

**CITY OF JOHN DAY
CITY COUNCIL MINUTES
JOHN DAY, OREGON**

May 23, 2017

Adjourned Meeting

COUNCILORS PRESENT:

Paul Smith, Councilor
David Holland, Councilor
Steve Schuette, Council President
Gregg Haberly, Councilor
Lisa Weigum, Councilor
Ron Lundbom, Mayor
Donn Willey, Councilor

COUNCILORS ABSENT:

STAFF PRESENT:

Nicholas Green, City Manager
Monte Legg, Public Works Director
Janine Weaver, Secretary

Aaron Lieuallen, Public Works Senior PM
Richard Gray, Police Cheif

GUESTS PRESENT:

Dale Rininger, John Day
Sherrie Rininger, John Day
Farrell Clark, Clark's Disposal
Angie Jones, People Mover
Logan Bagetto, KJDY

Rylan Boggs, Blue Mountain Eagle
Louis Provencher, John Day
Brett Moore, Anderson Perry
Ashley Stevick, John Day
T. Hunter Born, John Day

Agenda Item No. 1 – Open and Note Attendance

The John Day City Council meeting opened at 7:00 p.m. Mayor Lundbom noted all councilors were present.

Agenda Item No. 2 – Approval of City Council Minutes of May9, 2017

The minutes of the May 9, 2017, City Council meeting were included in the agenda packets and were presented for the Council's approval.

Councilor Schuette moved to adopt the minutes. Councilor Holland seconded and the motion passed unanimously.

Agenda Item No. 3 – Appearance of Interested Citizens

Council President Schuette welcomed visitors in the audience.

Agenda Item No. 4 – Next Steps in Oregon Pine Redevelopment

City Manager Green reviewed with the council the purchase and sale agreements of the Oregon Pine property. There are two purchase and sale agreements because 3 acres of the property is owned by Grant Western and 54 acres is owned by DR Johnson Lumber Company. Starting with the DR Johnson, City Manager Green went over some of the purchase and sale agreement details:

- Purchase price of \$490,000. The City will pay \$441,000 at closing and retain the balance of \$49,000 as security. The security is to ensure cleaning up the exception and that removal of the sawmill equipment is completed to the City's standards including no damage to the building. If

in 180 days the exceptions are not resolved, the City will be responsible for clearing up the easements. None of the easements will interfere with the City's use of the property.

- 3.2 List all the special exemptions that are addressed in the exhibits. Many have been deleted this week and there is a handful left.
- Section 7 list the post closing obligations including the removal of the exemptions.
- 7.2 is the annexation and transfer of six acres to Iron Triangle for a sale price of \$58,800.
- 7.3 gives DR Johnson 90 days to remove equipment from the saw mill and two hydraulic tanks. The City will have to address the shop oil and two areas of soil. The City will use DEQ's remediation program to address them. The more recent oil spills from moving equipment will need scooped up and removed.

The purchase and sale agreement for the Grant Western three acres has the same basic terms as the first but the purchase price \$29,000 with \$26,100 paid at closing and \$2,900 retained as security.

City Manager Green proposed a recommended motion to allow City Manager Green to sign on the City's behalf to close the sale. The council already passed a motion to have Mayor Lundbom sign the agreement but with last minute changes to the purchase and sale agreement Mayor Lundbom will be out of town and unable to sign the documents tomorrow.

City Manager Green reviewed the financing terms by Business Oregon's Finance Authority (IFA). IFA will finance 100% of the purchase price with an annual interest rate of 3.78% and 30 years repayment terms. The annual payments will use less than 4% of the operating contingency budget. In 2021, when the treatment plant is operating, the property can be refinanced as part of the treatment plant. The payments will be drawn from the Sewer Fund contributed by the City of John Day and the Canyon City.

City Manager Green explained the requested property line adjustments. At the location where 7th Avenue would connect with Patterson Bridge Road the property line narrows to about 25 feet. This is large enough for the street but another ten feet or more would allow for sidewalks, storm system and conduit. City Manager Green has discussed with Clark's Disposal the potential of doing a land exchange. This would allow the City to straighten out their property line for the 7th Ave-Patterson Bridge Rd. connection and give Clarks land to the east of their office for parking and turning around trucks. A public hearing would have to happen before the land exchange. It is close to the same amount of property that would be exchanged. A large portion of the area the City would receive is the Clark's front yard.

Mill's Building Supply has grown out on the East side of the property. City Manager Green talked with Mr. Mills about selling at cost part of the area encroached upon and part behind Mill's which would also clean up the jagged property line. The City would then put up a privacy fence to separate the commercial property.

Robert Watt has also requested to purchase about half of an acre behind JD Rents. Councilor Weigum is hesitant to begin parting off pieces of the property when the property lines will not be as clean and there has been no history of encroachment. Councilor Smith suggested if the property line diagonal was extended to go behind Mr. Watt's building, the property line would still be as clean. City Manager Green will bring the council two possible options for Mr. Watt's property to review.

All property transactions will have the purchaser paying for surveying work. The City will not incur any expense associated with the lot line adjustments. The City will work with Clark's Disposal and share costs because of the land exchange.

City Manager Green explained DR Johnson had an environmental assessment and the City had a phase one assessment which cost \$2,300. There were 12 total findings. Of the 12 findings, only three will require a phase two assessment. DR Johnson has already remediated the bulk of the findings. The recent oil spills from the tractors do not require a phase two but the City will be responsible for removing them. The three requiring additional assessment are:

- The sump pump in the truck shop needs to be drained, cleaned out and then inspected. There will be concrete bores to check for contamination. If there is no contamination, the remediation step is to fill the tank with concrete.
- The reddish-orange stained soil adjacent to the sorter shed. There is no vegetation growing there and the stain is believed to be from paint sprayed on logs after being sorted. There will be a soil test for possible contaminants from the paint. If the test results are negative, the soil will be removed and disposed of. If the results are positive, DEQ has a program to fund all but 10% of the remediation costs.
- A 15 by 15 foot oil stain area is believed to be caused by electrical transformers still present as of 2013. There will be a soil test for petroleum and polychlorinated biphenyls (PCBs). If the test comes back positive, DEQ will work with us on remediation. If the results are negative, the same removal process is used.

For a property this large, these are very minor. DEQ will provide up to \$60,000 of funding for the phase two analysis before mediation. DEQ's remediation program only requires a 10% match.

City Manager Green explained that the City, with the assistance of Anderson Perry, will be applying for a Category 2 Transportation Management Grant (TGM grant). It is up to \$200,000 in funding for integrated land use and transportation. This would include roads, parking and trails. The match is 12% of the total funding. This grant would be awarded in August which is when the team would be put together for the area development strategy. The deliverable would be a phased approach for land management and structural improvements and include some of the civil engineering.

Phase one of the land development is:

- Extension of 7th Avenue
- Trail on north side of the river
- Re-decking the bridge at Oregon Pine. The structure of the bridge is good.
- Building a street connection to Valley View and cross streets. Iron Triangle has allowed us to use their property in the review to look at options to connect to Valley View. Councilor Haberly suggested talking to the building owners of the Forest Service building about using their street.
- Pedestrian bridge connection to Riverside Home Park
- Parking for future structures
- Sidewalks along Highway 26
- After 2021 look at access to old treatment facility

City Manager Green explained that if the City is able to build a smaller footprint treatment plant, more options would open for the remainder of the property. Councilor Holland requested that City Manager Green look into floodplain mitigation with the property that could lower the floodplain level before all the road and trail plans are finalized.

City Manager Green explained that we could become eligible for block grants up to \$1.5M towards community development. The block grant matches are based upon need. There are also a multitude of grants available including Recreational Trails, Land and Water Conservation and Oregon Parks and Recreation.

City Manager Green would like to explore a progressive design build for the treatment plant and the other community facilities. This would bring the construction team on earlier in the process. It is a different approach but would help keep scope creep costs down. Mr. Moore with Anderson Perry said that knowing the pros and cons of PDB is important to decide the best implementation.

City Manager Green explained the phase two facilities development. The City received the award from the Oregon Water Resources Department which will fully finance the feasibility study for the treatment facility. The rest of the community facilities listed are options that could be completed as time and funding permit. City Manager Green would like to complete a walkthrough of the property with the council to share the ideas.

City Manager Green introduced Aaron Lieuallen the new Public Works Senior Project Manager, Part-time. He has a bachelor's degree from OSU in Construction Management and 12 years of experience in housing development. His initial primary duty will be GIS mapping. As the City receives grant funding, he can be used in the grant to assist with the planning and implementation of the Oregon Pine complex. This will help relieve some of the work load from City Manager Green. Senior Project Manager Lieuallen explained he moved to the area four years ago. He has been a stay-at-home dad and is ready to get back into the workforce. He is excited to be a part of the Oregon Pine project especially with young kids.

City Manager Green explained that the Oregon Pine property is currently in the county. Perhaps the county would be willing to partner with the City on the streets before it is annexed. Ms. Jones suggested planning for bus stops with the new developments.

Councilor Willey moved to authorize City Manager Green to effect the transaction of the Oregon Pine property acquisition as described in the purchase and sale agreement, subject to legal revisions and the respective approval of the final agreement by the City Manger and the City Attorney. Councilor Haberly seconded and the motion passed unanimously.

Agenda Item No. 5 – Oregon Solutions Process Update

City Manger Green updated the council on the Oregon Solutions Focus Groups meetings. From the May 11th meeting, one group focused on the history of how our community got to where it is and specific events and how they have affected the community. The Stewardship Contract was viewed as a stop gap but not a permanent solution to our economy. The second group from May 11th looked at factors that impact and could influence our future direction and needs for the future. The next five to seven years is the opportunity to create a vision for the future of John Day. The focus group voted “respecting history and embracing opportunity” and “live and work where others come to play” as the top themes. The first relates to not changing the area's values but adding new opportunities to the community, and the second how to brand John Day as a livable destination for individuals who like to recreate. Oregon's Kitchen Table will package the focus groups' ideas into a survey to distribute to the community. They will then analyze the results to let us know the community's interests. Councilor Smith was very supportive of getting the entire community moving forward with the same project that fits multiple needs.

Agenda Item No. 6 – Other Business

Eclipse update. Public Works Director Legg informed the council he received three quotes on street striping for cross walks and stop lines before the eclipse. There is a total of 55,269 feet of striping. 4th Street striping will be narrowed The local bidder, Nate, is \$0.13 per foot and includes touch up if necessary in one year. The next lowest is \$0.18 per foot. City Manager Green said this will happen before the eclipse and will come out of the Street Fund for the cost of \$7,184.

City Manager Green proposed changing the intersection of 3rd Ave. and Bridge St. into a four-way stop. This helps with the speed on Bridge Street and the visibility of emerging from 3rd Ave from west to east.

It is a very dangerous spot and many near misses have been witnessed. Public Works Director Legg would put flashing solar powered stop signs in at the location. Mayor Lundbom would like to be sure the change is in the newsletter to be sure there is public awareness on the change.

City Manager Green suggested parking permits for specific parking areas such as the old city hall. This would allow downtown businesses the ability to park and walk to ease Main Street parking. And limiting parking on Main Street to two hours for the eclipse to eliminate people parking and not moving.

City Manager Green said the Grant County Airport has allowed us to use their property for access to the RV sites. The airport will allow non-profit vendors to use their property free of charge and charge for-profit vendors \$100 per day. City Manager Green suggests telling vendors setting up in town they must have a Special Event Permit. City Manager Green will get with the City Attorney about an ordinance for a Special Events Permit and fee schedule. Then those who are just coming for the special events would not need a business license, they would be covered under the Special Events Permit. The Special Events Permit would be required for all public property or right of way.

UPCOMMING MEETINGS:

1. 5/24 – Side walk extension meeting with ODOT, 11 AM at City Hall
2. 5/25 – Grant County Cleanup Day prior to eclipse
3. 5/26 – Council walkthrough of Oregon Pine
4. 6/2 – Council walkthrough of Oregon Pine
5. 6/13 – Next City Council meeting, 7 PM at Fire Hall, Executive Session at 6 PM
6. 6/27 – City Council Meeting CANCELLED – City Manager on leave.

Adjourn

There being no further business before the Council, Councilor Schuette moved to adjourn the meeting. Councilor Weigum seconded and the session was adjourned at 8:40 p.m.

Respectfully Submitted:

Nicholas Green

City Manager

ACCEPTED BY THE CITY COUNCIL JUNE 13, 2017

Mayor Ron Lundbom