

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

July 13, 2021

COUNCILORS PRESENT:

Ron Lundbom, Mayor
Paul Smith
Shannon Adair
Heather Rookstool
Gregg Haberly
Elliot Sky
David Holland

CITY STAFF PRESENT

Nicholas Green, Executive Director
Lindy Berry, Secretary
Michael Durr, Police Chief
Monte Legg, Public Works Director

COUNCILORS ABSENT

Aaron Lieuallen, Senior Project Management
(virtual)

**GUESTS PRESENT (VIRTUAL UNLESS INDICATED
AS IN-PERSON)**

Sherrie Rininger (in person)
Heather Swank (in person)
Carl Swank (in person)
Bonnie Watt (in person)
Quinn Larson (in person)
Logan Randleas (in person)
Reid Dole (in person)
Chris Labhart (in person)
Mindy Winegar (in person)

Harsh Patel (in person)
Kathie Stoddard (in person)
John Chappel (in person)
Jim Spell
Didgette McCracken
Logan Bagett
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An audio recording of these minutes will be saved in the City of John Day Laserfische records program.

Agenda Item No. 1— OPEN AND NOTE ATTENDANCE

Mayor Lundbom called the meeting to order at 7:00 p.m., noting everyone but Gregg Haberly present.

Agenda Item No. 2— APPROVAL OF PRIOR MINUTES

The minutes from the October 27, 2020 meeting were presented for approval.

Councilor Holland motioned to approve the October 27, 2020 minutes. The motion was seconded by Councilor Adair and passed unanimously.

The minutes from the June 8, 2021 meeting were presented for approval.

Council President Smith motioned to approve the June 8, 2021 minutes. The motion was seconded by Councilor Adair and passed unanimously.

The minutes from the June 22, 2021 meeting were presented for approval.

Councilor Holland motioned to approve the June 22, 2021 minutes. The motion was seconded by Councilor Adair and passed unanimously.

Agenda Item No. 3— APPEARANCE OF INTERESTED CITIZENS

Mayor Lundbom invited guests to share items not on the agenda. Prairie City resident, Frances Preston asked to speak. Mayor Lundbom and City Manager Green answered that she could share following the consent agenda.

Agenda Item No. 4— CONSENT AGENDA ITEMS (7:03 PM)

Mayor Lundbom asked if there were any questions on the consent agenda. *None appeared*

Councilor Rookstool motioned to approve the consent agenda. The motion was seconded by Councilor Holland and passed unanimously.

Mrs. Preston briefly presented on the group, Stand for Freedom. She shared that signatures are being collected to petition that every City adopt a resolution, then an ordinance that when a lower law conflicts with a higher law, that the higher law would be upheld. The council thanked Mrs. Preston for sharing.

Action Item No. 5 GRANTS SUMMARY, PROJECT UPDATES & AGREEMENT MODIFICATIONS (7:08 PM)

City Manager Green reviewed the projects being funded by House Bill 5006. He shared that \$4.5 million has been awarded for 3 capital improvement projects. Recapping that in the last 3 weeks, they had secured just over \$8 million in grant funding for the community. In the last 5 years, the city has been awarded \$23 million.

He briefly provided an overview and update on current projects and upcoming projects. This information was also included in the agenda and in the packets provided to the council. He noted that the aquatics center would be managed and operated by the John Day Canyon City Parks and Recreation. He recommended pursuing endowment opportunities or nonprofits to participate in a fundraising campaign. City Manager Green invited questions from the council. Councilor Rookstool inquired if they had any idea of the timeframe for the grant. City Manager Green answered that there will be a timeframe in the agreement and that there is a lot of flexibility with lottery funds. Councilor Adair inquired if they would be able to use the original design. He answered that yes, they would and that utilities have already been prepositioned

Several councilors expressed excitement and thanked City Manager Green for his work. Mayor Lundbom added that they were appreciative to Representatives Finley and Owens.

Mayor Lundbom invited comments from the audience. *None appeared.*

City Manager Green shared an update on Kam Wah Chung, noting that the State is in charge of the build. The role of the City is related to the land use and site improvements. Prior to COVID, the peak season was 10,000 visitors. The improvements made should better set up the City to allow for additional parking and repaired sidewalks along with wayfarer signage, directing visitors to destinations

throughout the City. The goal would be to complete the site improvements prior to Kam Wah Chung opening. Councilor Sky inquired about the plan for Representatives to attend the Town Hall on July 27, inquiring what the layout of the meeting would be. City Manager Green shared that they may have a short presentation on Kam Wah Chung. The council discussed the structure of the town hall to best address questions and concerns the community may have.

City Manager Green shared that he submitted the COPS Grant and requested \$375,000 in funding. This would cover 3 full-time employees. They will not know the status of the award until late September. If the levy does not pass, but the grant is awarded, the officers will be rehired.

The wastewater treatment plant work has been completed. The DEQ will decide based upon the data provided whether to approve a WPCF or MPDS permit. City Manager Green expected a response by August. Councilor Rookstool inquired if one permit or the other would make that much of a difference? City Manager Green answered no, however they would need to explain why one option would be better than the other. Mrs. Preston inquired if they were essentially creating an underground aquifer? City Manager Green answered that no, it would be below the frostline and above the water table. Instead of running straight into the river, the water would be running East to West and slowly infiltrate.

They were told they had gone through the final design on the 4th Street project. Public Works Director, Monte Legg discovered an application from the engineers had not been submitted to complete the work even though the application for permit was within the scope of work. As a result of this, a verbal stop work order was issued and City Manager Green began contacting the appropriate agencies. All costs have been refunded and all electronic files have been provided to the City. Unfortunately, the work will be pushed back for completion for next year during the instream period.

City Manager Green recommended that with 4th St being pushed back, they could finish the work on Charolais Heights. Engineer, Joe Sisul briefly reviewed the work to be completed. There would be additional costs, presented figures were not final costs. They would need to go through a budget process, but he recommended completing phases one and two all at once. Council President Smith inquired if they used the funds on the Charolais Heights project, where would the funds for 4th street come from? City Manager Green answered that with the delay, they would redistribute overhead, and be able to utilize state shared revenue made available for the next fiscal year.

The Holmstrom Ranch is in discussion with the City to develop 4 buildable lots and dedicate their private road to the City. The road would be names, Holmstrom Rd and the bridge over the river, Holmstrom Bridge. Roads would be widened to City standards and the 4 lots would be improved. Councilor Holland inquired if there would be funds exchanged or if it was just a "trade"? City Manager Green answered that that was correct. City Manager Green invited Mrs. Stoddard to speak. She inquired about when the Holmstrom's had divided off the lots, at that time there were restrictions placed that no additional lots would be buildable. She inquired what happened to those restrictions? Mr. Sisul added that part of the issue was emergency access and that is why the gravel road was put in. City Manager Green added that the City does not require the Planning Commission to approve road improvements to roads that have been adopted into plans. Councilor Holland further explained how the agreement would work. City Manager Green noted the agreement would not circumvent the requirements of the City.

City Manager Green shared that the RAISE grant was submitted the day prior. And briefly provided an update on the Hill Park RFP. The council discussed renaming on Valley View Ln to Aldridgeview or Aldridge Ct. Councilor Rookstool inquired when the names had to be finalized. City Manager Green

answered that names would need to be established before the final plat was completed. The Economic Development position has been funded under GRO through the Ford Family Foundation. This would allow for \$30,000 per year for 5 years.

Council President Smith motioned to approve the City Manager to sign the GHD termination agreement. The motion was seconded by Councilor Holland and passed unanimously.

Councilor Adair motioned to approve the Mayor to sign the Holmstrom Development agreement. The motion was seconded by Councilor Sky and passed unanimously.

Councilor Adair motioned to use Aldridge View for proposed street name in Ironwood Estates. The motion was seconded by Councilor Rookstool and passed unanimously.

Councilor Sky motioned to approve the City Manager to sign the change order for Charolais Heights. The motion was seconded by Councilor Adair and passed unanimously.

Councilor Holland motioned to approve the city Manager to submit the SW 4th Avenue application to SPWF Funding. The motion was seconded by Councilor Sky and passed unanimously. \$400,000 for the match on 4th St

Mayor Lundbom invited the boy scouts in attendance to share. The troops in attendance introduced themselves. Councilor Rookstool inquired if they had selected a topic for their merit badge project. They shared that they were looking at Kam Wah Chung and the Pool. The council thanked them for attending.

Action Item No. 6— DLCD 2021-2023 PLANNING ASSISTANCE GRANT FOR 3D HOUSING INITIATIVE (8:21 PM)

City Manager Green suggested that John Day be the first in the state to print 3D homes. The goal would be for them to come out in April or May and create a Veterans village. It would be open to all, but have preference for veterans. They would need to decide if they would be single family with shared walls or cottage clusters. \$315,000 has been requested from State to deploy the printer and offset some of the development costs. If this project is successful, they would complete 12 new homes. The council expressed excitement about the project and praised the idea of homes for veterans. They expect a decision in about 2-3 weeks. Burns and Lakeview also expressed interest in participating in the project and signed on to the application. City Manager Green noted that the USDA has a rural innovation challenge which would allow for application to cover some of the costs.

Action Item No. 7— ORDINANCE NO. 21-195-06 AN ORDINANCE OF THE CITY OF JOHN DAY IMPLEMENTING A THREE PERCENT TRANSIENT LODGING TAX (8:28 PM)

City Manager Green briefly explained that the Department of Revenue had reviewed the ordinance and would be the fiscal manager. The visitors to the area should be contributing to the maintenance of the infrastructure. There is no direct way to recover costs for maintenance related to visitors to the area.

Mindy Winegar, Grant County Fairgrounds shared that she is opposed to the tax. She felt that the tax would negatively impact the bottom line of the lodging businesses. John Day resident, Chris Labhart shared that he was also in opposition. He stated that the City had never had a transient room tax. The

County has a transient lodging tax of 8% used towards encouraging tourism throughout the County. He felt that the tax would be regressive and harm businesses in the community. He submitted a petition signed by 9 lodging businesses in the City in opposition of the tax. Councilor Adair shared that the transient lodging tax would be used to bring more people into the community with improvements to infrastructure to encourage tourism.

John Day resident and rental owner, Bonnie Watt shared that she was concerned about the tax impacting residents of the community. Councilor Adair expressed that she is a business owner, but not a lodging owner, and she wanted to understand peoples' concerns. She shared an example of a city in Oregon that is discussing a food tax which would essentially tax both residents and tourists. She felt the lodging tax would be a beneficial avenue to bring in revenue from tourists.

Harsh Patel, representing Dreamer's Lodge shared that he had spoken to the new owner of Prairie Wood Products and was told the 3% tax would dissuade him from putting employees up in John Day. He felt that the tax would be harmful to not only the lodging businesses, but directly harm the restaurants and shops if people decided to stay elsewhere.

City Manager Green shared that 30 years ago there was a transient lodging tax in the City of John Day. It was rescinded when the County adopted the 8% transient lodging tax. The intent was that the 8% would be shared between the County and City. He asked why the remitters of the tax do not approach the County and ask what is happening with the 8%. Councilor Holland added that at one time, lodging business owners had stated they did not see any benefit from the tax being collected by the County. He did not feel that a 3% tax would be substantial enough for people to not stay in John Day. The benefit to the community as a whole outweighs the possible negative impact. Councilor Adair addressed that the City had attempted to work with the County to share the current 8% tax. The County has been unwilling to discuss anything with the City. City Manager Green said ideally, they would split the 8% tax and not have two separate taxes.

Councilor Sky shared that he appreciates the lodging business owners for coming forward to the meeting to share their concerns. The council attempted to approach the tax as thoughtfully as possible and have exhausted all efforts to speak with the County. Councilor Rookstool asked the lodging business owners in attendance if the council did not pass the ordinance, would they approach the County and demand transparency. She noted that they should all be made aware of what exactly that 8% goes towards. Councilor Sky added the he believed the value that they can add to the community with this tax would be so much greater than that 3%. Mrs. Watt inquired how the tax would be collected? City Manager Green answered that the Department of Revenue would be collecting the tax. The council agreed the tax could be repealed if the County would discuss the current being divided more equitability.

Councilor Holland motioned to read Ordinance No. 21-195-06 by Title Only. The motion was seconded by Councilor Adair and passed unanimously.

Mayor Lundbom read the ordinance by title only.

Councilor Adair motioned to adopt Ordinance No. 21-195-06, An Ordinance of The City of John Day Implementing A Three Percent Transient Lodging Tax. The motion was seconded by Councilor Holland and passed 5 to 1.

There was a brief discussion about the City assisting in repairing some of the sidewalks along Main St.
Action Item No.8- ORDINANCE NO. 21-196-07 AN ORDINANCE OF CITY OF JOHN DAY ESTABLISHING TIME, PLACE, AND MANNER REGULATIONS CONCERNING THE OPERATION OF CERTAIN MARIJUANA BUSINESSES IN THE CITY; AND AMENDING, REPEALING, AND REPLACING ORDINANCE NO. 15-163-01. (9:22 PM)

City Manager Green explained the ordinance defines the procedures by which staff will administer these operations.

Councilor Adair motioned to read Ordinance No. 21-196-07 by Title Only. The motion was seconded by Councilor Rookstool and passed unanimously.

Mayor Lundbom read the ordinance by title only.

Councilor Sky motioned to adopt Ordinance No. 21-196-07, An Ordinance of City of John Day Establishing Time, Place, And Manner Regulations Concerning the Operation of Certain Marijuana Businesses in the City; and Amending, Repealing, and Replacing Ordinance No. 15-163-01. The motion was seconded by Councilor Holland and passed unanimously.

Action Item No. 9— ORDINANCE NO. 21-197-08 AN ORDINANCE OF JOHN DAY REPEALING ORDINANCE NO. 15-164-02, WHICH BANNED MARIJUANA ESTABLISHMENTS IN THE CITY (9:24 PM)

City Manager Green briefly explained the ordinance.

Councilor Holland motioned to read Ordinance No. 21-197-08 by Title Only. The motion was seconded by Council President Smith and passed unanimously.

Mayor Lundbom read the ordinance by title only.

Councilor Sky motioned to adopt Ordinance No. 21-197-08, An Ordinance of John Day Repealing Ordinance No. 15-164-02, Which Banned Marijuana Establishments in the City. The motion was seconded by councilor Adair and passed unanimously.

Action Item No. 10— ORDINANCE NO. 21-198-09 AN ORDINANCE OF THE CITY OF JOHN DAY REPEALING JOHN DAY ORDINANCE NO. 14-162-03, WHICH IMPOSED A TAX ON MARIJUANA IN THE CITY (9:26 PM)

City Manager Green explained a 5% tax had been passed in the event marijuana sales became legal in the City. This ordinance would repeal that tax.

Councilor Sky motioned to read Ordinance No. 21-198-09 by Title Only. The motion was seconded by Councilor Rookstool and passed unanimously.

Mayor Lundbom read the ordinance by title only.

Councilor Sky motioned to adopt Ordinance No. 21-198-09, An Ordinance of the City of John Day Repealing John Day Ordinance No. 14-162-03, Which Imposed a Tax on Marijuana in the City. The motion was seconded by Councilor Adair and passed unanimously.

Action Item No.11- RESOLUTION NO. 21-866-14, A RESOLUTION TO REDESIGNATE THE GRANT COUNTY ENTERPRISE ZONE (9:27 PM)

Tory Stinnett, Grant County Economic Development shared that the passage of the resolution would allow for John Day to remain within the Grant County Enterprise Zone. City Manager Green shared the correction to section 5 to include the language, "Tory Stinnett and her predecessor."

Council President Smith motioned to approve Resolution No. 21-866-14, A Resolution to Redesignate the Grant County Enterprise Zone. The motion was seconded by Councilor Adair and passed unanimously.

Action Item No. 12-- EDA GRANT / CYBERMILL UPDATE & LEASE AGREEMENT (9:31 PM)

City Manager Green explained that the CyberMill is requesting the City to execute a lease for a Prairie City location. There will not be any direct costs to the City. Didgette McCracken noted it would only be for a 6-month time period and that the CyberMill is in the process of obtaining their 501c3.

Mrs. Preston inquired if the lease had been negotiated. City Manager Green shared that the lease is the standard lease contract used by the City and had been approved by the CyberMill.

Councilor Sky motioned to approve that the City of John Day sign the lease agreement for the Prairie City CyberMill. The motion was seconded by Councilor Holland and passed unanimously.

Action Item No. 13— OTHER BUSINESS & UPCOMING MEETINGS (9:36 PM)

Mayor Lundbom reviewed the upcoming meetings.

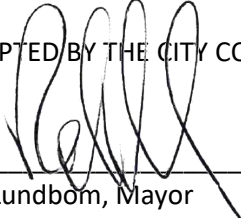
The council discussed the format for the town hall and how to improve upon the first Town Hall.

Council President Smith motioned to close the meeting at 9:44 PM. The motion was seconded by Councilor Adair and passed unanimously.

Respectfully Submitted:

Nicholas Green, City Manager

ACCEPTED BY THE CITY COUNCIL ON SEPTEMBER 14, 2021.



Ron Lundbom, Mayor