

REGULAR MEETING MINUTES  
SISTERS URBAN RENEWAL AGENCY BOARD  
520 E. CASCADE AVENUE  
APRIL 02, 2015

**MEMBERS PRESENT:**

Chris Frye Board Chair  
McKibben Womack Board Member  
David Asson Board Member  
Wendy Holzman Board Member

**STAFF PRESENT:**

Andrew Gorayeb Agency Manager  
Patrick Davenport CDD Director  
Lynne Fujita-Conrads Finance Office  
Darcy Reed Associate Planner  
Kathy Nelson Agency Recorder

**ABSENT:**

Nancy Connolly Board Member

**ABSENT:**

Paul Bertagna PW Director

**I. CALL TO ORDER**

The meeting was called to order by Chair Frye at 8:01 a.m.

**II. AGENCY BUSINESS**

**A. Discussion and Consideration of a Motion to Award Façade Improvement Grants**

**Chair Frye** reported since he had missed the previous meeting when the façade improvement grants had been discussed he had listened to the meeting recording, spoken with staff and applicants and did a walking tour to look at each of the proposed projects. He stated he had also spoken with Councilor Connolly, who was unable to attend the meeting but had submitted a list of questions and concerns to be addressed. He asked the other Council members for their input.

**Board Member Asson** stated he was disappointed in that he felt the Board had not done its due diligence and had not fulfilled its leadership roles responsibly. He stated he was upset and felt it was premature for people to assume the grants were a “done deal”. He stated it was his understanding a workshop to discuss urban renewals grants in general was to be scheduled, not the regular meeting that was noticed to approve the grants. He felt that was done in order to minimize the impact of oppositional commentary. **Agency Recorder Nelson** clarified that she had been the one to send out the agenda and had obviously misunderstood the meeting should have been a workshop as opposed to a regular meeting. **Board Member Asson** replied he felt there had been adequate time to correct the mistake.

**Board Member Asson** stated he had created a spreadsheet assuming a \$200,000 payment would be remitted to pay down the loan each year. He did this in order to figure out the payback of the urban renewal loan and asked staff to look his spreadsheet over for accuracy. He reported he was even more upset to realize he had overstated the scheduled payment amount which required only \$105,466 be paid per year and that at the end of the seven year loan the City would still owe \$813,285. That amount, he stated, would need to be refinanced. He added the City would also be paying over \$214,000 in interest fees during the seven year period. **Manager Gorayeb** replied that when the Council discussed the loan and the Council approved the financing there was conversation regarding the fact it was a seven year loan amortized over 15 years and the amount at the end of the seven year term would likely be refinanced by Bank of the Cascades or another lender. He stated there was also

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conversation that the City would pay down as much as possible with whatever extra money was available from the Urban Renewal revenue taking into consideration the pre-payment restrictions for the first three years. He stated the plan was to try and pay the loan off as quickly as possible.

**Chair Frye** distributed a handout of a pie chart illustrating where assessed property tax goes. He stated the urban renewal agency represents only 2.4% of the total collected in Sisters. He stated the goal of the urban renewal district was to increase its property value. **Finance Officer Fujita-Conrads** noted that whether the Council approved the grants or not, the percentage of tax collected would not change. **Manager Gorayeb** stated at the time the district expires, the taxes can continue to be collected to pay off the loan.

**Chair Frye** asked Board Member Asson to explain the concerns he brought up at the previous urban renewal agency meeting and his concern the Board had not done its due diligence. **Board Member Asson** replied his concerns were with regard to the specific 19 projects. He stated he did not feel people would have a negative opinion of the buildings requesting grants and a majority of the projects should be a business expense in his opinion. **Chair Frye** agreed that some of the projects wouldn't qualify in his opinion also.

**Board Member Holzman** stated the Board initiated the program, set up criteria and at this point to try and change that was not appropriate. She stated doing so would cause the Board to lose credibility with the public. She stated she had no problem with looking at urban renewal grants holistically once this round of grants was completed.

**Board Member Womack** stated he had no problem moving forward and felt the Board needed to finish the process and perhaps consider giving less to some of the submitted projects. He stated he did feel the Board had an obligation to the public and suggested the Board go through each project on a case by case basis and discuss the merits of each.

**Committee Member Holzman** stated how the town looks was very important as Sisters was a tourist community. She stated it created a vibrancy that benefited the entire city and helped created jobs. **Manager Gorayeb** reminded the Council that staff had used the exact same criteria it had previously used twice and there had been no filtering of projects by staff. He stated the information had been provided to the Council with the same amount of lead time as the previous rounds. He stated the Council had always had the ability to adjust the amount of the grants as it saw fit and could provide all, none of a portion of any of the grant requests.

**Chair Frye** thanked Associate Reed for clarifying for him how and why projects qualified. He stated he held some of the same concerns Committee Member Holzman did with changing the criteria mid- application. He stated the Board had approved moving forward with the third round of applications and pulling the plug was not appropriate. He stated the previous grants had helped to make downtown look amazing and that was definitely in the public interest.

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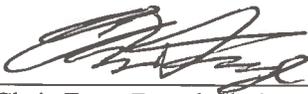
**Committee Member Asson** stated the Board should look at each project individually. He noted he did understand that some applicants had felt they had been misled. He stated he felt subjectivity for each project would be difficult and could be a problem. He summarized that at this point, he would say no to all the applications. **Chair Frye** stated a lot of the projects on the list were the same types of projects that had been approved in the previous rounds and asked why he was against them now. **Committee Member Asson** replied that when the Cascade Avenue project was underway he felt the grants were appropriate since those businesses were being directly impacted. **Committee Member Holzman** reminded the Board the City was not paying for the entire project and the businesses were making a substantial investment also.

**Chair Frye** requested staff to schedule the Urban Renewal Agency meeting so each project could be reviewed individually. He stated the agency could meet to discuss urban renewal grants in general terms at a later time so the Board could tighten its criteria in order to discern what kinds of projects to consider for the future.

**III. ADJOURN – 9:00 a.m.**

Respectfully submitted,

  
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Kathy Nelson, Agency Recorder

  
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Chris Frye, Board Chair