



SISTERS URBAN RENEWAL AGENCY
REGULAR MEETING

520 E. Cascade Avenue
Sisters, OR 97759

JUNE 25, 2015
7:45 PM (APPROXIMATE)

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes
 1. March 26, 2015 Sisters Urban Renewal Agency Board
 2. April 02, 2015 – Sisters Urban Renewal Agency Board
 3. April 09, 2015 – Sisters Urban Renewal Agency Board
 4. May 07, 2015 – Sisters Urban Renewal Agency Board
 5. May 27, 2015 – Sisters Urban Renewal Agency Budget Committee
- III. AGENCY BUSINESS
 - A. **Public Hearing and Consideration of Resolution No. URA 2015-03: A RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2015/16 ESTABLISHING THE TAX INCREMENT AUTHORITY, MAKING APPROPRIATIONS AND COLLECTING 100% OF THE DIVISION OF TAX – L. Fujita-Conrads**
- IV. ADJOURN

*This agenda is also available via the Internet at www.ci.sisters.or.us
The meeting location is accessible to persons with disabilities. Requests for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling Kathy Nelson, City Recorder, at the number below.
520 E. Cascade Ave. – P.O. Box 39, Sisters, OR 97759 – 541-323-5213*

REGULAR MEETING MINUTES
SISTERS URBAN RENEWAL AGENCY BOARD
520 E. CASCADE AVENUE
MARCH 26, 2015

MEMBERS PRESENT:

McKibben Womack Vice Chair
David Asson Committee Member
Wendy Holzman Committee Member
Nancy Connolly Committee Member

STAFF PRESENT:

Andrew Gorayeb Agency Manager
Steve Bryant City Attorney
Patrick Davenport CDD Director
Paul Bertagna PW Director
Darcy Reed Associate Planner
Kathy Nelson Agency Recorder

ABSENT:

Chris Frye Board Chair

ABSENT:

Lynne Fujita-Conrads Finance Office

I. CALL TO ORDER

The meeting was called to order by Vice Chair Womack at 7:43 p.m.

II. CONSENT AGENDA

A. Minutes

1. March 5, 2015 - Sisters Urban Renewal Agency Board

Board Member Holzman moved to approve the consent agenda. Board Member Connolly seconded the motion. The motion carried unanimously.

III. AGENCY BUSINESS

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

Planner Reed stated the City received a total of 21 application for the façade grants with two proving to be ineligible; one was outside the urban renewal boundary and one had not submitted the required bids. She summarized the types of proposed improvements and stated they totaled \$97, 075.

Committee Member Connolly stated she understood the Council had approved the \$100,000 for grants but questioned where those funds came from. **Manager Gorayeb** explained how urban renewal district were formed and tax increment was collected. He stated of the funds collected a small portion could be used to administer the agency and the rest was used for debt service payment. He detailed how the funds could not be used for projects as all urban renewal projects were required to be debt financed per Oregon statute.

Committee Member Connolly asked if the tax collected was taking money away from the school district and fire district and **City Attorney Bryant** replied the agency was not reducing the budget of these other taxing districts but they would not receive the tax on any increased value on the property that came to the Urban Renewal District once it had been formed. He explained the affected districts had all consented to the formation of the district with the understanding the area was considered blighted and the funds from the Urban Renewal District for tis projects would increase the value of the property. Once the district

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ran its 20 year course that increased value would revert back to the various districts and would result in them benefitting from the increased tax revenue. **Manager Gorayeb** added that at the end of the 20 year period no additional projects could be allowed.

Committee Member Connolly asked if the Board had made a conscious decision to spend the money on façade improvements and agreed the façade improvements were more important than parking and multi-family residential projects. She stated she felt those projects would be more palatable to tax payers. **Committee Member Asson** stated he had walked around and looked at the proposed projects and did not see any indications of blight and felt some of the projects were not in the best interest of the public, one of the criteria noted in the Urban Renewal Plan. He stated he felt many were simply building upgrades and some should be considered normal business expense. **Committee Member Connolly** stated she had the same concerns. She noted some of the businesses asking for a grant were new businesses and asked if the City had looked at the business plan for these businesses in order to assess the risks. She questioned how many times a property owner could apply and if there should be a cap, noting one individual that owned multiple properties had received over \$30,000 in the first round of grants and was requesting almost \$12,000 more in the second round of applications. She stated she did not see urban blight so much as a lack of maintenance.

Vice Chair Womack replied he did not have a problem with a person who owns multiple properties applying for multiple grants, as long as the projects met the criteria and agreed the projects should be in the best interest of the public. He stated the Board had the ability to evaluate each project using the criteria to decide to approve or disapprove it. He suggested the Board look at each project individually and make its decision.

Committee Member Holzman stated a number of people have expressed pride on how good the town looks. She stated it does benefit tourism to have the city look better. She stated the Board also needed to remember how the business and property owners had also invested in these projects and were willing to invest.

Manager Gorayeb explained the grants were offered at the behest of the Urban Renewal Agency and noted that residential buildings could also apply if they chose to. **Committee Member Connolly** stated the Board extended the deadline for the grant applications and in ten days received a significant number of applications. She asked what outreach had been done to increase the number of applications so dramatically. **Manager Gorayeb** replied no additional outreach had been performed and the date had been extended at the request of the business and property owners since they were having a hard time meeting the original deadline.

Committee Member Asson remarked that he had been in favor of the grants with the first round of applications as the business owners were going through a lot with the Cascade

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Avenue project underway. He stated he was having a harder time supporting this round of applications.

Committee Member Holzman suggested the Board delay its decision and schedule additional time to discuss how urban renewal funds should be used. **Committee Member Asson** asked if it would be possible for the Board to offer a smaller percentage than up to 50% of the allowable expense and **Manager Gorayeb** replied the Board could decide on any amount it chose to. The **Board** directed staff to schedule the discussion on urban renewal funds for the May 7, 2015 workshop.

IV. **ADJOURN** – 8:11 p.m.

Respectfully submitted,


Kathy Nelson, Agency Recorder

Chris Frye, Board Chair

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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

ABSENT:

Nancy Connolly 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:

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,


Kathy Nelson, Agency Recorder

Chris Frye, Board Chair

REGULAR MEETING MINUTES
SISTERS URBAN RENEWAL AGENCY BOARD
520 E. CASCADE AVENUE
APRIL 09, 2015

MEMBERS PRESENT:

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

STAFF PRESENT:

Andrew Gorayeb	Agency Manager
Steve Bryant	City Attorney
Patrick Davenport	CDD Director
Lynne Fujita-Conrads	Finance Office
Paul Bertagna	PW Director
Darcy Reed	Associate Planner
Kathy Nelson	Agency Recorder

I. CALL TO ORDER

The meeting was called to order by Chair Frye at 8:12 p.m.

II. AGENCY BUSINESS

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

Associate Reed stated she was in attendance to answer any questions relating to the applications for Urban Renewal grants the Council had discussed on two previous occasions.

Board Member Connolly asked if there would be a balance at the end of the seven year term of the loan. **Mayor Frye** explained if the City paid as much as allowed, taking the prepayment penalty into account, at the end of the seven years, the City would owe approximately \$250,000 and still have reserves of \$50,000. He stated the City would have one year to refinance its debt. He added that was assuming the Urban Renewal Board approved all the applications before them this evening. **Finance Officer Fujita-Conrads** stated if the agency did not approve the grants, the extra \$100,000 would go towards paying off as much as possible of the loan as per the prepayment provisions. She stated the provision allowed the City to pay up to an additional 10% on the principal balance for the first three years without penalty.

Board Member Connolly stated one applicant had remarked that what the Board Members were doing might not be legal but after looking over all the documents related to the grant applications, she didn't agree and asked City Attorney Bryant to comment. **City Attorney Bryant** replied she was correct and the grant awards amounts were at the Board's discretion.

Finance Officer Fujita-Conrads reported that the Debt Service Fund was anticipated to have a balance of \$280,000 at the end of the fiscal year. She stated next year the City could make a principal payment of approximately \$188,000 without penalty.

Board Member Connolly stated she had researched how urban renewal funds had been used for past projects such as Fir Street Park and the paving around Village Green Park. She

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stated the City needed another \$60,000 to complete paving all around Village Green Park and asked if the City had another funding source to do so. **Director Bertagna** explained it was a matter of prioritization and before the Board allocated funds to pave the Elm Street side of Village Green Park, he would recommend taking it to the Urban Forestry Board, City Parks Advisory Board and public for comment. He stated there were a number of trees on the Elm Street side and paving could damage those trees. He stated if the project was approved, there were other funding options such as the Street Fund. **Board Member Connolly** stated it would be her preference to not carry the debt past the 20 year term of the urban renewal agency and **Board Chair Frye** agreed.

The **Board** discussed all the projects and decided some did not qualify per the criteria. The **Board** decided to limit the grant amounts to 25% of the total cost of the project for those projects they felt did qualify which reduced the total amount to be granted to \$42,480.25. **Finance Officer Fujita-Conrads** explained that applicants had one year to use their grant funds from the time they signed their agreement. **Manager Gorayeb** added there were still grant funds available for trash enclosures

Board Member Holzman moved to approve the grants as amended, deny grants to three applicants, condition one grant to make a fence lower and reduce the amount granted to 25% of the project cost for a total of \$42,480.25. Board Member Womack seconded the motion. The motion carried unanimously.

III. ADJOURN -8:47 p.m.

Respectfully submitted,


Kathy Nelson, Agency Recorder

Chris Frye, Board Chair

REGULAR MEETING MINUTES
SISTERS URBAN RENEWAL AGENCY BOARD
520 E. CASCADE AVENUE
MAY 07, 2015

MEMBERS PRESENT:

Chris Frye Board Chair
David Asson Board Member
Nancy Connolly Board Member

ABSENT:

Wendy Holzman Board Member

STAFF PRESENT:

Andrew Gorayeb Agency Manager
Lynne Fujita-Conrads Finance Office
Patrick Davenport CDD Director
Paul Bertagna PW Director
Darcy Reed Associate Planner

ABSENT:

Kathy Nelson Agency Recorder

I. CALL TO ORDER

The meeting was called to order by Chair Frye at 9:00 p.m.

II. AGENCY BUSINESS

A. Discussion and Consideration of a Motion to Award a Design Assistance Façade Improvement Grant

Associate Planner Reed explained that due to a clerical error the \$500 design assistance grant that should have been given to Life Love Yoga had not been and this action was to fix the oversight.

***Board Member Connolly** moved to award a design assistance façade improvement grant. **Board Member Asson** seconded the motion. The motion carried unanimously.*

B. Discussion and Consideration of a Motion to Amend the 2015 URA Contracts for Eligible Projects Between the City of Sisters Urban Renewal Agency and Applicants for Façade Improvement Grants to Allow Applicants to Modify their Scope of Work

Associate Planner Reed stated the motion would allow façade grant applicants to reduce the scope of work for their projects to not less than 50% of the grant they would receive from the City. She explained that some applicants were unable to pay for the additional cost of their project when the grant awards were decreased to just 25% instead of the 50% match the applicants were hoping for. She stated this would allow some flexibility for the applicants to still complete a portion of their project but perhaps not all components of the proposed project. She confirmed that applicants could not add to or change the scope of work other than to reduce it and the City could still only be paying a maximum of up to 50% of the project cost.

Board Member Connolly asked how applicants would find out about the ability to change the scope of work for their projects and **Planner Reed** replied she would notify the applicants. She added the applicants would all need to sign a contract agreement in order to

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move forward with their projects. She stated she had two emails to add to the record regarding the urban renewal grants from Dennis Schmidding and Ken Scott.

Board Member Asson moved to amend the 2015 URA contracts for eligible projects between the City of Sisters Urban Renewal Agency and applicants for façade improvement grants to allow applicants to modify their scope of work. Board Member Connolly seconded the motion. The motion carried unanimously.

III. ADJOURN – 9:15 p.m.

Respectfully submitted,


Kathy Nelson, Agency Recorder

Chris Frye, Board Chair

MEETING MINUTES
SISTERS URBAN RENEWAL AGENCY BUDGET COMMITTEE
520 E. CASCADE AVENUE
MAY 27, 2015

URA BUDGET COMMITTEE PRESENT:

Chuck Ryan Budget Board Chair
David Asson Committee Member
Sue Boettner Committee Member
Chris Frye Board Chair
Bill Hall Committee Member
Katie Lindbloom Committee Member
Vern Renner Committee Member

STAFF PRESENT:

Andrew Gorayeb Agency Manager
Lynn Fujita-Conrads Finance Officer
Paul Bertagna Public Works Director
Patrick Davenport Comm. Dev. Director
Kathy Nelson Agency Recorder

ABSENT:

Wendy Holzman Committee Member
Chris Vogelsand Committee Member
Nancy Connolly Committee Member

I. CALL TO ORDER

The meeting was called to order by Board Chair Frye at 7:30 p.m.

II. ELECTION OF CHAIR

Board Chair Frye nominated Chuck Ryan for the position of Urban Renewal Agency Budget Committee Chair. Committee Member Hall seconded the motion. The motion carried unanimously.

III. PUBLIC COMMENT - None

IV. BUDGET PRESENTATION

A. Debt Service Fund

- The fund collects urban renewal taxes and the revenue received was expected to remain approximately the same as FY 14/15.
- The Urban Renewal Agency will make the maximum debt service payment allowed on its Bank of the Cascades Loan.

B. Project Fund

- No new projects are planned for FY 15/16.
- Projects approved in FY 14/15 will be completed.
- \$37,000 for approved Urban Renewal grants was included in the budget.

V. DISCUSSIONS AND MOTIONS

Board Chair Frye moved that the Sisters Urban Renewal Agency Budget Committee approve property taxes for the Sisters Urban Renewal Agency to be derived through the division of tax in

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the amount of \$125,000. Board Member Hall seconded the motion. The motion carried unanimously.

Board Chair Frye moved that the Sisters Urban Renewal Agency Budget Committee approve the budget for Fiscal Year 2015-16 in the amount of \$877,788 and further, that it be forwarded to the City of Sisters Urban Renewal Agency Board for consideration and adoption during the regular session currently scheduled for June 25, 2015. Board Member Hall seconded the motion. The motion carried unanimously.

VI. ADJOURN

Budget Chair Ryan adjourned the meeting at 7:43 p.m.

Respectfully submitted,


Kathy Nelson, Agency Recorder

Chris Frye Board Chair



Meeting Date: June 25, 2015

Staff: Lynne Fujita-Conrads

Type: Regular Agency Meeting

Dept: Finance

Subject: FY 2015-16 Budget Adoption and Levying Taxes

Action Requested: Conduct a public hearing and consider the approval of Resolution No. URA 2015-03: A RESOLUTION ADOPTING THE BUDGET FOR FISCAL YEAR 2015/16, ESTABLISHING THE TAX INCREMENT AUTHORITY, MAKING APPROPRIATIONS AND COLLECTING 100% OF THE DIVISION OF TAX.

Background:

On May 27, 2015 the Sisters Urban Renewal Agency Budget Committee held a meeting to receive public comment and review the proposed fiscal year 2015/16 budget. The Budget Committee approved the budget with no changes.

Financial Impact:

Authorize appropriations of \$877,788 for fiscal year 2015/16.

Attachment(s):

Attachment A – Resolution No. URA 2015-03.

Concurrence: CM:  FIN:  PW: _____ CDD: PP