

# City and Urban Renewal Economic Development Retreat Summary

## January 23, 2024

(Approved February 7, 2024)

(Note: Items in **blue** are changes from prior year’s topics. Text in **green** is supplemental/background information that may be helpful. Text in **red** reflects the discussion)

**Vision Statement:** The City of La Grande is the economic, educational, recreational, and cultural hub for eastern Oregon, with a family oriented, small-town character. (City’s current Vision Statement with the goals specifically related to Economic Development **highlighted** below)

**Goals to support our vision:**

<b>G1</b>	Enhance and grow our diverse economy through innovation, partnerships, and relationships, to capitalize on our existing strengths while seeking new opportunities.
<b>G2</b>	Take full advantage of the benefits of our thriving educational community, anchored by Eastern Oregon University.
<b>G3</b>	Promote the natural beauty and resources of the Grande Ronde Valley, which provide recreational opportunities and quality of life benefits that complement our economic development objectives.
<b>G4</b>	Showcase La Grande as a culturally-rich city with a strong sense of identity, pride, and environmental awareness that preserves our heritage.
<b>G5</b>	Foster a family-oriented community with high quality amenities, including excellent parks, safe neighborhoods, and outstanding schools.
<b>G6</b>	Champion public involvement and civic leadership that values economic, ecological, and social stewardship, while maintaining our small-town character.

**1. Economic Development Strategy**

**a. Recruitment/Business Attraction:**

- i. Continue proactively pursuing our current priority industry sectors:
  - 1. Recreational Manufacturing and Retail
    - a. Anything tied to the outdoors to maximize our assets
  - 2. Timber Industry
    - a. Mass Timber (Cross Laminated Timber)
    - b. Woodgrain (Supply Chain)
    - c. Other wood product related manufacturers
  - 3. E-Commerce
    - a. Businesses that rely on the Internet and work from home
    - b. Distribution
  - 4. Small scale manufacturing and micro production.
    - a. Small scale consumer products.
    - b. Locally produced /packaged food & beverages.
- ii. Continue to respond to all inquiries and leads regardless of industry sector.
- iii. Incentives
  - 1. Current incentives are limited to Call for Projects and **Revised CFP and Traded Sector** programs in the Urban Renewal District (URD) and the Enterprise Zone for Urban Growth Boundary (UGB) expansion area.
- iv. Industrial development/recruitment:
  - 1. La Grande Business and Technology Park
  - 2. UGB Expansion Area
    - a. Large lot industrial with Enterprise Zone incentives

*Staff is not recommending any changes in the above strategies at this time.*

*The Agency did not request any changes.*

- v. Commercial development/recruitment.
  - 1. Commercial Land Needs Analysis and Comprehensive Plan Goal 9 Update/Goal 14 UGB Expansion.
    - a. **The City is just completing the Commercial Land Needs Analysis and Comprehensive Plan Goal 9 Update to potentially increase our inventory to allow for new development. The City Council will see this item on**

the February agenda. The next step of this project is a Goal 14 Urban Growth Boundary Expansion. The Planning Division was successful with an application for a DLCD Technical Assistance Grant to help fund this effort. This project is scheduled to occur over two (2) fiscal years, beginning in early 2024 and concluding by May 2025.

*This is also on the City Council Retreat topic list.*

**b. Retail Recruitment and Downtown Redevelopment:**

- i. Retail recruitment.
  1. Continue proactive recruitment using existing leads previously generated by Buxton and new leads when identified.
  2. Focused efforts in concert with La Grande Main Street Downtown utilizing the recently adopted Main Street Refresh Plan.
- ii. Downtown redevelopment—(See Call for Projects).
- iii. Develop and implement a plan for the Redevelopment of Jefferson Ave. Planning process is underway with funding from BTI. Steering Committee will work with Main Street and City Staff to develop implementation strategy once Council has reviewed and adopted the plan

*Staff is not recommending any changes.*

*The Agency did not request any changes.*

**c. Business Assistance, Retention, and Expansion:**

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

*Staff is not recommending any changes.*

*The Agency did not request any changes.*

**d. Create a culture of entrepreneurialism.**

- i. The department continues to conduct entrepreneur outreach to identify small business needs including potential training and incentives.
- ii. City has received a \$50,000 Business Oregon ROI Grant to continue developing our local Entrepreneur Ecosystem including potential advancement of a Shared Use Commercial Kitchen Facility.
- iii. The City will be participating as a member of the 2024 Recast City Cohort. This national program focuses on identifying and developing small scale manufacturing as an economic development strategy for revitalizing downtowns and historic commercial districts.

**e. Continuation of non-URA Funded Economic Development efforts**

- i. Validate intent to continue to dedicate funds and resources to marketing non-URA industrial properties.
  1. UGB large lot industrial site.
  2. Large lot commercial efforts.

*The current percentage of the Economic Development Director's salary is 70% URA and 30% City General Fund and we have limited City dollars included in the Materials and Services budget to allow for funding of non-URA efforts. Staff is not requesting any revisions to this allocation.*

*The City Council/Agency support the continuation of this allocation of salary and benefits.*

**f. Partnerships**

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

**2. Urban Renewal Programs**

Historically we have budgeted new funding of \$350,000 for non-Business Park Call For Projects (CFP), \$100,000 for Business Park CFP, and \$50,000 to \$75,000 for the Façade Program each year. We combined the Business Park CFP with the Traded Sector into a new program with a budget of \$425,000. We are maintaining the Agency Initiated project program, which we have not accessed yet, at \$500,000. The current fiscal year budget has the following uncommitted, remaining balances for these programs, excluding Façade and carried over CFP funding:

CFP	\$350,000 budgeted
Traded Sector/Business Park	\$425,000 budgeted, \$425,000 remaining
Agency Initiated	\$500,000 budgeted, \$500,000 remaining
Total Budget:	\$1,275,000
Remaining:	\$925,000

**Staff contemplating proposing:**

CFP	\$350,000
Traded Sector/Business Park	\$425,000 (\$425,000 carried forward from prior years)
Agency Initiated Project	\$500,000 (\$500,000 carried forward from prior years)
Total:	\$1,275,000 (Less \$925,000 carried forward from prior year for \$350,000 of “new” funding)

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

**a. Call for Projects**

- i. Funding (\$350,000)
  - 1. Non-Business Park Projects: \$350,000 per year has been allocated for this program the past three years based on revenues to URA with an under levy. Current year all \$350,000 was awarded.

***The Agency asked if there could be additional outreach to let property owners and businesses know about the program. The Economic Development Director talked about the extensive, ongoing work being done with business and property owners, including but not limited to reaching out to new property owners to discuss finding programs and working with businesses that face the challenge of funding tenant improvements, which typically cannot be funded using URA dollars. In some cases he is able to identify other funding sources.***

- ii. Policy revisions.
  - 1. [Staff and the Urban Renewal Advisory Commission \(URAC\) have met to discuss minor revisions to the CFP policy the Agency will be asked to approve an updated policy in February.](#)

**b. Traded Sector/Business Park**

i. Funding (\$425,000)

1. No applications have been received for this program. Intent is to carry funds over to next year.

*Staff is not recommending on any changes to these programs other than the CFP policy revisions mentioned.*

*The Agency did not request any changes.*

**c. Agency Initiated Funding Program**

i. Funding (\$500,000 of one-time funding in current year's budget)

- ii. The program is designed for the Agency to identify a project to fund on their own initiative and consideration of the funding would include a transparent, public process. In past years the Agency has considered leveraging these dollars for significantly more grant dollars to help renovate the historic firehouse building and provide gap funding to facilitate the acquisition of an elevator for the Bohnenkamp building. The Agency chose not to expend these funds on either project. Looking ahead these funds could be leveraged for additional grant funding for implementation of the Jefferson Avenue Redevelopment Plan or potentially towards a new Police facility.

*Staff is seeking guidance from the Agency regarding this program.*

*The Agency briefly discussed this program. It was noted that the funds could be used for a variety of projects including but not limited to capital projects in conjunction with the Jefferson Avenue Redevelopment Plan, a new police facility as described below, or for future streetscape work. The funds could also be used to fund other projects to allow for a larger Under Levy. The Finance Director confirmed all the Agency's unused funds were invested and receiving interest. The Agency ultimately reached consensus on retaining the dollars and the program for flexibility.*

**d. Façade Program**

i. \$75,000.

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

**3. Capital Projects**

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

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

*The Agency discussed whether or not to pursue the project, if it should be limited to Fir to Washington and Jefferson and on Adams to Greenwood, or another footprint. The Agency reached consensus on asking for cost estimates for extending the improvements along Adams Avenue only to Greenwood, with other improvements along the cross streets for later consideration.*

**b.** Should the Agency consider funding a portion of a new Police facility?

*Staff is seeking guidance from the Agency regarding how to proceed on capital projects.*

*Agency discussed the potential to use some URA funds, acknowledging it would require a URA plan amendment. Staff will convey to the consultant that the Agency is open to some level of funding should a new facility be constructed within the boundaries of the District.*

**4. Budget Related Issues/Fiscal Management**

**a.** Continue to implement the Urban Renewal Plan with base-line funding for full-time Economic Development position and core URA Programs.

i. Current Goals from Agency approved Economic Development Strategy:

1. Ensure programs are achieving goals and needs of business.
2. Continue business recruitment efforts.
3. Continue business retention and expansion efforts.
4. Create a vibrant Central Business Zone (CBZ).
5. Encourage Entrepreneurial and small business development as a key strategy.

*The Agency did not request any changes.*

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

*The Agency was supportive of the current philosophy guiding the amount of the Under Levy. The Agency will first fund debt service and all core economic development programs, including the grant programs such as Call for Projects. Any surplus property tax revenues would then be returned to the other taxing jurisdictions, including the City's General Fund, in the form of an Under Levy.*