

CITY of LA GRANDE

City Council Regular Session

August 3, 2016

6:00 p.m.

Council Chambers
La Grande City Hall
1000 Adams Avenue

MINUTES

COUNCILORS PRESENT:

Gary Lillard, *Mayor Pro Tem*
Wayne Brown, *Councilor*
John Lackey, *Councilor*
Troy Pointer, *Councilor*
Justin Rock, *Councilor*

COUNCILORS ABSENT EXCUSED:

Stephen E. Clements, *Mayor*
John Bozarth, *Councilor*

STAFF PRESENT

Robert Strobe, *City Manager*
Angelika Brooks, *City Recorder*
Kayla Nichols, *Assistant to the City Manager*
Michael Boquist, *City Planner*
Norm Paullus, *Public Works Director*
Stu Spence, *Parks & Recreation Director*

CALL TO ORDER/PLEDGE OF ALLEGIANCE/ ROLL CALL/AGENDA APPROVAL

Mayor Pro Tem LILLARD called to order this Regular Session of the Council at 6:00 p.m. Roll Call was taken and a quorum was determined to be present.

CONSENT AGENDA

- a.** Consider: Approval of Regular Session Minutes;
July 6, 2016
- b.** Consider: Approve Bid Awards; Sewer Rehab –
Cast in Place Line

The following Motion was introduced by LACKEY; ROCK providing the Second:

MOTION: I move that we accept the Consent Agenda as presented. **MSC.** (unanimous)

PUBLIC COMMENTS

None

PUBLIC HEARINGS

None

UNFINISHED BUSINESS

None

NEW BUSINESS

- a.** Consider: East "N" Avenue LID;
 - 1. Accept Petition to form LID
 - 2. Accept Preliminary Engineer Report

STAFF REPORT

Mayor Pro Tem LILLARD requested the Staff Report.

Norm PAULLUS, *Public Works Director*

PAULLUS stated that staff received a petition to establish a Sewer and Water Local Improvement District for East "N" Avenue beginning at Hall Street proceeding east for approximately 340 feet. The petition was returned with 64.88% of the benefitted land area, and 66.76% of the land ownership signing for the improvements. The spread sheet that was included in the written staff report; 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, indicated the property owners who had signed the petition; one property owner, Curt and Joanne Walters Trust (tax lot 2800), did not sign the petition. This was the property which had an assessment of \$11,804.48. The majority of the abutting property owners were in favor of this project. This action allowed staff to proceed with the development of the plans.

PAULLUS noted that staff reviewed the estimated costs and the LID process. The estimated cost for the Sewer Improvement 0' – 8' in depth was \$20,227.20, which included one service tap for each property. The estimated cost for the Water Improvement was \$16,320.00, taps would be installed with the construction of the mainline, but fees would not be due until the lot was developed. Property owners would have the option to install additional service lines at the time of construction for the price per service as set by Resolution. Water L.I.D's were budgeted in the new water reserve budget (019-275-640.000) and sewer L.I.D's were budgeted in the new sewer reserve budget (008-150-640.001).

PAULLUS stated that since the written Staff Report was prepared all of the property owners had signed the LID petition and the maps were updated to reflect the 100 percent participation.

CONFLICT OF INTEREST

POINTER declared an actual conflict of interest due to work his company will be performing on the project and would not be participating in the discussed or voting.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

None

The following Motion was introduced by LACKEY; BROWN providing the Second:

Motion: I move that Water Local Improvement District Number 16-051 and Sewer Local Improvement District Number 16-16, for the improvement of East 'N' Avenue, be established; that the Preliminary Study and Report be accepted as presented and that the proposed Resolution establishing a Public Hearing date be read by title only, put to a vote, and passed.

COUNCIL DISCUSSION

None

At the Mayor Pro Tem's request, the City Recorder Read the Proposed Resolution by Title Only as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, OREGON, ESTABLISHING SEWER LOCAL IMPROVEMENT DISTRICT NUMBER 16-16 AND WATER LOCAL IMPROVEMENT DISTRICT #16-051; AND ESTABLISHING A PUBLIC HEARING DATE OF WEDNESDAY, SEPTEMBER 7, 2016. [4735]

VOTE

MSC: FOUR (4) of the Councilors present voted in the affirmative; POINTER abstained from voting due to a conflict of interest.

b. Consider: Authorizing City Manager to enter into Long-term lease; *Rescue Hose Company No. 1*

STAFF REPORT

Mayor Pro Tem LILLARD requested the Staff Report.

Robert STROPE, *City Manager*

STROPE stated that the City Council entered into a lease with the La Grande Volunteer Fire Department, dba Rescue Hose Company No. 1 in March, 2004. This agreement was extended until March 1, 2019. The City of La Grande owns the building and the current lease agreement with Rescue Hose Company No. 1 provides use of the facility as a fire museum with the office space available for rent for commercial purposes. The proceeds from such rentals are used by Rescue Hose Company No. 1 to maintain the facility.

STROPE noted that the purpose of this Council action was to allow for negotiation of a new lease that specifically permits the use of a portion of the building as a brewery/brew pub and provided certainty for not only the private business, but also Rescue Hose Company No. 1. In the interest of time, the City Manager was asking the City Council to give him authority to negotiate and sign a long-term lease without further Council action. Side A Brewing was moving forward with limited demolition of the area to be used. Once that work was completed, they would begin

work on the ADA restrooms and infrastructure. As soon as their licensing and permitting was approved, they want to enter into a long-term sublease without delay and begin work on the conversion to a brew pub. By providing the City Manager approval as presented, there would not be any delays in the process resulting from the timing of City Council meetings/actions. Alternatively, the City Council can direct the City Manager to negotiate such a lease and bring it back for Council consideration and decision when it was complete.

STROPE stated that in regard to the terms of the lease, the City Manager would craft terms consistent with the intent of the current lease, which would include requirements that a portion of the facility continue to be used to recognize the heritage of the La Grande Fire Department through displays in the brew pub that would be rotated by Rescue Hose Company No. 1. It would also include, through the sublease, expectations that sufficient compensation be provided by the brew pub to adequately house the Fire Museum property as well as maintain the building (or that the brew pub be responsible for the maintenance).

STROPE noted that over the past several months, Rescue Hose Company No. 1 had been seeking a permanent tenant that would convert the majority of the museum space into a brew pub, with the intent of using some of the displays as decorations which would be rotated. One of the recent surveys of Eastern Oregon University students included a desire to have a local brew pub in downtown, which would benefit the downtown businesses and strengthen the linkage between the City and University. Additionally, Rescue Hose Company No. 1 would continue to pursue occupants for portions of the commercial office space throughout the building.

STROPE stated that Side A Brewing and Rescue Hose Company No. 1 have developed and entered into a short-term sublease for the property which enables Side A Brewing to pursue required licenses and to further their fund raising efforts. The parties were working on a long-term sublease which would necessitate the City entering into a new lease with Rescue Hose Company No. 1 that extended the term to 20 to 25 years, and specifically allowed for the sublease with Side A Brewing. Proceeds from the sublease would be used not only to maintain the building, but also to provide for a secondary location to store the unused Museum Fire Apparatus, equipment and display items. The City Manager had been involved in the discussions regarding the leases, but the terms of the sublease were being negotiated by the Rescue Hose Company No. 1 and Side A Brewing.

STROPE also noted that the Urban Renewal Agency approved funding at their July 6, 2016, meeting to make improvements to the building consistent with the use as a brewery.

A brief discussion was held regarding the sustainability of Side A Brewing to be able to maintain the building and a place for storage for the fire apparatus.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

None

MOTION

The following Motion was introduced by **ROCK; POINTER** providing the Second:

Motion: I move that the City Manager be authorized to negotiate and sign a long-term lease with Rescue Hose Company No. 1 for the Eastern Oregon Fire Museum including a provision for a sublease to allow for a for-profit brewery as presented.

COUNCIL DISCUSSION

None

VOTE

MSC: FIVE of the Councilors present voted in the affirmative.

STAFF COMMENTS

Norm PAULLUS updated the Council on the Cedar Street between "M" Avenue and "N" Avenue project; and the 20th Street project.

Mike BOQUIST updated the Council on the upcoming Code Amendments stating that he had postponed the amendments to January or February 2017, due to the election. He also noted that due to a FEMA lawsuit that all Oregon cities have to redevelop a new Flood Plain Code. The Council was in agreement to delay the Code amendments due to the change in the Flood Plain which will require Code changes. By delaying the process, the City will save approximately \$5,000 in costs associated with required notices as well as Staff time by not needing to duplicate efforts.

CITY MANAGER COMMENTS

Robert A. STROPE, City Manager, stated that he would be emailing out his self-assessment to the Council next week. **STROPE** updated the Council of the Charter Communication Franchise Agreement in regards to PEG Capital. He stated that a revised Franchise Agreement would be presented to the Council at the September 7, 2016 Council meeting.

CITY COUNCIL COMMENTS

In response to LACKEY's request, STROPE gave an update on the Welcome to La Grande Sign project.

Mayor Pro Tem LILLARD congratulated STROPE on the arrival of his new grandchild.

There being no further business to come before this Regular Session of the Council, LILLARD adjourned the meeting at 6:25 p.m. The Council is scheduled to meet again in Regular Session on Wednesday, September 7, 2016 at 6:00 p.m., in the Council Chambers of City Hall, 1000 Adams Avenue, La Grande, Oregon.

Kayla M. Nichols
Assistant to the City Manager

Gary Lillard
Mayor Pro Tem

APPROVED: _____