



CITY COUNCIL Agenda

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

Wednesday, May 8, 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/84523809758>

Visitor Communication: To offer written comments, send an email to 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 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.

5:00 PM WORKSHOP

1. Sisters Parks & Recreation Update/Community Park Funding
2. Community Garden Relocation Update
3. Sisters Country Economic Development Update
4. 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. April 24, 2024 – Workshop
 2. April 24, 2024 – Regular Meeting
6. **COUNCIL BUSINESS**
 - A. **Public Hearing and Consideration of Resolution 2024-07: A RESOLUTION AMENDING THE CITY OF SISTERS' SYSTEM DEVELOPMENT CHARGES AND FEES FOR WATER AND WASTEWATER**

This agenda is also available via the Internet at www.ci.sisters.or.us

B. Public Hearing and Consideration of Resolution 2024-08 : A RESOLUTION AMENDING THE CITY OF SISTERS' SYSTEM DEVELOPMENT CHARGES AND FEES FOR PARKS.

C. Discussion and Consideration of Resolution 2024-10: A RESOLUTION INCREASING THE PARKS LEVEL OF SERVICE RATIO.

D. Discussion and Consideration of Resolution 2024-09: A RESOLUTION OF CITY OF SISTERS ESTABLISHING THE STEERING COMMITTEE FOR THE SISTERS URBAN GROWTH BOUNDARY AMENDMENT.

7. OTHER BUSINESS

- A. US20 at Locust Street Roundabout Art Process Review
- B. 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



Meeting Date: May 8, 2024

Type: Regular Meeting

Subject: Sisters Parks & Recreation District Update

Staff: J. Wheeler

Depts: Administration

Action Requested: Receive an update on the conceptual plans for the new community park at the Sisters Elementary School property and discuss partnership opportunities between the city and Sisters Parks & Recreation District.

Background:

The Sisters Parks and Recreation District (SPRD) has executed a lease with the Sisters School District to occupy a portion of the elementary school building and property. SPRD has developed a conceptual plan for the property that will include new parkland amenities for the public including an expanded playground, multiuse pathways, open space, and pickleball courts.

In 2023 the City Council adopted a new Parks Master Plan for the City of Sisters. One of the projects identified in the Plan was the need for a multi-court pickleball complex sited somewhere within the City of Sisters. The Master Plan further identified that the City is currently deficient in the total park acreage per resident and recommended an increase in the Level of Service standard.

The development of the community park provides an opportunity for new and enhanced park and recreational amenities identified in the Master Plan.

The Sisters Parks and Recreation Director, Jennifer Holland, will be attending to provide the update.

Financial Impact:

Unknown at this time.

Attachments: None.

Meeting Date: May 8, 2024
Type: Workshop
Subject: Sisters Community Garden

Staff: Woodford
Depts: CDD

Action Requested: Discussion of a proposal from Sisters Community Garden (SCG) to locate a community garden facility on city owned park land. Staff seeks Council input in determining whether this is an appropriate use of city park land and, if so, which park is most suitable for the garden and under what conditions.

Background:

- Last year, Sisters Community Garden (SCG) approached the city about their need to leave their existing location at the Sisters Airport and the desire to relocate their garden to a new location in town, starting in 2025.
- Staff initially instructed SCG officials to pursue privately owned parcels first before investing in the feasibility of city properties.
- After looking at private properties, SCG came back to the city noting that their best option was relocation to city owned park land. Initially, they expressed interest in moving their operations to the vacant, city owned parcel known as the Sun Ranch Park off Sun Ranch Drive (see below).



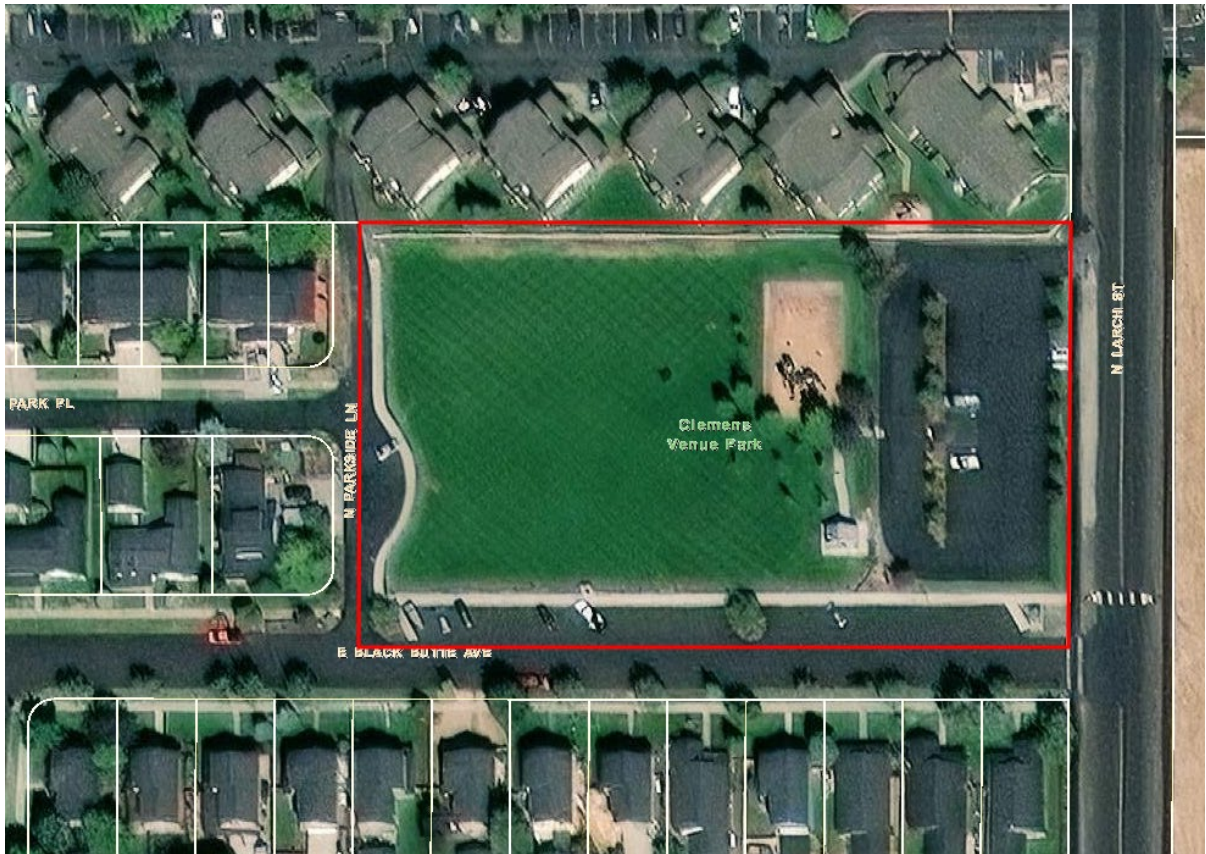
Location and outline of the Sun Ranch Park



- On February 7, 2024, the City Parks Advisory Board (CPAB) reviewed the Sun Ranch Park proposal and provided the following comments:
 - Expressed some concern about private use of public lands but also general support for the concept of a community garden somewhere in Sisters.
 - Wanted SCG to consider not having a locked fence for the garden so that the public could utilize the park and wander around the gardens.
 - Support for prioritizing garden plots for Sisters' residents first – noting they are the ones that pay the System Development Charges (SDC's) that help fund park improvements - then open membership to others.
 - Encourage SCG to do outreach to the nearby residents and take into consideration their concerns to the greatest extent possible.
 - Concern of conceptual location of the portable bathroom location in being too close proximity to homes.
 - Concern of the potential impact the garden could create on the City Public Works employees in terms of additional responsibilities created by the garden on parkland.

- Staff also raised a concern with the proximity of the proposed gardens to the City's nearby Well #4, which is located immediately to the south and subject to a 100-foot setback for the purposes of wellhead protection. Staff's concern here is for the possible use and/or storage of fertilizers in the gardens within this setback. SCG maintains they do not use chemical fertilizers, but staff notes the city will not be able to control all situations at the garden and the desire to be conservative with respect to one of the community's water sources. In response, SCG submitted a revised plan with all garden plots removed from the 100-foot setback (See Attachment 1).

- With the above identified limitation of Sun Ranch Park and not being able to promise public access to the site, the idea of using Cliff Clemens Park (see below) to locate the garden was put on the table and SCG has thus prepared a concept plan for Cliff Clemens Park showing how the gardens could fit within the existing park and still leave open space available for other uses (see Attachment 2). CPAB also reviewed the layout for Cliff Clemens Park and the board was evenly split in terms of preference between it or the Sun Ranch Park proposal.



Cliff Clemens Park

- Outreach is planned to the neighbors of either park, depending on the Council's direction. SCG has created a flyer they plan to disperse to neighbors with a list of FAQ's. This flyer, along with other membership and financial information about SCG is provided (See Attachment 3).
- When considering changes to existing city parks, the city refers to the Sisters Parks Master Plan (PMP) for guidance, which offers the following with respect to community gardens:
 - During the community outreach phase of the PMP update, there was noted interest in a publicly accessible/rentable community garden space.
 - Policy 8.10 of the PMP states: *"where appropriate, support inclusion of community garden spaces and work with local community groups and public entities to support development of neighborhood and community garden programs."*
 - Recommended locations for community garden space: on existing undeveloped parks land such as Sun Ranch Park, Creekside Park Eastward Expansion, Future NW Park.



- New Facility Recommendation (N7 in the PMP) state: *“Community Garden: Provide opportunities for community garden plots in different city quadrants. Support construction of fencing, gates, and secure access to potable water where community interest is present. Alternatively, work with Sisters Community Garden to support expansion and improvement of amenities and utilities at existing location as need increases.”*
- PMP recommendations for Cliff Clemens Park improvements:

Table 5.3 Neighborhood Park Facility Recommendations (E3)

Project ID	Site	Description
E3.1	Cliff Clemens Park	Conduct a design and public outreach process with a consultant to document desired amenities to support the surrounding neighborhood. Elements like more shade, splash pad, etc.
E3.2	Cliff Clemens Park	Provide more tree planting where shade is most needed with large canopy trees in accordance with the Sisters Urban Forest Management Plan.
E3.3	Cliff Clemens Park	Provide additional shade, temporary or permanent, with picnic tables between playground and restrooms.
E3.4	Cliff Clemens Park	Install at least two more bicycle racks at lit points of entry and egress. Of the bicycle parking stalls, 15% to 25% should be at least 10 feet long and 2 feet wide to allow for larger family bikes or bikes with trailers without impeding circulation.
E3.5	Cliff Clemens Park	Develop paved accessible walking path on north edge to create a loop.
E3.6	Cliff Clemens Park	Explore a fenced portion of lawn for an off-leash dog park use with bench seating, drinking fountain with dog bowl and close access to the restrooms. Conditionally include noise abatement strategies.
E3.7	Cliff Clemens Park	Improve parking lot area with restriping and reconfiguration of paved surface and planting area to free space for other park amenities and allow for reduced impervious and heat radiating surfaces.

Financial Impact: Depending on the location, there will be varying costs for improvements to support the garden. The Sun Ranch Park requires a higher level of investment based on the need to extend water and electrical services to the gardens and for parking.

Cliff Clemens Park has all the required utilities at the site plus existing parking and restrooms, so the infrastructure costs are fairly low there. The City and SCG have had initial discussions about costs and SCG has inquired about financial assistance from the City. If either of these sites are acceptable for this use, there may be additional costs to the city as determined by Council.

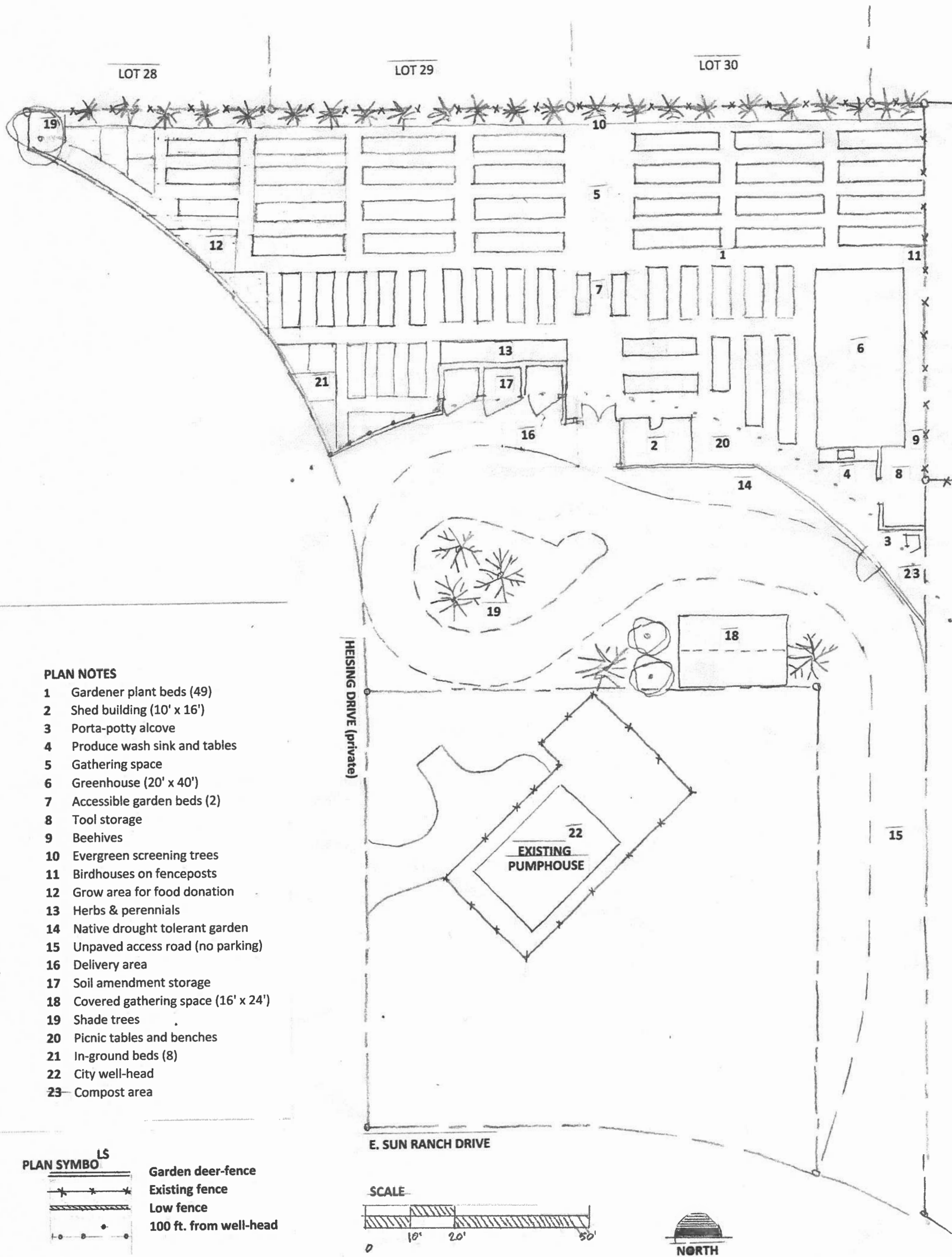
Projects recommended in the Parks Master Plan are generally paid for with Park’s System Development Charges (SDC’s), but it is unclear if there are funds set aside for garden improvements. Other funding sources could be in the form of grants.



CITY COUNCIL Staff Report

Attachments:

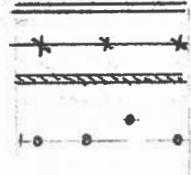
1. ATTACHMENT 1: Sun Ranch Park -Conceptual Garden Layout
2. ATTACHMENT 2: Cliff Clemens Park – Conceptual Garden Layout
3. ATTACHMENT 3: Sisters Community Garden Submitted Additional Information (Outreach Flyer to Neighbors, FAQ's, Membership, Financial Statement, and Bylaws)



PLAN NOTES

- 1 Gardener plant beds (49)
- 2 Shed building (10' x 16')
- 3 Porta-potty alcove
- 4 Produce wash sink and tables
- 5 Gathering space
- 6 Greenhouse (20' x 40')
- 7 Accessible garden beds (2)
- 8 Tool storage
- 9 Beehives
- 10 Evergreen screening trees
- 11 Birdhouses on fenceposts
- 12 Grow area for food donation
- 13 Herbs & perennials
- 14 Native drought tolerant garden
- 15 Unpaved access road (no parking)
- 16 Delivery area
- 17 Soil amendment storage
- 18 Covered gathering space (16' x 24')
- 19 Shade trees
- 20 Picnic tables and benches
- 21 In-ground beds (8)
- 22 City well-head
- 23 Compost area

PLAN SYMBOLS



- Garden deer-fence
- Existing fence
- Low fence
- 100 ft. from well-head

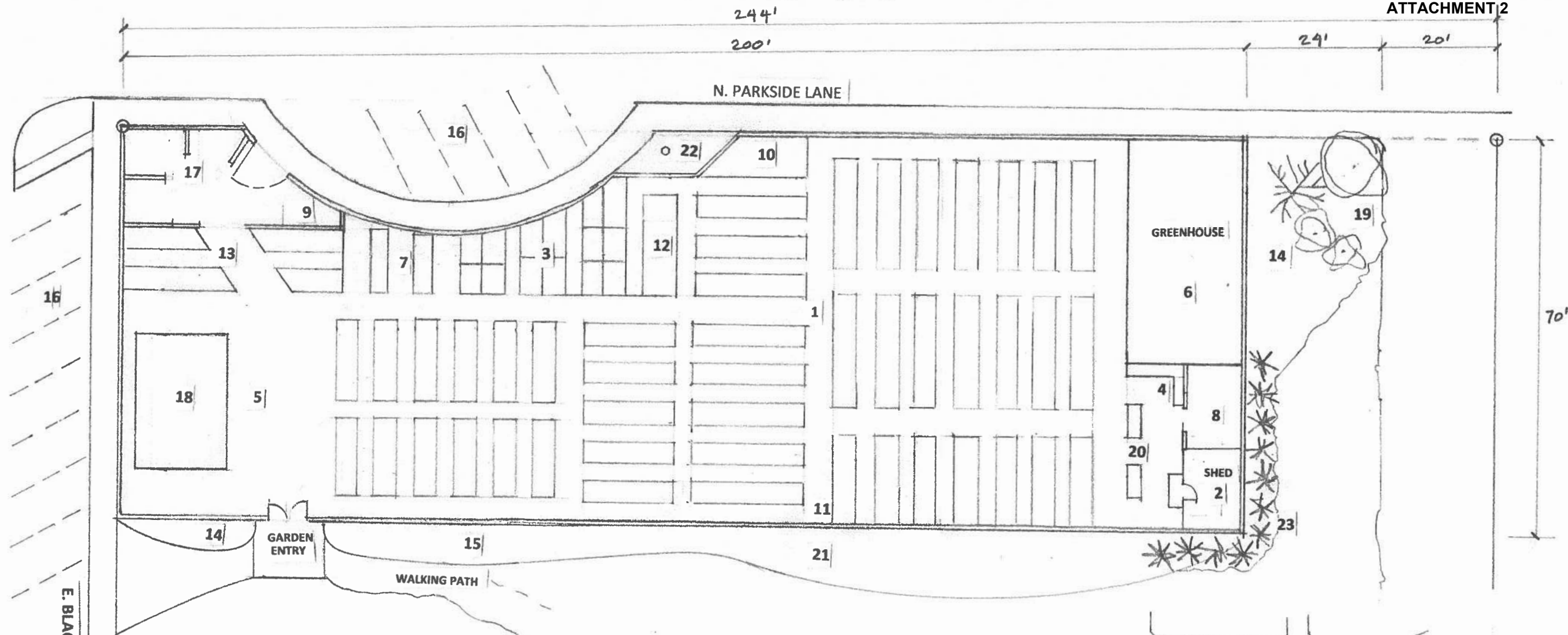
SCALE



SISTERS COMMUNITY GARDEN - CONCEPT #4 FOR GARDEN-PARK AT SUN RANCH

Date: May 1, 2024

Submitted by: Janie Boyd, Garden Manager

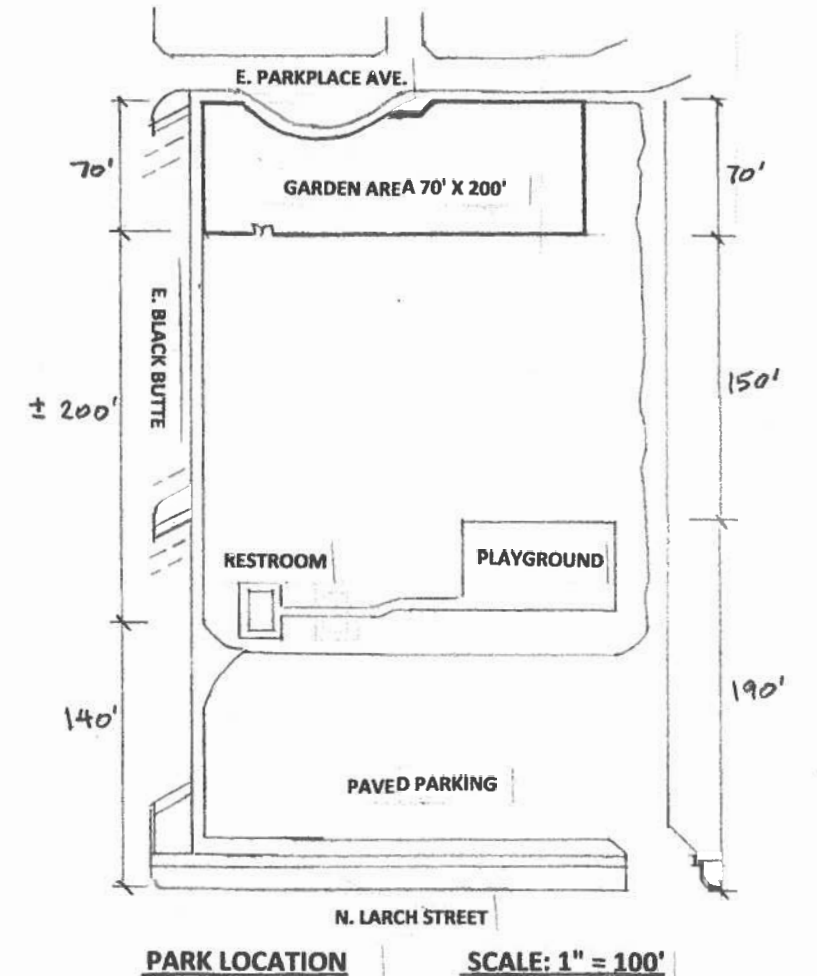
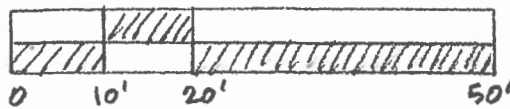


PLAN NOTES

- | | |
|-----------------------------------|--|
| 1 Gardener raised plant beds (46) | 14 Native drought tolerant garden with informational signage |
| 2 Shed building (10' x 14') | 15 Water conservation irrigation demonstration garden |
| 3 In-ground beds (14) | 16 Existing paved street parking |
| 4 Produce wash sink and table | 17 Soil amendment storage |
| 5 Workshop open space | 18 Covered gathering space (16' x 24') |
| 6 Greenhouse (20' x 40') | 19 Shade trees |
| 7 Accessible garden beds (2) | 20 Picnic tables and benches |
| 8 Tool storage | 21 Pollinator garden |
| 9 Composting bins | 22 Existing fire hydrant |
| 10 Berry bushes | 23 Screening evergreens |
| 11 Birdhouses on fenceposts | |
| 12 Grow area for food donation | |
| 13 Herbs & perennials | |



SCALE



SISTERS COMMUNITY GARDEN - CONCEPT #3 FOR GARDEN-PARK AT CLIFF CLEMENS

Date: May 1, 2024

Submitted by: Janie Boyl, Garden Manager

From: Sisters Community Garden

To: Neighbors of Cliff Clemens and Sun Ranch Parks

RE: Introduction and Q&As on possible use of local park

Dear Neighbors,

We are contacting you because there is a possibility that the Sisters Community Garden may be able to move to a location near your home. The Sisters Community Garden (SCG) is a 501 (c) 3 non-profit organization. In 2006 garden enthusiasts began growing fresh produce on an acre of land on Adams Street. The desire was to provide Sisters area residents of all income levels the opportunity to increase gardening skills and make excess produce available to local food banks.

In 2012, the Benson family, owners of Sisters Eagle Airport, graciously allowed us to use ½ acre of their property at no cost. However, our time at the airport property has come to an end. Now we must find a new location to continue our mission of maintaining a beautiful garden that fosters community connections among Sisters area residents.

For nearly a year, we have contacted a wide variety of entities in the Sisters area, in search of an affordable and permanent garden location. At this time, the City has expressed the possibility of using one of two parks – Cliff Clemens and Sun Ranch Parks. Before coming to any agreement about locating a garden in a small area of either park, the city has asked us to be in touch with neighbors. Your opinion and ideas matter, so we want to be in communication with you.

To begin, these frequently asked questions may help to convey information about how the garden would operate. Soon, we plan a gathering to exchange ideas with you. In the meantime, please peruse these FAQs or visit www.sisterscommunitygarden.org. Also feel free to visit our current garden at 15860 Barclay Dr in Sisters.

Thank you for your time. We appreciate your consideration.

FREQUENTLY ASKED QUESTIONS

1. Why are you and the city considering Cliff Clemens and Sun Ranch Parks? Is this a valid use of parks that the city is able to support?

Recently, during the process of updating the Parks Master Plan, the city learned that the residents support the creation of community gardens. There are areas of Sisters Parks that are under-utilized or undeveloped. Gardens provide many beneficial outcomes for the residents as well as contribute positively to the towns' culture.

2. Is the city paying for the Community Garden to move?

No, the garden will use its current assets, will gather cash and materials donations, will seek grants, and will utilize volunteer labor to build the infrastructure. SCG is self supporting and will build and maintain the garden area as well as manage its operations.

3. Will there be a pollinator garden somewhere on park land and will-water wise and fire- safe decisions have a priority?

Yes, we will create demonstration gardens, will utilize the most current scientific knowledge, and will offer learning opportunities that result in environmentally conscious practices.

4. Can residents influence the decision to have the community garden in one of the parks we provide input as to the design of and the rules of use for the garden?

Yes, neighbors will have the opportunity to provide input about many aspects of the garden, including where to site the garden. This may be done through public meetings or surveys, or both.

5. When would the garden move to the park?

It is not clear at this time. There is much work to be done before any move. We need to first gather input from neighbors and the city, and must develop an agreement which meets city and public needs. We also need to raise funds for the move, which includes deconstructing and relocating our greenhouse, shed, fencing and garden beds.

6. Can we expect other improvements to be made at the park?

This would be a decision made by city staff in collaboration with Sisters Community Garden.

7. Will my access to the park change? Will my view change?

No, the garden would not cause any changes in the access to the park, nor will any structures be located where they would block any current homeowner's view from their property.

SCG Draft - 4/2/24

8. Would neighbors be able to use the garden? Can we bring our dogs into the garden?

Neighbors are welcome to become gardeners by applying for a garden plot each growing season. Returning members are able to reapply each year for their previously assigned plot. City residents will have next priority and then any vacant plots will be made available to our Sisters Country neighbors. We will construct as many beds as possible, but sometimes there is a waiting list. As is the current rule, no dogs would be allowed inside the garden deer-fence.

9. Will there be security measures at the park? Will my children be safe in or near the garden?

The Sisters Community Garden plans to erect a fence around the entire garden, and to utilize an electronic locking system at the front gate to maintain open hours between dawn and dusk. As in any public space, children should be monitored by an adult guardian.

10. Will noisy equipment, pesticides or other toxic chemicals be used day to day in or near the garden?

No, garden members use only hand tools to work their beds and the communal plots. Our organic gardening policy allows only natural elements to control bugs and weeds and to amend the soil. While there may be some noise associated with the initial garden development and move-in, no machinery noise is expected except for an occasional weed-wacker during daytime work parties.

11. What about debris blowing around, bad odors from compost areas, the spread of weeds?

Members of the garden are asked to bag up and remove any detritus from their individual beds immediately. In addition, members contribute cleanup time to the garden on a day to day basis. We also schedule work sessions throughout the season, during which weeds are pulled and other debris is bagged and brought to the transfer station. Our compost area is managed by experienced volunteers. Members are directed to only add the appropriate items to the compost, therefore bad odors are not created.

12. What are the open hours of the garden, how many people will use the garden on a daily basis and where will they park?

Garden hours are set from dawn to dusk. It is rare for any gardener to come to the garden late in the evening, as we will have no outdoor lighting. Currently, gardeners often work in the mornings, or during lunch hours if it is not too hot. Others arrive after normal work hours and on the weekends. It is unusual for there to be more than a few people working at the same time, except for scheduled work parties. On work party or class days, we can often see up to 25 people at the garden for several mid-day hours.

13. Will the garden host events that might draw large crowds and how will we be notified of activities in the garden?

In the past, we have hosted up to two fundraising events per year, however we have not had any public events at the garden for several years. Those events include Lunch in the Garden which takes place during the Sisters Outdoor Quilt Festival. On that day, we invite the public to the garden for lunch and to view several quilts that are hung on the interior of the garden fence. All events are to be approved by the city and will comply with safety, noise and activity requirements. We plan to host educational workshops which may be open to the public, however enrollment and attendance will be limited.

14. Who can we contact about this move, and who will be our contacts once the garden is established.

Please contact SCG by email at sisterscommunitygarden@gmail.com

Benefits to having a community garden in residential areas include:

- Enhanced social interaction
- Physical health benefits
- Environmental advantages
- Beautification and pride
- Crime reduction
- Economic savings
- Sustainable living

Sisters Community Garden**Annual Summary of members**

Year	Total members	New Members (turnover per year)
2020	34	
2021	41	20
2022	50	19
2023	50	9
2024	44	13

From: Karen Lord karenjlord@gmail.com
 Subject: Financial reports you requested
 Date: Apr 30, 2024 at 5:12:32 PM
 To: Mimi Schaefer Mimi4406@gmail.com

See attached

Sisters Community Garden NEW

Statement of Financial Position

As of December 31, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
First Interstate Bank	9,341.87
Total Bank Accounts	\$9,341.87
Total Current Assets	\$9,341.87
TOTAL ASSETS	\$9,341.87
LIABILITIES AND EQUITY	
Liabilities	
Total Liabilities	
Equity	
Opening Balance Equity	3,930.69
Unrestricted Net Assets	3,248.82
Net Revenue	2,162.36
Total Equity	\$9,341.87
TOTAL LIABILITIES AND EQUITY	\$9,341.87

Cash Basis Tuesday, April 30, 2024 05:10 PM GMT-07:00

1/1

Sisters Community Garden NEW

Statement of Activity

January - December 2023

	TOTAL
Revenue	
Donations	411.00
Garden Fees	1,455.00
Greenhouse fees	260.00
Plant Sale Proceeds	3,044.00
Plant Sale Costs	-866.67
Total Plant Sale Proceeds	2,177.33
Total Revenue	\$4,303.33
GROSS PROFIT	\$4,303.33
Expenditures	
Business Expenses	
Business fees and expenses	236.00
Total Business Expenses	236.00
Facilities and Equipment	
Rent, Parking, Utilities	420.00
Total Facilities and Equipment	420.00
Grant Expenses	
Irrigation	123.61
Miscellaneous Exp.	106.60
Dump Fees	56.00
Total Miscellaneous Exp.	182.60
Operations	
Books, Subscriptions, Reference	81.17
Printing and Copying	16.39
Supplies	228.84
Total Operations	326.40
Outhouse	370.00
Steward expenses	92.45
Travel and Meetings	278.68
Total Expenditures	\$2,140.97
NET OPERATING REVENUE	\$2,162.36
Other Expenditures	
Ask My Accountant	0.00
Total Other Expenditures	\$0.00
NET OTHER REVENUE	\$0.00
NET REVENUE	\$2,162.36

BYLAWS OF A MEMBERSHIP CORPORATION

NAME OF CORPORATION:

Sisters Community Garden

ARTICLE I: PURPOSE

This corporation shall be organized and operated exclusively for charitable scientific literary, religious, and educational purposes. Subject to the limitations stated in the Articles of Incorporation the purposes of this corporation shall be to engage in any lawful activities none of which are for profit for which corporations may be organized under Chapter 65 of the Oregon Revised Statutes (or its corresponding future provisions) and Section 501(c)(3) of the Internal Revenue Code of 1954 (of its corresponding future provisions).

The corporation's primary purpose shall be: *to establish a beautiful garden that fosters community connections among Sisters, Oregon area residents. The garden will serve as a gathering place for a mosaic of people, a resource for education a farm to table resource for local food banks, and an opportunity to realize the benefits and pleasure derived from gardening.*

ARTICLE II MEMBERS

Section 1 Classes and Voting. There shall be one class of members of this corporation. Each member shall be entitled to one vote on all matters for which a membership vote is permitted by law, the Articles of Incorporation, or the bylaws of this corporation.

Section 2 Qualifications. A person shall become a member of the corporation by completing a garden application and paying the annual garden fee, or by receipt of an approved fee waiver.

Section 3 Termination of Membership. Membership may be terminated by the Board of Directors after giving member at least fifteen days written notice by first class or certified mail, or by email, of the termination and the reasons for the termination and an

opportunity for the member to be heard by the Board, orally or in writing, not less than five days before the effective date of termination. The decision of the Board shall be final and shall not be reviewable by any court.

COPY

election of Directors

Section 5 **Vacancies.** Vacancies on the Board of Directors and newly created board positions will be filled by a majority vote of the Directors then on the Board of Directors

Section 6 **Quorum and Action.** A quorum at a board meeting shall be a majority of the number of Directors prescribed by the Board, or if no number is prescribed, by a majority of all Directors in office immediately before the meeting begins. If a quorum is present, action is taken by a majority vote of directors present. Where the law requires a majority

vote of directors in office to establish committees that exercise Board functions to

amend the Articles of Incorporation, to sell assets not in the regular course of business, to merge, to dissolve, or for other matters, such action is taken by the majority as required by law

Section 7 **Regular Meetings.** Regular meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. No other notice of the date, time, place, or purpose of these meetings is required.

Section 8 **Special Meetings.** Special meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. Notice of such meetings describing the date, time, place and purpose of the meeting shall be delivered to each Director personally or by email not less than two days prior to the special meeting

Section 9 **Meeting by Telecommunication.** Any regular or special meeting of the Board of Directors may be held by telephone, telecommunications, or any means of video conferencing available to all directors so long as all Directors can hear each other

Section 10 **No Salary.** Directors shall not receive salaries for their Board services, but may be reimbursed for expenses related to Board service

Section 11 **Action by Consent.** Any action required by law to be taken at a meeting of the board, or any action which may be taken at a meeting, may be taken without a meeting if a consent in writing, setting forth the action to be taken or so taken, shall be signed by all the Directors

ARTICLE IV: COMMITTEES

Section 1 **Executive Committee.** The Board of Directors may elect an Executive

Section 4 Other Officers. Board Of Directors may elect or appoint other officers, agents and employees as it shall deem necessary and desirable. They shall hold their offices for such terms and have such authority and perform such duties as shall be determined by the Board of Directors

Section 5 President. The president shall be the chief officer of the corporation and shall act as the Chair of the Board. The President shall have any other powers and duties as prescribed by Board of Directors. The president has spending authority of a maximum of a \$500 per occurrence and can have emergency powers due to unforeseen circumstances

Section 6 Vice President. In the event the President is unable to perform the duties of the President, the Vice President shall perform the duties of the President, except as may be limited by Board resolution, with all the powers of and subject to all the restrictions incident to the office of President. The Vice President shall have to the extent authorized by the President, the same powers to execute legal documents. The Vice President shall perform other duties that may be assigned.

Section 7 Treasurer. The Treasurer shall have overall responsibility for all corporate funds. (a) keeping of full and accurate accounts of all financial records of the corporation; (b) deposit of all monies and other valuable effects in name and to the credit of the corporation in such depositories as may be designated by the Board of Directors; (c) disbursement of all funds when proper to do so; (d) making financial reports as to the financial condition of the corporation to the Board of Directors; filing all required federal and state filings; and (e) any other duties as may be prescribed by the Board of Directors.

Section 8 Secretary. The Secretary shall have overall responsibility for all record keeping. The Secretary shall perform, or cause to be performed the following duties: (a) official recording of the minutes of all proceedings of the Board of Directors and members' meetings and actions; (b) provision for notice of all meetings of the Board of Directors and members; (c) authentication of the records of the corporation.

ARTICLE VI: CORPORATE IDENTITTY

This corporation will indemnify its officers and directors to the fullest extent allowed by current or future Oregon law

ARTICLE VII: AMENDMENTS TO BYLAWS

Board of
Directors

11/1/2

021

by

Sisters Community Garden Guidelines and Rules 2024

Individual and Community Plots are available to gardeners who desire to grow vegetables and participate in work parties for the upkeep and maintenance of the Garden.

1. Individual plots will be assigned by March 31. Priority is given to previous gardeners who have fulfilled garden obligations.
2. Each gardener must cultivate and maintain their assigned plot during the growing season. See below for **Neglected Plot Procedure**.
3. Each growing season, every gardener is responsible for helping with the upkeep and maintenance of the entire garden area. Specifically, gardeners are required to participate in 2 work parties for the purpose of maintaining common areas. In lieu of work party participation, gardeners are asked to accomplish and report to the Garden Manager at least 8 hours of work to maintain the common areas.
4. Additionally, each gardener is responsible for weeding and maintaining the common areas near their plot.
5. Produce is only to be harvested from your own assigned plot.
6. Please supervise your children in the garden.
7. No pets are allowed in the garden at any time.
8. Gardeners are responsible for disposing of their trash and garden waste from the site.
9. At the end of the growing season, dead plants and weeds are to be removed from plots by October 15. Beyond this date, gardeners may tend living plants. However, successful "shoulder season" gardening requires hand watering and utilizing methods of protecting plants from severe weather.

Neglected Plot Procedure:

- **May 1** – Notice will be sent to any gardener who has not cultivated or otherwise maintained their plot. This notice, from the Membership Coordinator, will be sent via the gardener's preferred communication method, as specified in their application. The notice will include a copy of the Garden Rules and will advise that if the plot is not cultivated/maintained by May 15, the Garden will reassign the plot.

If you need help with your garden plot, contact the Membership Coordinator. You will be connected with a mentor.

- **May 15**– After the May 1 notice, unless prior arrangements have been made, any plot that is not cultivated/maintained by May 15, will be considered abandoned. The plot will be cleaned, and it will be reassigned to a new gardener.
- **August 15 (or as needed)**- Notice will be sent to the gardener of any plot with unharvested produce, that unless the gardener disagrees, the Garden will harvest produce and donate it.



Meeting Date: May 8, 2024

Type: Workshop

Subject: Sisters Country Economic Development (SCED) Strategic Plan

Staff: Eric Strobel

Dept: Economic Development

Action Requested: Receive and discuss the 2024-2027 Strategic Plan for Economic Development in Sisters.

Background: The 2024 – 2027 Strategic Plan for Economic Development in Sisters has been completed by the Sisters Country Economic Development (SCED) Advisory Board using parts of the former plan and adding new content. The plan has been reviewed by the SCED Advisory Board, EDCO, and City staff.

The SCED Strategic Plan consists of:

1. Background on Economic Development for Central Oregon and targeted industries.
2. *Move, Start, and Grow* goals:
 - *Move* three new companies to the Sisters area that will create 15 new, living wage jobs and invest \$2 million in new capital investment.
 - Facilitate the *Start* of five local, scalable, early-stage companies as the next generation of employers and jobs. Create an entrepreneurial ecosystem to generate at least 10 jobs from those startups and help them raise \$1 million in growth capital.
 - Help *Grow* five local traded-sector employers with a robust Business Retention & Expansion (BRE) Program that catalyzes \$4 million in new capital investment and 30 new, well-paying jobs.
3. Table Setting goals. Those activities that expand and improve community resources that benefit business.
 - Daycare.
 - Workforce Housing.
 - Transportation.
 - UGB Expansion/Employment Lands.
 - Support Sisters Makers Development.
 - Improve retail availability of quality, affordable food.
4. Development of retail/production space.
5. Membership.
6. Sisters guiding principles for economic development.

Financial Impact: None.

Attachments:

1. ATTACHMENT 1: SCED Strategic Plan

Economic Development for Central Oregon

Sisters Strategic Plan
2024-2027

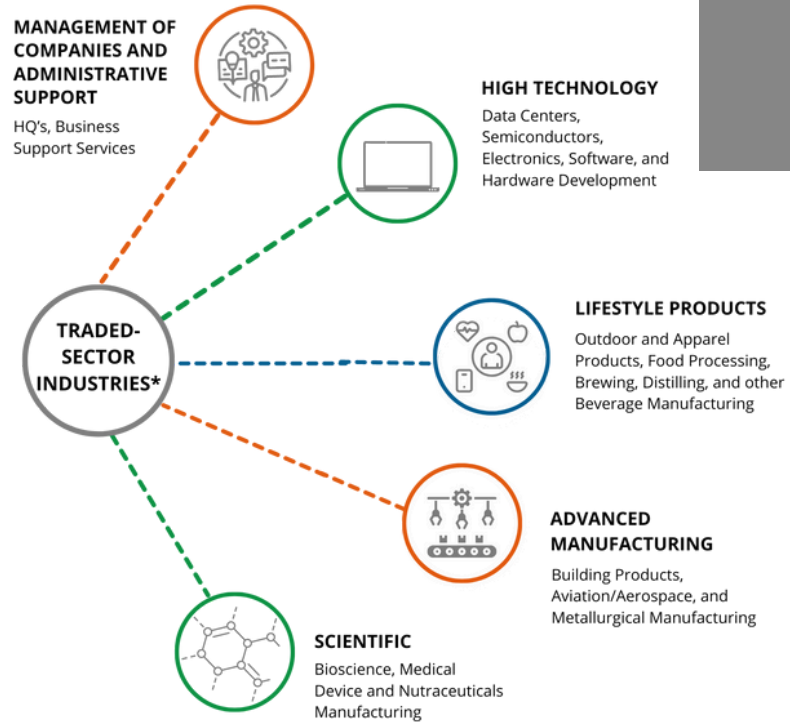


About EDCO

EDCO is a non-profit corporation supported by private and public members and stakeholders, whose mission is to create middle-class jobs in Central Oregon by recruiting new employers to move to the region; helping entrepreneurs start new, scalable businesses; and working with businesses that are already here to grow their operations.

Industry Diversification

Identify and respond to industry needs by championing current and future business start-up, expansion and relocation efforts. Build and maintain relationships with businesses to connect them to local resources.



Business Friendly Environment

We work with stakeholders to expand available land and infrastructure across Central Oregon while supporting policies that reduce regulatory burdens and address affordability issues.



Build a Pipeline of Talent

EDCO works with education providers and workforce development organizations to connect traded-sector* businesses and local students to ensure Central Oregon has the workforce for continued growth.

*EDCO focuses on traded-sector employers or those whose majority of goods and/or services are exported outside of the region

STRATEGIC PLAN



Goal: Move three new companies to the Sisters area that will create 15 new, well-paying jobs and invest \$2 million in new capital investment.

Action Plan:

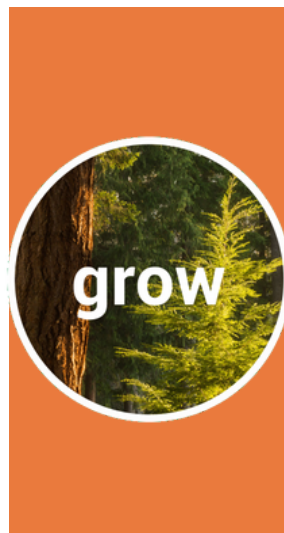
- Generate 20 leads annually through targeted marketing and recruitment efforts based on geographic and industry-based data.
- Capitalize on Sisters' established brand, image and reputation as a "community of choice" for lifestyle, quality schools, the arts, and scenic beauty.
- Partner with Explore Sisters on marketing and advertising strategies for business development.
- Target specific companies and individuals within industry sectors that are a good fit for the Sisters area. Industries for Sisters include, but are not limited to small-scale: Advanced Manufacturing, Art, Scientific (medical device, bioscience, health and wellness), Musical Instrument Design and Manufacturing, Outdoor Apparel & Gear, and Specialty Food Products



Goal: Facilitate the Start of five local, scalable early-stage companies and create an entrepreneurial ecosystem to generate at least 10 jobs from those startups and help companies raise \$1 million in growth capital.

Action Plan:

- Nurture homegrown businesses, artisans, makers and farmers by providing resources, mentorship and access to markets. Celebrate our distinctiveness as community for locally-crafted products.
- Connect Sisters early-stage companies with existing local, regional and statewide entrepreneurial assets including but not limited to EDCO's Venture Catalyst.
- Provide advisory and mentoring support to local early-stage companies.
- Evaluate and develop additional capital resources to support early-stage companies.
- Assist in development of small scale, leasable spaces for new companies.



Goal: Help Grow five local traded-sector employers with a robust Business Retention & Expansion (BRE) Program that catalyzes \$4 million in new capital investment and 30 new, well-paying jobs.

Action Plan:

- Meet with all local traded-sector companies in Sisters annually to identify opportunities and challenges.
- Host and/or refer companies to periodic events that support business goals, develop peer to peer support and help EDCO learn about barriers to growth.
- Assist and manage cities and counties with implementation of local incentives, including enterprise and e-commerce zones.
- Collaborate with the Sisters School District to develop internship program.

Table Setting

Expand and improve community resources that benefit business, including:

- Daycare
 - Participate in childcare working group.
 - Act as liaison between businesses and childcare opportunities.
- Workforce Housing
 - Link workforce housing developers with companies in need of housing for key employees.
 - Actively support workforce housing developments in the community.
 - Seek and research possible properties for housing development.
- Transportation
 - Actively market Commute Options vanpool to businesses.
 - Support transportation projects that improve access for businesses.
- UGB Expansion/Employment Lands
 - Participate in City UGB process.
 - Educate businesses on the UGB process and progress.
 - Advocate for sufficient employment lands.
- Support the Sisters Makers Development
 - Partner with Explore Sisters to develop map/marketing materials for makers tour.
 - Recruit businesses to participate in tour.
 - Advocate for city policies that support artists, makers, growers and innovators.
- Improve retail availability of quality, affordable food.
 - Market vacant parcels that allow grocery operations.
 - Encourage and support co-op retail food ventures and local emerging food growers, makers, and processors.
 - Contact existing regional grocers to assess interest.

Work with the private and public partners to catalyze development of at least 40,000 sf of new light industrial space in Sisters to help both new and existing companies.

- Advocate for development of retail/production space from 500 – 1,500 square feet.
- Encourage and support the development of live/workspaces.
- Assist commercial realtors in filling available light industrial space.
- Hold tour of available space for Central Oregon realtors.

Membership

Build SCED membership program, adding 20 new members.

- Create marketing materials for SCED membership.
 - Build member target list.
 - Recruit board member to assist on membership.
 - Hold two events annually to promote the SCED program.
-

Sisters Guiding Principles for Economic Development

VISION

We envision a vibrant and resilient future where economic prosperity harmonizes with our natural surroundings, heritage, and quality of life.

MISSION

Help move, start and grow businesses to purposefully create a balanced and diverse economy.

This is how we go about doing this work in our small, authentic community:

- Collaboration with economic development partners such as the City, County, Explore Sisters and the Sisters Chamber are key to program success.
 - Encourage multi-generational participation.
 - Advocate for the next generation. (Can our children live here and find gainful employment?)
 - Act as the reference point for everyone in the community regarding jobs, business, and industry development.
 - Economic prosperity and diversity is at the center of all we do.
 - Participate in community building activities like childcare, housing and transportation that improve the climate for business.
 - Respect the quality of life that makes this place special; and
 - Manage growth so it is consistent with the character and values of the community.
-

For inquiries, contact:

Erik Strobel, Sisters Area Director

Erik@edcoinfo.com



CITY COUNCIL Staff Report

Meeting Date: May 8, 2024
Type: Regular City Council Meeting
Subject: City Council Meeting Minutes

Staff: R. Green
Dept: Administration

Consent Agenda: Approve the minutes from the April 24, 2024 City Council Workshop and the April 24, 2024 Regular City Council meeting.

Summary Points:

- Approve the minutes from the April 24, 2024 City Council Workshop and the April 24, 2024 Regular City Council meeting.

Financial Impact: None.

Attachments:

- 1- ATTACHMENT 1: April 24, 2024, City Council Workshop Minutes
- 2- ATTACHMENT 2: April 24, 2024, Regular City Council meeting Minutes

WORKSHOP MEETING MINUTES
 SISTERS CITY COUNCIL
 520 E. CASCADE AVENUE
 April 24, 2024

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

GUESTS:

Peter Hoover Executive Director, Habitat for Humanity
 Joe Rambo Board Chair, Habitat for Humanity
 Kevin Eckert Build, LLC
 Chris Gonzalez FCS Group

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-4>

Mayor Preedin called the workshop to order at 5:11 p.m.

1. Affordable Housing Grant Review

Community Development Director Woodford provided limited background, stating that the earlier Urban Renewal Agency meeting provided greater substance and discussion to this item (please see meeting [here](#)). Woodford noted his error in that discussion related to income caps for eligibility to participate in the program; he corrected the record by saying that homeowners making up to 120% of Area Median Income (AMI) and renters making up to 100% of AMI would still qualify.

Woodford stated that the project tentatively outlined by the sole applicant, Habitat for Humanity is titled Adams Commons, and includes 19 affordable housing units intermixed with five workforce housing units targeted towards those making 80% or less median income. Woodford was joined by applicants Peter Hoover and Joe Rambo, Board Chair of Habitat for Humanity, and Kevin Eckert of Build LLC.

Councilor Letz asked what the AMI thresholds are currently. The AMI is published by U.S. Department of Housing and Urban Development (HUD) each June. Executive Director Peter Hoover spoke to Deschutes County thresholds, stating that for a family of four, those in the 80% percentile of the AMI earn \$78,150; those in the 100% percentile of AMI earn \$95,200; those in the 120% percentile earn \$114,250, and those in the 150% percentile earn \$142,800. These numbers are also influenced by current interest rates and the Oregon Bond Residential Loan Program that Habitat is working with for mortgaging. Hoover outlined the process of setting the sales price and mortgage on affordable housing units.

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
April 24, 2024

Councilor Letz asked about the appreciation of affordable houses. Hoover explained that Oregon Housing Community Services requires a master lease which allows for shared appreciation upon the sale of a home. At the time of sale, the homeowner is guaranteed equity plus 25% of the appreciation of the appraised value of the house. Habitat would have the first right of refusal to buy a house back.

The expected timing is aggressive, with construction starting in spring 2025 with a winter 2025 opening. Alternatively, the project could be extended by six to nine months.

Manager Wheeler spoke to the city's funding: there is \$162,000 available for affordable housing, with \$20,000 additional reserve to be considered. Affordable housing funds would replenish at \$30,000 per year from the Transient Lodging Tax (TLT). Each councilor spoke to the details of funding and retaining reserves, with tentative support for allocating all funds, to be finalized during the budget approval process. The land-use process will start with a pre-application review between the applicant and city staff.

2. Water and Wastewater Rate and Policy Updates

Manager Wheeler provided a brief introduction, stating that updating utility rates based on the 2023 Water System Master Plan is a 2023-24 Council Goal. Director Bertagna outlined the three areas under consideration: proposed rate increases, secure vs conservation financing approaches, and the implementation and outreach plans.

Chris Gonzalez of the FCS Group Consulting presented on these topics. Wastewater rates would increase 4%, and water rates would increase 12% per year through 2030, with reassessment in 2027 and periodically as needed. Gonzalez outlined the water rate structure alternatives: Secure Financing and Enhanced Conservation. Both methods recalibrate the base charge structure to spread the costs evenly to all customers, and to charge multifamily units the $\frac{3}{4}$ " base charge per dwelling unit. However, the Secure Financing option roughly maintains the existing volume charges, while the Enhanced Conservation option results in lower increases to base charges, but higher increases to volume charges.

Council discussed the options, focusing on the value of the conservation option. It was noted that if water customers conserve more water, the recovery costs would be less. While this is a positive outcome, the rate structure would need to be revisited periodically in order to maintain recovery costs. Council requested the Conservation approach be brought back for approval.

Finance Director O'Neill outlined the proposed policy changes, including billing landlords rather than tenants, better control of the usage of bulk meters, and removing credit

WORKSHOP MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
April 24, 2024

restrictions for maximizing the use of the low-income utility assistance program. Council agreed with all recommendations.

3. Other Business – None.

The meeting was adjourned at 6:50 p.m.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor

REGULAR MEETING MINUTES
 SISTERS CITY COUNCIL
 520 E. CASCADE AVENUE
 APRIL 24, 2024

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
 Paul Bertagna PW Director
 Scott Woodford CDD Director
 Jackson Dumanch PW Project Coordinator
 Rebecca Green Deputy Recorder

GUESTS:

Lt. Chad Davis Deschutes County Sheriff Office
 Scott Humpert Executive Director, Explore Sisters
 Greg Willitts Board Chair, Explore Sisters

The meeting recording is available here:

<https://www.ci.sisters.or.us/bc-citycouncil/page/city-council-workshop-meeting-4>

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

The meeting was called to order by Mayor Preedin at 7:00 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 Letz seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.

4. VISITOR COMMUNICATION: None.

5. CONSENT AGENDA

- A. Minutes
 - 1. April 10, 2024 – Workshop
 - 2. April 10, 2024 – Regular Meeting

Councilor Cobb made a motion to approve the Consent Agenda. Councilor Ross 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 2024-06 –AUTHORIZING APPLICATION FOR GRANT FUNDS UNDER THE LOCAL GOVERNMENT GRANT PROGRAM ADMINISTERED BY THE OREGON PARKS AND RECREATION

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 24, 2024

DEPARTMENT FOR DEVELOPMENT OF A MASTER PLAN FOR THE FUTURE
NORTHWEST PARK; AUTHORIZING EXECUTION OF GRANT APPLICATION.

Project Coordinator Dumanch introduced the grant program for the future Northwest Park. He stated that the City is taking advantage of more funds available in this program than there were last year. Previous awards from this grant have funded Fir Street Park, Creekside Campground restroom, Creekside Bridge, and Village Green playground. The City is requesting the maximum amount of \$50,000 to create a refined master plan.

Councilor Ross made a motion to approve Resolution 2024-06 authorizing application for grant funds under the local government grant program administered by the Oregon Parks and Recreation Department for development of a master plan for the future Northwest Park; authorizing execution of grant application. Councilor Cobb seconded the motion. Preedin, Blum, Letz, Ross, and Cobb voted aye; the motion carried 5-0.

7. OTHER BUSINESS

A. Deschutes County Sheriff's Office Update

Lt. Davis announced the Community Academy May 15-16, 6-9pm at the Fire Dept Community Hall; residents can see equipment up close, understand services better, and meet both human and canine service patrol. Davis discussed the collaborative efforts between the Sheriff's department and Deschutes County Mental Health and how they work together to assist those in need. Davis stated that the Roundabout has already proved to be positive for traffic flow, and that there have been no crashes during construction.

B. Explore Sisters Update

Executive Director Scott Humpert and Board Chair Greg Willitts provided an annual update, including 2023 Outcomes and 2024-25 Strategic Objectives. Council discussed collaborative efforts with the Sisters Business Association, target audiences for tourism, and additional funding strategies. Humpert spoke to the use of the Explore Sisters logo, which is available for businesses to use for advertising, through a merchandising agreement. Willitts stated that the company TripAdvisor analyzes reviews and ratings to determine the Top 25 Hotels of the Year, and FivePine Lodge was #3 this year.

C. Planning Commission Member Appointment

Mayor Preedin appointed Daryl Tewalt to the Planning Commission for a 3-year term, expiring December 31, 2026.

D. Staff Comments

City Manager Wheeler announced the Arbor Day event at Creekside Park, April 26 at 10 am. The Civic Leadership Academy (CLA) continues to work on their project around community outreach and engagement and will have a report to Council in June. Wheeler toured the

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
520 E. CASCADE AVENUE
APRIL 24, 2024

airport and saw current and future plans for the site. Work around homelessness and the community process continues, including a recent meeting with Forest Supervisor Holly Duker. Wheeler recently learned about Citizen Assemblies, a community decision-making process that the city and Citizens4Community (C4C) will further explore. The May 8 Council meeting will start at 5pm. The Budget meetings will start at 9 am on May 15.

Assistant City Manager Prosser is working with the Vision Implementation Team (VIT) to rework the memorandum of understanding (MOU) for facilitation in the coming year. The process for procuring Roundabout Art will be presented at the May 8 meeting. The entire process is expected to take one and half years, with installation occurring in Fall 2025.

Director Woodford stated the Urban Growth Boundary (UGB) amendment is progressing. Staff is working on the formation of a Steering Committee of 10-12 people, focusing on the need for members with technical background. Staff and MIG Consultants are working on finalizing land needs for the UGB, as well as developing a Storymap, which is an interactive digital illustration bringing together data with various types of media including maps and other images, video and audio. The Tourist Commercial Text Amendment was continued by the Planning Commission to the May 16 meeting. The Short-Term Rental Code update has been continued by the Planning Commission to the June 20 meeting. The Building and Hardening code will soon go to the Planning Commission. All three of these items will return to Council after Planning Commission review. Woodford announced the May 5 C4C event titled "Who Gets to Live Here?" Planning Associate Emme Shoup and Councilor Letz are amongst the panelists. The Dark Sky certification application is in process, and a committee will eventually be formed to work through the certification.

Director Bertagna stated the Roundabout construction is on schedule. Overlay projects on N. Arrowleaf, Pine Meadow Village area, and S. Buckaroo at FivePine Lodge are in process. Continuing development on the East Portal design has indicated the need for an additional sewer line for the dump station, which will involve crossing Hood Avenue. This requires coordination with Oregon Department of Transportation (ODOT), as their repaving of Hwy 242 will intersect this area at the end of June. The Urban Forestry Board is working on a Heritage Tree Program, including a nomination form and recording instrument. Once finalized, the program guidelines will be brought to Council for review. The Westside Pump Station project has begun; this is a new regional pump station on Pine Street between the forest service and Woodlands properties. The pump station intercepts the line that serves the areas including the high school and the commercial areas that house both Ray's and Bimart shopping centers. It then connects through other lines that flow into the treatment plant south of town.

REGULAR MEETING MINUTES
SISTERS CITY COUNCIL
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8. MAYOR/COUNCILOR BUSINESS

Councilor Cobb spoke to an offer by League of Oregon Cities to host one of their quarterly Small City Region 9 – Central Oregon meetings in Sisters. Region 9 includes small cities (under 7,500) in four counties: Deschutes, Crook, Wheeler, and Jefferson. Council discussed whether Sisters was too far on the edge of Region 9 to accommodate small cities further away, and which date might work best. Council and staff will continue to consider it.

Councilor Letz discussed the Vision Implementation Team’s progress on the availability of childcare, primarily for children aged 0-3. Letz spoke to the school district’s Rooted Homes project at the Woodlands property. The investment for teacher housing resulted in the award of one property; additional properties were not awarded due to interest rate increases. Letz was approached by a business owner about potential counter-productive zoning in code, and the need to continuously update code. Letz spoke to the importance of inviting local organizations to Council workshops to understand better who is working in the community and to discuss needs and barriers.

Mayor Preedin will be attending the Oregon Mayor’s Association conference on April 25-26. Preedin stated that he receives positive feedback from the community about Planning Associate Emme Shoup. He pointed out that she does very good work for the city and is well-known in the community.

9. ADJOURN: 8:24 p.m.

Rebecca Green, Deputy Recorder

Michael Preedin, Mayor



Meeting Date: May 8, 2024

Type: Regular Meeting

Subject: 2024 Water and Wastewater System Development Charge (SDC) Update

Staff: Bertagna

Depts: Public Works

Action Requested: Conduct a Public Hearing and Approve Resolution No. 2024-07 A RESOLUTION AMENDING THE CITY OF SISTERS' SYSTEM DEVELOPMENT CHARGES AND FEES FOR WATER AND WASTEWATER

Background:

- The current water and sewer System Development Charges (SDC) methodologies and rates were adopted by Council in 2018. The SDC rates have been adjusted annually for inflation using indexing costs based on the Engineering News of Record for our region. This policy has been codified in the Sisters Municipal Code via Resolution 2018-04.
- The 2023-24 City Council Goal to “develop a funding strategy and initiate the design and construction of high-priority projects from the newly updated Water and Wastewater Capital Improvement Plans (CIP)” required as part of that work, to hire a consultant (Donovan Enterprises) to update our System Development Charges based on the updated CIPs.
- The water SDC rate is calculated off a ¾” meter equivalent. The Sewer SDC rate is based off Equivalent Dwelling Units (EDU’s).
- Oregon Revised Statutes (ORS) 223.297 – 223.314 provide the framework for establishing system development charges (SDCs), and for notification and public hearing of the City of Sisters’ intent to impose SDCs.
- The City of Sisters Municipal Code (SMC) Chapter 13.25 provides for the establishing of SDCs upon completion of an analysis of capital improvements already constructed, analysis of projected capital improvements to be constructed, and adoption of a methodology explaining how City’s SDCs are calculated.
- The Sisters City Council adopted updated master plans for water and wastewater under Ordinance No. 530 dated June 14, 2023.
- The foregoing water and wastewater master plans include Capital Improvement Plans (CIP), which identify proposed capital improvements to the water and wastewater systems that in turn influence the amount of SDC’s for water and wastewater.



- The Sisters City Council desires to update the City's schedule of SDCs for water and wastewater, consistent with the methodology adopted in 2018 and considering the adopted water and wastewater master plans and corresponding CIPs.
- The City contracted with Donovan Enterprises, Inc. to prepare the report entitled System Development Charge Update Final Report (January 2024) attached hereto as Exhibit A, which proposes a schedule of SDCs in accordance with City's methodology.
- SMC 13.25.040(2) specifies that revisions to SDCs be adopted by separate resolution; and a duly noticed public hearing will be held on May 8, 2024.

Financial Impact: \$30,000 was equally budgeted out of the Water and Sewer SDC Funds

Attachments:

1. ATTACHMENT 1: Resolution No. 2024-07 with Exhibit A:
Water and Wastewater System Development Charge Update Final Report (January 2024)

RESOLUTION NO. 2024-07

A RESOLUTION AMENDING THE CITY OF SISTERS' SYSTEM DEVELOPMENT CHARGES AND FEES FOR WATER AND WASTEWATER

WHEREAS, Oregon Revised Statutes (ORS) 223.297 – 223.314 provide the framework for establishing system development charges (SDCs); and,

WHEREAS, the City of Sisters Municipal Code (SMC) Chapter 13.25 provides for the establishing of SDCs upon completion of an analysis of capital improvements already constructed, analysis of projected capital improvements to be constructed, and adoption of a methodology explaining how City's SDCs are calculated; and,

WHEREAS, the City adopted methodologies for calculating water and wastewater SDCs under Resolution No. 2018-03; and,

WHEREAS, the Sisters City Council adopted updated public facilities plans for water under Ordinance No. 530 and for wastewater under Ordinance No. 531; and,

WHEREAS, the foregoing public facilities plans include Capital Improvement Plans (CIPs), which CIPs identify proposed capital improvements to the water and wastewater systems that in turn influence the amount of SDCs for water and wastewater respectively; and,

WHEREAS, the Sisters City Council desires to update the City's schedule of SDCs for water and wastewater, consistent with City's adopted methodology requirements and considering the adopted public facilities plans and corresponding CIPs; and,

WHEREAS, the City contracted with Donovan Enterprises, Inc. to prepare the report entitled System Development Charge Update Final Report (January 2024) attached hereto as Exhibit A, which proposes a schedule of SDCs in accordance with City's adopted methodology; and,

WHEREAS, SMC 13.25.040(2) specifies that revisions to SDCs be adopted by separate resolution; and,

WHEREAS, a duly noticed public hearing was held on May 8, 2024; and,

WHEREAS, after conducting the public hearing, and fully deliberating the matter, the Sisters City Council has determined the rates adopted herein are just, reasonable, and necessary.

NOW, THEREFORE, BE IT RESOLVED that the City of Sisters resolves as follows:

1. Findings. The above-stated findings contained in this Resolution No. 2024-07 (this "Resolution") and those contained in Exhibit A are hereby adopted.

2. Updated SDCs. The rates for water and wastewater SDCs set forth in Table 9 and Table 15, respectively, of the attached Exhibit A including, without limitation, calculations of the improvement, reimbursement, and compliance portions of the SDCs set forth in other sections of Exhibit A, are hereby adopted. The adopted rates supersede all prior SDC rates for water and wastewater.

3. Scope of SDCs. The SDCs established by this Resolution are separate from, and in addition to, any other applicable taxes, fees, assessments, or charges, including but not limited to SDCs for other public facilities, which are required by the City or represent a condition of a land use or development approval.

4. Effective Date. This Resolution shall become effective upon its adoption by the Sisters City Council.

5. Miscellaneous. This Resolution is hereby made part of City's fee resolution, Resolution No. 2023-10 (the "Fee Resolution"). The provisions of the Fee Resolution that are not amended or modified by this Resolution remain unchanged and in full force and effect. The provisions of this Resolution are severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. All pronouns contained in this Resolution 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. This Resolution may be corrected by order of the Council to cure editorial and/or clerical errors.

ADOPTED by the City Council of the City of Sisters and signed by the Mayor this 8th day of May, 2024.

Michael Preedin, Mayor

Attest:

Rebecca Green, Deputy Recorder

EXHIBIT A

Water and Wastewater System Development Charge Update Final Report
January 2024
Donovan Enterprises, Inc.

[attached]

Presented by:



January

2024

Water & Wastewater System Development Charge Update

Final
Report

Prepared for:



Donovan Enterprises, Inc.
9600 SW Oak Street, Suite 335
Tigard, Oregon 97223-6596
☎ 503.517.0671



Printed on Recycled Paper

City of Sisters
2023 Water & Wastewater SDC Update

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Introduction/History of the Project

The City of Sisters conducts periodic updates to its Comprehensive Plan and its various Public Facility Plans to provide orderly and sustainable growth of municipal infrastructure. A key component to funding these public facilities is the system development charge (SDC) program. SDCs are one-time charges for new development—designed to recover the costs of infrastructure capacity needed to serve new development. This section describes the policy context and project scope upon which the body of this report is based. It concludes with a numeric overview of the calculations presented in subsequent sections of this report for water and wastewater SDCs.

The city's current and schedule of water and wastewater SDCs were last reviewed and adopted by the City Council in May, 2018 via Resolution No. 2018-03. In November, 2023, the City hired Donovan Enterprises, Inc. to review and update the SDC. With this review and update, the City has stated a number of objectives:

- Review the basis for charges to ensure consistency with the City's adopted water and wastewater SDC methodology;
- Address specific policy, administrative, and technical issues which had arisen from application of the existing SDCs;
- Determine the most appropriate and defensible fees, ensuring that development is paying its way;
- Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
- Provide clear, orderly documentation of the assumptions and results, so that City staff could, by reference, respond to questions or concerns from the public.

This report provides the documentation of that effort and was done in close coordination with City staff and available facilities planning documents. The SDC updates comply with Sisters Municipal Code Chapter 13.25 (i.e., The SDC enabling ordinance).

Table 1 gives a component breakdown for the current and proposed residential equivalent SDCs for water and wastewater.

Table 1 - Component Breakdown of the Proposed Residential Equivalent Water and Wastewater SDCs

Line Item Description	Service Unit	Proposed	Current	Difference
<i>Water:</i>				
	per 3/4" water meter			
Reimbursement fee		\$1,886	\$1,845	\$41
Improvement fee		4,999	1,918	3,082
Administration fee @ 5%		344	188	156
Total		<u>\$7,229</u>	<u>\$3,951</u>	\$3,278
<i>Wastewater:</i>				
	per 3/4" water meter			
Reimbursement fee		\$3,131	\$2,816	\$316
Improvement fee		2,080	2,104	(24)
Administration fee @ 5%		261	246	15
Total		<u>\$5,472</u>	<u>\$5,166</u>	\$306

Analytical Process for the Updates

The essential ingredient in the development and calculation of an SDCs is valid sources of data. For this project, the consultant team has relied on a number of data sources. The primary sources have been the newly formulated and adopted facilities plans for water and wastewater. On June 14, 2023, the City Council adopted these plans via Ordinances 530 and 531, respectively. We have supplemented these data sources with City utility billing records, certified census data, and other documents that we deemed helpful, accurate, and relevant to this study. Table 2 contains a bibliography of the key documents/sources that we relied upon to facilitate our analysis and hence the resulting SDCs.

Table 2 - Data Sources for the Calculation of SDCs

Service	Master Plan Document and/or Corroborating Source Documentation
Water	<ul style="list-style-type: none"> • City of Sisters Water System Master Plan Update; Anderson Perry & Associates, Inc.; March, 2023 • City of Sisters Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2022 • City of Sisters Water System Fixed Asset Schedule; June 30, 2023; City Records • City of Sisters Water System Construction Work in Progress Balances Work Papers; June 30, 2023; City Records • City of Sisters Utility Billing records for fiscal November, 2023 • Water meters in service per City Staff; effective November, 2023 • City of Sisters Municipal Code Chapter 13.25 (System Development Charges)
Wastewater	<ul style="list-style-type: none"> • City of Sisters Wastewater Facilities Plan Update; Anderson Perry & Associates, Inc.; March, 2023 • City of Sisters Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2022 • 2021 and 2022 Discharge Monitoring Reports; City of Sisters • Sisters wastewater system fixed asset schedule; June 30, 2023; City records • City of Sisters Utility Billing System – wastewater system active accounts and water meters in service report; November, 2023 • Portland State University, College of Urban Affairs, Population Research Center; Certified census for Sisters, Oregon; June 30, 2022 • City of Sisters Municipal Code Chapter 13.25 (System Development Charges)

The data sources shown in Table 2 were used to formulate the two (2) components of the water and wastewater SDCs. These components are the reimbursement and improvement fees. The City has been constructing the SDCs with these two components for over twenty years, and our analysis does not propose changing that methodology. A brief definition of the two components are:

- *The reimbursement fee* considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is future system users contribute no more than an equitable share to the cost of existing facilities. The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.
- *The improvement fee* portion of the SDC is based on the cost of planned future facilities that expand the system's capacity to accommodate growth or increase its level of performance. In developing an analysis of the improvement portion of the fee, each project in the respective service's capital improvement plan is evaluated to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. An example is a facility which improves system capacity to better serve current customers. The costs for this type of project must be eliminated from the improvement fee calculation. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of additional equivalent residential units to be served by the City's facilities over the planning period. Such a fee represents the greatest potential for future SDC changes. The improvement fee must also provide a credit for construction of a qualified public improvement.

SDC Legal Authorization and Background

SDCs are authorized by Oregon Revised Statute (ORS) 223.297-314. The statute is specific in its definition of system development charges, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or expansion of existing development and assessed at the time of development approval or increased usage of the system. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned/future capital facilities that serve the developing property. Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

Finally, two cost basis adjustments are potentially applicable to both reimbursement and improvement fees: fund balance and compliance costs. In this study, the project team paid attention to this detail to align future infrastructure costs to those responsible for paying those costs. The reasons for this attention is as follows:

- *Fund Balances* - To the extent that SDC revenue is currently available in fund balance, that revenue should be deducted from its corresponding cost basis. For example, if the city has wastewater improvement fees that it has collected but not spent, then those unspent improvement fees should be deducted from the wastewater system's improvement fee cost basis to prevent charging twice for the same capacity.
- *Compliance Costs* - ORS 223.307(5) authorizes the expenditure of SDCs on "the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development

charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in its SDCs.

Reimbursement Fee

The reimbursement fee represents a buy-in to the cost, or value, of infrastructure capacity within the existing system. Generally, if a system were adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted. First, the cost of the system to the City’s customers may be far less than the total plant-in-service value. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less. Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points. First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including local facilities, and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing. Second, the cost basis is allocated between used and unused capacity, and, capacity available to serve growth. In the absence of a detailed asset by asset analysis, it is appropriate to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to equivalent dwelling units over the planning period. This approach reflects the philosophy, consistent with the City’s Updated Master Plans, that facilities have been sized to meet the demands of the customer base within the established planning period.

Improvement Fee

There are three basic approaches used to develop improvement fee SDCs: “standards driven,” “improvements-driven,” and “combination/hybrid” approaches. The “standards-driven” approach is based on the application of Level of Service (LOS) standards for facilities. Facility needs are determined by applying the LOS standards to projected future demand, as applicable. SDC-eligible amounts are calculated based on the costs of facilities needed to serve growth. This approach works best where level of service standards have been adopted but no specific list of projects is available. The “improvements-driven” approach is based on a specific list of planned capacity increasing capital improvements. The portion of each project that is attributable to growth is determined, and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in projected future demand, as applicable. This approach works best where a detailed master plan or project list is available and the benefits of projects can be readily apportioned between growth and current users. Finally, the combination/hybrid-approach includes elements of both the “improvements driven” and “standards-driven” approaches. Level of Service standards may be used to create a list of planned capacity-increasing projects, and the growth required portions of projects are then used as the basis for

determining SDC eligible costs. This approach works best where levels of service have been identified and the benefits of individual projects are not easily apportioned between growth and current users.

In the past, the City has utilized the “improvements-driven” approach for the calculation of water and wastewater SDCs. The City has used the LOS standards approach for parks. This study continues to use this method and has relied on the capital improvement plans that are incorporated in the master plans, and plan updates for the water and wastewater systems.

For this SDC update, the improvement fee represents a proportionate share of the cost to expand the systems to accommodate growth. This charge is based on the newly adopted capital improvement plans established by the City for the water and wastewater municipal services. The costs that can be applied to the improvement fees are those that can reasonably be allocable to growth. Statute requires that the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The key step in determining the improvement fee is identifying capital improvement projects that expand the system and the share of those projects attributable to growth. Some projects may be entirely attributable to growth, such as a wastewater collection line that exclusively serves a newly developing area. Other projects, however, are of mixed purpose, in that they may expand capacity, but they also improve service or correct a deficiency for existing customers. An example might be a water distribution reservoir that both expands water storage capacity and corrects a chronic capacity issue for existing users. In this case, a rational allocation basis must be defined.

The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the respective system’s capacity to accommodate growth or increase its respective level of performance have been included in the cost basis of the fee. As part of this SDC update, City Staff and their engineering consultants were asked to review the planned capital improvement lists in order to assess SDC eligibility. The criteria in Figure 1 were developed to guide the City’s evaluation:

Figure 1 - SDC Eligibility Criteria

City of Sisters Steps Toward Evaluating <u>Capital Improvement Lists for SDC Eligibility</u>	
<u>ORS 223</u>	
1.	Capital improvements mean the facilities or assets used for : <ol style="list-style-type: none"> a. Water supply, transmission, storage, and distribution b. Wastewater collection, transmission, treatment, and disposal This definition DOES NOT ALLOW costs for operation or routine maintenance of the improvements;
2.	The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related;
3.	An increase in system capacity is established if a capital improvement increases the “level of performance or service” provided by existing facilities or provides new facilities.
<u>Under the City’ approach, the following rules will be followed</u>	
1.	Repair costs are not to be included;
2.	Replacement costs will not be included unless the replacement includes an upsizing of system capacity and/or the level of performance of the facility is increased;
3.	New regulatory compliance facility requirements fall under the level of performance definition and should be proportionately included;
4.	Costs will not be included which bring deficient systems up to established design levels.

In developing the improvement fee, the project team in consultation with City staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedules developed by the City. The improvement fee is calculated as a function of the estimated number of projected additional Equivalent $\frac{3}{4}$ ” water meter equivalent units for water and wastewater over the planning horizon. Once the future costs to serve growth have been segregated (i.e., the numerator), they can be divided into the total number of new $\frac{3}{4}$ ” water meter equivalents that will use the capacity derived from those investments (i.e., the denominator).

Process for the Granting of Credits, Discounts, and Exemptions

SDC Credits Policy

ORS 223.304 requires that credit be allowed for the construction of a "qualified public improvement" which is required as a condition of development approval, is identified in the Capital Improvement Plan,

and either is not located on or contiguous to property that is the subject of development approval or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project. The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project. In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the Capital Improvement Plan, or provide a share of the cost of an improvement by other means.

The City has adopted a policy for granting SDC credits and has codified this policy in the Sisters Municipal Code Chapter 13.25.120 (SMC 13.25.120). The adopted SDC credit policy consists of five (5) items as follows:

SMC 13.25.120

1. A permittee is eligible for credit against the system development charge constructing a qualified public improvement. This credit shall be only for the improvement fee charged for the type of improvement being constructed. Credit under this section may be granted only for the cost of that portion of the improvement that exceeds the facility size or capacity needed to serve the development project.
2. Applying the adopted methodology, the city may grant a credit against the improvement charge for capital facilities provided as part of the development that reduces the development's demand upon existing capital improvements or the need for further capital improvements or that would otherwise have to be constructed at city expense under the then-existing council policies.
3. When the construction of a qualified public improvement gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project.
4. All credit requests must be in writing and filed with the city before the issuance of a building permit. Improvement acceptance shall be in accordance with the usual and customary practices, procedures, and standards of the city of Sisters. The amount of any credit shall be determined by the city and based upon the subject improvement construction contract documents, or other appropriate information, provided by the applicant for the credit. Upon a finding by the city that the contract amounts exceed prevailing market rate for a similar project, the credit shall be based upon market rates. The city shall provide the applicant with a credit on a form provided by the city. The credit shall state the actual dollar amount that may be applied against any system development charge imposed against the subject property. The applicant has the burden of demonstrating qualification for a credit.
5. Credits shall be apportioned against the property which was subject to the requirements to construct an improvement eligible for credit. Unless otherwise requested, apportionment against lots or parcels constituting the property shall be proportionate to the anticipated public facility service requirements generated by the respective lots or parcels. Upon written application to the city, however, credits shall be reapportioned from any lot or parcel to any other lot or parcel

within the confines of the property originally eligible for the credit. Reapportionment shall be noted on the original credit form retained by the city.

6. Any credits are assignable; however, they shall apply only to that property subject to the original condition for land use approval upon which the credit is based or any partitioned or subdivided parcel or lots of such property to which the credit has been apportioned. Credits shall only apply against system development charges, are limited to the amount of the fee attributable to the development of the specific lot or parcel for which the credit is sought and shall not be a basis for any refund.
7. Any credit request must be submitted before the issuance of a building permit. The applicant is responsible for presentation of any credit and no credit shall be considered after issuance of a building permit.
8. Credits shall be used by the applicant within 10 years of their issuance by the city.

SDC Discount Policy

The City, at its sole discretion, may discount the SDC rates by choosing not to charge a reimbursement fee for excess capacity, or by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC rates may also be applied on a pro-rata basis to any identified deficiencies, which must be funded from sources other than improvement fee SDCs. The portion of growth-required costs to be funded with SDCs must be identified in the CIP. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as user fees or general fund contributions, in order to acquire the facilities identified in the Updated Master Plan(s).

Partial and Full SDC Exemption

The City may exempt certain types of development from the requirement to pay SDCs. Exemptions reduce SDC revenues and, therefore, increase the amounts that must come from other sources, such as user fees and property taxes. As in the case of SDC credits, the City has articulated a policy relative to partial and full SDC exemption. This SDC exemption policy is codified SMC 13.25.110, and is as follows:

1. Structures and uses established and existing on or before the effective date of the resolution.
2. Additions to single-family dwellings that do not constitute the addition of a dwelling unit, as defined by the city's building code, are exempt from all portions of the system development charge.
3. An alteration, addition, replacement or change in use that does not increase the parcel's or structure's use of a capital improvement is exempt from all portions of the system development charge.

Water SDCs

Water Capital Improvement Plan

The principal source document for the water capital improvement plan (CIP) is the 2023 Water System Master Plan. For this water SDC update, the 2023 water CIP was reviewed for accuracy with City Staff and where appropriate amended. This amendment process consisted of two steps. The first step was to eliminate master plan projects that City Staff deemed unnecessary at the current time due to the very long lead times anticipated for their development. The second step in the CIP amendment process was to review the SDC-eligibility of each project in the CIP as incorporated in the 2023 Water Master Plan (i.e., Table 7-3 SDC-Eligible Projects and Associated Costs). Each project and the Master Plan-recommended SDC eligibility was reviewed with City Staff for accuracy. Upon completion of this review, the following project’s SDC eligibility was amended as follows:

- **Water Storage Priority Project No. 3 – Construct new 2.2 mg water storage tank & rehabilitate the existing 1.6 mg tank (\$3,635,000).** In the 2023 water master plan this project was deemed 100% SDC eligible. Upon review, it was determined not all of the project cost could be allocated to SDC-eligibility; principally due to the rehabilitation cost component of the existing 1.6 mg distribution reservoir. This enhanced review resulted in a revised SDC eligibility percentage of 94.7% based on the following calculations:

	Calculated	Rounded	Percent
<i>SDC-Eligible Costs:</i>			
Estimated construction cost	\$ 4,746,000	\$ 4,746,000	
less: 1.6 mg reservoir rehabilitation cost	(250,000)	(250,000)	
Revised estimated construction cost	4,496,000	4,496,000	
add: 15% contingency	674,400	674,000	
	5,170,400	5,170,000	
add: 15% engineering	775,560	776,000	
	5,945,960	5,946,000	
add: permitting	6,000	6,000	
Total SDC-eligible costs	5,951,960	5,952,000	94.7%
<i>SDC-Ineligible Costs:</i>			
Original project cost w/reservoir rehabilitation	6,283,000	6,283,000	
less: calculated SDC-eligible project costs	5,951,960	5,952,000	
SDC-ineligible costs	331,040	331,000	5.3%
<i>Total Master Plan project cost</i>	\$ 6,283,000	\$ 6,283,000	100.0%

- **Water Distribution Priority Project No. 5 – Install new 16” Ductile Iron transmission line from existing reservoir o Whychus Creek junction (\$1,466,000).** In the 2023 water master plan this project was deemed to be zero percent SDC eligible because the purpose of the project is to replace an existing 12” ductile iron line that is under capacity. Upon further review, the engineering team concluded the following: Assuming the head conditions and length of pipe remain the same, and pipe roughness values are the same, a 16” pipe has 2.13 times the capacity of a 12” pipe. Using these criteria for the evaluation, 47% of the cost would go toward replacing the existing capacity, and 53% would go toward increasing capacity.

The resulting CIP that was used for this SDC update is shown in summary form in Table 3.

Table 3 – Adopted 2023 Water System Capital Improvement Plan

Project Priority	Project Description	Total Project Cost	Projected Funding Sources					Total
			Water Rates	Water SDCs	Parks SDCs	Outside 20 years	Developer Contributions	
Water Supply and Treatment								
1	Install VFD and backup power at well no. 3	\$372,000	\$372,000	\$0	\$0	\$0	\$0	\$372,000
11	Construct new well no. 5	2,102,000	-	2,102,000	-	-	-	2,102,000
2	Rebuild well no. 1 pump station bldg. and install new onsite CL2 generator	808,000	808,000	-	-	-	-	808,000
	Subtotal water supply and treatment	\$3,282,000	\$1,180,000	\$2,102,000	\$0	\$0	\$0	\$3,282,000
Water Storage								
3	Construct new 2.2 mg water storage tank & rehabilitate the existing 1.6 mg tank	\$6,283,000	\$331,000	\$5,952,000	\$0	\$0	\$0	\$6,283,000
Water Distribution								
4	Install new 16" PVC transmission line on Edgington road to City limits	\$3,635,000	\$0	\$3,635,000	\$0	\$0	\$0	\$3,635,000
5	Install new 16" DI transmission line from existing reservoir to Whychus Cr. Junction	1,466,000	689,020	776,980	-	-	-	1,466,000
6	Replace existing AC distribution mains in Edge-O-The-Pines subdivision	1,567,000	1,567,000	-	-	-	-	1,567,000
7	Install new 12" PVC water main on Camp Polk Road extension - E. Barclay to E. Sun Ranch dr.	319,000	-	319,000	-	-	-	319,000
8	Install new 12" DI transmission line Whychus Cr. Junction to East Tyee dr.	2,504,000	2,504,000	-	-	-	-	2,504,000
9	Install new 12" PVC main from E. Desperado tr. To Creekside dr.	654,000	-	654,000	-	-	-	654,000
10	Reconnect existing Hood ave. S. Alley water services from w. Hood ave. or w. Washington ave.	103,000	103,000	-	-	-	-	103,000
	Ongoing water service meter replacement - 50 units per year at \$400 per unit:							
	2023 through 2027	100,000	100,000	-	-	-	-	100,000
	2028 through 2032	100,000	100,000	-	-	-	-	100,000
	2033 through 2042	200,000	200,000	-	-	-	-	200,000
	Subtotal water distribution	\$10,648,000	\$5,263,020	\$5,384,980	\$0	\$0	\$0	\$10,648,000
2023 Water Master Plan CIP total - \$		\$20,213,000	\$6,774,020	\$13,438,980	\$0	\$0	\$0	\$20,213,000
2023 Water Master Plan CIP total - %			34%	66%	0%	0%	0%	100%

Water Customers Current and Future Demographics

Existing Water Demand and Population Growth

Current Sisters water demands are based on historical customer billing records, and actual water meters in service as of November, 2023. Projected demands are estimated based on an approximate population growth rate of 3.23 percent per year within the City's existing urban growth boundary. This annual population growth factor is based on population forecasts for the City prepared by the Population Research Center at Portland State University.

Estimated Demand per Equivalent $\frac{3}{4}$ " Water Meter

The City serves single-family residential customers and a smaller number of multifamily housing developments and commercial customers. Single-family residential water services generally have a consistent daily pattern of water use whereas water demands for multifamily residences, commercial and industrial users may vary significantly from service to service depending on the number of multifamily units per service or the type of commercial enterprise. When projecting future water demands based on population change, the water needs of nonresidential and multi-family residential customers are represented by comparing the water use volume at these services to the average single-family residential water service. A method to estimate this relationship is to calculate "equivalent dwelling units (EDUs)." In the case of Sisters, the standard residential unit of demand is the rated capacity (in gallons per minute) of the $\frac{3}{4}$ " water meter. As of November, 2023, the City had 2,033 active water meters in service, 1,703 of which were $\frac{3}{4}$ " meters serving single family residential customers. In other words, roughly 84% of all active water services were assigned to the single family residential customer class. The process for calculating equivalent $\frac{3}{4}$ " meters is shown below in Table 4.

Table 4 – Estimated ¾" Equivalent Meters in Service as of November, 2023

Meter Size	Total Meters In Service	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	5/8" Meter Equivalents
<i>Small/residential meters:</i>				
0.625" x 0.75" - Displacement or Multi-jet	-	30	1.00	-
0.75"x 0.75" - Displacement or Multi-jet	1,703	30	1.00	1,703
1.00 inch - Displacement or Multi-jet	237	50	1.67	395
1.50 inch - Displacement or Class I Turbine	38	100	3.33	127
2.00 inch - Displacement or Class I & II Turbine	45	160	5.33	240
<i>Large/commercial & industrial meters:</i>				
<i>3 inch meters:</i>				
Displacement	-	300	10.00	-
Compound	10	320	10.67	107
Class I & II turbine	-	350	11.67	-
<i>4 inch meters:</i>				
Displacement or Compound	-	500	16.67	-
Class I turbine	-	600	20.00	-
<i>6 inch meters:</i>				
Displacement or Compound	-	1000	33.33	-
Class I turbine	-	1250	41.67	-
<i>8 inch meters:</i>				
Compound	-	1600	53.33	-
Class I turbine	-	1800	60.00	-
<i>10 inch meters:</i>				
Compound	-	2300	76.67	-
Class I turbine	-	2900	96.67	-
Total	2,033			2,571

* - AWWA Manual of Practice M6; Water Meters - Selection, Installation, Testing, and Maintenance; Table 2-2 Total Quantities Registered per Month by Meters Operating at Varying Percentages of Maximum Capacity

Projected Demands

The planning horizon for the master plan is approximately 20 years, through the year 2042. That is the forecast horizon that is used for the water SDC update. In the 2023 master plan, an estimated number of EDUs per acre for each land use type was established based on (then) current water demands by customer class and total developed land area by land use type. Land use type is analogous to customer class, which is to say the land use or zoning of a particular property reflects the type of water service, such as residential or commercial, provided to that property. The estimated number of potential EDUs per acre was applied to developable land within the existing water service area to estimate water demand.

For this SDC update, the project team did not use the old master plan strategy to forecast future water demand based on land use. With the benefit of actual meters in service, and a population growth forecast that is predicated on existing growth trends for the City a forecast of future equivalent ¾" meters was

developed. Based upon these decision rules, the forecast of equivalent meters in use for this water SDC update are shown below in Table 5

Table 5 – Forecast of Equivalent ¾" Meters for the 2023 Water SDC Update Study

	2020	2023	2042	Growth	CAGR ¹
Service Population Forecast ²	3220	3,778	6,917	3,139	3.23%
Total number of 5/8" or 3/4" meter equivalents ³		2,571	4,708	2,137	3.23%

¹ Compound Annual Growth Rate

² Source: Wastewater Facilities Plan Update 2023; Anderson Perry & Associates; Chart 1-2; 2023 population adjusted for latest estimate from PSU dated December 1, 2023

³ Source: City of Sisters Water utility billing system records

Reimbursement Fee Calculations

As discussed earlier in this report, the reimbursement fee represents a buy-in to the cost, or value, of infrastructure capacity within the existing system. In theory, this should be a simple calculation. Simply go to the Utility's balance sheet, find the book value of assets in service, and divide that cost by the number of forecasted new connections to the water system. That is a simple calculation, and it is wrong. In order to determine an equitable reimbursement, we have to account for some key issues of rate equity;

- First, the cost of the system to the City's existing customers may be far less than the total plant-in-service value. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources.
- Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.
- Third, the accounting treatment of asset costs generally has no relationship to the capacity of an asset to serve growth. In the absence of a detailed asset by asset analysis detailed in the balance sheet (or fixed asset schedule), a method has to be used to allocate cost to existing and future users of the asset. Generally, it is industry practice to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to equivalent dwelling units (i.e., equivalent ¾" meters) over the planning period.
- Fourth, the Oregon SDC statute has strict limitations on what type of assets can be included in the basis of the reimbursement fee. ORS 223.299 specifically states that a "capital improvement" does not include costs of the operation or routine maintenance of capital improvements. This means the assets on the balance sheet such as certain vehicles and equipment used for heavy repair and maintenance of infrastructure cannot be included in the basis of the reimbursement fee.

For this water SDC update, the following discrete calculation steps were followed to arrive at the recommended water reimbursement fee.

- Step 1: Calculate the original cost of water fixed assets in service. From this starting point, eliminate any assets that do not conform to the ORS 223.299 definition of a capital improvement. This results in the **adjusted original cost of water fixed assets**.
- Step 2: Subtract from the adjusted original cost of water fixed assets in service the accumulated depreciation of those fixed assets. This arrives at the **modified book value of water fixed assets in service**.
- Step 3: Subtract from the modified book value of water assets in service any grant funding or contributed capital. This arrives at the **modified book value of water fixed assets in service net of grants and contributed capital**.
- Step 4: Subtract from the modified book value of water fixed assets in service net of grants and contributed capital any principal outstanding on long term debt used to finance those assets. This arrives a **gross water reimbursement fee basis**.
- Step 5: Subtract from the gross water reimbursement fee basis the fund balance held in the Water Reimbursement SDC fund (if available). This arrives at the **net water reimbursement fee basis**.
- Step 6: Divide the net water reimbursement fee basis by the sum of existing and future EDUs to arrive at the **unit net reimbursement fee**.

The actual data that was used to calculate the total water reimbursement fee is shown below in Table 6.

Table 6 - Calculation of the Water Reimbursement Fee

Utility Plant-in-Service (original cost): ¹	
Land	\$ 10,022
Intangible plant - water rights	268,688
Office equipment ²	eliminated
Buildings	625,272
Tools & equipment ²	eliminated
Water system	11,793,584
Construction Work-in-Progress	59,335
Total Utility Plant-in-Service	<u>\$ 12,756,900</u>
Accumulated depreciation ¹	
Land	-
Intangible plant - water rights	-
Office equipment ²	eliminated
Buildings	203,362
Tools & equipment ²	eliminated
Water system	3,674,187
Construction Work-in-Progress	-
Total accumulated depreciation	<u>3,877,549</u>
Book value of water utility plant-in-service @ June 30, 2023	8,879,351
Eliminating entries:	
Principal outstanding on bonds, notes, and loans payable ³	-
Developer Contributions	-
Grants, net of amortization	-
	<u>-</u>
Net basis in utility plant-in-service available to serve future customers	\$ 8,879,351
Estimated existing and future Water treatment EDUs	4,708
Calculated reimbursement fee - \$ per treatment EDU	<u>\$ 1,886</u>

¹ Source: City of Sisters Report #36-42 Fixed Assets as of June 30, 2023

² ORS 223.299 specifically states that a “capital improvement” does not include costs of the operation or routine maintenance of capital improvements. This means the assets on the balance sheet such as certain vehicles and equipment used for heavy repair and maintenance of infrastructure cannot be included in the basis of the reimbursement fee.

³ Source: City of Sisters Audit Report for the fiscal year ended June 30, 2022; Note G - Long Term Debt; page 31

Improvement Fee Calculations

The calculation of the water improvement fee is more streamlined than the process used to calculate the water reimbursement fee. This study continues to use the improvements-driven method and has relied on the 2023 water system capital improvement plan. Under this approach, only three steps are required to arrive at the improvement fee. These steps are:

- Step 1: Accumulate the future cost of planned improvements needed to serve growth. This arrives at **the gross improvement fee basis**.
- Step 2: Subtract from the gross improvement fee basis the fund balance held in the Water Improvement SDC Fund. This arrives at **the net water improvement fee basis**.
- Step 3: Divide the net water improvement fee basis by the forecasted number of growth equivalent $\frac{3}{4}$ " meters over the planning period. This arrives at **the total water improvement fee**.

The actual data that was used to calculate the total water improvement fee is shown below in Table 7.

Table 7 - Calculation of the Water Improvement Fee

Line Item Description	Total Cost	Projected Funding Sources						Total
		Water Rates	Water SDCs	Parks SDCs	Outside 20 years	Developer Contributions		
<i>Water Supply and Treatment</i>								
Install VFD and backup power at well no. 3	\$372,000	\$372,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$372,000
Construct new well no. 5	2,102,000	-	2,102,000	-	-	-	-	2,102,000
Rebuild well no. 1 pump station bldg. and install new onsite CL2 generator	808,000	808,000	-	-	-	-	-	808,000
<i>Water Storage</i>								
Construct new 2.2 mg water storage tank & rehabilitate the existing 1.6 mg tank	\$ 6,283,000	\$ 331,000	\$ 5,952,000	\$ -	\$ -	\$ -	\$ -	\$ 6,283,000
<i>Water Distribution</i>								
Install new 16" PVC transmission line on Edgington road to City limits	\$ 3,635,000	\$ -	\$ 3,635,000	\$ -	\$ -	\$ -	\$ -	\$ 3,635,000
Install new 16" DI transmission line from existing reservoir to Whychus Cr. Junction	1,466,000	689,020	776,980	-	-	-	-	1,466,000
Replace existing AC distribution mains in Edge-O-The-Pines subdivision	1,567,000	1,567,000	-	-	-	-	-	1,567,000
Install new 12" PVC water main on Camp Polk Road extension - E. Barclay to E. Sun Ranch dr.	319,000	-	319,000	-	-	-	-	319,000
Install new 12" DI transmission line Whychus Cr. Junction to East Tyee dr.	2,504,000	2,504,000	-	-	-	-	-	2,504,000
Install new 12" PVC main from E. Desperado tr. To Creekside dr.	654,000	-	654,000	-	-	-	-	654,000
Reconnect existing Hood ave. S. Alley water services from w. Hood ave. or w. Washington ave.	103,000	103,000	-	-	-	-	-	103,000
Ongoing water service meter replacement - 50 units per year at \$400 per unit:								
2023 through 2027	100,000	100,000	-	-	-	-	-	100,000
2028 through 2032	100,000	100,000	-	-	-	-	-	100,000
2033 through 2042	200,000	200,000	-	-	-	-	-	200,000
Capital Improvement Plan Total - \$	\$ 20,213,000	\$ 6,774,020	\$ 13,438,980	\$ -	\$ -	\$ -	\$ -	\$ 20,213,000
Capital Improvement Plan Total - %	100%	34%	66%	0%	0%	0%	0%	100%
Total Improvement Fee Eligible Costs for Future System Improvements			\$ 13,438,980					
less: Water improvement SDC Fund balance as of June 30, 2023			<u>2,757,361</u>					
Adjusted Improvement Fee Eligible Costs for Future System Improvements			\$ 10,681,619					
Total Growth in 3/4" Meter Equivalents (20 year forecast)			2,137					
Calculated Water Improvement Fee SDC per Meter Equivalent			<u>\$ 4,999</u>					

Water SDC Model Summary

The 2023 water SDC update was done in accordance with Sisters Municipal Code Chapter 13.25, and with the benefit of adopted plan updates for water services. We recommend the City update the SDC charge to reflect the current capital improvement program. A comparison of the proposed and current water SDCs for the average single family residential customer is shown below in Table 8.

Table 8 - Proposed and Current Water SDCs for a 3/4" Meter

Water SDC Components	Proposed	Current	Difference
Reimbursement fee	1,886	1,845	41
Improvement fee	4,999	1,918	3,082
Compliance fee at 5%	344	188	156
Total water SDC	\$ 7,229	\$ 3,951	\$ 3,278

For water meters larger than ¾," the project team has developed a schedule of SDCs based on the general design criteria for meters that are installed in the Sisters water service area. This criteria is from the standard approach of using American Water Works Association design criteria for displacement and compound water meters.

The resulting schedule of water SDCs for the array of potential meter sizes is shown below in Table 9.

Table 9 - Proposed Schedule of Water SDCs by Potential Water Meter Size

Meter Size	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	Proposed Schedule of Water SDCs			
			Reimbursement	Improvement	Compliance	Total
<i>Small/residential meters:</i>						
0.625" x 0.75" - Displacement or Multi-jet	30	1.00	\$ 1,886	\$ 4,999	\$ 344	\$ 7,229
0.75"x 0.75" - Displacement or Multi-jet	30	1.00	1,886	4,999	344	7,229
1.00 inch - Displacement or Multi-jet	50	1.67	3,143	8,332	573	12,049
1.50 inch - Displacement or Class I Turbine	100	3.33	6,287	16,664	1,147	24,097
2.00 inch - Compound Displacement or Class I & II Turbine	160	5.33	10,059	26,662	1,835	38,556
<i>Large/commercial & industrial meters:</i>						
<i>3 inch meters:</i>						
compound	320	10.67	20,117	53,325	3,669	77,112
<i>4 inch meters:</i>						
Displacement or Compound	500	16.67	31,434	83,320	5,733	120,487
<i>6 inch meters:</i>						
Displacement or Compound	1000	33.33	62,867	166,640	11,467	240,974
<i>8 inch meters:</i>						
Compound	1600	53.33	100,587	266,624	18,347	385,558
<i>10 inch meters:</i>						
Compound	2300	76.67	144,594	383,272	26,373	554,240

* - AWWA Manual of Practice M6; Water Meters - Selection, Installation, Testing, and Maintenance; Table 2-2 Total Quantities Registered per Month by Meters Operating at Varying Percentages of Maximum Capacity

Wastewater SDCs

Wastewater Capital Improvement Plan

The principal source document for the wastewater capital improvement plan (CIP) is the 2023 Wastewater Facilities Plan Update. For this water SDC update, the 2023 wastewater CIP was reviewed for accuracy with City Staff and where appropriate amended. As in the case of water, this amendment process consisted of two steps. The first step was to eliminate master plan projects that City Staff deemed unnecessary at the current time due to the very long lead times anticipated for their development. The second step in the CIP amendment process was to review the SDC-eligibility of each project in the CIP as incorporated in the 2023 Wastewater Facilities Plan Update (i.e., Table 6-2 Capital Improvements Breakdown by Revenue Stream). Each project and the Facilities Plan-recommended SDC eligibility was reviewed with City Staff for accuracy. Upon completion of this review, the following project's SDC eligibility was amended as follows:

- *Wastewater Collection System Improvements Westside Lift Station Improvements (\$2,165,000)* – In the 2023 wastewater facilities plan this project was deemed to be one hundred percent SDC eligible because the purpose of the project is to serve future growth in the westside basin. Upon further review, a literature search found the City's adopted 2022 Urban Renewal Plan identified this project to be 25% eligible for urban renewal funding. Therefore, the funding allocations for this project were revised accordingly, making it 75% SDC-eligible.

The resulting CIP that was used for this SDC update is shown in summary form in Table 10

Table 10 - 2023 Wastewater System CIP

Project Description	Total Project Cost	Projected Funding Sources						Total
		Rates	Sewer SDCs	Parks SDCs	Urban Renewal	Outside 20 years	Developer Contributions	
<i>Wastewater Collection System Improvements</i>								
1 Rope street lift station improvements	\$624,000	\$624,000	\$0	\$0	\$0	\$0	\$0	\$624,000
2 Westside lift station improvements	2,165,000	-	1,623,750	-	541,250	-	-	2,165,000
3 Creekside court lift station improvements	1,159,000	1,159,000	-	-	-	-	-	1,159,000
Subtotal WW collection system improvements	\$3,948,000	\$1,783,000	\$1,623,750	\$0	\$541,250	\$0	\$0	\$3,948,000
<i>Wastewater Treatment System Improvements</i>								
4 Biosolids removal	\$200,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
5 Lagoons No. 2 and 3 aerator replacement	443,000	221,500	221,500	-	-	-	-	443,000
6 Chlorine contact system improvements	97,000	97,000	-	-	-	-	-	97,000
7 Headworks improvement	471,000	471,000	-	-	-	-	-	471,000
Subtotal WW treatment system improvement	\$1,211,000	\$989,500	\$221,500	\$0	\$0	\$0	\$0	\$1,211,000
<i>Treated Wastewater Disposal System Improvements</i>								
8 Lazy Z Ranch phase 1	\$5,130,000	\$0	\$4,617,000	\$513,000	\$0	\$0	\$0	\$5,130,000
9 Lazy Z Ranch phase 2	620,000	-	620,000	-	-	-	-	620,000
Subtotal WW disposal system improvements	\$5,750,000	\$0	\$5,237,000	\$513,000	\$0	\$0	\$0	\$5,750,000
2023 WW Master Plan CIP total - \$	\$10,909,000	\$2,772,500	\$7,082,250	\$513,000	\$541,250	\$0	\$0	\$10,909,000
2023 WW Master Plan CIP total - %		25%	65%	5%	5%	0%	0%	100%

Wastewater Customers Current and Future Demographics

Existing Wastewater Demand and Population Growth

There are two recognized approaches for measuring wastewater demand. The first is based on actual connections to the sewer system and the second is based on observed Average Annual Dry Weather Flows (AADWF) to the headworks of the wastewater treatment plant. The AADWF method is used when actual connections data is not available.

As we showed in the water analysis, the City has accurate billing records for known sewer customer counts and connections by meter size. Using the same process for calculating water MEs, we know that as of November 17, 2023, the City had 1,956 active wastewater Equivalent Dwelling Units (EDUs) in the utility billing system. The process for calculating future wastewater EDUs is shown below in Table 11.

Table 11 - Forecast of Current and Future Wastewater EDUs based on Actual Connections

	2020	2023	2023 through 2042		CAGR ¹
			2042	Growth	
Estimated population ²	3,220	3,778	6,917	3,139	3.23%
Estimated Equivalent Dwelling Units (EDUs) ³		1,956	3,581	1,625	3.23%

¹ CAGR - Compounded Annual Growth Rate

² Source: Wastewater Facilities Plan Update 2023; Anderson Perry & Associates; Chart 1-2; 2023 population adjusted for latest PSU estimate as of December 1, 2023

³ Source: City of Sisters Utility Billing System as of November 17, 2023

Reimbursement Fee Calculations

The wastewater reimbursement fee calculation mirrors that used for the water reimbursement fee. The methodological steps in its construction are restated here.

- Step 1: Calculate the original cost of wastewater fixed assets in service. From this starting point, eliminate any assets that do not conform to the ORS 223.299 definition of a capital improvement. This results in the **adjusted original cost of wastewater fixed assets**.
- Step 2: Subtract from the adjusted original cost of wastewater fixed assets in service the accumulated depreciation of those fixed assets. This arrives at the **modified book value of wastewater fixed assets in service**.
- Step 3: Subtract from the modified book value of wastewater assets in service any grant funding or contributed capital. This arrives at the **modified book value of wastewater fixed assets in service net of grants and contributed capital**.
- Step 4: Subtract from the modified book value of wastewater fixed assets in service net of grants and contributed capital any principal outstanding on long term debt used to finance those assets. This arrives a **gross wastewater reimbursement fee basis**.
- Step 5: Subtract from the gross wastewater reimbursement fee basis the fund balance held in the Wastewater Reimbursement SDC fund (if available). This arrives at the **net wastewater reimbursement fee basis**.
- Step 6: Divide the net wastewater reimbursement fee basis by the sum of existing and future EDUs to arrive at the **unit net reimbursement fee**.

The actual data that was used to calculate the total wastewater reimbursement fee is shown below in Table 12.

Table 12 - Calculation of the Wastewater Reimbursement Fee

Utility Plant-in-Service (original cost): ¹	
Land	\$ 4,279,683
Artwork ²	eliminated
Buildings	13,227
Tools & equipment ²	eliminated
Sewer system	16,521,031
Construction Work-in-Progress	632,370
Total Utility Plant-in-Service	<u>\$ 21,446,311</u>
Accumulated depreciation ¹	
Land	-
Artwork ²	eliminated
Buildings	11,904
Tools & equipment ²	eliminated
Sewer system	5,644,502
Construction Work-in-Progress	-
Total accumulated depreciation	<u>5,656,406</u>
Book value of water utility plant-in-service @ June 30, 2023	15,789,905
Eliminating entries:	
Principal outstanding on bonds, notes, and loans payable: ³	
2016 full faith and credit sewer refunding bonds - Series A	407,000
2016 full faith and credit sewer refunding bonds - Series B	3,790,000
Amortization of bond premium	379,629
Developer Contributions	-
Grants, net of amortization	-
	<u>4,576,629</u>
Net basis in utility plant-in-service available to serve future customers	\$ 11,213,276
Estimated existing and future wastewater treatment EDUs	3,581
Calculated reimbursement fee - \$ per treatment EDU	<u>\$ 3,131</u>

¹ Source: City of Sisters Report #36-42 Fixed Assets as of June 30, 2023

² ORS 223.299 specifically states that a "capital improvement" does not include costs of the operation or routine maintenance of capital improvements. This means the assets on the balance sheet such as certain vehicles and equipment used for heavy repair and maintenance of infrastructure cannot be included in the basis of the reimbursement fee.

³ Source: City of Sisters Audit Report for the fiscal year ended June 30, 2022; Note G - Long Term Debt; page 31

Improvement Fee Calculations

The calculation of the wastewater improvement fee also follows the logic that was used to calculate the water improvement fee. As in the case of water, this study continues to use the improvements-driven method, and has relied on the capital improvement plans, and plan updates for the wastewater treatment, pump stations, and collection systems. Under this approach, only three steps are required to arrive at the improvement fee. These steps are:

- Step 1: Accumulate the future cost of planned improvements needed to serve growth. This arrives at **the gross improvement fee basis**.
- Step 2: Subtract from the gross improvement fee basis the fund balance held in the Wastewater Improvement SDC Fund. This arrives at **the net wastewater improvement fee basis**.
- Step 3: Divide the net wastewater improvement fee basis by the forecasted number of growth EDUs over the planning period. This arrives at **the total wastewater improvement fee**.

The actual data that was used to calculate the total wastewater improvement fee is shown below in Table 13.

Table 13 - Calculation of the Wastewater Improvement Fee

Project Description	Total Project Cost	Projected Funding Sources						Total
		Sewer Rates	Sewer SDCs	Parks SDCs	Urban Renewal	Outside 20 years	Developer Contribution	
<i>Wastewater Collection System Improvements</i>								
Rope street lift station improvements	\$624,000	\$624,000	\$0	\$0	\$0	\$0	\$0	\$624,000
Westside lift station improvements	2,165,000	-	1,623,750	-	541,250	-	-	2,165,000
Creekside court lift station improvements	1,159,000	1,159,000	-	-	-	-	-	1,159,000
<i>Wastewater Treatment System Improvements</i>								
Biosolids removal	200,000	200,000	-	-	-	-	-	200,000
Lagoons No. 2 and 3 aerator replacement	443,000	221,500	221,500	-	-	-	-	443,000
Chlorine contact system improvements	97,000	97,000	-	-	-	-	-	97,000
Headworks improvement	471,000	471,000	-	-	-	-	-	471,000
<i>Treated Wastewater Disposal System Improvements</i>								
Lazy Z Ranch phase 1	5,130,000	-	4,617,000	513,000	-	-	-	5,130,000
Lazy Z Ranch phase 2	620,000	-	620,000	-	-	-	-	620,000
Capital Improvement Plan Total - \$	\$10,909,000	\$2,772,500	\$7,082,250	\$513,000	\$541,250	\$0	\$0	\$10,909,000
Capital Improvement Plan Total - %		25%	65%	5%	5%	0%	0%	100%
Total Improvement Fee Eligible Costs for Future System Improvements			\$7,082,250					
less: Wastewater SDC Fund balance as of June 30, 2023			<u>3,701,442</u>					
Adjusted Improvement Fee Eligible Costs for Future System Improvements			<u>\$3,380,808</u>					
Total Growth in sewer EDUs (20 year forecast)			1,625					
Calculated Sewer Improvement Fee SDC per EDU			<u>\$ 2,080</u>					

Wastewater SDC Model Summary

The 2023 wastewater SDC update was done in accordance with Sisters Municipal Code Chapter 13.25, and with the benefit of adopted capital improvement plans and plan updates for wastewater services. We recommend the City update the SDC charge to reflect the current capital improvement program. A comparison of the proposed and current wastewater SDCs for the average single family residential customer is shown below in Table 14.

Table 14 - Proposed and Current Wastewater SDCs for a 3/4" Meter

Wastewater SDC Components	Proposed	Current	Difference
Reimbursement fee	3,131	2,816	316
Improvement fee	2,080	2,104	(24)
Compliance fee at 5%	<u>261</u>	<u>246</u>	<u>15</u>
Total water SDC	\$ 5,472	\$ 5,166	\$ 306

For water meters larger than ¾," the schedule of wastewater SDC uses the same flow factors that were developed for the water SDCs (i.e., AWWA standards for displacement and compound meters). The complete proposed schedule of wastewater SDCs by potential meter size are shown in Table 15.

Table 15 - Proposed Schedule of Wastewater SDCs by Potential Water Meter Size

Meter Size	AWWA Rated Flow (GPM)*	Flow Factor Equivalence	Proposed Schedule of Wastewater SDCs			
			Reimbursement	Improvement	Compliance	Total
<i>Small/residential meters:</i>						
0.625" x 0.75" - Displacement or Multi-jet	30	1.00	\$ 3,131	\$ 2,080	\$ 261	\$ 5,472
0.75" x 0.75" - Displacement or Multi-jet	30	1.00	3,131	2,080	261	5,472
1.00 inch - Displacement or Multi-jet	50	1.67	5,219	3,467	435	9,121
1.50 inch - Displacement or Class I Turbine	100	3.33	10,437	6,934	870	18,242
2.00 inch - Compound Displacement or Class I & II Turbine	160	5.33	16,700	11,095	1,392	29,186
<i>Large/commercial & industrial meters:</i>						
<i>3 inch meters:</i>						
compound	320	10.67	33,399	22,190	2,784	58,373
<i>4 inch meters:</i>						
Displacement or Compound	500	16.67	52,186	34,671	4,350	91,208
<i>6 inch meters:</i>						
Displacement or Compound	1000	33.33	104,373	69,343	8,700	182,415
<i>8 inch meters:</i>						
Compound	1600	53.33	166,996	110,948	13,920	291,865
<i>10 inch meters:</i>						
Compound	2300	76.67	240,057	159,488	20,010	419,555

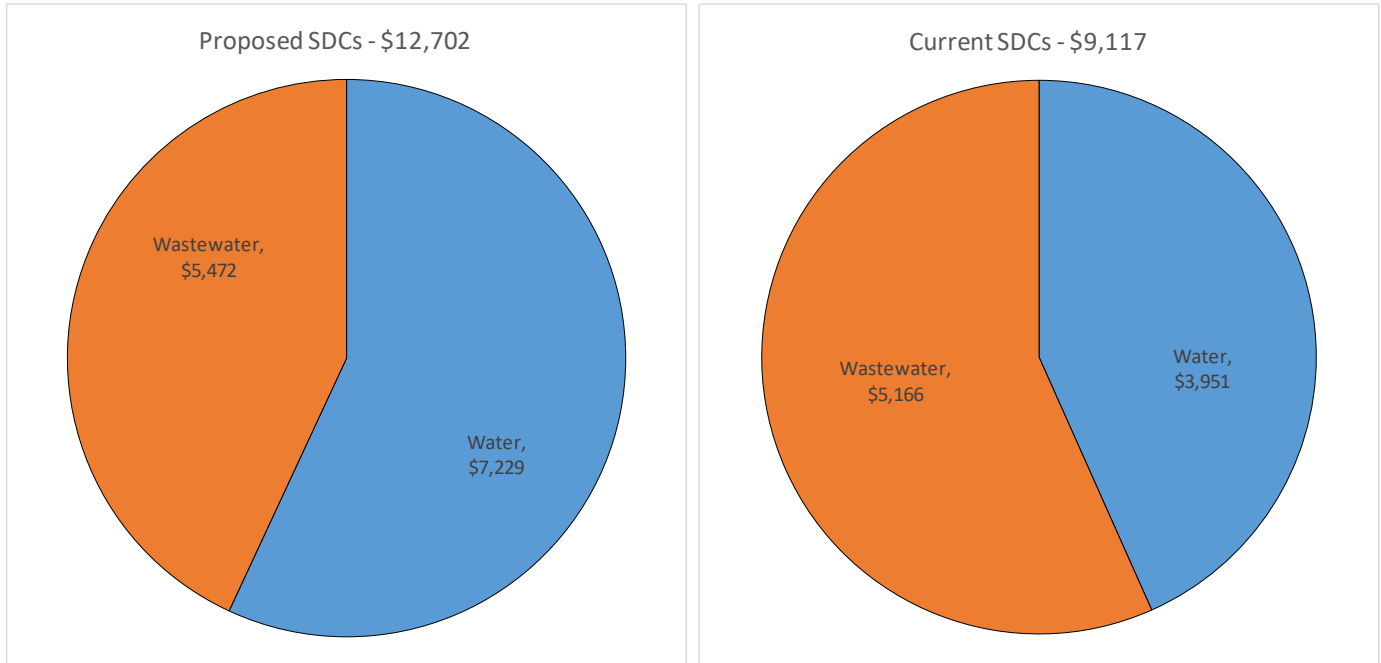
* - AWWA Manual of Practice M6; Water Meters - Selection, Installation, Testing, and Maintenance; Table 2-2 Total Quantities Registered per Month by Meters Operating at Varying Percentages of Maximum Capacity

Conclusions and Recommendations

Our analysis indicates the City can charge a maximum of \$7,229 for water, \$5,472 for wastewater. These figures are on a per equivalent single family residential unit basis. The sum of these maximum fees amounts to \$12,702 per unit; \$3,585 more than the sum of the current SDCs of \$9,117.

A graphic side by side comparison of the proposed and current schedule of SDCs is shown below in figure 2.

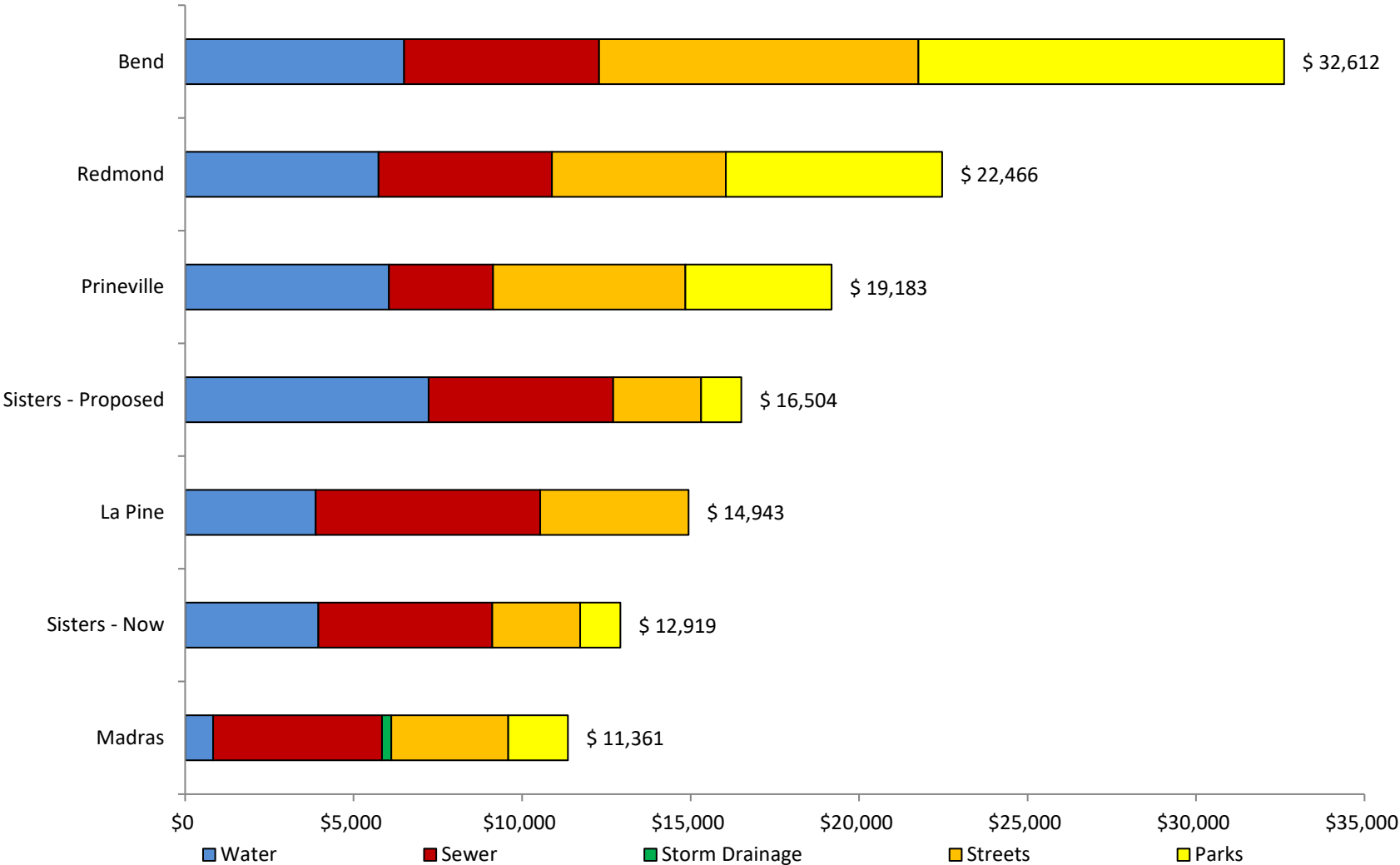
Figure 2 - Proposed and Current Schedule of SDCs



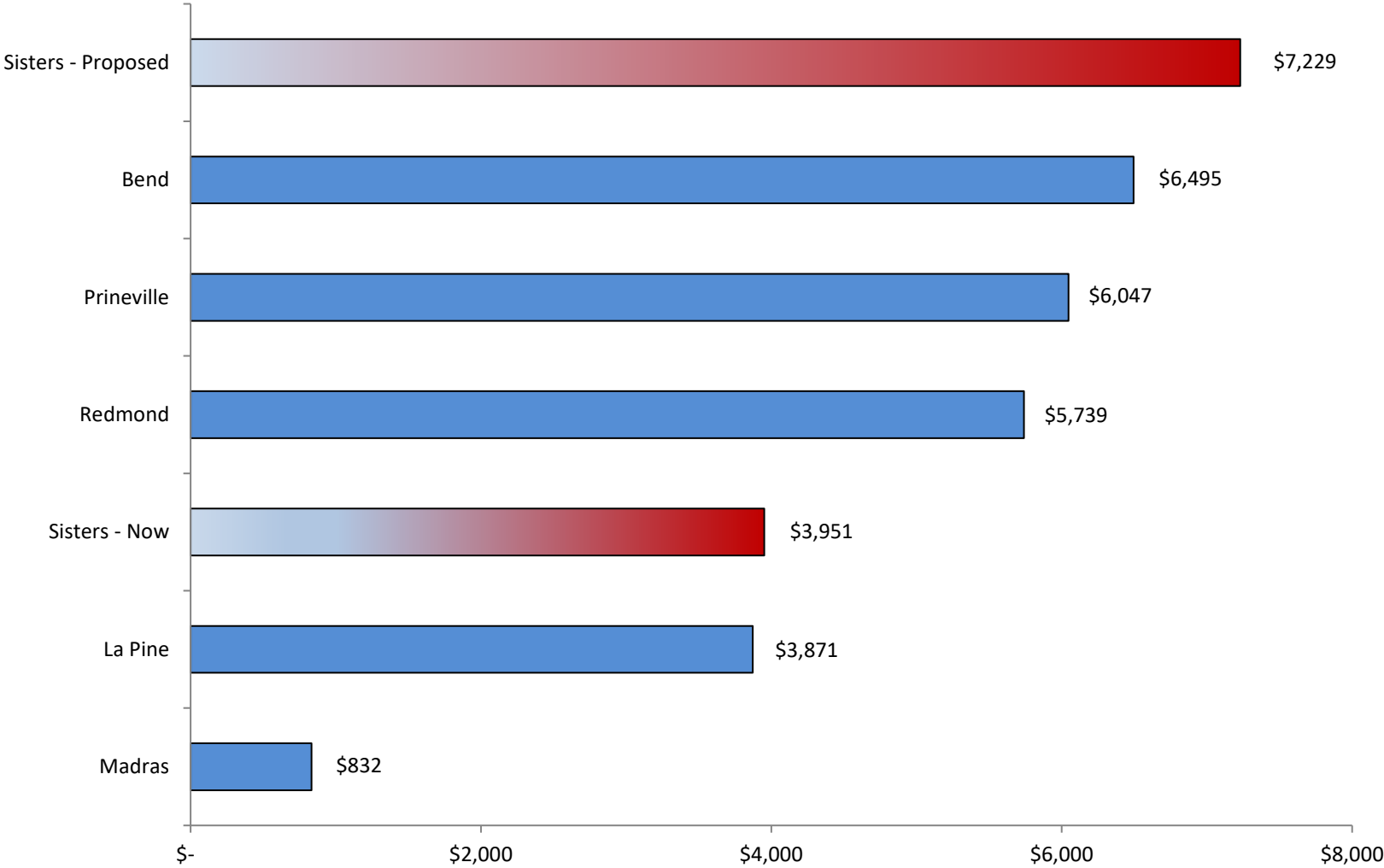
Finally, we recommend the City adopt a policy of reviewing its suite of SDCs every five years. Between the review dates, the city should apply a cost adjustment index to the SDC rates annually to reflect changes in costs for land and construction. This policy has been codified in the Sisters Municipal Code via Resolution 2018-04.

Neighboring Communities' SDCs

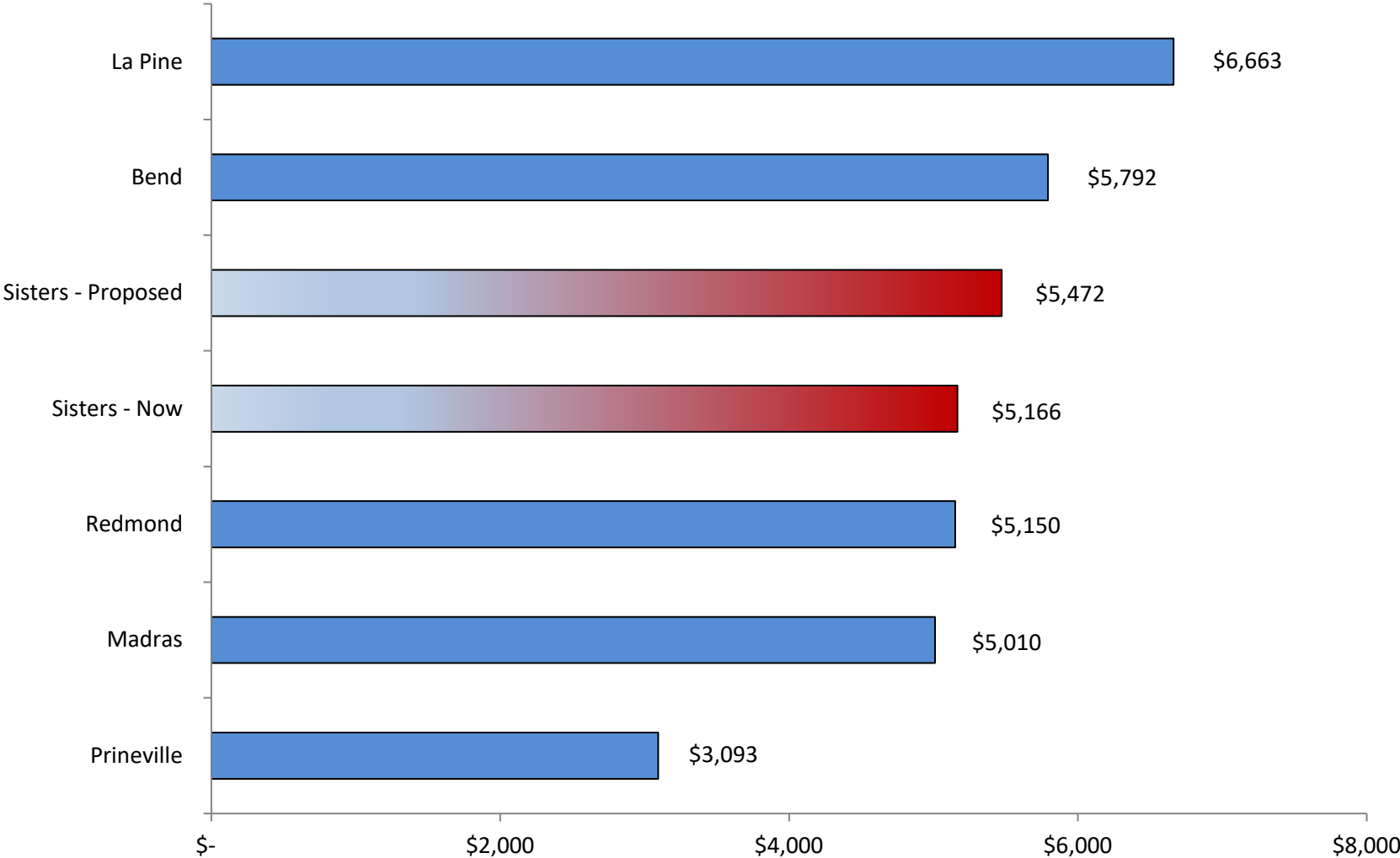
Figure 3 - Comparison of Neighboring Communities' SDCs (Single Family Residential) as of December, 2023



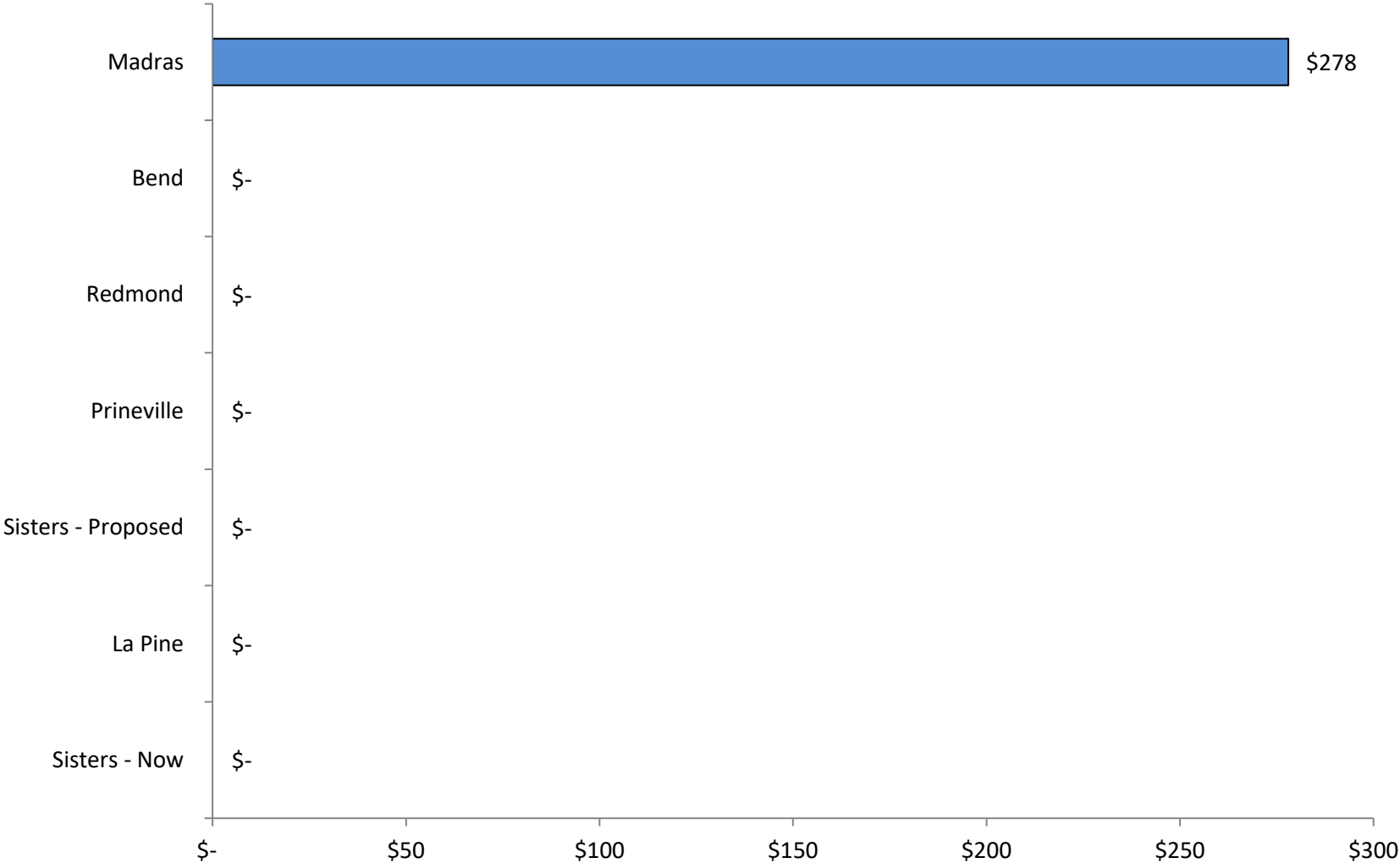
Neighboring Communities' System Development Charges - Water SFR December, 2023



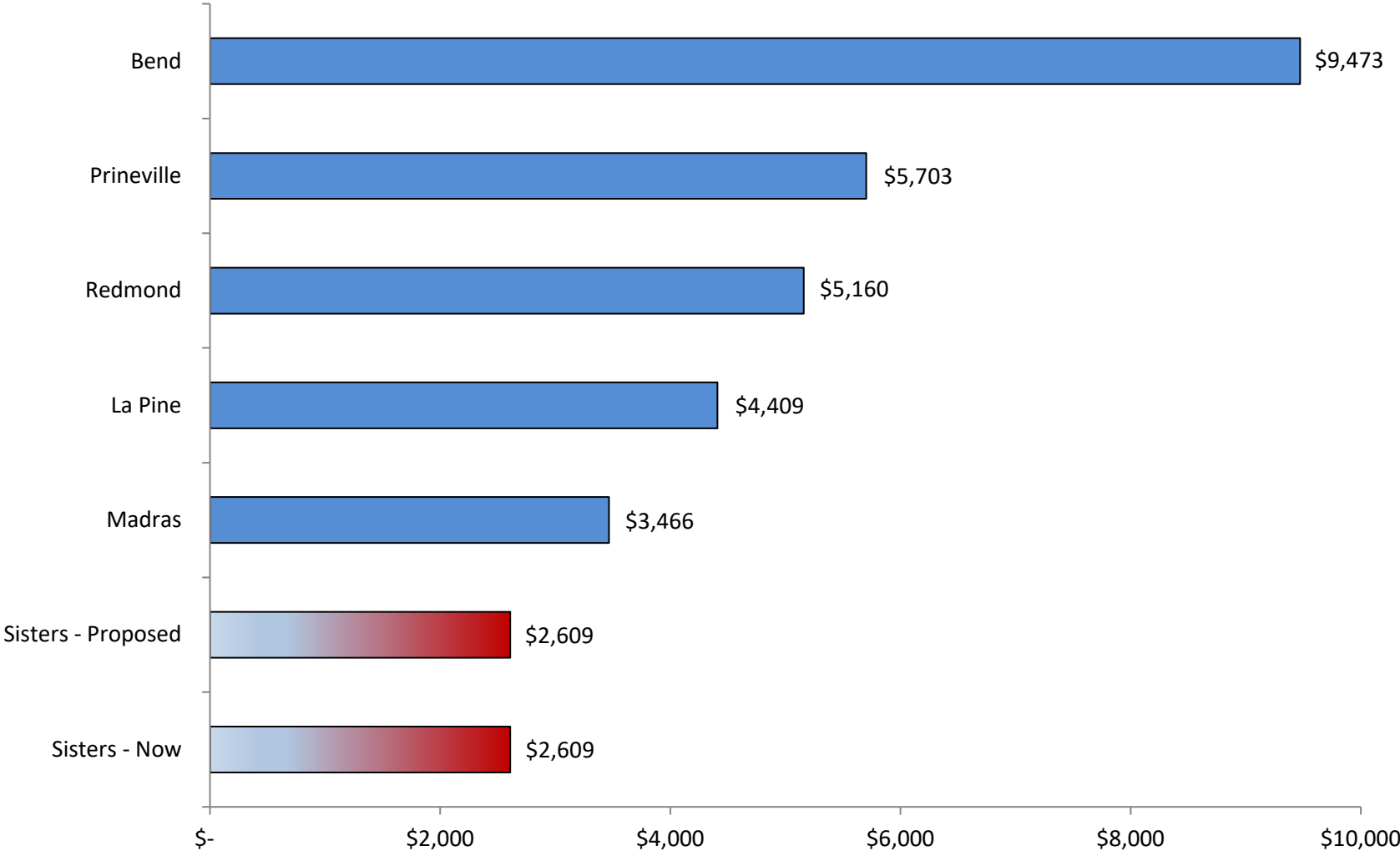
Neighboring Communities' System Development Charges - Wastewater SFR December, 2023



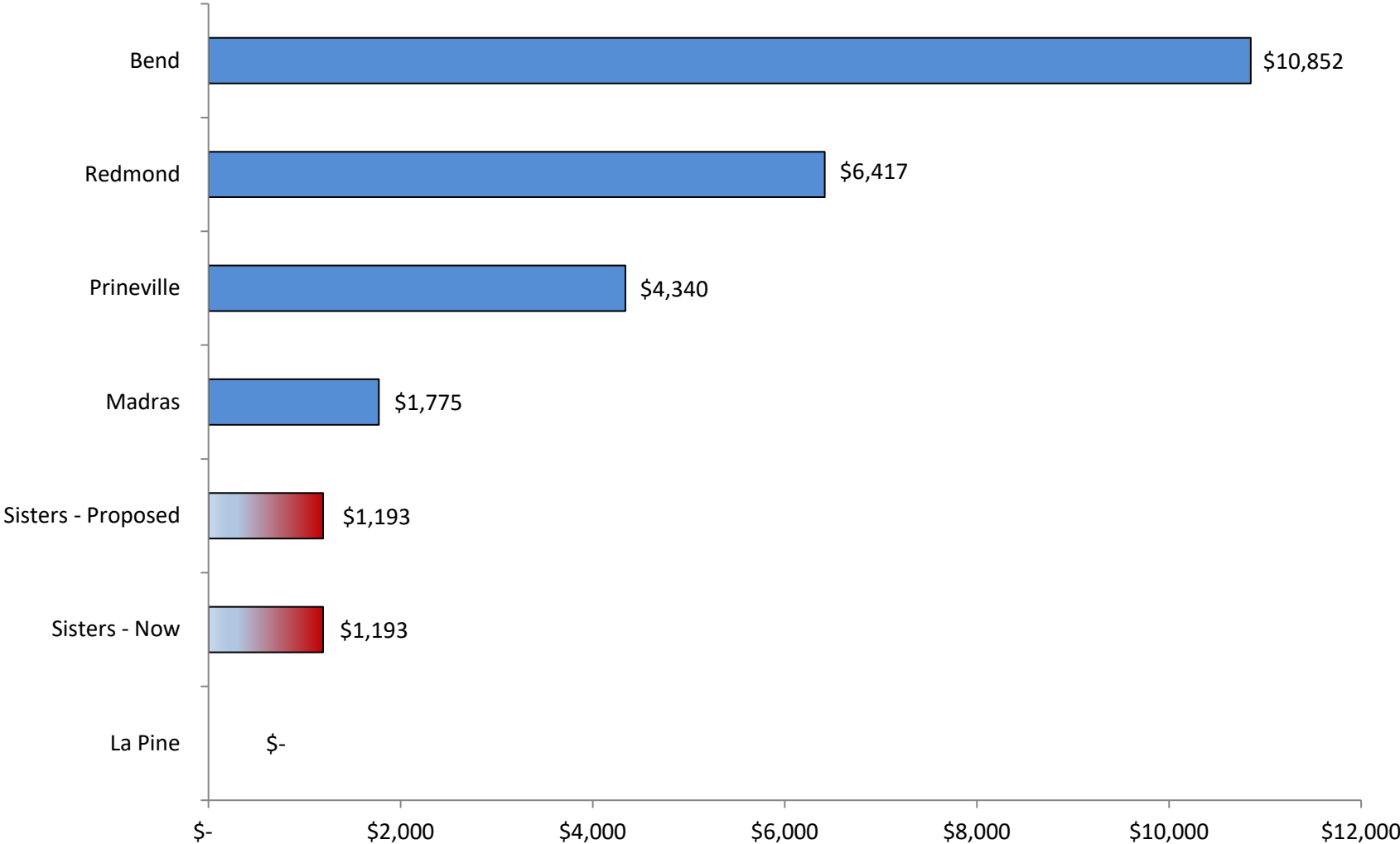
Neighboring Communities' System Development Charges - Stormwater SFR December, 2023



Neighboring Communities' System Development Charges - Transportation SFR December, 2023



Neighboring Communities' System Development Charges - Parks SFR December, 2023





Meeting Date: May 8, 2024

Staff: Woodford, Bertagna

Type: Regular Meeting

Depts: CDD, PW

Subject: Resolutions to amend the Parks System Development Charges (SDC's) and to formally increase the City of Sisters Level of Service (LOS) for Parks

Action Requested: Two actions:

1. Approve Resolution No. 2024-08 A RESOLUTION AMENDING THE CITY OF SISTERS' SYSTEM DEVELOPMENT CHARGES AND FEES FOR PARKS
2. Approve Resolution No. 2024-10 A RESOLUTION INCREASING THE PARKS LEVEL OF SERVICE RATIO

Summary Points (Parks SDC's):

- The City of Sisters conducts periodic updates to its Comprehensive Plan and its various Public Facility Plans to provide orderly and sustainable growth of municipal infrastructure.
- A key component to funding these public facilities is the system development charge (SDC) program. SDCs are one-time charges for new development—designed to recover the costs of infrastructure capacity needed to serve new development.
- Donovan Enterprises, Inc. was retained by the City of Sisters to help conduct this update and has issued a Parks SDC Final Report (attached as Exhibit A to Resolution 2024-08), which describes the policy context and project scope and concludes with a numeric overview of the calculations for parks SDCs.
- With this review and update, the City has stated a number of objectives:
 - Review the basis for charges to ensure consistency with the City's proposed parks SDC methodology;
 - Address specific policy, administrative, and technical issues which had arisen from application of the existing SDCs;
 - Determine the most appropriate and defensible fees, ensuring that development is paying its way;
 - Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
 - Provide clear, orderly documentation of the assumptions and results, so that City staff could, by reference, respond to questions or concerns from the public.
- The report provides documentation of that effort and was done in close coordination with City staff and available facilities planning documents. The SDC updates comply with Sisters Municipal Code Chapter 13.25 (i.e., The SDC enabling ordinance).



Summary Points (Parks Level of Service):

- In 2023, the City updated its Parks Master Plan addressing parks needs through the year 2042 utilizing a Level of Service (LOS) ratio to determine the adequacy/needs for current and future parks and recreation infrastructure.
- LOS standards are measures of the amount of public recreation parklands and facilities being provided to meet that jurisdiction's basic needs and expectations.
- LOS is represented in both the existing and the desired LOS and measured in the amount of developed park acres per 1,000 residents. As the population grows, the objective is to provide enough additional acreage to maintain the jurisdiction's desired ratio of park acres to 1,000 residents.
- Chapter 5 of the Parks Master Plan (Recommendations), recommended the following for the LOS for the City:

"Sisters' current level of service (LOS) ratio of park acreage per 1,000 residents falls far below the median for similarly sized jurisdictions. To better serve residents, Sisters should adopt an LOS target of 5.0 park acres per 1,000 residents. Using an LOS target provides a standard by which the park system can be assessed to determine if it meets current and future park land needs. Sisters' population is estimated to reach roughly 6,551 residents by 2040, which means Sisters will need to develop about 26 acres of additional park land over the next 20 years to achieve the targeted LOS. In addition to the City's 4.55 acres of undeveloped park land and available open space (see page 17), the City will need to acquire and develop roughly 19 acres to meet the target." Source: Sisters 2023 Parks Master Plan page32

- The updated Plan noted that our current LOS is on the low side (2.04 acres/1,000 people currently) compared to other similarly sized towns and recommends increasing the LOS to 5 acres/1,000 residents.
- According to the National Recreation and Parks Association website, "the typical park and recreation agency offers one park for every 2,287 residents served, with 10.8 acres of parkland per 1,000 residents. But park and recreation agencies are as diverse as the communities they serve, and what works well for one agency may not be best for your agency. Therefore, you need benchmark data to identify the best practices to serve your community optimally."
- The City's Parks Advisory Board reviewed the concept of increasing the LOS target and recommended that City Council adopt the standard of 5 acres/1,000 residents.

Financial Impact: The Parks SDC Final Report recommends increasing the Parks SDC fee from its current \$1,193 to \$3,676 per single family dwelling unit, payable at time of building permit. Additionally, a duplex would be increased to \$3,820, a triplex to \$5,730, a fourplex to \$7,641 and an apartment complex would be increased to \$1,910 x the number of units.



The chart on page 18 of the Parks SDC Report shows how Sisters' rates would still fall in the middle of what other Central Oregon communities charge.

Pursuant to ORS 223.304 (6) and (7) public notice of the proposed changes to the methodology for calculating SDCs for parks was provided and a letter to interested parties was mailed and one written comment was received from the Central Oregon Builders Association (see Attachment 3).

Attachments:

1. ATTACHMENT 1: Resolution 2024-08 with Exhibit A – Parks SDC Update Final Report
2. ATTACHMENT 2: Resolution 2024-10 Increase Level of Service
3. ATTACHMENT 3: Letter from the Central Oregon Builders Association

RESOLUTION NO. 2024-08

A RESOLUTION AMENDING THE CITY OF SISTERS' SYSTEM DEVELOPMENT CHARGES AND FEES
FOR PARKS

WHEREAS, Oregon Revised Statutes (ORS) 223.297 – 223.314 provide the framework for establishing system development charges (SDCs), and for notification and public hearing of the City of Sisters' intent to impose SDCs; and,

WHEREAS, the City of Sisters Municipal Code (SMC) Chapter 13.25 provides for the establishing of SDCs upon completion of an analysis of capital improvements already constructed, analysis of projected capital improvements to be constructed, and adoption of a methodology explaining how City's SDCs are calculated; and,

WHEREAS, the City adopted a methodology for calculating parks SDCs under Resolution No. 2016-13 dated May 12, 2016; and,

WHEREAS, the Sisters City Council adopted updated parks master plan for parks and open spaces under Ordinance No. 527 dated April 12, 2023; and,

WHEREAS, the foregoing parks master plan includes a Capital Improvement Plan (CIP), which CIP identify proposed capital improvements to the parks and open spaces system that in turn influence the amount of SDCs for parks; and,

WHEREAS, the Sisters City Council desires to update the City's schedule of SDCs for parks and open spaces, consistent with the updated methodology described herein and considering the adopted parks master plan and corresponding CIPs; and,

WHEREAS, the City contracted with Donovan Enterprises, Inc. to prepare the report entitled System Development Charge Update Final Report (January 2024) attached hereto as Exhibit A, which proposes a schedule of SDCs in accordance with City's updated methodology; and,

WHEREAS, SMC 13.25.040(2) specifies that revisions to SDCs be adopted by separate resolution; and,

WHEREAS, a duly noticed public hearing was held on May 8, 2024; and,

WHEREAS, after conducting the public hearing, and fully deliberating the matter, the Sisters City Council has determined the rates adopted herein are just, reasonable, and necessary.

NOW, THEREFORE, BE IT RESOLVED that the City of Sisters resolves as follows:

1. Findings. The above-stated findings contained in this Resolution No. 2024-08 (this "Resolution") and those contained in Exhibit A are hereby adopted.

2. Updated SDCs. The rates for parks and open spaces SDCs set forth in Table 8 of the attached Exhibit A including, without limitation, calculations of the improvement, reimbursement, and

compliance portions of the SDCs set forth in other sections of Exhibit A, are hereby adopted. The adopted rates supersede all prior SDC rates for parks and open spaces.

3. Scope of SDCs. The SDCs established by this Resolution are separate from, and in addition to, any other applicable taxes, fees, assessments, or charges, including but not limited to SDCs for other public facilities, which are required by the City or represent a condition of a land use or development approval.

4. Effective Date. This Resolution shall become effective upon its adoption by the Sisters City Council.

5. Miscellaneous. This Resolution is hereby made part of the City’s fee resolution, Resolution No. 2023-10 (the “Fee Resolution”). The provisions of the Fee Resolution that are not amended or modified by this Resolution remain unchanged and in full force and effect. The provisions of this Resolution are severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. All pronouns contained in this Resolution 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. This Resolution may be corrected by order of the Council to cure editorial and/or clerical errors.

ADOPTED by the City Council of the City of Sisters and signed by the Mayor this 8th day of May 2024.

Michael Preedin, Mayor

Attest:

Rebecca Green, Deputy Recorder

EXHIBIT A

Parks SDC Update Final Report
January 2024
Donovan Enterprises, Inc.

[attached]

Presented by:



January

2024

Parks SDC Update

Final Report

Prepared for:



Donovan Enterprises, Inc.
9600 SW Oak Street, Suite 335
Tigard, Oregon 97223-6596
☎ 503.517.0671



Printed on Recycled Paper

City of Sisters 2024 Parks SDC Update

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Introduction/History of the Project

The City of Sisters conducts periodic updates to its Comprehensive Plan and its various Public Facility Plans to provide orderly and sustainable growth of municipal infrastructure. A key component to funding these public facilities is the system development charge (SDC) program. SDCs are one-time charges for new development—designed to recover the costs of infrastructure capacity needed to serve new development. This section describes the policy context and project scope upon which the body of this report is based. It concludes with a numeric overview of the calculations presented in subsequent sections of this report for parks SDCs.

The city's current and schedule of parks SDCs were last reviewed and adopted by the City Council in May, 2016. In December, 2023, the City hired Donovan Enterprises, Inc. to review and update the SDC. With this review and update, the City has stated a number of objectives:

- Review the basis for charges to ensure consistency with the City's proposed parks SDC methodology;
- Address specific policy, administrative, and technical issues which had arisen from application of the existing SDCs;
- Determine the most appropriate and defensible fees, ensuring that development is paying its way;
- Consider possible revisions to the structure or basis of the charges which might improve equity or proportionality to demand;
- Provide clear, orderly documentation of the assumptions and results, so that City staff could, by reference, respond to questions or concerns from the public.

This report provides the documentation of that effort and was done in close coordination with City staff and available facilities planning documents. The SDC updates comply with Sisters Municipal Code Chapter 13.25 (i.e., The SDC enabling ordinance).

Table 1 gives a component breakdown for the current and proposed single-family residential equivalent SDCs for parks.

Table 1 - Component Breakdown of the Proposed Single-Family Residential Equivalent Parks SDCs

Parks SDC Components - Single-Family	Proposed	Current	Difference
Reimbursement fee	\$ -	\$ -	\$ -
Improvement fee	3,501	1,193	2,308
Compliance fee	175	-	175
Total wastewater SDC	\$ 3,676	\$ 1,193	\$ 2,483

Analytical Process for the Updates

The essential ingredient in the development and calculation of an SDCs is valid sources of data. For this project, the consultant team has relied on a number of data sources. The primary sources have been the newly formulated and adopted parks master plan. On April 12, the City Council adopted this plan via Ordinances 527. We have supplemented these data sources with City planning department records, certified census data, and other documents that we deemed helpful, accurate, and relevant to this study.

Table 2 contains a bibliography of the key documents/sources that we relied upon to facilitate our analysis and hence the resulting SDCs.

Table 2 - Data Sources for the Calculation of SDCs

Master Plan Document and/or Corroborating Source Documentation
<ul style="list-style-type: none"> • City of Sisters Parks Master Plan; Cameron McCarthy; April 12, 2023 • City of Sisters Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2022 • City of Sisters Park System Fixed Asset Schedule; June 30, 2023; City Records • City of Sisters Parks System Construction Work in Progress Balances Work Papers; June 30, 2023; City Records • City of Sisters Housing Needs Analysis 2019 and 2021 Update • City of Sisters Municipal Code Chapter 13.25 (System Development Charges) • U.S. Census American Community Survey: <ul style="list-style-type: none"> ✓ DP03 ✓ DP04 ✓ DP05 ✓ B25024 ✓ B25033 • Water and Wastewater Master Plans; Anderson Perry & Associates; 2023 • Portland State University, Population Research Center • City of Sisters Buildable Lands Inventory 2021 • City of Sisters 2021 Economic Opportunities Analysis

The data sources shown in Table 2 were used to formulate the two (2) components of the parks SDCs. These components are the reimbursement and improvement fees. The City has been constructing the SDCs with these two components for over twenty years, and our analysis does not propose changing that methodology. A brief definition of the two components are:

- *The reimbursement fee* considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is future system users contribute no more than an equitable share to the cost of existing facilities. The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.
- *The improvement fee* portion of the SDC is based on the cost of planned future facilities that expand the system's capacity to accommodate growth or increase its level of performance. In developing an analysis of the improvement portion of the fee, each project in the respective service's capital improvement plan is evaluated to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. An example is a facility which improves system capacity to better serve current customers/park patrons. The costs for this type of project must be eliminated from the improvement fee calculation. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of additional equivalent residential units to be served by the City's facilities over the planning period. Such a fee represents the greatest potential for future SDC changes. The improvement fee must also provide a credit for construction of a qualified public improvement.

SDC Legal Authorization and Background

SDCs are authorized by Oregon Revised Statute (ORS) 223.297-314. The statute is specific in its definition of system development charges, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or expansion of existing development and assessed at the time of development approval or increased usage of the system. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned/future capital facilities that serve the developing property. Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

Finally, two cost basis adjustments are potentially applicable to both reimbursement and improvement fees: fund balance and compliance costs. In this study, the project team paid attention to this detail to align future infrastructure costs to those responsible for paying those costs. The reasons for this attention is as follows:

- *Fund Balances* - To the extent that SDC revenue is currently available in fund balance, that revenue should be deducted from its corresponding cost basis. For example, if the city has park improvement fees that it has collected but not spent, then those unspent improvement fees should be deducted from the park system's improvement fee cost basis to prevent charging twice for the same capacity.
- *Compliance Costs* - ORS 223.307(5) authorizes the expenditure of SDCs on "the costs of complying with the provisions of ORS 223.297 to 223.314, including the costs of developing system development charge methodologies and providing an annual accounting of system development

charge expenditures.” To avoid spending monies for compliance that might otherwise have been spent on growth-related projects, this report includes an estimate of compliance costs in its SDCs.

Reimbursement Fee

The reimbursement fee represents a buy-in to the cost, or value, of infrastructure capacity within the existing system. Generally, if a system were adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted. First, the cost of the system to the City’s customers may be far less than the total plant-in-service value. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less. Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points. First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including local facilities, and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing. Second, the cost basis is allocated between used and unused capacity, and, capacity available to serve growth. In the absence of a detailed asset by asset analysis, it is appropriate to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to equivalent dwelling units over the planning period. This approach reflects the philosophy, consistent with the City’s Updated Master Plans, that facilities have been sized to meet the demands of the customer base within the established planning period.

Improvement Fee

There are three basic approaches used to develop improvement fee SDCs: “standards driven,” “improvements-driven,” and “combination/hybrid” approaches. The “standards-driven” approach is based on the application of Level of Service (LOS) standards for facilities. Facility needs are determined by applying the LOS standards to projected future demand, as applicable. SDC-eligible amounts are calculated based on the costs of facilities needed to serve growth. This approach works best where level of service standards have been adopted but no specific list of projects is available. The “improvements-driven” approach is based on a specific list of planned capacity increasing capital improvements. The portion of each project that is attributable to growth is determined, and the SDC-eligible costs are calculated by dividing the total costs of growth-required projects by the projected increase in projected future demand, as applicable. This approach works best where a detailed master plan or project list is available and the benefits of projects can be readily apportioned between growth and current users. Finally, the combination/hybrid-approach includes elements of both the “improvements driven” and “standards-driven” approaches. Level of Service standards may be used to create a list of planned capacity-increasing projects, and the growth required portions of projects are then used as the basis for

determining SDC eligible costs. This approach works best where levels of service have been identified and the benefits of individual projects are not easily apportioned between growth and current users.

In the past, the City has utilized the LOS standards approach for parks. This study continues to use this method and has relied on the LOS standards prescribed in the 2023 parks master plan. Specifically, a LOS standard of five (5) acres of parkland per 1,000 population.

For this SDC update, the improvement fee represents a proportionate share of the cost to expand the systems to accommodate growth. This charge is based on the newly adopted capital improvement plans established by the City for parks. The costs that can be applied to the improvement fees are those that can reasonably be allocable to growth. Statute requires that the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the respective system's capacity to accommodate growth or increase its respective level of performance have been included in the cost basis of the fee. As part of this SDC update, City Staff and their parks planning consultants were asked to review the planned capital improvement lists in order to assess SDC eligibility. The criteria in Figure 1 were developed to guide the City's evaluation:

Figure 1 - SDC Eligibility Criteria

City of Sisters Steps Toward Evaluating <u>Capital Improvement Lists for SDC Eligibility</u>	
<u>ORS 223</u>	
1.	Capital improvements mean the facilities or assets used for : <ol style="list-style-type: none"> a. Parks & Trails – Pocket parks, urban plaza parks, neighborhood parks, community parks, nature parks, regional parks, trails, and bike/ped expansion <p>This definition DOES NOT ALLOW costs for operation or routine maintenance of the improvements;</p>
2.	The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related;
3.	An increase in system capacity is established if a capital improvement increases the “level of performance or service” provided by existing facilities or provides new facilities.
<u>Under the City’ approach, the following rules will be followed</u>	
1.	Repair costs are not to be included;
2.	Replacement costs will not be included unless the replacement includes an upsizing of system capacity and/or the level of performance of the facility is increased;
3.	New regulatory compliance facility requirements fall under the level of performance definition and should be proportionately included;
4.	Costs will not be included which bring deficient systems up to established design levels.

In developing the improvement fee, the project team in consultation with City staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedules developed by the City. The improvement fee is calculated as a function of the estimated number of projected additional people over the planning horizon. Once the future costs to serve growth have been segregated (i.e., the numerator), they can be divided into the total number of new people that will use the capacity derived from those investments (i.e., the denominator).

Process for the Granting of Credits, Discounts, and Exemptions

SDC Credits Policy

ORS 223.304 requires that credit be allowed for the construction of a "qualified public improvement" which is required as a condition of development approval, is identified in the Capital Improvement Plan,

and either is not located on or contiguous to property that is the subject of development approval or is located on or contiguous to such property and is required to be built larger or with greater capacity than is necessary for the particular development project. The credit for a qualified public improvement may only be applied against an SDC for the same type of improvement and may be granted only for the cost of that portion of an improvement which exceeds the minimum standard facility size or capacity needed to serve the particular project. For multi-phase projects, any excess credit may be applied against SDCs that accrue in subsequent phases of the original development project. In addition to these required credits, the City may, if it so chooses, provide a greater credit, establish a system providing for the transferability of credits, provide a credit for a capital improvement not identified in the Capital Improvement Plan, or provide a share of the cost of an improvement by other means.

The City has adopted a policy for granting SDC credits and has codified this policy in the Sisters Municipal Code Chapter 13.25.120 (SMC 13.25.120). The adopted SDC credit policy consists of five (5) items as follows:

SMC 13.25.120

1. A permittee is eligible for credit against the system development charge constructing a qualified public improvement. This credit shall be only for the improvement fee charged for the type of improvement being constructed. Credit under this section may be granted only for the cost of that portion of the improvement that exceeds the facility size or capacity needed to serve the development project.
2. Applying the adopted methodology, the city may grant a credit against the improvement charge for capital facilities provided as part of the development that reduces the development's demand upon existing capital improvements or the need for further capital improvements or that would otherwise have to be constructed at city expense under the then-existing council policies.
3. When the construction of a qualified public improvement gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project.
4. All credit requests must be in writing and filed with the city before the issuance of a building permit. Improvement acceptance shall be in accordance with the usual and customary practices, procedures, and standards of the city of Sisters. The amount of any credit shall be determined by the city and based upon the subject improvement construction contract documents, or other appropriate information, provided by the applicant for the credit. Upon a finding by the city that the contract amounts exceed prevailing market rate for a similar project, the credit shall be based upon market rates. The city shall provide the applicant with a credit on a form provided by the city. The credit shall state the actual dollar amount that may be applied against any system development charge imposed against the subject property. The applicant has the burden of demonstrating qualification for a credit.
5. Credits shall be apportioned against the property which was subject to the requirements to construct an improvement eligible for credit. Unless otherwise requested, apportionment against lots or parcels constituting the property shall be proportionate to the anticipated public facility service requirements generated by the respective lots or parcels. Upon written application to the city, however, credits shall be reapportioned from any lot or parcel to any other lot or parcel

within the confines of the property originally eligible for the credit. Reapportionment shall be noted on the original credit form retained by the city.

6. Any credits are assignable; however, they shall apply only to that property subject to the original condition for land use approval upon which the credit is based or any partitioned or subdivided parcel or lots of such property to which the credit has been apportioned. Credits shall only apply against system development charges, are limited to the amount of the fee attributable to the development of the specific lot or parcel for which the credit is sought and shall not be a basis for any refund.
7. Any credit request must be submitted before the issuance of a building permit. The applicant is responsible for presentation of any credit and no credit shall be considered after issuance of a building permit.
8. Credits shall be used by the applicant within 10 years of their issuance by the city.

SDC Discount Policy

The City, at its sole discretion, may discount the SDC rates by choosing not to charge a reimbursement fee for excess capacity, or by reducing the portion of growth-required improvements to be funded with SDCs. A discount in the SDC rates may also be applied on a pro-rata basis to any identified deficiencies, which must be funded from sources other than improvement fee SDCs. The portion of growth-required costs to be funded with SDCs must be identified in the CIP. Because discounts reduce SDC revenues, they increase the amounts that must come from other sources, such as user fees or general fund contributions, in order to acquire the facilities identified in the Updated Master Plan(s).

Partial and Full SDC Exemption

The City may exempt certain types of development from the requirement to pay SDCs. Exemptions reduce SDC revenues and, therefore, increase the amounts that must come from other sources, such as user fees and property taxes. As in the case of SDC credits, the City has articulated a policy relative to partial and full SDC exemption. This SDC exemption policy is codified SMC 13.25.110, and is as follows:

1. Structures and uses established and existing on or before the effective date of the resolution.
2. Additions to single-family dwellings that do not constitute the addition of a dwelling unit, as defined by the city's building code, are exempt from all portions of the system development charge.
3. An alteration, addition, replacement or change in use that does not increase the parcel's or structure's use of a capital improvement is exempt from all portions of the system development charge.

Parks SDCs

The 2023 Parks Master Plan Levels of Service

In 2023, the City completed preparation of a new parks master plan (the plan) addressing parks needs through the year 2042. The plan relies on levels of service (LOS) to determine the adequacy/needs for current and future parks and recreation infrastructure. To determine adequacy, park and recreation providers typically measure existing parklands and facilities and compare them against established standards, typically LOS Standards. LOS standards are measures of the amount of public recreation parklands and facilities being provided to meet that jurisdiction's basic needs and expectations. For example, the amount of parkland currently needed in a particular jurisdiction may be determined by comparing the ratio of existing developed park acres per 1,000 residents (by all providers within the jurisdiction) to the jurisdiction's desired level of parks relative to population. The gap between the two ratios is the currently needed park acreage. As the population grows, the objective is to provide enough additional acreage to maintain the jurisdiction's desired ratio of park acres to 1,000 residents. These ratios can provide insight and act as tools to determine the amount of parkland or trails needed to meet current and future recreation needs.

In Chapter 5, (Recommendations), the Plan established recommended parks LOS for the City. The Plan recommended LOS guidelines were developed based on community input via its standing Citizens Parks Advisory Committee. Per the Plan, the LOS for the City was recommended as follows:

“LEVEL OF SERVICE

Sisters' current level of service (LOS) ratio of park acreage per 1,000 residents falls far below the median for similarly sized jurisdictions. To better serve residents, Sisters should adopt an LOS target of 5.0 park acres per 1,000 residents. Using an LOS target provides a standard by which the park system can be assessed to determine if it meets current and future park land needs. Sisters' population is estimated to reach roughly 6,551 residents by 2040, which means Sisters will need to develop about 26 acres of additional park land over the next 20 years to achieve the targeted LOS. In addition to the City's 4.55 acres of undeveloped park land and available open space (see page 17), the City will need to acquire and develop roughly 19 acres to meet the target.”

Source: Sisters 2023 Parks Master Plan page32

Having established the LOS standards for park lands, the next step is to compare the City's current parks inventory to the standard and analyze the surpluses/deficiencies by parks category. That data is shown below in Table 3.

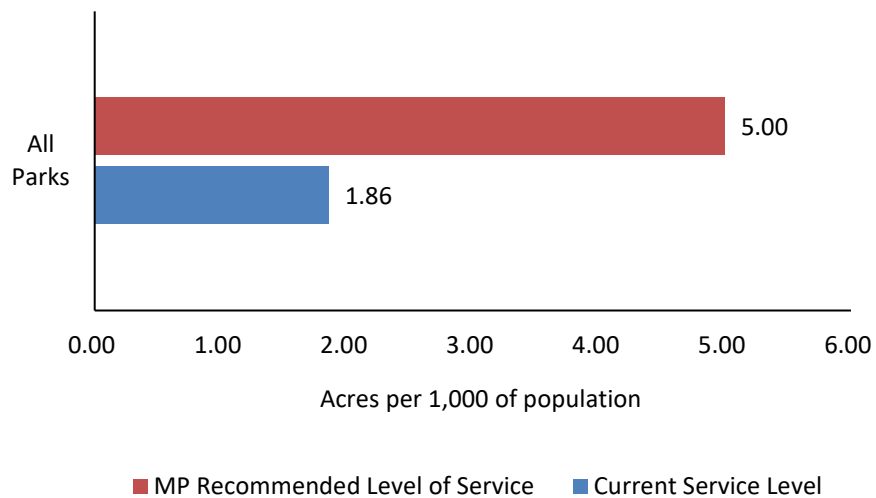
Table 3 - Existing Parks and Trails LOS Surplus/Deficiency

Classification and Park Name ²	Acreage	Linear Miles	Current Level of Service ¹	2023 Parks Master Plan Recommended LOS ¹	LOS Surplus or (Deficiency)	Percent of Capacity Remaining
<i>Pocket Parks:</i>						
Buck Run Park	0.02					
Harold & Dorothy Barclay Park	0.44					
Fir Street Park	<u>0.31</u>					
Subtotal pocket parks	0.77		0.204			
<i>Urban Plaza Parks:</i>						
	-		0.000			
<i>Neighborhood Parks:</i>						
Cliff Clemens Park	2.28		0.603			
<i>Community Parks:</i>						
Village Green Park	1.32					
Creekside Park	<u>2.65</u>					
Subtotal community parks	3.97		1.051			
<i>Nature Parks:</i>						
	-		0.000			
<i>Regional Parks:</i>						
	-		0.000			
All Parks	<u>7.02</u>		<u>1.858</u>	<u>5.000</u>	<u>(3.142)</u>	0%

Notes:

¹ Portland State University Population Research Center 2023 population estimate 3,778
Level of Service expressed in units per 1,000 residents

² The analysis excludes special use parks, open space, and undeveloped park land. Special use parks Creekside Campground (6.74 acres), Veterans Memorial Park (0.25 acres), and Wild Stallion Park (0.02 acres) are excluded. Creekside Campground is excluded as it primarily serves visitors, and Veterans Memorial Park and Wild Stallion Park are excluded as they provide primarily visual and limited active recreation opportunities.



As the data in Table 3 shows, currently, the City is “park deficient”. This will impact the calculation of the parks SDC reimbursement fee in that the current LOS implies 100% of the City’s current parks and trails capacity is being absorbed by the City’s current population. That mean 0% of the system’s built capacity is available to serve growth.

Existing and Projected Future Demand for Parks and Trails

Growth should be measured in units that most directly reflect the source of demand. In the case of parks, the most applicable units of growth are population and, where appropriate, employees (or new jobs). However, the units in which demand is expressed may not be the same as the units in which SDC rates are charged. Many SDCs, for example, are charged on the basis of new dwelling units. Therefore, conversion is often necessary from units of demand to units of payment. For example, using an average number of residents per household, the number of new residents can be converted to the number of new dwelling units.

Parks and recreation facilities benefit City residents, businesses, non-resident employees, and visitors. The methodology used to update the City’s Parks and Recreation SDCs establishes the required connection between the demands of growth and the SDC by identifying specific types of park and recreation facilities and analyzing the proportionate need of residents and employees for each type of facility. The SDCs to be paid by a development meet statutory requirements because they are based on the nature of the development and the extent of the impact of that development on the types of park and recreation facilities for which they are charged.

The Parks and Recreation SDCs are calculated based on the specific impact a development is expected to have on the City’s population and employment. For facilities that are not generally used by employees (e.g., neighborhood parks), only a residential SDC may be charged. For facilities that benefit both residents and employees (e.g., community parks), an SDC may be charged for both residential and non-residential development.

Table 4 contains existing and projected population, housing units, and employment for the City. The data in this table establishes the units of demand and the units of payment for the improvement parks SDCs.

Table 4 - Existing and Projected Population, Housing Units, and Employment

	2020	2023	2042	Analysis of Growth	
	Census	Estimated	Projected	Units	CAGR*
1 Population	2,674	3,778	6,917	3,139	3.234%
Single family residential	2,486	3,512	6,431	2,919	
Multi-family residential	188	266	486	220	
2 Total Housing Units	1,409	1,991	3,645	1,654	
Single family residential	1,230	1,738	3,182	1,444	
Multi-family residential	179	253	463	210	
Number of persons per Housing Unit	1.90	1.90			
Single family residential	2.02	2.02			
Multi-family residential	1.05	1.05			
3 Employment	1,322	1,868	3,420	1,552	
Employment to population ratio	49.44%	49.44%			

Data Sources and Notes:

- 1** Current population source: U.S. Census Bureau, 2020 5-year estimates, Table DP05; 2023 from Wastewater Facilities Plan Update 2023; Anderson Perry & Associates; 2023 population adjusted for latest PSU data dated December 1, 2023
- 2** Current Housing units source: U.S. Census Bureau, 2020 5-year estimates, Table DP04, Table B25024, B25033; 2042 projection based on 2022 number of persons per occupied housing unit
- 3** Current employment source: U.S. Census Bureau, 2022 American Community Survey 5-year summary, Table DP03; 2042 projection based on 2022 employment to population ratio

* CAGR - Compound Annual Growth Rate

Reimbursement Fee Calculations

As we discussed above, the City is park deficient on a whole. This has adversely impacted the calculation of the parks SDC reimbursement fee in that the current LOS implies 100% of the City's current parks and trails capacity is being absorbed by the City's current population. That means 0% of the system's-built capacity is available to serve growth. Therefore, we are not including a reimbursement fee for the parks SDC calculations.

Parks Master Plan CIP

The Plan lays out a very specific and prioritized capital improvement plan for the City through 2042. The CIP identifies future costs for new parks and trails, and the future costs for improvements to the City's existing parks inventory. The total CIP from the Plan is shown below in Table 5.

Table 5 - 2022 Parks Master Plan CIP

Project ID	Project Title	Description	Size (Acres)	Cost
E1	Harold & Dorothy Barclay Park	Generally improve circulation, paving, and access. Replace drive lane and parking south of restrooms with decorative paving. Improve site furnishings and power access.	0.44	\$ 664,000
E2	Fir Street Park	None recommended at this time	0.31	-
E3	Cliff Clemens Park	Install tree planting for shade, bike furnishings, picnic shelter, children's splash pad, and improve parking lot/parking diet.	2.28	432,400
E4	Creekside Park	Upgrade power service and path lighting, improve parking and lighting at Jefferson Street, improve entry planting, add creek interpretive signage, and install bike furnishings.	2.65	269,800
E5	Village Green	Install an accessible path to provide wheelchair access to the gazebo.	1.32	2,600
E6	Creekside Campground	Install additional ADA campsites, Standard RV campsites, power access, a picnic shelter, cooking grill and bike furnishings.	8.05	378,100
E7	Wild Stallion Park	Install bike furnishing. Construct an additional concrete art pedestal/footing and art sculpture.	0.02	11,107
E8	Creekside Park Eastward Expansion	Install RV sewer waste station and swings at the playground.	4.05	141,300
E9	Future Northwest Park	Conduct a feasibility study, design, and construct an open-air pavilion with an enclosed support building, parking lot to serve park development requirements, site circulation paths and lighting, plazas, and general landscape improvements.	2.82	10,375,778
E10	Sun Ranch Park	Design and install a children's playground, paved walking path loop, path lighting, tree and shrub planting, and irrigation.	0.50	92,100
E11	East Portal	Construct a network of accessible asphalt trails.	2.50	25,700
E12	Lazy Z Ranch Open Space	Install soft surface trails, trailhead kiosk, bench furnishings, asphalt frontage road, parking lot, and stormwater swale.	16.50	375,300
N1	Unsitd: Pickleball Court Complex	Conduct a feasibility study for pickleball courts including recommended quantity of courts. Install Courts, fencing, plaza and circulation pavements and restroom building, and soft surface trail loop path.	-	1,072,383
N2	Unsitd: Pickleball Court (2 courts only)	A 2 court pickleball court, placed on existing park land.	-	110,900
N3	Unsitd: Dog Park	Install picnic structure, fence in dog park area with signage and furnishings.	-	205,888
N6	Wildlife Observation Areas	Install decorative paving and bench with interpretive signage. 4 locations.	-	107,400
S2.9	Whychus Creek Access	Install similar water access steps at Creekside Park for accessing the creek.	-	97,400
				\$ 14,362,156

SDC Eligibility of Master Plan CIP

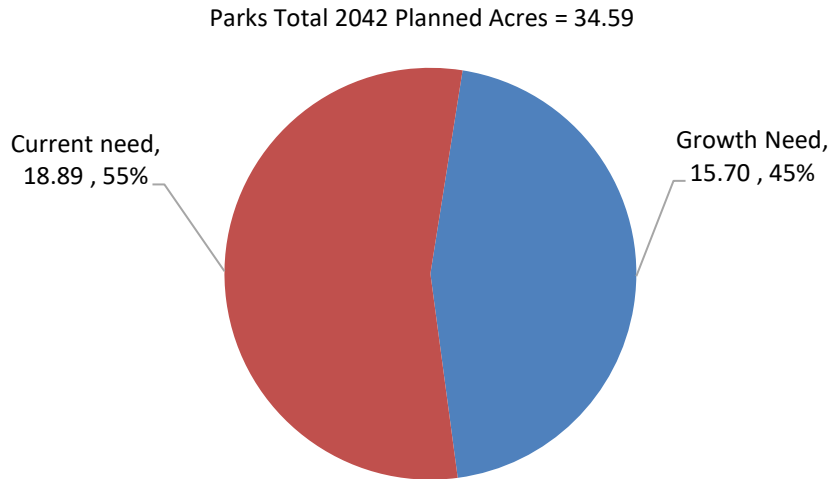
Table 6 compares the current inventory of facilities with the adopted level of service. That comparison leads to a determination of surplus or deficiency of parklands. Projects are eligible for improvement fee funding only to the extent that the projects will benefit future users.

Table 6 - Calculation of Master Plan CIP SDC Eligibility

Classification	LOS (units/1,000 population) ^{1,2}	Parks Inventory at			Level of Service Analysis		Parks SDC Eligibility		
		Inventory Units	Current ²	Planned Additions	Planned 2042	Current need	Surplus / (Deficiency)	Growth Need	Growth %
Parks Total Acres	5.00	Acres	7.02	27.57	34.59	18.89	(11.87)	15.70	45.38%

¹ Portland State University Population Research Center 2023 population estimate 3,778
 Level of Service expressed in units per 1,000 residents 3.778
 Estimated 2042 service population (2023 Water and Sewer Master Plans) 6,917
 Level of Service expressed in units per 1,000 residents 6.917

² 2023 Parks Master Plan Baseline Level of Service; and Recommended LOS Guidelines; Section 5



Improvement Fee Calculations

The improvement fee is the cost of capacity-increasing capital projects per unit of growth that those projects will serve. The unit of growth, whether number of new residents or number of new employees, is the basis of the fee. In reality, the capacity added by many projects serves a dual purpose of both meeting existing demand and serving future growth. To compute a compliant SDC rate, growth-related costs must be isolated and costs related to current demand must be excluded. We have used the “capacity approach” to allocate costs to the improvement fee basis. Under this approach, the cost of a given project is allocated to growth in proportion to the growth-related capacity that projects of a similar type will create. The capacity analysis of the Plan CIP is shown numerically in Table 6. Table 7 lays out the capacity approach to deriving the parks improvement fee.

Table 7 - Calculation of the Parks Improvement Fee

Pjt. No.	Project Description	Master Plan CIP ¹	----- Funding Sources for Parks Master Plan CIP ----->			
			Existing Users	Total SDC	Residential	Non-Residential
E1	Harold & Dorothy Barclay Park	\$ 664,000	\$ 362,671	\$ 301,329	\$ 301,329	\$ -
E2	Fir Street Park	-	-	-	-	-
E3	Cliff Clemens Park	432,400	236,173	196,227	196,227	-
E4	Creekside Park	269,800	147,362	122,438	122,438	-
E5	Village Green	2,600	1,420	1,180	1,180	-
E6	Creekside Campground	378,100	206,515	171,585	171,585	-
E7	Wild Stallion Park	11,107	6,067	5,040	5,040	-
E8	Creekside Park Eastward Expansion	141,300	77,177	64,123	64,123	-
E9	Future Northwest Park	10,375,778	5,667,152	4,708,626	4,708,626	-
E10	Sun Ranch Park	92,100	50,304	41,796	41,796	-
E11	East Portal	25,700	14,037	11,663	11,663	-
E12	Lazy Z Ranch Open Space	375,300	204,985	170,315	170,315	-
N1	Unsite: Pickleball Court Complex	1,072,383	585,725	486,658	486,658	-
N2	Unsite: Pickleball Court (2 courts only)	110,900	60,573	50,327	50,327	-
N3	Unsite: Dog Park	205,888	112,454	93,434	93,434	-
N6	Wildlife Observation Areas	107,400	58,661	48,739	48,739	-
S2.9	Whychus Creek Access	97,400	53,199	44,201	44,201	-
	Total -\$	\$ 14,362,156	\$ 7,844,474	\$ 6,517,682	\$ 6,517,682	\$ -
	Total - %		54.62%	45.38%		

	Total SDC	Residential	Non-Residential
Future parks master plan capacity-expanding costs	\$ 6,517,682	\$ 6,517,682	\$ -
Adjustments to improvement fee basis:			
Parks improvement fee SDC fund balance - June 30, 2022	1,080,609	1,080,609	-
Principal outstanding on Parks GO bond	-	-	-
Subtotal adjustments to improvement fee basis	1,080,609	1,080,609	-
Adjusted future parks master plan capacity-expanding costs	\$ 5,437,074	\$ 5,437,074	\$ -
<i>Future Demand Units:</i>			
Growth in population (People)		3,139	
Growth in occupied housing units:			
Single family residential		1,444	
Multi-family residential		210	
Growth in employment (Employees)			1,552
<i>Unit improvement fee Parks SDCs:</i>			
Per person		\$ 1,732	
Per occupied housing unit:			
Single family residential		\$ 3,501	
Multi-family residential (per unit)		\$ 1,819	
Per employee			\$ -

¹ Source: 2023 Parks Master Plan Table 6.1

Parks SDC Model Summary

The 2024 parks SDC update was done in accordance with Sisters Municipal Code Chapter 13.25, and with the benefit of adopted capital improvement plans and plan updates for parks services. We recommend the City update the parks SDC charge to reflect the current capital improvement program. The complete proposed schedule of parks SDCs is shown below in Table 8. Table 9 give a comparison of the proposed and current parks SDC for a new single family detached residence.

Table 8 - Proposed Schedule of Parks SDCs

Customer Classification	Number of Dwelling Units	Proposed Schedule of Parks SDCs			
		Reimbursement	Improvement	Compliance	Total
Detached single family	1	\$ -	\$ 3,501	\$ 175	\$ 3,676
Mobil/manufactured home	1	-	3,501	175	3,676
Multifamily - \$/dwelling unit		-	1,819	91	1,910
Duplex	2	-	3,638	182	3,820
Tri-plex	3	-	5,458	273	5,730
Four-plex	4	-	7,277	364	7,641
Apartment complex	*	*	*		*
Condominium complex	*	*	*		*
Retirement/Assisted Living complex	*	*	*		*
Business - \$/FTE Employee		\$ -	\$ -	\$ -	\$ -

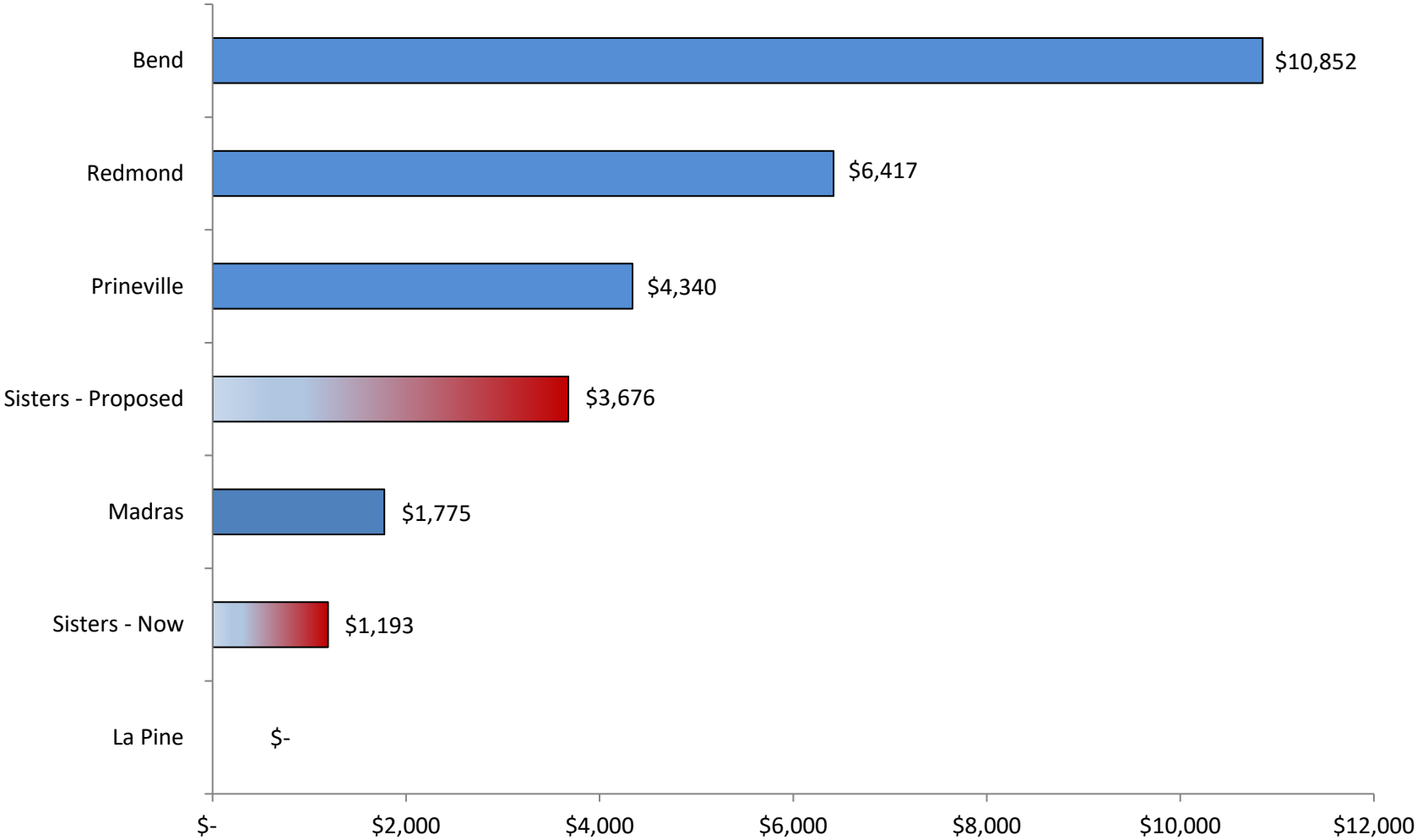
* - multiply the number of dwelling units by the corresponding detached multi-family per dwelling unit fee component

Table 9 - Proposed and Current Parks SDCs for a Detached Single-Family Residence

Parks SDC Components - Single-Family	Proposed	Current	Difference
Reimbursement fee	\$ -	\$ -	\$ -
Improvement fee	3,501	1,193	2,308
Compliance fee	175	-	175
Total wastewater SDC	\$ 3,676	\$ 1,193	\$ 2,483

Neighboring Communities' Parks SDCs

Neighboring Communities' System Development Charges - Parks Single-Family Residential December, 2023



RESOLUTION NO. 2024-10

A RESOLUTION INCREASING THE PARKS LEVEL OF SERVICE RATIO

WHEREAS, the Sisters City Council adopted an updated Parks Master Plan for parks and open spaces under Ordinance No. 527 dated April 12, 2023; and,

WHEREAS, the updated Parks Master Plan utilizes a Parks Level of Service (LOS) as a standard by which the park system is assessed to determine if it meets current and future park land needs and is measured in acres of park land per 1,000 residents; and,

WHEREAS, Sisters' current LOS ratio of park acreage per 1,000 residents falls far below the median for similarly sized jurisdictions and, to better serve its residents, the Parks Master Plan recommends the City adopt an increased LOS target of 5.0 park acres per 1,000 residents; and,

WHEREAS, the City of Sisters Parks Advisory Board reviewed the proposal to increase the LOS at its April 3, 2024 meeting and recommended to the Sisters City Council that the City adopt an increased LOS target of 5.0 park acres per 1,000 residents; and,

NOW, THEREFORE, BE IT RESOLVED that the City of Sisters resolves as follows:

1. Findings. The above-stated findings contained in this Resolution No. 2024-10 (this "Resolution") are hereby adopted.
2. Effective Date. This Resolution shall become effective upon its adoption by the Sisters City Council.
5. Miscellaneous. This Resolution is hereby made part of the City's fee resolution, Resolution No. 2023-10 (the "Fee Resolution"). The provisions of the Fee Resolution that are not amended or modified by this Resolution remain unchanged and in full force and effect. The provisions of this Resolution are severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. All pronouns contained in this Resolution 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. This Resolution may be corrected by order of the Council to cure editorial and/or clerical errors.

ADOPTED by the City Council of the City of Sisters and signed by the Mayor this 8th day of May 2024.

Michael Preedin, Mayor

Attest:

Rebecca Green, Deputy Recorder



February 28, 2024

Sisters City Council
520 E Cascade Ave
Sisters, OR 97759

RE: Proposed Water and Wastewater SDC Increases

Dear Mayor Preedin and Councilors:

Thank you for the opportunity to provide comment on the city's proposed parks system development charge increases. COBA appreciates the ability to engage with the city as a partner in commercial and residential development. As you may be aware, the city has worked with COBA in the past to phase in any SDC increases. We respectfully request that any increases in parks SDCs be phased in over time in order to allow projects that are currently in the early stages of development and property acquisition to remain viable.

We would like to remind the council that in addition to the city-maintained parks, nearly 10 acres of existing or upcoming parks, developed with open space and a variety of recreational amenities, are dispersed throughout the city. These parks are privately developed in conjunction with subdivisions and master plans, and are privately maintained via home owner association fees which are paid by residents. Because these parks meet the same goals of the city's Parks Master Plan, we encourage the council to include them in the total acreage of existing parks in the city of Sisters, and re-do the service level calculation with these parks included.

Once again, we value the opportunity to contribute to the decision-making process and remain committed to working collaboratively to address the challenges and opportunities that lie ahead.

Sincerely,

Morgan Greenwood
VP, Government Affairs



Meeting Date: May 8, 2024

Type: Regular Meeting

Subject: Resolution to establish a Steering Committee for the Urban Growth Boundary Amendment process.

Staff: Woodford

Depts: CDD

Action Requested: Approve Resolution No. 2024-09 - A RESOLUTION OF THE CITY OF SISTERS ESTABLISHING THE STEERING COMMITTEE FOR THE SISTERS URBAN GROWTH BOUNDARY AMENDMENT

Summary Points:

- The City of Sisters is proposing to amend its Urban Growth Boundary and the City Council recognizes the importance of citizen input and guidance on policies, procedures, and practices concerning matters affecting the Sisters community and its citizens.
- Therefore, a Steering Committee will be formed to work with staff and the consultant hired to process the UGB Amendment by reviewing draft materials, assisting with the public engagement effort, and making key recommendations to Council through a consensus decision-making process.
- The Committee will consist of fourteen (14) members and include two (2) City Councilors, two (2) Planning Commissioners, two (2) City staff members, (1) appointed farm interest, (1) appointed forest interest, and six (6) community members, including up to 2 (two) property owners in the UGB Study Area with a maximum of up to 3 (three) community members who live outside of the Sisters boundary, but within Sisters Country.
- City staff will advertise the opportunity for community members to apply to be on the Committee in a variety of ways, including in the Nugget Newspaper, the City newsletter (the "Roundup" and via social media, among other tools). Applications will open on May 9, 2024 and will stay open for 16 days until they close on May 23, 2024. If the number of applications received are too numerous to interview all, staff will screen the applications and select a group to interview the week of June 3-7 with appointments made by the Mayor at the June 12, 2024 Council meeting.
- The City is seeking community members who have knowledge and expertise in the issues that will be evaluated, but will also include opportunities for members who more broadly represent the community and can help anticipate typical community priorities and concerns. A broad steering committee will help ensure all perspectives are heard and build support for the process and ultimate boundary amendment.



CITY COUNCIL Staff Report

Financial Impact: There is no financial impact to the City. Steering Committee members will be unpaid positions.

Attachments:

1. ATTACHMENT 1: Resolution No. 2024-09

RESOLUTION NO. 2024-09

A RESOLUTION OF CITY OF SISTERS ESTABLISHING THE STEERING COMMITTEE FOR THE SISTERS URBAN GROWTH BOUNDARY AMENDMENT

WHEREAS, City of Sisters (“City”) is proposing to amend its Urban Growth Boundary (“UGB Amendment”); and

WHEREAS, the Sisters City Council (the “Council”) recognizes the importance of citizen input, guidance, and participation on policies, procedures, and practices concerning matters affecting the Sisters community and its citizens; and

WHEREAS, City will benefit from having a Steering Committee (the “Committee”) that will work with staff and the consultant hired to help process the UGB Amendment by reviewing draft materials, assisting with the public engagement effort, and making key recommendations to Council through a consensus decision making process; and

WHEREAS, the Committee will consist of fourteen (14) members and include two (2) City Councilors, two (2) Planning Commissioners, two (2) City staff members, (1) appointed farm interest, (1) appointed forest interest, and six (6) community members, including up to 2 (two) property owners in the UGB Study Area with a maximum of up to 3 (three) community members who live outside of the Sisters boundary, but within Sisters Country; and

WHEREAS, City staff will advertise the opportunity for community members to apply to be on the Committee in a variety of ways, including in the newspaper, the City and project website, and city newsletter and will seek members who have knowledge and expertise in the issues that will be evaluated, while also including some members who more broadly represent the community and can help anticipate typical community priorities and concerns. A broad steering committee will help ensure all perspectives are heard and build support for the process and ultimate boundary amendment; and

WHEREAS, An interview committee will be formed, whereupon the applicants will be interviewed about their reasons for applying and the skills they could provide to the Committee and recommend appointees to the Mayor; and

WHEREAS, Council desires to formally establish the Committee and authorize the Mayor to appoint the members of the Committee

NOW, THEREFORE, the City of Sisters resolves as follows:

1. Creation; Membership. The Committee is hereby established. The Committee will operate subject to, and in accordance with, this Resolution No. 2024-09 (this “Resolution”). The Committee will have fourteen (14) members. Members will be appointed by the Mayor. Members will receive no compensation but will be reimbursed for expenses authorized by the Council.

2. Terms of Office; Vacancy. Each member will be appointed for a term that will commence on June 12, 2024, and end on September 30, 2025 or upon Council approval of the UGB Amendment, whichever occurs first. Any vacancy in the Committee will be filled by the Mayor for the remainder of the vacating member’s term.

3. Removal of Committee Members. Notwithstanding anything contained in this Resolution to the contrary, a member may be removed by the Mayor for any of the following reasons: (a) three or more unexcused absences from regular Committee meetings; (b) commission of a felony; and/or (c) any other acts of misconduct or nonperformance that are contrary to the objectives and purpose of the Committee.

4. Committee Duties. The Committee will act as an advisory body to City of Sisters staff, Planning Commission and Council on the UGB Amendment. To this end, and except as otherwise provided or directed by the Council from time to time, the Committee will have the following advisory duties and responsibilities: (a) attend Committee meetings as scheduled; (b) review and provide comment concerning all matters affecting the UGB Amendment; and (c) make a recommendation on the UGB Amendment to the Sisters Planning Commission, who will ultimately make a recommendation to the Sisters Council.

5. Minutes; Reports. A City staff member (designated by City) will keep an accurate record of all Committee proceedings, including written minutes or recordings of all meetings. A copy of each meeting minutes will be delivered to the City Recorder for filing. Committee minutes are a public record available for public inspection.

6. Staff to the Committee. City staff and the City's hired consultants will support the work of the Committee. The City Attorney will act as the Committee's legal advisor in the conduct of all hearings and matters. Notwithstanding anything contained in this Resolution to the contrary, the Committee must obtain the consent of the City Manager prior to requesting the assistance of the City Attorney and/or other City staff.

7. Committee Meetings. The Committee will hold up to four (4) scheduled meetings over the course of its tenure on to be determined time and date. The City Manager may call additional special meetings of the Committee as needed.

8. Quorum; Voting; Rules. A majority of the members constitute a quorum. A majority vote of the members present at a meeting at which a quorum is established is necessary to act on any matter before the Committee. The Committee will otherwise adhere to Robert's Rules of Order in the conduct of Committee meetings

9. Authority; Expenditures. The Committee will operate at the direction of the Council and in conformance with, and subject to, this Resolution, Oregon law (including, without limitation, Oregon's Public Meetings Law), and all City rules, procedures, resolutions, and ordinances now in force and/or which may hereafter be created, amended, modified, enacted, and/or promulgated. The Committee has no authority to bind City or represent to any person that the Committee may bind City. The Committee has no authority to make expenditures on behalf of City, or to obligate City for payment of any sums of money, unless and until the Council has authorized such expenditures by appropriate ordinance or resolution (which ordinance or resolution will provide the administrative method by which funds will be drawn and expended).

10. Miscellaneous. For purposes of this Resolution, the singular includes the plural and the plural includes the singular; the word "or" is not exclusive and the words "include," "includes," and "including" are not limiting. Any reference to a particular law, statute, rule, regulation, code, or ordinance includes the law, statute, rule, regulation, code, or ordinance as now in force and hereafter amended. The provisions of this Resolution are severable. If any section, subsection, sentence, clause,

and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this resolution. This Resolution will be in full force and effect from and after its approval and adoption. This Resolution may be corrected by order of the council to cure editorial and/or clerical errors.

APPROVED, ADOPTED, AND MADE EFFECTIVE by the City Council of City of Sisters and signed by the mayor on this 8th day of May 2024.

Michael Preedin, Mayor

ATTEST:

Rebecca Green, City Recorder



Meeting Date: May 8, 2024

Type: Regular Meeting

Subject: Roundabout Art Procurement Process & Timeline

Staff: Prosser

Dept: City Manager's Office

Action Requested: Direction to staff on moving forward with the procurement of art for the US20 at Locust Street Roundabout.

Summary Points:

In alignment with Council Goals and with the construction of the US20 at Locust Street Roundabout, staff is developing the process of procuring art for the project.

Staff has met with and gathered information about the process from Abbey Driscoll, Transportation Project Manager for ODOT, Marcelene Trujillo, Project Coordinator for Art in Public Places (Bend, Oregon), and Kathy Deggendorfer, a member of the committee that helped select the art for the US20 at Barclay Roundabout.

The first step will be a survey asking the public to weigh in on a general theme for the artwork. This survey will be based on Chapter 2.15.2200 Public Art in the Development Code which says in part, "All sculptures and visual art shall incorporate themes related to Sisters' western heritage, culture, recreation, natural surroundings, wildlife, or history..." The survey will be distributed via the newsletter, Facebook, and the website.

A selection committee will be formed based on each person's technical or artistic expertise and consist of at least one member from the Sisters Art Association, one member from the selection committee for the US 20 and W Barclay Roundabout project, one representative from Explore Sisters, a community member with experience in larger scale art installations, and an art teacher from the Sisters School District. Non-voting members will include Abbey Driscoll from ODOT, Public Works Coordinator Jackson Dumanch, and Assistant City Manager Kerry Prosser.

With guidance from ODOT and "Art in Public Places" a Call for Artist will be developed. The Call will be posted on the [CaFE](#) website (the "Call for Entry" or CaFE website is used to solicit Public Art). This call will be open to Artists or Artist Teams residing in the Northwest and Southwest United States, specifically Oregon, Washington, Idaho, Montana, Nevada, California, Arizona, Texas, New Mexico, Wyoming, Colorado, and Utah.

The art selection committee will review the submissions, and after technical review by ODOT, up to four finalists will be selected. The finalists will have approximately three months to



make a site visit and create a design rendering of their proposed artwork. Each artist will present their proposal to the committee and the models will then be put out for the public to view and weigh in on the artwork. The committee will recommend a final piece based in part on the community's input. The Council will ultimately select the artwork.

The approximate completion date of the installation of the art is the Fall of 2025.

Financial Impact: \$150,000 – from the Urban Renewal Area Budget

Attachments:

1. ATTACHMENT 1: Draft Procurement Timeline

Draft US20 at Locust Street Roundabout Art Procurement Timeline

Survey on theme of artwork	May/June 2024
Selection Committee Formed	May 2024
Call to Artists	Late June 2024
Applications Due	August 30, 2024
Notification to Finalists:	By Sept. 30, 2024
Design Time & Site Visit	October – Nov. 2024
Artist Presentation of Design Renderings	Dec. 2024 – Jan. 2025
Public input Display	January 2025
Commission Selection	Mid- February 2025
Installation Complete	Summer/Fall 2025