

LA PINE CITY COUNCIL SPECIAL EMERGENCY MEETING AGENDA

Friday, April 30, 2010

Special Emergency Session - 8:30 a.m.

51340 Highway 97, La Pine, Oregon 97739

South County Building Meeting Room

1. Call to Order
2. Establish a Quorum
3. Pledge of Allegiance
4. Approval of Support Letter for Little Deschutes Lodge – Phase II
5. Adjourn

Pursuant to ORS 192.640, this notice includes a list of the principal subjects anticipated to be considered or discussed at the above-referenced meeting. This notice does not limit the ability of the City Council to consider or discuss additional subjects. The meeting is subject to cancellation without notice. The meeting is open to the public and interested citizens are invited to attend. 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 at least 48 hours before the meeting to Luana K. Damerval at (541) 536-1432.

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Friday, April 30, 2010

Special Emergency Session - 8:30 a.m.

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South County Building Meeting Room

1. Call to Order

The meeting was called to order by Mayor Shields at 8:33 pm.

2. Establish a Quorum

Roll Call

Present Were:

Mayor Kitty Shields – via telephone conference
Councilor Doug Ward- excused by prior arrangement
Councilor Barbara Hedges
Councilor Adele McAfee – via telephone conference
Councilor Don Greiner
City Attorney Jeremy Green – via teleconference at 8:59 am
City Recorder Luana Damerval
Admin Ass't Patricia Morgan

Quorum established.

3. Pledge of Allegiance

City Recorder Damerval led the Pledge of Allegiance

4. Approval of Support Letter for Little Deschutes Lodge – Phase II

City Recorder Damerval read a staff report regarding why this meeting was designated as a Special Emergency City Council Meeting because of the following:

- Mr. Rob Roy of the Little Deschutes Lodge has requested a letter of support from the City of La pine, with a deadline of April 30, 2010, which is today.
- There has been an issue with information that was submitted on an application from Mr. Roy that needed to be resolved. A meeting was held yesterday morning, April 29, 2010, with governing jurisdictions and the issue was resolved. Up until that meeting, the City was not in a position to provide an informed decision regarding a Letter of Support for the Little Deschutes Lodge Phase II Project, until it obtained certain information from the developer.

As a result of this meeting, we are anticipating an amended application from the developer, to clarify some of the information provided on that application.

This letter of support is required by April 30, 2010, today, to be sent to Mr. Victor Merced of the Oregon Housing and Community Services, in order for this project to move forward.

Mayor Shields stated that she felt informed enough to make a decision on the request for a Letter of Support. Councilor Hedges stated that she was still unclear about what had been resolved. Councilor McAfee stated that she just had a brief conversation with City Recorder Damerval regarding some of the issues with the application but that was all she really knew about it.

Mayor Shields stated that there was confusion on what formulas they were using to come up with the tax abatement amount. She said as a result of the April 29th meeting, the City will be receiving an amended application from Little Deschutes Lodge Phase I. Councilor Greiner stated that after a discussion with City Attorney Green this approval will put Little Deschutes Lodge on track for Phase II. He said he would like to move forward and if they are not happy with the revised application they could send a letter retracting their support. Mayor Shields said it will not change the amount of rent for the tenants.

00:08:40

Councilor McAfee stated she believed she was excluded from prior discussions on this topic and did not feel comfortable voting on the Letter of Support.

Mayor Shields requested a motion for approval of the Letter of Support with the acknowledgement that obviously the Council had the right to withdraw that support.

Public Comment

Vicky Jackson, area resident, said she did not understand why Rob Roy did not state the deadline he would need for his Letter of Support at a previous City Council Meeting. Mayor Shields said she could not answer for him. Ms. Jackson then stated that this meeting was in violation because there was no minimum 24 hour required notice. She said this was not an emergency for the City of La Pine; it was only an emergency for the contractor. Ms. Jackson said it did not make sense that the Council was going to approve the Letter of Support now but when they receive the amended application possibly rescind their support. Mayor Shields stated that they never said they were going to rescind their support, if they did not receive clarification on the application that was deemed appropriate they reserve the right to revoke approval. She also said that the public might see this as the City holding up a very beneficial project to the community.

Councilor Greiner stated that the project will go ahead regardless, but as a City we need to let our constituents know that there is a need for additional housing and that the Council is willing to support it. He said he thinks that there were about sixty potential applications submitted.

00:16:20

Councilor Hedges stated that this is another example of how the Council is given something to vote on without all the facts and she is very uncomfortable with approving a Letter of Support. Mayor Shields said that she understood from Rob Roy, that this Letter of Support was very important to the project. Councilor McAfee also complained about a lack of information about the legal issues that were involved. She said she would have to go on record as abstaining from the vote because of a lack of details and she was very upset about it.

City Recorder Damerval stated that the meeting on April 29th was held with the tax assessor for Deschutes County, City Attorney Green, County and City of Bend attorneys, Rob Roy and his business associates. Councilor McAfee requested to try to get City Attorney Green on the teleconference to clarify some issues for the Council.

Public Comment

Vicky Jackson, area resident, asked if she could review a copy of the application that was distributed to the Council for the April 14th City Council Meeting. She said she was told she could make that request after the meeting if she so desired.

00:25:30

City Attorney Green joined the meeting via teleconference. Councilor McAfee said she did not know the details of the discrepancies. City Attorney Green stated that under State Law the City was required to submit the application to the County for processing last winter. He said when they submitted it, the County discovered that there may have been some errors as it relates to the amount of the tax exemption. City Attorney Green said that the numbers that the Developer had identified did not agree with the numbers the County had calculated. He said the County then contacted him about the discrepancy. City Attorney Green said that over the course of the last few weeks he has been working with the County and the City of Bend to resolve these issues. He said he spoke with Mr. Roy about some of the concerns with the application and had suggested setting up a meeting with staff from the County and Cities of Bend and La Pine. City Attorney Green said that on Thursday, April 29th, there was a meeting held with staff from Deschutes County, the City of Bend and also the City of La Pine, the Developer and other persons to figure out if they had an issue and if so, how it could be resolved. He said the reason for the discrepancy was discovered because in the application the amount of the tax exemption was based on the Developer paying taxes on a special assessed value. City Attorney Green said a 'special assessed value' would reduce someone's tax liability and would not be based on a full 'real market value.' He said the amount of the tax exemption in their application was less than if it had been based on 'full real market value.' City Attorney Green said that their position was that even though they did not submit the 'special assessed value application,' that was how the building would be taxed and therefore those were their numbers. He said their numbers were based on that at a minimum the property would be subject to this lower tax value and that is what their numbers reflected.

00:32:15

City Attorney Green said that either way the tax savings were going to be passed onto the renter. He also said if the State does not approve it, the project does not go forward. City Attorney Green said he thinks it is appropriate that the Developer amend their application to reflect the 'actual tax value' and that the City Council needs to know real numbers like the 'special assessed value' as well as the 'real market value.' He said the amended application should go before the City Council and ultimately be approved by the Council. City Attorney Green said the Developer is looking for a Letter of Support from the City for new projects, like the Phase 11 of the Little Deschutes Lodge. Councilor Greiner asked about a communication he had with the City Attorney, earlier in the week, and that he understood that if the Council went ahead and gave this particular Letter of Support it would not mean that if the City came up with findings later on, and found it was inappropriate to have sent that letter, they could send a second letter withdrawing their support and listing the reasons for it. City Attorney Green said if there were errors or issues, he did not see why the City could not follow up with another letter stating those issues or errors. In response to a question from Councilor Hedges, City Attorney Green said that the revised application for Little Deschutes Lodge Phase II had probably not yet been completed. He also said that there is a need for much more

communication between the Developer, the City and the County before they proceed with these types of projects in the future.

Councilor Hedges said it could be an embarrassment to the City either way because if the Council approved the Letter of Support it could later turn out to be a mistake but if they do not approve the Letter of Support that decision could turn out later to be a mistake.

00:41:00

Public Comment

Vicky Jackson, area resident, asked what were the discrepancies City Attorney Green was referring to in the application. City Attorney Green said the amount of the tax abatement that was identified on the application was not in agreement with the actual numbers the County came up with. He said he believes Little Deschutes Lodge had an amount of \$4,000 and he thinks the County had numbers between \$8,000 and \$18,000.

Councilor Greiner asked if the renters would get an additional savings from these changes. City Recorder Damerval said that the savings were never included in the rent from the beginning. She said the rent was determined on a dollar amount with zero taxes. Councilor McAfee suggested that the initial staff report should have more information as to why the Emergency Meeting was being called. Councilor Hedges asked how long the City would have to rescind their approval. City Attorney Green said that he expects the problems to be resolved and so the City would not need to rescind their approval.

00:46:40

Public Comment

Vicky Jackson, area resident, repeated that in terms of the required minimum 24 hour notice, the City was in violation of it because the reason for this meeting was not considered an emergency. City Attorney Green stated that he disagreed with her and that under the circumstances it was an emergency. He said that for an Emergency Meeting it can be held with less than 24 hour notice. He said since the City just received the information at 11 am on April 29th, in light of the time sensitivity in respect to the support letter, he did not know what else would be considered an emergency. He said he does not know how the City could have prepared for it, how they could have anticipated it, ideally they would have liked to have provided the 24 hours notice.

A motion was made by Councilor McAfee and seconded by Councilor Hedges to Approve the Support Letter for Little Deschutes Lodge Phase II.

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Shields</i>	<i>X</i>	
<i>Councilor Hedges</i>	<i>X</i>	
<i>Councilor McAfee</i>	<i>X</i>	
<i>Councilor Greiner</i>	<i>X</i>	

Motion passed unanimously.

5. Adjourn

A motion was made by Councilor Greiner and seconded by Councilor Hedges to Adjourn the Meeting.

<i>Vote as follows:</i>	<i>AYE</i>	<i>NAY</i>
<i>Mayor Shields</i>	<i>X</i>	
<i>Councilor Hedges</i>	<i>X</i>	
<i>Councilor McAfee</i>	<i>X</i>	
<i>Councilor Greiner</i>	<i>X</i>	

Motion passed unanimously.

Mayor Shields adjourned the meeting at 9:28 a.m.

Mayor Kitty Shields

Attest:

City Recorder Luana Damerval