**John Day City Council Meeting**

**Thursday, August 5, 2021**

**316 S. Canyon Boulevard**

**6:00 PM City Council Meeting**

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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.

**CONSENT AGENDA**

1. **CONSENT AGENDA ITEMS**

Attachments:

* Tidewater Change Order 01 – Charolais Heights
* Ford GRO Agreement
* TLT Collection Intergovernmental Agreement

**ACTION ITEMS**

1. **ALDRICHVIEW VS. ALDRICH VIEW – YOU DECIDE**

Attachments:

* None
1. **FRANCES PRESTON – STAND 4 FREEDOM**

Attachments:

* Stand 4 Freedom Letter
1. **HILL FAMILY PARK NOTICE OF INTENT TO AWARD**

Attachments:

* Bid summaries (will be presented at council meeting)
1. **PROJECT UPDATES**

Attachments:

* Culley PLA
* Water Rights
* Aquatics Center Renderings
1. **OTHER BUSINESS & UPCOMING MEETINGS**

Attachments:

* August 10, City Council Meeting – Fire Hall, 7:00 PM (Defer to 24th?)
* August 24, City Council Meeting – Fire Hall, 7:00 PM
* September 14, City Council Meeting – Fire Hall, 7:00 PM
* September 28, City Council Meeting – Fire Hall, 7:00 PM

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  August 5, 2021

**SUBJECT:** Agenda Item #4: Consent Agenda Items

 Attachment(s)

* Tidewater Change Order 01 – Charolais Heights
* Ford GRO Agreement
* TLT Collection Intergovernmental Agreement

**BACKGROUND**

Three items are on the consent agenda for council approval: the Change Order for the Charolais Heights Intersection Project; the Ford Growing Rural Oregon (GRO) Agreement; and the Department of Revenue Transient Lodging Tax Collection Agreement.

**Item 1) Tidewater Change Order 01 – Charolais Heights**

Change Order 01 was discussed at our last council meeting. It amends the Tidewater contract to combined Phase 1 and Phase 2 of this project. The change order extends the substantial completion date from July 10th to August 30th and final payment from July 20th to September 15th. It also increases the contract price from $73,319 to $222,484, an increase of $149,165. This increase will need to be reflected in our next supplemental budget but the agreement can be ratified in advance.

**Recommendation:** Approve the intergovernmental agreement and ratify the City Manager signing on behalf of the City.

**Item 2) Ford GRO Agreement**

The Ford Family Foundation has provided the Growing Rural Oregon (GRO) Grant Agreement for the first year of this five-year program. It awards $30,000 to the City to hire the GRO Program Coordination (Community Development Director) and funds will be transferred on August 15th.

**Recommendation:** Approve the interagency agreement and ratify the City Manager signing on behalf of the City.

**Item 3) Transient Lodging Tax Collection Agreement**

The DOR reviewed and approved our TLT ordinance. The next step is to sign the TLT Collection Agreement, which allows them to collect the City’s TLT.

**Recommendation:** Approve the intergovernmental agreement and ratify the City Manager signing on behalf of the City.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  August 5, 2021

**SUBJECT:** Agenda Item #5: Aldrichview vs. Aldrich View – You Decide

 Attachment(s)

* None

**BACKGROUND**

Andy Day has requested the council revise the street name from “NW Aldrichview Place” to “NW Aldrich View Place.” They were notified of the name change and began processing their paperwork with their bank and the post office using the two word spelling and would appreciate the council’s consideration of their request.

**DISCUSSION**

You decide, it makes no difference to the staff. We have placed a street sign on the corner but we can easily order another.



**SUMMARY**

We will submit the formal name change request to the appropriate agencies on Friday morning – we held off submitting it due to Mr. Day’s request.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  August 5, 2021

**SUBJECT:** Agenda Item #6: Frances Prescott – Stand 4 Freedom

 Attachment(s)

* Stand 4 Freedom Letter

**BACKGROUND**

Ms. Prescott presented information on Stand 4 Freedom to the city council at our last meeting. She sent the enclosed letter and asked to be placed on the city council’s agenda to discuss.

**DISCUSSION**

This citizen-led initiative appears to be attempting to create “constitutional sanctuaries” where certain state and local laws will not be enforced if they are perceived to be in violation of the United States Constitution.

The proposed resolution ends with a request for the council to resolve as follows:

1. All employees and agencies of the City of John Day shall not assist in the enforcement of business closure, school closure, or stay-at-home directives under the Executive Orders of the Governor relating to the Coronavirus pandemic, including state agency directives or guidance, unless these matters have received specific authorization from this City Council to do so;

2. All employees and agencies of the City of John Day shall recognize the protections provided by the Constitution of the United States and the Constitution of the State of Oregon in carrying out their duties.

I am not aware of any of our staff who currently assist in enforcing business closures. That is not a function performed by our police department, fire department, public works department, or by the city administration. The state can send its own enforcement officials to John Day regardless of whether we have a local resolution or not. We have no schools within our city limits and we are not currently under any stay-at-home directives. For these reasons, resolution #1 is not necessary or applicable to John Day.

We do not have an in-house attorney to help us interpret the constitution and its applicability to our local ordinances, nor are we a court of competent jurisdiction to make such an interpretation. For these reasons, resolution #2 is simply unattainable.

**RECOMMENDATION**

We should hear Ms. Prescott’s comments, but if the letter is an indication of her request, we should not consent to pass a resolution that is not applicable to John Day and that city staff cannot fulfill. It would be a meaningless political gesture and would serve no useful purpose.

If council wishes to support her initiative you may issue a proclamation to that effect, which would be a more appropriate document than a non-binding and unenforceable resolution.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  August 5, 2021

**SUBJECT:** Agenda Item #7: Hill Family Park Notice of Intent to Award

 Attachment(s)

* RFP Affidavit

**BACKGROUND**

The City published the enclosed RFP in the Blue Mountain Eagle with responses due no later than August 4th at 12:00 p.m. Bids were received from Iron Triangle LLC and Tidewater Contractors LLC and. Bids were opened at 1:00 p.m. and were for approximately $270,000 and $272,000, respectively.

**DISCUSSION**

Bids received from these vendors will be presented to the council for review and decision.

**RECOMMENDED MOTIONS**

1. “I move to issue a Notice of Intent to Award to: \_\_\_\_\_\_\_\_\_\_\_\_\_ in the amount of \_\_\_\_\_\_\_\_\_\_.”
2. “I move to authorize the City Manager to enter into an agreement with \_\_\_\_\_\_\_\_\_ and issue a Notice to Proceed on or after Friday, August 13th, provided no other vendor contests this Notice of Intent to Award.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  August 5, 2021

**SUBJECT:** Agenda Item #8: Project Updates

 Attachment(s)

* Culley PLA
* Water Rights
* Aquatics Center Renderings

**BACKGROUND**

The city is progressing on several projects. Staff will give a brief status update and council may ask questions on any of the projects. Projects are grouped into topical categories with the corresponding city budget in parentheses.

**PROJECTS**

**Integrated Park System**

*Hill Family Park (Street).* The Hill Park RFP awarded today. Work will proceed through the end of September and into mid-October. The Culleys were presented with a PLA as shown in the enclosure. Culley would deed 0.21 acres to the City and the City would deed 0.41 acres to Culley. They believed they would be giving up water rights and asked if the city would provide free water from the reclaimed water system or a price-lock guarantee on their purchase price of $1 per $1,000 gallons once it is available. They are already gaining twice as much land as they are giving up, and as shown in the attached water rights enclosure, their tax lot has a minimal water right in the zone they are deeding to the city whereas all of the land they are gaining has water rights, which will run with the land. It is not in the best interests of the city to do more than the original PLA as proposed. If that is insufficient, we can build sidewalks from 7th Street to the new bridge at the Hill Family Park rather than a trail.

*Aquatics Center (Street / TBD).* The Parks & Recreation District has scheduled the neighborhood meeting for the new aquatics center (a pre-application requirement for Site Design Review). They will submit their application to the city 21 days after this meeting and the site design will go before the John Day planning commission in late September for a public hearing. The Parks and Rec board has requested the City take the lead on the site planning if and when the planning commission approves the site design review. Upon approval, we intend to contract with OPSIS Architecture and Walker Macy to complete the initial design of the facility based on the renderings attached (developed in the feasibility study). The City will need to do a supplemental budget to accept the $2 million grant award from the state for this project upon receipt of the grant agreement. We will also budget for the proceeds from the sale of Gleason Park to be dedicated to this project once the appraisal is completed.

*Kam Wah Chung (TBD).* OPRD presented the next steps for KWC at our town hall last week. The appraiser has completed his work for the Gleason Park purchase and sale agreement and is preparing the final report for their review.

*Recreational trails (Street).* The City has requested $147,990.50 in grant funding from OPRD to complete the paving and construction of the riverfront trail system between the Oregon Pine Bridge and the 7th Street Sports Complex/Hill Family Park. This project will begin next spring if grant funds are awarded.

*Planar Shed Restoration (Sewer / TBD)*. The City has requested $125,000 in congressional supplemental funds to begin the planar shed restoration and conversion into a community pavilion, per our initial design. These are federal funds that would be awarded this fall and sent to USDA Rural Development, through whom we would request the funding. USDA RD could also provide local grant dollars and long-term, low interest loans to complete the project as a supplement to the congressionally directed spending.

*Sawmill / Events Center (Sewer/ TBD).* We continue to pursue funding for the conversion of the sawmill to an events center and hotel/recreation area. Work is proceeding on the landscaping north of the river to provide access to these sites and allow us to remove and repair the Oregon Pine Bridge so that it can collocate both the fiber optic cables and the reclaimed water and sewer from the new wastewater treatment plant, which will cross this bridge to reach the southern portion of Oregon Pine.

**Main Street Revitalization / Tourism Promotion / Recreation Economy for Rural Communities**

*The Pit Stop / ORR grant (Street).* The Oregon Recreation Roundtable (ORR) granted $4,000 to the City of John Day to help create improved signage, branding and waypoints for a new downtown restroom and parking area on West Main Street called The Pit Stop. Their funding supplemented a $41,000 grant from Travel Oregon to create restrooms at this location. We are funding the balance of the restroom cost, which was permitted for construction on July 23rd. We are also exploring cycling improvements like bike storage lockers, a fix-it station and other amenities at this site to enhance the visitor experience and to encourage pass-through traffic to stop and shop in downtown John Day. The current design has 12 new single-vehicle parking spaces and one ADA-accessible space (13 total); public restrooms; an information kiosk; CycleSafe storage lockers; and a courtyard with a fire pit for public seating, which is capable of expanding to include up to four food trucks or permanent food stands and/or popup retail locations. These improvements are centrally located in downtown John Day within walking distance of the new Kam Wah Chung Interpretive Center and should be integrated with the KWC design as well as build capacity for visitors to that site.

*Wayfinding system (Street).* We are evaluating proposals for a wayfinding system and signage improvements as part of the KWC grant. We will make award decisions in the coming weeks.

*DiscoverJohnDay.com website & video content (Comm. Dev.)* As part of the wayfinding project, we are beginning the design of the DiscoverJohnDay.com website. Straw-to-Gold LLC has begun filming content for this site that can also be used in promotional videos on the internet and as content for future commercials. We will show a video from one of their prior shoots at the John Day Street Fair last month during the council meeting.

*Entrance monuments (TBD)*. We are working with Walker Macy to design entrance monuments at the east and west entrances to John Day as part of the KWC site.

*City Hall parking (Street).* We will begin exploring parking design options for the City Hall parking lot in the coming weeks.

**Community Development Programs**

*Ford GRO (Comm. Dev.).* The GRO program is now fully funded for the first year of execution. Our GRO coordinator/Community Development Director will start at the end of August.

*Oregon RAIN*. The City is currently managing a portion of Oregon RAIN’s funds received under a USDA grant. They conducted interviews last week and are finalizing their selection for this position.

*Greenhouse (Comm. Dev.)* We are moving forward with the co-op formation and plan to host a series of meetings in mid-October related to the transition from a city-owned facility to a co-op facility. These discussions will also include other agribusiness opportunities of interest to the community and mechanisms to ensure water, food and energy resilience for John Day in the face of the dramatic climate impacts and disruptions to global supply chains we’ve been experiencing (floods, complex wildfires, droughts, winter snow storms, wind storms, global pandemics, cyber intrusions, etc.) The greenhouse is under increased scrutiny by people looking to scrutinize the greenhouse. It makes up less than 0.5% of our total budget but has become the poster child for everything that’s wrong with the world in John Day.

Total personnel services were about $71,500 for FY20. LauraBeth’s portion of that cost was about $50,000, the rest were costs attributed to other city staff that we would incur regardless of whether we own and operate a greenhouse. We show them in the budget across all funds, but we’d pay those costs in other funds if we weren’t operating the greenhouse, so $50K is an accurate number for the added cost to staff the greenhouse. Materials and Services came to $83K and debt service was $22K. If you look at the actual labor cost, materials and services and debt service, the cost to operate the greenhouse last fiscal year was about $155,000. Revenues came to $33K, so we ended up with an operating deficit of about $122,000.

What we gained was about 10 tons of locally grown produce, 75% of our wastewater treatment plant grant funded (to the tune of $4.75 million), one local job created that pays a living wage, and the top virtual tourism attraction in the city next to Kam Wah Chung and our most written-about destination by outside audiences, including Bloomberg, Oregon Humanities, Oregon Business Magazine, and others.

Revenues were anemic during the pandemic. We had budgeted $100,000 in produce sales estimating we would cover our labor cost for the head grower and our materials and services, but with most of our customers closed or at half capacity, we ended up donating or composting a lot of the food.

Moving to a co-op model will eliminate the government overhead in the labor from our budget. We had a cold winter and the cost to operate through the winter exceeded revenues, so we may just have to close it down from November through February. If we were to do that, we’d only pay debt service, which is about $1,800 a month – a lot less than the cost to heat.

I expect revenues will increase once COVID is behind us, but with the delta variant it will be hard to tell how the state responds and how it impacts our restaurants.

We are trying to be prudent in how we manage the city’s funds. Having good, productive farms is important to our economy. The greenhouse is well operated and under capable management, but during COVID it did not yield a positive rate of return.

Given the amount of reclaimed water we’ll be generating under the new treatment plant, good hydroponic farms operated over a long period of time at the appropriate scale should represent a safe investment where the assets of the City and our private partners can be used to preserve and enhance local food security, while at the same time creating employment growth in a new and emerging industry that is not dependent on federal land use policies.

There may come a time when the City needs to fully divest this asset, but to eliminate it due to revenue shortfalls resulting from a global pandemic is premature. We only put $5,000 of COVID relief money into the greenhouse last fiscal year, but we have $184,000 a year for the next two years in ARP funds, a portion of which can be used to offset operating revenue loses. That decision will ultimately be up to the city council.

If we do choose to divest, we need to come up with an alternative use for the millions of gallons of reclaimed water we will generate annually. This water will be a new asset for the City and we need to put it to productive use. We should not pay to pump it, pay to deliver and treat it, and then waste it in the ground. Our intent in purchasing the first greenhouse as a proof of concept was to demonstrate that we could grow hydroponic crops effectively in John Day. We’ve proven that. We’re generating about 10 tons of produce annually. Now we need to find a sustainable operating model and a scale at which its revenues match or exceed its costs. A cooperative model will be our first choice, but a public private partnership with commercial growers is also an option.

*USDA Rural Placemaking Innovation Challenge (submitted).* The University of Oregon submitted an application to the RPIC program on behalf of John Day, Burns and Lakeview. Their intent is to help us create cultural districts and enhance placemaking in line with our plans, while bringing lessons learned from John Day to the other two communities. This would be a multi-year effort funded by the USDA if awarded.

**Housing / Urban Renewal Agency**

The URA is sponsoring four developments and/or projects: *Ironwood Estates (URA with loan from SDCs)*; *The Ridge (URA)*; *Holmstrom Ranch extension of Charolais Heights (URA)*; and the *DLCD Technical Assistance grant for 3-D home printing (submitted, pending decision)*. These projects are ongoing.

To date, the URA has used $3,387,067 in excess tax value or tax increments (tax value created above the frozen tax base when the URA was established). Most of this value was created by the URA’s housing incentive programs. Out of approximately 133 urban renewal plan areas in Oregon, John Day’s had the fifth highest increase in assessed value, with a year-over-year growth rate of 76.3% in tax increments. This is a significant and important contribution to improving the long-term tax value of John Day’s properties after decades of urban blight. The URA has become the top tax revenue generator in Grant County. It has done more to create property tax receipts in its first three years than any other public or private sector investment project of which I am aware, and it is also providing significant public benefits towards future workforce and retirement housing needed by all tax jurisdictions in our community.

Everything above will be managed by our new Community Development Director/Chief Financial Officer, Michael Anderson, who will start work at the end of this month. Michael is an MBA and a CPA with a background like myself in consulting. His family lives in Mt. Vernon and he grew up in Oregon. We’re excited for Michael to join our team and you’ll have the opportunity to meet him in September. He will be responsible for these community development projects and will assist me in managing the financials for our now $20M+ capital projects portfolio.

**Public Works**

*Treatment plant (Sewer).* The CwMH20 team has completed their field work and sent the preliminary field report and model to DEQ this week. The final model and results of the analytical testing will be sent later this month. DEQ will review and then make a determination as to the appropriate permit pathway for the treatment plant. Once that pathway has been identified, we will be able to proceed with final design and procurement. We are clearing and grubbing the land around the treatment plant to prepare the site for construction and will continue to make improvements to our collection system and access road into the plant using the grant funds recently appropriated by the state through HB5006 for this project.

*Innovation Gateway business park (Water).* We are scheduling Maul Foster and Alongi staff to come to John Day next month to complete the abatement of the former Iron Triangle property. They will then create the final report and we will be able to receive industrial park certification for this site and begin construction of the final improvements upon notice to proceed by the EDA for our broadband award, which will be collocated with the power for this area.

*Reclaimed water distribution system (Sewer).* We have submitted a $3 million grant request to OWRD for the purple pipe distribution system. It is going through the review and adjudication process and scoring from the review committee is expected next month.

**Grant County Digital**

*Community Broadband (IT).* The EDA is preparing the award packet for this project. We are providing additional information requested by their team from our engineers this week.

*The CyberMill John Day + Seneca (IT).* The furnishings have been ordered for the Seneca site and OTEC has permitted the fiber installation to that facility. We are waiting on CenturyLink to permit co-location on one pole and then we can hang the fiber and light the building. We are hoping we can proceed with that work in September. The John Day site (231/241 W. Main) was appraised at $102,000. Our total purchase price came to $90,632.69, which means we will have about $12,000 in equity in the building prior to the project renovations beginning. Paulsen Environmental performed the Hazardous Building Materials Assessment and identified by lead-based paint and asbestos in some locations, which can be mitigated and abated using brownfields funds similar to what we did with the Weaver Building. The cost estimate to repair the roof by installing a new TPO membrane is approximately $25,000 and has been scheduled for next month. We are also evaluating paving the back portion of the lot and demo’ing the lean-to structure attached to the building to allow us to regrade stormwater away from the buildings and into the city’s stormwater system. That plus the sidewalk improvements in front would need to be done in conjunction with the neighboring property owners but would significantly improve public access to these common areas shared by the historic Seventh-day Adventist Church, the CyberMill, The Outpost, and OTC Connections.

**Street & Bridge Improvements**

*Charolais Heights Intersection (Street).* Work at Charolais Heights is ongoing. The contractors anticipate paving by the end of this month-ish. Tidewater has installed a reader board to hopefully improve traffic circulation. This is a difficult intersection and we appreciate our residents’ patience as we work through this.

*Government Entry Road (Water/Street).* Government Entry needs a new name. We also need to put on the base rock. We have submitted our SCA application for $100,000 to pave this project and ODOT responded they will accept the application provided the Charolais Heights project is signed off on by September 15th.

*W. 7th Street Approach to Treatment Plant (Sewer).* We will begin the design of this road from Patterson up to the driveway of the new treatment plant to allow for construction vehicles to safely enter and exit from the highway. We are clearing and grubbing the land now and will work with Sisul Engineering on the design and RFP for the street improvements.

*Oregon Pine Bridge (Sewer).* We are moving forward with the bridge restoration using the treatment plant funds from the state since this is a critical node in our collection system and reclaimed water distribution system. We will most likely remove the bridge when we install the new one at the Hill Family Park, improve the embankment and then reset the bridge and complete the paving.

*SW 4th Avenue Repairs (Street).* This project will complete permitting this fall and bid documents will be submitted early next year for work to begin in July 2022.

*395S Sidewalk Improvements (Street).* This project will complete permitting this fall and bid documents will be submitted by ODOT early next year for work to begin in the spring of 2022. ODOT published a news release with a video and map of the project at this link: <https://content.govdelivery.com/accounts/ORDOT/bulletins/2ea10bb>

ECONorthwest estimated the indirect value of these streets improvements as part of the RAISE grant submission. The full build-out of the Innovation Gateway Area site and rerouted traffic associated with the transportation network improvements is expected to improve intersection operations and public safety when compared to the scenario without them by allowing east-west trips to occur off the highway (i.e., without using Main Street- US 26). The transportation impact study estimated that approximately 730 average daily trips will utilize this route upon build out of the Innovation Gateway Area, with these users expected to experience two minutes (0.03 hours) of travel time savings, corresponding to a travel time savings of $143,000/year.

**SUMMARY**

Thanks to the efforts of the city council, our city staff, our nonprofit partners and our advocates at the state and federal level, we have over $20 million in capital project expenditures awarded and programmed for completion over the next two years.

As I stated in my [newsletter](https://www.cityofjohnday.com/sites/default/files/fileattachments/community/page/251/july_2021_newsletter_v2.pdf), this is both an exciting and challenging time for our community. We are preparing to spend about $12,500 per resident on capital improvement projects over the next two years.

To put this in perspective, the average John Day resident generates only $185 per year in property tax receipts for the City. Our rate of investment using grant funds already awarded is more than 30 times this amount. The economic gains over the next two years from these projects will be substantial and enduring, contributing to increased profitability for our businesses, increased efficiency for our residents, and improved quality of life.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:**  August 5, 2021

**SUBJECT:** Agenda Item #9: Other Business and Upcoming Meetings

 Attachment(s)

* None

**OTHER BUSINESS**

* Aug 17 election for police option levy

**UPCOMING MEETINGS**

* August 10, City Council Meeting – Fire Hall, 7:00 PM (Defer to 24th?)
* August 24, City Council Meeting – Fire Hall, 7:00 PM
* September 14, City Council Meeting – Fire Hall, 7:00 PM
* September 28, City Council Meeting – Fire Hall, 7:00 PM