

CITY of LA GRANDE

City Council Work Session

Monday, October 24, 2022
6:00 p.m.

Council Chambers
La Grande City Hall
1000 Adams Avenue
La Grande, Oregon

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

AGENDA

*The purpose of a Work Session is to provide an opportunity to informally discuss topics of common concern and interest and to exchange ideas with Staff, not to make decisions or to direct Staff toward a specific action or conclusion beyond identifying additional information the Council would like to have presented at a later date. As no decisions are made, there will be no voting at the Work Session. The City Manager or members of the Staff may confirm any additional information required as part of any future discussions regarding the presented topic(s). If a Work Session topic subsequently requires official action, it will become an action (voting) item on a following Regular Session Agenda. In accordance with the Oregon Public Meetings Law, Council Work Sessions are open to the public; however, in order to make efficient use of time, public comments and questions generally are not entertained during the discussion segment of the Work Session. **Time will not be designated for public comments at the conclusion of the discussion.** Members of the public are routinely provided with an opportunity to address the Mayor and Council during the Public Comments portion of each Regular Session Agenda. **Per ORS 192.670(1), some Councilors and/or Commissioners may be participating in this Work Session by electronic communication.***

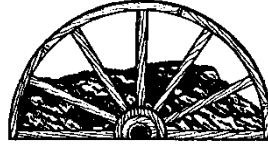
1. **CALL to ORDER** 6:00 p.m.
~ Stephen E. Clements, Mayor

2. **UNION COUNTY FAIRGROUNDS WATER AND SEWER INFRASTRUCTURE PROJECT**
~ Robert Strobe, City Manager
~ Kyle Carpenter, Public Works Director
 - a. Purpose of the Work Session/Background/Connection Fees
 - b. ARPA Funding/Alternative Support Recommendation
~Kathy Gover Shaw, Fair Manager
~ Jamie Jo Haddock, Board Member President
 - a. Presentation by Fair Board
 - i. Scope of the project
 - ii. Current estimates costs
 - iii. Current status of funding requests--State/Federal/Other
 - a. Amounts requested, timeframe for decision, etc.
~ Robert Strobe, City Manager
 - a. Next Steps

3. **ADJOURN** 7:00 p.m.

Stacey M. Stockhoff
Acting City Recorder

Persons requiring special accommodations who wish to participate in the Work Session are encouraged to make arrangements prior to the meeting by calling 541-962-1309. The City of La Grande does not discriminate against individuals with disabilities



CITY of LA GRANDE
THE HUB OF NORTHEASTERN OREGON

TO: Mayor and City Council

CC: Union County Fair Board; City Manager

FROM: Kyle Carpenter, Public Works Director

DATE: October 21, 2022

RE: Union County Fair Fee Calculation

As presented to members of the Union County Fair Board, and Anderson Perry their engineering consultant, on May 27, 2022 the attached calculation sheet details the anticipated connections charges associated with the proposed Union County Fair water and sewer project. Based on our method of charges outlined in the current water and sewer ordinances, the total cost of the current proposal would be \$343,025, \$172,025 being Water related charges and \$171,000 being Sewer related charges. The following paragraphs explain how we arrive at those figures when calculating fees.

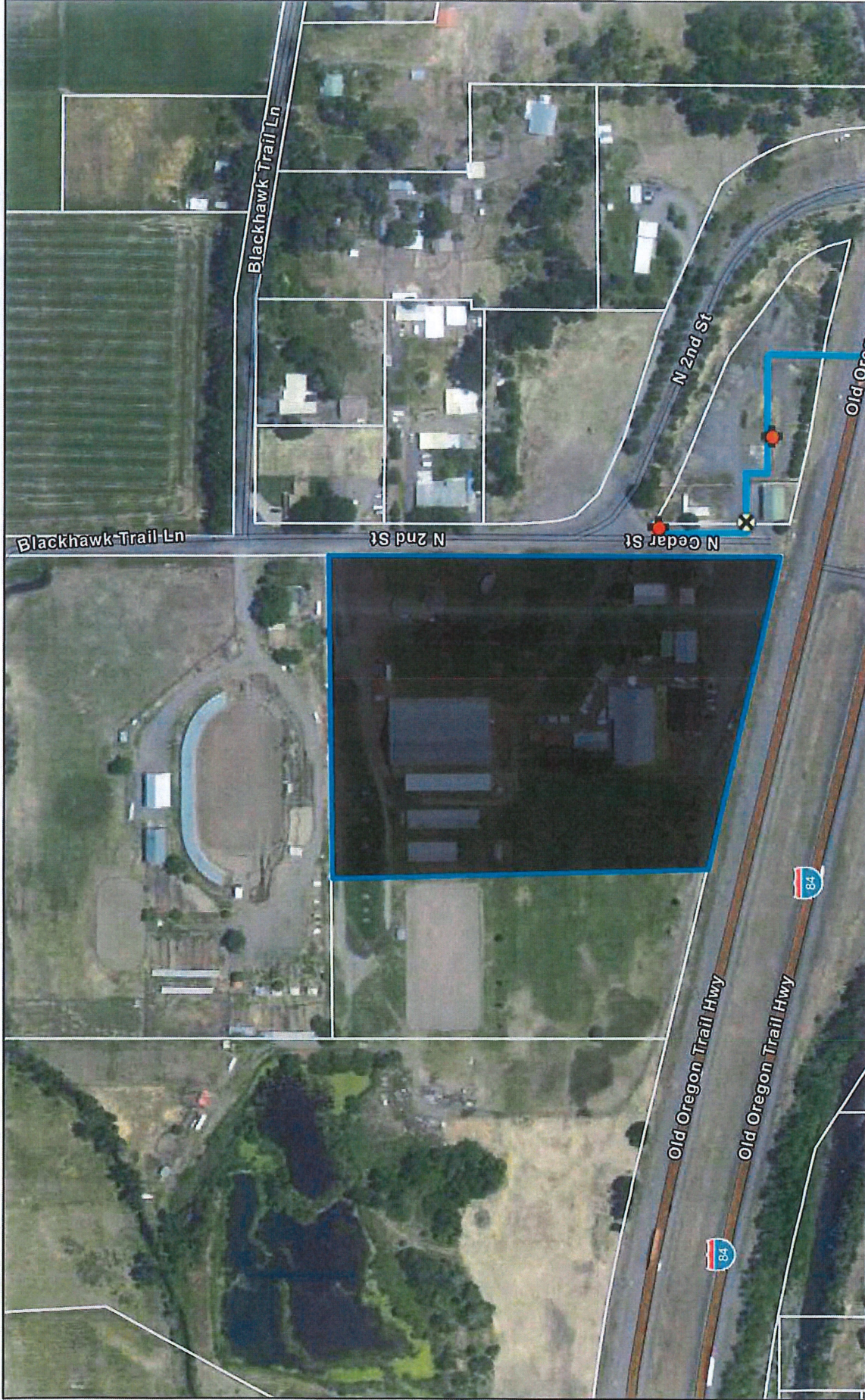
The upper section of the calculations form details the required work that would need to be completed to provide service to the property. For this project it is anticipated that a water main extension of 655 feet (in the location shown on attached Figure A), and a Sewer main extension of approximately 500 feet (exact location of the main has not been determined) would be needed. The description of the existing lines in part 2 of the upper section includes details of the existing mainlines in which it is anticipated that the new services would connect to.

The center section of the form contains the necessary calculations to determine the costs associated with the water connection. The costs in this section are made up of two parts, the connection fee and the tap fee. The connection fee, by Ordinance, is the greater of either the cost of the mainline extension or the tax lot assessments. The assessments are calculated based off the size of the lot (attached GIS map) and a multiplier which is established in the Water Rates Resolution. Currently this multiplier is set at \$0.31 per square foot, which in this case was considerably more than the cost of the mainline extension. In calculating the tap fee the services that would be required for the system were determined from the preliminary design provided by Anderson Perry. Meters would be placed where the system leaves the right of way and enters private property, which resulted in a 4" and a 6" meter being required. By Resolution, the tap fee for taps over 2"

is charged at cost, which resulted in an estimated total amount of \$24,775. It should be noted that this cost can fluctuate based on current material pricing.

The third section covers the costs associated with the sewer connection. As the proposed system is a lift station with a pressure line it was assumed that the private system would be constructed and connected to the existing system by a contractor so no tap fee would be charged. The mainline extension would be required to extend the proper mainline to the location proposed for the connection of the pressure line on the south side of the Interstate Bridge on 2nd Street. Similar to the water calculation, the connection fee portion of the sewer calculation is the greater of either the cost of the mainline extension or the tax lot assessments. Based on a current multiplier of \$0.36 per acre, the tax lot assessment was considerably larger than the cost to extend the mainline.

Union County Fair Grounds Utility Map



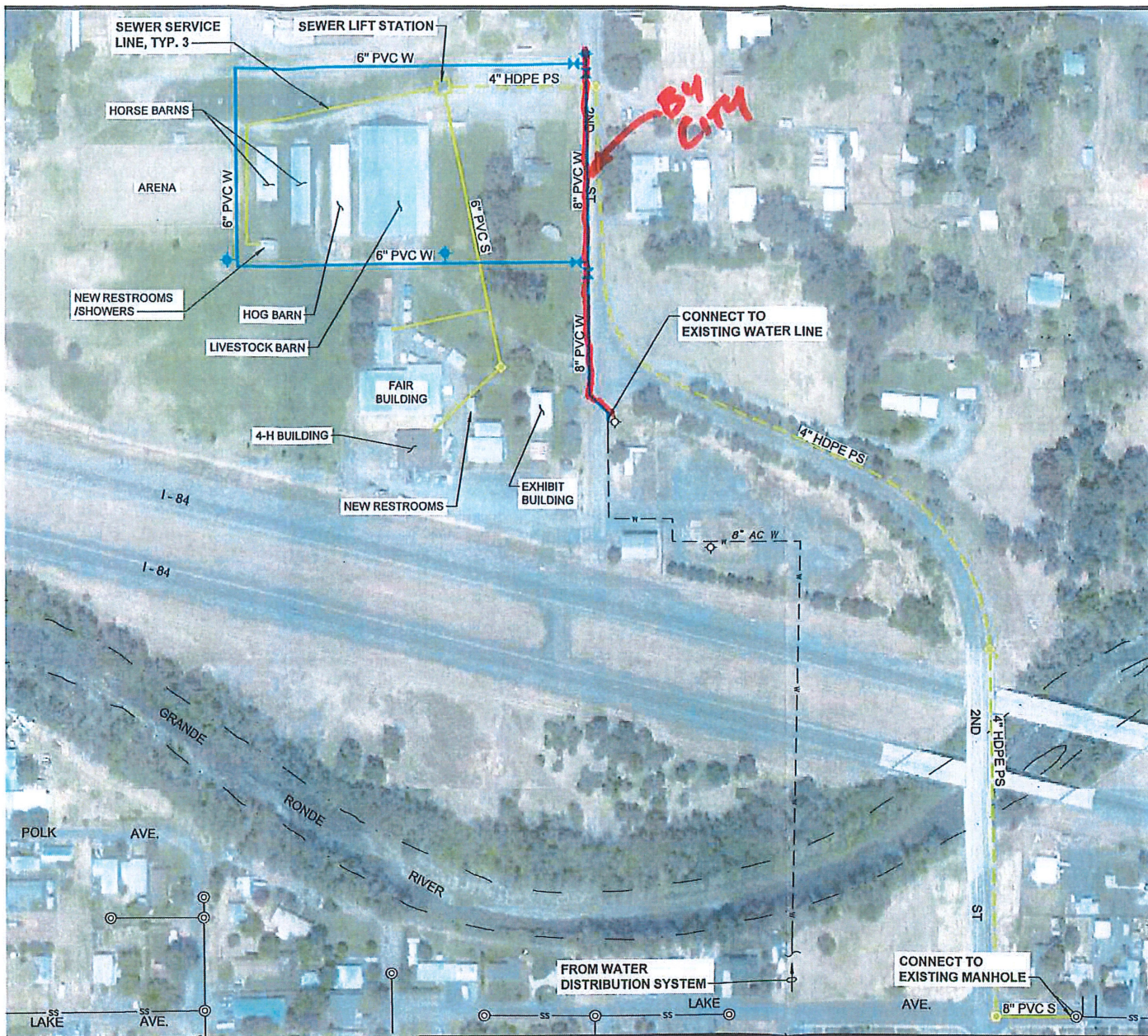
5/27/2022, 8:07:06 AM

- + WaterDistributionSystem_View - wHydrants
- + WaterDistributionSystem_View - wSystemValves
- + WaterDistributionSystem_View - wMains
- Taxlot - Taxlots
- Taxlot
- X System Valve
- Hydrant Valve

1:4,514
0 0.03 0.06 0.11 mi
0 0.04 0.09 0.17 km

Oregon Statewide Imagery Program (OSIP) - Oregon Imagery Framework Implementation Team. Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, ©

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City of La Grande



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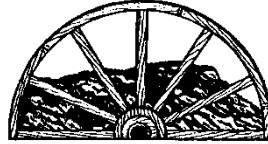

UNION COUNTY FAIR BOARD
 WATER AND WASTEWATER SYSTEM IMPROVEMENTS
PROPOSED IMPROVEMENTS SCHEMATIC

FIGURE
A



CITY of LA GRANDE
THE HUB OF NORTHEASTERN OREGON

TO: Mayor and City Council

CC: Union County Fair Board; Public Works Director

FROM: Robert Strobe, City Manager

DATE: October 21, 2022

RE: October 24th Work Session

Given the economic benefit to the City of La Grande provided by the events and activities at the Fairgrounds, the City Council voted to approve \$250,000 in gap funding for the water and sewer project for the fairgrounds, dependent upon the outcome of outstanding funding requests. As part of the October 24, 2022, Work Session, it would be prudent to discuss how these funds would be released and also to discuss an alternative to using APRA funds to support the project. In reviewing the City's allocation of Transient Room Tax (TRT) revenues, the City significantly underestimated the TRT revenues for FY 2021-2022, which resulted in a surplus of \$119,232 in TRT revenues which must be used for Tourism Promotion or Tourism Related Facilities. The Fairgrounds would be considered a Tourism Related Facility, which is an eligible use of those funds. The City Council could designate those funds to the Fairgrounds, freeing up an equal amount of ARPA funds that would go to street and road projects per the Resolution.

The City of La Grande fully supports extending water and sewer infrastructure to the Fairgrounds. The only question has been who would own and maintain the sewer lift station, which will be discussed below. In reviewing the costs associated with connecting to the City's water and sewer infrastructure, the tax lot assessment fees associated with the project total \$318,250 per the current Resolutions for those services. One option the City Council could exercise would be to waive a portion of those fees to reduce the overall cost of the project. Based on the ARPA funding support, we would recommend the City Council consider waiving 50% of the tax lot assessment fees, or \$159,125. This, coupled with the TRT funds discussed above, would total \$278,357 of support for the project.

If the City Council supports these two options for financial support, Staff would prepare an action item for the December City Council meeting to approve the recommendation. No change would be required to the Resolution for the ARPA funding as it already

contains a provision that any funds not allocated to the Fairgrounds would go to street projects.

The City's position regarding the lift station is the City should not take ownership and maintain the lift station because it does not provide a benefit to other users. Additionally, the projected revenue generated from the installation of this lift station and the sewer charges paid would not cover the anticipated costs of maintaining the system over time. This practice is in place for numerous residential customers as well as current individual commercial lift stations such as The Hines Meat Company and Family Market Foods. Additionally, the City has declined accepting ownership and ongoing maintenance of such lift stations on multiple occasions given they only serve the single user or developer's project. Some recent examples of this would be the Stonewood trailer park expansion and a proposed residential development located off of May Lane north of the Interstate. New lift stations which provide benefit to a larger area and upgrades to existing lift stations required to accommodate new development are typically funded by the developer, but in these situations the lift station is upgraded or constructed to City standards and because it provides service to additional users, it is appropriate for the City to own and maintain it. That is not the case with the proposed Fairground lift station. As has been shared with the Fair Board, the required lift station would only serve the Fairgrounds and given the recently completed Housing Needs Analysis, the City cannot justify expanding the Urban Growth Boundary to allow for new residential development in the vicinity of the Fairgrounds for at least 20 years. Therefore, the ownership and maintenance of the lift station should remain with the Fairgrounds. If, in the future, new development results in the use of the lift station by additional users, it could be upgraded to City standards at that time and the City would assume ownership and maintenance.