

**CITY of LA GRANDE
Urban Renewal Agency Regular Session**

Wednesday, March 3, 2021

AGENDA

The meeting will be available for viewing via the City's scheduled Charter Communications channel 180 immediately following the City Council Regular Session which begins at 6:00 p.m. on March 3, 2021, on the La Grande Alive website at <https://lagrandealive.tv/city-events/> or on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

Any person may submit written comments or questions in advance of the meeting. Written comments must be received by 5:00 p.m. on Tuesday, March 2, 2021. The written comments will be read during the public comment section of the respective Agenda Item. Please email Public Comments to rstroke@cityoflagrande.org.

1. URBAN RENEWAL AGENCY

- a. Call to Order
- b. Roll Call

Per ORS 192.670(1), Agency Members will be participating in this Regular Session by electronic communication.

2. AGENDA APPROVAL

3. CONSENT AGENDA

The Consent Agenda includes routine items of business which may be approved by one Motion of the Agency. Any Agency Member so desiring may by request remove one or more items from the Consent Agenda for individual consideration under the Unfinished or New Business portion of the Agenda.

- a. Consider: Approval of Special Session Minutes; September 2, 2020

4. PUBLIC COMMENTS

Written comments received will be read during this portion of the Agenda for non-Agenda items. Written comments for Agenda items will be read when those items are considered.

- a. Brickyard Lanes Update; Bowling Alley

5. PUBLIC HEARINGS

6. UNFINISHED BUSINESS

7. NEW BUSINESS

- a. Consider: Revisions to the Traded Sector Grant Program Policy
- b. Consider: Adopting District Manager's Top Priorities; Fiscal Year 2021-2022

[Stroke]
[Stroke]

8. DISTRICT MANAGER COMMENTS

9. AGENCY MEMBER COMMENTS

10. ADJOURN

Kayla M. Rock
City Recorder

*The Urban Renewal Agency reserves the right to convene an Executive Session for any purpose authorized under ORS 192.660
Persons requiring special accommodations who wish to attend the Agency Session are encouraged to make arrangements prior to the meeting
by calling 541-962-1309. The City of La Grande does not discriminate against individuals with disabilities*

CITY of LA GRANDE

URBAN RENEWAL AGENCY ACTION FORM

Agency Meeting Date: **March 3, 2021**

PRESENTER: **Robert A. Strope, District Manager**

AGENCY ACTION: **CONSIDER CONSENT AGENDA**

1. **MAYOR:** Request Staff Report

2. **MAYOR:** Entertain Motion

Suggested Motion: I move we accept the Consent Agenda as presented.

OR

Suggested Motion: I move we accept the Consent Agenda as amended.

3. **MAYOR:** Invite Agency Discussion

4. **MAYOR:** Ask for the Vote

EXPLANATION: A Consent Agenda includes routine items of business with limited public interest, which may be approved by one Motion of the Council. Any Councilor may, by request, remove any item of business from the Consent Agenda.

a. **Consider:** Approval of Special Session Minutes; September 2, 2020

Reviewed By: (Initial)

City Manager _____
City Recorder _____
Aquatics Division _____
Building Department _____
ED Department _____
Finance _____
Fire Department _____

Human Resources Dept _____
Library _____
Parks Department _____
Planning Department _____
Police Department _____
Public Works Department _____

COUNCIL ACTION (Office Use Only)

Motion Passed
 Motion Failed; _____
 Action Tabled; _____
Vote: _____

 Resolution Passed # _____
Effective Date: _____

 Ordinance Adopted # _____
First Reading: _____
Second Reading: _____
Effective Date: _____

CITY OF LA GRANDE
Urban Renewal Agency Regular Session
September 2, 2020

The meeting was available for viewing via the City's scheduled Charter Communications channel 180 and was held at 6:00 p.m. on September 2, 2020, on the La Grande Alive website at <https://lagrandealive.tv/city-events/> or on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

MINUTES

AGENCY MEMBERS PRESENT:

Steve Clements, *Mayor*
Gary Lillard, *Mayor Pro Tem*
Corrine Dutto, *Agency Member*
Nicole Howard, *Agency Member*
Mary Ann Miesner, *Agency Member*
Justin Rock, *Agency Member*

AGENCY MEMBERS ABSENT EXCUSED:

STAFF PRESENT

Robert Strope, *District Manager*
Kayla Rock, *City Recorder*
Stacey Stockhoff, *Assistant to the District Manager*
Gary Bell, *Police Chief*
Michael Boquist, *Community Development Director*
Kyle Carpenter, *Public Works Director*
Christine Jarski, *Economic Development Director*
Stu Spence, *Parks and Recreation Director*
Robert Tibbetts, *Fire Captain*

Per ORS 192.670(1), Agency Members and Staff participated in this Regular Session by electronic communication.

ROLL CALL

Mayor CLEMENTS called this Regular Session of the Urban Renewal Agency to order at 6:00 p.m.; Roll Call was taken; and a quorum was determined to be present.

CONSENT AGENDA

- a. **Consider:** Approving Special Session Minutes;
July 29, 2020
- b. **Consider:** Approving Regular Session Minutes;
August 3, 2020

The following Motion was introduced by DUTTO; HOWARD providing the Second:

MOTION: I move that we accept the Consent Agenda as presented.

VOTE

MSC. (unanimous)

PUBLIC COMMENTS

None

PUBLIC HEARINGS

None

UNFINISHED BUSINESS

- a. Consider: Revision to The Scope of Work;
Texaco Station Project

MOTION

The following Motion was introduced by DUTTO; LILLARD providing the Second:

MOTION: I move that we remove this item from the Table.

VOTE

MSC. (unanimous)

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Christine JARSKI, *Economic Development Director*

JARSKI provided a recap of the information provided at the August Agency Meeting, stating GCT Construction received a grant during the 2018-2019 Call for Projects to renovate the Texaco Station located at 1508 Adams Avenue, to include retro-fitting the existing structure and the construction of a new hotel tower adjacent to the building that would also have space for events. The total project cost at that time was estimated to be \$693,000. The applicant requested \$125,000 and was awarded \$50,000. It was anticipated that Eastern Oregon University (EOU) would participate financially in the project, which was going to provide lecture and gathering space for the University. There was no Memorandum of Understanding (MOU) in place with EOU. Additionally, one of the major barriers to the project was the mitigation of potential environmental contamination.

JARSKI added that Gust and Karen TSIATSOS had requested that the Urban Renewal Agency consider a change in the scope of work for this project. They would utilize the \$50,000 grant to develop the coffee shop and meeting space without the hotel. The estimated cost for the revised project was \$440,000. The project time line was to apply for permits by October 1, 2020, and be open for business by May, 1, 2021.

JARSKI stated at the August Meeting, the Agency felt that additional information should be provided prior to making a decision on the request. Specifically, the Agency requested the applicant provide an updated Call for Projects application using the current criteria. During the discussion at the Agency's meeting on August 3, 2020, it was also recommended that the project's blight score should be based on the site conditions when the original application was submitted. Additionally, it was suggested that the project could potentially receive additional funding from the current year's CFP budget.

JARSKI indicated that a Staff Report and updated application and Business Plan were provided for the Agency's consideration; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth. She also noted that the project was now referred to as *The Local Station*, and the applicant decided not to pursue a full-time tenant, but rather operate the business as outlined in the Business Plan. The revised project would receive 100 points from Staff scores and a Blight Recommendation of 30 Points.

LILLARD expressed he was concerned about how Blight was scored on this project, specifically if the Agency was considering the project as withdrawn and resubmitted, the current condition should be used for the Blight scoring. An Agency discussion was held regarding how to look at Blight and what would deem fair on scoring the Blight for this project and future projects if a similar situation were to occur.

Robert STROPE, *District Manager*, continued with the Staff Report.

STROPE reported that though the current policy was not in effect when this project was approved, the new provisions for allowing a project to be withdrawn and resubmitted as a new project and the requirements for the Agency to approve major revisions in project scope could be considered by the Agency. Similarly, since the 2018 Policy did not contain provisions for major reductions in scope, the applicant could be allowed to reduce the scope and as long as there were \$100,000 or more of eligible expenses, and receive the \$50,000 awarded.

STROPE recommended considerations regarding fairness, equity, and precedence should be addressed by the Agency. In inverse order, the precedence aspect may best be answered by reviewing the current language in the CFP policy, which does contemplate allowing the Agency to make a determination regarding such a scope of work reduction. It clearly was within the Agency's discretion to grant the request and whatever elements the Agency would take into account in their decision could be argued as precedence setting in evaluating any future reduction in scope requests. However, one case of granting a reduction in the scope of work probably would not be enough to establish a precedence.

STROPE stated that fairness and equity come into play most notably for the other projects that were funded in 2018. Specifically, if the Agency were to consider granting additional funding to this project beyond the \$50,000

minimum award, but not the other projects that were funded at below their requested amounts, this could be viewed as unfair and not equitable.

STROPE noted that the Agency had several options available at this juncture, the following three (3) were those which the District Manager believed were consistent with the policies and intent of the Agency:

1. Approve the request to reduce the scope of work as presented at the August Meeting and allow the applicant to retain the original \$50,000 award.
2. Reject the request for additional funding, which would require the applicant to either proceed with the original scope of work or not complete the project. If the project is not completed, the \$50,000 would be redistributed to the other projects from 2018.
3. Consider the 2018 project as withdrawn and resubmitted. The Agency could treat it as part of the 2020 CFP cycle, with the remaining \$64,220 of budgeted funds available for award. The \$50,000 from the 2018 cycle would be redistributed to the other four projects from that year under the formula per the Policy. Assuming the full \$64,220 is awarded to The Local, the result would be the following amounts for the 2018 projects:

Project	Original Award	Additional Funding	Revised Award
Corig	\$15,000	\$9,076	\$24,076
Kehr	\$50,000	\$14,885	\$64,885
Mammen	\$50,000	\$14,885	\$64,885
Henry	\$35,000	\$11,155	\$46,155
Tsiatsos	\$50,000	\$14,220	\$64,220 (2020 CFP Funds)

STROPE added that option three (3) would be consistent with both policies, plus it was fair and equitable to all of the 2018 applicants. The impact to the other 2018 projects would be the same under Options two (2) and three (3), assuming the newly proposed project was constructed as anticipated.

MIESNER asked if the 2018 project recipients would have to submit extra paperwork to receive the additional funding, to which STROPE stated if the other applicants submitted all of their receipts with their original funding paperwork and the amount of eligible expenditures were twice the new award

amount, there should not be any other additional paperwork to fill out.

MIESNER asked if all of the 2018 projects were completed, to which JARSKI stated that besides Tsiatsos's project, Mammen's project was the only one that had not been completed yet.

DUTTO asked if the Agency had ever redistributed funds because of a project pulling out of the funding in the past, to which STROPE answered that he was not sure. JARSKI stated that there was one project in the past, the *Lottes* project.

LILLARD asked if there would be any revisions made to the original 2018 agreements and how the Agency would monitor the use of the additional funding, to which STROPE clarified that the revised funding amounts would be updated in their records and stated that the additional funding would be used towards the eligible expenditures that the recipients had paid for already.

In response to MIESNER'S question, JARSKI stated that *The Landing's* project was complete and added that there was nothing in the current policy that stated that an applicant could not have more than one ongoing project.

STROPE shared an updated spreadsheet with Staff Scores, Agency Average Scores and Total Scores, so the Agency could see the comparison in all scores if *The Local* project had been scored with this year's CFP applicants.

In response to Mayor CLEMENTS' comment on the metrics used in the spreadsheet and the options that were presented, STROPE explained that by allocating the funds fairly for all of the 2018 and 2020 projects, option three (3) would be the best option per CFP policy.

Mayor CLEMENTS stated that the integrity in the CFP process needed to be maintained and thanked STROPE for putting together the options for discussion.

PUBLIC TESTIMONY

None

AGENCY DISCUSSION

Mayor CLEMENTS stated that this was a good project and thought that option three (3) was the best recommendation, to which all other Agency Members agreed.

MOTION

The following Motion was introduced by DUTTO; MIESNER providing the Second:

MOTION: I move approval of Option Three (3) as presented in response to the request for a change to the Scope of Work for the Texaco project.

AGENCY DISCUSSION

None

VOTE

MSC. (unanimous)

STROPE recapped the final funding results for the 2018 and 2020 projects that were made with the Motion.

NEW BUSINESS

None

DISTRICT MANAGER COMMENTS

STROPE stated that the City was looking at applying for a grant for EDA funding, which would be used for renovating the La Grande Fire Museum and relocating the IGNITE center at that location. He stated that he did a walk through earlier that day and gave a brief summary of the renovation ideas.

Mayor CLEMENTS asked for a timeframe on the project, to which STROPE gave an approximate timeline when the work could be completed if they were awarded the federal funding.

STAFF COMMENTS

JARSKI gave a brief update on the status of the grants from Business Oregon and explained that each round of funding had different criteria. She added that hopefully future funding would be more flexible.

Mayor CLEMENTS asked JARSKI to give an update on the local businesses in our community. She stated that the federal funding really helped the local businesses. Businesses are sustaining for now but some were worried about the winter season.

AGENCY MEMBER COMMENTS

MIESNER reported that La Grande Main Street Downtown would be participating in the 'Shop Hop' which would take place downtown La Grande the last weekend in September.

ADJOURN

There being no further business to come before this Regular Session of the Agency, Mayor CLEMENTS adjourned the meeting to the City Council Regular Session at 6:58 p.m.

ATTEST:

APPROVED:

Stacey M. Stockhoff
Assistant to the District Manager

Stephen E. Clements
Mayor

APPROVED: _____

CITY of LA GRANDE

AGENCY ACTION FORM

Agency Meeting Date: **March 3, 2021**

PRESENTER: **Robert A. Strobe, District Manager**

AGENCY ACTION: **APPROVE RECOMMENDED CHANGES TO THE TRADED SECTOR GRANT POLICY**

- 1. MAYOR: Request Staff Report
- 2. MAYOR: Request that Public Testimony be Read into Record
- 3. MAYOR: Invite Agency Discussion
- 4. MAYOR: Entertain Motion

SUGGESTED MOTION: I move that the Traded Sector Grant Policy be updated as presented.

- 5. MAYOR: Invite Additional Agency Discussion
- 6. MAYOR: Ask for the Vote

EXPLANATION: At the Annual Budget Agency Retreat on January 25, 2021, it was noted that the Agency had previously discussed changes to the Traded Sector Grant Policy, which would remove language requiring eligible projects to be from outside Union County but that the revisions had not been completed. The attached policy makes that revision and also updates additional sections of the policy as noted below to be more consistent with the Call For Projects program.

The purpose of this policy is to provide cash incentives to attract new high-quality jobs, businesses and investments into the District. A secondary purpose is to fill the La Grande Business & Technology Park (LGBTP or Park) with high quality "traded sector" businesses that export goods and/or services and import wealth and provide jobs above the Union County average wage. These funds are intended to be a "last-in" incentive to be used primarily for gap financing and will represent a minor percentage of an overall project cost.

- The emphasis on brining in projects from outside of Union County was removed from the Purpose statement.

The following changes were made to Section G: Funding Information:

- Section 8 – Changes the effective date for which property can be sold from five years after the first disbursement of funds to five years from the last disbursement of funds.

The District Manager recommends approval to the policy changes as presented.

Reviewed By: (Initial)
 District Manager _____
 City Recorder _____
 Aquatics Division _____
 Building Department _____
 ED Department _____
 Finance _____
 Fire Department _____

Human Resources Dept _____
 Library _____
 Parks Department _____
 Planning Department _____
 Police Department _____
 Public Works Department _____

AGENCY ACTION (Office Use Only)

- Motion Passed
- Motion Failed; _____
- Action Tabled; _____
Vote: _____
- Resolution Passed
Effective Date: _____
- Ordinance Adopted
First Reading: _____
Second Reading: _____
Effective Date: _____



La Grande Urban Renewal Agency

(~~Approved September 10, 2014~~ Draft February 2021)

Traded Sector Business Attraction Incentive Program

A. Geographic Scope:

1. Within the Urban Renewal District. (See Map, Exhibit A)
2. Specifically in areas zoned industrial and/or commercial as follows.
 - i. Central Business (CB)
 - ii. General Commercial (GC)
 - iii. Light Industrial (I-1)
 - iv. Heavy Industrial (I-2)
 - v. Business Park (BP)
3. Specifically targeted development opportunities in the La Grande Business and Technology Park.

B. Purpose

The purpose of this policy is to provide cash incentives to attract new high-quality jobs, businesses and investments ~~from outside Union County~~ into the District. A secondary purpose is to fill the La Grande Business & Technology Park (LGBTP or Park) with high quality “traded sector” businesses that export goods and/or services and import wealth and provide jobs above the Union County average wage. These funds are intended to be a “last-in” incentive to be used primarily for gap financing and will represent a minor percentage of an overall project cost. Projects should be financially viable without this funding. This policy will be governed by the La Grande Urban Renewal Agency (URA) and administered by the City of La Grande staff.

C. General Criteria

- 1) Subject property(ies)/ project(s) must lie within the Urban Renewal District (URD), within the “Geographic Scope” referenced in Section A.
- 2) Current or prospective owner(s) or developers representing owner(s) with consent must be willing and agreeable to undertake a new business development project.

3) All projects submitted for URA funding consideration must conform to one or more projects or goals stated in the La Grande Urban Renewal Plan of 1999.

~~4) Projects must be an existing business that is currently not located in Union County.~~

~~5)4) _____~~ The URA will not consider, nor will staff accept applications for funding that do not comply with the preceding General Criteria.

~~6)5) _____~~ When evaluating applications for project funding, the following criteria will serve as guidelines and when appropriate, to rank applications:

- i. Projects must be viable for-profit businesses upon project completion.
- ii. Projects must help achieve the mission of the La Grande Urban Renewal Plan to revitalize La Grande's Central Business Zone by investing in public/private development partnerships in the Central Business Zone (CBZ) or facilitating the development of commercial and industrial parts of the Urban Renewal District to create jobs and income that will provide economic support to the CBZ.
- iii. The project must represent an expansion or relocation of a business that is currently not located in Union County. Start-up businesses will not be considered.
- iv. Projects must be businesses that are in the "traded sector" that export at least 50% of their goods and/or services outside of Union County and all counties that border Union County based on gross sales. Examples of such businesses are as follows:
 1. Manufacturing
 2. Food processing
 3. Headquarters
 4. Data centers
 5. Call centers
 6. Wholesale trade
 7. Transportation/ distribution
- v. Projects must create at least three (3) new permanent jobs and employ new employees at or above the average wage in Union County for at least three (3) years as specified in the individual funding agreement. The 2013 average wage will be indexed at \$32,029 annually or \$15.40/hour. (additional preference based on number of jobs)
- vi. Preference will be given to projects with higher ratios of private investment to public funding and expected return of property tax revenues.
- vii. Preference will be given to projects that locate in the LGBTP.

~~7)6) _____~~ If in the downtown, project must not displace any currently ground-floor "storefronts" that encourage retail commercial use or other uses that drive foot traffic downtown.

~~8)7) _____~~ A third party developer may represent the property with owner's consent.

- ~~9)8)~~ _____ Any past-due fines, taxes, fees or outstanding violations of local ordinances must be addressed prior to any financial participation from the URA.
- ~~10)9)~~ _____ Project applicant must enter into an agreement with the URA for performance.
- ~~11)10)~~ _____ Any funds disbursed by the URA may be considered a reimbursement based on qualifying expenses submitted by the applicant and will be specified at the time of funding agreement.
- ~~12)11)~~ _____ Project must comply with all relevant local, state and federal laws and codes.
- ~~13)12)~~ _____ If projects are in the Historic District or otherwise are under the purveyance of the Landmarks Advisory Commission, projects must:
- i. Receive certificate of “historic appropriateness” from the Commission prior to any grant award and/or disbursement of funds.
 - ii. Follow “The Secretary of the Interior’s Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.”
 - iii. Follow any and all standards and guidelines prescribed by the City of La Grande, to include 2009 STANDARDS AND GUIDELINES MANUAL FOR HISTORIC REHABILITATION AND PRESERVATION or its successor.

D. Allowed uses of funds

- 1) Exterior building renovations or construction.
- 2) Real estate purchase; associated costs & fees.
- 3) Required on-site and off-site infrastructure improvements.
- 4) Accessibility issues, to include elevators and associated equipment.
- 5) Streetscape improvement projects.
- 6) Work required for Building Code compliance.
- 7) New site prep and development, new construction.
- 8) Mitigation, reduction or removal of blight.
- 9) Earthwork related to wetland or floodway mitigation, as permitted and/or required by state or local agencies.
- 10) Professional design and engineering services, required for construction or renovations, provided the physical improvements related to these services (project) are completed within the terms of the agreement.
- 11) Other interior work to be approved on a case-by-case basis:
 - i. Permanent improvements that have a life span greater than five years that are not considered tenant improvements or other items or fixtures that cannot easily be removed from the structure.
 - ii. Mechanical, electrical, plumbing systems installations, or upgrades.

E. Prohibited uses of funds

- 1) Refinancing existing debt.
- 2) Marketing property for re-sale.
- 3) Conversion of downtown ground-floor uses to other than retail, entertainment or food & beverage.
- 4) Moving, travel or storage expenses.
- 5) Payment of taxes, fines or fees current, future or delinquent.
- 6) Payroll of employees related to the developer or associated businesses, unless involved in the construction phase of the project.
- 7) Cleaning unless it is required as part of an otherwise allowable use of funds.
- 8) Inappropriate restoration activities.
- 9) Inappropriate or non-approved design or materials.
- 10) Interior improvement (unless directly related to an approved exterior project or part of a needed and approved structural or accessibility improvement project) including but not limited to:
 - i. Carpeting, floor coverings.
 - ii. Changes to non-load-bearing walls.
 - iii. Painting, interior repairs.
 - iv. Removable fixtures, furnishings, etc.
- 11) Professional design and engineering services except as part of an approved project as stated above.
- 12) Feasibility studies, business plan development, or other consulting services.
- 13) Working capital.
- 14) Financing of inventory.
- 15) Payment for services, such as legal, insurance or brokerage fees.

F. Applicant Criteria

- 1) Proposals may come from tenants, owners of buildings or property or third party developers; if other than the owners, an authorization letter from owner(s) or brokers must accompany proposal/ application.
- 2) Proposals must contain at a minimum the items identified in Section I.
- 3) Approved projects should be ready to begin within six (6) months of application and should be completed within eighteen (18) months of application. Extensions may be allowed on a case-by-case basis as specified in individual funding agreements. Any agreement or application extensions may only be granted by the District Manager or the URA. All granted extensions will be reported to the URA.
- 4) Applicants must enter into a funding agreement with the URA and work with City/URA, Union County Economic Development Corp. (UCEDC) and/or State officials (as applicable) on their project.

- 5) Applicant(s) cannot have any outstanding or unresolved fine, fee, lawsuit or infraction with the City of La Grande.
- 6) Any deviations from initial submittals must be approved by the District Manager.
- 7) Projects may commence prior to funding award, at the applicant's risk, but only after a written application has been submitted and the District Manager deems the application complete. The applicant acknowledges that submission of the grant application does not bind the URA in any way and that funding cannot be approved more than one fiscal year following the submission of the application.

G. Funding Information

- 1) Projects must be a minimum of \$500,000, total cost:
 - i. City of La Grande Urban Renewal – up to 1/3 of total project cost, up to \$150,000.
 - ii. Urban Renewal funding may be up to \$200,000, if a majority of work performed is done with licensed Union County vendors/ contractors.
 - iii. Grant requests above \$200,000 will be considered on a case-by-case basis.
 - iv. Private building owner(s)/tenant(s)/ developer(s) must contribute at least 2/3 of total project cost; contribution may come from commercial lenders or other sources, including grants or loans from other agencies on applicant's behalf. In-kind contributions shall not be considered.
- 2) Funding is contingent upon URA budget approval and subsequent availability of funds.
- 3) Local funds may be augmented by outside sources, such as State of Oregon grants or loans.
- 4) Funds will be disbursed on a reimbursement basis ONLY; accurate and timely receipts are required to receive funds from the URA.
- 5) Normally, funds will be disbursed on completion of the project; however, the applicant may request progress payments as part of the agreement between the URA and the applicant.
- 6) URA will make every effort to provide timely disbursements upon receipt of complete applications and proof of appropriate expenses.
- 7) The URA will have the ability to make loans in addition to, or in place of, grants at its discretion.

- 8) Real property related to the project may not be transferred or sold within five (5) years from the date of ~~the project completion and final disbursement of funds.~~ ~~the first disbursement of funds.~~ In the event of a sale, the contribution of URA funding will be considered a loan and the full amount of any and all URA funds disbursed shall become due and payable to the URA immediately upon said sale or transfer. Liens may be placed on properties receiving URA benefits for amounts up to the full grant amount at the discretion of the URA and/or the District Manager.
- 9) Funds disbursed under this program may not be combined with Building Façade Grant funds related to the same project at the same time (during a 12-month period) and site location.

H. Application and Approval Procedure

- 1) Application must be on a project intake form provided by the URA and must include all necessary and required supporting documentation so as to fully satisfy all of the above-stated criteria to be deemed complete. Project applications may be submitted either as digital entries (Adobe Acrobat, Microsoft Word, Microsoft Excel, Microsoft PowerPoint or JPEG image files are acceptable formats) that are emailed or hand-delivered as a CD, DVD, USB drive, or as hard copies hand-delivered or mailed to City Hall. Faxed copies will not be accepted.
- 2) Any and all of the following bodies may be involved in the approval and/or review of a project:
 - i. City of La Grande/URA staff.
 - ii. La Grande Landmarks Advisory Commission.
 - iii. La Grande Urban Renewal Advisory Commission.
 - iv. La Grande City Council/ Urban Renewal Agency.
 - v. Union County Economic Development Corporation (UCEDC).
 - vi. La Grande Planning Commission.
- 3) All funding requests will require La Grande Urban Renewal Agency approval at a public meeting. Any submitted proprietary and/or financial information will be kept confidential and out of the public record to the extent allowable by law.
- 4) Project applications may be reviewed by the Urban Renewal Advisory Commission (URAC) for funding recommendation.
- 5) Upon receipt of an application, applicants will typically be notified within ten (10) business days of project application completeness.
- 6) Applications may be modified or approved with conditions.
- 7) Applicants may be asked to present their projects to any of the bodies listed in Section H.2.
- 8) City/URA staff may provide technical assistance and resources to applicants to help ensure successful applications to the extent possible.

I. Submittal Requirements:

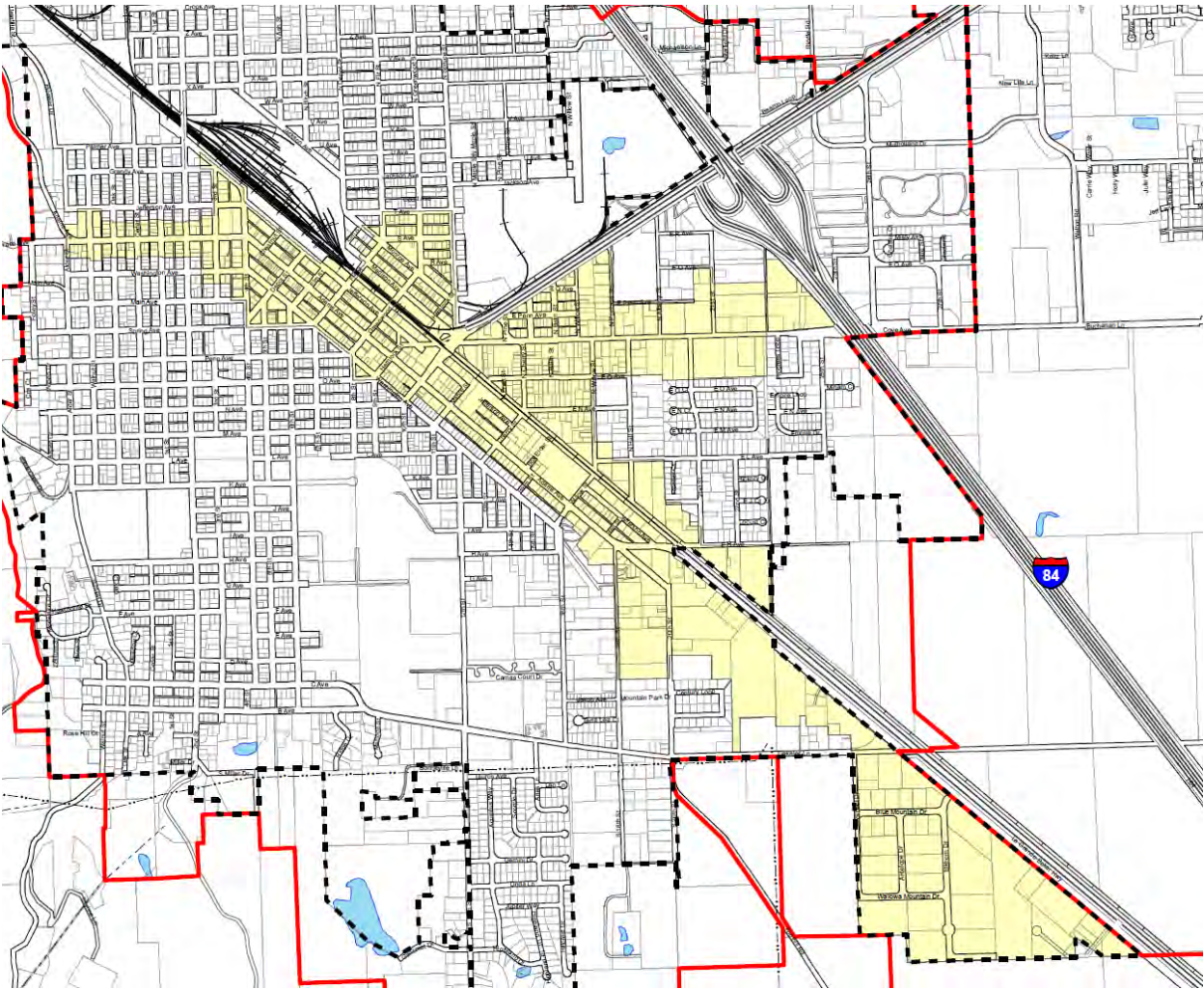
- 1) All submissions must be accompanied with the following information:
 - i. Past three years financial data on the business and the primary proprietor(s).
 - ii. Resumes or other historical information that accurately portrays the applicants' business history.
 - iii. Business plan that includes information on the business' history and a pro-forma for the proposed new operation in La Grande.
 - iv. Project scope and detailed project description, to include a detailed budget that reflects the total investment value, sources of revenue and itemized expenses.
 - v. Financial and non-financial request of URA participation that specifies categorical use of funds and any other requested URA support.
 - vi. Detailed listing of expected new job creation to include quantity of jobs, job titles, base hourly or annual wages, explanation and dollar value of any owner-provided non-mandatory benefits and total cumulative annual payroll impact.
 - vii. Building/ property owner name & contact information.
 - viii. Project applicant name (if different from above) & contact information.
 - ix. Letter of authorization from property owner or broker, if owner is not applicant.
 - x. Building/ property address.
 - xi. Current photograph of the building/ property & historic photos, if available.
 - xii. Funding amount requested and proposed use(s).
 - xiii. Current building/ property use, including tenant names and contact information, if applicable.
 - xiv. Project timeline.
- 2) The submitted application and proposal for the project, once accepted as the final concept, shall become and wholly remain the property of the City/URA. The City/URA will retain the reproduction rights to use images of the artwork to prepare and distribute marketing materials, web site materials or for any other use in promotional materials.

Approved by the Urban Renewal Agency ~~September 10, 2014~~ March 3, 2021

Robert A. Strope
District Manager

Exhibit "A"

La Grande Urban Renewal District



CITY of LA GRANDE
AGENCY ACTION FORM

Agency Meeting Date: March 3, 2021

PRESENTER: Robert Strope, District Manager

AGENCY ACTION: **CONSIDER ADOPTING AGENCY GOALS/DISTRICT MANAGER'S TOP PRIORITIES FOR FISCAL YEAR 2021-2022**

- 1. MAYOR: Request Staff Report
- 2. MAYOR: Request that Public Testimony be read into the Record
- 3. MAYOR: Invite Agency Discussion
- 4. MAYOR: Entertain Motion

Suggested Motion: I move that the City/District Manager's Top Priorities for Fiscal Year 2021-2022 as discussed during the Annual Agency Retreat on January 25, 2021, and outlined on the attached Urban Renewal Agency Retreat Goals and Priorities summary, be adopted as presented

- 5. MAYOR: Invite Additional Agency Discussion
- 6. MAYOR: Ask for the Vote

EXPLANATION: The City of La Grande's Urban Renewal Agency, District Manager, and Department Directors participated in the Agency Goal Setting on Monday, January 25, 2021. During this Session, goals and priorities for Fiscal Year 2021-2022, were identified and discussed in preparation for developing the proposed Budget for the next Fiscal Year. Those goals and priorities are included in the attached summary of the Agency Retreat 2021 and serves as direction and guidance form the Agency. Additionally, the Urban Renewal Agency establishes the City/District Manager's Top Priorities for Fiscal Year 2021-2022, also attached.

The District Manager recommends that the Agency adopt the Goals/Top Priorities for Fiscal Year 2021-2022, as presented.

Reviewed By: (Initial)

District Manager _____
 City Recorder _____
 Aquatics Division _____
 Building Department _____
 ED Department _____
 Finance _____
 Fire Department _____

Human Resources Dept _____
 Library _____
 Parks Department _____
 Planning Department _____
 Police Department _____
 Public Works Department _____

COUNCIL ACTION (Office Use Only)

- Motion Passed
- Motion Failed; _____
- Action Tabled: _____
Vote: _____
- Resolution Passed
Effective Date: _____
- Ordinance Adopted
First Reading: _____
Second Reading: _____
Effective Date: _____

City and Urban Renewal Economic Development Retreat Summary

January 25, 2021

(Note: Items in **blue** are intended as informational topics as opposed to those requiring Council/Agency guidance and direction. Text in **green** is supplemental/background information that may be helpful. Text in **red** reflects the discussion during the Retreat)

Vision Statement: The City of La Grande is the economic, educational, recreational, and cultural hub for eastern Oregon, with a family oriented, small-town character. (City’s current Vision Statement with the goals specifically related to Economic Development **highlighted** below)

Goals to support our vision:

G1	Enhance and grow our diverse economy through innovation, partnerships, and relationships, to capitalize on our existing strengths while seeking new opportunities.
G2	Take full advantage of the benefits of our thriving educational community, anchored by Eastern Oregon university.
G3	Promote the natural beauty and resources of the Grande Ronde Valley, which provide recreational opportunities and quality of life benefits that complement our economic development objectives.
G4	Showcase La Grande as a culturally-rich city with a strong sense of identity, pride, and environmental awareness that preserves our heritage.
G5	Foster a family-oriented community with high quality amenities, including excellent parks, safe neighborhoods, and outstanding schools.
G6	Champion public involvement and civic leadership that values economic, ecological, and social stewardship, while maintaining our small-town character.

1. Economic Development Strategy

a. COVID-19 Pandemic Response/Recovery Related:

- i. Currently the City (not Agency) has dedicated \$433,961 of General Fund resources for emergency loans and grants to help businesses impacted by COVID-19.
- ii. The Staff continues to work with other agency partners to provide information to businesses regarding Community Development Block Grant funding and other State and Federal programs during the pandemic.
- iii. Additionally, we have expanded the footprint within the Urban Renewal District eligible for façade grants to add drive through or take out windows using existing Urban Renewal Agency (URA) budgeted funds.
- iv. Aside from expending the remaining funds already budgeted and continuing the above efforts, what additional actions should be pursued?
 1. Assuming the City Council intends to continue to provide added support to businesses throughout the City, we will need to allocate additional City General Fund dollars to fund those efforts, which would not qualify for use of URA funds. This will be dictated by the amount of time spent on those efforts. Note that under levy of URA could be considered funding source for these costs.
 2. It is important to remember that the time spent on COVID related recovery efforts means less time is available for other economic development efforts.
 - a. Is the Agency/City Council’s first priority COVID-19 recovery?
 - b. What other efforts are also considered top priorities?

We have reduced the transfers from the URA to the City's General Fund for labor related expenses for time dedicated to non-URA efforts, where we are receiving grant funding or by amounts submitted for CARES reimbursement.

Regarding priorities, Call for Projects (CFP) is a vital tool that remains a high priority; the ongoing BR&E survey and Ignite's grant funded programs are time sensitive; submission of the EDA grant, and while funding remains available, the Emergency Loans and Business Software Grants will require staff time. These, coupled with COVID-19 recovery and responding to active leads from prospective businesses would be the District Manager's recommended top priorities with the remaining activities addressed as time allows or opportunities dictate.

The Agency/Council indicated a desire to retain the budgeted funds allocated to COVID-19 assistance for that purpose and to carry any remaining amount forward into the coming fiscal year and to have flexibility to allocate additional funding next fiscal year if warranted.

It was noted that there is approximately \$186,000 remaining in the current year's budget for direct business assistance. It was also noted that several other State and Federal funding programs have been available and accessed by local businesses, including CDBG funds applied for by the City and managed by NEOEDD.

Regarding the allocation of resources, particularly time spent on COVID-19 recovery vs proactive recruiting efforts, there was interest in capitalizing on potential migration of individuals working from home or businesses relocating from more urban areas.

The merits of pursuing a targeted recruitment effort promoting La Grande as a safe community will be part of a Work Session that will be scheduled.

b. Recruitment/Business Attraction:

- i. Continue proactively pursuing our current priority industry sectors:
 1. Recreational Manufacturing and Retail
 - a. Anything tied to the outdoors to maximize our assets
 2. Timber Industry
 - a. Mass Timber (Cross Laminated Timber)
 - b. Woodgrain (Supply Chain)
 - c. Other wood product related manufacturers
 3. E-Commerce
 - a. Businesses that rely on the Internet and work from home
 - b. Distribution
- ii. Continue to respond to all inquiries and leads regardless of industry sector.

There were no changes in the targeted sectors above.

iii. Incentives

1. Current incentives are limited to Call for Projects and Traded Sector programs in the Urban Renewal District (URD) and the Enterprise Zone for Urban Growth Boundary (UGB) expansion area.
2. Should the City/Agency consider new incentives?
 - a. Non-URD properties—tax abatement?
 - b. Other?

The idea of changing the Call for Projects and other grant programs to a revolving loan program was suggested. The intent would be to provide zero or low interest loans that could be repaid within five years, creating a revolving funding source. It was noted that depending on the use of the funds, tax increment revenues would not be an allowable use. Other program revenues from the District would need to be accessed, such as proceeds for property sales. There were other factors to consider, such as the review and approval process; managing the loan portfolio; and business concerns regarding confidentiality of their information that could be a barrier to applying.

The possibility of creating a Call for Projects type program using City General Fund dollars as an incentive for properties outside the URD was discussed. It was noted that this had been discussed in the past, using some of the Under Levy funds as the revenue source with the City Council opting not to proceed. URA funds are required to be used to fund economic development and redevelopment efforts, City General Fund revenues are not restricted in the same fashion. The City's five year projections indicate expenditures will exceed revenues in the coming few years. The question of what is the next best use of the next dollar as a guide was suggested. For example, would the community prefer the City use \$100,000 of General Fund dollars for business assistance or transfer \$100,000 of those funds to the Street and Road Fund to repair a street? Or fund other City services?

- iv. Industrial development/recruitment:
 - 1. La Grande Business and Technology Park
 - a. Do we need to explore new strategies to facilitate development?
 - i. We added the Tech Park specific allocation for the Call for Projects program two years ago. It went unused this fiscal year but remains a key incentive.
 - 2. UGB Expansion Area
 - a. Large lot industrial with Enterprise Zone incentives

The question of whether or not the Agency should continue to provide incentives such as the Traded Sector grant and/or dedicated Call for Project allocations to the La Grande Business and Technology Park or divert those funds to other programs was raised. The Traded Sector program has \$200,000 that has not been used. The most significant lead for the use of those funds was lost when one of the business owners passed away. We were pursuing a serious lead in the spring of 2020 that did not proceed due to COVID-19 but could still be interested.

While there have been additional leads, the Business Park remains largely empty. The fact that the majority of the Park is located in the Flood Plain has been a significant barrier to development. This should change when the process to remap the Flood Plain is completed, but that is still over two years in the future and will be a topic at the City Retreat on January 26th, 2021.

The consensus was to cover this in a Work Session.

- v. Commercial development/recruitment.
 - 1. Limited available lands for larger commercial/retail development.
 - a. No large lot commercial in URD.

Given we do not have large lot commercial areas within the URD and that we are very limited outside the URD, we would need to pursue conducting a Commercial Land Needs Analysis

and Comprehensive Plan Goal 9 Update to increase our inventory to allow for new development.

Staff shared that La Grande does not have sufficient large-lot, commercial property properly zoned and available for a major commercial development. The limited commercial space is a barrier to development and needs to be addressed. The Staff will plan to explore pursuing funding to move forward with the work required to complete a Commercial Land Needs Analysis.

c. Retail Recruitment and Downtown Redevelopment:

- i. Retail recruitment.
 1. Continue proactive recruitment using existing leads previously generated by Buxton.
 2. Encourage participation in the Business Plan Competition launched in January 2021.
 3. Focused efforts in concert with La Grande Main Street Downtown.
- ii. Downtown redevelopment—(See Call for Projects).

No significant changes in Retail Recruitment or Downtown Redevelopment were discussed. Call for Projects remains the key tool in this area. Funding levels will be part of a Work Session.

d. Business Assistance, Retention, and Expansion:

- i. Resume large employer visits once COVID-19 restrictions allow.
- ii. Business Retention and Expansion (BR&E) Survey.
 1. Currently working in partnership with other agencies to conduct a new series of BR&E Surveys, which is underway at this time. This project is funded primarily through two grants to the Rural Development Initiative (RDI), which is a consultant for this project.

No significant changes were discussed.

e. Create a culture of entrepreneurialism.

- i. Ignite has received a \$60,000 grant from Business Oregon for the Rural Opportunity Initiative (ROI) program, which funds entrepreneurial support programs and activities. This grant is being administered by Northeast Oregon Economic Development District (NEOEDD) and since the money does not come directly to the City/Agency it does not show up in City or Agency budgets.
- ii. Participation in the ROI program also provides technical assistance to the City's Economic Development staff and positioned NEOEDD to apply for a five (5)-County COVID Technical Assistance grant of \$60,000.
- iii. The expansion of the space at Ignite discussed in the Agency Initiated Funded Program section below is in support of this element of the strategy.

No significant changes were discussed. It was noted that continued work on entrepreneurialism and access to an expanded Ignite Center could be beneficial as a recruitment tool for attracting work from home professionals.

f. Buxton Next Steps

- i. Staff intends to schedule a work session to provide a summary of the results of the work done in conjunction with Buxton for this spring.
- ii. The City will continue to benefit from background data on the leads list and any new retail leads that become present.
- iii. Staff does not recommend continuing to contract with Buxton at present time.

g. Continuation of non-URA Funded Economic Development efforts

- i. Validate intent to continue to dedicate funds and resources to marketing non-URA industrial properties.
 - 1. UGB large lot industrial site.
 - 2. Large lot commercial efforts.

The current percentage of the Economic Development Director's salary is 85% URA and 15% City and we have also included limited City funded Materials and Services budget amounts to allow for funding these efforts. As noted above, the COVID-19 recovery will likely require additional time spent outside the URD that will need to be reflected in the coming fiscal year's budget.

Economic Development efforts outside the URD will continue, with the allocation of time to be determined and dictated in part by COVID-19 recovery efforts.

2. Budget Related Issues/Fiscal Management

- a. Continue to implement the Urban Renewal Plan with base-line funding for full-time Economic Development position and core URA Programs.
 - i. Current Goals from Agency approved Economic Development Strategy:
 - 1. Ensure programs are achieving goals and needs of target consumer.
 - 2. Create a vibrant Central Business Zone (CBZ).
 - 3. Attract new business growth to the City of La Grande.
 - 4. Create a culture of entrepreneurialism.
 - 5. Market and educate about Urban Renewal Programs.
- b. Validate continuation of Urban Renewal Agency (URA) Under Levy—Agency perspective.
 - i. Based on current City General Fund ending Fund Balance for 2019-2020, the City could forego or significantly reduce an Under Levy in 2021-2022.
 - 1. This would impact other taxing jurisdictions, so if the Council decides not to under levy or significantly reduce the amount of the under levy, the Agency would want to notify the other jurisdictions immediately following the February Council Meeting.
 - 2. What would the Agency do with increased funding if the under levy is suspended or significantly reduced?
 - a. Increase program funding for Call for Projects?
 - b. Increase URA Fund balance to allow for larger projects or increased program funding in future budgets?
 - c. Expand marketing and promotion efforts to sell La Grande Business Park properties?
 - ii. Amount of an Under Levy drives both the City General Fund and URA Budgets.

Significant discussion was held regarding the merits of an Under Levy and the impacts on the City, Urban Renewal Agency, and other taxing districts. As the Agency, the discussion

was focused on whether or not the Under Levy was preventing the Agency from doing anything. While there were no specific programs or projects identified, the importance of balancing an Under Levy with meeting the needs of the Agency was discussed. The amount of the Under Levy will be influenced by the upcoming City Retreat and the follow up Work Session planned.

3. Urban Renewal Programs

a. Traded Sector

- i. Funding. Existing one-time \$200,000 has been restored. Staff recommends retaining this funding level.
- ii. Policy revisions—Staff recommended and the Agency supported changing the policy to allow these funds to be used for expansion of existing Union County businesses, provided they meet all other criteria. Currently Union County businesses are excluded from the program. These funds can be combined with the Call for Projects funds dedicated for the Park. We will make these changes and bring to the Agency for approval. Note that had there been an opportunity to access these funds to facilitate a qualifying expansion, Staff would have sought Agency approval in anticipation of the policy update.

b. Call for Projects:

- i. Funding:
 1. Non-Business Park Projects: \$250,000 per year forecast for this program based on revenues to URA with an under levy.
 2. La Grande Business and Technology Park Projects: \$225,000 dedicated funding including the unused \$125,000 from the current and prior year's budgets for projects at the Park. The intent is to continue to dedicate \$100,000 a year to the Park and carry forward unused prior years' amounts, less any awards.
- ii. Policy revisions—Staff is not recommending any changes to the policy for this year's funding cycle.

Note the intent was to carry forward any unused, dedicated funding for Business Park CFP projects into future years to create a pool of resources to help fill the Park. These funds can be used in conjunction with the Traded Sector funds

As mentioned previously, a larger discussion of the Traded Sector and Call for Projects funding levels will be had at an upcoming Work Session.

c. Agency Initiated Funding Program

- i. \$200,000 of one-time funding currently budgeted.
- ii. Staff shared with the Council/Agency the intent to use these funds to specifically leverage an Economic Development Administration (EDA) grant to renovate the Fire Museum to provide an expanded space for Ignite. The project would provide dedicated space for partner organizations such as Eastern Oregon University (EOU), NEOEDD and the Small Business Development Center (SBDC) to allow for a downtown presence. The project would also include increased opportunities for Side A Brewing to utilize increased space that currently is inaccessible. We are finalizing design elements and the grant application. The final decision will be made if we are successful in our application prior to acceptance.

Note the intent of this program is to allow for the Agency to proactively identify a property or project outside of the normal Call for Projects program that warrants funding.

It was clarified that previously the Agency and Staff had discussed the potential for using these funds to leverage Oregon Main Street funding for a large project. The project discussed was the Bohenkamp Building. However, that project is not ready and Oregon Main Street grant funding is not available at present. Subsequent to learning this, the EDA advertised availability of significant funding, which could be used to expand the Ignite Center and provide improvements benefiting both Side A Brewing and an expanded Ignite. Staff has been working on a grant application that, if successful and with the Agency's approval, would allow for this major renovation project.

d. Façade Program

- i. \$50,000 per year budget, no changes proposed by Staff.

Aside from continuing to allow Façade Grants to be used for drive thru and walk up windows in an expanded area within the URD, no changes are planned.

Desired Work Sessions based on this Retreat:

Program Funding: A Work Session to discuss the desired level of funding for the Call for Projects; Traded Sector; and Agency Initiated Project will be scheduled first. This discussion will drive the amount of any Under Levy for 2021-22.

Buxton Report and Short-Term Economic Development Efforts and Focus: A Work Session to discuss the balance between pro-active recruitment efforts, COVID-19 recovery/business support, and other ongoing activities. Some of this discussion may be influenced by decisions on Federal and State funding and the City's role in any of those programs. The Work Session will also include the benefits of the contract with Buxton and what the results were and ongoing efforts that will continue based on the data provided by Buxton.

City/District Manager's Top Priorities

Fiscal Year 2021-2022

(To be Approved by Urban Renewal Agency March 2021)

- **Fiscal management**
 - Continue to manage the City's finances within limited resources to provide highest possible level of service to the City of La Grande.
- **COVID-19 Recovery**
 - Continue to take all necessary actions to comply with the State and Federal mandates related to the COVID-19 pandemic, as well as identify and implement policies and programs to assist in the recovery efforts within the City's resources.
- **Economic Development**
 - Continue to implement the Urban Renewal Plan and economic development strategy as approved by the City Council/Urban Renewal Agency.
- **Wildland Urban Interface**
 - In concert with Union County and other agencies take actions to assure La Grande is prepared in the event of a wildfire or other natural disaster such as the ones that devastated other communities in Oregon in 2020.
- **General Fund Capital Improvements**
 - Identify funding sources and strategy to address major capital needs.
- **Housing**
 - Complete the Comprehensive Housing Production Strategy (HPS) and upon completion and adoption, implement the strategy.
- **FEMA Maps and Land Use Code Amendments**
 - Complete the public process and submittal to FEMA for updating the City's Floodplain Maps.
 - Complete the revisions and adoption of the City's Land Use Codes as necessary.
- **Staffing**
 - Take necessary actions to address critical staffing issues including, but not limited to, hard to fill positions and succession planning for key positions.