

# CITY of LA GRANDE

## City Council Work Session

Monday, November 13, 2023  
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](http://www.facebook.com/CityofLaGrande)

## AGENDA

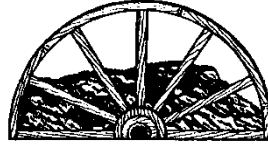
*The purpose of a Work Session is to provide an opportunity to informally discuss topics of common concern and interest and to exchange ideas with Staff, not to make decisions or to direct Staff toward a specific action or conclusion beyond identifying additional information the Council would like to 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.*

1. CALL to ORDER 6:00 p.m.  
~ Justin B. Rock, Mayor
2. EASTSIDE WATER AND SEWER FUNDING DISCUSSION  
~ Kyle Carpenter, Public Works Director
3. ADJOURN 7:00 p.m.

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Stacey M. Stockhoff  
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: Robert Strobe, City Manager  
Michael Boquist, Community Development Director

FROM: Kyle Carpenter, Public Works Director

DATE: November 8, 2023

RE: November 13<sup>th</sup> Work Session

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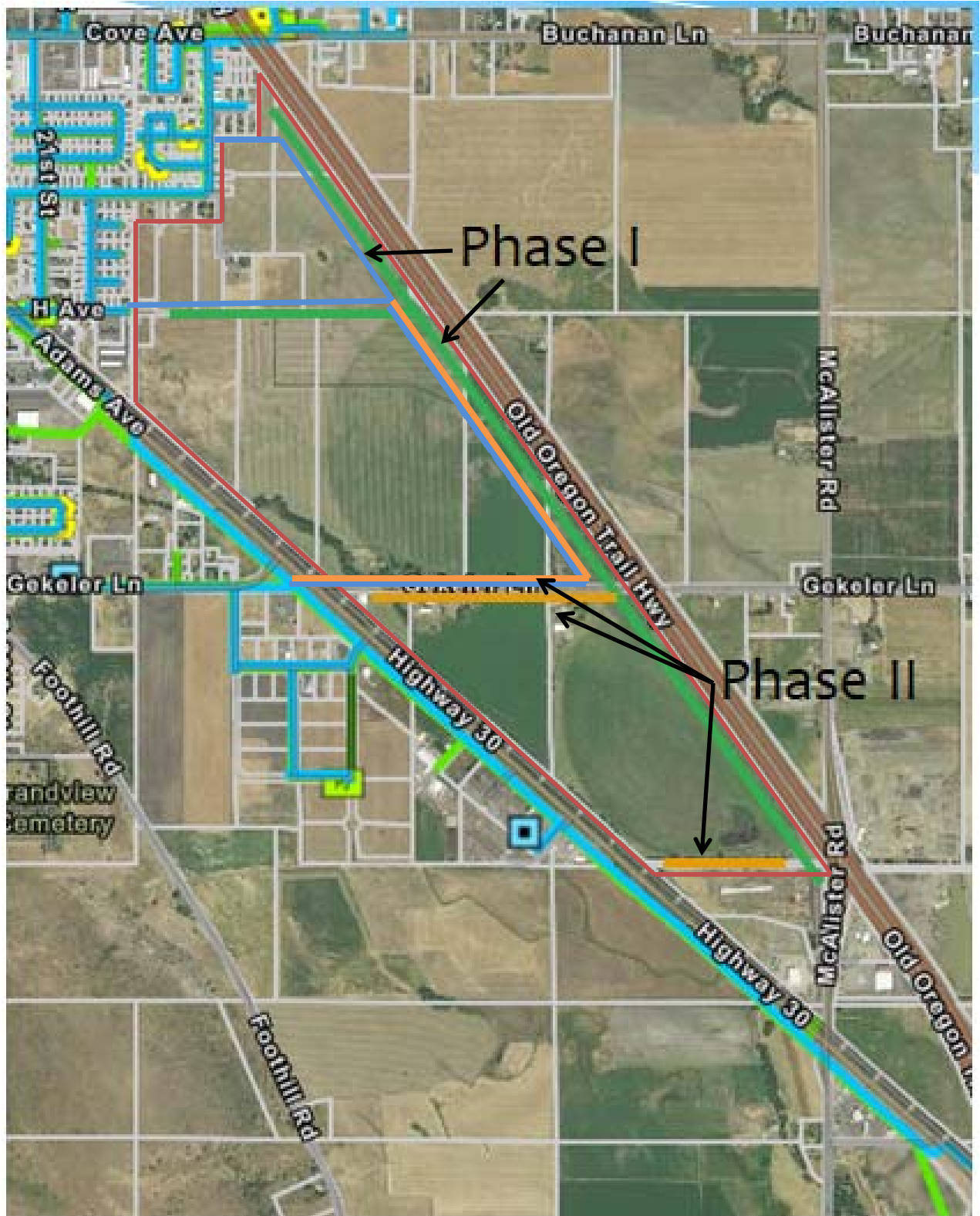
Discussion during the upcoming Council work session will be centered on the Eastside Water and Sewer Funding Project and the potential funding opportunities that currently exist. This venture was identified as one of the several funding opportunities that were presented during the process of selecting projects for funding with the City's American Recovery Plan Act (ARPA) funds. The project consists of constructing water and sewer service mains to remove the existing infrastructure gap to a large area of potential residential development. Attached are two (2) exhibit maps showing the project area with approximate locations for water/sewer infrastructure and a previously proposed subdivision located within the project area, which contained one hundred and ninety three (193) buildable lots. In reference to the entire affected area of the Eastside Water and Sewer Funding Project, the subject development would represent the first of multiple phases that would result from the construction of the utility infrastructure.

Motivation for moving forward with this project is directly related to the findings of the City's Housing Needs Analysis, which concluded that La Grande is deficient in every housing category. Identified as one of the major districts for potential residential housing that currently lies within the City's Urban Growth Boundary, the project area is currently unappealing to private developers due to the high up-front costs associated with needed water and sewer infrastructure that spans multiple property ownerships well outside of any one development area. Previous interest in the former subdivision property has been significant with multiple developers looking at funding alternatives (e.g. grants, city participation, etc.) to bridge the gap and make a residential project cost effective. Currently, there are no parties known to City Staff that are actively looking at the available properties within the project area; however, this could be attributed to the present state of the construction development and housing markets and the high cost of needed off-site infrastructure improvements.

Financing the construction of the sewer and water infrastructure for the project area has previously (October 2022) been estimated at \$2,900,000, if the entire project window was completed at one time. The project is able to be phased in up to three (3) phases, which would bring the up-front cost for the initial phase to an estimated \$1,500,000. Avenues for the City to obtain this funding include self-funding the project with reserve funds and recapturing the dollars when development occurs through System Development Charges (SDCs) and pursuing possible grant funding. City staff has recently been introduced to a new grant funding source that has the potential to provide funding toward housing development and is working with Northeast Oregon Economic Development District (NOEDD) to ascertain viability. Preliminary timelines point to more information being available in early 2024. Utilizing either option, the City would not only recover invested dollars upon construction, but the completed development would bring additional revenue through property taxes, utility rents, etc., to multiple City departments, including the general fund and public works.

Considering the limited availability of developable property in La Grande, the identified need for all housing in every category and the rapidly escalating costs in the housing sector, the Eastside Water and Sewer Funding Project is a practical solution to many important City issues. Though cost recovery can be drawn out based on the City's past history in similar ventures, the projections on cost inflation into the future support the viability of the investment.

# Utility Infrastructure





# Site Plan: Formerly Proposed Subdivision

