

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
MAY 19 2016

MEMBERS PRESENT:

Chris Frye	Mayor
David Asson	Councilor
Nancy Connolly	Councilor
Amy Burgstahler	Councilor
Andrea Blum	Councilor

STAFF PRESENT:

Rick Allen	City Manager
Paul Bertagna	PW Director
Joe O'Neill	Finance Officer
Patrick Davenport	CD Director
Kathy Nelson	City Recorder

GUESTS:

Roger Lee	EDCO Executive Director
Caprielle Lewis	Sisters Economic Development Manager
Benny Benson	President, Energyneering Solutions Inc.
Roger Detweiler	Sisters Planning Commissioner

The meeting was called to order by Mayor Frye at 8:26 a.m.

1. Economic Development of Central Oregon (EDCO) Update

Economic Development of Central Oregon (EDCO) Executive Director Roger Lee stated he and EDCO's Manager for Sisters Caprielle Lewis were in attendance to provide an update on economic development for the region and Sisters. He explained there were two primary areas EDCO focused on for the City which were business development where traded-sector businesses were supported in moving, starting or growing in Sisters. He stated the other focus was to work with the City County, State, Chamber of Commerce and other organizations to make Sisters a compelling and competitive place to operate businesses. He discussed the aggressive three year goals for the region through the end of the 2015 and reported EDCO had exceeded its goal of bringing in \$350 million in capital investment by bringing in a total of \$517.6 million in capital investment. He reported EDCO had not met its goal of creating 2000 new jobs as only 1,736 had been created but it had surpassed its goal of 96 done deals by closing 124 done deals. He advised EDCO had learned that the average number of jobs per company was less than expected but the capital investment was higher. He provided a sampling of some of the companies that had relocated to the region noting the variety of industries represented. He highlighted the wide range of new businesses to the region and reported that while statistically four out of five new businesses will fail, in Central Oregon the reverse was true. **Mr. Lee** also provided an overview of the companies in the region that had expanded, again noting the number of industries represented. He explained how local managers met with 300 to 400 companies each year which resulted in generating a lot of activity and leads.

Sisters Economic Development Manager Caprielle Lewis provided a recap of the three year goals for Sisters which for Sisters won't conclude until June 30th. She stated for a new program she felt it had been successful as building relationships and developing trust took time. She stated the goals for new jobs and done deals were very close to being met but the capital investment goal

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of \$30 million would not be as only \$4.6 of capital investment had being realized. She discussed the companies that had started in Sisters noting the diversified range of industries.

Mr. Lee discussed some of the recent development progress in the industries of Bioscience, specialty food and beverage processing, high technology and outdoor gear and apparel. He explained how EDCO was able to provide mentorship and connect businesses with potential funding sources. He reported commercial air service had expanded by offering daily jet service to Phoenix, additional seats to LAX and additional flights added to Portland, Seattle and San Francisco.

Mr. Lee discussed the emerging workforce and the program EDCO has undertaken to create a Youth Career Connect Program through internships and other job opportunities. He reported there was a tri-county effort to engage all school districts, Oregon State University -Cascades and both private and public employers. He stated the ultimate goal was to make an internship or other work experience a graduation requirement for high schools and colleges in the region.

Mr. Lee stated even although EDCO focused primarily on business development, he had found himself spending more time on legislation. He stated it has become increasingly challenging when it came to policy making and keeping the region business friendly. He explained the cycle of business recruitment and informed the Council there were a number of sources for generating leads.

Mr. Lee discussed region wide pending projects, which he described as companies expected to make a decision within the next six to twelve months. **Ms. Lewis** provided similar findings for Sisters, recapping done deals, hot recruits, warm recruits, pending projects that would become done deals and start-ups.

Ms. Lewis reported on local activities she participated in to improve Sisters business climate, reduce barriers to a diversified economy and improve community engagement and collaboration. These included enterprise zone management, Sisters TECH Space, Local Workforce Development Initiatives, providing administrative support for the Sisters Economic Development Loan Fund, working with the Support Sustainable Cities Initiatives Program, the Ford Family Foundation, Sisters Chamber of Commerce and partnering with the Ford Family Foundation Institute to support local community building initiatives.

Energynearing President Benny Benson stated although capital investment in Sisters had not reached the level hoped for, Sisters had spent the last three years filling empty buildings. **Mr. Lee** agreed stating the vacancy rate of 20% was down to about 8% and remarked that smaller companies that had come to Sisters had needed less capital investment initially. **Ms. Lewis** noted there were also a number of remote workers who had moved to Sisters.

Planning Commissioner Roger Detweiler questioned if the lack of workforce housing was an issue. **Ms. Lewis** replied it was, especially when it came to a recruitment project. She advised that housing, jobs and employers were all dependent on one another and needed to be balanced to be successful. She noted the tight labor market was challenging.

2. Preview May 26, 2016 Workshop and Regular Meeting Agenda

City Recorder Nelson previewed the May 26th workshop and regular meeting agenda. **Director Davenport** and the **Council** discussed the upcoming Land Use Board of Appeals (LUBA) remand for McKenzie Meadow Village (MMV) and what it meant to the project moving forward. **Director Bertagna** reported Public Works had been working with the MMV applicant on infrastructure needs which would be the first step for the project. He reported there were approved and signed plans, bonding limits had been established and the building permit was ready to be picked up.

3. Other Business

- **Director Davenport** reported a Habitat for Humanity home on East Adams had burned and consequently had been used as a “burn to learn” experiment for the Fire District. He reported it was not cleaned up yet but was expected to be soon.
- **Director Davenport** reported the Sisters Historical Tour of Sisters and the Camp Polk area was cancelled due to a lack of participants.
- **Mayor Frye** requested all Priority I Council goals be listed under the “to be scheduled” portion of the agenda calendar so the Council did not lose sight of its goals.
- **Mayor Frye** stated the Council needed to discuss its legal representation. He stated he knew Council members and staff were upset by the gaffe of some names not being redacted from the investigative report related to the former City Manager that had been released. He stated he also knew there was growing frustration for staff and the Economic Development Manager with regard to the timeliness of responses. He suggested the Council consider sending out a request for proposal (RFP) for new legal representation and the **Council** concurred. **City Manager Allen** informed the Council the RFP process could take a few months and suggested hiring interim legal counsel as it was necessary for the City to have an attorney at all times. He also informed the Council that it was not uncommon for a City to use experts relating to specific areas as needed. The **Council** concurred. **City Recorder Nelson** noted Attorney Bryant would likely finish up on the litigation cases he was involved with.
- **Mayor Frye** requested the fees for the overnight park discussed at the Budget meeting the previous evening be approved as soon as possible. **Finance Officer O'Neill** stated he would prepare the Master Fee Resolution for Council approval for the May 26th regular meeting. **Director Bertagna** suggested the dump fee be raised immediately but to consider waiting until January 1, 2017 to raise the site fees to lessen any confusion with campers having different site fees depending on when they had made their reservation for the summer. The **Council** agreed.

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The meeting was adjourned at 9:58 a.m.


Kathy Nelson, City Recorder


Chris Frye, Mayor