



## CITY COUNCIL Agenda

520 E. Cascade Avenue - PO Box 39 - Sisters, Or 97759 | ph.: (541) 549-6022 | [www.ci.sisters.or.us](http://www.ci.sisters.or.us)

**Wednesday, March 13, 2024**

This City Council meeting is accessible to the public in person in the Council Chambers at 520 E. Cascade Avenue, Sisters, OR 97759

This meeting is open to the public and can be accessed and attended in person or remotely. Members of the public may view the meeting via Zoom at the link below:

<https://us02web.zoom.us/j/88959645685>

**Visitor Communication:** To offer written comments, send an email to [recorder@ci.sisters.or.us](mailto:recorder@ci.sisters.or.us) no later than 3:00 p.m. on the day of the meeting. If attending the meeting via Zoom and wish to speak, submit your name, address, phone number, and the topic you intend to address to [recorder@ci.sisters.or.us](mailto:recorder@ci.sisters.or.us) by 3:00 p.m. on the meeting day. For those attending the meeting in person, you may complete a request to speak form on-site.

### **5:30 PM WORKSHOP**

1. Short-term Rental Code Amendments
2. Other Business

### **6:30 PM CITY COUNCIL REGULAR MEETING**

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **VISITOR COMMUNICATION**
5. **CONSENT AGENDA**
  - A. Minutes
    1. February 28, 2024 – Workshop
    2. February 28, 2024 – Regular Meeting
6. **COUNCIL BUSINESS**
  - A. **Discussion and Consideration of Resolution 2024-05** A RESOLUTION OF THE CITY OF SISTERS AS PART OF THE GOVERNING BODY OF THE GREATER REDMOND AREA ENTERPRISE ZONE APPROVE THE ESTABLISHMENT OF A SCHOOL SUPPORT FEE OF 15%.

This agenda is also available via the Internet at [www.ci.sisters.or.us](http://www.ci.sisters.or.us)

- A. **Discussion and Consideration of a Motion** to Approve a Professional Services Agreement with Moore Iacofano Goltsman, Inc. for Urban Growth Boundary Expansion Consultant services.
7. **OTHER BUSINESS**
  - A. Staff Comments
8. **MAYOR/COUNCILOR BUSINESS**
9. **ADJOURN**

Pursuant to ORS 192.640, this agenda includes a list of the principal subjects anticipated to be considered at the above-referenced meeting; however, the agenda does not limit the ability of the Council to consider or discuss additional subjects. This meeting is subject to cancellation without notice.

This meeting is open to the public, and interested citizens are invited to attend. This is an open meeting under Oregon Revised Statutes, not a community forum; audience participation is at the discretion of the Council. The meeting may be recorded. The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made to the City Recorder at least forty-eighty (48) hours in advance of the meeting.

Executive Sessions are not open to the public; however, members of the press are invited to attend.

The City of Sisters is an Equal Opportunity Provider



## CITY COUNCIL Staff Report

**Meeting Date:** March 13, 2024  
**Type:** Workshop  
**Subject:** Short-Term Rental Program Evaluation

**Staff:** Martin  
**Dept:** Community Development

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**Action Requested:** Conduct a workshop to review and discuss draft development code amendments to short-term rental regulations.

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### Summary Points:

The City Council (Council) identified “evaluation of the Short-Term Rental Code language to mitigate adverse impacts on the community” as a goal for the 2023-24 fiscal year. This evaluation has included staff research and analysis that has been presented to the Council and the Planning Commission (Commission) for consideration. The purpose of this workshop is to present draft code amendments to the short-term rental standards in Section 2.15.2700 of the Sisters Development Code (SDC). This staff report includes the following:

- I. BACKGROUND
- II. DRAFT TEXT AMENDMENTS
- III. NEXT STEPS

#### I. BACKGROUND

The Council and Commission have evaluated the Short-Term Rental (STR) over several workshops on the following dates:

- September 13, 2023 - City Council Workshop<sup>1</sup>
- October 5, 2023 - Planning Commission Workshop<sup>2</sup>
- January 24, 2024 City Council Workshop<sup>3</sup>
- February 1, 2024 Planning Commission Workshop<sup>4</sup>
- February 14, 2024 City Council Workshop<sup>5</sup>

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<sup>1</sup> 9/13/23 City Council Workshop: <https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-and-regular-meeting-4>

<sup>2</sup> 10/5/23 Planning Commission Workshop: <https://www.ci.sisters.or.us/bc-pc/page/planning-commission-66>

<sup>3</sup> 1/24/24 City Council Workshop: <https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-0>

<sup>4</sup> 2/1/24 Planning Commission Workshop: <https://www.ci.sisters.or.us/bc-pc/page/planning-commission-73>

<sup>5</sup> 2/14/24 City Council Workshop: <https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-1>

The previous workshops included presentation of an overview of the current program, analysis of associated data, and discussion of several potential amendments to the applicable standards. At the workshop on February 14, the Council directed staff to prepare draft code amendment for the following:

- Expansion of the STR concentration limit from 250 feet to 500 feet.
- Applying STR concentration limit to dwelling units within a condominium.
- Prohibition of STRs in Urban Growth Boundary expansion/annexation areas.

## II. DRAFT TEXT AMENDMENTS

Based on the direction of the Council, staff prepared draft text amendment language (Attachment 1) for discussion. Table 1 identifies the applicable SDC sections, a description of the amendment, and explanation of the reason for change.

**Table 1.**

SDC Section	Amendment	Reason
2.15.2700(D)(2)	Add prohibition of STRs in residential districts located in areas annexed into the city limits of Sisters after the effective date of ordinance, unless specifically permitted in an annexation agreement approved by the City Council.	The applicability to only residential districts is consistent with the current standards and allowance of STRs in commercial districts. In addition, allowing STRs as authorized by annexation agreement provides opportunity for future councils to exercise discretion at the time of annexation.
2.15.2700(E)(1)	Expand concentration limit from 250 feet to 500 feet.	Limit additional approvals in proximity to existing STRs.
2.15.2700(E)(2)	Add reference to condominiums.	In conjunction with the change to 2.15.2700(E)(3), the intent is to clearly state the limit of only one dwelling unit on the property that may be used as a short-term rental is applicable to dwelling units within a condominium.
2.15.2700(E)(3)	Remove section exempting condominiums from concentration limits.	Removal of this section results in the concentration limit being applicable to dwelling units within a condominium in the zone districts specified in SDC2.15.2700(E)(1) and(2).
2.15.2700(E)(4)	Expand concentration limit from 250 feet to 500 feet.	Limit additional approvals in proximity to existing STRs.

2.15.2700(J)(1)	Change reference from “under the former 2013 SDC 2.15.2700” to “between February 1, 2013, and [the effective date of the ordinance adopting these changes] that does not comply with the current standards.”	Any changes may cause an existing lawfully established STR to not comply with the new standards (ex. STRs within 500 feet) and, thereby, become a non-conforming use. This section allows those lawfully established, non-conforming STRs to continue operations if they comply with this section and all other applicable standards. As amended, this criterion will be applicable to all STRs approved and permitted between adoption of the STR specific standards in 2013 and any new standards.
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**III. NEXT STEPS**

Staff requests the Council provide further direction on the draft code amendment language and any other amendments that emerge to be formally considered for amendments to the Sisters municipal and/or development codes. This will be followed by the formal text amendment adoption process including public hearings before the Commission and Council.

**Financial Impact:** None identified at this time.

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**Attachments:**

- Attachment A – Draft Text Amendments

## ATTACHMENT A

### DEVELOPMENT CODE AMENDMENTS CITY OF SISTERS DEVELOPMENT CODE CHAPTER 2.15 – SPECIAL PROVISIONS

New text shown in underline

Removed text shown in ~~strikethrough~~

#### Chapter 2.15 – Special Provisions

##### Sections:

#### 2.15. 2700 Short-Term Rentals

...

##### D. Prohibited Uses.

1. No recreational vehicle, travel trailer or other temporary shelter shall be inhabited as or used in conjunction with a short-term rental.
2. Short-term rentals in residential districts located in areas annexed into the city limits of Sisters after [insert effective date of ordinance], unless specifically permitted in an annexation agreement approved by the City Council.

##### E. Concentration Limits.

1. A short-term rental cannot be approved on a property within 250-500 feet of another property zoned R, MFR, SRR, UAR, and NSBP that has a valid short-term rental approval or is a legal non-conforming use approved under subsection (J) of this section.
2. Where a property in the R, MFR, SRR, UAR, or NSBP has multiple dwelling units (i.e. ADUs, duplexes, apartments, condominiums, etc.), only one dwelling unit on the property may be used as a short-term rental.
3. ~~Notwithstanding anything herein to the contrary, dwelling units within a condominium are not subject to any concentration limits and are not considered when applying subsection (E)(1), whether as a property with an existing short-term rental or as a property proposed for a short-term rental.~~
4. “Within 250-500 feet” means a straight-line measurement in a radius extending for 250-500 feet or less in every direction from the closest point on the property line of the subject property to the closest point on the property line of the other property as determined by the Community Development Director.

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## ATTACHMENT A

### J. Prior Existing Use.

1. Existing Type I Permits. Any short-term rental approved and legally permitted under the former 2013 SDC 2.15.2700 between February 1, 2013, and [insert effective date of ordinance] that does not comply with the current standards may continue as a legal non-conforming use provided:
  - a. That the use is not abandoned under subsection (H) of this section;  
and
  - b. That the owner obtains and maintains the operating license in accordance with SMC Chapter 5.50.
  - c. The owner has the burden of establishing a valid prior approval and continuous operation when applying for an operating license or operating license renewal.



## CITY COUNCIL Staff Report

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**Meeting Date:** March 13, 2024  
**Type:** City Council Meeting  
**Subject:** City Council Meeting Minutes

**Staff:** Rebecca Green  
**Dept:** Administration

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**Consent Agenda:** Approve the minutes from the February 28, 2024 City Council Workshop and the February 28, 2024 City Council meeting.

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**Summary Points:**

- Approve the minutes from the February 28, 2024 City Council Workshop and the February 28, 2024 City Council meeting.

**Financial Impact:** None.

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**Attachments:**

- 1- February 28, 2024, City Council Workshop
- 2- February 28, 2024, City Council meeting



**MEMBERS PRESENT:**

Michael Preedin      Mayor  
Andrea Blum          Council President  
Jennifer Letz        Councilor  
Gary Ross            Councilor  
Susan Cobb          Councilor

**STAFF PRESENT:**

Jordan Wheeler      City Manager  
Kerry Prosser        Assistant City Manager  
Joe O'Neill          Finance Director  
Scott Woodford      CDD Director  
Paul Bertagna        PW Director  
Chad Davis            LT DCSO  
Rebecca Green        Deputy Recorder

**GUESTS:**

Steve Donovan, Donovan Enterprises, Inc.

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-2>

Mayor Preedin called the workshop to order at 5:30 p.m.

**1. Deschutes County Sheriff Office Annual Review**

Lieutenant Davis introduced the newly hired Deputy, Aaron Myers who spoke to his background. Myers is a lifetime resident of Deschutes County and has served in various positions throughout his career. Council welcomed him to the Sisters unit.

Davis presented the annual review, noting that the statistics combined items in ways that were sometimes difficult to parse, and that some of the increase in numbers may be due to an increase in the documentation process. The deputies are spending more time in school zones, which tend to cause an increase in citations.

Davis stated that response times were good in Sisters. Council discussed the presence of fentanyl in Sisters. Davis indicated that it exists in Sisters, but that the overdose rate is lower than other cities in the County. It is suggested that all public facilities carry Narcan to treat overdose in emergency situations.

**2. Park System Development Charge Update**

Director Woodford provided an introduction, and consultant Donovan made the presentation. Donovan provided background information on Parks System Development Charge (SDC), the City's 2023 Parks Master Plan Capital Improvement Plan (PMPCIP), and the proposal for the updated charge.

Donovan indicated that the City of Sisters is "park deficient;" a deficiency that will grow as population increases. For current population, the City ought to have 19 acres of parkland, given the recommended level of service is 5 acres of parkland per 1,000 population; but has only 7 acres. The Parks Master Plan 20-year Capital Improvement Project (CIP) has a list of

14 projects, with 44 acres of parkland. The SDC charge update is based on these planned future project costs. The proposed total Parks SDC is \$3,676, which is an increase of \$2,483 paid by new development at the time of permit issuance. This amount is less than Bend, Redmond, and Prineville and more than Madras.

Council discussed how the open space in planned communities' factors into the total area of parkland, whether or not to slow down the number of projects, and the amount of proposed increase. Open space in planned communities were intentionally excluded from consideration in the Master Plan because most of those areas are either not open to the public, or do not have adequate facilities for the public. Councilor Ross stated that many of these questions were thoroughly debated by the Parks Advisory Board at the time the Plan was developed, and he cautioned the Council on returning to discussions already decided. Director Bertagna added that this SDC methodology includes a reduced rate for multifamily units, counting them as 1 unit.

Mayor Preedin stated that because the City is also in a process of expanding the Urban Growth Boundary, identifying funds for parklands in the expanded area will become increasingly important.

**3. Other Business – None.**

The meeting was adjourned at 6:27 p.m.

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Rebecca Green, Deputy Recorder

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Michael Preedin, Mayor

**MEMBERS PRESENT:**

Michael Preedin      Mayor  
Andrea Blum          Council President  
Jennifer Letz        Councilor  
Gary Ross            Councilor  
Susan Cobb          Councilor

**STAFF PRESENT:**

Jordan Wheeler      City Manager  
Kerry Prosser        Assistant City Manager  
Joe O'Neill          Finance Director  
Scott Woodford      CDD Director  
Paul Bertagna        PW Director  
Rebecca Green        Deputy Recorder

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-2>

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

The meeting was called to order by Mayor Preedin at 6:33 pm.

**2. ROLL CALL**

A roll call was taken, and a quorum was established.

**3. APPROVAL OF AGENDA**

*Council President Blum made a motion to approve the agenda. Councilor Cobb seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.*

**4. VISITOR COMMUNICATION**

Cathy Russell, Sisters, spoke on the McKinney Butte Rd Safety Improvements project, stating that something more needs to be done at the east end of the roundabout. She encouraged Council to walk the area. Russell also discussed possible measures for pedestrian safety near the Dollar Tree and the Brooks Camp intersection.

Therese Kollerer, Sisters, of the Urban Forestry Board (UFB) discussed moving forward with a Heritage Tree Program in Sisters. She noted that Council had placed this as a 2024/25 Council Goal and suggested the UFB could be instrumental in the groundwork for this. Kollerer also requested that the UFB meetings be videotaped rather than just audio recorded.

Peter Hoover, Executive Director of Habitat for Humanity, Sisters spoke about the many new Habitat homes being built in Sisters, including nine homes to be transferred ownership in the next several months, 10 homes total to be developed in the Woodlands development, two parcels upcoming in the Commons development, which is part of a 19 homes project there, and six homes to be ready by late fall this year in the Brooks Camp area.

Michael, Sisters, spoke on a variety of issues.

## 5. CONSENT AGENDA

- A. Minutes
  - 1. February 06, 2024 – Goal Setting
  - 2. February 14, 2024 – Regular Meeting
  - 3. February 14, 2024 – Workshop

*Councilor Ross made a motion to approve the Consent Agenda. Councilor Cobb seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.*

## 6. COUNCIL BUSINESS

- A. **Discussion and Consideration of Resolution 2024-04: A RESOLUTION OF CITY OF SISTERS TO ADOPT FY 2024/25 COUNCIL GOALS.**

City Manager Wheeler introduced the resolution, outlining the steps taken to reach these goals and highlighting the new goals for the coming fiscal year. Council discussed adding language to the Environmental Sustainability section to read: Study options for *identifying and preserving more significant and heritage trees* and encouraging the planting of fire-resistant trees on public and private property. (additions in italics)

*Council President Blum made a motion to approve Resolution 2024-04. Councilor Ross seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.*

- B. **Discussion and Consideration of a Motion to Award a Public Improvement Contract to K N L Industries, Inc. in an amount not to exceed \$268,560.00 for the 2024 Pavement Maintenance Project and authorize the City Manager to execute the contract and any necessary contract change orders and/or amendments within a contract contingency amount of 10% of the contract amount.**

Director Bertagna outlined the scope of the project, stating that the following streets would be overlaid: Arrowleaf Trail, S. Redwood St., S. Cottonwood St., S. Sparkling Water Ct., 400 lineal feet of E. Coyote Springs Rd., and S. Buckaroo Trail. He stated that the bid came under the expected costs, and therefore is asking for an additional 10% contingency to overlay a section of the Arrowleaf/McKinney Butte intersection in need of repair.

*Councilor Ross made a motion to award the contract. Councilor Cobb seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.*

## 7. OTHER BUSINESS

- A. Fiscal Year 2023-24 Audit Report

Director O'Neill introduced the Audit Report, then turned over the discussion to the Auditors, Umpqua Valley Financials. Savannah Halter spoke to the audit on behalf of Steve Tuchscherer. Halter stated she was very pleased with the responsiveness of staff to all inquiries for information related to the audit. She was in close communication with Director O'Neill who provided same-day information for her requests. The auditors did not find any material misstatement with the City; all accounts balanced and there were no issues.

**B. Staff Comments**

City Manager Jordan Wheeler stated there is an Oregon Department of Transportation groundbreaking for the Locust Roundabout on March 4, 3:30-5:30 p.m. at the Sisters Elementary School. Wheeler outlined various meetings he has attended recently, including a meeting with Republic services in which Wheeler asked for more information about costs for curbside services. Wheeler informed Council that Budget Committee meetings were being set up for mid-May.

Assistant City Manager Kerry Prosser stated there was a recruitment out for one Planning Commission member and one Budget Committee member. Application deadline is March 8 with potential appointments at the March 27 meeting. Prosser announced there have been a good number of applications for the Civic Leadership Academy. The deadline to apply is also March 8.

Public Works Director Paul Bertagna stated he attended a utility relocation meeting for the roundabout and discussed some of the issues with those pipes. He stated that work on the roundabout will start next week. ODOT also has a resurfacing project on Hwy 242 starting March 11. Bertagna confirmed that water and sewer rates were expected to rise soon, adding that rates are still lower than many places.

Community Development Director Woodford stated that one proposal (MIG) came in for consultant to work on the UGB Amendment and that they have had initial discussions. The consultant will begin organizing community engagement that will likely get kicked off in the fall, as well as form a steering committee. Woodford said the Planning Commission will soon be looking at the application for zone amendment for the Tourist Commercial Zone District. The Short-Term Rental Code language is being drafted and will come to Council in March. Affordable Housing projects are underway.

**8. MAYOR/COUNCILOR BUSINESS**

Councilor Cobb discussed the Regional Solutions appointment process. Cobb requested that Council prioritize Council Goals in future.

Council President Blum requested information related to the China Hat Road repavement project. ACM Prosser will provide council with that information. Blum discussed a

community engagement project that would determine how we name residents of Sisters (Sisterians, Sisterite, etc). Blum discussed the first region-wide “Housing Council,” a pilot group to discuss housing issues regionally.

Councilor Ross mentioned that the award of lease to Sisters Makers at 291 E. Main was a good decision. Preedin acknowledged it was a difficult process to choose amongst a group of good applicants.

Mayor Preedin discussed the Oregon Association of Mayors conference happening in July. He is helping to organize the conference and will be leading a session on UGB expansions. He will be looking to staff to help prepare materials. Preedin mentioned there is an auction at this conference to benefit smaller towns in Oregon; it’s appreciated if anyone has something to contribute.

**9. ADJOURN:** 7:45 p.m.

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Rebecca Green, Deputy Recorder

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Michael Preedin, Mayor



**Meeting Date:** March 13, 2024  
**Type:** Regular  
**Subject:** Resolution 2024-05

**Staff:** Strobel  
**Dept:** Economic Development

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**Action Requested:** Approve Resolution 2024-05: A Resolution of City of Sisters, as part of the governing body of the Greater Redmond Area Enterprise Zone, approve the establishment of a school district support fee of 15%.

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### Summary Points:

Enterprise zones are designated geographic areas where a company can apply for a tax abatement which is applied to capital construction (buildings) and personal property (machinery). Taxes on the land continue to be applied. There are 76 enterprise zones across the state. The goal of an enterprise zone is to encourage economic growth and job creation in the zone. The program is focused on traded sector companies, which are those that manufacture a product or provide a service to customers outside their region or state.

The Enterprise Zone program was created by state statute and the rules of the program are also determined by the state. Economic Development for Central Oregon (EDCO) and its subsidiaries, such as Redmond Economic Development Inc. (REDI) manage the zones throughout Central Oregon.

In 2023, the Oregon state legislature renewed the enterprise zone program and added some additional requirements, including a school district support fee, which reflects their interest in reducing the impact on the public school system in the granting of Enterprise Zone abatements. A qualifying company can receive a basic three-year abatement without having to pay the school support fee. However, abatements that go beyond three years will now be subject to a 15% fee that will be paid to the school district. For example, if a company receives an abatement on taxes of \$100,000 in year four of a tax abatement; then \$15,000 would be paid to the school district. The state would deduct this amount from future payments from the State School Fund to the school district.

The school fee is a new component that provides a benefit back to the school districts for all approved extended abatements. The amount can be set between 15% and 30% of the abatement amount for years four and five. On February 21, 2024 the Redmond School District agreed to a fee of 15%. On March 6, the Sisters School Board agreed to the same fee. The school fee is paid directly to the district by the company receiving the abatement.



## CITY COUNCIL Staff Report

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At this time all zone sponsors (Redmond, Sisters, Deschutes County) are required to adopt this fee into the enterprise zone program.

**Financial Impact:** There is no financial impact for the City.

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**Attachments:**

- Resolution 2024-05
- Enterprise Zone Fact Sheet
- Enterprise Zone School Fees Summary



**RESOLUTION NO. 2024-05**

**A RESOLUTION OF THE CITY OF SISTERS AS PART OF THE GOVERNING BODY OF THE GREATER REDMOND AREA ENTERPRISE ZONE APPROVE THE ESTABLISHMENT OF A SCHOOL SUPPORT FEE OF 15%.**

WHEREAS, HB 2009 (2023) was passed in 2023 and became part of ORS 285C.067;

WHEREAS, HB 2009 (2023) requires the governing body of each school district along with the governing body of the zone sponsor to set a rate for the school support fee imposed pursuant to Sections 48 (2) and 51 (2) of HB 2009 (2023);

WHEREAS, this rate must be at least 15 percent and not more than 30 percent;

WHEREAS, the Sisters and Redmond School Districts have coordinated with the governing body of the Greater Redmond Area Enterprise Zone to set the rate;

WHEREAS, by November 1 in any applicable year, the governing body of the zone sponsor will provide the districts with all information necessary for the districts to collect the fee directly from the business firm;

WHEREAS, by December 1 in any applicable year, the districts shall send to the business firm a notice of the required fee, with a due date not later than December 31 of the same year;

WHEREAS, the districts shall be responsible for making refunds to business firms of overpayments;

WHEREAS, if a fee payment is delinquent for more than 60 days following the date of delinquency or any later date allowed for curing the delinquency, the Board shall give written notice of the delinquency to the business firm and the assessor of the county;

NOW, THEREFORE, BE IT THEREFORE RESOLVED that the City of Sisters as part of the governing body of the Greater Redmond Area Enterprise Zone establish the rate of the school support fee of 15 percent.

ADOPTED by the City Council of City of Sisters and signed by the mayor this 13th day of March 2024.

\_\_\_\_\_  
Michael Preedin, Mayor

ATTEST:

\_\_\_\_\_  
Rebecca Green, Deputy Recorder

# Oregon Enterprise Zones

July 2022

ORS 285C.055 (2021) sums up the general purpose for enterprise zone legislation, first enacted by the Oregon Legislature in 1985, as follows:

... [T]he health, safety and welfare of the people of this state are dependent upon the continued encouragement, development, growth and expansion of employment, business, industry and commerce throughout all regions of the state, but especially in those communities at the center of or outside of major metropolitan areas for which geography may act as an economic hindrance. The Legislative Assembly further declares that there are areas in the state that need particular attention of government to help attract private business investment into those areas and to help resident businesses to reinvest and grow and that many local governments wish to have tax incentives and other assistance available to stimulate sound business investments that support and improve the quality of life.

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## Number and Size

Seventy-six enterprise zones are currently designated: 58 being rural, 18, urban. There is no cap on how many zones may be locally designated around the state. The boundary of a zone can be changed and may be noncontiguous, but it may not encompass more than 12 or 15 square miles (above the high-water mark) and must conform to restrictions on distances within the zone. Each zone terminates after 10 years, at which time it can be re-designated.

## How it Works

By locating or expanding in an enterprise zone, eligible (generally nonretail) business firms can receive total abatement from property taxes normally assessed on **new** plant and equipment for at least three years (but up to five years) in the standard program. Longer-term tax incentives are available in many zones. (see next page)

## Role of State Agency

Business Oregon is responsible for determining statutory compliance of zone designations and boundary changes by local governments. In cooperation with the Department of Revenue and other state agencies, Business Oregon also provides administrative guidance, information

materials & training, data & analytical services, and marketing support to local governments and county assessors for implementing business incentive programs.

## Local Designation

Sponsored by local city/port/county or tribal governments, an enterprise zone typically serves as a focal point for local development efforts and incentives to create better economic opportunities. They are currently found inside 35 counties, 142 cities and 22 ports, as well as lands of two Oregon-based Indian Tribes.

## Local Area Economics

For cities, ports and counties seeking to create an enterprise zone anywhere in Oregon, the statutes specify the following two threshold criteria for local-area economic hardship: (1) Household median income is 80 percent or less of state median income, or (2) Unemployment rate is 2.0 percentage points or more above comparable state unemployment rate, based on the most recent annual figures. Business Oregon has defined alternative but equally severe criteria.

**Note:** Oregon also has areas of tax-increment financing (TIF) known as [urban renewal districts](#) (PDF).

# Statutory Tax Incentives in an Oregon Enterprise Zone

## Standard (Three-to-Five-Year) Property Tax Exemption\*

An Oregon enterprise zone induces eligible businesses of all sizes to make additional investments to improve local employment opportunities, spur economic growth and diversify business activity. Qualifying new plant & equipment in a zone is exempt for three and – in many cases – five consecutive years from the local assessment of *ad valorem* property taxes, which can be a cash drain on investments in capital for businesses seeking to start or enlarge operations. The exemption excludes land, preexisting property value and minor personal property items. Enterprise zone property (except hotel/resorts and utilities) may be exempt for up to two years while being constructed or installed.

## Business Firm Eligibility

Prior to commencing construction/installations, an eligible business firm applies for local *authorization*. Eligible firms include manufacturers, processors, shippers and other operations that serve other organizations, as well as headquarters and call centers. Hotels and resorts are eligible in some or all of 47 of the 76 zones. In up to 15 specially designated electronic commerce enterprise zones, all e-commerce operations are eligible and personal property items more comprehensively qualify. Otherwise, retail, construction, financial, health care, professional services and certain other activities are specifically ineligible, although associated but distinct operations often do qualify.

## Requirements of Businesses—

### *Basic, 3-year enterprise zone abatement ('as-of-right')*

- Enter into first-source agreement with local job training providers
- Increase full-time, permanent number of employees inside the zone at least to 110% of existing number and by one new job (or special-case local sponsor waiver)

- Generally, no concurrent, in-state job losses well beyond the zone boundary
- Maintain minimum employment levels during entire exemption period
- Satisfy local additional conditions, potentially imposed under an urban enterprise zone's policy and standards.

### *Extended abatement, 4 or 5 years of exemption in total, same as 3-year, plus ...*

- Local approval by written agreement with the local zone sponsor by time of authorization, which may have additional requirements of the sponsor
- Average compensation (with benefits) of new jobs in all years at 130% or 150% or more of county average wage as set at authorization<sup>†</sup>
- Those jobs' average wage in 4th and 5th year at least equals the then most recently available county average wage.<sup>†</sup>

\* A locally authorized business firm can benefit in potentially two other ways:

- (1) Local government incentives, such as fee waivers, reduced charges or priority processing.
- (2) Right to acquire (state/local) publicly owned and available real estate for use in the zone.

† Other than in an urban enterprise zone within the Portland and Salem metro areas.

## Long-Term Rural Enterprise Zone Facilities

In most rural enterprise zones—inside qualified rural county or county with chronically low income or chronic unemployment—the new property of an entire, locally certified facility is fully exempt from taxes during construction and then for 7 to 15 years based on business-sponsor agreement. Facility must satisfy special criteria, depending on its location and county's size, in terms of minimum investment cost and new hiring, as well as payroll requirements for all facility jobs equivalent to those noted above for extended abatements with the standard program.

## **Enterprise Zone School Fees Summary**

### **What is an Enterprise Zone?**

An enterprise zone is a designated area where a company can apply for a tax abatement on new real (buildings) and personal (machinery) property investment. It does not include land. There are 76 enterprise zones across the state. The goal of an enterprise zone is to encourage economic growth in the zone.

### **What are the benefits?**

A company can receive a tax abatement and certain additional incentives provided by a local city related to permitting and fees. The tax abatement period is between three and five years and is 100% of the personal or real property taxes collected by the county during that time.

### **Who qualifies?**

Qualifying companies are traded sector, which means they manufacture a product or provide a service to customers outside their region or state. A qualifying company can receive a basic three-year abatement when adding at least one job, but no less than 10% of their current employment. To qualify for an extended four- or six-year abatement, certain wage levels of those new jobs need to be met.

### **Who manages the enterprise zone?**

Economic Development for Central Oregon (EDCO) employs Directors that manage the zones throughout Central Oregon. In Redmond and Sisters, there are two geographic areas under one zone known as the Greater Redmond Area Enterprise Zone. The zone sponsors include the City of Redmond, the City of Sisters, and Deschutes County. That means that all extended abatements need to be approved by their governing bodies which include the City Councils and the County Commission.

### **What is the school fee?**

The 2023 state legislature renewed the enterprise zone program and added some additional requirements. The school fee is a new component that provides a benefit back to the school districts for all approved extended abatements. The amount can be set between 15% and 30% of the abatement amount for years four and five. The school district board sets the fee.

### **Who pays the school fee?**

The school fee is paid directly to the district by the company receiving the abatement. The district is required to invoice the company based on the abatement amount calculated by the county in years four and five. The governing body of the zone sponsor (EDCO) will provide the district with all information necessary for the district to collect the fee.

### **What happens if the fee is not paid by the business?**

If the company does not pay the school fee within 60 days of the due date, the school board is required to give written notice to the company and the county assessor of the delinquency. If the company does not pay the school fee, a full claw back of the already received abatements will be required.



**Meeting Date:** March 13, 2024

**Type:** Regular Meeting

**Subject:** Urban Growth Boundary Amendment – Professional Services Contract

**Staff:** Woodford

**Dept:** CDD

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**Action Requested:** Approval of a Professional Services Agreement between the City of Sisters and Moore Iacofano Goltsman, Inc. (MIG) to perform services outlined in the attached draft agreement and summarized below.

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**Background:**

On November 29, 2023, the Sisters City Council directed staff to pursue an Urban Growth Boundary Amendment through the Oregon Department of Land Conservation and Development. City Council direction was based on:

- The 2023 Urban Growth Boundary Sufficiency Analysis that demonstrated the existing city boundary and Urban Growth Boundary is insufficient to accommodate the twenty-year housing and employment projections into year 2043 and its recommendation that between 206 and 256 acres of expanded UGB is necessary to meet the anticipated demand. The study also estimated future land needs for other uses, including schools, utilities and public facilities and parks.

**Proposal:** Starting on January 10, 2024 and ending February 12, 2024, staff advertised a Request for Proposals for a consultant to assist the city with the UGB Amendment process and received one proposal – from MIG, who has done extensive consulting work for the city over the recent years, including helping with the Comprehensive Plan, Efficiency Measures, Housing Plan and the 2023 UGB Sufficiency Report.

Staff conducted an interview with MIG and were able to verify that they met the minimum RFP requirements. Staff felt that their experience with Sisters and with UGB Amendments in Central Oregon and around the region would be an advantage in preparing the work of this contract. Per their proposal and, as outlined, in the attached Professional Services Contract, the work will commence in late March, 2024 and is anticipated to be completed by September, 2025 and consists of the following work:

**TASK 1: PROJECT KICKOFF & PROJECT MANAGEMENT**

This task will include identifying:

- Project Schedule.
- Plan to coordinate and engage with key project stakeholders throughout the planning process.
- Strategies for addressing potential project risks and challenges.



- Community engagement activities that will comprise the Public Engagement Plan.
- Types of information or input needed from City staff during each stage of the project.
- Process for ongoing communications, team meetings, file-sharing, and other coordination activities.

#### **TASK 2: FINALIZE LAND NEED**

- This task will finalize the factual base for the UGB amendment prepared by the City of Sisters since 2021, including the Housing Needs Analysis (Updated 2022), Economic Opportunities Analysis (Updated 2022), and UGB Sufficiency Report (updated 2023) and Efficiency Measures Analysis (2021).
- These reports will be updated as needed to reflect recent development activity, population and employment projections, updates to the City's policies and development code, and other recent changes.
- Given the extent and timing of previous efforts, this task can be completed relatively quickly and efficiently.
- The resulting Draft Land Need Report will be the subject of meetings with the Steering Committee, Planning Commission, and City Council. We also recommend providing the Steering Committee with an overview of the UGB amendment evaluation process, as well as the proposed community engagement process during their first meeting.

#### **TASK 3: ANALYZE STUDY AREA (STATEWIDE PLANNING GOAL 14 FACTORS)**

- This task will establish the UGB study area and evaluate the suitability of land within the study area consistent with the requirements of OAR 660-024-0060.
- We will first prepare a memorandum describing existing conditions in the study area, including a Buildable Lands Inventory (BLI) to identify the amount and location of developable land. Given the extent and timing of previous efforts, we believe that updates to the BLI can be completed relatively quickly and efficiently.
- This conditions report and subsequent Goal 14 evaluation will be informed by a series of stakeholder interviews and/or written input from a variety of groups, including property owners within the UGB study area, City and County boards and commissions, and staff; and development and land use advocacy organizations such as the Oregon Homebuilders Association and Central Oregon Land Watch.

#### **TASK 4: ALTERNATIVES EVALUATION AND PREFERRED ALTERNATIVE**

- This task will create and evaluate alternative UGB locations with respect to the Goal 14 Factors identified in Task 3.
- Initial concepts for alternatives will be created by the MIG Team and City staff and further refined by the Steering Committee.



- After introducing the draft report in Steering Committee Meeting 3 and presenting alternatives to the broader community, a preferred alternative will be proposed and agreed upon in Steering Committee Meeting 4.

#### **Task 5: Findings and Adoption**

- This task will prepare the needed findings and support hearings to adopt the preferred alternative. Findings will need to address all relevant State statutes and administrative rules, as well as City and County procedural and other requirements, relevant Comprehensive Plan policies, and local approval criteria.
- Consistent with City and County requirements, including the Joint Management (or Urban Growth Management) agreement between the City and County, the adoption process will entail application to Deschutes County and is anticipated to include the public hearings that may be supplemented with additional preparatory work sessions with the Sisters Planning Commission and City Council, if needed.

#### **Task 6: Area Plans for New Urban Land**

- Once identified as future urban land, area planning for new neighborhoods will help refine land use designations, transportation impacts, open space considerations, and other urban design characteristics of land newly added to the City's UGB. The extent of this task is subject to budget availability. Our cost estimate assumes the following activities associated with this task:
  - Identify one or more areas where new plans will be needed, pending the geography of the approved UGB expansion area.
  - Develop an area planning process, including a set of tasks and list of goals, objectives, and/or policies that will be applied in the new areas.
  - Identify the mix of land uses, including housing types and intensities anticipated in or needed in these areas collectively and individually.
  - Establish a schedule for conducting the area planning processes.
  - Identify and begin to coordinate with property owners and other key stakeholders.
  - If time and resources allow, begin implementation of a first area planning process.

**Financial Impact:** The proposed fee for the scope of work is \$239,106. Subject to Council approval, the professional services contract states that the fee for the services will not exceed \$239,106. Funding for the project will come from a \$100,000 Housing Planning Assistance Grant awarded by the Oregon Department of Land Conservation and Development and the remaining \$139,106 will come from budgeted funds under Contracted Services in the Community Development Department spread out over several fiscal years.

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#### **Attachments:**

- Exhibit A - Draft Professional Services Agreement

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (this “Agreement”) is dated this \_\_\_ day of \_\_\_\_\_, 2024, but made effective for all purposes as of the Effective Date (as defined below), between City of Sisters (“City”), an Oregon municipal corporation, whose address is 520 E Cascade Avenue, Sisters, Oregon 97759, and Moore Iacofano Goltsman, Inc. (MIG) (“Contractor”), a California corporation, whose address is 506 SW 6<sup>th</sup> Avenue, Suite 400, Portland, OR 97204.

### RECITAL:

City desires to contract with Contractor to perform certain land use consulting services regarding City’s urban growth boundary amendment project (the “Project”). Subject to the terms and conditions contained in this Agreement, Contractor will perform the Services (as defined below) for and on behalf of City.

### AGREEMENT:

NOW, THEREFORE, in consideration of the parties’ mutual obligations contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### 1. Engineer and Survey Services.

1.1 Services; Standards. Subject to the terms and conditions contained in this Agreement, Contractor will perform the following land use consulting and related services concerning the Project for and on behalf of City (collectively, the “Services”): (a) those services described in the schedule of services attached hereto as Schedule 1.1 (the “Scope of Services”); (b) any other necessary or appropriate services customarily provided by Contractor in connection with its performance of those services described in the Scope of Services; and (c) such other services requested by City from time to time. Contractor will (w) consult with and advise City on all matters concerning the Services reasonably requested by City, (x) communicate all matters and information concerning the Services to the city manager (or his or her designee) and perform the Services under the general direction of the city manager (or his or her designee), (y) devote such time and attention to the performance of the Services as necessary or appropriate, and (z) perform the Services to the best of Contractor’s ability. Contractor acknowledges and agrees that City may cause or direct other persons or contractors to provide services for and on behalf of City that are the same or similar to the Services provided by Contractor under this Agreement.

1.2 Schedule of Services. The Services will be completed expeditiously and in a timely manner. Notwithstanding anything contained in this Agreement to the contrary, all Services will be completed in accordance with the schedule of services provided on the attached Schedule 1.2 and in no event later than December 31, 2025 (with all required deliverables delivered to City prior to such date). Contractor and City will routinely consult with each other to ensure effective and efficient provision of the Services and minimize expense.

1.3 Condition Precedent. Notwithstanding anything contained in this Agreement to the contrary, City’s performance of its obligations under this Agreement is conditioned on Contractor’s performance of its obligations under this Agreement, including, without limitation, those Contractor obligations described under Section 4.4.



1.4 Subcontractors. Subject to the terms and conditions contained in this Agreement, Contractor will contract with Johnson Economics, an Oregon corporation (“Subcontractor”), to perform a portion or portions of the Services. Except as expressly provided in the immediately preceding sentence, Contractor is not permitted to subcontract and/or assign all or any part of the Services without City’s prior written consent. City’s consent to Contractor’s subcontract with Subcontractor and all other proposed subcontracts and/or assignment of Services by Contractor is conditioned on (in addition to any other condition that the City may reasonably impose) the following: (a) Contractor demonstrating to City that Subcontractor and any other subcontractor/assignees (if any) are capable of successfully performing the identified Services in accordance with this Agreement; and (b) Subcontractor and/or the subcontractor/assignee agreeing in writing to comply with and be bound by all the terms and conditions contained in this Agreement. Contractor will deliver to City, promptly after execution, an original executed copy of all documentation pertaining to the subcontract(s) or assignment(s) in form reasonably acceptable to City. Contractor’s subcontracts with Subcontractor and any other subcontract or assignment concerning the Services is subject to the following: (w) the terms and conditions of this Agreement will in no way be deemed to have been waived or modified; (x) consent will not be deemed consent to any further subcontract or assignment by City; (y) the subcontract or assignment, whether with or without City’s consent, will not modify, relieve, and/or eliminate any Contractor liability or obligation under this Agreement (Contractor remains liable for the timely and proper performance of the Services in accordance with this Agreement); and (z) City will pay Contractor for the performance of the subcontracted/assigned Services subject to and in accordance with the terms and conditions contained in this Agreement.

## 2. Compensation.

2.1 Compensation. Subject to the terms and conditions contained in this Agreement, in consideration of Contractor’s timely performance of the Services in accordance with this Agreement, City will pay Contractor at the hourly rates identified in the fee schedule attached hereto as Schedule 2.1. Contractor will submit monthly invoices to City concerning the Services performed by Contractor during the immediately preceding month (each an “Invoice”). Each Invoice will contain the following information: (a) a summary of the Services performed by Contractor (and by whom) during the applicable billing period; (b) the number of hours (or fraction thereof) each person spent to perform the Services; (c) the applicable hourly rate(s) for performing the Services; and (d) all other information reasonably requested by City. City will pay the amount due under each Invoice within thirty (30) days after City has reviewed and approved the applicable Invoice. City’s payment will be accepted by Contractor as full compensation for performing the Services to which the Invoice relates. No compensation will be paid by City for any portion of the Services not performed. Notwithstanding anything contained in this Agreement to the contrary, total compensation payable by City under this Agreement for performance of the Services will not exceed \$239,106.

2.2 No Benefits; Reimbursement. City will not provide any benefits to Contractor, and Contractor will be solely responsible for obtaining Contractor’s own benefits, including, without limitation, insurance, medical reimbursement, and retirement plans. Other miscellaneous, direct, and outside expenses, including special consultants, will be charged at actual cost.

## 3. Relationship.

3.1 Independent Contractor. Contractor is an independent contractor of City. Contractor is not an employee of City. Contractor will be free from direction and control over the means and manner

of performing the Services, subject only to the right of City to specify the desired results. This Agreement does not create an agency relationship between City and Contractor and does not establish a joint venture or partnership between City and Contractor. Contractor does not have the authority to bind City or represent to any person that Contractor is an agent of City.

3.2 Taxes; Licenses. City will not withhold any taxes from any payments made to Contractor, and Contractor will be solely responsible for paying all taxes arising out of or resulting from Contractor's performance of the Services, including, without limitation, income, social security, workers' compensation, and employment insurance taxes. Contractor will be solely responsible for obtaining all licenses, approvals, and certificates necessary or appropriate to perform the Services.

#### 4. Representations; Warranties; Covenants.

In addition to any other Contractor representation, warranty, and/or covenant made in this Agreement, Contractor represents, warrants, and covenants to City as follows:

4.1 Authority; Binding Obligation; Conflicts. Contractor is duly organized, validly existing, and in good standing under applicable Oregon laws. Contractor has full power and authority to sign and deliver this Agreement and to perform all Contractor's obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms. By signing below, Contractor certifies that Contractor (and Contractor's principals) are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in the Services under this Agreement. The signing and delivery of this Agreement by Contractor and the performance by Contractor of all Contractor's obligations under this Agreement will not (a) breach any agreement to which Contractor is a party, or give any person the right to accelerate any obligation of Contractor, (b) violate any law, judgment, or order to which Contractor is subject, or (c) require the consent, authorization, or approval of any person, including, without limitation, any governmental body.

4.2 Quality of Services. Contractor will perform the Services to the best of Contractor's ability, diligently, in good faith, in a professional manner, free from errors and omissions, and consistent with the terms and conditions contained in this Agreement. The Services will be performed in accordance with the Laws (as defined below). Contractor will be solely responsible for the Services. Contractor will make all decisions called for promptly and without unreasonable delay. All materials, documents, and/or products prepared by Contractor will be accurate, complete, unambiguous, prepared properly, and in compliance with the Laws.

4.3 Insurance. During the term of this Agreement, Contractor will obtain and maintain, in addition to any other insurance required under this Agreement, the following minimum levels of insurance: (a) general liability insurance for all losses or claims arising out of or related to Contractor's performance of its obligations under this Agreement (including, without limitation, damages as a result of death or injury to any person or destruction or damage to any property) with limits of not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate; (b) comprehensive automobile liability insurance for all owned, non-owned, and hired vehicles that are or may be used by Contractor in connection with Contractor's performance of the Services with limits of not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate; (c) errors and omissions insurance with limits of not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate; (d) employer liability insurance with limits of not less than \$500,000 per occurrence and in the aggregate; and (e) workers' compensation insurance in

form and amount sufficient to satisfy the requirements of applicable Oregon law. Each liability insurance policy required under this Agreement will be in form and content satisfactory to City, will list City and each City Representative (as defined below) as an additional insured (other than errors and omissions insurance), and will contain a severability of interest clause; the workers' compensation insurance will contain a waiver of subrogation in favor of City. The insurance Contractor is required to obtain under this Agreement may not be cancelled without ten (10) days' prior written notice to City. Contractor's insurance will be primary and any insurance carried by City will be excess and noncontributing. Contractor will furnish City with appropriate documentation evidencing the insurance coverage (and provisions) and endorsements Contractor is required to obtain under this Agreement upon Contractor's execution of this Agreement and at any other time requested by City. If any of the required policies provide claims-made coverage: (x) the retroactive effective date and must be before the Effective Date; (y) such insurance must be maintained for at least five (5) years after completion of the Services; and (z) if coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date, Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the Services. If Contractor fails to maintain insurance as required under this Agreement, City will have the option, but not the obligation, to obtain such coverage with costs to be reimbursed by Contractor immediately upon City's demand.

4.4 Compliance With Laws. Contractor will comply and perform the Services in accordance with the Laws. Without otherwise limiting the generality of the immediately preceding sentence, Contractor will comply with each obligation applicable to Contractor and/or this Agreement under ORS 279B.220, 279B.225, 279B.230, and 279B.235, which statutes are incorporated herein by reference. Prior to the Effective Date, Contractor obtained all licenses, approvals, and/or certificates necessary or appropriate to perform the Services, including, without limitation, a business license from City and an unexpired certificate issued by the Oregon Department of Administrative Services under ORS 279A.167. For purposes of this Agreement, the term "Law(s)" means all applicable federal, state, and local laws, regulations, restrictions, orders, codes, rules, and/or ordinances related to or concerning, whether directly or indirectly, Contractor, this Agreement, and/or the Services, including, without limitation, all applicable City ordinances, resolutions, policies, regulations, orders, restrictions, and guidelines, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated.

4.5 Indemnification. Contractor will defend, indemnify, and hold City, and each present and future City employee, officer, agent, and representative (collectively, "City's Representatives"), harmless for, from, and against all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees, resulting from or arising out of, whether directly or indirectly, the following: (a) damage, injury, and/or death to person or property caused directly or indirectly by Contractor's acts and/or omissions (and/or the acts and/or omissions of Contractor's shareholders, officers, agents, employees, directors, representatives, and/or contractors (individually and collectively, "Contractor Representative(s)"); (b) Contractor's failure to pay any tax arising out of or resulting from the performance of the Services; and/or (c) Contractor's breach and/or failure to perform any Contractor representation, warranty, covenant, and/or obligation contained in this Agreement. Contractor's indemnification obligations provided in this Section 4.5 will survive the termination of this Agreement.

4.6 Assignment of Studies and Reports. Contractor will assign all studies, reports, data, documents, and/or materials of any kind produced under this Agreement (collectively, "Materials") to City upon the earlier of City's request or the termination of this Agreement. All Materials provided to

City will become the property of City who may use them without Contractor's permission for any proper purpose relating to the Services, including, without limitation, additions to or completion of the Services. Contractor will not be liable to City for any damages City sustains arising out of or related to City's modification and use of the Materials for future unrelated uses or purposes (i.e., uses or purposes unrelated to the projects or purposes for which the Services were performed). Contractor will defend all suits or claims for infringement of patent, trademark, and/or copyright for which Contractor is responsible (including, without limitation, any claims which may be brought against City), and Contractor will be liable to City for all losses arising therefrom, including costs, expenses, and attorney fees and costs.

4.7 Records. Contractor will maintain complete and accurate records concerning all Services performed, the number of hours each person spent to perform the Services, and all documents produced under this Agreement for a period of five years after the expiration or earlier termination of this Agreement. Contractor's records will be maintained in accordance with sound accounting practices. Contractor's records concerning the Services, including, without limitation, Contractor's time and billing records, will be made available to City for inspection, copying, and/or audit immediately upon City's request.

4.8 Confidential Information. During the term of this Agreement, and at all times thereafter, Contractor will maintain all Confidential Information (as defined below) in the strictest confidence and will not directly or indirectly use, communicate, or disclose any Confidential Information to any person, or remove or make reproductions of any Confidential Information, except that Contractor may (a) use Confidential Information to perform the Services to the extent necessary, and (b) communicate or disclose Confidential Information in accordance with a judicial or other governmental order or as required by applicable law, but only if Contractor promptly notifies the city manager of the order and complies with any applicable protective or similar order. Contractor will promptly notify the city manager of any unauthorized use, communication, or disclosure of any Confidential Information and will assist City in every way to retrieve any Confidential Information that was used, communicated, or disclosed by Contractor and will exert Contractor's best efforts to mitigate the harm caused by the unauthorized use, communication, or disclosure of any Confidential Information. Upon the earlier of City's request or termination of this Agreement, Contractor will immediately return to City all documents, instruments, or materials containing any Confidential Information accessed or received by Contractor, together with all copies and summaries of such Confidential Information. If requested by City, Contractor will execute a written certification satisfactory to City pursuant to which Contractor will represent and warrant that Contractor has returned all Confidential Information to City in accordance with the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the terms of this Agreement do not operate to transfer any ownership or other rights in or to the Confidential Information to Contractor or any other person. For purposes of this Agreement, the term "Confidential Information" means all documentation, information, and/or materials identified by City as confidential and/or any documentation, information, and/or materials relating to or concerning City's future plans, business affairs, employment, legal, and litigation matters that need to be protected from improper disclosure, in whatever form (e.g., hard and electronic copies, etc.), that is received or assessed by Contractor; provided, however, the term "Confidential Information" does not include City's public records which are non-exempt public records under applicable federal, state, and/or local laws.

## 5. Term; Termination.

5.1 Term of Agreement. Subject to the terms and conditions contained in this Agreement, the term of this Agreement commenced on the Effective Date and will remain in full force and effect until completion of the Services (which in no event will be later than December 31, 2025), unless sooner terminated as provided in this Agreement. This Agreement may be extended by the parties' mutual written agreement.

5.2 Termination by Mutual Agreement or Prior Notice. Notwithstanding anything contained in this Agreement to the contrary, (a) this Agreement may be terminated at any time by the mutual written agreement of City and Contractor, and/or (b) City may terminate this Agreement for convenience and without cause by giving Contractor thirty (30) days' prior written notice of such termination.

5.3 Immediate Termination. Notwithstanding anything contained in this Agreement to the contrary, City may terminate this Agreement immediately upon notice to Contractor upon the happening of any of the following events: (a) Contractor engages in any form of dishonesty or conduct involving moral turpitude related to Contractor's independent contractor relationship with City or that otherwise reflects adversely on the reputation or operations of City; (b) Contractor fails to comply with any applicable law related to Contractor's independent contractor relationship with City; (c) continuous or repeated problems occur in connection with the performance of the Services; and/or (d) Contractor breaches and/or otherwise fails to perform any Contractor representation, warranty, covenant, and/or obligation contained in this Agreement. The determination as to whether any of the aforementioned events have occurred will be made by City in its sole discretion.

5.4 Consequences of Termination. Upon termination of this Agreement, City will not be obligated to reimburse or pay Contractor for any continuing contractual commitments to others or for penalties or damages arising from the cancellation of such contractual commitments. Within a reasonable period of time after termination of this Agreement (but in no event later than five days after termination), Contractor will deliver to City all materials and documentation, including raw or tabulated data and work in progress, related to or concerning the Services. Termination of this Agreement by City will not constitute a waiver or termination of any rights, claims, and/or causes of action City may have against Contractor.

5.5 Remedies. If a party breaches or otherwise fails to perform any of its representations, warranties, covenants, and/or obligations under this Agreement, the non-defaulting party may, in addition to any other remedy provided to the non-defaulting party under this Agreement, pursue all remedies available to the non-defaulting party at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently.

## 6. Miscellaneous.

6.1 Severability; Assignment; Binding Effect. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Subject to Section 1.4 and this Section 6.1, Contractor will not assign this Agreement to any person without City's prior written consent. Subject to the immediately preceding

sentence, this Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. This Agreement may be amended only by a written agreement signed by each party.

6.2 Attorney Fees; Dispute Resolution. If any arbitration or litigation is instituted to interpret, enforce, and/rescind this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney fees and other fees, costs, and expenses of every kind, including, without limitation, costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court. If any claim, dispute, or controversy arising out of or related to this Agreement occurs (a "Dispute"), City and Contractor will exert their best efforts to seek a fair and prompt negotiated resolution of the Dispute and will meet at least once to discuss and seek a resolution of the Dispute. If the Dispute is not resolved by negotiated resolution, either party may initiate a suit, action, arbitration, or other proceeding to interpret, enforce, and/or rescind this Agreement.

6.3 Governing Law; Venue. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action or proceeding arising out of this Agreement will be litigated in courts located in Deschutes County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Deschutes County, Oregon.

6.4 Attachments; Further Assurances; Notices. Any exhibits, schedules, instruments, documents, and other attachments referenced in this Agreement are part of this Agreement. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. Time is of the essence with respect to Contractor's performance of its obligations under this Agreement. All notices or other communications required or permitted by this Agreement must be in writing, must be delivered to the parties at the addresses set forth above, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax or email transmission (with electronic confirmation of delivery), or by a nationally recognized overnight delivery service, or at the end of the third business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

6.5 Waiver; Entire Agreement. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by City and Contractor. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and contains all the terms and conditions of the parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements. Contractor has not relied on any promises, statements, representations, or warranties except as set forth expressly in this Agreement.

6.6 Person; Interpretation; Execution. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political

subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. The parties may execute this Agreement in separate counterparts, each of which when executed and delivered will be an original, but all of which together will constitute one and the same instrument. Facsimile or email transmission of any signed original document will be the same as delivery of an original. At the request of either party, the parties will confirm facsimile or email transmitted signatures by signing and delivering an original document. This Agreement will be deemed binding and effective for all purposes as of the date this Agreement is fully executed by the parties (the "Effective Date").

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be binding and effective for all purposes as of the Effective Date.

**CITY:**  
City of Sisters,  
an Oregon municipal corporation

**CONTRACTOR:**  
Moore Iacofano Goltsman, Inc,  
a California corporation

\_\_\_\_\_  
Jordan Wheeler, City Manager

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Federal Tax Id. No.: \_\_\_\_\_

Federal Tax Id. No.: 94-3116998

Schedule 1.1  
Scope of Services

In addition to all other Services identified under this Agreement, Contractor will perform the following Services and tasks for and on behalf of City concerning the Project:

1. Those items identified on the attached Exhibit A.



Schedule 1.2  
Project Schedule

Task	Timeline	Notes
<b>Task 1: Project Kickoff and Coordination</b>	<b>Late March 2024 – April 2024</b>	
1.1 Kick Off Meeting	April 2024	
1.2 Public Engagement Plan	April 2024	
1.3 Project Schedule	April 2024	
1.4 Form Steering Committee	April 2024	
1.5 Initial Website Materials	April 2024	
<b>Task 2: Finalize Land Need</b>	<b>May-June 2024</b>	
2.1 Land Need Report	June 2024	
2.2 Steering Committee Meeting	June 2024	
2.3 Planning Commission and City Council Updates	June 2024	
<b>Task 3: Establish and Analyze Study Area</b>	<b>June-August 2024</b>	
3.1 Expansion Area Evaluation Report	August 2024	
3.2 Steering Committee Meeting #2	August 2024	
3.3 Planning Commission and City Council Updates	August 2024	
<b>Task 4: Create &amp; Evaluate Alternatives</b>	<b>September 2024-January 2025</b>	
4.1 UGB Alternatives	September 2024-January 2025	
4.2 Open House and Online Engagement	September 2024-January 2025	
4.3 Steering Committee Meeting #3	September 2024-January 2025	
<b>Task 5: Preferred Alternative</b>	<b>February – March 2025</b>	
5.1 Revised UGB Alternatives Report with Preferred Alternative	February – March 2025	
5.2 Steering Committee Meeting #4	February – March 2025	
5.3 PC/CC Updates	February – March 2025	
<b>Task 6: Findings &amp; Adoption</b>	<b>April – September 2025</b>	
6.1 Adoption Findings	April – September 2025	
6.2 Sisters PC and CC Hearings	April – September 2025	
6.3 Deschutes County PC and BOCC Hearings	April – September 2025	

<p><b>Task 7: Additional Area Planning Tasks – TBD and the extent of this task is subject to availability, but assumes the following tasks:</b></p>	<p><b>September 2025-</b></p>	
<p>7.1 Identify one or more areas where new plans will be needed, pending the geography of the approved UGB expansion area.</p>		
<p>7.2 Develop an area planning process, including a set of tasks and list of goals, objectives, and/or policies that will be applied in the new areas.</p>		
<p>7.3 Identify the mix of land uses, including housing types and intensities anticipated in or needed in these areas collectively and individually.</p>		
<p>7.4 Establish a schedule for conducting the area planning processes.</p>		
<p>7.5 Identify and begin to coordinate with property owners and other key stakeholders.</p>		
<p>7.6 If time and resources allow, begin implementation of a first area planning process.</p>		

Schedule 2.1  
Fee Schedule

[attached]

## 5. Compensation

The compensation table summarizes our estimated cost to complete the project. Our estimated cost reflects the City’s desire for a robust community engagement process using innovative techniques and tools and preparation of engaging materials. It also reflects the need for a significant level of analysis and specialized expertise related to the rules and requirements associated with UGB expansions.

If we are selected for this project, one of our first steps will be to work with the City to right-size our scope of services and cost to be consistent with the resources available. This could entail reducing and/or expanding the scope of specific activities, while matching existing resources. In that sense, our cost estimate should be considered as a starting point for further discussion with the City.

Our estimate includes resources for direct expenses associated with a limited number of trips by our team members to Sisters, and assumes that much of our participation in meetings would be virtual to use our resources efficiently. Our estimate does not include money for any needed land use or legislative permitting fees that the adoption process by the City and Deschutes County may entail.

		MIG, Inc.										Sub	Direct Costs	Professional Fees Totals		
		Darci Rudzinski <i>Principal-in-Charge</i>		Matt Hastie <i>Project Manager</i>		Andrew Parish <i>Deputy Project Manager</i>		Ryan Mottau <i>Engagement Lead</i>		Project Associate		MIG Totals			Johnson Economics	
		Hrs@	\$225	Hrs@	\$235	Hrs@	\$160	Hrs@	\$175	Hrs@	\$120					
<b>Task 1: Project Kickoff &amp; Project Management</b>																
1.1	Plan and Conduct Kickoff Meeting	1	\$225	4	\$940	4	\$640	4	\$700	4	\$480	17	\$2,985	\$280		\$3,265
1.2	Draft and Revised Project Schedule	1	\$225	2	\$470	2	\$320	1	\$175	2	\$240	8	\$1,430			\$1,430
1.3	Draft and Revised Public Engagement Plan	1	\$225	2	\$470	8	\$1,280	8	\$1,400	2	\$240	21	\$3,615			\$3,615
1.4	Ongoing PMT meetings	0	\$0	30	\$7,050	30	\$4,800	8	\$1,400	30	\$3,600	98	\$16,850	\$2,800		\$19,650
1.5	Ongoing Project Management Activity	0	\$0	20	\$4,700	20	\$3,200	0	\$0	16	\$1,920	56	\$9,820			\$9,820
1.6	Initial Project Website Materials and FAQ	0	\$0	2	\$470	4	\$640	0	\$0	8	\$960	14	\$2,070	\$280		\$2,350
<b>Subtotal</b>		<b>3</b>	<b>\$675</b>	<b>60</b>	<b>\$14,100</b>	<b>68</b>	<b>\$10,880</b>	<b>21</b>	<b>\$3,675</b>	<b>62</b>	<b>\$7,440</b>	<b>214</b>	<b>\$36,770</b>	<b>\$3,360</b>	<b>\$0</b>	<b>\$40,130</b>
<b>Task 2: Finalize Land Need</b>																
2.1	Draft Land Need Report	2	\$450	4	\$940	6	\$960	0	\$0	8	\$960	20	\$3,310	\$1,120		\$4,430
2.2	Steering Committee Meeting 1	0	\$0	4	\$940	8	\$1,280	0	\$0	8	\$960	20	\$3,180	\$840		\$4,020
2.3	PC and CC Work Sessions (Remote)	0	\$0	6	\$1,410	10	\$1,600	0	\$0	8	\$960	24	\$3,970	\$560		\$4,530
2.4	Revised Land Need Report	0	\$0	2	\$470	6	\$960	0	\$0	8	\$960	16	\$2,390	\$700		\$3,090
2.5	Project Story Map (initial content and setup)	0	\$0	2	\$470	8	\$1,280	2	\$350	20	\$2,400	32	\$4,500	\$280		\$4,780
<b>Subtotal</b>		<b>2</b>	<b>\$450</b>	<b>18</b>	<b>\$4,230</b>	<b>38</b>	<b>\$6,080</b>	<b>2</b>	<b>\$350</b>	<b>52</b>	<b>\$6,240</b>	<b>112</b>	<b>\$17,350</b>	<b>\$3,500</b>	<b>\$0</b>	<b>\$20,850</b>
<b>Task 3: Analyze Study Area</b>																
3.1	Conduct and Summarize Stakeholder Interviews	0	\$0	10	\$2,350	12	\$1,920	4	\$700	8	\$960	34	\$5,930	\$1,120		\$7,050
3.2	Study Area Conditions and BLI Memorandum	0	\$0	4	\$940	16	\$2,560	0	\$0	24	\$2,880	44	\$6,380	\$560		\$6,940
3.3	Draft Expansion Area Evaluation Report	1	\$225	8	\$1,880	20	\$3,200	0	\$0	40	\$4,800	69	\$10,105	\$560		\$10,665
3.4	Steering Committee Meeting 2 (incl. Felt tool)	0	\$0	4	\$940	8	\$1,280	0	\$0	8	\$960	20	\$3,180	\$560	\$200	\$3,940
3.5	PC and CC Work Sessions (Remote)	0	\$0	6	\$1,410	10	\$1,600	0	\$0	4	\$480	20	\$3,490	\$560		\$4,050
3.6	Revised Expansion Area Evaluation Report	0	\$0	4	\$940	8	\$1,280	0	\$0	20	\$2,400	32	\$4,620	\$700		\$5,320
3.7	Updates to Project Website and Story Map	0	\$0	2	\$470	8	\$1,280	2	\$350	16	\$1,920	28	\$4,020			\$4,020
<b>Subtotal</b>		<b>1</b>	<b>\$225</b>	<b>38</b>	<b>\$8,930</b>	<b>82</b>	<b>\$13,120</b>	<b>6</b>	<b>\$1,050</b>	<b>120</b>	<b>\$14,400</b>	<b>247</b>	<b>\$37,725</b>	<b>\$4,060</b>	<b>\$200</b>	<b>\$41,985</b>
<b>Task 4: Alternatives Evaluation and Preferred Alternative</b>																
4.1	Draft UGB Alternatives Report	2	\$450	8	\$1,880	24	\$3,840	0	\$0	50	\$6,000	84	\$12,170	\$1,120		\$13,290
4.2	Steering Committee Meeting 3	0	\$0	4	\$940	6	\$960	0	\$0	6	\$720	16	\$2,620	\$560		\$3,180
4.3	Online Survey	0	\$0	8	\$1,880	12	\$1,920	20	\$3,500	20	\$2,400	60	\$9,700	280	\$200	\$10,180
4.4	Public Open House (In person, includes travel)	0	\$0	12	\$2,820	12	\$1,920	20	\$3,500	20	\$2,400	64	\$10,640	\$1,120	\$1,368	\$13,128
4.5	"Meeting-In-A-Box" Materials	0	\$0	8	\$1,880	12	\$1,920	20	\$3,500	20	\$2,400	60	\$9,700	\$280		\$9,980
4.6	Steering Committee Meeting 4	0	\$0	4	\$940	4	\$640	4	\$700	4	\$480	16	\$2,760	\$560		\$3,320
4.7	Updates to Project Website and Story Map	0	\$0	2	\$470	8	\$1,280	2	\$350	16	\$1,920	28	\$4,020			\$4,020
4.8	PC and CC Work Sessions (In Person, same trip as Open House)	0	\$0	6	\$1,410	8	\$1,280	2	\$350	4	\$480	20	\$3,520	\$560		\$4,080
4.9	Revised UGB Alternatives Report and Preferred Alternative	1	\$225	8	\$1,880	24	\$3,840	8	\$1,400	40	\$4,800	81	\$12,145	\$560		\$12,705
<b>Subtotal</b>		<b>3</b>	<b>\$675</b>	<b>60</b>	<b>\$14,100</b>	<b>110</b>	<b>\$17,600</b>	<b>76</b>	<b>\$13,300</b>	<b>180</b>	<b>\$21,600</b>	<b>429</b>	<b>\$67,275</b>	<b>\$5,040</b>	<b>\$1,568</b>	<b>\$73,883</b>
<b>Task 5: Findings and Adoption</b>																
5.1	Consolidated UGB Analysis Report	2	\$450	4	\$940	8	\$1,280	2	\$350	16	\$1,920	32	\$4,940	\$1,680		\$6,620
5.2	Findings	2	\$450	10	\$2,350	16	\$2,560	2	\$350	32	\$3,840	62	\$9,550	\$1,680		\$11,230
5.3	Adoption Support (Sisters PC and CC, BOCC Hearings, includes travel for two hearings)	0	\$0	16	\$3,760	16	\$2,560	0	\$0	8	\$960	40	\$7,280	\$1,120	\$912	\$9,312
<b>Subtotal</b>		<b>4</b>	<b>\$900</b>	<b>30</b>	<b>\$7,050</b>	<b>40</b>	<b>\$6,400</b>	<b>4</b>	<b>\$700</b>	<b>56</b>	<b>\$6,720</b>	<b>134</b>	<b>\$21,770</b>	<b>\$4,480</b>	<b>\$912</b>	<b>\$27,162</b>
<b>Task 6: Area Planning for New Urban Land (Optional)</b>																
6.1	List and Map of Expansion Planning Areas	0	\$0	2	\$470	2	\$320	0	\$0	4	\$480	8	\$1,270			\$1,270
6.2	Planning Area Process, Objectives, and Policies	2	\$450	8	\$1,880	8	\$1,280	4	\$700	8	\$960	30	\$5,270	\$840	\$200	\$6,310
6.3	Schedule of Activities for Area Planning	0	\$0	2	\$470	4	\$640	0	\$0	8	\$960	14	\$2,070			\$2,070
6.4	Initial Property Owner and Stakeholder Coordination	0	\$0	8	\$1,880	8	\$1,280	4	\$700	8	\$960	28	\$4,820		\$200	\$5,020
6.5	Initiation of Area Planning Process (as time and resources allow)	0	\$0	30	\$7,050	30	\$4,800	16	\$2,800	30	\$3,600	106	\$18,250		\$912	\$19,162
<b>Subtotal</b>		<b>2</b>	<b>\$450</b>	<b>50</b>	<b>\$11,750</b>	<b>52</b>	<b>\$8,320</b>	<b>24</b>	<b>\$4,200</b>	<b>58</b>	<b>\$6,960</b>	<b>186</b>	<b>\$31,680</b>	<b>\$840</b>	<b>\$1,312</b>	<b>\$33,832</b>
<b>SUBTOTAL</b>		<b>15</b>	<b>\$3,375</b>	<b>256</b>	<b>\$60,160</b>	<b>390</b>	<b>\$62,400</b>	<b>133</b>	<b>\$23,275</b>	<b>528</b>	<b>\$63,360</b>	<b>1322</b>	<b>\$212,570</b>	<b>\$21,280</b>	<b>\$3,992</b>	<b>\$237,842</b>
5% Markup (Direct Costs/Administrative)															\$200	\$1,264
<b>TOTAL PROJECT COSTS</b>																<b>\$239,106</b>

## Exhibit A Scope of Work

### **TASK 1: PROJECT KICKOFF & PROJECT MANAGEMENT**

This task encompasses the project kickoff and ongoing project management. At the kickoff meeting, we will review and discuss the following:

- » Any needed refinements to the draft Project Schedule
- » Key project stakeholders and how we will engage and coordinate with them throughout the planning process
- » Potential project risks and challenges and strategies for addressing them
- » Timing, roles, and responsibilities associated with community engagement activities to allow us to draft the Public Engagement Plan
- » Types of information or input needed from City staff during each stage of the project
- » Process for ongoing communication, team meeting, file-sharing, and other coordination activities

#### **Deliverables:**

1. Project Kickoff Meeting
2. Draft and Revised Project Schedule
3. Draft and Revised Public Engagement Plan
4. Ongoing PMT meetings (biweekly)
5. Ongoing project management activity
6. Initial Website materials and FAQ

### **TASK 2: FINALIZE LAND NEED**

This task will finalize the factual base for the UGB amendment prepared by the City of Sisters since 2021, including the Housing Needs Analysis (Updated 2022), Economic Opportunities Analysis (Updated 2022), and UGB Sufficiency Report (updated 2023) and Efficiency Measures Analysis (2021). These reports will be updated as needed to reflect recent development activity, population and employment projections, updates to the City's policies and development code, and other recent changes. Given the extent and timing of previous efforts, we believe this task can be completed relatively quickly and efficiently. The resulting Draft Land Need Report will be the subject of meetings with the Steering Committee, Planning Commission, and City Council. We also recommend providing the Steering Committee with an overview of the UGB amendment evaluation process, as well as the proposed community engagement process during their first meeting.

#### **Deliverables:**

1. Draft Land Need Report
2. Steering Committee Meeting 1
3. PC and CC Meetings for Land Need
4. Revised Land Need Report
5. Project StoryMap (initial content and setup)

### **TASK 3: ANALYZE STUDY AREA (GOAL 14 FACTORS)**

This task will establish the UGB study area and evaluate the suitability of land within the study area consistent with the requirements of OAR 660-024-0060. We will first prepare a memorandum describing existing conditions in the study area, including a Buildable Lands Inventory (BLI) to identify the amount and location of developable land. Given the extent and timing of previous efforts, we believe that updates to the BLI can be completed relatively quickly and efficiently. This conditions report and subsequent Goal 14 evaluation will be informed by a series of stakeholder interviews and/or written input from:

- » Property owners within the UGB study area
- » City of Sisters Parks Advisory Board
- » City of Sisters Urban Forestry Board

- » City of Sisters Public Works Advisory Board
- » Deschutes County Staff, Planning Commission, and Board of Commissioners
- » Deschutes County Housing Authority
- » Development and land use advocacy organizations such as the Oregon Homebuilders Association and Central Oregon Land Watch

We will work with City staff to conduct one-on-one or small group meetings and/or briefings with stakeholder groups or their representatives. We will strategize with City staff early in the process about how best to engage these stakeholders in a productive and proactive manner to ensure constructive dialogue throughout the process.

Up to eight online meetings with consultant participation are assumed. In addition, as part of our broader community engagement process, City staff may meet with a variety of groups to conduct community conversations similar to those undertaken as part of the City's Comprehensive Plan update.

Land in the study area will be analyzed with regard to the Goal 14 factors of (1) Efficient Accommodation of Identified Land Needs; (2) Orderly and Economic Provision of Public Facilities and Services; (3) Comparative Environmental, Social, Economic, and Energy (ESEE) Consequences; and (4) Compatibility of Proposed Urban Uses with Nearby Agricultural and Forest Activities Occurring on Farm and Forest Land Outside the UGB. The evaluation is expected to contain the following components and use the following data as available:

1. Efficient Accommodation of Land Needs
  - a. Buildable Land Inventory (BLI) for property within the study area (Deschutes County assessor data, aerial photograph review)
  - b. Analysis of Parcel Size/Parcelization
  - c. Suitability assessment of needed land types
  - d. Identification of Restrictive CC&Rs
2. Orderly and Economic Provision of Public Facilities and Services
  - a. City of Sisters Public Works input
  - b. Sisters School District input
  - c. Sisters Parks & Recreation District Input
3. Comparative ESEE Consequences
  - a. Staff Input
  - b. Stakeholder Input
4. Compatibility of Proposed Urban Uses with Nearby Agricultural and Forest Activities
  - a. Inventory of Agricultural and Forest Activities (informed by discussions with US Forest Service, property owners)

**Deliverables:**

1. Summary of Stakeholder Interviews (8 meetings assumed)
2. Study Area Conditions and BLI Memorandum
3. Draft Expansion Area Evaluation Report
4. Steering Committee Meeting 2
5. PC and CC Meetings for Expansion Area Evaluation
6. Revised Expansion Area Evaluation Report
7. Updates to Project Website and StoryMap

**TASK 4: ALTERNATIVES EVALUATION AND PREFERRED ALTERNATIVE**

This task will create and evaluate alternative UGB locations with respect to the Goal 14 Factors identified in Task 3. Initial concepts for alternatives will be created by the MIG Team and City staff and further refined by the Steering Committee. After introducing the draft report in Steering Committee Meeting 3 and presenting alternatives to the broader community, a preferred alternative will be proposed and agreed upon in Steering Committee Meeting 4.

**Deliverables**

1. Draft UGB Alternatives Report
2. Steering Committee Meeting 3
3. Community Open House/Online Engagement
4. Steering Committee Meeting 4
5. PC and CC Meetings for Preferred Alternative
6. Revised UGB Alternatives Report with Preferred Alternative

**Task 5: Findings and Adoption**

This task will prepare the needed findings and support hearings to adopt the preferred alternative. Findings will need to address all relevant State statutes and administrative rules, as well as City and County procedural and other requirements, relevant Comprehensive Plan policies, and local approval criteria. Consistent with City and County requirements, including the Joint Management (or Urban Growth Management) agreement between the City and County, the adoption process will entail fees for the application to Deschutes County (not included in our cost proposal) and is anticipated to include the public hearings that may be supplemented with additional preparatory work sessions with the Sisters Planning Commission and City Council, if needed.

**Deliverables**

1. Consolidated UGB Amendment Report
2. Adoption Findings
3. Sisters Planning Commission Public Hearing
4. Sisters City Council Public Hearing
5. Deschutes County Planning Commission Hearing
6. Deschutes County Board of County Commissioners Hearing

**Task 6: Area Plans for New Urban Land (Optional)**

Once identified as future urban land, area planning for new neighborhoods will help refine land use designations, transportation impacts, open space considerations, and other urban design characteristics of land newly added to the City's UGB. The extent of this task is subject to budget availability. Our cost estimate assumes the following activities associated with this task:

- » Identify one or more areas where new plans will be needed, pending the geography of the approved UGB expansion area.
- » Develop an area planning process, including a set of tasks and list of goals, objectives, and/or policies that will be applied in the new areas.
- » Identify the mix of land uses, including housing types and intensities anticipated in or needed in these areas collectively and individually.
- » Establish a schedule for conducting the area planning processes.
- » Identify and begin to coordinate with property owners and other key stakeholders.
- » If time and resources allow, begin implementation of a first area planning process.

**Deliverables**

1. List and Map of Expansion Planning Areas
2. Planning Area Process, Goals, Objectives, and Policies
3. Schedule of Activities for Area Planning
4. Initial Property Owner and Stakeholder Coordination
5. Initiation of First Area Planning Process (If Time and Resources Allow)