

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

August 8, 2017

Adjourned Meeting

COUNCILORS PRESENT:

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

COUNCILORS ABSENT:

STAFF PRESENT:

Nicholas Green, City Manager
Aaron Lieuallen, Public Works Senior PM
Valerie Maynard, ECC Director

Monte Legg, Public Works Director
Anna Bass, OPG (City Recorder)

GUESTS PRESENT:

Dale Rininger, John Day
Sherrie Rininger, John Day
Shannon Adair, John Day
Rylan Boggs, Blue Mountain Eagle
Dorothy Piazza, John Day
Nick Piazza, John Day
Harmony Piazza, John Day

Peter Baer, Pinnacle Architecture
Elizabeth Baer, Pinnacle Architecture
Angie Jones, People Mover
Ashley Stevick, John Day
Rick Callak, John Day
Judith Collier, John Day
(illegible name, John Day)

Agenda Item No. 1 – Open and Note Attendance

The John Day City Council meeting opened at 6:00 p.m. Mayor Lundbom noted all council members were present.

Agenda Item No. 2 – Executive Session

Mayor Lundbom announced that council will now move into executive session.

Councilor Schuette moved to enter executive session pursuant to ORS 192.660(2)(i), which permits the council to meet in executive session to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing. Councilor Willey seconded and the motion passed unanimously.

Executive session was then held until approximately 6:30 PM.

Agenda Item No. 3 – Approval of City Council Minutes of July 11 and August 1, 2017

Councilor Smith noted that he was not present at the July 11 council meeting as indicated in the original minutes.

(Audio recording for the council meeting was not collected for the remainder of the meeting due to insufficient memory on the recording device).

Council moved to adopt the July 11 minutes, as amended. Motion was seconded and passed unanimously.

Council moved to adopt the August 1 minutes. Motion was seconded and passed unanimously.

Agenda Item No. 4 – Appearance of Interested Citizens

Mayor Lundbom welcomed visitors in the audience.

Agenda Item No. 5 – Main Street Revitalization Grant – Presentation from Pinnacle Architecture

Mr. Peter Baer from Pinnacle Architecture presented an overview to the Council on the condition of the 12,000 square foot mixed-use commercial building located at 131 W. Main Street. He described the inspection process he conducted of the building's roof, interior and exterior walls, and surrounding property. He noted that the building appeared to be structurally sound and that it was primarily wood construction, which makes the renovation and structural reinforcement easier.

Mr. Baer discussed the architectural background for the fire safety concerns identified by State Fire Marshall Dave Fields during his prior inspection. He stated the primary issue was with penetration of air and fire between the ground floor and the second story tenants. He noted a minimum of one-hour fire separation is needed, but there is no fire separation in the building currently either between the ground and second floor or between the residential tenant on the second floor and the rest of the second floor.

Mr. Baer discussed the renovation process and the estimate provided by CSDI Inc. for the interior demolition. As proposed, the second story will be completely gutted down to the load-bearing walls, and all non-load bearing walls will be removed. The roof is sound and will remain, but one of the 3-4 original buildings that make up the structure is canted slightly. This is not a concern from a renovation standpoint but he wanted the council to be aware.

Mr. Baer noted that as long as the second story remains residential, the renovation should not necessitate improvements to the ground floor and will not trigger a building code enforcement issue since there is no change in use. This would not be the case if the residential use were changed to commercial. He believes 4-6 condos can be built on the second floor (it originally had six) but there are tradeoffs within this range. Buildings with four or less do not require elevators, but over four would require ADA accessibility that can add \$150,000 or more to the cost. Additional units also require different ingress and egress requirements. He stated a four unit complex would have fairly large rooms and balconies could be built on the Main Street side to increase the value of the complex.

Baer said there are some unique architectural features of the building that could be retained, but that there are also many aspects that do not have significant architectural value that can be replaced. He showed examples of previous renovations his firm had completed, including a mixed-use retail space in the city of Condon. In that instance, the commercial tenants in the building were able to continue operating their businesses throughout the renovation process.

Baer provided a conservative cost estimate of \$1.9M to complete the renovation (including demolition costs), approximately \$250 per square foot. Mayor Lundbom asked why the price was so high given the cost to construct new homes is approximately \$150 per square foot. Mr. Baer stated the cost of \$150 is probably not realistic anymore, but the additional cost in this scenario is based on the current rates for this

type of work in the market and he would rather estimate too high and come in lower than underestimate the costs.

Council then deliberated on whether or not to purchase the building. Multiple audience members voiced their support for the project given the building's prominent location on Main Street, the decay evident in other Main Street buildings, and the lack of investment from existing landlords. Tenants of the complex were also in attendance and discussed their concerns with the condition of the building, particularly its electrical system and stormwater issues on the rear of the property.

Council deliberated about the cost of the renovation and weighed that cost against the benefits elucidated by the audience. City Manager Green noted that the rent currently received from the commercial tenants (apx. \$20,000 per year) would cover the cost of a ten-year loan of up to \$200,000, which is sufficient to complete the fire safety improvements and interior demolition (including any asbestos abatement) at no cost to taxpayers. The city would still be responsible for any tenant improvements during this time, but the only up-front cost for John Day taxpayers is the approximately \$6,000 we pay in closing costs due to the \$100,000 revitalization grant from the state lottery funds. Green also stated that we have put million dollar sidewalks in front of failing buildings and it does not make sense to continue to invest in Main Street infrastructure like streets and utilities if we do not address the buildings themselves.

Councilors in turn voiced their support for the project as a difficult but necessary investment to revitalize our failing main street infrastructure.

After deliberation, Council moved to authorize City Manager Green to enter into negotiations to purchase the complex. The motion passed unanimously.

Agenda Item No. 6 – Final Eclipse Preparations

City Manager Green explained the final eclipse planning and preparations that the city had undertaken. Main Street parking will be closed beginning early Thursday morning and extending through the day of the eclipse. This is to ensure no RVs or cars park on Main Street over the weekend blocking shops, to keep the intersection clear and to allow room for fire trucks and EMS to maneuver through the intersection if needed.

Mrs. Angie Jones from the People Mover presented an overview of the route maps during the eclipse and showed examples of the eclipse bus stop signs and schedules that will be placed throughout town. People Mover vans will begin the new shifts on Thursday and continue through the eclipse.

City Manager Green said a large number of reporters and journalists are contacting the city requesting interviews and background material for stories on the eclipse. John Day is being prominently featured in regional articles with journalists from all over the country contacting the city for information.

The Industrial Park and Oregon Pine properties will have camp hosts and information available for guests at check-in. All other preparations for the camping sites are complete.

Agenda Item No. 7 – Resolution No. 17-775-11, A Resolution to Transfer Appropriations Between Categories Within the Sewer Fund in the FY2017-2018 Budget

City Manager Green stated Resolution 17-775-11 is a resolution authorizing the council to transfer funds from the Sewer department to the newly created Agribusiness department within the Sewer Fund. This is a transfer between categories but all revenue stays within the same fund. The resolution will appropriate

the \$105,750 to cover the cost of an Agribusiness Project Manager and other time and materials expenses for the program.

Council moved to adopt Resolution No. 17-775-11, A Resolution to Transfer Appropriations Between Categories Within the Sewer Fund in the FY2017-2018 Budget. The motion was seconded and passed unanimously.

Agenda Item No. 8 – Resolution 17-776-12, A Resolution Authorizing the City Of John Day to Obtain a Loan from the Special Public Works Fund by Entering into a Certain Special Public Works Fund Development Project Financing Contract (and Certain Other Required Documents) With The Infrastructure Finance Authority of the Oregon Business Development Department

City Manager Green explained the enclosed documentation is necessary to complete the loan from the Infrastructure Finance Authority (IFA) that was approved by the council during a previous council meeting. Green described the loan documentation and its purpose. He also provided Council with a Resolution for entering into the loan contract rather than the Ordinance provided by IFA as originally proposed in the agenda. The change was advised by the City Attorney, who prepared the resolution.

Council moved to adopt Resolution 17-776-12, A Resolution Authorizing the City Of John Day to Obtain a Loan from the Special Public Works Fund by Entering into a Certain Special Public Works Fund Development Project Financing Contract (and Certain Other Required Documents) With The Infrastructure Finance Authority of the Oregon Business Development Department. The motion was seconded and passed unanimously.

Council moved to authorize Mayor Lundbom and City Manager Green to sign the Loan Contract, Trust Deed, Hazardous Substances Agreement and Signature Card to complete the Special Works Fund loan documentation. The motion was seconded and passed unanimously.

Agenda Item No. 9 – FY17 Year End System Development Charges

Mrs. Anna Bass, City Recorder, provided council with a report on the FY17 System Development Charges. The City received interest only on Water SDCs as no new fees were charged. Sewer SDCs totaled \$6,056. Total revenue with interest for both funds was \$6,736.26.

Mrs. Bass stated the SDC Fund had a balance of \$63,925.93 at the end of the fiscal year. Council asked what we planned to do with these funds. City Manager Green stated he believed they could be used to complete new line extensions and could be used to extend the main water and sewer lines on the north side of the Innovation Gateway to connect the new greenhouse.

Councilor Holland confirmed that they could be used to extend main lines but they cannot be used to build extensions on private property to connect to the City's mains.

Agenda Item No. 10 – Other Business

City Manager Green discussed upcoming council meetings and the major agenda items for each. August 22 is scheduled for a discussion of the new broadband network. September 12 will be a discussion of housing and urban renewal districts with a revised proposal to create a new housing development district. He also discussed upcoming travel plans to promote the Innovation Gateway and the City's *Strategy for Growth* to investors, including a September 19 trip to Corvallis to meet with Oregon State University leadership and an invitation to speak about strategic planning at the League of Oregon Cities 92nd Annual Conference in Portland on September 28.

Adjourn


There being no further business before the Council, Council moved to adjourn the meeting. The motion was seconded and the session was adjourned at approximately 8:30 p.m.

Respectfully Submitted:

Nicholas Green

City Manager

ACCEPTED BY THE CITY COUNCIL AUGUST 22, 2017



Mayor Ron Lundborn