

**John Day City Council**  
**October 23, 2018**  
**7:00 PM**  
**Fire Station, 316 S. Canyon Blvd**

1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF CITY COUNCIL MINUTES OF OCTOBER 9, 2018.**
3. **APPEARANCE OF INTERESTED CITIZENS** – At this time Mayor Lundbom will welcome the public and ask if there is anything they would like to add to tonight's agenda.

**ACTION ITEMS**

4. **GRANT COUNTY DIGITAL – IMPLEMENTATION PLANNING**  
Attachments:
  - None
5. **GREENHOUSE INCUBATOR – CONCEPT PLANNING**  
Attachments:
  - Revised greenhouse site plan
  - 8-stage investment cycle

**OTHER BUSINESS & UPCOMING MEETINGS**

6. **OTHER BUSINESS & UPCOMING MEETINGS**
  - Main Street Revitalization Brownfield Development update
  - RTP update
  - CEDS update
  - Annexation update
  - Public Hearing – Oct. 23, GUHS Old Gym – FEMA Floodplain Map Updates
  - City Council Meeting – Nov. 13, John Day Fire Hall – Pool Discussion
  - City Council Meeting – Dec. 11, John Day Fire Hall – Audit Report & Rate Planning

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** October 23, 2018

**SUBJECT:** Agenda Item #4: Grant County Digital – Implementation Planning Attachment(s)

- None

## **BACKGROUND**

The Grant County Digital board of directors held its third board meeting on October 18th. They have appointed two at-large members and now have a five-member board. The board approved a proposal from Municode to develop their website, which is scheduled to launch in January. The board also reviewed proposals for two extensions to the main network, described below. Finally, a decision has been made on the USDA Community Connect Grant but has not been announced. Announcements were posted last year by November 7.

## **DISCUSSION**

The Grant County Digital Network Coalition now has a five-member board, with two at-large members each appointed to a two-year term. The at-large members will serve at the discretion of the standing board members. Board members are:

Josh Walker (Seneca) – Chair  
Dan Becker (County) – Co-Chair  
Brandon Smith (John Day)  
Denise Porter (At-large)  
Nathan McFarland (At-large)

The board approved a proposal from Municode for a new website/content management system @ [www.grantcountydigital.org](http://www.grantcountydigital.org). Design, development and implementation of the site will cost \$6,500 and will begin immediately. Hosting, maintenance and support will be \$2,500 annually.

The board is currently exploring two fiber extensions in advance of the backhaul build to Seneca. These extensions provide a point of presence in John Day that will enable future service connections for local internet service providers and public agencies.

**Grant County ESD-911 Lateral.** Field surveying and construction drawings for the fiber optic route from the John Day Fire Hall to the Grant Education Service District (ESD) building are complete. Commstructure is revising the RFP document for contractors to submit bids. Commstructure is also writing the Material Specifications for Contractor Furnished Material for this lateral. This connection will provide fiber optic access between the Grant County Digital network and the Grant ESD network. This lateral will provide educational access to our network for the school districts in the county and will facilitate data sharing apps in the future, such as emergency screencast applications, between the 911 center and schools. The opinion of probable cost for this route is estimated at \$47,215.63, which includes engineering, construction and contingency.

**John Day Public Agency Lateral.** Commstructure is conducting the field data collection, design and permitting for a public agency lateral. They will design and overlay the underground and aerial

infrastructure elements and develop Outside Plant Design project drawings. These documents propose a 48-fiber cable, however, the board is considering a larger 96-fiber cable for this build because of potential future sites to the north and west of the intersection of N. Canyon Blvd and NE 1st Ave. For the proposed aerial build, it would add approximately \$5,000 to the cost to build going with a 96-fiber instead of a 48-fiber. The opinion of probable cost for this route is estimated at \$64,169.75, which includes engineering, construction and contingency.

These routes will enable future connections to the Grant County Digital Network for the following agencies and facilities:

- Grant Union High School
- Grant ESD Building
- John Day Fire Hall & 9-1-1 Center
- Grant County People Mover
- John Day Senior Community Center
- U.S. Post Office, John Day
- Oregon DMV Office, John Day
- John Day City Hall and Police Department

Connecting these critical community facilities (CCFs) to a shared public network will help provide resiliency in the event of a countywide emergency. Communications between these locations should be possible even in the event of an external network outage if they are connected to a common network. These CCFs will also be linked to those in Seneca once the long-haul line is constructed and to the CCFs along the route to Seneca, including the Grant County Courthouse, Grant County Sheriff's Office and Humbolt Elementary.

#### **NEXT STEPS**

Commstructure will proceed with route planning, cost estimation and RFP preparation for these two laterals. The board will determine when these laterals will be posted for bid and the city council will have the opportunity to review the RFQ and offers prior to making a final award decision.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** October 23, 2018

**SUBJECT:** Agenda Item #5: Greenhouse Incubator – Concept Planning Attachment(s)

- Revised greenhouse site plan
- 8-stage investment cycle

## **BACKGROUND**

On October 16, city staff met with faculty and administrators from Oregon State University (OSU) in Corvallis. The purpose of this meeting was to update OSU on the status of our greenhouse projects and the Innovation Gateway. This is the second meeting staff have held with OSU in the past year. It was a positive discussion and we identified several areas for potential collaboration on future projects. Most of the discussion centered around the city's CEDS strategy and opportunities to use the two proposed expansion bays as new product incubators.

## **DISCUSSION**

City staff met with faculty and administrators in OSU's College of Agricultural Sciences to explore opportunities for collaboration at the Innovation Gateway. Didgette McCracken participated as the local University Extension and Outreach coordinator for Grant County.

The team discussed several opportunities, including:

- Advanced commercial and academic research;
- Experiential learning for students through hands-on and virtual integration in John Day's controlled environment greenhouses;
- Case studies in rural innovation and the economics of controlled environment agriculture when applied to hydroponic farming; and
- Participating in our comprehensive economic development strategy planning efforts related to the Innovation Gateway and Controlled Environment Agriculture.

One concept we explored was to use the two expansion bays in our current greenhouse plans as new product incubators. The goal would be to identify a product line (such as hydroponic hops) that has market potential and develop a Go-to-Market Strategy around that product. For example, the city could build a team to begin conducting market research into hydroponic hops with specific goals to reach a certain level of market penetration, revenue and economic growth.

Our contribution would be primarily to provide the land, water, infrastructure and greenhouse financing, which we can secure through Business Oregon. OSU would provide research support through faculty and students. We would collectively identify a regional industry partner (wholesaler/distributor) who would provide industry insights and could advise us on technical details such as desired products, yields, price points and consumers such as microbreweries who would be interested in purchasing off-season fresh hops. This approach is in line with the measures of success identified in our comprehensive economic development strategy, which are: (1) Promoting Collaborative Regional Innovation; (2) Generating

Public/Private Partnerships; and (3) Boosting the local agritourism, ecotourism, and recreation components of City's economy.

The City would need to adopt an investment decision making framework or similar investment model to pursue this type of opportunity. For example, the infrastructure cost to add an additional two bays of 2,000 SF each is approximately \$180,000. The city would need to recover about \$1,000 per month per bay to break even on this investment if it were issued as a loan. Our investment model would need to allow us to at least break even on our capital outlay.

Once the necessary capital and support networks are in place, there also needs to be a robust and repeatable process for determining which public sector investments to make. The enclosed attachment describes an 8-stage investment decision cycle I developed as a graduate student that includes two decision points where policymakers like the city council could off-ramp and re-evaluate before making a financial investment decision. An approach like this would allow us to use a repeatable method to evaluate risk and determine whether and how to make investments that expand our greenhouse operations. The city could begin with a product like hops and then look at other product lines with regional market potential like strawberries and other vine crops.

#### **NEXT STEPS**

The city is positioned to help spur hydroponics industry investments in John Day that would lead to new job growth and increased economic output. We have a strong academic partner and potential industry partners who are willing to participate as part of our strategic economic development team. We also have an initial investment framework to guide our decision making within that strategy. Finally, we can secure financing to construct an incubator to evaluate and potentially launch new product lines.

Council should discuss whether they are interested in formally engaging OSU staff and industry representatives to further develop this greenhouse incubator concept. Council should also discuss under what conditions they would be willing to expand the current greenhouse to include the additional bays.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** October 23, 2018  
**SUBJECT:** Agenda Item #6: Other Business and Upcoming Meetings  
Attachment(s)

- LOC Bulletins

**OTHER BUSINESS**

- Main Street Revitalization Brownfield Development update
- RTP update
- CEDS update
- Annexation update

**UPCOMING MEETINGS**

- Public Hearing – Oct. 23, GUHS Old Gym – FEMA Floodplain Map Updates
- City Council Meeting – Nov. 13, John Day Fire Hall – Pool Discussion
- City Council Meeting – Dec. 11, John Day Fire Hall – Rate Planning & Audit Report