

REGULAR MEETING MINUTES  
SISTERS CITY COUNCIL  
520 E. CASCADE AVENUE  
FEBRUARY 11, 2016

**MEMBERS PRESENT:**

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

**STAFF PRESENT:**

Steve Bryant                City Attorney  
Patrick Davenport        CDD Director  
Paul Bertagna              PW Director  
Joe O'Neill                 Finance Officer  
Kathy Nelson                City Recorder

**ABSENT:**

Andrew Gorayeb          City Manager

**I. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

The meeting was called to order by Mayor Frye at 7:06 p.m.

**II. VISITOR COMMUNICATION**

**Sharlene Weed**, Executive Director Sisters Habitat for Humanity, 406 Sisters View, Sisters, OR 97759

Ms. Weed stated she was in attendance to request the Council write letters to State Senator Ted Ferrioli and State Representative John Huffman to support overturning the statewide ban on inclusionary zoning for housing. She stated she felt that local jurisdictions should have the ability to determine for themselves if this tool might be useful to help address their community's housing and development needs. She reported there were only two states in the nation, Oregon and Texas, which had this in place. She stated there were very strong building lobbyist fighting to keep this zoning in Oregon.

Mayor Frye stated the Council would take up the discussion on the Ms. Weed's request under *Other Business* later in the meeting.

**III. CONSENT AGENDA**

A. Minutes

1. January 14, 2016 – Regular Meeting
2. January 28, 2016 – Workshop
3. January 28, 2016 – Regular Meeting
4. February 04, 2016 – Workshop

B. Bills to Approve

1. February Accounts Payable

C. Liquor License Applications

1. Sisters Saloon and Ranch Grill
2. Sisters Meats & Smokehouse
3. Hop in the Spa
4. Rio Restaurant

*Councilor Asson moved to approve the consent agenda including the additional page of accounts payable and an edit to the January 28, 2016 workshop minutes. Councilor Burgstahler seconded the motion. The motion carried unanimously.*

#### IV. STAFF REPORTS

##### A. February Staff/Council Work Plan

**Councilor Connolly** requested additional detail be added to the work plan so it was apparent what project was being referenced.

**Mayor Frye** asked when the campground upgrades would be completed and **Director Bertagna** replied they would be completed in time for the campground to open on May 1<sup>st</sup>.

##### B. New Business License Report for January 2016 – list included

#### V. COUNCIL BUSINESS

##### A. **Public Hearing and Consideration of Resolution No. 2016-02: A RESOLUTION OF THE CITY OF SISTERS ADOPTING A SUPPLEMENTAL BUDGET AND ESTABLISHING APPROPRIATIONS WITHIN THE 2015/16 BUDGET**

**Finance Officer O'Neill** stated the supplemental budget was to fund Creekside Campground improvements and for the purchase of a large feedback sign for eastbound traffic. He stated the current smaller feedback sign would be re-located to a different area in Sisters.

**Councilor Burgstahler** asked when the feedback sign would be installed and **Director Bertagna** replied Oregon Department of Transportation (ODOT) would be doing the installation and he had not received notice of that date yet.

**Mayor Frye** opened the public hearing for Resolution 2016-02.

**Mayor Frye** asked if there was anyone that wished to speak. As there was no one that wished to speak, **Mayor Frye** closed the public hearing.

*Councilor Burgstahler moved to approve Resolution No. 2016-02 adopting a supplemental budget and establishing appropriations within the 2015/16 budget. Councilor Connolly seconded the motion. The motion carried unanimously.*

##### B. **Public Hearing and Consideration of Resolution 2016-03: A RESOLUTION ADOPTING A WASTEWATER SYSTEM CAPITAL FACILITIES PLAN DATED JANUARY 2016**

This item was pulled and rescheduled for the February 25<sup>th</sup> regular meeting.

**C. Consideration of Resolution 2016-04:** A RESOLUTION OF THE CITY OF SISTERS CITY COUNCIL, STATE OF OREGON, REGARDING APPEAL APPLICATION AP#15-03, AN APPEAL OF PLANNING COMMISSION RESOLUTION OF APPROVAL (PC 2015-16) REGARDING APPLICATION EST 15-01 EXTENSION TO A TENTATIVE SUBDIVISION PLAT FOR MCKENZIE MEADOW VILLAGE

**Mayor Frye** read the script for the public hearing of appeal (AP 15-03) of the Planning Commission approval of an extension (EXT 15-01) to an approved tentative subdivision plat (SUB 10-02) for McKenzie Meadow Village. He stated the Council's deliberations were on the 'de novo' hearing and allowed all aspects of the application to be re-evaluated as if it were a newly submitted application. He explained how the deliberation would continue including the introduction of new items added to the record since the January 28, 2016 meeting and allowing the Council the opportunity to ask questions. **Mayor Frye** asked for any disclosures from the City Council and there were none. There were no members of the audience that wished to challenge the ability of any Council member to hear the matter. He requested Director Davenport provide a summary of items added to the record.

**Director Davenport** reported there were two letters from Brix Law dated February 4<sup>th</sup> and February 11<sup>th</sup>, two letters from Perkins Coie dated February 4<sup>th</sup> and February 11<sup>th</sup>, the applicable section of the Development Code in effect at the time of the decision and a staff report dated February 9<sup>th</sup> in response to the February 4<sup>th</sup> Perkins Coie letter.

**Councilor Burgstahler** questioned if it would be beneficial to the City to incorporate language into the Development Code for situations such as this when entitlements were nearing expiration and the project was under appeal to the Land Use Board of Appeals (LUBA). **City Attorney Bryant** responded the City could set a provision that the date was automatically extended because of an appeal. He explained that any project only had a certain number of years in which to begin construction and the project was approved under the Development Code in effect at the time of approval. He stated if a project waited for a long period of time before construction began, it could be out of step with changes to the Development Code that had been added to keep a particular vision of how the Council and Planning Commission wanted the city to look.

**Councilor Blum** asked if there was any new argument or evidence brought up in the Perkins Coie letter the City received earlier in the day and **Director Davenport** replied that in his opinion it was just a re-iteration of the first letter. **City Attorney Bryant** added the Council was the arbitrator of the City's Development Code and how it was applied and so the Council did in fact have the authority to interpret it.

*Councilor Connolly moved to adopt Resolution 2016-04 to approve EXT 15-01, the McKenzie Meadow Village Extension application for a Tentative Subdivision Plat Application SUB 10-02 and adopt the findings and recommendations contained in Planning Commission Resolution PC 2015-16 and the incorporate staff report and Conditions of Approval and the staff report captioned as Appeal 15-03: Appeal of Planning Commission Decision of Approval regarding Application EXT 15-01 Extension to McKenzie Meadow Village Subdivision Plan (SUB 10-02) Planning Commission Decision date: November 19, 2015, PC resolution 2015-16. Councilor Burgstahler seconded the motion. The motion carried unanimously.*

**D. Discussion and Consideration of a Motion to Extend the Abatement Agreement of the Greater Redmond Enterprise Zone for PCC Schlosser**

**Sisters Economic Development Manager Caprielle Foote-Lewis** explained that as co-sponsors of the enterprise zone the City's signature was necessary for the City of Redmond to extend the tax abatement agreement with PCC Schlosser. She stated PCC Schlosser had met all the necessary standards for job creation and salary.

*Councilor Connolly moved to extend the abatement agreement of the Greater Redmond Enterprise Zone for PCC Schlosser. Councilor Burgstahler seconded the motion. The motion carried unanimously.*

**E. Public Hearing and Discussion on the Possibility of Raising the Transient Room Tax (TRT) Rate to 9.99%**

**Mayor Frye** opened the public hearing on the possibility of raising the transient room tax rate. He explained the City would raise its rate from 8:00% to 8.99% with an additional one percent going to the State. **Mayor Frye** asked if there was anyone that wished to speak and as there was no one that wanted to speak, he closed the public hearing.

**VI. OTHER BUSINESS**

• **Inclusionary Zoning**

The **Council** discussed whether to write a letter of support to overturn the ban on inclusionary zoning. **City Attorney Bryant** explained efforts to remove the ban had been ongoing for a number of years. He stated, if removed, it would allow local government to have control over what works best for their community. **Councilor Asson** asked if the City were to support removing the ban whether it would create a more hostile environment with

builders and negatively impact the City's ability to negotiate with them. **City Attorney Bryant** replied it might initially as there were strong feelings on both sides but it would not be too difficult if the City implemented a process and regulations. He stated as part of the

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discussion, the Council would determine if creating affordable housing was mandatory, voluntary, or if the City would provide some incentives to the developers.

**Councilor Asson** questioned if it might be too onerous and whether it would be better to leave the issue alone in order to provide the City with a better negotiating tool. He asked for Ms. Weed to comment. **Ms. Weed** stated she understood Councilor Asson's concerns it could create conflict between the city and the developers but noted since each city could decide what would work best for their situation, she saw it as a tool for working with developers to come up with a program that kept everyone whole. **Mayor Frye** added he felt it would be better to use a 'carrot and stick' approach to create a balance for everyone involved. The **Council** voiced support of writing a letter to State Representative Huffman and State Senator Ferrioli asking they support overturning the ban.

- Transient Room Tax

The **Council** discussed its next steps with regard to raising the transient room tax an additional .99%. **Mayor Frye** stated 70% of the additional funds collected would go to the Chamber of Commerce and remaining 30% would be slated for affordable housing. He added he would like to add additional funds from the General Fund to have an amount that could be used for gap funding. He stated he envisioned creating a due diligence committee to determine the parameters for developers seeking to utilize those funds. The **Council** instructed staff to bring the matter forward at its next regular meeting for approval.

## VII MAYOR/COUNCILOR BUSINESS

VIII. ADJOURN – 7:55 p.m.

  
Kathy Nelson, City Recorder

  
Chris Frye Mayor