

Application Supplement for Brownfield Redevelopment Funds

Property Acquisition/Ownership/Operation

Who currently owns the property?

Iron Triangle Logging, Inc.

Who will own the property once the project is completed?

City of John Day

Did the applicant purchase the site through the Oregon Department of Environmental Quality's Prospective Purchaser Program? If negotiations are currently underway, describe the status.

No, a PPA is included in the proposed scope of work if needed

When was property purchased? (Estimate is OK if exact date is unknown.)

Liability

Is the applicant and/or current owner of the project site currently or ever been under an order from the Department of Environmental Quality for the project site? If yes, provide a detailed explanation, including dates and actions taken.

No

Is the applicant and/or current owner of the property potentially liable for the release of contamination at the site (according to ORS Chapter 465)? If no, cite the appropriate liability exception.

Yes (property owner)

Additional Program Requirements/Project Information

What is the physical location of project? (If street address is not available, use township, range, section, tax lot, etc. or geographic coordinates.)

How is the Property zoned? Is the proposed reuse/redevelopment an allowable activity within that zoning designation?

433 Patterson Bridge Road (Map No. 13S31E22D tax lot 2700)

Explain how real or perceived contamination of the site prevents the property from being fully utilized.

The site consists of a logging business and log yard with associated support buildings. The property is listed on the Oregon Department of Environmental Quality's (DEQ's) environmental cleanup site information (ECSI) database as site identification number 4755. The DEQ ECSI database indicates that above ground storage tanks have been present at the property since 1994. Environmental contamination may be present as a result of these storage tanks and the historic use of the property for logging and construction activities.

Is the proposed site receiving oversight or other consultation by the Oregon Department of Environmental Quality? If yes, please indicate which program(s) apply: Voluntary Cleanup Program, Independent Cleanup Pathway, Site Response, Prospective Purchaser Agreement, Underground Storage Tanks, Orphan Site, Targeted Brownfield Assessment, Other;

Contamination is suspected and a site screening is recommended but no formal oversight or consultation with DEQ has been initiated.

Describe any likely additional environmental actions anticipated for this property in the future (such as vapor or groundwater monitoring).

None

Describe any proposed institutional or engineering controls (such as deed restrictions or vapor barriers).

None

If the project includes site characterization, explain how the project will contribute or lead to a remediation plan or a No Further Action Determination by the Oregon Department of Environmental Quality. ("Site characterization" means determining and delineating the boundaries of the plume(s) of contamination and/or determining the status of the contamination such as whether it is migrating or crossing from one media to another, such as from soil to water, at the site.)

Three above-ground storage tanks (ASTs) were identified in 1994:

2 diesel ASTs (6000 & 8000-gal)
1 gasoline AST (5000-gal).

ASTs were in containment bunkers with 3 dispensers and associated piping. Heavy equipment and machinery may also have leaked petroleum products and three existing buildings may need to be tested for hazardous substances. This Phase 1 environmental site assessment will characterize the extend of any potential contamination and provided a remedial action plan to get to an NFA decision.

If the project includes a remedial or removal action or plan, either identify the proposed redevelopment use or whether the project is to build capacity.

To be developed during the Phase 1 ESA

If the project includes a remedial or removal action or plan, explain how the project will contribute to the proposed redevelopment.

To be developed during the Phase 1 ESA

If the project includes a remedial or removal action or plan, explain how the redevelopment is attainable (such as: the proposed use is consistent with the local and use plan; adequate infrastructure exists or will exist at the site for the proposed use) and describe the progress made to date towards achieving the proposed redevelopment (such as: status of financing negotiations, permit applications, contracts or negotiations for the transfer in ownership of the site, and preparation of a business plan or articles of incorporation.)

To be developed during the Phase 1 ESA

If the project includes a remedial or removal action or plan, describe the progress made to date towards achieving the proposed redevelopment (such as: status of financing negotiations, permit applications, contracts or negotiations for the transfer in ownership of the site, and preparation of a business plan or articles of incorporation.)

To be developed during the Phase 1 ESA

If the project includes a remedial or removal action, describe how the action will comply with state cleanup law

To be developed during the Phase 1 ESA

Financial Information

What is the anticipated source of repayment for the loan?

N/A

Is other debt serviced or secured by those revenues? If yes, is it described in the applicant's audit reports? If no, please describe:

N/A

Has the applicant ever defaulted on a debt? If yes, provide a complete summary of the circumstances related to the default.

No

Is there pending litigation that could impair the applicant's ability to repay debt?

None

If funding for the project includes a private loan, will the lender subordinate its security interest in the collateral?

N/A

Additional Budget Information

Who prepared the cost estimates for the project? Name, title, company, phone, and date.

Seth Otto, AICP, LEED AP Senior Planner
Maul Fauster Alongi
(503) 501-5230
November 11, 2019

Identify the private funding sources explored for the project and explain why they are not considered viable/appropriate for the project.

City of John Day is an Oregon Municipal Corporation and intends to acquire the property for use by the public; private funds are not available to the city and would not be appropriate for this type of acquisition.

Attachments				
	Non – Profit Organization	Private	Attachment Label (please do not change)	Description of Attachment
Municipal				
Enclosed			A	If applicant is a city or county, attach list of the ten largest property tax payers in the applicant's jurisdiction, their type of business, total taxes, and current assessed value.
Enclosed			B	An endorsement (statement of zoning compliance) of the project from the local government that has jurisdiction over the site.
N/A			C	If the owner is currently under an enforcement order from the Oregon Department of Environmental Quality, attach documentation that the proposed project will facilitate a transfer in ownership of the site to an entity not under enforcement.
N/A			D	If the applicant or owner caused or contributed to the contamination of the property, attach documentation of a past, present or planned financial contribution from the applicant or owner.
Enclosed			E	If the applicant is a Prospective Purchaser, attach documentation of a valid option to buy the site.
Enclosed			F	If applicant is not the current owner, attach proof of site access authorization.
Enclosed			G	Map(s) showing the location of the project, including tax lots/parcels and road widths, etc.
N/A			H	Any environmental assessment/study/ report/testing which has been completed for the property.
Enclosed			I	Applicant's current adopted budget.
Enclosed			J	Applicant's last three audit reports. <i>For businesses these may be the most recent three years' historical financial statements (including balance sheets and income statements); tax returns for existing business and/or individuals (these may be treated as business confidential – please indicate on documents if this is to be the case). For individual applicants please include a personal financial balance sheet.</i>
N/A			K	Copy of any ordinance that establishes debt supported by the source of repayment for this loan.
			L	Business Plan if applicable (must include business description, products or services, business production plan, market analysis or marketing plan, organizational/management plan, and financial plan.
			M	Projected financial statements for two (2) years (including balance sheets and income statements) representing the new property usage
Enclosed			N	Copy of most recent property appraisal.
			O	Articles of Incorporation; By-laws.

Enclosure A

Ten Largest Property Tax Payers

Taxpayer	Type of Business	Total Taxes	Current Assessed Value
CenturyLink	Telecommunications Company	\$ 105,563.61	\$ 6,548,000.00
Powell, Gene	U.S. Forest Service - Rental Prop.	\$ 79,662.84	\$ 4,849,093.00
Patel, Pravin & Pranna	Hospitality Services	\$ 45,790.38	\$ 2,788,010.00
Valley View Holding Co.	Assisted Living Center	\$ 37,079.21	\$ 2,257,019.00
Cowan-Thompson, Robert	Chesters (Thriftway Grocers)	\$ 25,972.92	\$ 1,581,616.00
Hayes Development LLC/Estate Builders of Oregon	Manufactured Home Park	\$ 17,235.67	\$ 1,068,182.00
Iron Triangle, LLC	Energy & Nat. Resources - Const.	\$ 16,838.27	\$ 1,040,642.00
Mosier, Dale J - Trustee	Property Holdings	\$ 14,831.05	\$ 910,631.00
3S Main Street	Commercial (Retail Sales)	\$ 13,689.12	\$ 833,260.00
Grant County Federal Credit Union	Credit Union	\$ 13,513.68	\$ 822,581.00

Enclosure B

Statement of Zoning Compliance



450 E. Main Street
John Day, OR 97845
www.cityofjohnday.com
Tel: (541) 575-0028
Fax: (541) 575-3668

January 21, 2020

RE: Statement of Zoning Compliance

The Iron Triangle LLC property located at 433 Patterson Bridge Road (Map No. 13S31E22D tax lot 2700) is zoned General Industrial (GI) and is located in the Northwest Sub-district of the John Day Innovation Gateway (IG) Overlay Zone.

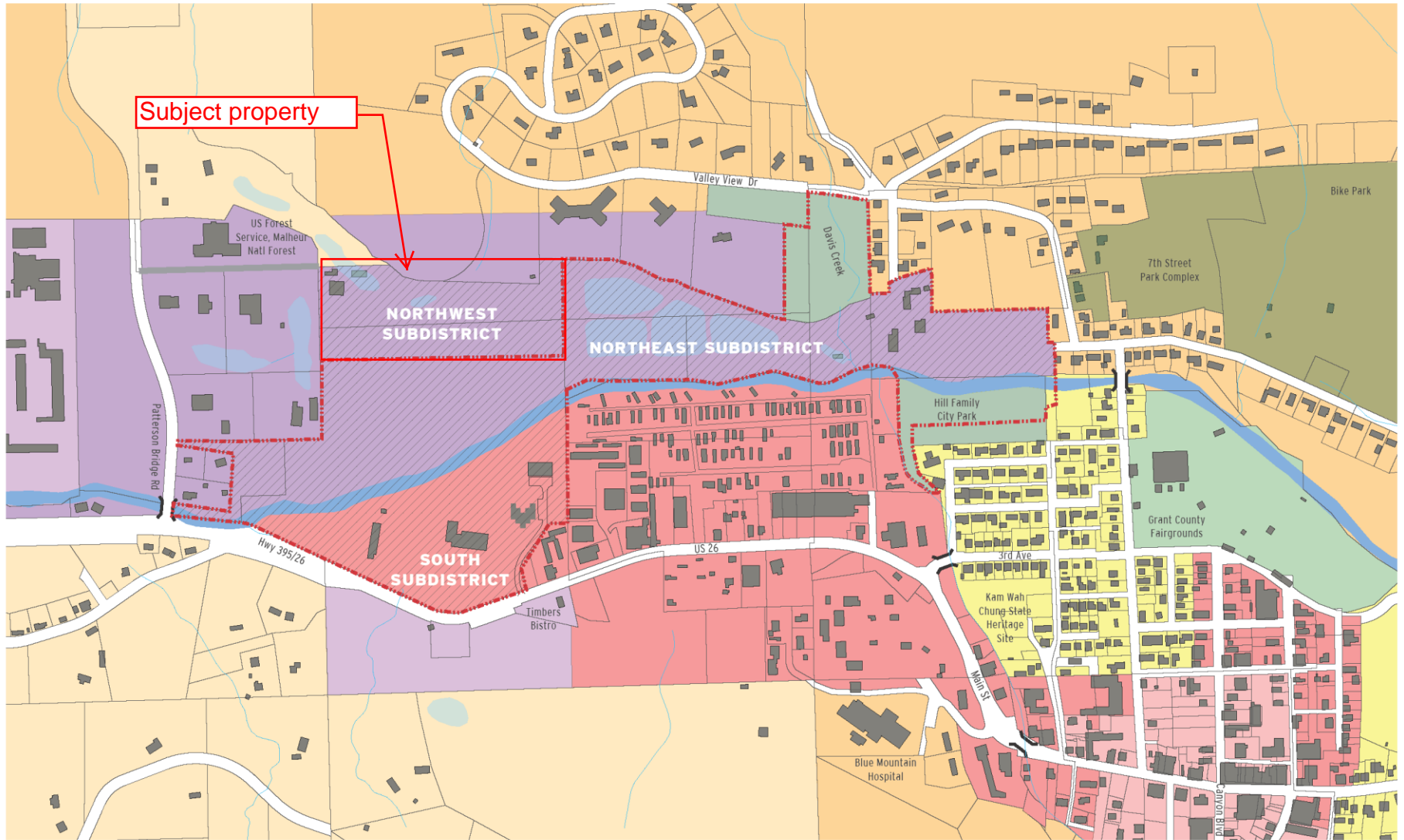
Innovation Gateway Overlay Zone – Application and Allowed Uses

The IG Overlay applies to the area planned and evaluated as part of the John Day Innovation Gateway Plan and as designated on the Zoning Map. In any zone which is a GW overlay zone, the requirements and standards of the IG Chapter shall apply in addition to those of the underlying zone; provided, that if a conflict in regulations or standards occurs, the provisions of the IG Chapter shall govern.

The purpose of the IG overlay zone is to implement the recommendations of the Innovation Gateway Plan, including to create welcoming, attractive, active area on both sides of the John Day River; support establishment of a system of integrated parks and trails within and adjacent to the area; allow for an appropriate mix of commercial, industrial and institutional uses; support the City's goals associated with water reclamation and re-use; and promote use of a variety of modes of transportation to travel to, from and within the area.

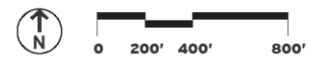
The IG zone includes three sub-districts, the Northeast, Northwest and South sub-districts as depicted in Figure 5-2.11-1 of the Code (enclosed). Use permitted outright or as conditional uses vary within the Northwest Sub-district include:

- Quick Vehicle Servicing or Vehicle Repair
- Retail Sales and Commercial Uses
- Self-Service Storage
- Industrial Service - Fully enclosed
- Manufacturing and Production
- Warehouse and Freight Movement
- Wholesale Sales - fully enclosed, less than 20,000 square feet of floor area
- Institutional Categories (basic utilities, daycare, parks and open space, religious institutions and schools)
- Accessory Structures, including Agriculture – Greenhouses and similar horticulture



- Study Area
- Tax Lots
- Park Reserve
- Overlay Zone
- CG (County) General Commercial
- Downtown Commercial
- General Commercial
- Residential General
- Residential Limited
- SR (County) Suburban Residential
- General Industrial
- G1 (County) General Industrial

ZONING & SUB-DISTRICT BOUNDARIES



Enclosure E

Option to Buy



December 19, 2019

Russ Young
Iron Triangle Logging, Inc.
PO Box 325
John Day, OR 97845

RE: Letter of Intent for Iron Triangle Property Acquisition

Dear Mr. Young:

The City of John Day ("City") city council met on December 10, 2019 and again on December 17, 2019 in regular session to discuss the City's prospective purchase of the 14.16-acre Iron Triangle Logging property (the "Property") located at 433 Patterson Bridge Road (Map No. 13S31E22D tax lot 2700). The City is interested in acquiring the Property, along with right of way between the Property and Valley View Drive, to complete the City's local street and trail networks identified as Item 2 and Item 3 in the enclosed map (Exhibit A), which was adopted as part of the City's 2019 Innovation Gateway Area Plan.

As you are aware, the City applied for the Federal Highway Administration Better Utilizing Investments to Leverage Development ("BUILD") grant in July 2019. City's application included the potential purchase of the Property as outlined in a memorandum of understanding ("MOU") signed by the City and Iron Triangle Logging on July 15, 2019. Though this grant was not awarded, the City remains interested in purchasing the Property and intends to reapply for the BUILD grant in July 2020, along with other infrastructure grants for development of the Property.

In anticipation of the potential Property purchase and these grant applications, the City contracted for and received an appraisal (the "Appraisal") for the Property prepared in conformance with the Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book") on June 28, 2019. A copy of the Appraisal was emailed to your office on September 17, 2019. The Appraisal valued the Property, with improvements, at \$495,000. The Appraisal did not include the right of way acquisition to Valley View Drive and did not consider any environmental conditions that may exist on the Property.

City is willing to consider an increase in its offer price in order to facilitate the Property and right of way acquisition, subject to certain terms and conditions. These terms and conditions are subject to final approval by the city council and have been reviewed and discussed during the previously mentioned city council meetings.

TERMS & CONDITIONS

1. Iron Triangle Logging/Mr. Young shall enter into a Purchase and Sale Agreement to include:
 - a. Iron Triangle shall clear existing material (scrap metal, equipment, parts, etc.) off Property, removing existing fuel tanks and containment area under tanks, and removing trailer loader;
 - b. Iron Triangle shall remove two (2) buildings (old office and Norco building) and their foundations from the Property;
 - c. Iron Triangle shall widen/prepare the right-of-way to City standards up to Valley View Drive for the future Government Entry Road (no finish work, just preparation of right-of-way), in accordance with preliminary engineering diagrams to be provided by City, substantially in the form of those enclosed as Exhibit B;
 - d. City and Iron Triangle shall reach a mutually agreed upon a date for completion and removal of buildings and material in items a. and b. above prior to City conducting a Phase 1 Environmental Site Assessment ("ESA");
 - e. City shall perform the Phase 1 ESA at City's sole expense; Iron Triangle shall assist City's contractor during interviews and due diligence assessment, as needed;
 - f. A Phase 2 ESA may be necessary, depending on findings identified in the Phase 1 ESA. Iron Triangle Logging shall be responsible for environmental remediation activities identified in the ESA until provided with a No Further Action decision by the Oregon Department of Environmental Quality, unless City and Iron Triangle reach a separate prospective purchaser agreement for City to perform some or all of the environmental remediation identified in the Phase 1 ESA.

2. In addition to the Property purchase, Iron Triangle agrees to continue to cooperate with the City as part of Grant applications for infrastructure development for the Ironwood Estates Phase 2 neighborhood, including:
 - a. Iron Triangle providing the matching funds required for future infrastructure grants; and
 - b. Adopting a schedule of development for future street and housing improvements at Ironwood Estates, contingent on a mutually agreeable timeline for these improvements.

PURCHASE PRICE & TIMELINE

City's city council discussed a proposed purchase price for the Property and right of way of \$700,000, with a down payment by City to Iron Triangle of \$500,000 upon signing of a Purchase and Sale Agreement (the "Agreement"), plus an additional \$200,000 to be deposited into an escrow account, with escrow funds to be released based on Iron Triangle meeting the proposed terms and conditions.

City will begin drafting the Agreement for review and approval by the city council and Iron Triangle Logging. City's intent is to have the Agreement ready for signature by February 2020, and for both parties complete the purchase and sale, including the terms and conditions and any mutually agreeable revisions to these terms, no later than November 2020.

Sincerely,



Nicholas Green, City Manager

Exhibit A. Innovation Gateway Area Plan - Transportation System Improvements

LEGEND

-  FUTURE JOHN DAY RIVER MULTI USE TRAIL
-  FUTURE STREETS
-  FUTURE STREETS (outside Plan area)
-  GRANT COUNTY PEOPLE MOVER ROUTES
-  FUTURE BRIDGE

PROJECTS

Constructing or Improving Streets within the Plan area

- 1 7th Street: Extend minor arterial from Bridge St to Patterson Bridge Rd; install sidewalk along north side and include sharrows
- 2 Government Entry Road: Construct a collector street from Patterson Bridge Road to Valley View Drive; include gravel shoulders and sharrows
- 3 Gateway Drive: Construct a collector street from 7th St to Government Entry Rd; install sidewalk along the north side
- 4 Johnson Drive: Construct a local street north of W Main St
- 5 W Main Street Upgrade Segment 1: Improve between NW 3rd Avenue and Johnson Drive to include one travel lane in each direction, a center turn lane, and sidewalks and bike lanes on both sides
- 6 W Main Street Upgrade Segment 2: Improve between Johnson Drive and Patterson Bridge Road; include one travel lane in each direction, a left-turn lane at key intersections, bike lanes on both sides and a sidewalk on the north side
- 7 Patterson Bridge Road: Construct to collector standards between W Main Street and Government Entry Road; include a sidewalk on the east side and sharrows

New Multi-Use Paths and Trails in the Plan area

- 8 John Day River Multi-Use Path: Construct a multi-use path between the Oregon Pine Bridge and 7th Street Park
- 9 Oregon Pine and Innovation Gateway Area Paths and Trails: Construct path and trail network within the Oregon Pine and Innovation Gateway Areas; provide a connection to the Oregon Pine Bridge river crossing and W Main Street pedestrian and bicycle facilities
- 10 Hill Family City Park Paths and Trails: Construct path and trail network within the Hill Family City Park; provide a connection to the proposed Hill Family City Park Bridge
- 11 Davis Creek Park and Campground Paths and Trails: Construct path and trail network within the Davis Creek Park and Campground; provide a connection to the John Day River multi-use path

Constructing or Improving Bridges the Plan area

- 12 Oregon Pine Bridge: Improvements to the existing bridge to serve pedestrian and bicycle river crossings
- 13 Hill Family City Park Bridge: Construct a bridge to serve pedestrian and bicycle river crossings

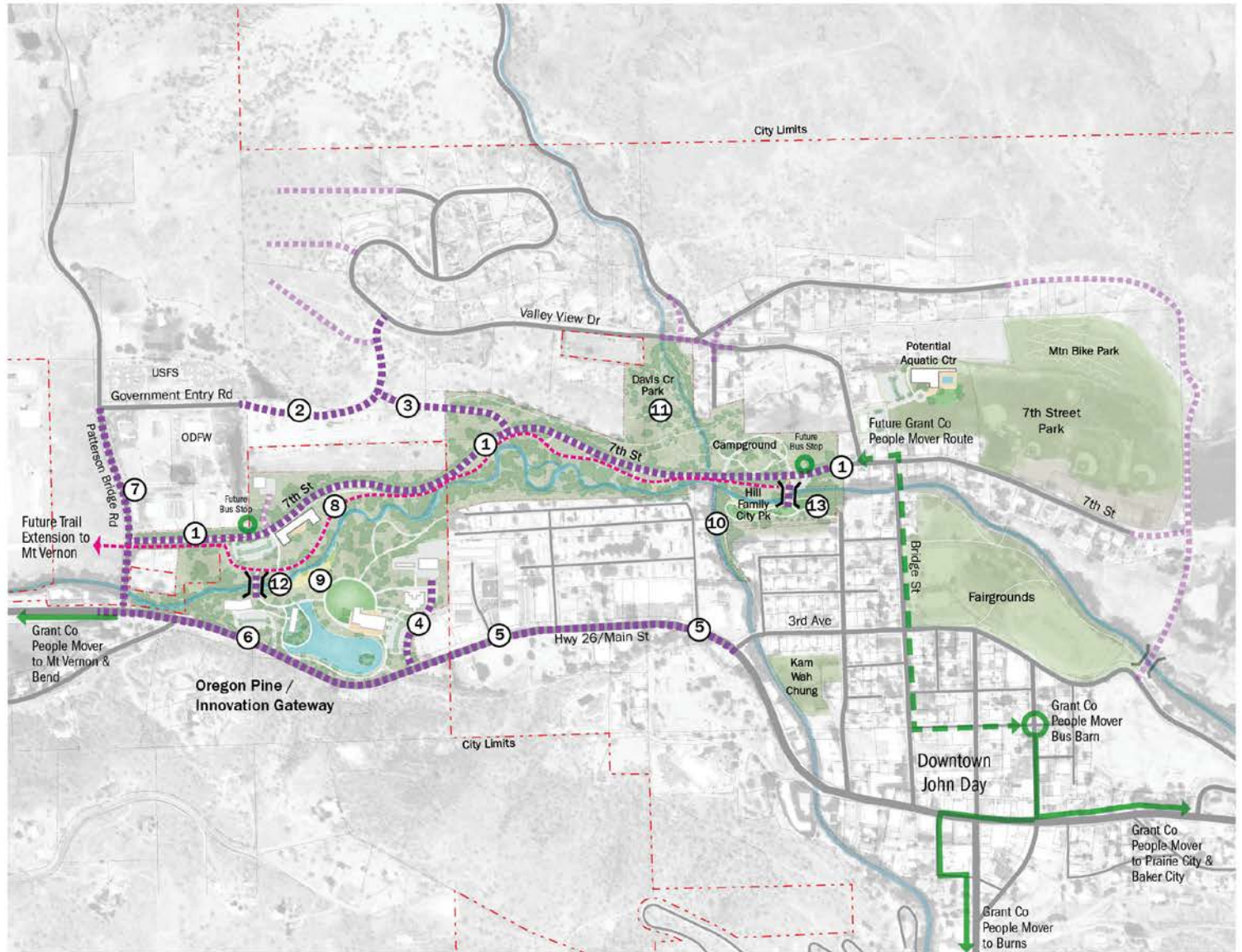
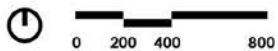
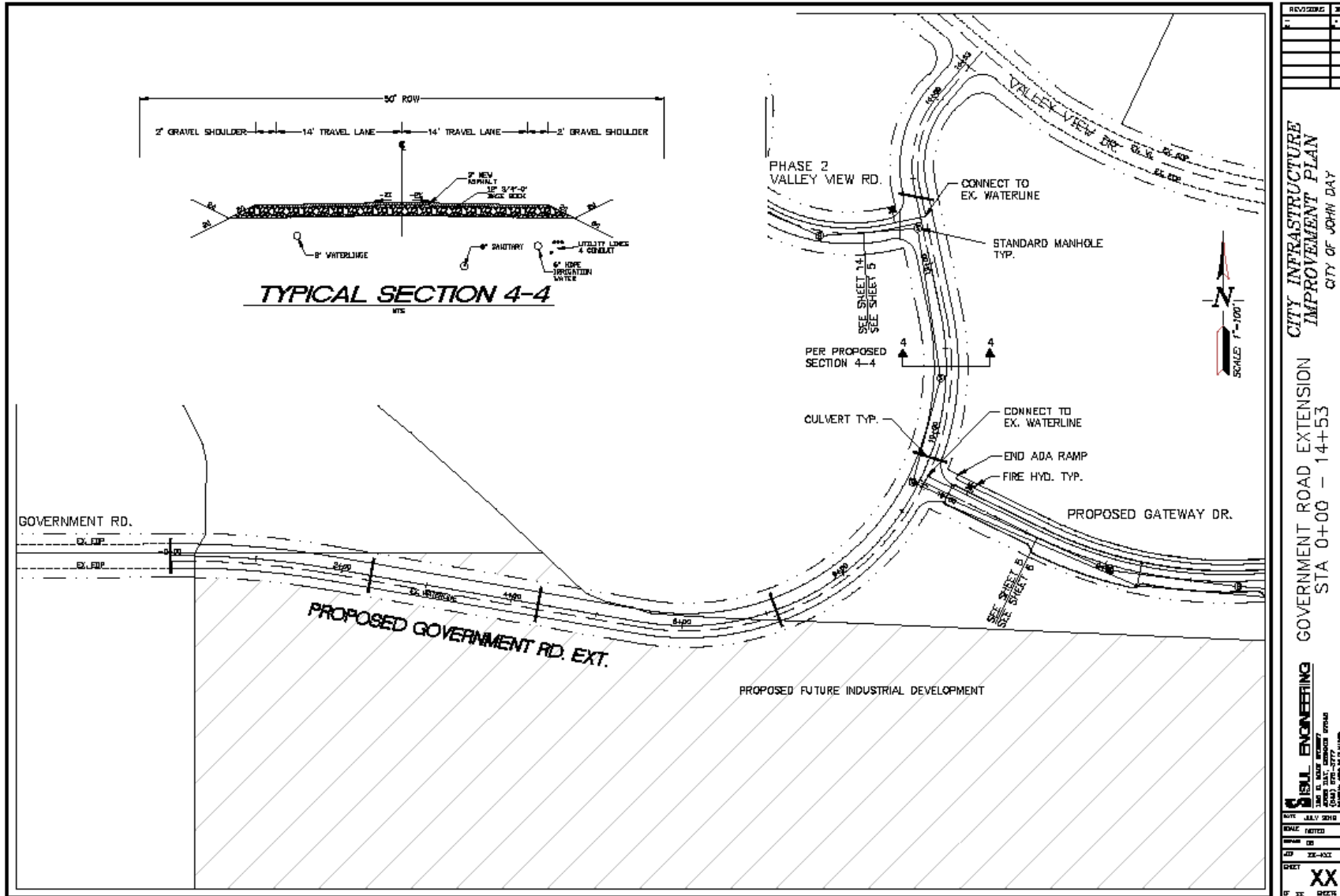


Exhibit B. Government Entry Road and Gateway Drive Project Right of Way



NO.	REVISION	BY
1		

CITY INFRASTRUCTURE IMPROVEMENT PLAN
CITY OF JOHN DAY

GOVERNMENT ROAD EXTENSION
STA 0+00 - 14+53

SIBUL ENGINEERING
300 E. MAIN STREET
JOHN DAY, OR 97001
503.345.1111

DATE	11.11.2016
SCALE	AS SHOWN
PROJECT	XX
DRAWN BY	XX
CHECKED BY	XX
DATE	

Enclosure F

Site Access Authorization



Iron Triangle L.L.C.

P.O. Box 325

John Day, OR 97845

CCB 130005

541 575-2102

Fax 541 575-2333

January 23, 2020

Subject: Authorization for Access to Iron Triangle Property located at 433 Patterson Bridge Road (Map No. 13S31E22D tax lot 2700)

As the owner of the subject property, I authorize the City of John Day and its consultants to access subject property for purposes of performing a Phase 1 Environmental Site Assessment from the date of execution of the Purchase and Sale Agreement, through June 30, 2020.

City intends to purchase the Property and Iron Triangle Logging, Inc. is willing to sell the Property subject to reaching a mutually agreeable purchase and sale agreement, as outlined in the City's letter of intent dated December 19, 2020.

Sincerely,



Russ Young, owner



Enclosure G

Map of Project Area

Iron Triangle

Map No. 13S31E22D
Tax Lot 2700

Legend

-  Iron Triangle - Tax Lot 2700
-  US Forest Service Ranger Station
-  US Land Management Bureau



San Juan Log Ponds

Google Earth

©2013 Google

2000 ft



Enclosure H

Iron Triangle Logging (ECSI Site ID: [4755](#))

Enclosure I

City of John Day FY2019-2020 Adopted Budget

(https://www.cityofjohnday.com/sites/default/files/fileattachments/budget_committee/page/2851/2020_budget_appvd_by_committee.pdf)

City of John Day Budget Resolutions

(<https://www.cityofjohnday.com/bc-budget/page/fiscal-year-2020-budget>)

Enclosure J

City of John Day Audit Reports
(<https://www.cityofjohnday.com/finance>)

Enclosure N

Property Appraisal (attached)