

**John Day City Council Meeting  
Tuesday, March 8, 2022  
316 S. Canyon Boulevard**

**7:00 PM City Council Meeting  
8:00 PM Urban Renewal Agency Meeting**

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1. **OPEN AND NOTE ATTENDANCE**
2. **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.
3. **APPROVAL OF PRIOR MINUTES** – None

## **CONSENT AGENDA**

4. **CONSENT AGENDA ITEMS**  
Attachments:
  - Field’s Tree Service PSA
  - Amendment No. 1 to SCA Grant Agreement No. 33832

## **ACTION ITEMS**

5. **SELECTION OF NEW CITY COUNCILOR**  
Attachments:
  - Labhart Application
  - Aleman Application
  - Hubbard Application
  - Stauty Application
6. **CITY POLICE**  
Attachments:
  - None
7. **MAIN STREET REVITALIZATION GRANT**  
Attachments:

- None

**8. THE PIT STOP SITE DESIGN**

Attachments:

- Pit Stop Plan Set

**9. TREATMENT PLANT RFP (DRAFT), WPCF PERMIT AND PROJECT UPDATE**

Attachments:

- Draft Progressive Design Build (PDB) RFP
- WPCF Water Quality Permit
- 7<sup>th</sup> Street Draft Sheet
- Reclaimed Water Project Area Map

**10. OREGON PINE BRIDGE REPLACEMENT**

Attachments:

- Cost Estimates (if available)

**DISCUSSION ITEMS & OTHER BUSINESS**

**11. R3 STRATEGIES UPDATE**

Attachments:

- None

**12. OTHER BUSINESS & UPCOMING MEETINGS**

Attachments:

- None

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** March 8, 2022  
**SUBJECT:** Agenda Item #4: Consent Agenda Items  
Attachment(s)

- Field’s Tree Service PSA
- Amendment No. 1 to SCA Grant Agreement No. 33832

**BACKGROUND**

The agreement with Field’s Tree Service, discussed during our last council meeting, is included in the consent agenda, along with an amendment to our current SCA grant and approval needed by council to issue new credit cards through Bank of Eastern Oregon.

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**Item 1) Field’s Tree Service PSA**

This professional services agreement is for landscape improvements to integrate the various properties surrounding Kam Wah Chung, as discussed in prior council meetings. The contract is a not-to-exceed value of \$250,000, which will be funded through a mix of project-specific grant funding.

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**Item 2) Amendment No. 1 to SCA Grant Agreement No. 33832**

This Amendment to Grant Agreement No. 33832 extends our period of performance for the \$50,000 small city allotment grant for repair of 4<sup>th</sup> Street until December 31, 2022. Sisul Engineering has redeveloped the design plan and will present it at our next council meeting, along with an updated timeline for the project, which is slated for construction this summer. The FEMA funding for the project will also be extended to the end of this year.

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**Item 3) BEO Credit Card Issuance**

BEO needs “written approval by council” for the issuance of cards to the individuals listed on the application. This written approval also needs to outline who can request changes to the cards such as if the card limit needs increased or a card needs cancelled.

Monte Legg	\$2,500
Donald Gabbard	\$2,500
Nicholas Green	\$7,500
Aaron Lieuallen	\$2,500
<u>Corum Ketchum</u>	<u>\$2,500</u>
Total	\$17,500

Recommend authorizing the Mayor and City Manager, by title, to make changes to card limits and authorized users.

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**Recommendation:** Approval of the consent agenda will authorize the City Manager and Mayor Lundbom to sign and other execute the enclosed agreements.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 8, 2022

**SUBJECT:** Agenda Item #5: Selection of New City Councilor  
Attachments:

- Labhart Application
- Aleman Application
- Hubbard Application
- Stauty Application

## **BACKGROUND**

Four individuals have applied for the vacant city councilor position: Chris Labhart, Liz Aleman, Brian Hubbard, and Christopher Stauty. All are residents who meet the requirements to apply.

## **DISCUSSION**

Council should review and discuss with each applicant their interests in serving on council. Factors to consider include prior service, motivations, diversity, commitment to the role and willingness to run for election in November.

The appointed individual will serve through December 31, 2022 since Position 7 is up for re-election this November.

## **RECOMMENDED MOTION**

“I move to appoint \_\_\_\_\_ to serve as city councilor for Position 7 for the remainder of its term.”

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** March 8, 2022  
**SUBJECT:** Agenda Item #6: City Police  
Attachments:

- None

**BACKGROUND**

Councilor Rookstool will provide an update on the status of the police discussions with Grant County.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** March 8, 2022  
**SUBJECT:** Agenda Item #7: Main Street Revitalization Grant  
Attachments:

- None

## **BACKGROUND**

Staff will review the proposed scope of the Main Street Revitalization Grant, due March 15<sup>th</sup>.

## **DISCUSSION**

Corum Ketchum is starting this week as our Community Development Director. He has been researching Main Street renewal programs and is developing parameters for an application that will focus on the following:

- Façade improvements (paint, architectural features, etc.)
- Lighting
- Building access (ADA accessibility improvements for entrances, restrooms)
- Energy efficiency (window repair, insulation, awnings, etc.)
- Business signage

Grant funds may be awarded for amounts up to \$200,000. We are requesting the full amount.

Minimum match is 30%. We are going to match 100% and provide \$60,000 for the designated Main Street district boundary, with an additional \$140,000 in companion funding available both within this district and end-to-end along Main Street.

Advise staff if you wish to see alternative arrangements, otherwise we will proceed and submit the application as noted above.

## **RECOMMENDATION**

Recommend a motion to approve the City staff to submit the application to the 2022 Oregon Main Street Revitalization Grant.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** March 8, 2022  
**SUBJECT:** Agenda Item #8: The Pit Stop Site Design  
Attachments:

- Pit Stop Plan Set

**BACKGROUND**

Staff will review the proposed site design for The Pit Stop based on feedback from last council meeting. The updated plan set is attached.

**RECOMMENDATION**

Approve the plan set and authorize city staff to begin final design and prepare cost estimates and bids for construction.



**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 8, 2022

**SUBJECT:** Agenda Item #9: Treatment Plant RFP (Draft), WPCF Permit and Project Update Attachments:

- Draft Progressive Design Build (PDB) RFP
- WPCF Water Quality Permit & DEQ Response to Comments
- 7<sup>th</sup> Street Draft Sheet
- Reclaimed Water Project Area Map

## **BACKGROUND**

Staff will review the status of the treatment plant progressive design-build RFP and entrance concepts for the intersection at 7<sup>th</sup> Street and Patterson Bridge Road.

We will also discuss the status of our current consulting contracts and need for future bridge contracts to maintain continuity for this critical project.

## **DISCUSSION**

**Draft RFP.** I have posted a draft of the progress design build RFP. I will review details of the RFP with council. The draft RFP must be reviewed by USDA and the CDBG program office and will include contract language and updated attachments, including the recently release permit.

**WPCF Water Quality Permit.** Our proposed Water Pollution Control Facilities (WPCF) Permit is now on public notice at this link. <https://www.oregon.gov/deq/Get-Involved/Pages/Public-Notices.aspx?wp6831=l:100>

This includes a copy of the public notice, permit and fact sheet (attached).

The City of John Day may provide additional comment on the permit during this time.

Comments must be received by 5 p.m. on April 11, 2022. When the public participation period has ended, DEQ will take final action on our application.

DEQ made many of the adjustments we requested to the application. I will review these during the council meeting (see attached comments).

**Street Alignment.** Also attached is the Draft Sheet for the refined 7<sup>th</sup> Street alignment based on previous discussions. We can continue to refine the tie-in point at the west (at Patterson Bridge Rd), but this gives you the alignment. Primary intent for street sections at 7<sup>th</sup> Street and Business Park road is as follows:

### **7<sup>th</sup> Street**

- Roadway width (curb to curb): **22-feet**
- Parallel parking bump-outs: **8-feet**
- North edge of roadway:
  - Planter width: **6-feet**

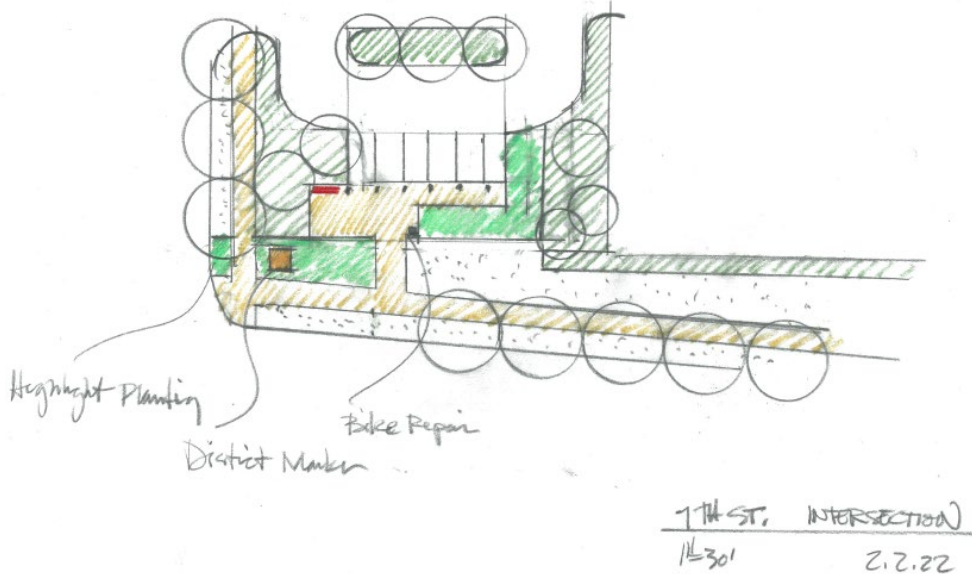
- Sidewalk width: **6-feet**

**Business Park Road**

- Roadway width (curb to curb): **28-feet**
- South edge of roadway:
  - Planter width: **6-feet**
  - Sidewalk width: **6-feet**

We're also showing an updated riverside trail that would work with the river as it is today. This alignment provides a meandering trail alignment that allows for a more natural trail experience with varying offset between the new parkway road and the river.

We're also working on a refined concept for the intersection of 7<sup>th</sup> Street and Patterson Bridge Road, which would create a trailhead with expanded parking at OTEC's facility. A sketch of the proposed concept is shown below.



**Water Reuse Roadmap.** Although we do not currently operate a recycled water program, the permit allows us to develop such a program. The permit requires us to develop an approved recycled water use plan before recycled water is distributed. This will also be made available for public comment after DEQ review. Table A2: Recycled Water Limits describes the treatment criteria for our recycled water under the new permit.

Water reuse crosses a spectrum that includes environmental restoration, agricultural reuse, landscape irrigation, industrial reuse, groundwater recharge, surface water augmentation, and direct potable reuse.

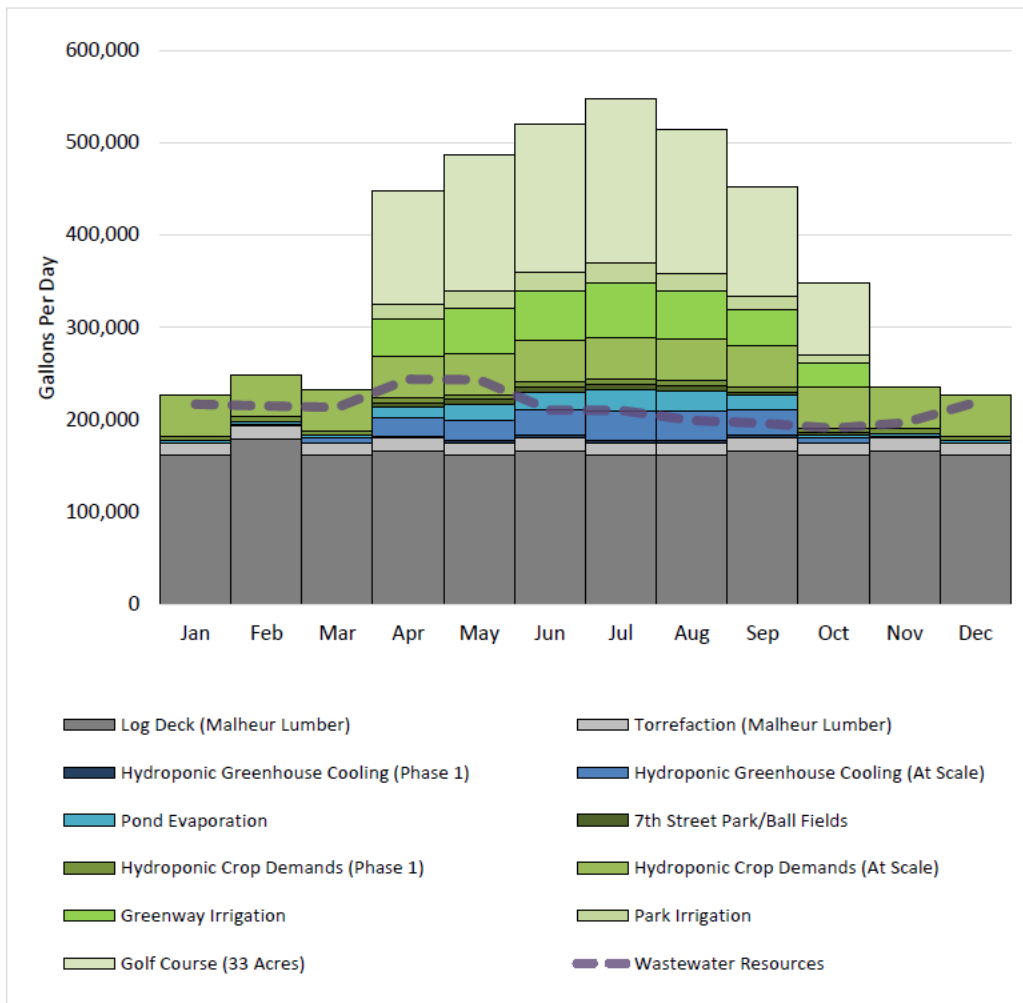
Potential reuse options now and in the future include:

- **Environmental restoration;**
- **Agricultural reuse;**
- **Landscape irrigation;**

- **Industrial reuse;**
- **Groundwater recharge;**
- **Surface water augmentation (requires NPDES permit)**
- **Direct potable reuse (requires NPDES permit)**

Our feasibility study conducted by Sustainable Water in 2018 identified some potential reuse options as well as an estimated amount for each user (see Table 3).

Table 3: Recycled Water Uses & Demands in John Day at Full-Scale



Developing our vision for water reuse in John Day should include a “one water” integrated resource management approach. One Water, or integrated water resources management ([IWRM](#)), is an “...integrated planning and implementation approach to managing finite water resources for long-term resilience and reliability meeting both community and ecosystem needs” ([The Water Research Foundation](#)). This approach also recognizes that all water has value and should never be treated as a waste product ([US Water Alliance](#)) [see <https://efcnetwork.org/one-water-approach-for-improvement-in-water-resource-management/> for more information].

We need to develop our strategic plan for water reuse as we begin preparing for our purple pipe network.

The project area map for construction of the water reuse system, including future hydroponic greenhouses and the water reclamation facility, is attached. Of the potential reuse options, using reclaimed water to augment potable water resources is by far the most complex due to its health and regulatory considerations. Nevertheless, the City should begin planning for indirect potable reuse because the treatment technologies we are using have the ability to turn wastewater into an economic asset across the full spectrum of reuse options.

## **NEXT STEPS**

**RFP.** We will work with USDA, CDBG and our attorneys to finalize the RFP and get it ready for publication.

**Property Line Adjustments & ROW.** Staff are proceeding with the lot line adjustments based on this plan set with the surrounding properties to accommodate the needed right-of-way for 7<sup>th</sup> Street. We'll then adjust the property lines for Tax Lot 1900 in preparation for its sale later this spring.

**Permit.** Staff will monitor the status of the WPCF permit through the global comment period.

**Reclaimed Water.** Staff and city engineers will begin preparing the plan set for the construction of the purple pipe network and Oregon Pine Bridge replacement to co-locate the network to service the City's properties.

**Preliminary Engineering Report.** Staff are revising the PER addendum to include updated financial projections and permit data. The draft PER files are available at these links:

2019 PER:

<https://www.dropbox.com/s/lavrrnbmju7c3e/John%20Day%20Draft%20PER%2020200217.pdf?dl=0>

2022 PER Addendum:

<https://www.dropbox.com/s/8lkr2b51w8vi6hb/John%20Day%20WWTF%20Report%20Final%20Rev3.pdf?dl=0>

These documents will continue to be amended until final funding is approved by USDA.

**Funding.** Staff are preparing the USDA WEP application for funding. All other funds (\$6M) are committed and under contract.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 8, 2022

**SUBJECT:** Agenda Item #10: Oregon Pine Bridge Replacement  
Attachments:

- Cost Estimates (if available)

**BACKGROUND**

Staff will review proposals for replacing and re-setting the Oregon Pine Bridge at the next city council meeting. This is needed to allow the EDA broadband grant and OWRD reclaimed water grants to move forward, as the bridge is a conduit for pipelines on both projects.

**TO:** John Day City Council  
**FROM:** Nicholas Green, City Manager  
**DATE:** March 8, 2022  
**SUBJECT:** Agenda Item #11: R3 Strategies Update  
Attachments:

- None

## **BACKGROUND**

Staff will provide an update on the status of the R3Strategies Housing and Public Improvement Consortium project.

## **FREQUENTLY ASKED QUESTIONS**

Burns has posted a set of frequently asked questions (FAQs) related to the formation of R3. We will be meeting this week with the appointed city councilors and city attorney to discuss the formation further.

The FAQ are posted at this link:

[https://www.cityofburnsor.gov/faqs?field\\_tags\\_tid=487&fbclid=IwAR3LZ7eGKX8ujE0pGap6YJuOaKVShy6j1pNNjCuWGAXMw9T8pnYWWQip0YY](https://www.cityofburnsor.gov/faqs?field_tags_tid=487&fbclid=IwAR3LZ7eGKX8ujE0pGap6YJuOaKVShy6j1pNNjCuWGAXMw9T8pnYWWQip0YY)

Adoption has been delayed to give members of all three communities the opportunity to become more informed about the project.

**TO:** John Day City Council

**FROM:** Nicholas Green, City Manager

**DATE:** March 8, 2022

**SUBJECT:** Agenda Item #12: Other Business and Upcoming Meetings  
Attachment(s)

- None

#### **OTHER BUSINESS**

- **Local Budget Training.** LOC is offering two virtual training sessions in local budgeting, on Wednesday, March 30 from 6 - 9 p.m., OR Thursday, March 31 from 1 - 4 p.m. We highly recommend this training for both new city councilors and budget committee members. Any who are interested in registering should contact Chantal at city hall. Training details are at: <https://www.orcities.org/education/training/loc-training-calendar/details/loc-budget-training>
- **City Manager Recruitment.** Position has been posted to the LOC job board, LinkedIn, Facebook, and will be advertised in the Blue Mountain Eagle every other week.

#### **UPCOMING MEETINGS**

- March 22, City Council Meeting – Fire Hall, 7:00 PM
- April 12, City Council Meeting – Fire Hall, 7:00 PM
- April 19, Budget Committee Meeting – Fire Hall, 6:00 PM
- **April 20, City Council Executive Session – Candidate Screening for City Manager Position – Fire Hall, 7:00 PM**
- April 26, City Council Meeting – Fire Hall, 7:00 PM
- **May 4, City Council Executive Session – Candidate Interviews – Fire Hall, 9 A.M. – 4 P.M.** (specific times TBD based on number of candidates)
- May 10, City Council Meeting – Fire Hall, 7:00 PM
- May 24, City Council Meeting – Fire Hall, 7:00 PM – Council Budget Hearing
- June 14, City Council Meeting – Fire Hall, 7:00 PM – Budget Adoption

## **URA BOARD MEETING – 8:00 PM OR FOLLOWING COUNCIL MEETING (WHICHEVER IS FIRST)**

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

### **CONSENT AGENDA**

- 4. CONSENT AGENDA ITEMS**  
Attachments:
  - None

### **ACTION ITEMS**

- 5. URA LOAN APPLICATION – BUSINESS OREGON**  
Attachments:
  - Business Oregon General Application
  - SPWF Supplemental Application Attachments
  - Pipe Estimate for the Ridge and Ironwood Estates
- 6. REVIEW OF CURRENT HOUSING DEVELOPMENTS**  
Attachments:
  - None



**TO:** John Day Urban Renewal Agency Board of Directors

**FROM:** Nicholas Green, City Manager

**DATE:** March 8, 2022

**SUBJECT:** Agenda Item #5: URA Loan Application – Business Oregon Attachments:

- Business Oregon General Application
- SPWF Supplemental Application Attachments
- Pipe Estimate for the Ridge and Ironwood Estates

**BACKGROUND**

Staff will review the URA loan application to Business Oregon with the board.

**DISCUSSION**

We are applying for \$1.85 million to fund the utility and street improvements for three approved developments shown in the Table 1. I will review the development plans for each area with the board.

*Table 1. Cost per development and housing units created*

Housing Development	Est. Cost	Units Planned
Holmstrom Ranch	\$ 350,000	4
Ironwood Estates	\$ 750,000	17
The Ridge	\$ 750,000	23
URA Rebate Incentive Payments (All)	\$ -	
<b>Total Program Cost</b>	<b>\$ 1,850,000</b>	

Loan assumptions are shown in Table 2. Based on these assumptions, the URA will retain \$2.27 million in additional debt capacity over the life of the program. In other words, this loan would leverage about 50% of the URA’s debt capacity to create buildable lots for 44 homes. With the 14 homes currently in production this will achieve half our target of 100 homes planned for the URA.

*Table 2. Loan assumptions*

Loan Assumptions	
Loan (Full Program Cost)	\$ 1,850,000
Repayment (years)	20
Annual Interest	2%
Payments begin	1/1/2023
Annual Debt Service Cost:	\$ 112,306.10
Total cost of Loan:	\$ 2,246,122.01
<i>Total interest</i>	<i>\$ 396,122.01</i>
Gross TIF Forecast (2039)	\$ 4,522,718
<i>diff. TIF forecast less total loan cost</i>	<i>\$ 2,276,595.99</i>

Staff would like to proceed with an order for pipe for both developments, the cost of which would be deducted from the URA's contribution towards the developments. We're recommending this because of the rising cost of materials and fuel. We have quotes for the materials for both developments (Attachment 5C) and we can proceed with those orders.

#### **RECOMMENDATION**

Approve the loan application as submitted and authorize Mayor Lundbom and the City Manager to sign and submit the application on behalf of the City.

A joint development agreement between the property owners, City and URA will need to be signed and approved in conjunction with (or before) the URA accepting the loan funds. This motion simply authorizes the staff to submit the application for funding.

**TO:** John Day Urban Renewal Agency Board of Directors

**FROM:** Nicholas Green, City Manager

**DATE:** March 8, 2022

**SUBJECT:** Agenda Item #6: Review of Current Housing Developments  
Attachments:  
• None

## **BACKGROUND**

Staff will review the current URA applications with the board and upcoming housing developments.

Staff will also report on the status of the [Missing Middle Housing Fund \(MMHF\) opportunity](#) and the Housing Innovation Partnership co-chaired by Rep. Pam Marsh and OCF.

## **DISCUSSION**

ECONorthwest estimates that the state should be building 29,000 units a year to meet demand and each year we have been falling well short of that goal. In fact, recent studies suggest we have a deficit of 150,000 dwellings statewide. Current housing production is not keeping up with current demand, much less making progress on the deficit.

The MMHF is a nonprofit that serves as a gap fund and incubator for cost efficiency innovations in housing development. The City's 3D home printing and R3 approach for housing development has been selected as a finalist in the MMHF grant program competition.

I have also been asked to participate as a member of the Housing Innovation Partnership subcommittees addressing housing finance and capacity building statewide.

These projects have three main components:

- Innovative building approaches leveraging 3D technology;
- Housing finance; and
- Capacity building.

**Innovative Building Approaches leveraging 3D Technology.** Additional R&D relative to materials such as hempcrete is needed. This project needs investment capital or a construction loan to achieve the rental price point that would best serve our area's market. Other groups are working on similar approaches using different 3D pre-fabricated modular building components to reduce construction costs and timelines.

**Housing Finance.** The Housing Innovation Partnership should create a committee co-convened by the Treasurer's Office and Federal Reserve Bank to create new models of financing for Workforce/Middle housing. A key challenge with financing "workforce/middle" housing (rental or ownership for people earning between 60 and 120% of area median income) is economic feasibility: projects with those rental or sales prices currently don't pencil out for developers. An ability to target limited public capital towards the "workforce" segment of the market could render such projects feasible. The Federal Reserve Bank of San Francisco's Community Development Department has a keen interest in creating new models of financing healthy, climate-smart housing options in communities that are facing severe housing shortages,

especially those that have been impacted by natural disasters. It may be possible for the Bank, in partnership with the Oregon Treasurer's office, to convene financial institutions and public agencies for a discussion about how to develop financial models.

**Capacity Building.** A vast majority of Oregon cities and counties do not have the capacity or resources to plan, promote, develop, fund, or create housing. There are opportunities for implementing innovation by creating necessary partnerships to address new state level housing policy and planning reforms. One example includes House Bill 2003, which updated the process around housing needs analysis and now requires cities to establish production strategies documenting how they are going to address those housing needs. HB4063B (2022) also includes a housing study to identify methods to increase housing production timelines and also a review of resources local governments need to increase residential construction. In moving forward with housing innovations, the ability for local partners to collaboratively adapt to new regulations and requirements will be crucial. Strategies to create funding partnerships between state and local government would be helpful in combining funding at the state and local levels in a one-to-one match which would combine policy and implementation in on the ground action. The American Rescue Plan funding has presented a flexible resource for state and local government.

## **SUMMARY**

The Housing Innovation Partnership has come together to highlight the need for new ways of approaching this crisis through investment, research, capacity building and regulatory changes to create housing units.

Both the Partnership and the MMHF could provide access to additional financial resources for the URA to expand its housing within John Day and to benefit surrounding communities from the work we do in these sub-committees.