

**CITY of LA GRANDE
City Council Regular Session
Wednesday, September 7, 2022**

**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 that will begin at 6:00 p.m. on September 7, 2022, on the La Grande Alive website at <https://eoalive.tv/city-events/> or on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

1. WELCOME to this REGULAR SESSION of the LA GRANDE CITY COUNCIL

- a. Call to Order
- b. Pledge of Allegiance
- c. Roll Call
 - Per ORS 192.670(1), some Councilors may be participating in this Regular Session by electronic communication.
 - The City of La Grande City Council will meet in Executive Session pursuant to ORS 192.660(2)(i) to review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

2. AGENDA APPROVAL

3. CONSENT AGENDA

The Consent Agenda includes routine items of business which may be approved by one Motion of the Council. Any Councilor 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; August 3, 2022
- b. Consider: Approving OLCC Liquor License; Tequila's Mexican Restaurant

4. PUBLIC COMMENTS

Those individuals who wish to address the Council 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 Council. Individuals wishing to speak to the Council 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 Council, 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.

- a. Introduction: Benjamin Johnson, La Grande Police Department [Bell]

5. PUBLIC HEARINGS

- a. Consider: Ordinance, First Reading: Public Hearing; Establishing Time, Place and Manner for operation of Psilocybin Service Centers and Manufacturer [Boquist]
- b. Consider: Ordinance, First Reading: Public Hearing; Moratorium on Air BnBs [Boquist]

6. UNFINISHED BUSINESS

7. NEW BUSINESS

- a. Consider: Awarding Bid for Grind and Inlay Project; Gekeler Lane [Carpenter]

8. STAFF COMMENTS

9. CITY MANAGER COMMENTS

10. CITY COUNCIL COMMENTS

11. ADJOURN to EXECUTIVE SESSION

- a. The City Council will not reconvene

Stacey M. Stockhoff
Acting City Recorder

The City Council is currently scheduled to meet again in a Regular Session on Wednesday, October 5, 2022 at 6:00 p.m. The City Council of the City of La Grande reserves the right to convene an Executive Session for any purpose authorized under ORS 192.660. Persons requiring special accommodations who wish to participate in the City Council Meeting 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

COUNCIL ACTION FORM

Council Meeting Date: September 7, 2022

PRESENTER: Robert A. Strobe, City Manager

COUNCIL 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 Council 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:** Approving Regular Session Minutes; August 3, 2022
- b. **Consider:** Approving OLCC Liquor License; Tequila's Mexican Restaurant

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
City Council Regular Session
August 3, 2022

Council Chambers
La Grande City Hall
1000 Adams Avenue

MINUTES

COUNCILORS PRESENT:

Stephen E. Clements, *Mayor*
Gary Lillard, *Mayor Pro Tem*
John Bozarth, *Councilor*
Mary Ann Miesner, *Councilor*
Nicole Howard, *Councilor*

COUNCILORS ABSENT EXCUSED:

David Glabe, *Councilor*
Justin Rock, *Councilor*

STAFF PRESENT

Robert Strobe, *City Manager*
Kayla Brainerd, *Assistant to the City Manager*
Stacey Stockhoff, *Acting City Recorder*
Gary Bell, *Police Chief*
Michael Boquist, *Community Development Director*
Carrie Bushman, *Library Director*
Kyle Carpenter, *Public Works Director*
Emmitt Cornford, *Fire Chief*
Cari Markham, *HR Specialist*

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

Mayor CLEMENTS 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: Approving Regular Session Minutes;
July 6, 2022

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

MOTION

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

VOTE

MSC. FOUR (4) of the FIVE (5) Councilors present voted in the affirmative; HOWARD abstained from voting because she was not present at the July 6, 2022, Regular Session City Council Meeting; GLABE and ROCK were absent excused.

PUBLIC COMMENTS

Carrie BUSHMAN gave a brief background summary on the Adult and Family Literacy Center that was once part of Cook

Memorial Library. She, along with Mayor CLEMENTS, presented Myra BRITSCHGI and Beverly WHITE with recognition plaques for their dedication and commitment to the Literacy Center for the past twenty-nine (29) years. BRITSCHGI gave a brief speech on behalf of her and WHITE, thanking everyone for their support.

Chief CORNFORD introduced newly hired Firefighter/EMT, Trevor HUBBARD, and gave a brief background summary of his career and education. CORNFORD also noted that the La Grande Fire Department was now fully staffed.

PUBLIC HEARINGS

- a. **Consider: Community Development Block Grant Closeout; Micro Enterprise Development Project**

Mayor CLEMENTS announced that the Public Hearing was open at 6:08 pm.

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Lisa DAWSON, *Executive Director, NEOEDD*
Robert STROPE, *City Manager*

DAWSON stated in September, 2019, the City of La Grande sponsored a Community Development Block Grant (CDBG) for the Micro-Enterprise Program and requested a \$75,000 grant for Northeast Oregon Economic Development District (NEOEDD) business development programs in Union, Baker and Wallowa Counties. Upon completion of the grant, the City was required to solicit public comments on the program. The purpose of this hearing was to solicit those comments.

DAWSON noted that the City of La Grande was awarded the CDBG and NEOEDD began offering classes in January, 2020. Since that time, NEOEDD has delivered twelve (12), six-week business development courses, called Foundations in Business. These classes used the interactive Birds-Eye curriculum to teach students how to develop in-depth business plans. Sixty-four (64) people participated in these classes in the tri-county region. One Destination Creation class was offered with three (3) participating students. This was an 8-session class offered online to support businesses trying to convert their businesses to customer destinations. Finally, a one-session class called Getting Traction was offered with nine (9) students attending this marketing and customer engagement class. Of the seventy-six (76) students who participated in the classes, thirty-five (35) owned and operated businesses prior to taking the CDBG class. Twenty (20) students started a new business after taking the class and nineteen (19) of those registered a new business

with the Oregon Secretary of State's Office. It was anticipated that one (1) additional student would open or buy a business in the next two (2) years. One of the requirements of the CDBG was that at least thirty (30) students needed to be low-moderate income students. NEOEDD served forty-nine (49) low-moderate income students, more than exceeding the goal of serving thirty (30) students.

DAWSON added that because of COVID, class schedules were disrupted and four (4) of the classes were offered online. This reduced the cost of delivering the classes and NEOEDD was unable to utilize the full grant amount. \$62,975 of the \$75,000 grant was spent.

DAWSON noted that NEOEDD received some funding to provide technical assistance to businesses in Union and Wallowa Counties through June of 2023. Because of that funding, NEOEDD would not be seeking CDBG funding to support classroom training over the next year.

In response to Mayor CLEMENTS' question, DAWSON confirmed La Grande was the Fiscal Agent for the Grant.

Mayor CLEMENTS asked DAWSON if she felt attendance was greater because online classes were offered or because of more interest in the classes being offered, to which DAWSON answered that it was hard to know for sure. Given the times, some people attended online that would not have been able to attend in-person. Online courses also gave people the ability to manage family life while going to class at the same time. DAWSON stated that attendance for the Spring, 2022, in-person classes was higher than they had been online, most likely due to the desire to be "together" again in a room versus on a computer.

In response to MIESNER's question, DAWSON stated she felt the program was very successful.

MIESNER asked what the next step would be now that the grant was closed out, to which DAWSON stated between now and June, 2023, the Technical Assistance Grant from Business Oregon would allow them to offer the same classes without having to collect income information. DAWSON noted with the uncertainty of State funds continuing in the future, they may seek another CDBG next summer.

PUBLIC TESTIMONY

None

COUNCIL DISCUSSION

Mayor CLEMENTS voiced his appreciation for the program.

Mayor CLEMENTS closed the Public Hearing at 6:17 p.m. and announced that any comments received would be

incorporated in the grant closeout documents and no further action was required by the City Council.

- b. **Consider:** Community Development Block Grant Closeout; Emergency Small Business and Micro-Enterprise Assistance Grant Program

Mayor CLEMENTS announced that the Public Hearing was open at 6:18 pm.

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Lisa DAWSON, *Executive Director, NEOEDD*
Robert STROPE, *City Manager*

DAWSON noted in June, 2020, the City of La Grande sponsored a Community Development Block Grant (CDBG) for the Emergency Small Business and Microenterprise Assistance Grant Program. \$150,000 was requested to pass through Northeast Oregon Economic Development District (NEOEDD) to qualifying businesses in Union County. NEOEDD served as the Microenterprise organization required to provide outreach and assistance to applicants. This service was provided at no cost to the City of La Grande. The purpose of the program was to provide grants to businesses negatively affected by COVID-19 closures and impacts. Upon completion of the grant, the City was required to solicit public comments on the program. The purpose of this hearing was to solicit those comments.

DAWSON stated that the City of La Grande was awarded the CDBG and NEOEDD began assisting applicants and offering grants to businesses in August, 2020. Grants were available to low-moderate income microentrepreneurs and to businesses with qualifying employees with wages of \$36,050 or less annually. The businesses had to have experienced COVID-related impacts that exceeded the total amount of all other COVID-related funding (grant or loan) that they had received from any other source. Microentrepreneurs could receive up to \$10,000 and businesses could receive up to \$2,500 per qualifying employee. Finding qualified applicants proved to be difficult. Part of the difficulty in finding qualified businesses was collecting documentation that justified their grant request. NEOEDD staff spent a significant amount of time working with applicants and helping them submit the necessary documentation, but many applicants chose not to participate in the program after they learned about the documentation requirements.

DAWSON noted that in all, eight (8) microentrepreneurs and four (4) employers with thirty-one (31) low-moderate income

employees had received grants from the program. All funding has been disbursed.

MIESNER asked what kind of funding the businesses qualified for, to which DAWSON replied the amount of funding they received was determined by two main factors. One factor was how big of a gap they had between pre-COVID and post-COVID revenues and the other factor was a limitation of \$10,000 per Micro-Entrepreneur or up to \$2,500.00 per employee if they were an employer.

In response to Mayor CLEMENTS' question, DAWSON explained that for this program in particular, a Micro Entrepreneur was a business that employed five (5) people or less and the owner qualified as a low to moderate income individual household.

STROPE thanked DAWSON and NEOEDD for providing these programs at no cost to the City of La Grande and expressed his appreciation towards the excellent partnership the City of La Grande had with DAWSON and her team.

PUBLIC TESTIMONY

None

COUNCIL DISCUSSION

None

Mayor CLEMENTS closed the Public Hearing at 6:24 p.m. and announced that any comments received would be incorporated in the grant closeout documents and no further action was required by the City Council.

- c. **Consider: Ordinance, Emergency:
Referring to Voters a Ban or a Temporary
Ban; Psilocybin Product Manufactures
and Psilocybin Service Centers**

Mayor CLEMENTS announced that the Public Hearing was open at 6:25 p.m. and asked Acting City Recorder STOCKHOFF to read the Rules of Order in their entirety.

STAFF REPORT

Mayor CLEMENTS requested the Staff Report.

Michael BOQUIST, *Community Development Director*

BOQUIST stated Oregon Ballot Measure 109 legalized the use of psilocybin mushrooms in certain circumstances. The action before the City Council was to determine how the City shall proceed based on the options available under the Measure.

BOQUIST noted that in November, 2020, Oregon voters (56%) approved Ballot Measure 109, known as the Oregon Psilocybin Service Act which allowed for the manufacturing,

delivery, and administration of psilocybin at supervised, licensed facilities. Psilocybin mushrooms are wild or cultivated mushrooms that contain psilocybin, a naturally occurring psychoactive and hallucinogenic compound that produces changes in perception, mood, and cognitive processes. ORS 475A.235 provides that the Oregon Health Authority (OHA) would regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services in the State. OHA has initiated a rulemaking process and intends to begin accepting applications for proposed facilities, beginning on January 2, 2023; however, OHA has not completed the rulemaking process for implementing the State's psilocybin program and there were still a lot of things unknown about the regulation process. For instance, there was nothing known so far about how OHA would regulate the administration of psilocybin so as to prevent DUIs when persons leave the service centers. Additionally, the criteria for dosage levels have not been released either.

BOQUIST added that the State could impose a 15% tax on the sale of psilocybin products, but a municipality cannot impose a local tax.

BOQUIST noted that because of the unknown elements of the rulemaking process, city staffs throughout the State do not know how the manufacturing, delivery and administration of psilocybin at supervised, licensed facilities would occur within city jurisdictions.

BOQUIST explained each option for the City Council to consider now that Measure 109 had passed and would go in effect January 2, 2023, which included taking no action, seeking voter approval of a total ban, or seeking voter approval of a temporary ban within the City of La Grande.

In order to lift the total ban, Mayor CLEMENTS asked if that would come back to the Council as a Council Action or would that go back to the voters to decide, to which BOQUIST stated that would be something the City's Legal Counsel would need to advise on. Since it would be a Council Action to put an Ordinance in place, the Council would have to repeal that Ordinance. STROPE added that if the intent was to do the total ban, the City would clarify in advance of the election what would be required to repeal the Ordinance, whether it would be a Council Action or an action to put it back on the ballot for the voters to decide.

LILLARD asked what would have to occur to lead the Council to want to lift the ban, to which BOQUIST stated he was not sure, which was part of the problem, not knowing what the pros and cons were.

In response to BOZARTH's question, BOQUIST answered that he would imagine the voters could do their own initiative and have something put on the ballot to lift the ban.

BOQUIST clarified that the Motion recommended by City Staff would be for the City Council to refer to the voters a total ban, which would be placed on the ballot in November, 2022. If the voters do not approve the ban, the City would automatically be in the position of option one (1), which is not referring the matter to the voters, or option two (2), which is not referring the matter to the voters, but developing Time, Place, and Manner restrictions as allowed in the Measure.

LILLARD asked if the voters vote in favor of the ban and more guidance on the Oregon Psilocybin Service Act becomes available, would the City be required to hold the vote again to lift the ban, to which BOQUIST answered that the City would need to clarify with the Legal Counsel and get advice from the League of Oregon Cities (LOC) on what to do at that point.

LILLARD expressed that he felt with the lack of information available, it would make it more difficult to decide, to which a discussion was held regarding the fundamental pieces of Measure 109, the intent and the benefits for using psilocybin, and the concern for the unknown factors of how the Oregon Health Authority (OHA) would interpret that and build a framework around it as well. Another factor of concern was the short timeframe to put together a Time, Place and Manner Ordinance for the City of La Grande.

BOQUIST acknowledged LILLARD's concern and clarified by choosing option four (4), which was the two (2) year ban, it would expire every two (2) years and the City would have to go back to the voters again if the City wanted to continue extending the ban. By choosing option three (3), which was the total ban, the City would be in control of when or if the ban should get lifted.

A discussion was held in regards to how the City Council could write up the ballot title to include language to give the voters the option to lift the ban by a vote in the future, if that was the Council's intent.

Mayor CLEMENTS expressed his concern for the short timeframe in which they needed to make a decision in order to meet the ballot deadline and the missing information was critical in helping the Council decide which option to pick. BOQUIST reminded the Council they needed to make a decision at tonight's meeting, otherwise the City's choice automatically defaults to option one (1) or two (2). City Manager STROPE requested a brief recess.

RECESSED

Mayor CLEMENTS recessed the meeting at 6:40 p.m.

RECONVENE

Mayor CLEMENTS reconvened the meeting at 6:43 p.m.

STROPE stated he spoke with the City Attorney and discovered if the Council voted to put the permanent ban on the ballot and the voters approved the ban, it would take a vote of the people to remove the ban, either by an initiative process or the City Council could vote to put the measure before the voters in the future.

In response to Mayor CLEMENTS' question, BOQUIST stated that the maximum time for a temporary ban was two (2) years. The City could go back to the voters again after two (2) years and start the process of placing another 2-year ban in place.

LILLARD commented he read an article that indicated the Food and Drug Administration (FDA) was currently undertaking some studies on Psilocybin treatment for certain medical conditions. With the uncertainty of a timeline or what the final decision would be, if the studies show that this type of treatment had some merit, it would be under control of the medical system.

Mayor CLEMENTS briefly recapped all four (4) of the options for consideration.

PUBLIC COMMENTS

Rikki HICKEY commented that she felt it was imperative to give the voters an option to make this decision. She felt that option four (4), which was a two-year (2) moratorium, was a wise choice. In time, the public would become more knowledgeable to make a more decisive decision on how to proceed once the moratorium would expire. She also liked option two (2), which was developing Time, Place, and Manner restrictions. By allowing service centers within the city's jurisdiction with restrictions in place, travelers would be able to come to La Grande for medical treatments.

STROPE shared that Councilor GLABE, who was absent excused, was in favor of the permanent ban, which was option three (3), and asked STROPE to share his opinion with the Council as part of their consideration.

COUNCIL DISCUSSION

In response to LILLARD's question, STROPE stated that Union County's decision on this matter would only cover the unincorporated areas of the County. To his understanding, the County was putting it forward as a full ban.

Mayor CLEMENTS asked if every incorporated City within the County had to do a similar action to what the City of La Grande was doing, to which STROPE answered yes.

BOZARTH asked if Chief **BELL** had looked into this issue, to which **BELL** expressed concern that the State may be moving too fast with this measure. Not knowing the outcome was unsettling, and he cautions against loosening the regulations on controlled substances.

LILLARD voiced that at the beginning of tonight's discussion, he was in favor of option three (3), but putting a permanent ban in place made him feel uncomfortable knowing the FDA was still conducting tests on the use of Psilocybin to treat certain medical conditions. If in time, the FDA determined that this substance would be beneficial under certain circumstances, he felt that the City would want to be on the side of established medical science. He pointed out that option four (4) was worth considering, to which Mayor **CLEMENTS** expressed that option four (4) appealed to him as well; however, if the Council chose to place a 2-year moratorium now, there would not be an option to place a permanent ban once the moratorium expired.

Regardless of choosing option three (3), total ban, or option four (4), 2-year ban, **BOQUIST** stated he was in the process of preparing a Time, Place, and Manner Ordinance for the Council's consideration in the event the voters do not vote in favor of either ban. If approved by the City Council, this would go into effect before the January 2, 2023, deadline.

With the Council's permission, Mayor **CLEMENTS** re-opened Public Comments.

PUBLIC COMMENTS

Matthew MILES noted he was a combat veteran and he was very familiar with Post-Traumatic Stress Disorder (PTSD). Though he was unsure of the benefits of Psilocybin use, he understood that some people have benefited from using this particular form of treatment. He urged the Council to choose a decisive action that would refer the choice to the voters. He was in favor of option three (3), which was a total ban. It would give the City a chance to revisit the situation in regards to Measure 109 once more information became available.

COUNCIL DISCUSSION

MIESNER expressed she was in favor of option three (3) and liked the option of the Council having the flexibility to bring this topic back to the voters in the future.

LILLARD and **MIESNER** had a brief discussion on how the use of Psilocybin would be administered.

Mayor **CLEMENTS** closed the Public Hearing at 7:00 p.m.

MOTION

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

MOTION: I move that an emergency be declared to exist and that the proposed Ordinance declaring a ban on psilocybin service centers and the manufacturing of psilocybin products, with an emergency declaration, be Read by Title Only, Put to a Vote, and Adopted.

Upon Mayor CLEMENTS' request, Acting City Recorder STOCKHOFF read the proposed Ordinance by Title Only.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY, OREGON, DECLARING A BAN ON PSILOCYBIN SERVICE CENTERS AND THE MANUFACTURE OF PSILOCYBIN PRODUCTS; AND DECLARING AN EMERGENCY [3256]

COUNCIL DISCUSSION

None

VOTE

MSC. THREE (3) of the FIVE (5) Councilors present voted in the affirmative; CLEMENTS and HOWARD voted in opposition; GLABE and ROCK were absent excused.

UNFINISHED BUSINESS

None

NEW BUSINESS

None

UNION COUNTY COMMISSIONERS UPDATE

Commissioner Matt SCARFO stated that the Union County Commissioners voted to put a full ban on Psilocybin treatment (Measure 109) on the November, 2022, Ballot.

SCARFO noted that Union County and Blue Mountain Humane Association (BMHA) finalized a one (1) year contract which allowed Union County Animal Control to house animals with BMHA. The funds provided to BMHA each year was \$14,500 from the City of La Grande and \$40,500 from Union County, to which STROPE added that a copy of the agreement was emailed to each of the Councilors earlier that day. A discussion was held to recap how the funding amount of \$9,500 was increased to \$14,500 from the City of La Grande.

SCARFO mentioned the Union County Fair would take place at the Union County Fairgrounds starting August 3, 2022, to August 7, 2022, and entertainment was scheduled for each night.

HOWARD asked if logging in MERA was going to start on August 15, 2022, to which SCARFO stated that Director Wright confirmed logging would start in August. He was not sure how long it would last.

In regards to the Psilocybin Ballot Title that would go on the November, 2022, General Election Ballot, MIESNER asked if that topic would have two separate places on the ballot to

vote upon since both the City of La Grande and Union County were separate entities, to which STROPE answered that he believed yes.

STAFF COMMENTS

CARPENTER mentioned that the Moonlight Tournament would take place the weekend of August 5, 2022.

CARPENTER provided an update on a few street projects. He stated that Gekeler Lane was designed and the bid closing was scheduled for August 22, 2022, with the hope to award that bid in September, 2022. He also shared that they finished paving 3rd Street and next to be paved would be S Avenue. Due to an asphalt shortage, some of the big projects that were lined up to complete, have been pushed out while some of the smaller projects could be completed first.

CARPENTER noted the City of La Grande would be collaborating with Union County to pave May Lane, which was a joint jurisdiction roadway. That project would start on August 22, 2022.

MIESER asked CARPENTER if he had been in contact with the Parks and Recreation Director regarding pot holes at Riverside Park, to which CARPENTER stated it was on the list to repair.

Chief BELL stated a final offer of employment had been extended to fill the last Police Officer vacancy with the La Grande Police Department. The new employee, Ben Johnson, would be sworn in on Monday, August 15, 2022, to which BELL extended an invitation to the City Council to attend.

MIESNER asked if the new Police Officer would qualify for the bonus incentive, to which BELL responded no. The new Police Officer was coming to the La Grande Police Department with no prior law enforcement experience. He would be required to go through the entire in-house training, which would take approximately four (4) months to complete, and then he would be attending Basic Police Academy at the beginning of the year, which would be another four (4) months to complete.

BUSHMAN noted the Summer Reading Program that started in June, wrapped up the end of July. The Library had two hundred and fourteen (214) kids, eighty-two (82) teens, and sixty-two (62) adults who had participated in the program.

In response to MIESNER's question, BUSHMAN stated the Library numbers were back up to pre-COVID numbers for programming and the Summer Reading Program.

CITY MANAGER COMMENTS

STROPE stated that a virtual Town Hall was tentatively scheduled for the week of September 12, 2022, with the idea to present the same information, regarding the ARPA funding and projects, to the public. This meeting would provide some additional feedback for the funding. STROPE asked the Council if they felt it was necessary to hold either a virtual meeting and then a separate Work Session or just have a discussion after the virtual Town Hall.

Mayor CLEMENTS asked how long the virtual meeting would take, to which STROPE noted it could take an hour to get through the presentation along with any potential questions with possibly another twenty-five (25) minutes for the City Council to provide feedback that would get turned into an Action Form for the October meeting.

Mayor CLEMENTS noted it might be better to hold a separate Work Session on a separate day, to allow time to process the information gathered from the Town Hall, to which BOZARTH stated that he was in favor of holding a Work Session immediately after the virtual Town Hall.

A discussion was held in regards to how the meeting would be formatted and presented to the public and the next steps the City Council would take in order to make a final decision for the ARPA funding.

STROPE mentioned that both he and Mayor CLEMENTS presented the ARPA funding project options to the Rotary Club recently and asked them to rank each project. After tallying up their votes, the highest-ranking project was the \$1.5 million dollar water and sewer infrastructure project.

STROPE noted that he would send out a press release to the La Grande Observer to get the word out to the community about the Virtual Town Hall.

CITY COUNCIL COMMENTS

LILLARD stated he had an opportunity to discuss the ARPA funding with the Union County Senior Council last Wednesday, July 27, 2022. He noticed the group seemed very interested in the Street Infrastructure projects.

MIESNER attended the Northeast Oregon Housing Authority Board Meeting recently and shared that they were holding a Groundbreaking Event for the Timber Ridge Apartments (editorial note: the event was scheduled to take place on August 23, 2022, between 1:30 p.m. – 3:00 p.m.).

There being no further business to come before this Regular Session of the Council, Mayor CLEMENTS adjourned the meeting to the Urban Renewal Agency Regular Session at 7:21 p.m. The Council is scheduled to meet again in Regular Session on Wednesday, September 7, 2022, at 6:00 p.m., in the Council Chambers of City Hall, 1000 Adams Avenue, La Grande, Oregon.

**Kayla A. Brainerd
Assistant to the City Manager**

**Stephen E. Clements
Mayor**

APPROVED: _____

CITY of LA GRANDE
COUNCIL ACTION FORM

Council Meeting Date: **September 7, 2022**

PRESENTER: Gary Bell, Police Chief

COUNCIL ACTION: **CONSIDER APPROVING OLCC LIQUOR LICENSE APPLICATION: TEQUILA'S MEXICAN RESTAURANT**

- 1. MAYOR: Request Staff Report
- 2. MAYOR: Invite Public Comment
- 3. MAYOR: Invite Council Discussion
- 4. MAYOR: Entertain Motion

Suggested Motion: I move that the OLCC Liquor License Application for Full On-Premises sales, Change of Ownership, for Tequila's Mexican Restaurant, LLC, be approved and signed by the Mayor.

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

EXPLANATION: David Arceo Gonzalez, 2350 3rd Street, Baker City, Oregon, 97814, and Cesar Soltero Garcia, 1915 Cove Avenue, La Grande, Oregon, 97850, have applied as a Limited Liability Company, Tequila's Mexican Restaurant, LLC, for Change of Ownership, Full On-Premises sales, doing business as Tequila's Family Mexican Restaurant, located at 2711 Bearco Loop, La Grande, Oregon, 97850. This business was previously licensed as El Erradero.

A Full On-Premises license allows the establishment to sell and serve, by the drink, at retail to consumers for consumption on their licensed premises: Distilled spirits, malt beverages, wine and cider.

They are eligible to apply to get pre-approved to cater some events off of the licensed premises. They are also eligible to apply for a "special event" license.

The City Manager recommends approval of this Agenda item as presented by Staff.

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: _____

LIQUOR LICENSE APPLICATION

Page 1 of 3

Check the appropriate license request option:

New Outlet | Change of Ownership | Greater Privilege | Lesser Privilege

Select the license type you are applying for.

More information about all license types is available [online](#).

Full On-Premises

- Commercial
- Caterer
- Public Passenger Carrier
- Other Public Location
- For Profit Private Club
- Nonprofit Private Club

Winery

- Primary location
- Additional locations: 2nd 3rd 4th 5th

Brewery

- Primary location
- Additional locations: 2nd 3rd

Brewery-Public House

- Primary location
- Additional locations: 2nd 3rd

Grower Sales Privilege

- Primary location
- Additional locations: 2nd 3rd

Distillery

- Primary location
- Additional tasting locations: 2nd 3rd 4th 5th 6th

Limited On-Premises

Off Premises

Warehouse

Wholesale Malt Beverage and Wine

INTERNAL USE ONLY

Application received:

5/12/22

Minimum documents acquired:

5/12/22

LOCAL GOVERNING BODY USE ONLY

City/County name:

Date application received:

Optional: Date Stamp

Recommend this license be granted

Recommend this license be denied

Printed Name

Date

Return this form to:

Investigator name:

Heidi Smothers

Email:

heidi.smothers@oregon.gov

LIQUOR LICENSE APPLICATION

Page 2 of 3

APPLICANT INFORMATION	
Identify the applicants applying for the license. This is the entity (example: corporation or LLC) or individual(s) applying for the license. Please add an additional page if more space is needed.	
Name of entity or individual applicant #1:	Name of entity or individual applicant #2:
TEQUILA'S MEXICAN RESTAURANT LLC	
Name of entity or individual applicant #3:	Name of entity or individual applicant #4:

BUSINESS INFORMATION		
Trade Name of the Business (name customers will see):		
TEQUILA'S FAMILY MEXICAN RESTAURANT		
Business phone number:	Business email:	
541-962-0825	DAVIDARCEO@YMAIL.COM	
Premises street address (The physical location of the business and where the liquor license will be posted):		
2711 BEARCO LOOP		
City:	Zip Code:	County:
LA GRANDE	97850	UNION
Business mailing address (where we will send any items by mail as described in OAR 845-004-0065[11]):		
SAME 2711 BEARCO LOOP		
City:	State:	Zip Code:
LA GRANDE	OREGON	97850
Does the business address currently have an OLCC liquor license? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Does the business address currently have an OLCC marijuana license? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

APPLICATION CONTACT INFORMATION		
Contact Name: DAVID ARCEO		
Phone number:	Email:	
(541) (208) 867-0970	DAVIDARCEO@YMAIL.COM	
Mailing address:		
Lo 2350 3RD ST		
City:	Zip Code:	County:
BAKER CITY	97814	BAKER

Please note: liquor license applications are public records.

LIQUOR LICENSE APPLICATION

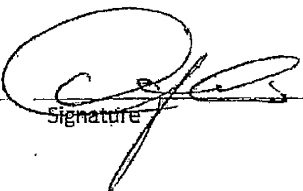
Page 3 of 3

ATTESTATIONS

By signing this form, you attest that each of the following statements are true. I understand the Commission may require a licensee to provide proof of any of the below or below referenced documents at any time.

I understand that marijuana is **prohibited** on the licensed premises. This includes marijuana use, consumption, ingestion, inhalation, samples, give-away, sale, etc. I attest that all answers on all forms and documents, and all information provided to the OLCC as a part of this application are true and complete.

I affirm that I have read OAR 845-005-0311 and all individuals (sole proprietors) or entities with an ownership interest (other than waivable ownership interest per OAR 845-005-0311[6]) are listed as license applicants in #2 above. I understand that failure to list an individual or entity who has an un-waivable ownership interest in the business may result in denial of my license or the OLCC taking action against my license in the event that an undisclosed ownership interest is discovered after license issuance.

<u>DAVID ARLEO</u> Print name	 Signature	<u>5/12/22</u> Date	 Atty. Bar Info (if applicable)
 Print name	 Signature	 Date	 Atty. Bar Info (if applicable)
 Print name	 Signature	 Date	 Atty. Bar Info (if applicable)
 Print name	 Signature	 Date	 Atty. Bar Info (if applicable)

CITY of LA GRANDE
COUNCIL ACTION FORM

Council Meeting Date: September 7, 2022

PRESENTER: Michael Boquist, Community Development Director

COUNCIL ACTION: PUBLIC HEARING AND FIRST READING BY TITLE ONLY OF PROPOSED ORDINANCE ESTABLISHING TIME, PLACE AND MANNER RESTRICTIONS ON PSILOCYBIN SERVICE CENTERS AND THE MANUFACTURING OF PSILOCYBIN PRODUCTS

1. MAYOR: Open the Public Hearing and ask the City Recorder to read the Rules of Order in their entirety
2. MAYOR: Request Staff Report
3. MAYOR: Invite Public Testimony from those in Favor, in Opposition, and ending with those Neutral to the proposed Ordinance
4. MAYOR: Invite Council Discussion
5. MAYOR: Announce that the Public Hearing is Continued to October 5, 2022, at which time the proposed Ordinance is scheduled to be read a Second Time by Title Only and considered for Adoption
6. MAYOR: Ask the City Recorder to Read the proposed Ordinance for the First Time by Title Only

EXPLANATION: During the Regular Session of August 3, 2022, the City Council adopted Ordinance 3256, Series 2022, declaring a ban on psilocybin service centers and the manufacturing of psilocybin products within the City of La Grande; and referring said Ordinance and question of establishing a full ban to the voters at the November 8, 2022, Statewide General Election. Given the uncertainty of the outcome of the November vote regarding the proposed ban, City Staff recommends the City Council proceed with the process to establish time, place, and manner regulations for such facilities.

Should the November election result in a “No” vote, businesses engaged in the manufacturing, delivery, and administration of psilocybin may begin applying for permits to operate within the City of La Grande in January, 2023. In preparation for this potential election result and as discussed above, Staff is recommending that the City Council consider establishing time, place and manner regulations as provided in ORS 475A.530, to minimize potential adverse impacts to adjacent properties and land uses that may be incompatible with such facilities. The attached proposed Ordinance was modeled after the City’s Land Development Code Ordinance, Article 3.21, establishing time, place and manner regulations for marijuana related facilities.

Should the November election result in a “Yes” vote and a ban is imposed, the time, place, and manner regulations applicable to psilocybin related businesses being proposed in the attached Ordinance would not be applicable until such time as the ban is repealed.

Following are the proposed standards for psilocybin service centers and the manufacturing of psilocybin products:

- A. Location. *Psilocybin service centers and the manufacturing of psilocybin products, measured from the real property boundary on which the facility is sited, shall not be located:*
 1. *Within 1,000 feet of the real property comprising a:*
 - a. *Public or private preschool, elementary, secondary or career school attended primarily by minors; or,*
 - b. *Public library; or,*
 - c. *Public park; or,*
 - d. *Community recreation facility attended primarily by minors; or*

- e. *Participant sports and recreation facility attended primarily by minors; or,*
 - f. *Licensed daycare center.*
2. *Within 1,000 feet of the real property boundary comprising a psilocybin service center and/or a business engaged in the manufacturing of psilocybin products.*
- B. Residential Uses. *Psilocybin service centers and the manufacturing of psilocybin products shall not be located on a property with a residence or a mixed-use property that includes a residence, including a caretaker's residence.*
- C. Hours. *Psilocybin service centers and the manufacturing of psilocybin products shall not operate between the hours of 8:00 p.m. and 8:00 a.m. Psilocybin service centers and the manufacturing of psilocybin products on properties with no other businesses, uses, or other patron activity are exempt from this restriction.*
- D. Public View. *All doorways, windows and other openings of psilocybin service centers and businesses engaged in the manufacturing of psilocybin products shall be located, covered or screened in such a manner to prevent a view into the interior from any exterior public or semipublic area.*
- E. Lighting. *Primary entrances, parking lots and exterior walkways shall be clearly illuminated with downward facing security lighting to provide after-dark visibility to employees and patrons. Fixtures shall be designed and located so the light patterns overlap, but do not cast light beyond the property boundaries, except over pedestrian areas within a public right-of-way.*
- F. Storage. *All storage shall be located within a permanent building and may not be located within a trailer, tent or motor vehicle. Outdoor storage of any material associated with psilocybin service centers and the manufacturing of psilocybin products is prohibited.*
- G. Odors. *Psilocybin service centers and the manufacturing of psilocybin products shall use an air filtration and ventilation system designed to ensure, that psilocybin related odors are confined to the premises and are not detectible beyond the property boundaries in which the facility is located.*
- H. Secure Disposal. *Psilocybin service centers and businesses engaged in the manufacturing of psilocybin products must provide for secure disposal of psilocybin remnants or by-products; psilocybin remnants or by-products shall not be placed within the facility's exterior refuse container.*

Below is information provided to the City Council during the Regular Session of August 3, 2022 when they voted to place the question of a ban on the November ballot:

- A. In November 2020, Oregon voters (56%) approved Ballot Measure 109, known as the Oregon Psilocybin Service Act which allows for the manufacturing, delivery and administration of psilocybin at supervised, licensed facilities.
- B. Psilocybin mushrooms are wild or cultivated mushrooms that contain psilocybin, a naturally occurring psychoactive and hallucinogenic compound that produce changes in perception, mood, and cognitive processes.
- C. ORS 475A.235 provides that the Oregon Health Authority (OHA) will regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services in the State.
- D. The OHA has initiated a rulemaking process and intends to begin accepting applications for proposed facilities, beginning on January 2, 2023.
- E. The OHA has not completed the rulemaking process for implementing the State's psilocybin program and there are still a lot of things unknown about the regulation process.
 - For instance, there is nothing known so far about how the OHA will regulate the administration of psilocybin so as to prevent DUIs when persons leave the service centers.

- Additionally, the criteria for dosage levels have not been released.
- The State can impose a 15% tax on the sale of psilocybin products, but a municipality cannot impose a local tax.

Because of the unknown elements of the rulemaking process, city staffs throughout the State do not know how the manufacturing, delivery and administration of psilocybin at supervised, licensed facilities will occur within city jurisdictions.

The second public hearing on this proposed Ordinance is scheduled for October 5, 2022, at which time the Ordinance will be read for the second time and considered for adoption.

The City Manager recommends that the Council proceed with the First Reading by Title Only of the proposed Ordinance.

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: _____

RULES OF ORDER FOR A LEGISLATIVE PUBLIC HEARING

CITY RECORDER READS TO THE PUBLIC:

- A. These Rules of Order are applicable to the Public Hearing for a proposed Ordinance establishing time, place and manner restriction on psilocybin service centers and the manufacturing of psilocybin products.
- B. This is a legislative hearing, therefore Councilor ex parte or pre-hearing contact does not apply.
- C. The Hearing will proceed as follows:
 - 1. The Mayor will open the Public Hearing and request the Staff Report.
 - 2. The Mayor will then accept public testimony relating to the matter. There is a three-minute time limit for testimony. The order of testimony this evening will begin with that of Proponents (those in favor), followed by Opponents (those opposed), and ending with those Neutral to the Ordinance being adopted.
 - 3. The proceedings are being electronically recorded, to be converted to written Minutes. When testifying, please step to the podium and **clearly print** your name and address on the speaker sign-in sheet. Please **state only** your name before addressing the Council.
 - 4. Members of the City Council may ask questions of the Staff at any time.
 - 5. Subsequent to deliberation, the Mayor will close the Hearing.

CITY of LA GRANDE
ORDINANCE NUMBER _____
SERIES 2022

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY,
OREGON, ESTABLISHING TIME, PLACE AND MANNER RESTRICTION ON PSILOCYBIN SERVICE
CENTERS AND THE MANUFACTURE OF PSILOCYBIN PRODUCTS; AND DECLARING AN
EFFECTIVE DATE**

WHEREAS, in November, 2020, Oregon voters approved Ballot Measure 109, known as the Oregon Psilocybin Service Act (codified at ORS 475A), which allows for the manufacture, delivery and administration of psilocybin at licensed facilities; and

WHEREAS, ORS 475A.235 provides that the Oregon Health Authority will regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services in the state; and

WHEREAS, the Oregon Health Authority has initiated a rulemaking process to implement the state's psilocybin regulatory program and intends to begin accepting applications for psilocybin-related licenses on January 2, 2023; and

WHEREAS, as of July, 2022, the Oregon Health Authority has not completed the rulemaking process for implementing the state's psilocybin regulatory program, and the City of La Grande is uncertain how the manufacture, delivery and administration of psilocybin at licensed psilocybin facilities will operate within the city; and

WHEREAS, ORS 475A.530 provides that a city council may adopt an ordinance establishing reasonable regulations governing the time, place, and manner for psilocybin service centers and the manufacturing of psilocybin products within the area subject to the jurisdiction of the city.

NOW, THEREFORE, THE CITY OF LA GRANDE ORDAINS AS FOLLOWS:

Section 1. DEFINITIONS INCLUDED BY REFERENCE. For the purposes of this Ordinance, the following definitions shall be used:

CAREER SCHOOL – means any private proprietary professional, technical, business or other school instruction, organization or person that offers any instruction or training or preparing persons for any profession at a physical location attended primarily by minors.

MANUFACTURING OF PSILOCYBIN PRODUCTS – means the manufacture, planting, cultivation, growing, harvesting, production, preparation, propagation, compounding, conversion or processing of a psilocybin product, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the psilocybin product or labeling or relabeling of its container.

MINOR – means an individual under the age of 18.

PRE-SCHOOL – means a school of instruction attended primarily by pre-kindergarten or age level equivalent (ages 2-5).

PRIMARY SCHOOL – (aka elementary school) means a learning institution containing one or any combination of grades kindergarten through 8th grade or age level equivalent.

PSILOCYBIN SERVICE CENTERS – means an establishment defined under ORS 475A.220 which provides psilocybin services to clients before, during, and after the client's consumption of a psilocybin product, and may include preparation, administration and integration sessions.

SECONDARY SCHOOL – means a learning institution containing one or any combination of grades 9 through 12 or age level equivalent and includes those institutions that provide junior high schools which include 9th grade.

Section 2. STANDARDS FOR PSILOCYBIN SERVICE CENTERS AND THE MANUFACTURING OF PSILOCYBIN PRODUCTS.

- A. Location. Psilocybin service centers and the manufacturing of psilocybin products, measured from the real property boundary on which the facility is sited, shall not be located:
1. Within 1,000 feet of the real property comprising a:
 - a. Public or private preschool, elementary, secondary or career school attended primarily by minors; or,
 - b. Public library; or,
 - c. Public park; or,
 - d. Community recreation facility attended primarily by minors; or
 - e. Participant sports and recreation facility attended primarily by minors; or,
 - f. Licensed daycare center.
 2. Within 1,000 feet of the real property boundary comprising a psilocybin service center and/or a business engaged in the manufacturing of psilocybin products.
- B. Residential Uses. Psilocybin service centers and the manufacturing of psilocybin products shall not be located on a property with a residence or a mixed-use property that includes a residence, including a caretaker's residence.
- C. Hours. Psilocybin service centers and the manufacturing of psilocybin products shall not operate between the hours of 8:00 p.m. and 8:00 a.m. Psilocybin service centers and the manufacturing of psilocybin products on properties with no other businesses, uses, or other patron activity are exempt from this restriction.
- D. Public View. All doorways, windows and other openings of psilocybin service centers and businesses engaged in the manufacturing of psilocybin products shall be located, covered or screened in such a manner to prevent a view into the interior from any exterior public or semipublic area.
- E. Lighting. Primary entrances, parking lots and exterior walkways shall be clearly illuminated with downward facing security lighting to provide after-dark visibility to employees and patrons. Fixtures shall be designed and located so the light patterns overlap, but do not cast light beyond the property boundaries, except over pedestrian areas within a public right-of-way.
- F. Storage. All storage shall be located within a permanent building and may not be located within a trailer, tent or motor vehicle. Outdoor storage of any material associated with psilocybin service centers and the manufacturing of psilocybin products is prohibited.
- G. Odors. Psilocybin service centers and the manufacturing of psilocybin products shall use an air filtration and ventilation system designed to ensure, that psilocybin related odors are confined to the premises and are not detectible beyond the property boundaries in which the facility is located.

H. Secure Disposal. Psilocybin service centers and businesses engaged in the manufacturing of psilocybin products must provide for secure disposal of psilocybin remnants or by-products; psilocybin remnants or by-products shall not be placed within the facility's exterior refuse container.

Section 3. EFFECTIVE DATE. This Ordinance shall become effective thirty (30) days after its adoption by the City Council of the City of La Grande, Union County, Oregon and its approval by the Mayor; specifically, November 4, 2022.

ADOPTED AND APPROVED on this Fifth (5th) day of October, 2022, by _____ (___)
of _____ (___) Councilors present and voting in the affirmative.

Stephen E. Clements, Mayor

ATTEST:

Stacey M. Stockhoff
Acting City Recorder

CITY of LA GRANDE

COUNCIL ACTION FORM

Council Meeting Date: September 7, 2022

PRESENTER: Michael Boquist, Community Development Director

COUNCIL ACTION: PUBLIC HEARING AND FIRST READING BY TITLE ONLY OF PROPOSED ORDINANCE ESTABLISHING A TEMPORARY MORATORIUM ON BED AND BREAKFAST INNS

1. MAYOR: Open the Public Hearing and ask the City Recorder to read the Rules of Order in their entirety.
2. MAYOR: Request Staff Report
3. MAYOR: Invite Public Testimony from those in Favor, in Opposition, and ending with those Neutral to the proposed Ordinance.
4. MAYOR: Invite Council Discussion
5. MAYOR: Announce that the Public Hearing is Continued to October 5, 2022, at which time the proposed Ordinance is scheduled to be read a Second Time by Title Only and considered for Adoption.
6. MAYOR: Ask the City Recorder to Read the proposed Ordinance for the First Time by Title Only

EXPLANATION: The City Council and Planning Commission held a Joint Work Session on August 8, 2022, to discuss the possibility of pursuing a temporary moratorium which would limit new Bed and Breakfast Inns (BnBs).

As discussed during the Work Session, over the past 2+ years, since early 2020, the Planning Commission has considered twenty-eight (28) BnB applications, which has resulted in the conversion and removal/loss of twenty-four (24) full-time dwellings from the City’s housing stock or inventory (rentals and home ownerships). The frequency of applications being submitted and the loss of housing has been concerning to the Planning Commission.

In 2019, the City of La Grande completed a Housing Needs Analysis (HNA), which was adopted by the City Council into the Goal 10 Chapter of the City’s Comprehensive Plan Ordinance in 2020. The HNA identifies that La Grande has a shortage of needed housing, with a need for seven hundred ninety-five (795) new dwelling units over the next twenty (20) years, by the year 2040. This includes a need for three hundred thirty-six (336) single-family dwelling units, one hundred fifteen (115) duplex dwelling units, two hundred (200) multi-family dwelling units, and one hundred forty-four (144) other group housing dwelling units.

When broken down into annual targets or goals, following is the breakdown of housing types, inventory needed per HNA, quantities of new housing built, quantities of housing lost to BnBs, and overall gain/deficit:

- **Single-family dwellings** (16.8/year = **50.4 needed in 2020-2022** = 336 total 20-year need)
 - Gained 26 new dwelling units
 - Lost 18 dwelling units to BnBs
 - Total: Gained 8 dwelling units towards HNA 2020-2022 goal.
 - **42 units short of 3-year goal.**
 - **Approximately 2+ year setback in housing production.**

- **Duplexes** (5.75/year = **17.25 needed in 2020-2022** = 115 total 20-year need)
 - Gained 6 new dwelling units (6 duplexes)
 - Lost 2 dwelling units to BnBs
 - Total: Gained 4 dwelling units towards HNA 2020-2022 goal.
 - **13 units short of 3-year goal.**
 - **Approximately 2+ year setback in housing production.**

- **Multi-Family** (10/year = **30 needed in 2020-2022** = 200 total 20-year need)
 - Gained 97 – 17 new completed MF units w/ 82 new MF units under construction
 - Lost 3 to BnBs
 - Total: Gained 64 dwelling units towards HNA 2020-2022 goal.
 - **34 units additional**
 - **Approximately 2 years ahead of schedule.**

- **Other: MH Parks & Group** (7.2/year = **21.6 needed in 2020-2022** = 144 total 20-year need)
 - No change.

In early 2021, the Planning Commission and City Council expressed a commitment toward addressing needed housing through the adoption of a Housing Production Strategy (HPS). The HPS provides a list of recommended strategies that the City can take to promote the development of needed housing in the City. The first seven (7) strategies require amendments to the City's Land Development Code Ordinance, which are intended to encourage the production of needed housing. Other strategies are policy or program related that involved developing incentives.

To further emphasize the City's commitment to address needed housing, during the Council 2022 goal setting retreat, the Council emphasized the importance of continuing to pursue solutions to the housing shortage in La Grande per the City's adopted HNA and HPS. It was noted that the lack of adequate housing has an adverse impact on the ability of local businesses to recruit staff.

As a result of the recent adoption of the HNA and HPS, and the City Council's emphasis on pursuing solutions to address the City's housing shortage, the Planning Commission arranged for the August 8, 2022, Work Session with the City Council to discuss the Commission's concerns regarding how Bed and Breakfast Inns may compromise the residential character of neighborhoods, and more importantly, adversely impact the City's needed housing inventory as a result of slower than anticipated residential growth due to various economic factors. Such concerns have resulted in the Planning Commission raising the question of whether or not to establish a temporary moratorium on the permitting of new Bed and Breakfast Inns. As a result of Work Session discussions, by consensus of the City Council, staff was directed to schedule a public hearing to consider this matter during the City Council's Regular Session on September 7, 2022, **limited to a temporary moratorium only on the conversions of entire dwelling units from full-time single-family dwellings to vacation rentals.**

With regards to process, to establish a moratorium, notice is required to be provided to the Oregon Department of Land Conservation and Development at least 45-days prior to the final public hearing, in accordance with ORS 197.520(1)(a). Notice was provided to the State on August 15, 2022, which puts the final public hearing on the City Council's October 5, 2022, Regular Session agenda.

To provide the public an opportunity to learn about the proposed temporary moratorium and to participate in the public hearings to consider this matter, the City elected to hold two (2) public hearings with the first public hearing and First Reading of the Ordinance scheduled for September 7, 2022. The second public hearing on this proposed Ordinance is scheduled for October 5, 2022, at which time the Ordinance will be read for the second time and considered for adoption. Public comments will be accepted at both public hearings.

The proposed Ordinance is drafted with an Emergency Clause, causing the Ordinance to go into effect immediately upon its passage on October 5th. The purpose of this emergency clause is to minimize the additional loss of needed housing through new land use application submittals to convert dwellings to bed and breakfasts. All land use applications submitted prior to the effective date of the Moratorium Ordinance are not subject to the terms of the Ordinance.

The City Manager recommends that the Council proceed with the First Reading by Title Only of the proposed Ordinance.

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: _____

RULES OF ORDER FOR A LEGISLATIVE PUBLIC HEARING

CITY RECORDER READS TO THE PUBLIC:

- A. These Rules of Order are applicable to the Public Hearing for a proposed Ordinance establishing a temporary moratorium on Bed and Breakfast Inns.
- B. This is a legislative hearing, therefore Councilor ex parte or pre-hearing contact does not apply.
- C. The Hearing will proceed as follows:
 - 1. The Mayor will open the Public Hearing and request the Staff Report.
 - 2. The Mayor will then accept public testimony relating to the matter. There is a three-minute time limit for testimony. The order of testimony this evening will begin with that of Proponents (those in favor), followed by Opponents (those opposed), and ending with those Neutral to the Ordinance being adopted.
 - 3. The proceedings are being electronically recorded, to be converted to written Minutes. When testifying, please step to the podium and **clearly print** your name and address on the speaker sign-in sheet. Please **state only** your name before addressing the Council.
 - 4. Members of the City Council may ask questions of the Staff at any time.
 - 5. Subsequent to deliberation, the Mayor will close the Hearing.

CITY of LA GRANDE
ORDINANCE NUMBER _____
SERIES 2022

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LA GRANDE, UNION COUNTY,
OREGON, ESTABLISHING A TEMPORARY MORATORIUM ON BED AND BREAKFAST INNS; AND
DECLARING AN EMERGENCY**

WHEREAS, the City of La Grande allows dwelling units to be constructed or converted to Bed and Breakfast Inns, which are defined as all lodging rentals of 30-days or less, including traditional bed and breakfasts where meals may be served, Air BnBs, full vacation home rentals, etc.

WHEREAS, such use is subject to approval of a conditional use permit demonstrating that certain criteria contained in Article 8.5 of the City of La Grande Land Development Code Ordinance have been met; and,

WHEREAS, City of La Grande Land Development Code Ordinance, Article 1.3, specifically defines Bed and Breakfast Inns as, *“A structure designed and occupied as a residence in which sleeping rooms are provided on a daily or weekly basis for use by travelers or transients for a charge or fee paid or to be paid for the rental or use of the facility. The Bed and Breakfast establishment has no more than five guest sleeping rooms provided on a daily or weekly basis for the use of no more than a total of ten (10) travelers or transients at any one time;”* and,

WHEREAS, the City’s review criteria for the approval of conditional use permits for Bed and Breakfast Inns were established in 1993 as part of a City-wide Land Development Code update process, with the purpose and intent to ensure that the proposed use would not have significant adverse effects on the use and development of properties in the surrounding area, adversely impact desirable neighborhood characteristics and livability, and adversely impact traffic, parking and capacity of surrounding streets; and such review criteria have remained predominantly unchanged since 1993; and,

WHEREAS, in 2019, the City of La Grande completed a Housing Needs Analysis (HNA), which was adopted into the Goal 10 Chapter of the City’s Comprehensive Plan Ordinance in 2020. The HNA found that La Grande has a shortage of needed housing, with a predicted need for 795 new dwelling units by 2040, including a need for 336 single-family dwelling units, 115 duplex dwelling units, 200 multi-family dwelling units, and 144 other group housing dwelling units; and,

WHEREAS, to achieve the forecasted single-family and duplex housing need, the City needs to add approximately 16.8 new single-family dwellings (51 from 2020 to present), and 5.75 new duplexes (17.25 from 2020 to present) annually; and,

WHEREAS, in early 2021, the City of La Grande adopted a Housing Production Strategy (HPS), which outlines and recommends several strategies the City can take to promote the development of needed housing in the City, including seven (7) strategies which require amendments to the City’s Land Development Code Ordinance; and,

WHEREAS, in January, 2022, during the City Council’s annual goal setting retreat, the City Council noted that the lack of adequate housing has an adverse impact on the ability of local businesses to recruit staff and emphasized the importance of continuing to pursue solutions to the housing shortage in La Grande per the City’s adopted HNA and HPS; and,

WHEREAS, since March 2020, the City of La Grande Planning Commission has approved twenty-eight (28) conditional use permit applications for Bed and Breakfast Inns. Eighteen (18) of those were conversions from full-time single-family dwellings and two (2) were conversions of duplex dwelling units

into short-term rentals resulting in the loss of twenty (20) dwelling units from the City's residential housing inventory; and,

WHEREAS, since March 2020, the City has seen 26 new single-family dwelling units and 6 new duplex dwellings constructed, representing a gain of 38 dwelling units; however, the 20 dwelling units converted to Bed and Breakfast Inns results in a net realized housing gain of only 18 dwelling during that timeframe; and,

WHEREAS, the housing gain falls well short of the 68.25 total dwelling units forecasted in the City's HNA for needed single-family and duplex housing since 2020; and,

WHEREAS, the City of La Grande Planning Commission has expressed concerns about Bed and Breakfast Inns compromising the residential character of neighborhoods, and more importantly, adversely impacting the City's needed housing inventory, causing the Planning Commission to question whether or not the City should establish a temporary moratorium on the permitting of new Bed and Breakfast Inns; and,

WHEREAS, Oregon Revised Statute (ORS) 197.520 authorizes cities to impose a moratorium on the issuance of permits, including the approval of Bed and Breakfast Inns, upon demonstration of compelling need and findings in accordance with ORS 197.520(3)(a); and,

WHEREAS, on August 8, 2022, the Planning Commission and City Council held a joint Work Session to consider the merits of establishing a temporary moratorium, and by consensus the City Council directed staff to schedule a public hearing to consider a temporary moratorium on the conversions of entire dwelling units from full-time single-family dwellings to vacation rentals during the City Council's Regular Session on September 7, 2022; and,

WHEREAS, notice was provided to the Oregon Department of Land Conservation and Development at least 45-days prior to the final public hearing, in accordance with ORS 197.520(1)(a), and notice was published in The Observer on August 23, 2022; and,

WHEREAS, after considering the evidence and arguments presented during the public hearing, the City Council determined that a compelling need exists for a moratorium based on the following findings per ORS 197.520(3)(a):

- A. The Council finds that the City's existing conditional use permit review criteria are inadequate to prevent irrevocable public harm. In doing so, the City Council points to City's housing need provided in the adopted HNA, which identifies a need for 795 new dwelling units by 2040. Such housing need can be achieved with the annual construction of approximately 16.8 single-family dwelling units (51 from 2020 to present), and 5.75 duplexes dwelling units (17.25 from 2020 to present).

However, since 2020, only 26 new single-family dwelling units and 6 duplex dwelling units have been constructed, while 20 dwelling units have been converted to Bed and Breakfast Inns (vacation rentals) resulting in net gain of only 18 dwelling units, which is well short of the 68.25 dwelling units which the City's HNA predicts will be needed for single-family and duplex housing, amounting to roughly a 2+ year setback in housing production.

With slower than anticipated residential growth due to various economic factors, and the continued loss of housing to Bed and Breakfast Inns, it is in the public's interest to proceed with a City-wide moratorium so that housing issues can be addressed legislatively with amendments to the City's Land Development Code Ordinance.

Continuing to implement the existing development ordinances and approving new conditional use permits for Bed and Breakfast Inns while the City is preparing legislation is inadequate to prevent irrevocable public harm throughout the City, as each such dwelling unit conversion results in the additional loss of housing in the City, and approving such permit and conversion may establish a legal nonconforming use that runs with the land indefinitely. Additionally, continuing to allow more Bed and Breakfast Inns may create conditions where the residential and neighborhood character of residential areas may be lost.

- B. A temporary moratorium on Bed and Breakfast Inns will not unreasonably restrict the construction of needed housing because use of dwellings for transient short-term rental purposes is not a form of needed housing. State law defines needed housing as all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the county with a variety of incomes (ref: ORS 197.303(1), as amended by SB 1051 (2017)). Persons occupying a dwelling for transient short-term rental purposes are typically vacationing in La Grande, or have travelled from out of town to visit family members or to fulfill short term work assignments. Bed and Breakfast Inns do not meet the day to day housing needs of local residents, nor are they typically households residing within the county.

Additionally, a temporary moratorium will not unreasonably restrict a needed supply of commercial or industrial facilities because Bed and Breakfast Inns are not identified in the City of La Grande's Commercial and Industrial Buildable Lands Inventory as a type of commercial or industrial activity that is lacking within the community, and the moratorium will allow existing, approved Bed and Breakfast Inns to continue to operate, and be transferred to new owners, while the temporary moratorium is in place.

- C. Allowing the legislative review process to proceed, without a moratorium, is the only alternative that appears to exist. However, this approach is unsatisfactory because it cannot ensure that the additional loss of housing to Bed and Breakfast Inns will not occur or that the character of existing residential neighborhoods will not be compromised before new rules can be crafted and adopted.
- D. This temporary moratorium applies to Bed and Breakfast Inns located within the City of La Grande's land use jurisdiction. It is unlikely that such a temporary action will cause any adverse effects on jurisdictions outside the City of La Grande. There are other factors that weigh into such decisions, including the proximity of the property to destinations, such as Eastern Oregon University, Grande Ronde Hospital, parks and recreation facilities, and the condition of the dwelling unit. While there may be some interests explored in jurisdictions outside of La Grande, the imposition of a temporary moratorium will not result in significant adverse impacts on other affected local governments.

- E. The City of La Grande has sufficient resources to complete needed interim or permanent changes in plans, regulations, or procedures within the 120-day period that a moratorium may be imposed pursuant to ORS 197.520(4). However, this may not provide sufficient time for the level of public outreach needed to adopt new legislation. The City Council is open to potentially extending the temporary moratorium, to provide sufficient time for such outreach to occur.

NOW, THEREFORE, THE CITY OF LA GRANDE ORDAINS AS FOLLOWS:

Section 1. MORATORIUM. The City shall halt the acceptance of Bed and Breakfast Inn land use applications, only in residential zones and only for requests that include the full conversion and use of a dwelling unit as a short-term rental (less than 30-days). Such use would otherwise be permissible only by the approval of a conditional use permit in residential zones pursuant to Land Development Code Sections 2.2.002, 2.2.003, 2.2.004, 2.2.005, 2.2.006, and 2.2.007, for properties that are not currently approved for such use.

Section 2. SUNSET. This moratorium shall expire automatically without further action of the City Council, one hundred twenty (120) days after the date of adoption, unless repealed sooner by the City Council.

Section 3. EXTENSIONS. The City Council may extend the moratorium if, after holding a public hearing, it finds the issues necessitating a moratorium as described herein still exist and reasonable progress is being made to alleviate those issues. Such an extension may be for a period not to exceed six (6) months.

Section 4. EMERGENCY. In order to protect the public health, safety, and welfare by ensuring needed housing availability, and that the character of the City's residential neighborhoods is not compromised while the City reassesses its criteria for permitting bed and breakfast uses, an emergency is declared to exist, and this Ordinance is effective upon its adoption by the City Council.

Section 4. EFFECTIVE DATE. This Ordinance shall become effective immediately upon its adoption by the City Council of the City of La Grande, Union County, Oregon, and its approval by the Mayor; specifically, October 5, 2022.

ADOPTED AND APPROVED on this Fifth (5th) day of October, 2022, by _____ (__)
of _____ (__) Councilors present and voting in the affirmative.

Stephen E. Clements, Mayor

ATTEST:

Stacey M. Stockhoff
Acting City Recorder

CITY of LA GRANDE
COUNCIL ACTION FORM

Council Meeting Date: **September 7, 2022**

PRESENTER: Kyle Carpenter, Public Works Director

COUNCIL ACTION: CONSIDER AWARDING BID FOR GRIND AND INLAY PROJECT – GEKELER LANE (4TH STREET TO ARIES LANE)

- 1. MAYOR: Request Staff Report
- 2. MAYOR: Invite Public Comment
- 3. MAYOR: Invite Council Discussion
- 4. MAYOR: Entertain Motion

Suggested Motion: I move that we award Gekeler Lane Grind and Inlay Project to High Desert Aggregate & Paving, in the amount of \$517,615, as shown in the Bid Summary, and further, that City Manager Strope be authorized to execute the contract documents for the bid for the 2022 – Grind and Inlay Project – Gekeler Lane (4th Street to Aries Lane).

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

EXPLANATION: The Parking, Traffic Safety and Street Maintenance Advisory Commission (PTSSMAC) established a priority list of street projects that require maintenance and/or reconstruction. During the 2022-2023 City Budget process, \$473,638 of funding was designated from the General Fund for this specific project: \$357,574 from the URA Under Levy, and \$116,064 unanticipated increase in General Fund cash. \$48,262 in STP funds was also budgeted for a total of \$521,900.

Staff advertised for competitive bids and received two (2) qualified bids, with the low bid of **\$517,615** from High Desert Aggregate & Paving of Redmond, Oregon. The project will rehabilitate the roadway driving surface of Gekeler Lane from 4th Street to Aries Lane. Work associated with the project consists of approximately 13,000 square yards of cold plane pavement removal to an average depth of 3 inches, followed by placement of up to 3,155 tons of Level 2, 1/2 inch asphalt concrete pavement (ACP) mixture. The contract includes the removal and disposal of all grind material, furnishing and placing all materials, and for furnishing all equipment, labor, and incidentals necessary to complete the work as specified, including the raising and lowering of manholes and lamp holes.

The City Manager recommends awarding the bid as presented by Staff.

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: _____

Bid Summary
2022 - Grind and Inlay Project - Gekeler Lane (4th St to Aries Ln)

				Hamton's Inc. dba Rogers Asphalt Paving		High Desert Aggregate & Paving	
NO	ITEM	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1	Mobilization/Demobilization	L.S.	All Req'd	X X X	\$ 37,568.00	X X X	\$ 35,000.00
2	Temporary Protection and Direction of Traffic	L.S.	All Req'd	X X X	\$ 14,301.00	X X X	\$ 15,000.00
3	Erosion Control	L.S.	All Req'd	X X X	\$ 5,184.00	X X X	\$ 2,000.00
4	Pollution Control Plan	L.S.	All Req'd	X X X	\$ 3,456.00	X X X	\$ 500.00
5	Cold Plane Pavement Removal, 3" Average Depth	S.Y.	13,000	\$ 5.44	\$ 70,720.00	\$ 3.50	\$ 45,500.00
6	Level 2, 1/2 Inch ACP Mixture	Ton	3,155	\$ 140.42	\$ 443,025.10	\$ 133.00	\$ 419,615.00
Total Bid				\$	574,254.10	\$	517,615.00