

**SUNRIVER OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
December 18, 2006  
Discussion Minutes**

**PRESENT:** Bolin, Brannan, Day, Hartung, Pitner, Thatcher, Thomas  
**STAFF:** Chapman, Peck, Snavelly

President Hartung called the special Board meeting to order at 3:00 pm.

**SILVERSTAR DESTINATIONS AGREEMENT**

Barbara Wade, negotiating team leader, recapped the negotiating process and provided highlights of the agreement and zoning language. She said the purpose of the negotiating team was not to make the negotiations a match of wits, nor to keep score. Negotiations were based on a number of assumptions: 1) redevelopment of the mall is good for Sunriver, 2) it is what owners want (meets recommendations of Sunriver Strategic Plan and few negative comments have been heard), 3) SilverStar's proposal is the only project on the table, and 4) Bill Peck had the most contact with SilverStar personnel and had developed a level of trust in the project.

However, the negotiating team was mindful of potential problems that might arise, such as SilverStar not developing the project and just selling it or parceling it off. Or the market might sour and SilverStar might not complete the project or take forever to do so, or even end up in bankruptcy. So, numerous safeguards are built into the agreement: 1) a development plan must be submitted and approved by SROA, 2) 50% of the site must remain as open space, 3) only 30% of the site can be exclusively residential, 4) a minimum amount of retail space is specified, 5) ground level residential is restricted to 50% in mixed use buildings, 6) the project is subject to Design Committee review, 7) each development phase must include retail in addition to residential, and 8) the overall residential density is limited to 22 units per acre (approximately 583 units). The market place will also constrain the developer as the development must be acceptable to the public if they are to sell their product.

Barbara then went through the agreement and zoning language pointing out significant features and places where changes had been made since the Board last reviewed the documents.

Director Brannan moved that we adopt Exhibit A for the Town Center District as submitted. Seconded.

President Hartung said the negotiating team had done a good job coming up with an agreement that will allow SilverStar to proceed. Now it is the Board's job to look at each component and decide what is best for Sunriver. Director Pitner said she is not sure she is comfortable with the project, especially the building heights. Director Thatcher asked the negotiating team how comfortable it is with the zoning language for any development that might happen at the site. Barbara replied that the zoning is almost impossible to do without reference to a design. Ron replied that any developer will need return on investment to drive up the quality and we cannot have a redeveloped village without residential. If we want 50% open space, then the development must go up. The proposed ridge heights permit the developer to take the risk while preserving open space and having the protection of the Design Committee.

Director Bolin moved to amend the main motion to amend Section J to limit residential to 17 units per acre, or 450 units total. Seconded.

Director Thomas asked why 17 units? 450 units is only a number; I can support 583 units. Director Bolin responded that the project will overstress the infrastructure. People bought in Sunriver because

they like it the way it is. 583 units will irretrievably change the character of Sunriver. Director Hartung commented that the real issue is how many bedrooms would be built but that is difficult to address through zoning. Director Day said the difference between the two numbers is 130 units. Will this many additional units stress the system? If we reduce the units, the developer might go back to a project that includes only the DBSI property. Director Brannan said that if you restrict the number of units to 450, they will be bigger and you will lose the mix of prices and people will be priced out.

Director Hartung said this is going to be very important to Sunriver and we will need to give attention to the infrastructure. The project will generate some funds to accommodate improvements. Director Pitner said the building heights in the projects used to illustrate SilverStar's vision were in scale with their mountain setting. Building height bothers her the most and she is concerned about how the project was presented with so little information.

Director Bolin asked why there are no restrictions on bedrooms or square footage? Director Hartung asked the negotiating team what they would do if they had more time. Barbara replied that a deadline can be a good thing for negotiations and that you need a level of trust as we had in the property exchange with the Resort even though they were new in Sunriver. Director Pitner responded that Lowes had experience. Director Hartung stated that historically we like to see things laid out in detail before we make decisions and we are operating with more ambiguity and risk. He would have liked to have seen more detail, although he does not believe it was withheld from us to deceive us, but that SilverStar simply did not have the information. Barbara pointed out that the answer to the lack of detail was to build in the safeguards. Director Thomas said maybe the height is not right or there are too many people, but we only have one option. Director Bolin said that if these zoning changes go through, developers will be standing in line. Director Hartung said we can say no, but we risk losing this developer.

The motion to amend the main motion was defeated. Directors Brannan, Day, Pitner, Thatcher, Thomas opposed.

The main motion was approved. Directors Bolin and Pitner opposed.

Director Thomas moved adoption of the agreement between SROA and SilverStar Destinations as modified in Section 1.2 to include the comprehensive plan map and zoning map. Seconded, approved. Director Bolin opposed.

### **OTHER BUSINESS**

The Board discussed a letter received from Sunriver Resort LP asking SROA to remove restrictions placed on Resort property during the 1994 land exchange. Barbara Wade commented that the voters approved those use restrictions along with everything else in the voter's pamphlet and we will have to go to the owners for another vote. She recommends that the development restriction on 112 acres along the river should remain. Director Day said we are changing zoning only because it will add value to the community and is afraid adding the Resort issue to the ballot will jeopardize both issues because it will be too complex. Director Hartung said the Resort will need to let us know what they want to do if the restrictions are lifted.

Steve Runner, Sunriver Resort Director of Development Planning & Construction, said the zoning changes increase the value of the commercial property and SRLP property is devalued. Linkage is necessary to make sure one does not happen without the other. Director Hartung asked about the relationship of the Resort with SilverStar Destination. Steve replied that there was no formal relationship at this time.

**Adjournment:** The special Board meeting adjourned at 5:35 p.m.

Respectfully Submitted,

Kathie Thatcher, Secretary