

CITY of LA GRANDE
JOINT CITY COUNCIL/URBAN RENEWAL AGENCY RETREAT

Monday
January 25, 2021

6:00 p.m.

AGENDA

You can view the Work Session on Facebook Live at the following link:
www.facebook.com/CityofLaGrande

The purpose of the Annual Agency/Council/Staff Retreat is to exchange ideas with Staff and establish Goals and Priorities for the upcoming year. The Goals/Manager Priorities then become the focal point of budget development for the 2020 ~ 2021 Fiscal Year. Council decisions are not made during a Council Retreat; but, rather, direction is provided to Staff in connection with the identification of the Goals to be scheduled for adoption during the February 3, 2021, Regular Sessions of the City Council and the Urban Renewal Agency. While the Annual Retreat is open to the public, public comments will not be entertained during the Retreat. Members of the public are routinely provided with an opportunity to engage the Mayor and Council/Agency during the Public Comments portion of each Regular Session Agenda.

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

1. CALL to ORDER/WELCOME 6:00 p.m.
~Stephen Clements, Mayor

2. CITY AND URBAN RENEWAL ECONOMIC DEVELOPMENT RETREAT TOPICS/SEQUENCE
(Please Refer to Attached)
~Robert A. Strobe, City/District Manager

3. ADJOURN 8:30 p.m.

Kayla M. Rock
City Recorder

City and Urban Renewal Economic Development Retreat Topics/Sequence 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.)

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.

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.
- 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?
- 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
- 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.

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).

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.

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.

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.

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.

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: \$300,000 dedicated funding including the unused \$200,000 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

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.

d. Façade Program

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