

**John Day City Council Meeting
Tuesday, August 23rd, 2022
316 S. Canyon Boulevard
7:00 PM Council Meeting**

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Suggested Public Meeting Process per League of Oregon Cities

1. The Mayor will begin an agenda item
2. Staff and/or the presenter will provide context
3. City Council will deliberate
 - a. City Council may ask questions of Staff and/or the presenter
4. The Mayor may solicit public comment
 - a. Members of the public will then be invited to the podium to speak for no more than 3 minutes on the topic. Members of the public must address the Mayor in their comments
 - b. The Mayor may then direct comments towards other members of Council or City Staff
5. The Mayor will request a motion on the topic if applicable

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** – August 9th, 2022

ACTION ITEMS

4. **PUBLIC HEARING FOR AMD-22-01 ADOPTING ORDINANCE NO. 22-200-11, AN ORDINANCE AMENDING THE JOHN DAY DEVELOPMENT CODE AND COMPREHENSIVE PLAN LAND USE DISTRICT MAP TO REDESIGNATE CERTAIN PROPERTIES AS RESIDENTIAL COMMERCIAL (AMD-22-01) TYPE IV PROCEDURE**

Attachments:

4a – Ordinance No. 22-200-11

- 4b – Ordinance No. 22-200-11 Affidavit of Publication (Exhibit A)
- 4c – Ordinance No. 22-200-11 Certification of Public Notice (Exhibit B)
- 4d – Legislative Public Hearing Script

5. CONSTRUCTION UPDATES

Attachments:

- 5a – Bid Tab Summaries – 7th Street
- 5b – 4th Avenue Schedule
- 5c – 4th Avenue Excavation Plan

6. CYCLE OREGON 2022

Attachment:

- 6. Cycle Oregon 2022 Classic Brochure

7. PITSTOP NEXT STEPS

Attachment:

- 7. Pitstop Next Steps Presentation

8. AQUATICS CENTER UPDATE

Attachments:

- 8a – 2018 Outdoor Options
- 8b – 2018 Indoor Options

9. HOUSING DEVELOPMENT UPDATE

Attachments:

- 9a – Housing Finance Spreadsheet

10. OTHER BUSINESS & UPCOMING MEETINGS

Other Business:

- Asset auction
- GRO initiative next steps
- Staffing updates

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: August 23rd, 2022

SUBJECT: Agenda Item #4: Public Hearing for AMD-22-01 Adopting Ordinance No. 22-200-11, An Ordinance Amending the John Day Development Code and Comprehensive Plan Land Use District Map to Redesignate Certain Properties as Residential Commercial (AMD-22-01) Type IV Procedure

Attachments:

- 4a – Ordinance No. 22-200-11
- 4b – Ordinance No. 22-200-11 Affidavit of Publication (Exhibit A)
- 4c – Ordinance No. 22-200-11 Certification of Public Notice (Exhibit B)
- 4d – Legislative Public Hearing Script

BACKGROUND – STAFF REPORT

This request includes a legislative amendment to amend the John Day Development Code. Legislative amendments are policy decisions made by the City Council. The approval criteria in section 5-4.1.050.G apply. The amendment must also conform with the Transportation Planning Rule provisions in section 5-4.7.060, as applicable.

The City Council’s review must focus on the relevant code criteria and follow the public hearing requirements for a Type IV Legislative Amendment under Section 5-4.7.020. The City Council should accept the Planning Commission’s unanimous recommendation and approve the request if it conforms to the approval criteria.

STAFF RECOMMENDATION

Staff recommends that the City Council adopt Ordinance 22-200-11, with amendments (if any, as applicable) and findings in this report.

PUBLIC NOTIFICATION

The City of John Day mailed public notice of the first hearing on this amendment to all affected property owners on July 1, 2022, 20 days before the planning commission hearing date, and published notice in the Blue Mountain Eagle on July 6, 2022 in conformance with the development code. Notice of the Planning Commission’s recommendation was mailed to affected property owners on July 28, 2022. Notice of this hearing before the city council was published in the Blue Mountain Eagle on August 3, 2022.

ADOPTION PROCEDURE AND FINDINGS

Council should approve the application based on all of the following criteria:

1. Approval of the request is consistent with the Statewide Planning Goals;
2. Approval of the request is consistent with the Comprehensive Plan;
3. The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and
4. The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan map or zoning map regarding the property which is the subject of the application; and
5. The amendment conforms to the Transportation Planning Rule provisions under Section 5-4.7.060. the Statewide Planning Goals.

Findings: The findings in the staff report to the planning commission, as documented in the written order, demonstrate consistence with the above approval criteria.

CITY COUNCIL PROCEDURE

Procedures are provided in the legislative script, enclosed.

TO: John Day City Council

FROM: Corum Ketchum, Interim City Manager

DATE: August 23rd, 2022

SUBJECT: Agenda Item #5: Construction Updates
Attachment(s)
5a – Bid Tab Summaries – 7th Street
5b – 4th Avenue Schedule
5c – 4th Avenue Excavation Plan

BACKGROUND

The City Manager and engineer will give updates on construction projects including:

- 4th Avenue
- 7th Street
- Holmstrom Rd
- Trails and parking

DISCUSSION

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SW 4th Avenue

The SW 4th Avenue repair project is now underway. Attached is the schedule provided by the Contractor, and some plans sheets showing the proposed work along Canyon Creek. There are three phases to complete the work that is along the stream, after this is completed, all the remaining work will be above ordinary high water (OHW). Based on the current water level they are not anticipating having to isolate any areas of water, and no fish salvage is anticipated, the bulk bags will be isolating the steam from possible falling debris in phase 1 and then in phase 2 and 3 they will be moved further into the water to isolate the last part of the excavation and construct the bottom of the wall construction.

An extension to the instream water work window has been approved by ODFW and DSL through September 30, 2022. The U.S. Army Corps of Engineers (Corps) has accepted our application for a Department of the Army permit to construct a Hilfiker MSE retaining wall and stabilize 150 feet of streambank with riprap, rootwads, and native material to retain slope and road embankment for SW 4th Avenue. The Corps is evaluating the application for authorization by Nationwide Permit (NWP) No. 13, Bank Stabilization. NWP 2022-303 is the ID number assigned by the Corps for the NWP-13 permit. 21992 is the DEQ ID number for the 401 fill certification. All other ESA compliance permitting was completed by FEMA prior to the start of construction.

Street Improvement Projects

We received bids from Hueckman (Schedule B. Pit Stop) and Knife River (Schedule A. 7th Street and Schedule B. Pit Stop). Joe will discuss the bids and our recommended approach.

Hueckman – No bid Schedule A; \$149,060 for Schedule B.

Knife River – \$1,207,725 Schedule A; Schedule B was \$600 less than Hueckman but will be withdrawn if we do not award Schedule A.

One potential approach to consider is:

- 1) Rescope Schedule A and re-price without trails/parking.
- 2) Award Schedule B to Hueckman for the Pit Stop paving.
- 3) Repackage the Patterson Bridge Road improvements from the W. 7th Street bid and the E. 7th Street improvements up to and including the Holmstrom Road intersection, and submit that for the 2022 SCA. These two pieces are probably a better fit for projects with existing issues affecting safety or capacity.
- 4) Separate the trails and OTEC parking lot from the W. 7th Street project and bid those out locally through informal solicitation.
- 5) Coordinate paving Timber Way when Ironwood Estates is ready to pave.

Recommendation: Authorize staff to rescind the 2022 SCA application for Timber Way, approve staff to seek 2022 SCA funding for improvements from 7th Street to Holmstrom Road

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: August 23rd, 2022
SUBJECT: Agenda Item #6: Cycle Oregon 2022
Attachment: Cycle Oregon 2022 Classic Brochure

BACKGROUND

Who: Expect 1,200 people, including riders, volunteers and event staff

What: Cycle Oregon *Classic* multiday bike race

Where: Starts and ends in John Day

When: September 10th through 17th

Why: Our scenic highways and our diverse landscapes have been drawing the attention of a growing number of two-wheeled enthusiasts. Cycle Oregon is an organized way for riders to be introduced to our communities, to learn more about our way of life, and to invite them to visit our shops and restaurants. Connections made to between riders, the land, and us locals last a lifetime, and create an engine for future economic opportunity.

Local Events

- Friday (September 9th) Pitstop Event (TBD – See next agenda item)
 - Food and music organized by Oregon RAIN
- Saturday (September 10th) Cycle Oregon Kickoff
 - Music and beer garden @ the Grant County Fairgrounds

Volunteer Opportunities

- Wednesday, September 7th – Community trail day
 - 3 pm to 5 pm, at Hill Family Park
 - Come explore our trails with City Staff. Volunteers can enjoy the walk, provide feedback on the trails, and help clean up litter.

*Contact the City of John Day at cityofjohnday@grantcounty-or
or arrive at Hill Family Park by 3 pm.*

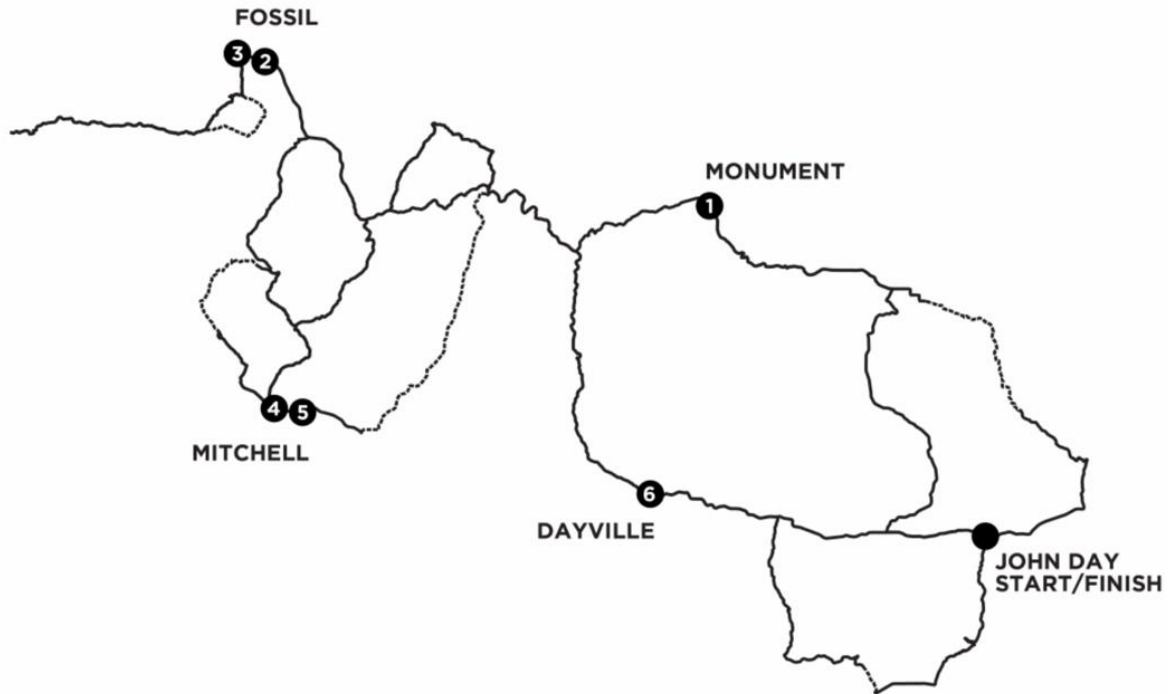
- Other volunteering opportunities available – Contact the Grant County Chamber
 - Food/meal prep
 - Parking
 - Rest Stop attendants

*Contact the Grant County Chamber
541-575-0547 gadmin@gcoregonlive.com
301 W. Main Street John Day, Or 97845*

OVERVIEW

Day	Date	Start	End	Miles	El. Gain
0	Saturday, September 10		John Day	Check-in Day	
1	Sunday, September 11	John Day	Monument	59.3-64.2	3,756' -4,587'
2	Monday, September 12	Monument	Fossil	59.6-68.6	3,226' -5,094'
3	Tuesday September 13	Fossil	Fossil	38.8-59.7	3,844' -6,486'
4	Wednesday, September 14	Fossil	Mitchell	43.9	4,030'
5	Thursday, September 15	Mitchell	Mitchell	18-69	700'-7,284'
6	Friday, September 16	Mitchell	Dayville	77.8-75.5	3,520' -3,700'
7	Saturday, September 17	Dayville	John Day	32-62.5	750'-4,100'

EVENT MAP



DISCUSSION

What more would Council like to know ahead of the event?

City Manager Ketchum has one more check in scheduled with Cycle Oregon staff and will be sharing information in the newsletter

RECOMMENDATION

No action requested.

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: August 23rd, 2022
SUBJECT: Agenda Item #7: Pitstop Next Steps
Attachment:
7 – Pitstop Next Steps Presentation

BACKGROUND

City Manager Ketchum has been working with local groups, consultants and others to begin visioning for the next steps of the Pit Stop, including:

- Grant County Community Action Team
- OSU Extension
- Oregon RAIN
- Straw to Gold
- John Day – Grant County GRO Initiative
- Grant County Senior Citizens Advisory Council

Ketchum will give a presentation (attachment 7) to Council about the results of these conversations, focusing on three proposed pillars for the space:

- 1) Welcoming visitors (Kam Wah Chung goers, recreators, cyclists and bikers)
- 2) Sharing community information to locals and visitors
- 3) Providing for local education and engagement opportunities

DISCUSSION

After the presentation:

- What questions does Council have on the space, the pillars, or audience?
- What uses should be added, prioritized and/or explored?
- How does Council feel about the proposed September 9th event?
- Other feedback on the vision and uses of the Pitstop?

RECOMMENDATION

Authorize the City Manager to work with Oregon RAIN and other stakeholders to host a pilot event at the Pit Stop related to Cycle Oregon on September 9th, 2022.

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: August 23rd, 2022
SUBJECT: Agenda Item #8: Aquatic Center Update
Attachments:
8a – 2018 Outdoor Options
8b – 2018 Indoor Options

BACKGROUND

Since the joint meeting of the John Day City Council and the JD/CC Parks and Recreation District, two developments have occurred:

The Form SEL 803 (Final Ballot Title) was filed by the Parks and Recreation District on August 22nd. It has been assigned measure number 12-85.

Online discussions about designing a pool for \$2 million and only using grant funds are circulating on social media.

Therefore, it is worthwhile revisiting our cost assumptions and cost comparisons from 2018 to the present that led to the current design and cost estimate for the ballot measure, as neither the Council nor the District have ever discussed building a \$2 million pool and were never presented with that option. The current design was selected based on the 2020 Central Grant County Pool feasibility study, and an exploration of preferred alternatives summarized below.

From 2018-2019, Councilman Hunsaker worked for the City to create a range of pool options for us to consider (both indoor and outdoor). The options were reviewed with the Council and ranged from a low of \$4.3M to a high of \$16M (summarized in the attachments).

The smallest design option was for a non-enclosed, six-lane outdoor pool with minimal amenities. The 2018 price of this option was estimated to be \$4.3 million. With 5 percent cost escalation, the price to build in September 2022 for the same design would be \$5.2 million today.

DISCUSSION

Proponents of a \$2 million pool are not basing those statements on any design criteria considered by the City Council or the District. The pool design selected by both agencies allows for future enclosure and event parking, has already been 75 percent designed at a cost of \$320,000, and will be construction ready before years-end if the ballot measure passes.

A \$2 million design has not been evaluated or created. It is not feasible to construct a competition pool for that amount, since the cost for that in our current design exceeds \$3 million. Staff estimate that a small wading pool with a changing area and supporting utilities could be constructed for \$2 million – much of the cost of a pool facility hinges on the geotechnical

engineering required to hold a large volume of water and the equipment needed to circulate that quantity of water, among other factors, like labor and materials, summarized in the next section.

Why does it cost so much?

Labor, regulations, time and materials all contribute to the cost of public works projects. A confluence of events—including increased construction demand, inflation, supply chain disruptions, labor shortages, etc. – all impact construction costs.

Global real estate firm CBRE estimated significant cost increases in the industry above the 2-4% average increases typically seen in the market (Figure 1). Fortunately, these cost increases are expected to stabilize by 2023, when construction of the facility as designed would begin, pending the results Measure 12-85.

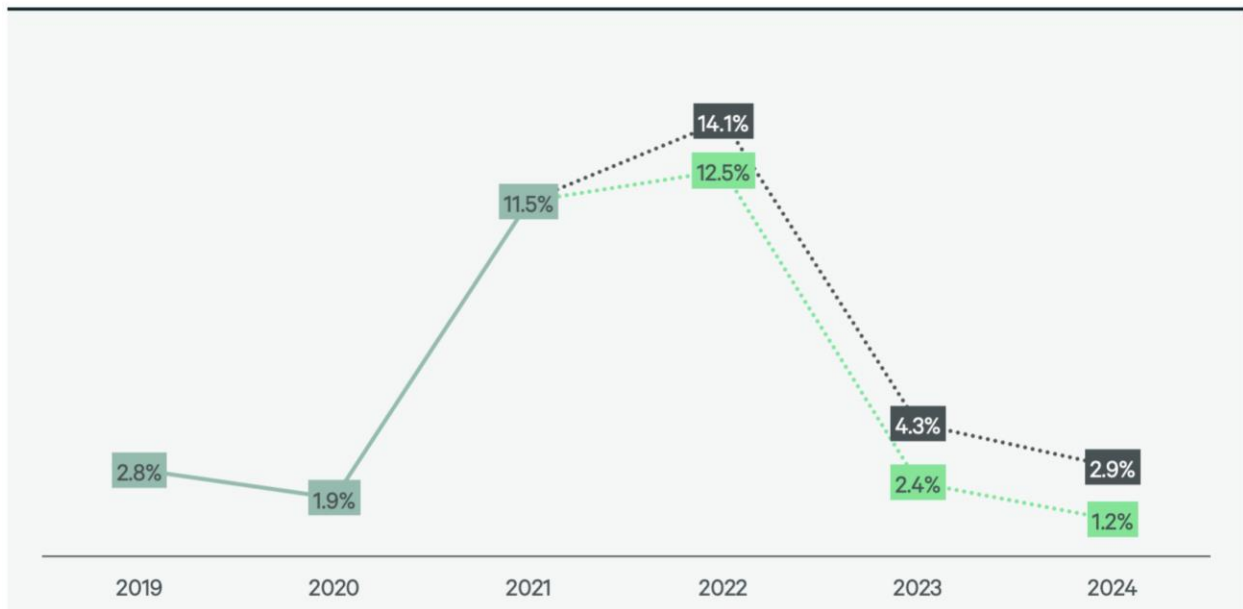


Figure 1. 2022 U.S. Construction Cost Trends

Public improvements over \$50,000 in Oregon are also subject to prevailing wage rates. This is a large reason why costs are higher for public improvement projects.

Prevailing wage projects require a significant additional administrative cost for companies, who must maintain accurate records for all of the following:

1. A list of names of employees who worked for your company from the beginning of the project through the most current week of work, including their last known addresses, phone numbers, and emails.
2. Complete daily time cards or time sheets for each employee who worked on this project, from the beginning of the project through the most current week of work. (Records must show or be provided for both PWR and non-PWR work performed each day.)

3. Complete payroll records showing gross wages earned and itemized deductions made from all wages for all employees who worked on this project from the beginning of the project through the most current week of work.
4. A complete set of certified payroll reports filed from the beginning of the project through the most current week of work.
5. Copies of fringe benefit plans that you provide to your employees, if applicable.
6. Proof of payments made to the fringe benefit plans which show the total amount paid, as well as statements indicating the specific amounts paid on behalf of individual employees, if applicable.
7. A copy of your contract which includes the scope of work for this project.
8. Copies of the project manager's or supervisor's daily logs kept for this project and detailed description (in your own words) of the actual duties performed by your employees.
9. A copy of your public works surety bond(s) kept for the duration of your work on the project.
10. A description of where and how you post(ed) the prevailing wage rates, and fringe benefit information if applicable, upon the public works site.
11. A copy of your written notice to employees who work on a public contract of the days per week and number of hours per day they may be required to work.
12. Proof of registration and current standing in a bona fide apprenticeship program for any apprentices you currently have, if applicable.

SUMMARY

The assumption that a municipality in Oregon could build a six-lane competition pool for \$2 million is inconsistent with the current market data.

For a median home in the district, assessed at \$80,168.50, the proposed levy rate of 70-cents per \$1,000 assessed value results in a tax contribution of \$56.12 annually to build the \$6.5M to \$7M facility. The difference in cost for the same household to build a \$5.2M facility (the lowest cost option) would be \$30.86 per year, an annual tax savings of about \$25 dollars.

The citizen oversight committee will be able to manage costs and make value engineering decisions with the architects who have been working on the project for the past several months. They are in tune with the market and the opportunities available to reduce costs and make appropriate design changes to stay within our allocated budget.

There is not a significant cost savings achievable for the average taxpayer by reducing the scope any further. There is, however, a significant disadvantage in long-term value for our residents. Reducing scope of the project will limit future options for expansion, most notably, constructing an enclosure for the facility to operate year-round.

With this information, what questions or points of discussion does the Council have on the pool?

TO: John Day City Council

FROM: Corum Ketchum, Interim City Manager

DATE: August 23rd, 2022

SUBJECT: Agenda Item #9: Housing Development Update
Attachment:
9a – Housing Finance Spreadsheet

BACKGROUND

The City and John Day Urban Renewal Agency have signed joint development agreements with the Holmstroms, Ridge and Ironwood Estates, to complete three new subdivisions on unimproved land that currently generates about \$3,500 a year in property tax receipts.

The enclosed spreadsheet documents the City’s assumptions in securing the loan. The urban renewal agency and City will break even on the annual loan service costs once seven homes are constructed. We are currently averaging 3-4 homes a year. On that basis, beginning in year three, we will have sufficient revenue to recover the full cost of our investments without using additional general fund revenues. Business Oregon will defer loan repayment for up to 36 months while the project is in construction, giving us enough time to complete the improvements and realize their value on the tax rolls before the loan payments begin.

DISCUSSION

The enclosed spreadsheet documents the City’s assumptions for this project. Table 1 shows the planned units and estimated cost for the horizontal improvements from the URA and City (i.e. the loan value). On a 20-year loan at 2% interest, this results in an annual debt service cost of \$112,306.10 per year.

Table 1: Debt Service Costs

Housing Development	Est. Cost	Units Planned
Holmstrom Ranch	\$ 350,000	4
Ironwood Estates	\$ 750,000	17
The Ridge	\$ 750,000	21
URA System Development Fees (All)	\$ -	
URA Rebate Incentive Payments (All)	\$ -	
Total Program Cost	\$ 1,850,000	42
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>	

Assumptions include an average increase in assessed value of the land (individual lots) to be \$40,000 and the home improvements to be \$200,000.

Based on these assumptions, each new parcel created will generate \$600 a year in new taxes x 42 parcels = \$25,200 in annual revenue on the *land* and \$3,000 per year on the *improvements*.

Factoring in the current annual tax receipts of the URA at \$65,000 per year, plus the \$25,200 increase in the horizontal improvements (infrastructure) on the land, results in tax receipts of \$90,200 each year based solely on the City’s past and current investments, with no new housing constructed.

This leaves a balance of \$22,106.10 needed to service the remaining cost of the horizontal improvements, which will require 7 new homes to be built. This is estimated to occur within the next two years and prior to the debt service coming due, but even if it doesn’t, this is the anticipated *net cost* of the debt obligation that will be incurred after realizing the increase in land value as a result of our investments, as shown in Table 2.

Table 2: Loan Assumptions

Loan Assumptions	
Loan (Full Program Cost)	\$ 1,850,000
Repayment (years)	20
Annual Interest	2.20%
Payments begin	1/1/2025
Annual Debt Service Cost:	\$ 112,306.10
Total cost of Loan:	\$ 2,246,122.01
<i>Total interest</i>	\$ 396,122.01
Gross TIF Forecast (2039)	\$ 4,522,718
<i>diff. TIF forecast less total loan cost</i>	\$ 2,276,595.99
Current URA tax receipts	\$ 65,000.00
Tax Receipts from New Horizontal Improvements	\$ 25,200.00
Revenue available for debt services	\$ 90,200.00
<i>Additional funds needed</i>	\$ 22,106.10
Homes needed to break-even	7

SUMMARY

The value of the donated land from Holmstroms, Ironwood Estates and The Ridge to complete the new housing in this first phase of development, coupled with the anticipated tax receipts from land improvements and home construction, should result in this project breaking-even in year three on land that today generates about \$3,500 a year in taxes as unimproved land.

Beyond that, the City’s investments, including all new homes constructed and the jobs and wages associate with those homes, as well as associated increases in utility ratepayers, will be a positive return on investment for the remaining 17 years of the loan.

TO: John Day City Council
FROM: Corum Ketchum, Interim City Manager
DATE: August 23rd, 2022
SUBJECT: Agenda Item #10: Other Business and Upcoming Meetings

OTHER BUSINESS

- Asset auction
- GRO initiative next steps
- Staffing updates

UPCOMING MEETINGS

- September 13th, City Council Executive Session – Fire Hall, 6:00 PM
 - City Manager Interim Report
- September 13th, City Council Meeting – Fire Hall, 7:00 PM
- September 27th, City Council Meeting – Fire Hall, 7:00 PM
- October 11th, City Council Meeting – Fire Hall, 7:00 PM