

Approved July 2, 2014

BE IT REMEMBERED THAT the Crook County Court held a Regular Session on June 4, 2014 beginning at 9:00 a.m. in the County meeting room located at 320 NE Court Street, Prineville, Oregon. In attendance were: County Judge Mike McCabe; County Commissioner Ken Fahlgren; County Commissioner Seth Crawford; County Counsel Jeff Wilson; Assistant County Counsel Eric Blaine and County Court Secretary Colleen Ferguson.

Member of the public signing the attendance log were: MaryLou Bernard, Prineville; John Gilbert, Bend; Sher Eriksen, Prineville; Dave Scott, Prineville; Jerry and Darlene Harpster, Prineville; Charleene Harmon, Prineville; Rob Roy, Bend; Richard, Bonine, Crook County Parks and Recreation, Prineville; Rebekah Burkhardt, Sheriff's Office; Casey Daly, Crook County Fairgrounds; Stacey Bernard, Tax Office; Dar Martin, Tax Office; Kathy Gray, County Treasurer; Crook County Sheriff Jim Hensley; Camille Wood, County Library Director; Brenda Comini, Human Services; Monica Poch, St Charles PMH; Rita Amodeo, Erickson's Thriftway, Prineville; Lauren Olander, American Cancer Society, and John Amodeo, Erickson's Thriftway, Prineville.

The media received notice of this meeting.

Judge McCabe called the meeting to order and invited MaryLou Bernard to lead the Pledge of Allegiance.

Consent Agenda

1. **Approve Order 2014-28, Increased Appropriations, Grant Funds**
2. **Approve Order 2014-29, Appropriation Transfer, General Funds, Grant Funds**
3. **Approve Amendment 1 to Youth Development Agreement (#9882).**
4. **Approve Vehicle Use agreement with Mosaic Medical**
5. **Approve Amendment 2 to IGA Contract for Professional Services #9744**
6. **Removed/ duplicate of #7 Approve Lease Agreement with Department of Administration Services**
7. **Approve Notice of Termination regarding lease agreement between Crook County and State of Oregon, office space in County Annex Building**
8. **Approve Addendum to IGA between Deschutes and Crook for Road Master Admin Svcs**
9. **Approve Isaacman Bargain & Sale Deed; County to record – Second Execution**
10. **Approve Bargain and Sale Deeds, Michael Green (two lots)**
11. **Approve sixth amendment to 2013-2015 IGA , financing of community addictions and mental health services**
12. **Approve signature of letter of support, ODOT grant, transportation and growth management program**

The Court reviewed the Consent Agenda including #6 removed due to duplication. There were no additional changes made to the Consent Agenda.

Motion

Commissioner Fahlgren moved to approve the Consent Agenda as presented. Commissioner Crawford seconded the motion. The vote was 3-0, motion carried.

Presentation/ Ironhorse Lodge, Affordable Housing presentation, tax discussion,/John Gilbert and Rob Roy of Pacific Crest Affordable Housing

John Gilbert and Rob Roy, Pacific Crest Affordable Housing, presented an informational handout to the Court members and members of the audience. Included in this handout were a spreadsheet of valuation, colored photos of other affordable living facilities built by Pacific Crest and the basic architectural site and floor plan for the proposed two story facilities. These facilities would be built on a four and one-half acre lot on the east side of Ironhorse. There would be two phases, both with 26 apartments, most being one bedroom and three or four two bedroom units. The criteria would be low income and 55 years of age or older. The rent will be structural with different levels based on income, and the rental amount would range from \$299.00 to \$625.00 per month. Funding for the facility would come from Oregon Housing, Community Services, Federal and State. The tax credits are the largest cash equity.

Mr. Gilbert said the cost is estimated at \$5.5 million per phase. There would be institutional partners involved. Mr. Gilbert explained there were two types of funding: “for profit” and “not for profit” companies. He discussed the developer fee based on \$5 million. This project is listed as a small project with the developer fee at 12 to 15 percent of the project cost. The partners would own 99.99 percent and Pacific Crest would own 1 percent for fifteen years. In year 16, Pacific Crest would become full owner.

Mr. Gilbert said generally there are 1/3 of the residents in the 55 to 65 age, 1/3 in the 65 to 75 and 1/3 in the 75-85 age brackets. With the younger residents helping the older, there is a strong sense of community created within the building. There is an interior hallway instead of an exterior door for entrance. This helps keep people from becoming isolated especially during the bad weather months. People can easily come and go, walk around inside the building and rub elbows with the neighbors. This leads to better health and allows people to live independently.

Rob Roy provided information regarding the rent costs. The \$299 rate assumes a granted tax exemption. If there is no tax exemption, that figure would be higher. The rental amount includes all utilities except phone. Mr. Roy said the average for build out is usually five years. Three and one-half of those years, the Pacific Crest is actively involved. There is an average of four and one-half people working at the company. The developer fee will be \$700,000 to \$725,000 over a three year period divided by four people. Mr. Roy said this is not a get-rich-quick scheme; it is done by people who generally have a mission. He said there is always a risk and if the budget has an overrun, the developer fee goes down. In terms of risk, the margin is very slim.

Discussion was held as to why the age 55 was included. Mr. Roy said that federal regulations for funding state that 55 is a senior. Other funds say people must be 65 or older. Pacific Crest chose to use the 55 age. It works better to have a mix for funding. According to demographics, in Crook County 22 percent of the people in the 55 age bracket are listed as poor.

Commissioner Fahlgren asked for clarification on cost. Phase 1 is \$5.5 million. The plans would be to open the doors in January of 2016. If funded this year, Pacific Crest would then put in for Phase II. The limited funding across the state was discussed.

The Court asked what the Court could do to help. Mr. Gilbert said that by granting the tax exemption it would show Salem that the community is in support of the project. There is no funding asked for at this time and there are no plans to ask for any funding in the future. Mr. Gilbert said they are asking for a 20-year tax exemption for both phases.

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Judge McCabe asked if they will be using local companies and workers for this project. Sun West Builders out of Redmond is the contractor. Sun West has done projects in Crook County before. Pacific Crest will encourage Sun West Building to put bids out to Prineville and Crook County companies.

The Court was advised that the City of Prineville granted the tax exemption last week. Next week, Mr. Gilbert and Mr. Roy will be meeting with Parks and Recreation and then on to the School Board. They are requesting 100 percent property tax exemption. If there are no property taxes, the result will be lower rents. The exemption results in a savings of rent of \$16.00 per unit per month.

Further discussion was held regarding non-profit groups that pay no taxes but do still received a development fee. Mr. Roy said there is a different level fee, different skill set for the environment. Mr. Gilbert said personal taxes will be paid on the income.

Brian Huber, Crook County Assessor, said that if everything is submitted as requested and required, this project does qualify for the exemption. The ground to be purchased is now on farm deferral, and the County will collect 10-year's back taxes for the deferral. Pacific Crest plans on the seller being responsible for payment of the 10-year back taxes.

Discussion was held on how Deschutes County shows a higher assessed value but doesn't show the special assessed value. Explanation was given regarding the Deschutes County tax exemption and the funding given by Deschutes County for this type of project from fees collected through permits.

Commissioner Crawford asked about the ongoing maintenance and aesthetics. Discussion was held on the quality of materials used in building the facilities, the insulated concrete and Styrofoam, the energy efficiency and the steps to increase energy efficiency each time another building is built. The plan on a spreadsheet calls for replacement of carpet, paint, vinyl and appliances every seven (7) years. Money is put into reserves at \$400 per unit per year for maintenance and upkeep in future years.

Mr. Roy offered further explanation regarding the permanent lenders, the money involved and the four parties that have oversight, ongoing every year.

Further discussion was held regarding the funds provided by Deschutes County to the affordable housing fee fund from the building fees. The funding is usually a loan with below market rate interest. Mr. Roy explained never having to go back to ask for additional funding. He discussed the LaPine project and the property and contribution of staff time provided by Deschutes County.

Mr. Roy said he believes the tax exemption is all the company needs from Crook County.

Motion

Commissioner Fahlgren moved to allow a property tax exemption status for Ironhorse Lodge Phases I and II. Commissioner Crawford seconded the motion. Discussion. County Counsels Jeff Wilson and Eric Blaine discussed the need for the County to adopt a program to be put in place for this exemption. A member of the Pacific Crest Affordable Housing said the City has already adopted such a program and because the project is located within the City limits the City of Prineville is considered the "governing body" and is the only entity the must adopt the program. According to the Pacific Crest representative, the only action required by the County is to approve the exemption. The vote was 3-0, motion carried.

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**Review and approve—Declared conflicts, payments of bills/ Dar Martin/
Approve Order 2014-27—Treasurer’s Office/ Distribution of foreclosed property sale funds/ Dar
Martin**

Dar Martin, Treasurer, Finance and Tax office, provided a binder of declared conflicts for bills during FY 2013-2014. Actual or potential conflicts were declared for: Judge McCabe for Prineville Men’s Wear, his sister is the wife of the proprietor; Commissioner Fahlgren for Samson and Son, and Advanced Cabinetry, both companies belong to relatives of Commissioner Fahlgren, and Commissioner Crawford had potential or actual conflicts to report.

Ms. Martin presented Order 2014-27, an order listing the distribution of funds from foreclosed property sales. The total amount is \$54,901.23 with \$26.26 being the interest earned.

Ms. Martin explained Exhibit B, the list of the sales with the County and the Districts each to receive half the funds, and Exhibit C, the original 1996 order that specified the division of the funds.

Motion

Commissioner Fahlgren moved to accept Order 2014-27 as presented. Commissioner Crawford seconded the motion. Judge McCabe read the title of the order. The vote was 3-0, motion carried.

County Budget Hearing/ Kathy Gray, County Treasurer

The Court briefly discussed the creation of the Compensation Study Review Committee. Kathy Gray, Mike McCabe and Casey Daly will serve. There will be another two appointed to the committee.

Judge McCabe opened the Public Hearing for input regarding the proposed County Budget that will be submitted for adoption on June 18, 2014. There were no comments received. Judge McCabe closed the Public Hearing. Ms. Gray presented changes to the budget with \$13,500 added to personnel costs in the Treasurer’s Office, Administration, Sheriff’s Office and District Attorney’s Office. This will reduce the contingency with the new amount of contingency at \$509,000.

Discussion was held regarding funding for Video Lottery and Title III, Emergency Management and ATV funding, Sheriff’s Department transfers and funding were discussed.

Motion

Commissioner Fahlgren moved to approve the budget changes in the amount of \$13,500 leaving the contingency at \$509,000. Commissioner Fahlgren seconded the motion. The vote was 3-0, motion carried.

The County took a short break at 10:00a.m. and reconvened at 10:15 a.m.

**Presentation, Relay for Life information and request for use of Fairgrounds facilities. Brenda
Comini**

Monica Poch, Tri-Chair of the Relay for Life event in Crook County and John Amodeo, Logistic Chair for the Crook County Relay for Life presented information regarding the change of venue for the event, moving from the Ward Rhoden stadium that is currently undergoing renovation to the stadium and repairs to the track, and moving to the Crook County Fairgrounds, using the grassy area, the pavilion and the new

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building as well as three sets of restrooms. The new site will work well for the event and there will be other events happening at the Fairgrounds that weekend that may bring more interest to the Relay event.

Brenda Comini, Tri-Chair, reported on last year's events that involved 350 actual participants as well as visitors and the special luminaries' event that attracts many to the Relay event in the evening. Last year, the event raised the amount of \$62,000 gross that will stay locally in the County area to be used to assist local citizens dealing with cancer for travel, lodging, special needs and other items as needed as well as research. Ms. Comini said the Cancer Society appreciated the sponsorship of the County and would like to have it this year more than ever. Monica Poch, providing service with the Mammograms in Crook County, said this year St. Charles, Pioneer Memorial Hospital is more involved than before and is a great partner. This year, they are providing the sponsorship for survivorship.

The Court discussed the setting up of the camps at the relay and the judging of the camps as they go along with the theme. Mr. Amodao pointed out that 100 percent of the money raised at this event comes back to Crook County.

The Court explained that the County will look into a way of covering the costs at the Fairgrounds for the event. Brenda Comini, Monica Poch, and Fran Carter are the Tri-Chairs of the event and are available for answering questions.

The Court thanked Brenda Comini for all she does for the County. Ms. Comini said she wanted to recognize the County for their contribution and the Fairgrounds as well. They will be listed as sponsors for the 2014 Crook County Relay for Life Event.

There being no additional items to discuss in Open Session at this time, Judge McCabe adjourned the Court out of Open Session and into Executive Session under ORS 192.660 (2) real Property.

Executive Session
ORS 192.660(2)(e) Real Property

The Court discussed the matter presented to them during the Executive Session under Real Property. Following the discussion, Judge McCabe adjourned the Court out of Executive Session under ORS 192.660(2)(e) Real Property and back into Open Session.

Open Session

Judge McCabe reconvened the Court into Open Session following the Executive Session under ORS 192.660(2)(e) Real Property and invited the public back into the Open Session in the Court meeting room.

The Court agreed to bring the item discussed in Executive Session under ORS 192.660(2)(e) Real Property back for further discussion on June 18th. There being no further business requiring action by the Court, Judge McCabe adjourned the meeting.

Respectfully submitted,

Colleen Ferguson
Crook County Court Secretary