CITY of LA GRANDE Urban Renewal Agency Regular Session Wednesday, February 1, 2023

Immediately Following City Council Regular Session

Council Chambers
La Grande City Hall
1000 Adams Avenue

AGENDA

The meeting will be available for viewing via the City's scheduled Charter Communications channel 180 immediately following the City Council meeting which begins at 6:00 p.m. on February 1, 2023, on the EO Alive website at https://eoa.tv or on the EO Alive.TV Facebook page at https://eoa.tv or on the EO Alive.TV Facebook page at https://www.facebook.com/EOAliveTV.

1. URBAN RENEWAL AGENCY

- a. Call to Order
- b. Roll Call
 - Per ORS 192.670(1), some Agency Members may 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: Approving Regular Session Minutes; October 5, 2022

4. PUBLIC COMMENTS

Those individuals who wish to address the Agency in connection with any item which is printed on tonight's Agenda may do so during the time that item is under discussion by the Agency. Individuals wishing to speak to the Agency about non-Agenda items may do so during this Public Comments portion of the Agenda. Please print your name and address on the Public Comments Sign-in Sheet, located on the podium. When addressing the Agency, speak loudly and clearly into the Podium microphone, and state your name. Persons interested in providing virtual public comments shall contact City Staff at sstockhoff@cityoflagrande.org or by calling the City Recorder at (541) 962-1309 not later than 5:00 pm the day prior to meeting to make arrangements. In the event the Mayor does not announce a time limit for comments, each speaker is asked to confine their comments to three minutes in length, whether the comments are in-person or virtual.

5. PUBLIC HEARINGS

6. UNFINISHED BUSINESS

7. NEW BUSINESS

- a. Consider: Amending Liberty Theatre Agreement to give EDA First Priority Lien Position [Strope]
 b. Consider: Adopting Retreat Summary and City/District Manager's Top Priorities for Fiscal Year 2023-2024 [Strope]
 c. Consider: Appointing Citizens to Urban Renewal Advisory Commission [Rock]
- 8. DISTRICT MANAGER COMMETS
- 9. AGENCY MEMBER COMMENTS
- 10. ADJOURN

Stacey M. Stockhoff	
Acting City Recorder	

Effective Date:_

CITY of LA GRANDE

URBAN RENEWAL AGENCY ACTION FORM

Agency Meeting Date: February 1, 2023

	rigerioy we	sting Bate: I Columny	1, 2020
PRESENTER:	Robert A. Strop	e, District Manager	
AGENCY ACTION:	CONSIDER CON	ISENT AGENDA	
	1. <u>MAYOR</u> :	Request Staff Report	
	2. <u>MAYOR</u> :	Entertain Motion	
		Suggested Motion: I represented.	move we accept the Consent Agenda as
		<u>OR</u>	
		Suggested Motion: I ramended.	move we accept the Consent Agenda as
	3. <u>MAYOR</u> :	Invite Agency Discussio	n
	4. <u>MAYOR</u> :	Ask for the Vote	
*********	*******	********	*****************
a. <u>Consider</u> : Approv	a. ving Regular Session	Minutes; October 5, 2022	by request, remove any item of business
Reviewed By: (Initial) District Manager City Recorder Aquatics Division Building Department ED Department Finance Fire Department	Humar Library Parks I Plannir Police	Resources Dept	AGENCY ACTION (Office Use Only) Motion Passed Motion Failed; Action Tabled: Vote: Resolution Passed Effective Date: Ordinance Adopted

CITY OF LA GRANDE

Urban Renewal Agency Regular Session

October 5, 2022

Immediately following City Council Regular Session

Council Chambers La Grande City Hall 1000 Adams Avenue

MINUTES

AGENCY MEMBERS PRESENT:

Stephen E. Clements, Mayor
Gary Lillard, Mayor Pro Tem
John Bozarth, Agency Member
David Glabe, Agency Member
Nicole Howard, Agency Member
Mary Ann Miesner, Agency Member (Attended via electronic device)
Justin Rock, Agency Member

STAFF PRESENT

Robert Strope, *District Manager*Kayla Brainerd, *Assistant to the District Manager*Stacey Stockhoff, *Acting City Recorder*Gary Bell, *Police Chief*Timothy Biship, *Economic Development Director*

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

CALL TO ORDER/ROLL CALL/AGENDA APPROVAL

Mayor CLEMENTS called this Regular Session of the Urban Renewal Agency to order at 8:00 p.m.; Roll Call was taken; and a quorum was determined to be present.

Mayor CLEMENTS announced that the Agency would meet in Executive Session pursuant to ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. The Agency would not reconvene after Executive Session.

CONSENT AGENDA

a. <u>Consider</u>: Approving Regular Session Minutes; August 3, 2022

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

City of La Grande Urban Renewal Agency Minutes Regular Session of October 5, 2022 Page 2

 $\underline{\text{MOTION}}\colon$ I move we accept the Consent Agenda as presented.

MSC: 7-0 (Yes: CLEMENTS, LILLARD, BOZARTH, GLABE,

HOWARD, MIESNER, and ROCK; No: None)

PUBLIC COMMENTS None

PUBLIC HEARINGS None

UNFINISHED BUSINESS None

NEW BUSINESS

VOTE

a. <u>Consider</u>: Receive Economic Development Update

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Timothy BISHOP, Economic Development Director

BISHOP stated the Urban Renewal Agency and City Council approved the 2022-2024 Economic Development Strategy on April 6, 2022. At that time, the City Council requested that Staff report back to Council/Agency with a progress update in October, 2022. The purpose of this agenda item was to give the Agency an opportunity to receive the update and for the Staff to answer questions. No formal action was required by the Agency. Given the majority of the funding was provided by the Urban Renewal Agency, it was deemed more appropriate for the update to be provided to the Agency.

BISHOP gave a brief progressive update on the Economic Development Strategy that highlighted some of the goals listed in the packet materials provided to the Agency Members; 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:

- Goal 1: Ensure Urban Renewal Agency programs are achieving goals and objectives as set by the Agency and meeting the needs of business; such as, the vision for Urban Renewal, revisions to the Call for Projects Policy, and filling vacancies on the Urban Renewal Advisory Commission.
- Goal 2: Continue business recruitment efforts; such as, responding to all leads that come in including those from Business Oregon, developing a list of leads associated with outdoor recreation manufacturing, and actively working two (2) leads that have interest in the Business Park.

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In response to BOZARTH's question, BISHOP confirmed that the Traded Sector Incentive was \$200,000 and shared that one of the leads that have interest in the Business Park would potentially be eligible for that incentive.

- Goal 3: Continue business retention and expansion efforts; such as, continuing to meet monthly with economic development partners to share leads and develop recruitment and retention efforts including the upcoming small business summit on Thursday, October 20, 2022.
- Goal 4: Create a vibrant Central Business Zone (CBZ); such as, currently searching for a new Executive Director for La Grande Main Street Downtown (LGMSD) and rebuilding the Board, continue to work with LGMSD to administer the Façade Grant program, identify all Brownfield Projects that are predominantly redevelopment opportunities along Jefferson Street, and LGMSD secured a \$200,00 Oregon Main Street grant for the redevelopment of the Bohnenkamp Building.

As mentioned earlier at the City Council Meeting that evening, BISHOP shared that two (2) Agency funded projects recently received recognition at the Main Street Annual Conference, which were Brickyard Lanes and The Local. He also mentioned that the Putnam Building, where the Liberty Theatre Café was located, was also recently recognized with the DeMuro Award from Restore Oregon and the Liberty Theater recently received a \$565,000 grant through federal ARPA funds. He stated that it was exciting to see the Agency funding a variety of projects that were receiving recognition.

- Goal 5: Encourage entrepreneurial and small business development as a key economic development strategy.
- Goal 6: Market and educate businesses, potential new businesses, and the citizens of La Grande about Urban Renewal programs and the benefits of Urban Renewal.

In response to LILLARD's question regarding the Liberty Theatre's grant, BISHOP stated that he recently conversed with Ashley O'Toole, Board Chair, who was optimistic that the grant would help put the project close to or over the threshold to be completed.

Mayor CLEMENTS thanked BISHOP for his hard work in moving Economic Development forward.

PUBLIC COMMENTS

AGENCY DISCUSSION

None

None

DISTRICT MANAGER COMMENTS

AGENCY MEMBER COMMENTS

None

ADJOURN

There being no further business to come before this Regular Session of the Agency, Mayor CLEMENTS adjourned the meeting to the Executive Session at 8:18 p.m.

ATTEST:

APPROVED:

Stacey M. Stockhoff

Stephen E. Clements

Mayor

City of La Grande

Acting City Recorder

APPROVED:

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Urban Renewal Agency Minutes Regular Session of October 5, 2022

CITY OF LA GRANDE

URBAN RENEWAL AGENCY ACTION FORM

Agency Meeting Date: February 1, 2023

PRESENTER: Robert A. Strope, District Manager

AGENCY ACTION: CONSIDER AMENDING THE LIBERTY THEATRE AGREEMENT TO GIVE

THE U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT

ADMINISTRATION (EDA) FIRST PRIORITY LIEN POSITION

1. MAYOR: Request Staff Report

2. MAYOR: Invite Public Comments

3. MAYOR: Invite Agency Discussion

4. MAYOR: Entertain Motion

<u>Suggested Motion</u>: I move that District Manager Strope be authorized to draft and sign an amendment to the Liberty Theatre Loan agreement granting the EDA first priority lien position on the property and to sign any related documents

required by the EDA as presented

5. MAYOR: Invite Additional Agency Discussion

6. MAYOR: Ask for the Vote

EXPLANATION: The U.S. Department of Commerce's Economic Development Administration (EDA) is awarding the Liberty Theatre Foundation \$585,534 of funding to complete the project. One of the EDA's requirements to receive the funding is a first priority unsubordinated lien on the real property. Currently the Urban Renewal District holds the first priority lien of the property for the \$150,000 loan the Agency provided to purchase the property. Under the agreement between the Agency and the Liberty Theatre Foundation, the loan will convert to a grant if certain conditions are met. The only remaining condition is completion of the project. To finalize the grant funding, the Agency is being asked to submit the attached Intercreditor Agreement to resolve the EDA requirement. The Agency's position will become subordinate to the EDA until the project is complete and the loan is forgiven. Assuming Agency approval, the Intercreditor Agreement will be finalized and the loan agreement will be amended to reflect the change.

The District Manager recommends the Agency approve this action as presented. **AGENCY ACTION** (Office Use Only) Reviewed By: (Initial) District Manager Human Resources Dept City Recorder Library **Aquatics Division** Parks Department Planning Department **Building Department** Action Tabled: ___ ED Department Police Department Vote: Public Works Department Finance Fire Department

Resolution Passed Effective Date:	
☐ Ordinance Adopted First Reading:	
Second Reading:	

Effective Date:

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT (this "Agreement") dated as of, 2023 by and among the Liberty Theatre Foundation (hereafter the Foundation or Borrower), the Economic Development Authority, (hereafter the EDA), and the Urban Renewal Agency, (hereafter URA or Lender).
WITNESSETH:
WHEREAS, contemporaneously herewith the Lender has made a term loan to Borrower in the principal amount of \$ (the "URA loan") pursuant to that certain Loan Agreement of even date herewith between the Lender and Borrower (the "Loan Agreement"), as evidenced by that certain Promissory Note of even date herewith executed by Borrower and made payable to Lender in the principal amount of \$ (the "Note"); and
WHEREAS, Borrower has granted to the Lender, as collateral for the repayment of the Loan, a security interest in certain real property owned by Borrower, which property is more particularly described on Exhibit A attached hereto (collectively, the "Collateral"), pursuant to that certain Trust Deed of even date herewith executed by Borrower in favor of the Lender (the "Trust Deed"); and
WHEREAS, EDA has also made a term loan to Borrower in the principal amount of \$
(the "EDA Loan") pursuant to that certain Loan Agreement of even date herewith between EDA and Borrower (the "EDA Loan Agreement"), which loan is evidenced by that certain Promissory Note of even date herewith executed by Borrower and made payable to EDA in the principal amount of \$ (the "EDA Note") secured by a security interest in the Collateral pursuant to that certain Trust Deed of even date herewith executed by Borrower in favor of EDA (the "Trust Deed"); and
WHEREAS, the Lenders wish to set forth the relative priority, parity and dignity of the security interests which secure Lenders' loans to Borrower.

NOW, THEREFORE, in consideration of the mutual premises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The security interests created by the Trust Deed constitute first priority security interests that are equal and of parity in lien, right, priority and dignity at all times, insofar as such security interests secure the URA Loan and EDA Loan. The relative priorities of the Lenders' respective liens on the Collateral shall be as set forth in this Agreement, without regard to the actual time, order or method of filing, perfection or attachment of such security interests. This Agreement shall govern in all respects the interests of the Lenders in the Collateral and, to the extent contrary hereto, any prior agreements between the Lenders are hereby superseded and shall be of no further force and effect.

- 2. The Lenders hereby agree to cooperate in the filing of the Uniform Commercial Code financing statements relating to their respective security interests in the Collateral and shall, to the extent permitted by applicable law, cause all such documents to reflect that their interests in the Collateral are subject to the terms and conditions of this Agreement.
- 3. In the event of an attachment, repossession, sale or other disposition of Borrower's right, title, interest and estate in the Collateral pursuant to either of the Security Agreements, all net sale proceeds or rentals shall be distributed to Lenders pro rata based on the ratio of the outstanding principal, accrued interest and other sums due and owing to each Lender for the loan secured by the EDA and the URA Trust Deed, respectively, to the total sum of all principal, accrued interest and other sums due and owing to Lenders under the EDA Loan and the URA Loan at the time of distribution of net proceeds from the liquidation of the Collateral, and the remainder of such net sale proceeds, if any, shall be distributed to the person or entities legally entitled thereto.
- 4. Notwithstanding the provisions of Sections 1, 2 or 3 hereof, if one of the Lenders submits a credit bid at a foreclose sale (which bid is the successful bid), the credit bid net of sale costs will be credited against the EDA Note and the URA Note pro rata in the same manner as set forth in paragraph 3 and each Lender will acquire ownership in the Collateral, in part or in whole, purchased on such pro rata basis. For example, if at the time a disposition of the Collateral occurs, \$200,000 is owed under the EDA Loan and \$200,000 is owed under the URA Loan, the EDA credit bids \$200,000, \$100,000 will be credit against the EDA Loan and \$100,000 will be credited against the URA Loan. Accordinly, EDA will acquire a one-half undivided interest in the Collateral (in part or in whole) and the URA will acquire a one-half undivided interest in the Collateral (in part or in whole) on account of the URA Loan. The other Lender shall reimburse the credit bidding Lender for its pro rata share of sale expenses.
- 5. The commencement of foreclosure, attachment, repossession, sale or other disposition of the Borrower's right, title and interest in and to the Collateral by a Lender shall obligate Lenders to commence and continue, simultaneously, such remedies with respect to the Collateral until every Lender's events of default have been resolved or all of the Collateral has been fully and completely liquidated.
- 6. EDA and URA each agree to obtain the consent of the other Lender prior to the sale of any portion of the Collateral.
- 7. An event of default under either the EDA Loan agreement or the URA Loan agreement shall constitute an event of default under both of the Agreements.
- 8. In the event of a default under their respective loans to the Borrower and before exercising any of their respective rights under their respective security agreements, the Lenders shall cooperate in all ways reasonably possible to market and sell the Borrower's right, title and interest in the Collateral in a commercially reasonable manner. All expenses of sale under this Section 8 and all expenses incurred by either Lender shall be paid out of the proceeds of liquidation prior to any distribution to Lenders hereunder.

- 9. Subject to 11 below, each Lender hereby appoints the other Lender to act as its agent to exercise and enforce all of such Lender's rights and remedies against any of the Collateral, and each Lender hereby accepts such appointment and agrees to distribute any proceeds received from the sale, liquidation, transfer or conveyance of any of the Collateral in accordance herewith.
- 10. Each Lender hereby agrees to give to the other Lender prompt written notice of the occurrence of an event of default under its respective Loan Agreement and Security Agreement.
- 11. In the event that Borrower defaults in its obligations to Lenders or either of them, EDA shall exercise and enforce all rights and remedies of both Lenders against any of the Collateral, including, without limitation, the right to take or retake possession or control thereof, and to hold, prepare for sale, process, sell, lease, dispose of, or liquidate the same. The URA may exercise its rights and remedies against the Collateral only if (i) EDA refuses to take actions requested by the URA within thirty (30) days after the occurrence of an event of default, or does not act in a commercially reasonable manner in protecting its and the URA's interests in the Collateral, and (ii) the URA gives EDA at least ten (10) days prior written notice of its intent to proceed.
- 12. Each Lender hereby waives any and all rights to affect or challenge the method or appropriateness of any action taken by the other Lender with respect to the Collateral, subject only to the requirement that in enforcing any rights with respect to or realizing upon the Collateral each Lender shall always act in a commercially reasonable manner.
- 13. Each Lender shall give the other Lender a copy of any written notice it may give to Borrower (i) consenting to any action or failure to act by Borrower, or (ii) exercising or refraining from exercising any powers or rights which it may have under or in respect of any of the Security Agreement or its Loan Agreement with Borrower. Each Lender shall give the other Lender written notice prior to commencing a foreclosure sale of, or leasing, the Collateral and each will reasonably cooperate with the other to assure that so long as indebtedness remains outstanding under the URA Loan and the EDA Loan, any sales under their respective Security Agreements shall occur simultaneously.
- 14. Under no circumstances shall either of the Lenders accept or demand a pledge of any of Borrower's property which constitutes Collateral as collateral security for any other indebtedness of Borrower to such Lender, without first obtaining the prior written consent of the other Lender.
- 15. (a) Neither Lender shall be liable for any error of judgment or for any action taken or omitted to be taken, except for gross negligence or willful misconduct.
- (b) Without limitation of the generality of the foregoing, each Lender (1) may consult with legal counsel, independent public accountants and other experts selected by such Lender and shall not be liable for any action taken or omitted to be taken in good faith in accordance with the advice of such counsel, accountants or experts, (2) shall not be responsible for the performance or observance of any of the terms, covenants or conditions under its respective Loan Agreement and related Security Agreements, and (3) shall incur no liability hereunder or under its respective Loan Agreement or Security Agreements by acting upon any notice, consent, certificate or other

instrument or writing believed by such Lender to be genuine and signed or sent by the proper party.

- (c) Notwithstanding any other provision of this Agreement to the contrary, the Lenders agree that each of them may grant an extension of time for payment or performance by the Borrower and make compromises and settlements with the Borrower without the consent of the other Lenders under this Agreement, and without affecting the validity and enforceability of this Agreement. In the event either of the Lenders grants an extension or makes a compromise or settlement, it shall give the other Lender notice within 20 business days of such accommodation.
- 16. Each Lender hereby agrees to execute and deliver such additional documents as may be reasonably requested by the other Lender to evidence or effectuate the terms hereof.

17.	The maximum principal amount of the URA Loan shall be \$, and the URA
shall n	ot make any future advances of principal under the URA Loan which	would increase the
outstar	nding aggregate balance of the URA Loan to an amount in excess of \$	·
withou	t the advance written consent of EDA. The maximum principal amou	nt of the EDA Loan
shall b	e \$, and EDA shall not make any future advances of pri	ncipal under the
EDA I	Loan, which would increase the outstanding aggregate balance of the l	EDA Loan to an
amoun	t in excess of \$, without the advance written consent	of the URA.

18. Any notices, requests, demands or other communications required hereunder shall be effective when delivered by registered mail, postage prepaid, return receipt requested to the parties at the following addresses:

If to the EDA:

If to Borrower:

- 19. This Agreement shall be governed by the laws of the State of Oregon.
- 20. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Lenders may sell, assign, encumber or otherwise transfer all or any part of their respective interests in this Agreement without the consent of any other party to this Agreement, provided that each transferee of any of the notes evidencing the loans described herein (the "Notes") is bound by the provisions of this Agreement. Each of the Lenders agrees that if any such Lender transfers any of the Notes held by it, or any part thereof, it will, prior to the closing of such transfer, provide the transferee with a copy of this Agreement

and promptly after such closing shall notify the other Lender in writing of such transfer. The other Lender shall be entitled to assume conclusively that no such transfer has been made, unless and until such written notice is received. Each transferee of any of the Notes shall take such Notes or any part thereof subject to the provisions of this Agreement and to any notice given or other action taken hereunder prior to the receipt by the other Lender or written notice of such transfer.

- 21. This Agreement may not be amended, nor any provision modified or waived, except by a writing signed by all parties hereto. The provisions of this Agreement are severable, and if any of these provisions shall be held by any court of competent jurisdiction to be unenforceable, such holding shall not affect or impair any other provision hereof. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 22. Notwithstanding any provision of this Agreement, nothing contained herein shall be construed to effect a subordination or change in lien position of either of the Lenders in favor of any entity which is not a party to this Agreement, it being the intent of the parties hereto to provide for shared first lien positions solely in favor of the Lenders and shall not be construed to subordinate the lien positions of either of the Lenders to that of any third party or to confer any other right or benefit upon any entity which is not a party to this Agreement. It is the intent of the Lenders that any intervening liens or security interests will not affect the rights of the Lenders as such would exist had this Agreement not been made.
- 23. Neither the execution of this Agreement, nor any action taken by any of the Lenders pursuant hereto, is intended to be, nor shall it be construed to be, the formation of a partnership or joint venture by the Lenders.
- 24. Borrower has executed this Agreement solely to evidence its consent to the shared first lien positions among the Lenders, and Borrower understands and agrees that this Agreement shall have no effect upon its obligations to the Lenders. Borrower shall not be entitled under any circumstance to rely upon the failure of any of the Lenders to comply with the terms of this Agreement, and nothing contained herein shall be deemed to authorize Borrower to take any action not permitted under the documents to which Borrower or Lenders are parties.
- 25. Borrower specifically agrees to the following:

A. Except as provided in 13 CFR 314.3, whenever, during the expected useful life of the project, any property acquired or improved in whole or in part with grant assistance is disposed of, or no longer used for the authorized purpose of the project, the Government must be compensated by the Recipient for the Federal share of the value of the property; provided that for equipment and supplies, the standards in 2 CFR part 200 or any supplements or successors thereto, as applicable, shall apply.

B. If property is disposed of or encumbered without EDA approval, EDA may assert its interest in the property to recover the Federal share of the value of the property for the Government.

EDA may pursue its rights under both paragraphs (a) and (b) of this section to recover the Federal share, plus costs and interest.

- C. The Federal share of the value of the property is that percentage of the current fair market value of the property attributed to the EDA participation in the project (after deducting actual and reasonable selling and fix-up expenses, if any, incurred to put the property into condition for sale). The Federal share excludes that value of the property attributable to acquisition or improvements before or after EDA's participation in the project and not included in project costs.
- D. The lien, covenant or other statement of EDA's interest must remain in effect throughout the useful life of the project which is determined to be 20 years from the date a mortgage or covenant satisfactory to EDA is recorded.
- 26. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Borrower:	EDA Lender:
LIBERTY THEATRE FOUNDATION, INC	
By:	By:
Its:	Its:
	URA Lender
	By:
	Its:

EXHIBIT A

Lot Six (6) and the northwesterly 10 feet of Lot Seven (7) in block one-hundred five (105) of Chaplin's Addition to La Grande, Union County, Oregon, according to the recorded plat of said addition.

CITY of LA GRANDE

URBAN RENEWAL AGENCY ACTION FORM

Agency Meeting Date: February 1, 2023

<u>PRESENTER</u> :	Robert Strope,	District Manager

AGENCY ACTION: CONSIDER ADOPTING RETREAT SUMMARY AND CITY/DISTRICT MANAGER'S TOP PRIORITIES FOR FISCAL YEAR 2022-2023

1. MAYOR: Request Staff Report

2. MAYOR: Invite Public Comments

3. MAYOR: Invite Agency Discussion

4. MAYOR: Entertain Motion

<u>Suggested Motion</u>: I move that the City/District Manager's Top Priorities for Fiscal Year 2023-2024, as discussed during the Annual Council Retreat on January 25, 2023, and outlined on the attached Retreat Summary, be adopted as presented.

Invite Additional Council Discussion

6. MAYOR: Ask for the Vote

5. MAYOR:

EXPLANATION: The City of La Grande Urban Renewal Agency, District Manager, and Department Directors participated in the City and Urban Renewal Economic Development Annual Goal Setting Retreat on Wednesday, January 25, 2023. During this Session, goals and priorities for Fiscal Year 2023-2024, 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 Retreat and serves as direction and guidance from the Agency. Additionally, the Agency and City Council establishes the City/District Manager's Top Priorities for Fiscal Year 2023-2024, also attached.

The District Manager recommends that the Agency adopts the Summary and Goals/Top Priorities for Fiscal Year 2023-2024, as presented.

Reviewed By: (Initial)		AGENCY ACTION (Office Use Only)
District Manager	 Human Resources Dept	
City Recorder	 Library	 ☐ Motion Passed
Aquatics Division	 Parks Department	 Motion Failed;
Building Department	 Planning Department	 Action Tabled:
ED Department	 Police Department	 Vote:
Finance	 Public Works Department	
Fire Department		☐ Resolution Passed
		Effective Date:
		Ordinance Adopted
		First Reading:
		Second Reading:
		Effective Date:
		Second Reading:
		Effective Date:

City and Urban Renewal Economic Development Retreat Summary January 25, 2023

(Note: Items in blue are changes from prior year's topics. Text in *green* is supplemental/background information that may be helpful. <u>Text in red underline reflects</u> 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. 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
 - 4. Small scale manufacturing and micro production.
 - a. Small scale consumer products.
 - b. Locally produced /packaged food & beverages.
 - i. Staff is proposing that the Agency work with a consultant to develop a strategy to grow existing and attract new small scale manufacturers. The Commercial Needs Analysis will impact the timing of engaging a consultant in this effort and <u>may</u> be included in the FY 2023-24 Proposed Budget for consideration.
- ii. Continue to respond to all inquiries and leads regardless of industry sector.

Staff is recommending adding item 4 above as an additional priority sector at this time. The Agency supports the addition as shown.

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.

Staff is recommending a change to the Traded Sector programs which is discussed below.

- iv. Industrial development/recruitment:
 - 1. La Grande Business and Technology Park
 - 2. UGB Expansion Area
 - a. Large lot industrial with Enterprise Zone incentives

Staff is not recommending any changes in the above strategies at this time. We may want to consider the impacts of change of ownership from UCEDC to a private party on our Business Park marketing efforts and incentives.

- v. Commercial development/recruitment.
 - 1. Limited available lands for larger commercial/retail development.
 - a. No large lot commercial in URD and recent sales/development has depleted our available lands inventory.
 - b. The Agency budgeted to conduct a Commercial Land Needs Analysis and Comprehensive Plan Goal 9 Update to increase our inventory to allow for new development. This work is in progress and Staff is reviewing proposals from consultants at this time.

Staff will be seeking Council/Agency approval of the agreement with the consultant and will keep the Agency informed as the process continues.

The award of the agreement is an action item for February 1st.

b. Retail Recruitment and Downtown Redevelopment:

- i. Retail recruitment.
 - 1. Continue proactive recruitment using existing leads previously generated by Buxton and new leads when identified.
 - 2. Focused efforts in concert with La Grande Main Street Downtown utilizing the recently adopted Main Street Refresh Plan.
- ii. Downtown redevelopment—(See Call for Projects).

Staff is recommending the minor additions in blue above at this time.

The Agency supports the minor additions above.

- c. Business Assistance, Retention, and Expansion:
 - i. Resume large employer visits.
 - ii. Business Retention and Expansion (BR&E) Survey.
 - 1. Based on the 2022 survey data, we are looking at 4 key points of focus including:
 - a. Workforce challenges and the ability to recruit, and retain labor/talent.
 - b. Minority business owner support and outreach.
 - c. Business support and training particularly marketing and expanding online presence.
 - d. Business retention and expansion assistance, with an emphasis on assisting start up and micro businesses transition from home and internet based, to brick and mortar locations.

d. Create a culture of entrepreneurialism.

- i. Ignite is utilizing a \$60,000 grant from Business Oregon for the Rural Opportunity Initiative (ROI) program, which funds entrepreneurial support programs and activities including recent Business Foundations, and Co.Starters trainings. 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. The department has also been conducting entrepreneur outreach to identify small business needs including potential training and incentives.
- iii. The lease for the existing space will end this year and Staff is exploring options for continuing to provide services. We are also continuing to work with EOU and are in preliminary discussions about what a collaborative partnership with Ignite and the REV Center's proposed Innovation Hub might look like and if the historic Firehouse might be the best location for this partnership.

Staff is not recommending any specific changes in the above strategies at this time but will be seeking guidance regarding the Ignite Center in a later section.

e. 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 70% URA and 30% City General Fund and we have limited City dollars included in the Materials and Services budget to allow for funding of non-URA efforts. Staff is not requesting any revisions to this allocation.

The Agency supported retaining the current practice of funding for staffing.

f. Partnerships

- i. We currently work closely with all local and regional partners in the Economic Development and Tourism industry. Timothy is a La Grande Main Street Downtown Board Member and Robert is a member of the Northeast Oregon Economic Development District (NEOEDD) and the Northeast Oregon Business Development District (NOBD) Boards.
- ii. Staff coordinates monthly meetings with key local economic development partners including The Union County Chamber of Commerce, La Grande Main Street, Union County (Commissioner Beverage), Eastern Oregon Visitors Association, and OTEC.
- iii. The City has been working with BTI (Baker Technical Institute) and EOU's SRS (Sustainable Rural Systems) program to assess brownfield issues for a number of properties along Jefferson Avenue and potentially help position those properties for future redevelopment.

2. Urban Renewal Programs

Historically we have budgeted new funding of \$250,000 to \$350,000 for non-Business Park Call For Projects (CFP), \$100,000 for Business Park CFP, and \$50,000 to \$75,000 for the Façade Program each year. In addition, we have maintained the \$200,000 of one-time funding for the Traded Sector program and have added \$100,000 a year to the Agency Initiated project program we have not accessed yet. The current fiscal year budget has the following uncommitted, remaining balances for these programs, excluding Façade and carried over CFP funding:

CFP non-Business Park \$350,000 budgeted, \$35,287 remaining CFP Business Park \$225,000 budgeted, \$225,000 remaining Traded Sector \$200,000 budgeted, \$200,000 remaining Agency Initiated \$500,000 budgeted, \$500,000 remaining Total Budget: \$1,275,000 Remaining: \$960,287

Staff contemplating proposing:

CFP non-Business Park \$350,000 (\$35,287 carried forward from prior year)
CFP Business Park/Traded Sector \$425,000 (\$225,000 carried forward from prior years)

Traded Sector \$0 (\$200,000 carried forward from prior years added to new Business Park/Traded Sector program)

Agency Initiated Project \$500,000 (\$500,000 carried forward from prior years)
Total: \$1,275,000 (Less \$960,287 carried forward from prior

year for \$314,713 of "new" funding)

It was noted that the funding amounts shown are not being approved as part of the Retreat process and will not be finalized until the District Manager/Budget Officer submits a Proposed Budget for Budget Committee approval and subsequent Agency adoption.

a. Traded Sector

- i. Funding (\$200,000 of one-time funding in current year's budget)
 - 1. Staff recommends retaining the key provisions of this program but making the award amount discretionary up to the available Business Park Call for Projects total budget amount in any given fiscal year. This would allow for the continued advertising of the incentive as a recruitment tool. The current \$200,000 of funding would be combined with the unused Business Park CFP funds making \$425,000 available for both programs, all carried forward dollars. The use of the funds could be allocated to projects within the Business Park, or potentially in other locations in the District which meet the current Traded Sector investment and job creation requirements. Another potential change would be to remove the Business Park projects from the CFP cycle and allow for funding consideration at any time during the fiscal year as a stand-alone program to allow for more flexibility in responding to development opportunities. Any changes would require an updated policy that the Agency would approve.

b. Call for Projects:

- i. Funding (\$350,000 Non-Business Park + \$225,000 Business Park funding in current year's budget):
 - 1. Non-Business Park Projects: \$350,000 per year has been allocated for this program the past two years based on revenues to URA with an under levy. Current year all \$350,000 was awarded.
 - 2. La Grande Business and Technology Park Projects:. The recommendation is to retain the existing \$225,000 of unused CFP funds and combine them with the unused Traded Sector funds as discussed above.
- ii. Policy revisions.
 - Staff would schedule an Urban Renewal Advisory Commission (URAC)
 meeting to discuss the merging of the Traded Sector policy with the CFP
 policy for this year's funding cycle if the Agency supports the change in
 use of the Traded Sector Program funds. Once the URAC meets and

finalizes a recommendation, the Agency will be asked to approve an updated policy.

The Agency supported the change to combine the Traded Sector and Business Park specific Call for Projects policies. Staff will convene the Urban Renewal Advisory Commission to draft policy revisions for the Agency's consideration. Given the two programs have approved budgets in the current fiscal year, the policy revisions could become effective and funds allocated during the current fiscal year if approved by the Agency.

c. Agency Initiated Funding Program

- i. Funding (\$500,000 of one-time funding in current year's budget)
- ii. The intent for the past two years has been to leverage these funds to receive significant capital grant funding 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. At this juncture we are not optimistic about receiving significant grant funding. We are looking for Agency guidance on two potential uses for these funds:
 - 1. Move forward with a reduced project scope to make significant improvements to the Historic Fire House to address systems and access issues with the building using only URA funding. The space would become the new location for the Ignite Center and though useable, not ideal. The intent would be to continue to seek funding for future interior improvements.
 - 2. Enter into a public/private partnership to fund \$500,000 towards the installation of an elevator in the Bohnenkamp building (\$700,000 total cost) to facilitate development of additional upper floor housing. The project currently has \$200,000 in Oregon Main Street funding and \$75,000 of Agency CFP funding for the first phase of the renovations. If fully funded, the project value would be over \$2 million and provide 11 downtown housing units on upper floors.

The Agency discussed at length the pros and cons of the two potential projects. Included in the discussion was whether or not allocating \$500,000 to a single, privately owned project was a good idea. The program is designed for the Agency to identify a project to fund on their own initiative and consideration of the funding would include a transparent, public process. The merits of the Historic Fire House include the fact that the City owns the property and the use could provide for a significant resource to current and future businesses. The merits of the Bohnenkamp project include increased property taxes, added upper floor residential housing, and removing blight by addressing a significant vacancy in downtown. The Agency asked Staff to meet with the owners of the Bohnenkamp building to discuss in more detail the potential public/private partnership and if it appears to be a viable project to schedule a Work Session to discuss the project in more detail. A separate Work Session on the Historic Firehouse Project was also requested.

d. Façade Program

i. \$75,000.

Staff is not recommending changes to the Façade Program or funding level.

3. Capital Projects

a. Should the Agency consider moving forward with additional Streetscape projects:

- i. Elm to Greenwood?
- ii. Greenwood to Island Ave?
- iii. Only Adams Avenue?

La Grande Main Street Downtown (LGMSD) is planning to engage the local businesses that would be adjacent to the potential streetscape project(s). They will gather information and prepare a recommendation regarding the improvements. The Agency reached consensus on not pursuing the project during the coming fiscal year and revisiting it during next year's Retreat.

4. 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 business.
 - 2. Continue business recruitment efforts.
 - 3. Continue business retention and expansion efforts.
 - 4. Create a vibrant Central Business Zone (CBZ).
 - 5. Encourage Entrepreneurial and small business development as a key strategy.

The Agency approved the updated goals shown in blue after the 2022 Retreat.

- **b.** Validate continuation of Urban Renewal Agency (URA) Under Levy—<u>Agency</u> perspective.
 - 1. As of this writing, and assuming the Agency supports the program funding levels suggested above, the under levy amount would be very similar to the current fiscal year.
 - 2. Should the Agency seek to reduce or suspend the under levy for any of the following reasons?
 - a. Increase program funding for Call for Projects or the Agency Initiated Funding Program?
 - b. Increase URA Fund balance?
 - i. This could allow for funding of larger projects in the future without incurring debt.
 - ii. The amount of an Under Levy drives both the City General Fund and URA Budgets.

The Agency supported an Under Levy that would be similar to the current fiscal year, which would provide funding for the existing core programs at the current levels. The potential for reducing the amount of property taxes levied if the Agency opted not to use the \$500,000 allocated to the Agency Initiated project was also briefly discussed. Staff will notify the taxing jurisdictions of the intent to Under Levy assuming the Agency and City Council approve their respective summaries on February 1st. It was noted that the final decision on an Under Levy is made as part of the budget adoption process.

The Agency reviewed the draft revised top priorities for FY 2023-24 and supported the changes.

City/District Manager's Top Priorities Fiscal Year 2023-2024

> Street and Road Infrastructure

 Act on the recommendations of the Parking Traffic Safety Street Maintenance Advisory Commission (PTSSMAC) to address the condition of the infrastructure including potential funding options.

> Housing

o Continue to Implement the Comprehensive Housing Production Strategy (HPS) as adopted by the City Council.

Economic Development

o Continue to implement the Urban Renewal Plan and economic development strategy as approved by the City Council/Urban Renewal Agency.

> Staffing

o Continue to take necessary actions to address critical staffing issues including, but not limited to, hard to fill positions and succession planning for key positions.

> Fiscal management

o Continue to manage the City's finances within limited resources to provide highest possible level of service to the City of La Grande.

➤ General Fund Capital Improvements

o Identity funding sources and strategy to address major capital needs.

Emergency Management Planning

- o In concert with Union County and other agencies, take actions to assure La Grande is prepared in the event of an emergency, including but not limited to major incidents, flooding, wildfire, or other natural disaster.
 - Update the City's Emergency Operations Plan

> FEMA Maps and Land Use Code Amendments

- Take all required actions regarding the FEMA Floodplain Map update submitted, including but not limited to responding to any requirements as needed throughout the process.
- o Complete the revisions and adoption of the City's Land Use Codes as necessary.

CITY of LA GRANDE

AGENCY ACTION FORM

Agency Meeting Date: February 1, 2023

PRESENTER: Justin Rock, Mayor

AGENCY ACTION: CONSIDER APPOINTING CITIZENS TO URBAN RENEWAL ADVISORY COMMISSION

1. MAYOR: Summarize Recruitment and Appointment Processes

2. MAYOR: Summarize Vacancies, as noted below

3. MAYOR: Entertain Motion

<u>Suggested Motion</u>: I move that <u>Roxie Ogilvie</u> be appointed to the <u>Urban Renewal Advisory Commission</u>, for a three-year term, which will expire on December 31, 2025; and that Commissioner <u>Matt Scarfo</u> be appointed as the Taxing Jurisdiction Representative for a three-year term, which will expire on December 31, 2025.

4. MAYOR: Invite Additional Agency Discussion

5. MAYOR: Ask for the Vote

EXPLANATION: The five-member **Urban Renewal Advisory Commission (URAC)** shall be composed of members who are actively interested in curing and preventing conditions of blight and improving the physical economic and social conditions with the Urban Renewal District (URD).

This Commission currently has two (2) vacancies:

Resolution 4789, Series 2020, Section 5, states that The Agency shall appoint members as follows:

- Commission members must meet one of the following eligibility criteria:
 - City Resident; or
 - Owner of Real Property located withing the Urban Renewal District; or
 - Owner of a business located within the Urban Renewal District (managers and employees would not meet this requirement); or
 - Elected official or highest appointed official of a taxing jurisdiction impacted by Urban Renewal
- The Agency shall also apply the following criteria for selection in addition to the eligibility requirements above:
 - A minimum of two members of the Commission must own or manage a business.
 - Assuming the taxing jurisdiction representative role and the minimum number of business owners/managers are filled, additional members will be appointed with a preference for business owners inside the Urban Renewal District and then business owners/managers.
- The Commission shall:
 - Consider, prioritize, and recommend policies to the Urban Renewal Agency dedicated to the revitalization of the Urban Renewal District.
 - Upon Agency request, provide recommendations to the Urban Renewal Agency regarding investments in public improvements and public/private development partnerships that will benefit and enhance the Urban Renewal District and facilitate the development of commercial and

Agenda Item. <u>7.c.</u> Office Use Only February 1, 2023 Page 2

industrial parts of the District to create jobs and income which will provide economic support to the District.

 Provide other types of input to the Urban Renewal District Manager and/or Urban Renewal Agency, as requested.

Ms. Ogilvie has been serving on this Commission; and has applied for reappointment.

Commissioner Scarfo has been serving on this Commission and will continue to serve as the Taxing Jurisdiction Representative per Resolution 4789, Series 2020. Given he also owns a business in the District, he could also fulfill this requirement. (Note: No application required for the Taxing Jurisdiction Representative position).

Other members of the Commission who meet the requirements of the Resolution and the expiration of their terms are as follows: Alana Carollo, 2023; Lauren Babcock, 2024; and Rikki Hickey, 2024. All terms expire on December 31, of the year indicated.

The appointment of Ms. Ogilvie and Commissioner Scarfo would result in a full Commission.

Reviewed By: (Initial)		AGENCY ACTION (Office Use Only)
City Recorder Aquatics Division Building Department ED Department Finance	Human Resources Dept Library Parks Department Planning Department Police Department Public Works Department	☐ Motion Passed ☐ Motion Failed; ☐ Action Tabled: Vote:
Fire Department		Resolution Passed Effective Date:
		☐ Ordinance Adopted First Reading: Second Reading: Effective Date:

CITY of LA GRANDE

Application for Boards, Advisory Commissions and Committees

Name: Roxie	A. Ogilvie		i
Street Address:	<u> </u>	Mailing Address: Same as S	reet
La C	Grande, OR		
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	97850		
Preferred Phone Number:		Alternate Number:	
Email Address:		-	
City of La Grande Resident?	Yes No	City Employee? Yes	⊠ No
Have you previously served or	any of the City's Boards/A	dvisory Commissions/Committees? 🔀 Yes	☐ No
If yes, which one(s) and when? Applications will be retained for 90 day	ys, after which you will need to cor	nplete a new application for consideration to fill a vacancy	y.
Applying for: Please indicate your for your first choice, 2 for your se	preferences by putting a numb cond, etc.,—you may serve on	per in the box next to those on which you would like to two (2) <u>plus</u> the Budget Committee.	o serve~~1
On how many Commissions, othe	r than the Budget Committee, o	do you wish to serve? 📝 One 🔲 Two	
Air Quality	Building Board of	Parking, Traffic Parks and	
Arts	Appeals Community	Safety, and Recreation Street	n
Budget Committee	Landscape and Forestry	Maintenance	
	sion for which you are apply	ements and expectations. Please initial on the ing to indicate that you meet and agree to thes	
interest, competence, or know from the disciplines of history, and the Landmarks Advisory Commis	rledge of historic preservation The chaeology, planning, law, arch Sission shall be resident of the C	ks Advisory Commission shall have a demonston. At least three (3) members should be professinitecture or architectural history. An individual appoints or a property owner within the Historic District may be residents of Union County.	ionals pointed to
Library Chapter 357 of Advisory Commission. Commission and programs, and in all instanthe five (5) Commissioners sh	nces, serve as advocates fo	equires that a public library be governed by a Libra viduals who are actively interested in Library so r the Cook Memorial Library, its services and p terms.	ry ervices programs.
Economic Interest, to be submauthority for the creation of a Plaland use procedures, unless app Urban Growth Boundary, but only	nitted to the Oregon Governi Inning Commission. The Com- Pealed to the City Council. All By one (1) may reside outside t Consecutive terms, but ma	are required to complete an annual Statement of ment Ethics Commission. ORS 227.020 provide a mission renders final decisions in connection with five (5) members of the Commission shall reside whe City limits. A member of the Planning Commay again be considered for appointment after o	es the certain within the nission
		y appointed members to this Advisory Commit y in La Grande, or the owner or manager of a L	

Urban Renewal Advisory Commission (URAC) An individual Commission shall be actively interested in curing and preventing a economic and social conditions within the Urban Renewal District. owner of real property or a business located in the Urban Renewal District of a taxing jurisdiction impacted by Urban Renewal. Additionally, two (though it does not need to be located in the Urban Renewal District)	conditions of blight and improving the physical, Members shall be residents of La Grande; or the ct: or an elected official or highest appointed official
For URAC ONLY: Do you: Own a property(ies) or business(es) in the L Yes No	a Grande Urban Renewal District?
If yes: Name of business:	Address:
Do you: Own or manage a business(es)? Yes No	
If yes: Name of business:	Address:
Are you an elected official or highest appointed official of a taxing jurisdiction. Yes No	ction impacted by Urban Renewal?
If yes: Name of Jurisdiction:	Position:
Please indicate why you are volunteering and what makes you a good training, experience, education, and/or qualifications you may have Commission/Committee for which you are applying. (Please attach no new commission)	e that are unique or specific to the Advisory nore than one additional typewritten page).
PLEASE RETURN YOUR COMPLETED APPLICATION TO: Kayla Br. Stacey Stockhoff, Acting City Recorder; 1000 Adams Avenue/P. O. I	th in depth Rnowledge have been funded with port and assist in a prospers La ainerd. Assistant to the City Manager or Grand