

# John Day City Council Meeting July 28, 2020

## 6:00 PM VIRTUAL STUDY SESSION 7:00 PM CITY COUNCIL MEETING

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Please note: As ordered by Governor Brown, face masks are required for entrance to the building and social distancing guidelines will be maintained for participants. Seating is extremely limited and preference will be given to those on the agenda. If seating is unavailable, participants will be asked to wait outside the building and may join by phone or computer using the information provided above.

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

4. **TRANSIENT LODGING TAX**

Attachments:

- TLT Ordinance (Draft)
- *Recreation and Revitalization in John Day*, Western Planner Article, July 2020
- Transient Occupancy Tax Receipts by Jurisdiction
- TLT Memo from May 21 (Updated)

### CONSENT AGENDA

5. **CONSENT ITEMS**

Attachments:

- Grant Agreement No. 1077

## **ACTION ITEMS**

**6. RESOLUTION NO. 20-841-14, A RESOLUTION ADOPTING THE 2020 GRANT COUNTY MULTI-JURISDICTIONAL NATURAL HAZARDS MITIGATION PLAN**

Attachments:

- FEMA Approval Pending Adoption (APA) letter
- FEMA Local Mitigation Plan Review Tool
- Resolution No. 20-841-14
- NHMP Volumes I-III (online only)
- Grant County Future Projections Report (online only)

**7. GRANT COUNTY FAIRGROUNDS STRATEGY**

Attachments:

- Grant County Fairgrounds Business and Site Concept

**8. 7<sup>th</sup> STREET PARKING LOT PROJECT – PHASE 1**

Attachments:

- 7<sup>th</sup> Street Notice of Intent to Award
- 7<sup>th</sup> Street Bid Tab

## **OTHER BUSINESS & UPCOMING MEETINGS**

**9. OTHER BUSINESS & UPCOMING MEETINGS**

- Topics for council consideration in future study session(s)
- August 11, City Council Meeting/CDBG Public Hearing, 7 P.M. Virtual/Fire Hall
- August 25, City Council Meeting, 7 P.M. Virtual/Fire Hall
- September 8, City Council Meeting, 7 P.M. Virtual/Fire Hall
- September 21-22, Recreation Economy for Rural Communities 2-Day Workshop
- September 22, City Council Meeting, 7 P.M. Virtual/Fire Hall

## **EXECUTIVE SESSION**

**10. EXECUTIVE SESSION, ORS 192.660(2)(F) TO CONSIDER INFORMATION OR RECORDS THAT ARE EXEMPT BY LAW FROM PUBLIC INSPECTION**

Attachments:

- None

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** July 28, 2020

**SUBJECT:** Agenda Item #4: Transient Lodging Tax  
Attachment(s)

- TLT Ordinance (Draft)
- *Recreation and Revitalization in John Day*, Western Planner Article, July 2020
- Transient Occupancy Tax Receipts by Jurisdiction
- TLT Memo from May 21 (Updated)

## **BACKGROUND**

The city council held a study session with the Grant County Chamber of Commerce on the City's proposed Transient Lodging Tax on May 21<sup>st</sup>. The hotel operators have requested a meeting with the city council to share their perspective on this issue.

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## **STUDY SESSION FORMAT**

I recommend the council pursue a four-part approach to the study session, but this is at the council's discretion and you may choose an alternate format:

- 1) Presentation of the study session materials by City Manager (5 minutes)
- 2) Operator feedback on the proposed ordinance (25 minutes)
- 3) Council deliberation on the proposed ordinance (20 minutes)
- 4) Public comment (10 minutes)

## **PRESENTATION OF THE STUDY SESSION MATERIALS**

City attorneys have prepared a draft TLT ordinance for the City (attached). I have also provided an article we recently had published in Western Planner magazine that outlines the City's strategy and efforts to promote recreation and tourism in John Day. Finally, enclosed with the packets is an updated to the May 21 study session memo with the Grant County Chamber of Commerce. The additional materials provided by the Chamber of Commerce during that meeting have been posted online.

The City is evaluating two options for the transient lodging tax:

**Option 1 – City TLT in addition to County TLT.** This option would create an up to four percent city tax that would be remitted by hotel operators in John Day to the City. Operators would continue to remit eight percent to the Grant County Chamber of Commerce under the County's ordinance. This would make the local tax rate 12 percent, higher than most but not all communities that levy a TLT (see Transient Occupancy Tax Receipts by Jurisdiction, enclosed). This is the approach taken by Beaverton, Oregon, which has a four percent city-wide lodging tax used to promote tourism in connection with the Patricia Reser Center for the Arts. Beaverton's tax is collected in addition to Washington County's county-wide nine percent lodging tax and the State of Oregon's 1.8 percent state-wide lodging tax, making their effective local rate 14.8 percent. The City of Portland and Multnomah County also share

a portion of the TLT revenue, with Portland collecting six percent and 5.5 percent going to the county, for an effective rate of 13.3 percent including the state tax.

**Option 2 – City TLT in-lieu-of County TLT.** This option would replace the County’s tax within the city limits. The city council would establish a new TLT tax rate with its adopted ordinance, which would be set by the city council. This is the approach taken by most cities where their county also levies a TLT tax. For example, the City of Bend sets their local TLT rate at 10.4 percent, while Deschutes County collects eight percent only from operators in unincorporated areas. Similarly, Madras collects a nine percent rate within its incorporated city limits while Jefferson County collects six percent from unincorporated areas.

The City has established its track record for promoting tourism and investing in tourism-related facilities. Specific investments are highlighted in the May 21 memorandum. The adoption of and investment in multiple city-wide plans are all intended to promote tourism and recreation in our community. Our recent article in Western Planner magazine summarizes these efforts and the success of our strategy to-date.

### **OPERATOR FEEDBACK**

Some of the transient lodging operators have requested the opportunity to discuss the proposed TLT with the city council prior to adoption of the ordinance. Council should provide each operator with the opportunity to address their specific concerns about the proposed ordinance and any recommendations.

### **COUNCIL DELIBERATION**

Cities in central Grant County recently declined to participate with us in establishing a new pool fund that would further our tourism promotion efforts by allowing the State to invest in a new Kam Wah Chung interpretive center at the location of the current pool. These cities declined in part because they wanted to retain their tax dollars for use in their communities and in part because they would like John Day to continue operating Gleason pool – which would require us to decline the State’s investment in this site or force the State to amend their plans and build in the floodplain adjacent to the site, or choose another location.

John Day’s transient lodging tax revenue is distributed countywide – including for city-sponsored events in all communities in Grant County. If the city council acts on the feedback of the other communities, we would be left subsidizing the cost of the only pool in Grant County on their behalf while also subsidizing events in other cities through our transient lodging taxes, while forgoing future economic gains from the new Kam Wah Chung interpretive center. This creates an inequitable distribution of tax income that is not in the City’s best interests. It also violates the principle of tax fairness since the majority of the county’s TLT taxes come from John Day and every community will benefit from the State’s investment in the new Kam Wah Chung interpretive center.

TLT revenues are generated as a direct result of the City’s past and current infrastructure investments that serve our motels, specifically our water, sewer, street and police funds. These costs are borne entirely by John Day taxpayers and by nobody else. Just as Gleason pool is owned by the City of John Day and its disposition is a matter for John Day’s city council to decide, so is the future disposition of the transient lodging taxes generated in John Day. The council’s primary responsibility is to John Day taxpayers and the constituents the council is elected to serve.

Ideally, we would be able to reach a consensus position with the other communities on how to work together to achieve outcomes that are favorable for our constituents and theirs. Depriving Grant County’s residents of the opportunity to vote on a matter as important as the pool is unfortunate. To ask John Day

to continue to operate Gleason at our expense on top of that, without providing any alternative strategy or approach, is an untenable position for our community, our budget and our investment strategy, which hinges on our ability to promote John Day as a vibrant, active lifestyle community.

These are not competing goods. They are both important and both should be prioritized. We cannot sacrifice the future of our community for the sake of saving other city and county taxpayers more money on their taxes. We cannot continue to selfishly consider the needs of today while ignoring the needs of future generations, perpetually passing the buck. We need to act decisively to prevent further population decline, and our chosen remedy to prevent that decline is to invest in tourism and recreation. If we have to make those investments entirely alone we need to consider our financial position and alternative financing strategies, including using a portion of our transient lodging tax to invest in our tourism-related facilities.

### **PUBLIC COMMENT**

Councilors may wish to consult with the public following your deliberations.

### **NEXT STEPS**

No decision can be made in a study session. I would ask council to deliberate and come prepared to make decisions on August 11<sup>th</sup> with regard to the proposed ordinance. We can do a first reading on August 11<sup>th</sup> and a second reading August 25<sup>th</sup>, or council can elect to have only one reading on August 11<sup>th</sup>.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** July 28, 2020  
**SUBJECT:** Agenda Item #5: Consent Agenda  
Attachment(s)

- Grant Agreement No. 1077

## **BACKGROUND**

The State has approved a not-to-exceed amount of \$52,796.81 for the City for coronavirus-related expenses. Receiving reimbursement under this award requires approval of the agreement by the city council.

The City has set up a coronavirus relief expense account and will track eligible expenses and request reimbursement periodically during the period of performance as they are incurred. Examples include personal protective measures to protect the health and safety of the public and our staff that were not budgeted expenses in our FY19 or FY20 budgets.

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**Item 1)** This grant allows us to claim federally eligible expenses under the CARES Act. Coronavirus Relief Funds may be used to cover costs that are:

1. Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. Were not accounted for in our budget; and
3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

**Recommendation:** Approve the agreement and authorize the City Manager to seek reimbursement for eligible project expenses for the duration of the grant period.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** July 28, 2020

**SUBJECT:** Agenda Item #6: Resolution No. 20-841-14, A Resolution Adopting the 2020 Grant County Multi-Jurisdictional Natural Hazards Mitigation Plan  
Attachment(s)

- FEMA Approval Pending Adoption (APA) letter
- FEMA Local Mitigation Plan Review Tool
- Resolution No. 20-841-14
- NHMP Volumes I-III (online only)
- Grant County Future Projections Report (online only)

## **BACKGROUND**

The City participated with the county and other community stakeholders to develop the 2020 Grant County Multi-Jurisdictional Natural Hazards Mitigation Plan (NHMP). The NHMP is a three volume product with a companion report on projected impacts of climate change for Grant County. The report is too lengthy to print for each councilor, but it is available online on the city website and electronic council packets for tonight's meeting. Enclosed is the FEMA approval letter and review, along with the resolution for adoption.

## **DISCUSSION**

Adopting the plan and resolution will allow us to pursue FEMA funding for natural hazard mitigation, including relocating the wastewater treatment plant out of the 100-year floodplain and restructuring the riverfront to reduce flood risk for our residents.

## **RECOMMENDED MOTION**

"I move to approve Resolution No. 20-841-14, A Resolution Adopting the 2020 Grant County Multi-Jurisdictional Natural Hazards Mitigation Plan."

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** July 28, 2020

**SUBJECT:** Agenda Item #7: Grant County Fairgrounds Strategy  
Attachment(s)

- Grant County Fairgrounds Business and Site Concept (Final Draft)

## **BACKGROUND**

The final draft of the Grant County Fairgrounds Strategy is attached for council review.

## **DISCUSSION**

The strategy was co-developed by EcoNorthwest and Walker Macy. It recommends revising the county fairgrounds by expanding the number of RV sites from 25 to 34 (nine new sites or a 36 percent expansion) and the creation of 27 new tent camping sites. It also recommends revitalizing the riverfront and underutilized spaces at the campgrounds to promote events and activity along the river and redesigning the approaches to the fairgrounds to create a stronger sense of place as you enter and exit. These recommendations are supported by an economic assessment that demonstrates the investments would result in a net increase in operating revenue for the Fairground.

## **NEXT STEPS**

Council feedback will be incorporated into the final report and the report sent to the County.



**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** July 28, 2020

**SUBJECT:** Agenda Item #8: 7<sup>th</sup> Street Parking Lot Project – Phase 1  
Attachment(s)

- 7<sup>th</sup> Street Notice of Intent to Award
- 7<sup>th</sup> Street Bid Tab

## **BACKGROUND**

We have completed the solicitation for the 7<sup>th</sup> Street Phase 1 parking lot based on plans shown to the council at the last meeting. Iron Triangle LLC was the low bidder with a total bid price of \$54,857.76. Notice of Intent to Award (attached) was sent via email to all bidders on Friday. They have until this Friday (7/31) to file any protests.

## **NEXT STEPS**

Upon completion of the notice window, the City can issue a construction agreement and notice to proceed, drafts of which were included in the council packets.

## **RECOMMENDED MOTION**

“I move to approve the City Manager to sign a construction agreement with Iron Triangle for \$54,857.76 and issue the notice to proceed provided no protests have been filed by the July 31<sup>st</sup> deadline.”

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** July 28, 2020

**SUBJECT:** Agenda Item #9: Other Business and Upcoming Meetings  
Attachment(s)

- None

#### **OTHER BUSINESS**

- Topics for council consideration in future study session(s):
  - **Marijuana Ordinance** – Following the TRT discussion, council will discuss whether the City should repeal John Day’s marijuana ordinance prohibition and/or refer the repeal to the city voters in November.
  - **Industrial Park Land Use Regulations and Land Sales** – City staff will discuss the proposed amendments to land use regulations and development restrictions in the Airport Industrial Park, and specific actions the council could take to promote and streamline land sale procedures in this area.

#### **UPCOMING MEETINGS**

- August 11, City Council Meeting/CDBG Public Hearing, 7 P.M. Virtual/Fire Hall
- August 25, City Council Meeting, 7 P.M. Virtual/Fire Hall
- September 8, City Council Meeting, 7 P.M. Virtual/Fire Hall
- September 21-22, Recreation Economy for Rural Communities 2-Day Workshop
- September 22, City Council Meeting, 7 P.M. Virtual/Fire Hall

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** July 28, 2020

**SUBJECT:** Agenda Item #10: Executive Session, ORS 192.660(2)(f) To Consider Information or Records that are Exempt by Law from Public Inspection  
Attachment(s)

- None

#### **NOTICE OF EXECUTIVE SESSION**

Council will now meet in executive session under 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)."