

**John Day City Council Meeting
March 31, 2021
316 S. Canyon Boulevard**

**7:00 PM CITY COUNCIL STUDY SESSION
VIRTUAL ONLY**

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1. **OPEN AND NOTE ATTENDANCE**
2. **APPROVAL OF PRIOR MINUTES**
3. **APPEARANCE OF INTERESTED CITIZENS** – At this time we will welcome the public and ask if there is anything they would like to add to tonight’s agenda.

STUDY SESSION ITEMS

The purpose of this study session is to review items that may need to be included in the FY21 budget

4. **CHAMBER MARKETING PRESENTATION**
Attachments:
 - Grant County Brand Guidelines
 - Banner to Cities
5. **TLT ORDINANCE**
Attachments:
 - Draft TLT Ordinance
 - DOR IGA LLAP Sample Agreement
 - DOR LDA Participants Guide
6. **GREENHOUSE COOPERATIVE OPTIONS**
Attachments:

- Greenhouse Staff Presentation
- Memorandum – Co-op Formation
- USDA Cir 7 – How to Start a Cooperative

7. GROWING RURAL OREGON / COMMUNITY DEVELOPMENT DIRECTOR

Attachments:

- GRO Presentation
- GRO Letter of Interest
- GRO Community Readiness Assessment
- CDD Draft Job Description

8. LAW ENFORCMENT TRANSITION OPTIONS

Attachments:

- None

9. EXTERNAL SUPPORT REQUESTS

Attachments:

- None

OTHER BUSINESS & UPCOMING MEETINGS

10. OTHER BUSINESS & UPCOMING MEETINGS

- April 13, City Council Meeting – Fire Hall/Virtual, 7 PM
- April 20, First Budget Committee Meeting – Fire Hall/Virtual, 7 PM
- April 27, City Council Meeting – Fire Hall/Virtual, 7 PM

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 31, 2021

SUBJECT: Agenda Item #4: Chamber Marketing Presentation
Attachment(s)

- Grant County Brand Guidelines
- Banner to Cities

BACKGROUND

The Chamber of Commerce has asked to present at the study session on the new marketing materials available for Grant County communities. A copy of their brand guidelines and banner offer is attached.

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 31, 2021

SUBJECT: Agenda Item #5: TLT Ordinance
Attachment(s)

- Draft TLT Ordinance
- DOR IGA LLAP Sample Agreement
- DOR LDA Participants Guide

BACKGROUND

The City Council evaluated in March of last year the option of adding a transient lodging tax within the city limits. This was a recommendation of the City's planning staff as part of the Transportation Growth Management (TGM) planning process conducted in 2019 in order to secure additional revenue to invest in tourism and recreation.

Since that time, the City has adopted a Recreation Economy for Rural Communities (RERC) strategy as part of its Comprehensive Plan and has raised additional funding through Travel Oregon and the Outdoor Recreation Roundtable (ORR) for tourism-related facilities. However, continued investment will require a stable investment fund in order to have enough revenue for matching funds on capital improvement grants and to provide for staff support, marketing, promotion and event hosting within the city of John Day.

DISCUSSION

Staff have enclosed the draft TLT ordinance, along with a sample intergovernmental agreement with the Oregon Department of Revenue to administer the TLT. The DOR would handle the full management of the City's TLT, including:

- Reviewing the TLT ordinance prior to adoption to ensure it meets current standards;
- Collecting the TLT from all transient lodging establishments, including both hotels and the bed and breakfasts;
- Providing financial auditing and accounting of the lodging establishments to ensure compliance with state law and our local ordinance;
- Remitting the collected tax directly to the City for expenditure.

To pursue this approach the City would need to pass the ordinance – including establishing a local rate applicable within city limits – and enter into the agreement with the DOR. DOR would then do the tax administration for a modest fee. The fee formula is in the sample agreement. They are estimating based on the initial interest that their cost will be approximately 1.5% or less of the transient lodging taxes they collect. We would then simply budget annually for the expenditures and revenues and include the TLT as a separate fund or department within our annual budget.

RECOMMENDATION

Adopting a local TLT is entirely at the discretion of the city council. This option was recommended by our planning staff and continues to be the most viable option for stable funding that would allow John Day to engage directly in tourism and recreation promotion without relying entirely on external funding.

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 31, 2021

SUBJECT: Agenda Item #6: Greenhouse Cooperative Options
Attachment(s)

- Greenhouse Staff Presentation (will be presented in person)
- Memorandum – Co-op Formation
- USDA Cir 7 – How to Start a Cooperative

BACKGROUND

The City is evaluating the option to convert the Greenhouse's operations to a co-operative. As the land owner and financially responsible party for the structure, we must retain ownership of the facility until it is fully repaid. However, we can divest the day-to-day operations to a community co-operative in order to strengthen its ability to expand and meet our community's needs.

DISCUSSION

Cooperative Formation and Value Added Program. Creating a co-operative agreement would allow the City to reduce the operating costs for personnel and increase potential revenue sources that are only available to co-ops, such as the USDA's Value Added Producer Grants, Business and Industry Guaranteed Loan Program, Socially-Disadvantaged Groups Grant.

The Value-Added Producer Grant (VAPG) program helps agricultural producers enter into value-added activities related to the processing and marketing of new products. The goals of this program are to generate new products, create and expand marketing opportunities and increase producer income. This program is currently open and allows for up to \$75,000 for planning assistance and \$250,000 for working capital

The co-op would need to be legally organized in order to submit an application by May 4, 2021 for it to be considered for funding in FY21.

The enclosed memos describe the process for forming a co-operative. We will discuss these options along with the staff presentation on the greenhouse and determine the timeline for proceeding. The current staff presentation is in draft form and is not enclosed but will be presented at the study session meeting.

Community Supported Agriculture and Academic Partnerships. Additional topics to consider include the overarching mission of the cooperative and whether it should include other forms of community supported agriculture, such as the John Day Farmer's Market and/or the Community Gardens. Creating an umbrella organization with broad reach and community support could stabilize community supported Ag within John Day as a core pillar of our economy and would potentially increase opportunities for all three organizations.

This could also be done in partnership with Eastern Oregon University Sustainable Rural Systems (<https://www.eou.edu/sustainable-rural-systems/>) degree program and the Rural Engagement & Vitality (REV) center. REV (<https://www.eou.edu/rev/>) creates partnerships between Eastern Oregon University and entities in eastern Oregon which enhance the vitality of the region and develop tomorrow's rural workforce and leaders. Both REV and EOU staff visited the greenhouse earlier this month and are

interested in partnering with the City on academic learning opportunities and creating an experiential learning environment for their students.

Julie Keniry, Program Manager for the REV Center, has already engaged a business faculty member, Laura Gow-Hogge, who specializes in agribusiness. She is interested in developing a project for a business student from our greenhouse program. These project courses could be taken in the summer and would allow us to design an experience that meets our interests and also provides the student with connections to our program and a great learning experience. The student would not necessarily need to be paid if we're using this as a project for coursework but it could be paired with an internship or come with an option to receive a scholarship to cover course credit costs.

Other EOU students have expressed interest in doing capstone projects in our community. One student is studying economics at EOU and is working on her capstone project this winter and spring. Her research is about how communities with a natural resource based economy transition as those industries change and she would like to meet to learn more about what is happening in John Day.

We have discussed and evaluated a similar academic program for the OSU Outreach and Extension Program, which could be extended to include FFA/4-H, and attempted to launch an OSU internship program last year that failed due to COVID. We were, however, able to host our first local intern during the summer break from Grant Union High School.

Earned Media. Staff will present the analytics around the greenhouse website during the presentation, but one of the unexpected benefits of this community investment has been in “earned media.” Earned media or earned investment is content and material written about us that we haven’t paid for or created ourselves. The greenhouse and associated wastewater improvements / water reclamation facility have been our strongest source of earned media over the past four years. Multiple articles have been written about the City’s investments in these areas. They also led to John Day receiving the prestigious League of Oregon Cities Award for Excellence. These accomplishments have to be considered in the overall value equation for the greenhouse – both in its efforts to create innovation and entrepreneurial activity around agribusiness and controlled environment agriculture – and also in their power to improve the City’s reputation and public perception as a thought leader in rural economic development.

A brief summary of the earned media received with links to the articles is below:

- Other Side of the Hill video: <https://vimeo.com/450634863>
- “What’s Growing in John Day” Oregon Humanities article: <https://www.oregonhumanities.org/rll/magazine/feed-fallwinter-2020/whats-growing-in-john-day/>
- “Recreation and Revitalization in John Day” Western Planner article: <https://www.westernplanner.org/2020articles/2020/7/15/recreation-and-revitalization-in-john-day>
- “Fertile Future” Oregon Business article: <https://www.oregonbusiness.com/article/tech/item/18734-fertile-future>
- 2019 LOC Award Press Release: https://www.orcities.org/application/files/4315/7005/1284/2019_Excellence_Award_News_Release-FINAL-2.pdf
- “Rethinking the River” Oregon Business article: <https://www.oregonbusiness.com/article/real-estate/item/18542-rethinking-the-river>
- “Desert Prospector” Oregon Business article: <https://www.oregonbusiness.com/article/economy/item/18385-this-is-not-your-granddaddy-s-government>

RECOMMENDATION

Staff are recommending the creation of a co-op for the operations of the greenhouse and that the new entity apply for a DUNS number in time to submit an application for funding through USDA's VAPG program in FY21.

We recommend continued investment in the greenhouse as we work toward a more community-oriented / community-supported model that engages local residents, students and academic institutions as well as like-minded nonprofits and community organizations to create a robust "learning by doing" environment.

We need to continue to encourage growth in controlled environment agriculture as part of our overall tourism campaign. We have invested in the "DiscoverJohnDay.com" domain and can use this portal as part of our agri-tourism investment strategy to link sustainable community development with our tourism initiatives.

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 31, 2021

SUBJECT: Agenda Item #7: Growing Rural Oregon / Community Development Director Attachment(s)

- GRO Presentation
- GRO Letter of Interest
- GRO Community Readiness Assessment
- CDD Draft Job Description

BACKGROUND

I have been working with the Ford Family Foundation for the past year on a new pilot program for community-oriented rural entrepreneurship. This new program, called Growing Rural Oregon (GRO), is now accepting its first cohort of applicants. Up to six communities will be selected. They have invited the City of John Day to apply.

Through the GRO program, Ford would provide technical assistance through a host organization (Central Oregon Intergovernmental Council), a trained coach that will work with us for up to 5 years, annual financial support for local coordination of \$25,000 for a city staff person and \$5,000 for a volunteer stipend, as well as cohort gatherings and additional tools.

This financial assistance, along with funding from the American Rescue Plan (ARP) Act and TLT, could allow us to hire a Community Development Director as a new department head. A draft job description for this proposed position is attached.

DISCUSSION

The City has made extensive investments in community development through the Integrated Park System, Innovation Gateway, Main Street Revitalization grants and other local projects. The addition of a local Transient Lodging Tax would further enhance our ability to expand on our entrepreneurial and recreation economies by providing a dedicated investment fund at the local level. These combined sources of internal and external funding need dedicated staff support.

Other opportunities, such as the Certified Local Government (CLG) program for historic preservation, would benefit the City by helping maintain the historic character of downtown and of our heritage sites like the new Kam Wah Chung interpretive center.

We have been working through Oregon RAIN and will continue to do so. We recently submitted a grant application through the USDA for additional funding to maintain their presence in our community and in October we signed a two-year agreement to continue providing support. However, we need dedicated in-house personnel to really see these efforts succeed. All GRO application materials are due by 5:00 PM on May 3, 2021.

This staff position could be the primary interface for our agribusiness initiatives, Main Street program, GRO / RAIN interface for rural entrepreneurship, and historic preservation. The position could also assist with administration of the COVID-19 block grant for small business support if it is awarded.

RECOMMENDATION

I recommend we apply for the GRO program, begin recruiting and launch in late June or early July and bring the new CDD position onto the city staff next fiscal year. This would need to be programmed in our upcoming fiscal year budget.

While this is a large portfolio for one Community Development Director to take on, we also need to recognize that the majority of these functions are already being performed by the City Manager in addition to his other responsibilities as the Grant County Digital Executive Director and City Planning Official. Divesting these responsibilities to another department head would allow the City to maintain the gains we've made in these areas and build on them while restoring some much needed work-life balance for our staff.

That said, our ability to sustain this position over the five year period would depend in large part on our decisions related to law enforcement transitioning, which are discussed in the next agenda topic.

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 31, 2021

SUBJECT: Agenda Item #8: Law Enforcement Transition Options
Attachment(s)

- None

BACKGROUND

I have invited Sheriff McKinley to attend the study session to continue our conversation from the March 23rd city council meeting and he has accepted. Chief Durr will also be in attendance.

DISCUSSION

This will be an informal discussion of the two options presented at the council meeting – recruiting a new chief vs. consolidating with the county sheriff.

We will also discuss dates for a listening session with the community in April.

TO: John Day City Council
FROM: Nicholas Green, City Manager
DATE: March 31, 2021
SUBJECT: Agenda Item #9: External Support Requests
Attachment(s)

- None

BACKGROUND

Several external groups have requested financial assistance from the City. Each of these requests will be discussed in the context of next year's budget.

DISCUSSION

Demolition Derby. The Whiskey Gulch Gang has requested \$7,500 for prize money for this year's demolition derby.

County Economic Development Office. The County continues to send us invoices for the Grant County Economic Development Office staff support, which have not been paid because they were not approved expenditures by the budget committee. Council needs to determine if they wish to fund this position next year.

Housing. We have requested a meeting with the county on the Ironwood Estates housing development but have received no response. We should discuss whether and how we can structure an agreement to open up to 17 new lots for sale this year. We could commit \$100,000 through SDC revenues toward the project now and make a future commitment next fiscal year either through the American Rescue Plan (ARP) proceeds or from the BUILD grant award if it is funded. Other infrastructure funding is being debated in congress and at the state level that could be made available next FY, but at this stage, the only funding we can commit is the City's SDC revenues.

RECOMMENDATION

Housing is a top priority – if we can invest SDCs this year into Ironwood Estates they are willing to proceed with construction once the Planning Commission has reviewed and approved their master plan (scheduled for hearing on May 20th). I recommend we include the SDC transfer from the City to the URA in next year's budget (via a 10-year interest only loan) and then work on a joint development agreement with the property owners to proceed with construction upon approval by the Planning Commission.

Council should discuss whether the other requests should also be included in next year's budget, along with a general prioritization of all the topics presented tonight so we (staff) will know how to adjust the budget in the event not all of these requests can be funded. A summary of the budget items for discussion and prioritization (in the order presented in the study session):

- Chamber Community Banners and Marketing
- TLT Ordinance
- Greenhouse cooperative transition
- GRO / Comm. Dev. Director
- Law Enforcement Transition
- Demolition Derby
- County Economic Development Office
- Ironwood Estates Housing Investment / URA loan

TO: John Day City Council

FROM: Nicholas Green, City Manager

DATE: March 31, 2021

SUBJECT: Agenda Item #10: Other Business and Upcoming Meetings
Attachment(s)
• None

OTHER BUSINESS

- None

UPCOMING MEETINGS

- April 13, City Council Meeting – Fire Hall/Virtual, 7 PM
- April 20, First Budget Committee Meeting – Fire Hall/Virtual, 7 PM
- April 27, City Council Meeting – Fire Hall/Virtual, 7 PM