**John Day City Council**

**January 28, 2020**

**6:00 PM**

**John Day Fire Hall, 316 S. Canyon Blvd., John Day**

1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF PRIOR MINUTES**
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.

**STUDY SESSION**

City Council will hold a 6 P.M. Study Session to discuss upcoming grants

**CONSENT AGENDA**

1. **CONSENT ITEMS**

Attachments:

* Brownfield Redevelopment Fund Application – Oregon Pine
* Brownfield Redevelopment Fund Application – Iron Triangle

**ACTION ITEMS**

1. **RECREATION ECONOMY FOR RURAL COMMUNITIES PROGRESS UPDATE**

Attachments:

* None
1. **ATV USE ON STATE HIGHWAYS**

Attachments:

* None
1. **SHORT TERM RENTAL (STR) ORDINANCE**

Attachments:

* STR Regulatory Scenarios
1. **COMMUNITY DEVELOPMENT DIRECTOR & MAIN STREET COMMISSION**

Attachments:

* Draft Job Description
1. **POOL & KAM WAH CHUNG PROGRESS UPDATE**

Attachments:

* Aquatic Center Interim Progress Update

**OTHER BUSINESS & UPCOMING MEETINGS**

1. **OTHER BUSINESS & UPCOMING MEETINGS**
* February 11, City Council Meeting, 7 P.M. @ Fire Hall
* February 25, City Council Meeting, 7 P.M. @ Fire Hall
* April 24, LOC Spring Conference, Hermiston

**EXECUTIVE SESSION**

1. **EXECUTIVE SESSION PURSUANT TO ORS 192.660(2)(f)**

Attachments:

• None

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  January 28, 2020

**SUBJECT:** Agenda Item #4: Items for Approval on Consent Agenda

 Attachment(s)

* Brownfield Redevelopment Fund Application – Oregon Pine
* Brownfield Redevelopment Fund Application – Iron Triangle

**BACKGROUND**

Items for approval on the consent agenda have been discussed in prior city council meetings. The final packets are submitted for council approval. Both grants are not-to-exceed costs and will be distributed to the city on a reimbursement basis (i.e. funds will be received based on actual costs incurred). The City’s matching funds requirement is 10% of the grant amount. Proposals were solicited from Maul, Foster and Alongi (MFA) and Anderson Perry (AP) for the Iron Triangle property and MFA and Mark Yinger & Associates for the Oregon Pine property. Yinger no bid as he is now retired. To keep a consistent team for both efforts and de-conflict scheduling and milestones, I am recommending the council use the MFA bids for both applications.

**Item 1) Brownfield Redevelopment Fund Application – Oregon Pine**

Business Oregon has invited the City to apply for $59,868 in grant funding through the brownfield redevelopment program to conduct a focused site assessment of the Oregon Pine property. A Phase II Environmental Site Assessment (ESA) with a limited soil cleanup were completed by the City from 2017 to 2018. That site assessment focused on the historic uses of the property. This site assessment will focus on the proposed use, specifically the activities and intended reuse documented in the now adopted Innovation Gateway Area Plan, such as the lake, community pavilion, and convention center. Full project cost is budgeted to be $66,652 with City providing $6,665 in matching funds.

**Item 2) Brownfield Redevelopment Fund Application – Iron Triangle**

Business Oregon has invited the City to apply for $38,930 in grant funding through the brownfield redevelopment program to conduct a Phase 1 environmental site assessment (ESA) on the 14-acre Iron Triangle property. The Phase 1 ESA will address soil conditions and any potential contamination on the site based on the presence of above-ground storage tanks (ASTs) and its historic use. The grant includes funding for a prospective purchaser agreement (PPA) if conditions warrant a PPA, otherwise this portion of the grant (budgeted at $20,000) would not be needed. Anderson Perry bid $4,430 for the Phase 1 ESA with no sampling or PPA support included. The MFA bid includes sampling and PPA support. Full project cost, including the PPA, is budgeted to be $43,260 with City providing $4,326 in matching funds.

**RECOMMENDATION**

Approve the City Manager to submit the enclosed applications to Business Oregon and authorize Mayor Lundbom and the City Manager to sign the application and any follow-on documentation necessary to complete the application process.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  January 28, 2020

**SUBJECT:** Agenda Item #5: Recreation Economy for Rural Communities Progress Update

 Attachment(s)

* None

**BACKGROUND**

The City was one of ten communities nationwide to be awarded the Environmental Protection Agency (EPA) Recreation Economy for Rural Communities (RERC) planning grant. This agenda item will focus on key milestones for the RERC effort, which begins next month, and on the council’s priorities for the RERC effort.

**MILESTONES**

Key dates for the RERC effort are as follows:

**Feb 19** – Working Group Call #1

**March 11** – Working Group Call #2

**March 31** – Working Group Call #3

**April 21-22** – Two-day Workshop (Final Event)

**STEERING COMMITTEE**

The RERC steering committee consists of representatives from multiple public agencies with an interest in recreation planning. Current committee members are shown in the table below.

|  |  |  |
| --- | --- | --- |
| **Committee Member** | **Organization** | **Focus** |
| Allison Field | Grant County | Recreation Economy |
| Derek Daly | Blue Mountain Hospital | Health & Wellness |
| Steph Charette | Oregon Dept. of Fish & Wildlife | Fishing & Wildlife |
| Bret Uptmor | Grant School District 3 | Education |
| Kim Randleas | Prairie Sky Center for the Arts | Arts & Culture |
| Charlie Tracy | Oregon Trail Electric Cooperative | Regional Opportunities |

Special guests will be invited to participate in the working group calls and final workshop, including:

|  |  |  |
| --- | --- | --- |
| Matt Miller | Oregon State OHV Committee | SXS and OHV Opportunities |
| Steve Schultz | Cycle Oregon | Cycling Opportunities |
| TBD | Grant County Snowballers | Snowmobiles / Winter Sports |
| Court Priday | Inn at Whiskey Flat | Hospitality Sector |
| TBD | Oregon RAIN | Business Sector/Startups |

Depending on the focus of the initial working group calls, we may add other committee members and/or invited guests to help with the discussions.

**RECREATION OPPORTUNITY AREAS**

The RERC planning effort will have some specific focus areas that include:

* Seasonal recreation opportunities (spring, fall, winter, summer)
* Event hosting and coordination (annual events in John Day)
* Startup opportunities (i.e. ATV rentals, snowmobile rentals, equipment rentals, guided tours and outfitters, etc.)
* In-city camping, hospitality (extending the length of stays, maximizing local stays)
* Expanding opportunities for outdoor recreation
* Positioning John Day’s Main Street as a gateway for recreation in our region

**ADDITIONAL DISCUSSION**

This is an opportunity for the council to provide feedback to staff on the RERC effort and their priorities. Please come prepared to discuss any additions or revisions to the scope outlined above.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  January 28, 2020

**SUBJECT:** Agenda Item #6: ATV Use on State Highways

 Attachment(s)

* None

**BACKGROUND**

Staff will discuss the procedures for applying for ATV-use on state highways.

Matt Miller is the President of the Central Oregon SXS Club (with approximately 400 members) and was also recently appointed to the Oregon State OHV Committee and grant committee. He spent some time looking at routes on our master map and is working on potential methods to connect Eastern Oregon with OHV routes in Central Oregon and from there you can ride as far as Northern California. One leg of their master map will be the "Gold Rush Routes". They have published similar maps for the Paisley, Silver Lake, and Lakeview area and feedback from business owners has been very positive with the economic benefit they have seen with this form of OHV tourism.

**DISCUSSION**

Mr. Miller owns Octane Rental Company, a SXS Rental & Outfitting Agency as well as a Digital Marketing Agency in Bend. He is willing to work with the City and our RERC stakeholders to evaluate policy options to increase OHV tourism. We will review some of the work products he has created for Central Oregon as well as our region during this discussion.

There are three potential obstacles to overcome with regard to OHV tourism that warrant further discussion. They are:

1. Dirt road access points to the Malheur Forest pass through large portions of private property. These property owners would need to be consulted to see if they are willing to allow OHV routes on their land.
2. Access to State Highway connectors would facilitate some circuits from to and from John Day and adjacent public lands.
3. The Draft Motor Vehicle Use Maps (MVUM) from the Malheur National Forest limits travel on some key roads and access points to "street legal only" even though they are gravel/dirt road surfaces. Some discussion may be needed to evaluate specific roads for OHV use as part of an OHV master plan for our area.

**SUMMARY**

The application process for OHV use on state highways can be lengthy and will require an overarching strategy and plan to gain approval. This should be an important part of the RERC planning effort but will likely require its own process given these regulatory hurdles.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  January 28, 2020

**SUBJECT:** Agenda Item #7: Short Term Rental (STR) Ordinance

 Attachment(s)

* STR Regulatory Scenarios

**BACKGROUND**

Staff is considering the option of allowing Short Term Vacation Rentals (STRs) within city limits with less restrictive requirements. The development code currently requires a business license and a Conditional Use Permit in order to operate an STR. These regulations can be cost-prohibitive for many people and the result is that several STRs are being operated without permits. We would like to provide a way for the city to regulate the land use impacts of STRs without discouraging economic development.

**DISCUSSION**

Short Term Vacation Rentals have become more and more popular in the last 10 years with AirBnB and similar websites allowing owners to list their homes for travelers to rent for short periods of time. A Conditional Use Permit costs $500 in addition to the cost and hassle of maintaining a business license, notifying property owners within 100 feet, and holding a public hearing. If we stop discouraging STRs, the city will benefit from having a larger variety of lodging options, and these homes typically bring in a different demographic than traditional hotels. There are a variety of options other cities have utilized to control the land use impacts of STRs including requiring periodic inspections, restricting the zones in which STRs may operate, and limiting the number of guests or the number of units an owner may operate.

**RECOMMENDATION**

Review the alternative options for STR regulation and assist city staff on moving forward with a code amendment that will replace the current STR and Bed and Breakfast regulations with less restrictive requirements.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  January 28, 2020

**SUBJECT:** Agenda Item #8: Community Development Director & Main Street Commission

 Attachment(s)

* Community Development Director – Draft Job Description

**BACKGROUND**

We are exploring the possibility of adding a Community Development Director position as a department head that could interface with a new commission focused on Main Street investments. A draft job description is attached along with details on a proposed expansion of Main Street and the Commission structure.

**COMMUNITY DEVELOPMENT DIRECTOR**

The Community Development Director would oversee the planning department, main street department, and community development fund – which includes the urban renewal area. The Community Development Director would also be responsible for managing investments from the city’s proposed transient room tax. This position could be included in the FY21 budget and, if approved by the budget committee, would be hired in July 2020.

**MAIN STREET EXPANSION**

To increase emphasis on Main Street investments, we should consider expanding our definition of Main Street to include properties from city hall west to the city limits at Apple Road. This would allow us to create a distinct entrance to the city at each end and create a more inclusive Main Street program. We could also explore a Main Street district that would help spur investment interest in the city.

**MAIN STREET COMMISSION**

A Main Street Commission could be organized as a new city body, similar to the Planning Commission, but their focus would be on strategy and vision versus code implementation. Members would be appointed by the city council for specific terms and we could define their roles and responsibilities. Examples of roles the commission could play include: reviewing special event permits; coordinating investment funds from the city’s transient room tax; encouraging destination tourism; and promoting arts, culture and recreation in John Day.

**DISCUSSION**

These organizational adjustments would help provide some additional structure and continuity to the City’s event planning and Main Street investments. It would also allow the Grant County Chamber of Commerce to continue focusing on countywide investments.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  January 28, 2020

**SUBJECT:** Agenda Item #9: Pool & Kam Wah Chung Update

 Attachment(s)

* Aquatic Center Interim Progress Update

**BACKGROUND**

I will provide an update on the status of the aquatic center and timing for the potential sale of Gleason Pool with the board during this agenda item. A progress brief is attached.

**TIMING & KEY MILESTONES**

We are approximately half-way through our planning effort on the new pool. The final report will be provided to the city council in March. Additional planning will continue after the final report in order to prepare the appropriate ballot measures. Key milestones are shown below.

Jan – May           Finalize Pool Planning (Design, Costs, Site Plan, District Formation, etc.)

June – July          Public Information/Listening Sessions (Participating Communities/Action Committee)

July 22                County Referral/Ballot Title Process initiated

August 8             Gleason Agreement Ends (Need to extend MOU to August 31)

August 22           Last Day of Gleason Pool (P&R Board Motion)

**September 3**     Form SEL 803 Notice of Measure Election – District  To Secretary of State

Sep – Oct            City Sale of Gleason & ORS 190 to Operate as Bridge to New Aquatic Center

October              Voter Pamphlet Mailed

**November 3**      Election Day

**------------------------------------------**

**Fiscal Year 2020 – 2021** (July 1, 2020 to June 30, 2021) – City uses proceeds from sale of Gleason as bridge funds for design and preliminary engineering

**Fiscal Year 2021 – 2022** (July 1, 2021 to June 30, 2022) – Tax funds available for final engineering and construction – proceeds through FY22

**Summer 2022** – Central Grant County Aquatics Center Opens

**PROPOSED DISTRICT**

We are anticipating a November referral from the County Court to the voters, which will require the ballot language to be prepared and submitted to the Oregon Secretary of State in September. The vote would be sent to a new aquatics district, which would likely consist of the John Day/Canyon City Parks and Recreation District current boundaries, plus Prairie City, Mt. Vernon, Canyon City, Seneca, and their respective rural fire protection districts.

This proposed service area is subject to change and must be approved by the county court. Any taxes raised within the service area must be approved by voters, regardless of whether it is a permanent rate (for operations and maintenance) or a temporary rate for capital improvements. Neither the city nor the county has the authority to impose property tax increases on residents. That must be approved by the voters. However, the design for this proposed district is of sufficient size to allow for the proposed improvements without increases taxes above current rates due to the retirement of the hospital bond for those residents within the proposed service district. In other words, if the county creates the proposed district and if residents within the district vote yes on the ballot measure, their taxes will not increase above current rates if the ballot measure is approved, and may decrease due to the retirement of the hospital bond.

The recreation center addition would add significantly to the proposed aquatics center but is not being considered as part of the ballot measure for the pool in order to keep tax rates at or below our current rate. We are engaging in discussions with other taxing jurisdictions, including School District 3, Grant County and the Parks and Recreation District, to determine if there is a method to use local financing and fundraising to complete a recreation center addition concurrent with the pool or as a later stage, depending on the availability of grant funding.

**GLEASON POOL & KAM WAH CHUNG DISCUSSION**

The agreement between the city and parks and recreation district to operate Gleason Pool ends on August 14th. The Parks board approved an extension of this agreement during their last board meeting to the end of the month. I am requesting council approval to amend the agreement through August 31, 2020.

We have continued to discuss the sale of Gleason Park & Pool to allow the state to create a new Kam Wah Chung interpretive center. We are working toward a purchase and sale agreement that the City would be able to accept in either September or October. The purchase and sale agreement would include an option to allow the Parks district to continue operating Gleason until the new pool opens, if the ballot passes in November.

If the ballot does not pass, the operating costs for Gleason will revert to the City of John Day, should the city council choose to reopen Gleason in 2021. We have not budgeted for any operating expenses in the FY21 budget, nor is there a source of revenue within the city budget to operate a pool. Proceeds from the sale of Gleason must be held in reserve for a new pool for five years per our agreement with the Hill Family when the City purchased their property. As a result, if the bond does not pass in November (or May, if the county refers it a second time), a local option levy would be necessary to continue operating Gleason after this season and the City would also forgo the opportunity to have a significant state investment in the new Kam Wah Chung interpretive Center.

**RECOMMENDATION**

My recommendation is that the City continue with its plans to sell Gleason in September, and continue to secure external funding for the pool and recreation center addition through grants in conjunction with the proposed ballot measure for the new aquatics center. Retaining Gleason Pool beyond this season is cost prohibitive for the city and the opportunity cost of losing the new Kam Wah Chung site would be a significant drawback to operating a now 62-year old pool for an indefinite period. Gleason Pool has served our residents well but it’s time for us to make new investments that will serve us for generations to come.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  January 28, 2020

**SUBJECT:** Agenda Item #10 Other Business and Upcoming Meetings

 Attachment(s)

* None

**OTHER BUSINESS**

* None

**UPCOMING MEETINGS**

* February 11, City Council Meeting, 7 P.M. @ Fire Hall
* February 25, City Council Meeting, 7 P.M. @ Fire Hall
* April 24, LOC Spring Conference, Hermiston (City Manager presenting)

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  January 28, 2020

**SUBJECT:** Agenda Item #11 Executive Session Pursuant to ORS 192.660(2)(f)

 Attachment(s)

* None

**NOTICE OF EXECUTIVE SESSION**

The John Day City Council will meet in executive session at the conclusion of the regular session of the John Day City Council meeting.

The executive session will be held pursuant to ORS 192.660(2)(f), which permits the council to meet in executive session to consider information or records that are exempt by law from public inspection.

Representatives of the news media and designated staff will be permitted to attend the executive session. All other persons will not be permitted to attend the executive session. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as announced. No decision will be made during the executive session.

**RECOMMENDED MOTION**

Following the mayor’s reading of the notice:

“I move to enter executive session pursuant to ORS 192.660(2)(f).”