

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

January 23, 2018

COUCILORS PRESENT:

Ron Lundbom, Mayor
Paul Smith, Councilor
Steve Schuette, Council President
Gregg Haberly, Councilor
Shannon Adair, Councilor
David Holland, Councilor

COUNCILORS ABSENT:

Donn Willey, Councilor

STAFF PRESENT:

Nicholas Green, City Manager
Valerie Maynard, ECC Director
Monte Legg, Public Works Director

Chantal DesJardin, Secretary
Damon Rand, JD Police Department
Matt Manitsas, Agribusiness Project Manager

GUESTS PRESENT:

Sherrie Rininger, John Day
Katie Piazza, House to Home/JD
Logan Bagett, Elkhorn Media Group

Rick Hanners, Blue Mountain Eagle
Elliot Sky, John Day

Agenda Item No. 1—Open and Note Attendance

Mayor Ron Lundbom called the John Day City Council meeting to order at 6:00 p.m. He noted that Councilor Willey was not present and excused.

Agenda Item No. 2—Approval of City Council Minutes of January 9, 2018

Councilor Holland motioned to approve January 9th minutes. Motion was seconded by Councilor Schuette and passed unanimously.

Agenda Item No. 4— Executive Session

Mayor Lundbom notified the audience that council will meet in executive session to review and discuss confidential attorney-client privileged communications. This executive session was held pursuant to ORS 192.660(2)(e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions; and ORS 192.660(2)(j) To carry on negotiations under ORS chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.

**Councilor Schuette moved to enter executive session at 6:03PM, pursuant to ORS 192.660(2)(e) and ORS 192.660(2)(j). Councilor Haberly seconded and the motion passed unanimously.
Councilor Schuette moved to exit executive session at 6:47PM. Councilor Haberly seconded and motion passed unanimously.**

Agenda Item No. 3—Appearance of Interested Citizens

Mayor Lundbom resumed the Regular Session at 7PM and asked if the audience had any items they wished to be added to the agenda. None were added.

Agenda Item No. 5—Advisory Committee and Source Selection Nominations

City Manager Green explained the three committees will operate for the next 18 months with the option to extend, if need be. The first being the Project Advisory Committee (PAC), which has previously been referenced as a Community Advisory Committee; these are community representatives, a diverse group. Everyone on the list has been contacted and most have committed to be a part of the PAC. They sought a combination of age groups, new and long-time residents, residents of John Day and the community at large, and a variety of professional backgrounds, to provide different perspectives, helping create holistic conversation about the projects. The target is to have around a dozen show up for any given meeting; having most the individuals, if not all, appointed, will ensure good turnout to various meetings. The council can add or subtract from the list, as they will be advising the council. Green added that the PAC will advise on the Housing Development District; the Area Development Plan for Oregon Pine, which will become the Innovation Gateway; some Main Street Revitalization projects; and any other projects the council wants to refer to the advisory committee. Mayor Lundbom asked if the park would be included. Green clarified they will discuss the potential to create a new city park, in conjunction with some of the other street improvements and housing developments, to get feedback on whether they think it's a worthwhile investment.

Katie Piazza asked if the committee is a yearlong commitment and if there will be a refresher of those appointed. Green clarified that the term is 18 months, and if some leave they will appoint others later. Councilor Schuette asked Katie if she would like to be on the PAC. She asked for further explanation of the committee. Mayor Lundbom explained the PAC will advise the council on projects they are considering and will meet every six to eight weeks, or as needed. She will take time to consider.

Several councilors noted that it looked like a diverse group, that represent a wide variety of the community and it is a good indicator that so many were willing to commit. Mayor Lundbom asked if they would have to have a consensus to be brought to the council. Green clarified that all discussions and feedback will be brought back to the council. For some of these, there will be a professional moderator because the consultants will be leading the discussions. Cheryl Jarvis-Smith, for the Area Development Plan and Elaine Howard, for the Housing Development District, to keep the discussion organized.

Councilor Smith asked if Green will be a technical advisor to the committee. Green responded he, Aaron Lieuallen, and Monte Legg at a minimum, or such combination, will be at all of the meetings to answer questions and help facilitate discussion; to be able to answer specific questions and hopefully hear some questions they don't know the answer to yet. The majority know they are coming to contribute, are vested in the success, and not just attending to provide a rubber stamp of approval.

Councilor Adair asked if any of the councilors could attend the PAC meetings. Green noted that the Technical Advisory Committee (TAC) will need one councilor, at a minimum; the TAC will see everything presented from the PAC, a polished version of the proposals. Two councilors will be needed on the Source Selection Committee for the TGM Award specifically. They would review the proposals, limiting the companies to 10 page proposals, from companies that want to do the planning and technical assistance for the area development plan. Councilor Adair commented that it is a great way to get

information out, since people can't always make it to city council meetings; getting the PAC out talking to many diverse groups will be beneficial. Mayor Lundbom noted that it is important for people to see that we want everyone involved.

Councilor Adair motioned to approve the list of names proposed for the Project Advisory Committee, if they are willing. Councilor Schuette seconded the motion and it passed unanimously.

Councilor Smith noted that he asked Councilor Adair if she would serve on the TAC.

Councilor Haberly motioned to appoint Shannon Adair as the council representative for the Technical Advisory Committee and approve the list of those proposed. Councilor Schuette seconded the motion and it passed unanimously.

Mayor Lundbom noted that he had been listed on the Source Selection Committee. Green said that he jumped the gun but would also like to see Councilor Holland on the committee because of his experience in Public Works. Councilor Smith added that he felt Dave was the most appropriate choice of the councilors; he asked if Monte Legg was still on the list. Green noted that Monte could be switched with him or Aaron, Aaron doesn't need to be on the Source Selection Committee; regardless of which city employees are on the committee, they will make a good team. Councilor Holland asked if you could add another spot. Green responded he could ask, he does not know of a prescriptive number. Councilor Haberly added that he can't make a commitment but wants to be able to attend any of the meetings. Green noted that any of the three councilors that are not on a formal committee could come to the PAC meetings, while not necessary for those appointed to a committee.

Councilor Adair motioned to appoint Dave Holland, Ron Lundbom, and Monte Legg to the Source Selection Committee. Councilor Haberly seconded the motion and it passed unanimously.

Agenda Item No. 6—DLCD Technical Assistance Grant Agreement

Mayor Lundbom asked if everyone could have a moment of silence to think about Councilor Donn Willey, who is in the hospital and not doing well. A moment of silence was held.

City Manager Green explained the DLCD grant has been approved and the budget appropriation to accept the funds has been completed; the council only needs to sign the grant agreement and the, previously approved, professional services agreement will become effective tomorrow. It is the last piece to move forward with the housing development district. There is no match for this grant funding just some obligations as far as reporting goes, but it is manageable.

Councilor Smith asked if Green noticed anything that was not workable in the grant language. Green responded that he wrote most of the deliverables for them to include in the agreement.

Councilor Holland motioned to accept the DLCD Technical Assistance Grant and authorize the City Manager to sign the grant agreement. Councilor Smith seconded the motion and it passed unanimously.

Agenda Item No. 7—Main Street Revitalization Update

City Manager Green declared there is a glimmer of hope; the state has created a pilot program funded by Business Oregon. The program has a lot of different options, one of which is they have set aside a million dollars for predevelopment site readiness and/or gap funding for workforce housing initiatives. Green proposes an application for a grant through this program, within the million dollar earmark, to do the site readiness for the main street building. It would entail the hazardous substances abatement, asbestos and lead paint; the draft stopping and fireproofing; and much of the engineering and architectural work to develop a plan for renovation. He has cost estimates from Pinnacle Architecture, CSDI Construction, and the environmental analysts, which comes out to about \$200,000. He stated they would be applying for a grant for \$200,000, which would allow doing basically everything to prep the upper floor for renovation. Included in the packet are as-built diagrams, Levi Voigt and Chris Hall from STRUX Engineering prepared. They are the current layout of the upper floor of the building and include eight apartments. Part of the architectural work would be restructuring of units because right now several of the bedroom's exterior windows open into a crawlspace. Bedrooms have to have two points of entry; some of the bedrooms have to be moved to have true exterior windows. To end up with an eight unit floor plan, minor adjustments to non-load bearing walls could be made; resulting in: two studio apartments, four 1-bedroom, and two 2-bedroom apartments. This arrangement makes the cost revenue equation more attractive because you would have more housing units under the same space. There were some clarifications about the as-built drawings included in the packet.

Councilor Holland asked if the short of it was, that he was asking to apply for a grant for funds which they had been intending to achieve through a low interest loan. City Manager Green stated that because the grant is for workforce housing, there could be some income restrictions put on the building. He needs to verify but he read the grant as having an upper income threshold of \$61,000 depending on the size of the family but that is pretty competitive for middle market. It would only take out some of the higher earners but most of them are looking to buy or build a house. The seasonal and transitional workers, along with current residents looking for housing like this, fall under this estimated income cap. The city would get free money but give up some flexibility in the future pricing model.

Councilor Schuette stated we are losing one of our current renters. City Manager Green clarified Sherry Dress will be closing Naturally Yours, she called and said she is closing on her 70th birthday. He would like to discuss the open space with the council.

Councilor Holland stated that no matter what, we still had to get the building fire safe and remove the asbestos. At this point, the money is not there to fully remodel but we could begin getting the building and infrastructure ready.

Councilor Schuette asked what would happen if we receive this grant and, once renovated, the city sells the building. Would the buyer be tied to the income restrictions? City Manager Green believes they would; he will have to see if there is an end date, but it is possible there are clawback restrictions, meaning to remove the income restrictions you would have to pay back the grant. He was thinking in the same vein, once the infrastructure preparations are complete, the city could sell the building to a private sector developer who wanted to move forward with renovations.

Mayor Lundbom asked if the abatements included the renters downstairs. City Manager Green responded that we could try to stretch the grant money, we could do some upgrades but the downstairs is in much better shape. Lundbom asked if the asbestos would be removed from the whole building or

just upstairs. Green noted that it is just upstairs, the downstairs has been remodeled but there are some HVAC improvements that could be made. Once Naturally Yours has moved out, they could look at the space to see if the flooring could be replaced and potentially new lighting added.

Councilor Smith stated the RFA has to be completed by this Thursday. Green responded he needed the green light to submit the application on Thursday. Smith asked if the RFA is not the grant application but rather the request for the application. Green clarified he is ready to submit the actual grant application on Thursday.

Councilor Holland motioned to approve City Manager Green to submit an application. Councilor Haberly seconded the motion and it passed unanimously.

City Manager Green recommended that once Naturally Yours has vacated, they should inspect the conditions of the space; some people have contacted him, wanting to rent the space. Green has some ideas for business incubators that he would like to present to the council before they rent the space out. He recommends they use the month of February to inspect and present options to the council in late February or March. He stated it is important to have the right tenant. Councilor Smith noted it is prudent to make sure the space is safe. Green added the city is not losing much income and since they already own the building, it is not critical to capture that one month of rent. Councilor Schuette stated that we have probably already made back our investment. Green noted we are almost there.

City Manager Green explained the city had applied for the Main Street Revitalization Grant as an Associate in the Oregon Main Street program. Green reached out to the Chamber of Commerce, he explained the main street merchants brought this to the city initially, along with other ideas that weren't quite ready. Green noted the state had doubled the amount of funding available under the grant program, to five million dollars; so in 2019, there will be a much bigger pool of money to go after. Between now and then, if the main street merchants and the Chamber are interested, the city could move to the next level in the program, which is called Exploring Downtown. It requires a little bit more commitment and the city would have to be better organized. It would increase their chances of future funding under the program; he feels the downtown desperately needs it. Merchant Katie Piazza voiced support and confirmation. Green noted this is an attractive program for the city and by 2019, they will have met all the obligations under the 2017 grant, it will be closed out. The city will have shown a successful track record of using the grant to revitalize downtown. Councilor Adair added that she is willing to be the liaison between the Chamber, main street businesses and the council. Councilor Smith noted that in his conversations with Bruce Ward, Bruce has been on board with this direction and is also to serve on the technical advisory committee. Green noted this would be good to present to the advisory committee once the main street merchants have proposals, to help prioritize for the grant application. Mayor Lundbom asked if moving to Exploring Downtown will be done later. City Manager Green recommended pulsing the Chamber and merchants; if they want to move to the next level, he could bring the application to the council for approval to submit. A twelve month window, virtually 2018, will be used to generate ideas and get applications ready. Councilor Adair asked if an application is needed to move up a level. Green responded yes, it is very straightforward and only a few pages. Councilor Smith asked if, when applying for the grant, they looked at specific projects. Green noted that was what derailed the previous ideas. The merchants approached the City three weeks before the application was due and for a lot of the proposals, such as façade improvements, you must have architectural drawings, cost estimates, and a contractor, which they did not have. Green added that this round, they would have time to get those kinds of applications ready, if proposed. Conceptually, the 2007 Downtown Plan brought out good ideas but not a lot of them were implemented. It may be a good

opportunity to revisit what we want downtown to look like; do we want a coherent theme with deliberate planning? Councilor Smith stated that we want high organization and specific plan on what will be done with the money. Councilor Adair asked if the funding could address several projects. Green responded it could be a variety of projects but must be fundable and meet their criteria. He clarified this grant is a separate program than the grant to do predevelopment and site readiness for the Weaver Building which is due Thursday; the Main Street program grant is not due for a year. Councilor Smith noted it is the program that provided funding for the purchase of the building.

Elliot Sky asked if this is stuff the project advisory committee would be discussing. Green stated he was thinking they could take the fully baked ideas to the PAC, who could help prioritize them and present that to the council, who are ultimately the ones who have to apply. Councilor Schuette noted that the downtown businesses would have to present ideas too. Councilor Adair added that she feels there are a lot of projects that need be done downtown and the Chamber could work with main street merchants to keep them informed and gather a list of ideas to present to the council. Mayor Lundbom said he was asked what "Main Street" includes. Green clarified that in the original application, Main Street was defined. He will have to get back to the council with those specifications but that the area is defined.

Agenda Item No. 8—Other Business and Upcoming Meetings

Feb. 13—Planning Commission Hearing (6PM)

Feb. 13—City Council Meeting (7PM)—Public Hearing for Greenhouse RFP

City Manager Green explained they are trying to do a design-build contract, where the designer also comes out to do the construction. It is an alternative procurement method, which means they must have a public hearing on why they are choosing that method. Most of the greenhouse companies come out and install their own design; they work with you to create a design you want and come out to complete it. It is more cost effective that having one company do plans and another come out and try to figure out how to assemble the plans.

Feb. 27—City Council Meeting (7PM)—Annual Public Safety Report/Briefing

Mar. 13—City Council Meeting (7PM)—State of the City Address

Mar. 27—CANCELLED (No City Council Meeting)

Green asked the council if they wanted to hold the public meeting in another venue to accommodate a crowd. They responded that the tables could be removed, to accommodate more people at the fire hall.

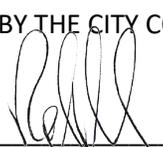
Adjourn

There being no further business before the council, Councilor Schuette motioned to adjourn the meeting at 7:37 pm. The motion was seconded by Councilor Holland, and passed unanimously.

Respectfully Submitted:

Nicholas Green
City Manager

ACCEPTED BY THE CITY COUNCIL ON FEBRUARY 13, 2018



Mayor Ron Lundbom