up the total dwelling units (82 + 24 + 57) he also agrees there should be more affordable units. He stated by his count it would be 16 affordable units. **MMV property owner Bill Willits** stated the concept for the development is for those ages 50 and above. He stated the idea is that seniors living on their own are in first position to move into a unit in the independent/assisted living portion of the development as needed. He stated a person younger than 50 could live in the development as part of a live and work approach.

Developer Obligation #2: *Developer shall work cooperatively with the City, senior community, and other stakeholders to provide a 2,500 square foot (minimum) community center serving the greater Sisters area (Sisters School District boundary). The community center shall be*

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constructed on its own subdivision lot, be a non-profit enterprise owned and operated by its members, and available to the general public within the terms of the operating agreement. It is not the intent of this provision that the Developer shall be solely responsible for development of the Community Center. Development of the Community Center shall be contingent upon favorable monetary and other considerations. Developer shall guarantee availability of up to 1.0 acre of land adjacent to the proposed assisted living facility for three years from the date of master plan approval at a set price of \$100,000 per acre. If the Community Center is not completed or is not substantially completed within three years from the date of master plan approval, this land shall revert to open space.

Director Grimm stated the three year time frame is too narrow a period of time to pursue grant funds, obtain permits and build the community center if there is intent to actually get a community center. **Mr. Willits** stated the land will automatically revert to open space and will be above the required amount of open space. He stated the time frame was set in order to get the work completed in a timely manner and get community spirit behind the project with an in-kind donation from the senior housing developer for the land. He stated setting a time frame also makes grantors realize there is a timeline. **MMV property owner Curt Kahlberg** stated there could be some flexibility in the timeframe. **Mr. Sampson** stated there is a need to be proactive and have a vision. He stated the community center will provide an affordable venue at a charge of only \$25 an hour. He stated that if there is not a need for the center at this time, there will be in the future. **Councilor Merrill** stated the comments being made are all subjective and based on anecdotal evidence. He stated what Mr. Sampson is describing already exists with the Sisters Park and Recreation District (SPRD). **Councilor Weed** stated she agrees with staff comments that the property should revert to open space and be donated to the City if the community center does not get built in three years which she also considers unlikely. She stated she does not feel the space should be tied only to open space but should be allowed to develop for whatever community purpose the City sees as appropriate.

Developer Obligation #3: *Developer shall provide net acreages or number of units as follows:*

- 1. Assisted Living Facility and Community Center: Up to 6.5 acres or 82 living units*
- 2. Neighborhood Commercial: Up to 1.2 acres*
- 3. Senior Independent Living Cottages: 2.59 acres or 24 units*
- 4. 50 years of Age and Older / Work Force Single-family Residential: 8.64 acres or 57 units*
- 5. Balance of Acreage to be in Open Space and Public or Private Right-of-Way. Total acreage of open space shall be based net acreage (gross acreage minus public / private right of way) in accordance with City's Development Code.*

Director Porter stated this developer obligation establishes certain acreage according by land use types. **Councilor Merrill** asked how the 50+ age requirement and workforce single family residential housing will be enforced. **Director Porter** answered the City will be a party to the covenants, codes and restrictions (CC&R's). **Councilor Merrill** stated the City needs to remember there will be a cost associated with that oversight.

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Councilor Weed stated she sees no timeline for when or what will be built and stated she feels this is necessary. She stated she has also heard from community members that MMV is better suited for families with children then seniors as it is sandwiched between two schools.

Mayor Kellstrom asked if it is common practice to put a timeline on projects in an annexation agreement. **Director Porter** stated it is fairly common in a phased subdivision complex but added there are no repercussions to the developer if they don't meet the timeline. He stated the City has no means to enforce the timeline. He stated with a master plan there is a timeframe attached to it that if not met, requires the developer to go through the planning review again. **Councilor Merrill** stated that as a part of the Development Code update additional time will be added to the timeline requirement as a means of helping in these difficult economic times.

Councilor Weed stated it is important to insure the City gets the senior living facility the developer has committed to and not be able to build anything else without that being started.

Councilor Bogart asked Mr. Willits if the senior center will be built first. **Mr. Willits** replied that the development has always had a senior center component but based on the economy it is not known what part of the development will be built first. He stated that in order for the age 50+ community to work it has to have the assisted living component. **Councilor Merrill** stated that even though master plans can be changed he is not concerned with the timing issue. **Mayor Kellstrom** stated that he is not concerned with the timing issue either. He stated that contrary to Councilor Weed's statement with regard to seniors living in an area between two schools, he has heard comments that it is a desirable place for seniors to live. He stated the sentiment can go either way as to whether the location is a good place for a senior living campus.

Councilor Merrill stated that in Developer Obligation 2 and 3 there is discussion on building a community center and he questioned why. He stated the City already has five community centers and one is failing while the others are not fully utilized. He stated the other centers include the Community Room at the Fire Hall, the Maida Bailey building, Sisters Park and Recreation (SPRD), City Hall and the library. He questioned the need for another community center. He stated after a feasibility study for a senior center, the idea was dropped. He stated the decision to build another community center is a subjective matter and suggested that the acreage could instead be opened up for other uses.

Mr. Willits stated the MMV developers have come up with a very viable approach and the center will be tied to the senior living facility and enhance the life of those residing here. He stated that senior affordable housing developer Mark Adolf will help by providing the land at a reasonable price and feels a center will be a great gathering space for seniors. He stated if the community doesn't rally around the idea and build the center within the three year period it will revert to open space and still be a great gathering space for seniors.

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Councilor Merrill stated that when the property was originally brought into the urban growth boundary, the decision was based on objective, factual information of the need for single family housing units for some time after 2010. He stated that need has diminished after converting other property from light industrial to residential zoning. He stated the MMV property is close to two public and one private school and is an ideal place for families with children. He stated it has proximity to Rays Food Place, Bi-Mart and easy access to the downtown area without even going on Highway 20. He stated he has done considerable research on various types of senior living facilities and with regard to senior living what is the next step and when to take it. He suggested leaving five acres for the senior independent living cottages, three acres for the senior independent with assisted living facility and the remainder of the acreage left for its intended purpose of single family dwelling units without age restrictions. He stated this would best suit the community and would present a good compromise for everyone.

Councilor Merrill stated he would not include any neighborhood commercial acreage in the plan as he doesn't think Sisters will be a place where medical specialists will locate, which he contends is who most seniors need to see more versus a general internist.

Mr. Willits stated that with regard to medical facilities, he is working collaboratively with Sisters School District Superintendent Elaine Drakulich. He stated the district is in need of both medical and mental health facilities and Superintendent Drakulich feels there is ample financial fuel to make this a reality. He stated he has met with representatives from St. Charles Medical Center and feels an acute care facility in MMV would be a good location and a benefit to the seniors residing there.

Councilor Merrill stated he is only trying to discuss what is best for the community for the long term. **Mr. Willits** stated he feels the MMV developers have created an ideal model for the community, especially with the number of baby boomers who are aging. He stated there is also an ongoing discussion with the school district about having interested high school students work in the senior living facility as part of their school curriculum.

Developer Obligation #4: *Development shall be in accordance with applicable portions of the City Development Code and Public Works' Standards and Specifications including, but not limited to, "Master Planned Developments", 'to and through' for streets and utilities, pedestrian connectivity to the high school property, street standards and right-of-way dedication, and open space requirements. With the exception of the land uses stated within 2. C. above, in the event of any conflict between this Agreement and the applicable Development Code provisions, the Development Code provisions shall supersede this Agreement.*

Director Porter stated this obligation clarifies process for the development.

Councilor Weed asked if the master plan will be reviewed under the new Development Code after the update is completed. **Director Porter** stated the developer has the option to decide.

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Councilor Weed asked if the City can require the development to be subject to the new unadopted Development Code and **Director Porter** stated only if the developer chooses to do so. He stated the developers have indicated they would prefer to comply with the new unadopted code.

Developer Obligation #5: *Developer shall provide a transitional area consisting of lower density single-family detached residential units along the northern boundary of the subject property. The lineal distance measured in a north-south direction shall be at least 75-feet and shall be limited to thirteen single family lots and dwellings.*

Director Porter stated this obligation provides for a transition buffer zone between urban and rural areas and is likely not controversial to either party.

Developer Obligation #6: *Perpetual maintenance of common areas shall be provided through Covenants, Codes, and Restrictions (CC&R's) and/or Home Owners Association (HOA). The City shall be a party to the CC&R's, which shall not be subject to amendment without the City's written consent. The City shall have enforcement rights under the CC&R's.*

Director Porter stated this is the obligation that makes the City party to the CC&R's and requires the City to approve any significant changes to the CC&R's. He added the City Attorney still need to review this item.

Councilor Weed stated she doesn't think the City wants to be involved in the CC&R's and act as an enforcement officer. **Director Grimm** explained that the advantage of being a party to the CC&R's from a Public Works standpoint is with regard to the roads. He stated it insures that private roads have safe accessibility and makes certain that cannot change without City approval. **Councilor Weed** stated the example he cited sounds like a different issue than enforcement. **Mayor Kellstrom** directed staff to have the City Attorney provide the correct language that allows the City to participate in the CC&R's but not be the vehicle for enforcement issues.

Developer Obligation #7: *All legal fees incurred by Developer or City as a result of McKenzie Meadow Village property being appealed through any land use or civil suit process shall be the responsibility of Developer to pay. Choice of legal counsel shall be at Developer's sole discretion.*

Director Porter stated the obligation relieves the City of any financial burden to defend an appeal. **Director Grimm** stated the obligation should also be changed to allow the City to make the choice of legal counsel at its own discretion.

Developer Obligation #8: *Developer shall pay to City a fee in lieu of water rights sufficient to mitigate the water rights impact of the development. The specific fee amount is to be determined prior to or concurrently with the master plan review and approval process.*

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Director Porter stated there is a need to specify when the water rights in lieu payment will be paid. **Director Grimm** stated the City doesn't currently collect water mitigation in its system development charges (SDC's) and if the developer pays now and the City adds a water mitigation fee into its SDC's the fees would already have been paid without the mitigation fees. **Mr. Willits** stated he is against this practice and stated it should be a pay as you go system for each homeowner. **Director Grimm** stated past practice has been to transfer the rights. He stated the Deschutes Water Conservancy and Water Resources would rather the city mitigate as opposed to the developer being in competition for water rights. He stated the City would need to add SDC's prior to development to get water rights in lieu compensation.

Mr. England stated that involves significant money up front and it is more appropriate to pay the fee when permits are pulled either through SDC's or mitigation for each equivalent dwelling unit (EDU). **Councilor Weed** stated in the past the developer has always paid up front. **Mr. England** stated this is not necessarily the most appropriate way to handle the fee collection. **Mr. Willits** stated he wants to pay the mitigation fee based on usage and not all up front.

Director Grimm stated the city will be reviewing its water and sewer SDC's this year. **Director Porter** stated he will work with staff and the City Attorney on the correct language.

Additional Provision #1: *City and Developer agree that, in accordance with the existing Comprehensive Plan and respective Public Facilities Plans, there is sufficient infrastructure capacity to serve 131 equivalent dwelling units (EDU's) and development may proceed unrestricted up to that amount. Development beyond 131 EDU's may, at City's discretion, require additional capacity analysis and possible mitigation measures. Developer agrees to provide City with any needed capacity analysis and to provide any and all necessary mitigation measures needed to adequately serve all units in excess of 131 EDU's.*

Director Porter stated this provision requires the developer to provide a capacity study after the construction of 131 EDU's.

Councilor Weed stated that there would be inadequate capacity for MMV if all the existing properties already within city limits that are scheduled to be developed were built out. She stated that MMV will be borrowing capacity that is already slated for those developments. **Mr. England** stated he did not feel it is an issue as MMV's capacity is included in the Comprehensive Plan and wastewater master plan. **Councilor Weed** stated the city has built out more densely than anticipated and the reality is there is not sufficient capacity for MMV.

Mayor Kellstrom asked if there was sufficient capacity to support the development. **Director Grimm** stated the Westside sewer line does have wastewater treatment capacity for this build out as the needs were built into the wastewater master plan. **Councilor Thompson** stated this brings to light the need for a new west side sewer plan. He stated the MMV property is included in the master plan but future developments such as the Forest Service property and the additional build-

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out of Hayden Homes could present a problem for capacity. **Councilor Merrill** stated that when MMV was approved by the voters it was with the understanding the property would be for 565 single family homes. He stated with the proposed changes he thinks it would be worth having a capacity evaluation. **Mr. England** stated it is a matter of timing and since there is adequate capacity at this time for the initial 131 EDU's the analysis isn't needed right away. He stated the analysis will happen in due course when the additional capacity is needed but that will likely be another 15 years. He stated the analysis could be more comprehensive and include the Forest Service property and Hayden Homes.

Additional Provision #2: *The western design theme shall not be required within MMV.*

Director Porter stated this provision can be pulled as a western design theme is not mandated in a residential zone.

Additional Provision #3: *This Agreement and referenced attachments relate to MMV only and constitute the complete agreement between City and Developer. This agreement supersedes all prior written agreements or oral discussions.*

Additional Provision #4: *In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the losing party such sums as the court may adjudge reasonable as attorney's fees at trial and on appeal in such suit or action, in addition to all other sums provided by law. Venue for any proceeding arising out of this agreement shall be in Deschutes County, Oregon.*

Additional Provision #5: *This Agreement may not be revised without the written mutual consent of City and Developer.*

Director Porter stated additional provisions 3, 4, 5 and 7 all need to be reviewed by the City Attorney.

Additional Provision #6: *The developer agrees to design and construct a 1.8 acre (or larger) park within the property described in Exhibit A. The City may at its discretion accept the dedication and subsequent maintenance of this park. The timing of the design and construction of the park shall be as follows; the design shall be completed and accepted by the City during the Master Plan review process. The construction of phase I (paved pathways) shall be completed at or before final occupancy of the first 10 single family dwellings. The completion of the remainder of the park shall occur at or before final occupancy of the first 20 single family dwellings. Prior to the final plat being recorded, a bond or similar shall be provided to the City in an amount sufficient to cover the cost of park construction as assurance of the completion of the park. The bond shall be accompanied by a cost estimate for park completion which shall be provided by the developer.*

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Director Porter stated this provision obligates the developer to build a 1.8 acre developed park which the developer wants the City to accept as a city designated park. He stated the City wants the discretion to accept or not accept the dedication and subsequent maintenance depending on the location, accessibility and proposed features of the park. He stated meaningful improvements the City will require include such items as a children's play area, restrooms and picnic tables.

Councilor Merrill asked if the streets within the development will be private or public streets.

Mr. Willits stated the streets will be public. He added that designation of the park as private or public can go either way as far as he is concerned but noted that walking paths and a children's park component are items that are planned to be included. He stated he has polled seniors on 20 items and will incorporate those desires into the development plan.

Director Grimm stated whether or not the City accepts the park is dependent on if the park represents city residents and visitors or will just be used by residents of the development.

Additional Provision #7: *Each and all of the covenants, terms, provisions, and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and shall extend to their respective successors, heirs, and assigns.*

Additional Provision #8:

Director Porter stated an additional provision was identified by staff and would allow the City to recoup some of the expenses associated with the staff, legal and engineering time that has been spent on this and previous versions of the annexation agreement. He proposed that at the least the City should attempt to be reimbursed for some of the legal and engineering time. **Councilor Merrill** and **Councilor Weed** agreed the City should recoup the expenses.

Mayor Kellstrom stated he was unsure as it depends on how much money is involved and if this is a common practice in other jurisdictions. **Councilor Weed** stated in other instances the City always tries to collect its expenses. She stated if the City does not the Council is approving an unknown expense burden onto all the tax payers of Sisters when it benefits just this development. **Mayor Kellstrom** replied that the City does recoup some of its costs through property tax collected once a property is annexed.

Councilor Thompson stated the City gets paid when the property tax and service fees are collected and staff is just performing its job and should not expect additional compensation.

Director Porter noted the City will receive approximately \$30,000 in land use application fees.

Director Porter gave a recap of issues that still need to be resolved:

1. Does the 1 in 10 apply to the entire project or just to the single family housing units;
2. Should 80 % or 50% AMI be used for determining affordability;
3. Should establishing the size and number of dwelling units be included in the agreement;

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4. What is the period of affordability;
5. Should the community center component be removed from the consideration;
6. Should the senior housing be limited to approximately eight acres and the remaining property be designated as single family housing with no age requirements.

Should the senior housing be limited to approximately eight acres and the remaining property be designated as single family housing with no age requirements.

Councilor Merrill stated he would like to see a compromise to meet the developer's desires along with the original reason the property was voted in by the people. **Councilor Weed** agreed with Councilor Merrill. **Councilor Thompson** stated he is torn as he sees the issue as a zoning question since the property will come into the city as urban area reserve (UAR 10). He stated the burden of proof to change the zoning to residential falls on the developer and will be addressed with the master plan. He stated he is in favor of moving ahead with the annexation process. **Councilor Weed** stated the City already knows there is not any need and this is the time for the City to ensure certain provisions are met.

Councilor Bogart asked Director Porter if the quick time frame the developer is asking for will be a burden to the Planning Department. **Director Porter** stated that given the current work load in the department the annexation process could remain a high priority unless an unforeseen project was to surface that becomes a higher priority. **Councilor Bogart** stated he likes the concept of the plan as it is written and **Mayor Kellstrom** stated he did also. The net acreage and number of units will stay as written.

Does the 1 in 10 apply to the entire project or just to the single family housing units?

Mr. Willits stated that in order to make the affordable dwelling unit component work in today's market 80 % of AMI needs to be used. He stated the plan is to have the affordable units be the equivalent to the other units in development in square footage. He stated there will be both one and two bedroom affordable units. **Councilor Merrill** suggested the City use the language in the Housing Plan authored by Housing Consultant Suzanne Julber to clarify the wording.

Councilor Weed stated that currently there is housing available in Sisters that is affordable to those earning 80% AMI and that the City is getting nothing if it agrees to 80% AMI in this agreement. **Councilor Merrill** suggested looking to the language in the Housing Plan and discuss the issue further after staff's research.

Mr. Willits stated he plans to build the cottages with 1 in 10 being affordable but cautioned about requiring 1 in 10 for the senior independent living facility. He stated that could make the facility not financially viable and that would penalize the entire community. **Councilor Weed** stated she did not care if the affordable units were located inside the senior independent living facility as long as affordable units are built somewhere in the development. **Councilor Merrill** stated that

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with 30 acres the affordable units can be scattered around the development. **Councilor Thompson** stated it is his understanding that the senior independent living facility units will be rental units and if so, does that require affordable rental units or affordable housing units. **Councilor Weed** stated that it can be based on both rental and sale units.

Mayor Kellstrom asked the Council if they would support eight or 16 affordable units for the development. **Councilor Weed** stated she would use the 1 in 10 for total units, not just sale units. **Mayor Kellstrom** asked if the Comprehensive Plan makes the distinction between rental and sale units and **Director Porter** replied it does not make the distinction. **Councilor Thompson** stated he would support whatever requirement is in writing.

Mr. Willits stated that as long as the affordable units are at 80% AMI and Mr. Adolf knows that eight of the units must be affordable rental units, he can work that into his plan. **Councilor Weed** stated that 80% AMI equates to \$1,000 to \$1,100 and that is above current market rate at this time. **Mr. Willits** stated it is not above current market rate when the meals and other amenities that are included with the rental price are taken into consideration. **Councilor Merrill** stated the Council can decide and negotiate on these details after staff has done the research and brings back a recommendation.

Councilor Bogart stated the development will increase the City's tax base, initiate land use fees, provide economic development, bring truly affordable housing into Sisters with its inexpensive land and provide a positive socio-economic impact.

Should the community center component be removed from consideration?

Councilor Weed stated she agrees with the staff recommendation that after three years the property is donated to the City if a community center has not been built. She stated she would like the City to have the option to keep the acreage as open space or develop it as needed. **Councilor Thompson** stated he is fine with keeping the obligation as it is written. **Councilor Bogart** stated he is favor of keeping the obligation as written but should ask for some flexibility with regard to the three year period to build the community center. **Councilor Merrill** stated he is not in favor of requiring a community center for the reasons he stated earlier. He stated he feels the senior center should be incorporated into the senior living facility. **Councilor Thompson** stated he agrees with **Councilor Merrill** that the developer should do whatever he decides with the property.

Mayor Kellstrom stated the issue was getting confusing and asked if the Council wanted to keep *Developer Obligation 2* in the agreement requiring the developer to work with the other stakeholders to provide a community center. The **Council** discussed the issue and decided to leave the item in as written until further study is performed by staff.

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What is the period of affordability?

Director Porter stated he will bring this item back to the Council after additional research into the Housing Plan.

Director Porter stated the water mitigation and SDC issue will come back to the Council also as an either/or condition. **Mr. England** stated he feels a timeframe needs to be established and a commitment from the City to move the annexation process along.

Councilor Weed asked if the land use process will include a public hearing with the Planning Commission. **Director Porter** explained that the annexation is not a land use issue and will instead go directly to the Council. **Councilor Merrill** stated he feels it will be a mistake to not have at least one open house as a matter of courtesy to address citizen questions and concerns.

Councilor Weed stated she is opposed to annexing MMV at this time. She stated it is premature as there is plenty of housing inventory in town. She stated MMV will be competing with landowners already in the city limits and provide them with an unfair advantage.

Mayor Kellstrom stated he agrees with Mr. England that there is a need to move the process as expeditiously as possible. **Director Grimm** stated the reason that staff has recommended the ordinance have a 60 day timeframe is that given the complexity of the matter the City is working as expeditiously as it can.

2. Preview 09/10/09 Agenda

Director Grimm previewed the workshop and regular meeting scheduled for next week.

3. City Manager Update

Councilor Bogart stated he has been attending meetings as a representative of the Council about the feasibility of a school based health center. He stated the group is looking for a letter of support from the Council for a grant application. The **Council** agreed to a letter.

The meeting was adjourned at 10:27 a.m.

Respectfully submitted,

Kathy Nelson, City Recorder

Lon Kellstrom, Mayor