



Location: City Hall – Council Chambers
Date: July 26, 2022
Time: 6:00 PM

City Council Meeting Agenda

Mayor Jason Beebe, Council Members Steve Uffelman, Janet Hutchison, Patricia Jungmann, Gail Merritt, Jeff Papke, Raymond Law and City Manager Steve Forrester
ATTEND TELEPHONICALLY BY CALLING 346-248-7799 Meeting ID: 947 5839 2608 Passcode: 123456

Call to Order

Flag Salute

Additions to Agenda

Consent Agenda

- [1.](#) Regular Meeting Brief 7-12-2022

Visitors, Appearances and Requests

2. Swearing in of Chief Seymour - Steve Forrester
3. Steve Reynolds Retirement Recognition - Zach Lampert

Council Presentations

- [4.](#) COIC Presentation - Tammy Baney / Scott Aycock
- [5.](#) Housing Works Presentation - David Brandt
- [6.](#) Meta / RCI Innovation Project - Kelsey Lucas

Council Business

- [7.](#) Intent to Award Deer Street Waterline Project - Mike Kasberger

Staff Reports and Requests

- [8.](#) City Manager's Report - Steve Forrester
- [9.](#) Wastewater Treatment Plant Testing Requirement - Jason Wood
- [10.](#) LOC 2023 Legislative Priorities - Councilor Uffelman

Committee Reports

Ordinances

- [11.](#) Ordinance No 1276 - Regarding Measure 109 - Psilocybin Mushrooms - Jered Reid



Resolutions

- [12.](#) Resolution No 1533 - Approving Coronavirus State Fiscal Recover Fund Grant Agreement with ODOT - Lori Hooper

- [13.](#) Resolution No 1534 - Approving Subgrant Agreement with Crook County for Coronavirus State Fiscal Recovery Fund Grant Agreement No. 8227 - Lori Hooper

Visitors, Appearances and Requests

Adjourn

Agenda items maybe added or removed as necessary after publication deadline



CITY OF PRINEVILLE
Regular Meeting Brief
387 NE Third Street – Prineville, OR 97754
541.447.5627 ph 541-447-5628 fax

Full Meeting Recordings Available at:
<http://cityofprineville.com/meetings/>

City Council Meeting Brief
July 12th, 2022

Council Members Present:

Patricia Jungmann
Steve Uffelman
Janet Hutchison
Gail Merritt

Jason Beebe
Ray Law

Council Members Absent

Jeff Papke

Additions to the Agenda

None.

Consent Agenda

1. Regular Meeting Brief 6-28-2022

Councilor Uffelman made a motion to approve consent agenda as presented. Motion seconded. No discussion on motion. Motion carried.

Visitors, Appearances and Requests

None.

Council Presentations

None.

Council Business

Councilor Uffelman announced that he would like to start a discussion on how to use the additional property taxes we will be receiving soon. We need to have an outline established that will determine how to best utilize this and would like to have a workshop in the fall in September.

Steve Forrester, City Manager explained that the city has modeled what we expect to happen revenue wise and have very comprehensive framework. We could talk about it at an upcoming meeting and schedule a retreat to bring Council up to speed.

Mayor Beebe stated that he is still missing three reviews and would like to schedule Mr. Forrester's review at the end of August.

Staff Reports and Requests:

2. City Manager's Report– Steve Forrester

Mr. Forrester went through his Manager's Report for each department. He added that the Main Street arch will have the letters backlit and Chief Seymour has been sworn in and will have the public swearing in at the next Council meeting. League of Oregon Cities conference information for registration is out.

Jered Reid, City Attorney referred to the memo he prepared to notify Council of a pump that went out on one of the wells. Mr. Reid talked about requirements for competitive bids, exceptions for an emergency and the requirement to notify Council if an exception occurs.

Casey Kaiser, Senior Planner / Public Works, Director and Jake Zeigler, Public Works Superintendent talked about the importance of this well that went out Monday, the high temperatures and maintaining levels. The last pipe is going in at this very moment and required the contractor to drive to the Salem area and back Monday evening to get a new pump and started working on it right away.

Everyone thanked the Public Works crew for getting this taken care of so quickly and that they did great work.

Mr. Reid explained he has another issue to discuss regarding Measure 109 which was passed by the voters in 2020 allowing use of psilocybin mushrooms. Oregon is the first state to allow use of this substance. The rule process will take a couple of years to develop with Oregon Health Authority. Voters in Crook County opposed this measure.

Mr. Reid continued that this measure is different than the marijuana one and also presents a land use problem. The mushrooms can only be administered in these centers.

Discussions continued regarding not wanting this in Prineville until there are rules and guidelines, how it is administered or if people could bring them home, if there are therapeutic centers in Prineville yet which there isn't.

Mr. Reid said that he will bring back more information on this and two ordinances to the next meeting for council to decide if they want to ban it permanently or temporarily.

Committee Reports

There were no committee reports.

Ordinances:

None.

Resolutions

3. Resolution No. 1532 – Approving a Personal Services Agreement with GSI Water Solutions – Lisa Morgan

Lisa Morgan, City Recorder/Risk Manager presented the staff report explaining that this is on behalf of Central Oregon Cities Organization (COCO). She provided background information and water matters that need to be acted on regionally.

Mr. Forrester talked about mitigation credits and how that works.

There were no questions.

Councilor Uffelman made a motion to approve Resolution No. 1532. Motion seconded. No discussion on motion. All in favor, motion carried.

Visitors, Appearances and Requests:

Scott Smith talked about the positive relationships that have been developed with our vendors and contractors throughout the years that allowed us to get the pump on the well fixed so quickly.

Mr. Forrester added that Mr. Smith was a big part of that relationship building.

Councilor Uffelman congratulated Mr. Zeigler for his work on getting the well on-line again.

Councilor Merritt asked about the length of each of the microphones and if there could be other ones. Mr. Forrester asked Mr. Antram to look into new ones.

Adjourn

Councilor Law made a motion to adjourn the meeting. Motion seconded. No discussion on motion. All in favor, motion carried.

Meeting adjourned at 6:48 P.M.

Motions and Outcomes:

Motion:	Outcome	Beebe	Hutchison	Jungmann	Law	Merritt	Papke	Uffelman
Consent Agenda	PASSED	Y	Y	Y	Y	Y	-	Y
Resolution No. 1532 – Approving a Personal Services Agreement with GSI Water Solutions	PASSED	Y	Y	Y	Y	Y	-	Y
Adjourn Meeting	PASSED	Y	Y	Y	Y	Y	-	Y

Public Records Disclosure

Under the Oregon public records law, all meeting information, agenda packets, ordinances, resolutions, audio and meeting briefs are available at the following URL:

<https://www.cityofprineville.com/meetings> .



CENTRAL OREGON

INTERGOVERNMENTAL COUNCIL

Prineville City Council – May 2022



COIC MISSION

COIC supports the region as a trusted leader and partner, helping communities identify and address their unique and common needs through collaboration, shared service delivery, capacity building, technical assistance, information sharing, and resource development.

5 CORE SERVICE AREAS

ADULT

*Adult &
Employment
Training/
WorkSource*

YOUTH

*Youth Employment
& Training/
Compass*

Youth Education

CED

*Community &
Economic
Development &
Loans*

Transit

*Transportation/
Cascades East
Transit (CET)*

COIC

ADULT EMPLOYMENT & TRAINING

Primary Mission: to help Oregonians find jobs or prepare for better jobs

Service Delivery:

Work Source Centers (the State's public workforce system)

East Cascade Works – Workforce Investment Board

Communities:

Bend, Redmond, Madras, Prineville , La Pine



ADULT EMPLOYMENT & TRAINING

Primary Mission: to help Oregonians find jobs or prepare for better jobs

Activities:

- *Skills enhancement and training*
- *Interview Coaching, resume building*
- *Job search assistance*
- *On-the-job training*

New resource:

Mobile Employment Lab – bringing direct support to job seekers & communities



YOUTH EDUCATION, EMPLOYMENT, & TRAINING

Primary Mission: to serve at-risk youth through education and work experiences

Mission:

To serve at-risk youth ages 16-24 through:

- *Alternative education services*
- *Paid work experiences*
- *Training/mentoring*
- *Job placement & post-secondary services*

New in 2022: Prineville is a focus area for the new Central Oregon Wildfire Workforce Partnership – COIC and HOC youth crews will be doing wildfire fuels treatments.



YOUTH EDUCATION, EMPLOYMENT, & TRAINING

Primary Mission: to serve at-risk youth through education and work experiences

Service Delivery:

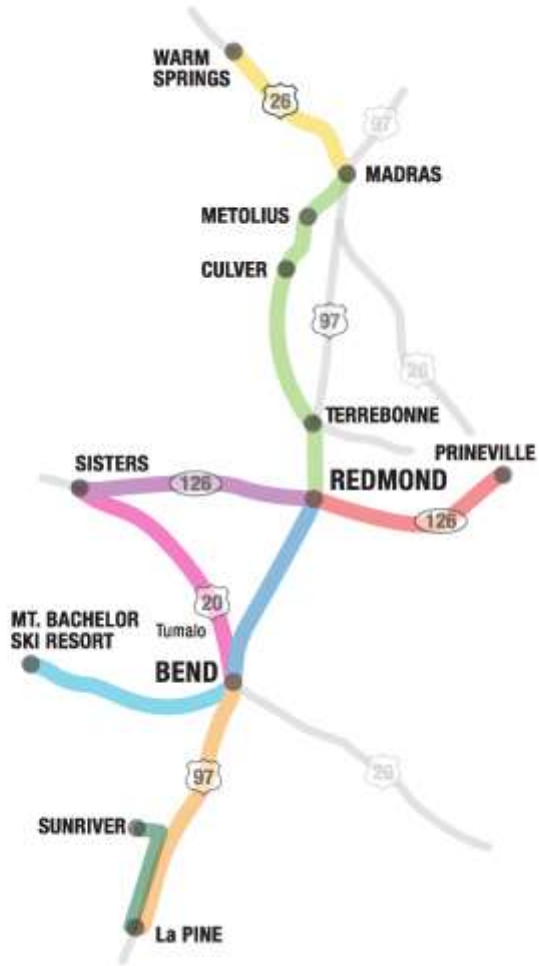
Alternative Education Schools located in La Pine, Bend, Redmond, Prineville, & the Deschutes County Juvenile Justice Center (DCJCJ) facility.

Activities:

- *Credit recovery, HS diploma & GED*
- *Work experience year-round model & individual placements in both public/private sector business*



TRANSPORTATION – CET Bus Services



TRANSPORTATION – CET Bus Services

✓ Call & Dispatch Center

For regional transit services, operated from Antler Facility in Redmond

✓ Fixed Routes in Bend

+ Redmond 2022

✓ Dial-a-Ride Services

*Rural Dial-a-Ride Service open to the general public
Bend Dial-a-Ride services for qualifying persons only*

✓ Recreational Shuttles

Mt. Bachelor, Ride the River, Lava Butte, (Smith Rock discussions ongoing)

✓ Community Connector

Throughout all of Central Oregon

✓ Emergency Support

Wildfire evacuees, shuttles to support unhoused community members



COMMUNITY & ECONOMIC DEVELOPMENT – Loans & Grants

Program	Eligible Areas	Key Features	Amount	Loan Approval
COIC Economic Development Administration (EDA) Revolving Loan Fund	Small businesses in these counties: Deschutes, Cook, Jefferson, Klamath, Lake, Harney	Can be used to purchase or construct a building, purchase equipment, or for working capital or debt refinance in some cases. May be used alone or in conjunction with a bank loan	\$250,000 maximum loan (can loan more with EDA approval), minimum \$25,000	COIC Board of Directors make final decision
2020 EDA CARES ACT Loan Fund	Same area	Same – but allows lower interest, deferred payments, no capital leveraging requirement, etc.	Same maximum, no minimum	Loans \$20K or less do not require COIC Board approval.
COIC USDA Intermediary Relending Program (IRP) Revolving Loan Program	Small businesses in these Counties: Deschutes, Crook, Jefferson, Klamath, Harney, Malheur, Hood River, Sherman, Wasco, Lane, Douglas, Coos, Curry, Josephine, Jackson, City must be under 50,000 people	This is a program that emphasizes rural areas. Any business purpose is eligible. May be used alone or in conjunction with a bank loan	\$250,000 maximum loan	COIC Board of Directors make final decision
Jefferson County Revolving Loan Fund	Small businesses in Jefferson County	Any business purpose is eligible. May be used alone or in conjunction with a bank loan.	Jefferson County Commission determines loan limit case by case	Jefferson County Commission makes loan decision

COMMUNITY & ECONOMIC DEVELOPMENT – Loans & Grants

COIC Loans Program:

The COIC Revolving Loan Fund Program (EDA & IRP) has:

Current portfolio balance is \$2.7 million. Approximately \$4.0 million is available to lend.

Loan Program from Inception:

200 loans totaling more than \$18 million.

Supported projects totaling more than \$45 million.

Supported the creation or retention of approximately 1,200 jobs

COVID Funds: Supported regional cities/counties to distribute over \$9M to nearly 1000 small businesses

COMMUNITY & ECONOMIC DEVELOPMENT

3 Core Functions:

Regional Coordination and Collaboration

- *Regional needs identification*
- *Regional collaborative processes to address difficult problems affecting multiple organizations*
- *Helping develop or strengthen regional organizations to better meet needs.*
- *Regional policy issues*

Regional Planning

- *Meeting state or federal requirements to identify needs and access funding*
- *Ad hoc regional planning processes identified as useful by the COIC Board or partner organizations*

Project Development & Technical Assistance

- *Working with community partners and citizens to identify priority projects and get them funded*
- *Assisting local governments in meeting state or federal requirements*
- *Project management*
- *Completing local plans*

NEW PROGRAM: COMMUNITY RESOURCE DEVELOPMENT

Prineville is eligible for subsidized grant research/grant writing

Services include:

COIC has received investments from the state and The Ford Family Foundation to support rural community grant writing

1. Project Conceptualization
2. Resource Prospecting
3. Grant Writing
4. Grant Administration

COIC can offer all or any one of these four services.

If interested, let's discuss! Scott Aycok at scotta@coic.org or 541-508-8753

REGIONAL HOUSING COUNCIL

Regional Housing Leadership Pilot with the Following Goals:

- Provide a space for decision-makers (elected officials and administrators) to discuss local and regional housing issues, share best practices.
- When appropriate, create a regional "one voice" on housing programs and policies with the state.
- Work together to identify and fill gaps regarding housing and homelessness programs and systems.

COIC already convenes a group of local service providers, developers, etc. as "Housing for All" - this group will serve as a stakeholder advisory committee to the RHC.

The RHC membership will identify any additional goals 21 at they want to take on.

NEW PROGRAM: REGIONAL HOUSING COUNCIL

COIC is working with the state – Oregon Housing Community Services & Department of Land Conservation & Development to designate the RHC as a pilot & to provide means for engagement with the state. Early discussions have been very positive.

What it is NOT:

- *A compulsory or regulatory body*
- *A top-down state-managed effort. This is made in Central Oregon, and intended to serve your needs.*

Request:

- *If desired, meet with COIC staff to discuss the RHC concept further.*
- *Designate an elected official to serve on the RHC, and a staff liaison. We anticipate quarterly meetings, unless the RHC desires to meet more frequently.*

PRINEVILLE & REGION-WIDE PROJECTS

Prineville:

- *Adult & Youth Collaboration – Hard Hat in Hand Program*
- *Employment Counselor – career counseling & local appointments at library*

Crook County:

- *Juniper Canyon Alternative Access project*
- *Ochoco Trails – facilitation, funding, other technical assistance*
- *Youth Employment partnership with Crook County School District – Pioneer Alternative School*
- *Summer work crew, paid internships, drone classes, college gap funding*

Region-Wide:

- COVID-19 Economic Recovery Plan
- Small Business Support Grants
- CORE3 Regional Emergency Coordination and Training Center
- Deschutes Basin Water Collaborative – building Plan to meet the water needs for agriculture, the river, and growing communities.
- Broadband Needs Assessments and Action Plans

Thank you!

 **Tammy Baney, Executive Director**
Scott Aycock, Community & Economic Development Director

We are here to serve and support your community.

 Contact us at www.coic.org
tbaney@coic.org
scotta@coic.org

405 SW 6th Street
Redmond, OR 97756
(541) 923-1018



Presentation to
City of Prineville
City Council

July, 2022

Downtown Redmond Office



We know the way home.

HOUSING WORKS



We know the way home.

- Central Oregon Regional Housing Authority (CORHA)-
Re-branded as Housing Works in 2006
- ORS 456 – Public Corporation
- Established in 1977 by Deschutes and Jefferson Counties,
Crook County Joined in 2001
- We are one of the largest landlords in the region
- We help house about 2.5% of the households in the
region

HOUSING CHOICE VOUCHER PROGRAM



Housing Choice Voucher Program

- Over 97% of the Vouchers issued are currently leased
- 75% of the Vouchers are targeted towards households earning 30% of the Area Median Income
- “Specialty” vouchers include those targeting Veterans receive services from VA, Families reuniting from foster care and disabled households at risk of homelessness
- Typically, 10% of Voucher holder rent in Prineville

Housing
Choice
Voucher
Program

1,430
Households
Served,
More than
\$10 M in
Rental
Assistance

RESIDENT SERVICES



Families Forward
501(c)(3)
Over 2000
people served

- The Environmental Center - recycling and waste management education and initiatives
- Parks and Recreation Departments - expanded youth program participation
- Additional partnerships: eviction prevention, employment services, recreational opportunities, resource acquisition, and family support services.
- Thrive Central Oregon providing in-house social services to HCV participants and residents of our communities
- Latino Community Association of Central Oregon

FAMILY SELF-SUFFICIENCY



PATHWorks/Family Self-Sufficiency Program

- Served 120 households through Family Self-Sufficiency (FSS) Program
- Assisted 7 families in purchasing homes utilizing HCV vouchers, Individual Development Accounts, ground lease and down payment assistance programs
- Assisted 50 new households with security deposit loans or grants and six households with credit builder loans

FAMILY SELF-SUFFICIENCY



Jeremy and Heather Church Family of 7

- Jeremy works fulltime for Great Northern Window
- Heather works part-time for T-Mobile-Opening new store in Prineville
- Jeremy earned AA and Heather Bachelor's degree in 2018
- Enrolled in Tutor Home program 2020 and Family Self-Sufficiency program in 2021
- Opened 3 to 1 saving account (IDA) for homeownership in 2021
- Goal to become homeowner in next 2 to 30 years

HOUSING WORKS NEW PROGRAMS



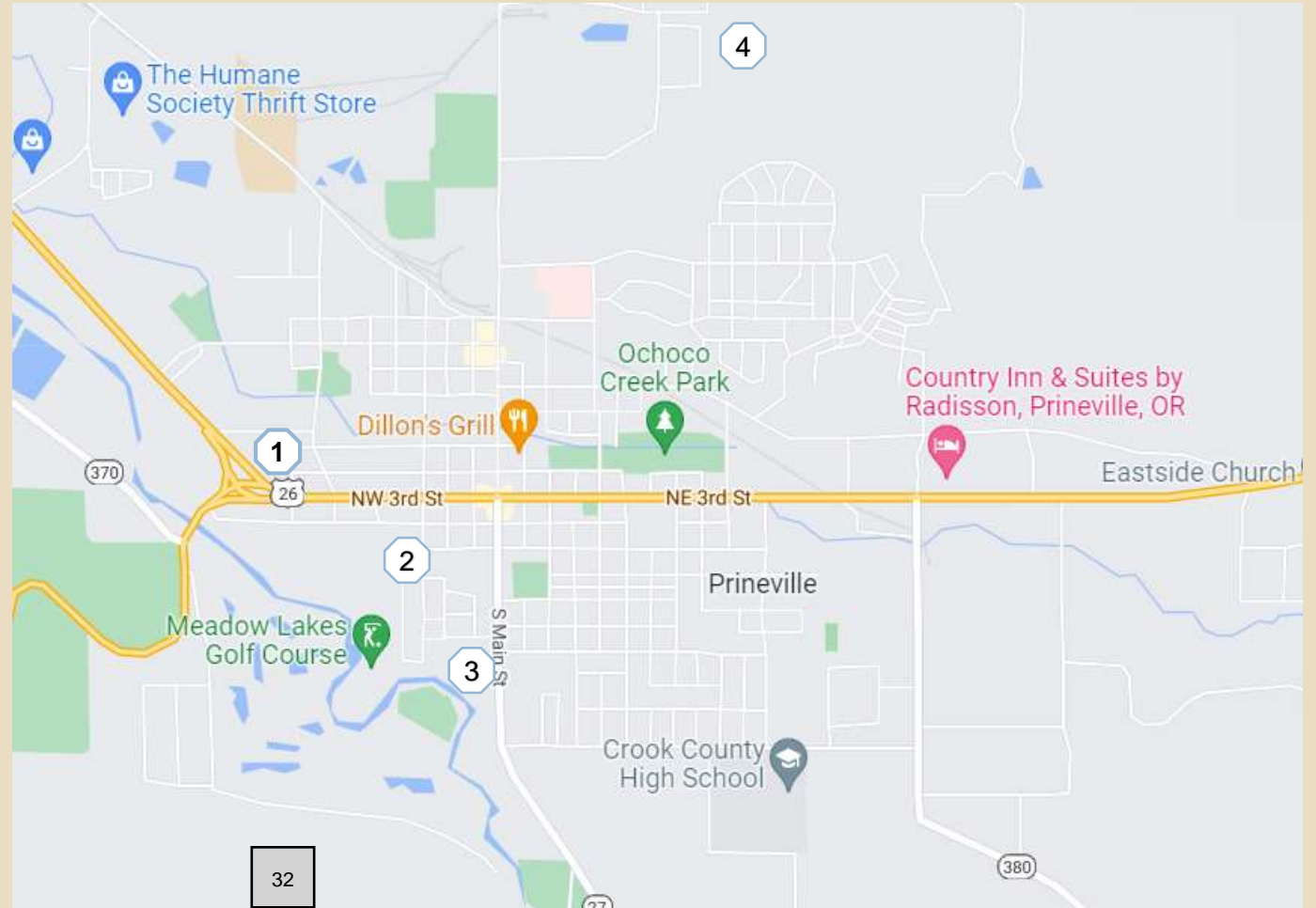
Brand New Programs

- Landlord Compensation Fund Program –Administering over \$7 million in funds compensating landlords for losses incurred due to COVID-19.
- Awarded 96 Emergency Housing Vouchers in 2021 should all be leased by August of this year. EHV's are designed to support Homeless, Domestic Violence Survivors and Victims of Human trafficking.
- Barrier Busting – Programs designed to support voucher holders overcome leasing barriers like high security deposits and multiple application fees.

INVESTING IN COMMUNITY



1. Ochoco School Crossing
(29 Units)
2. Prairie House
(8 Units Special Needs)
3. Riverside Apartments
(40 Units Senior)
4. Barnes Butte Vista
(44 family/workforce)



HOUSING WORKS' LARGER PRINEVILLE COMMUNITIES



Ochoco School Crossing

29 unit family community with an Early Learning Hub and CCRPD Gym

Acquired and repurposed in 2018

Riverside Apartments

40 unit senior community

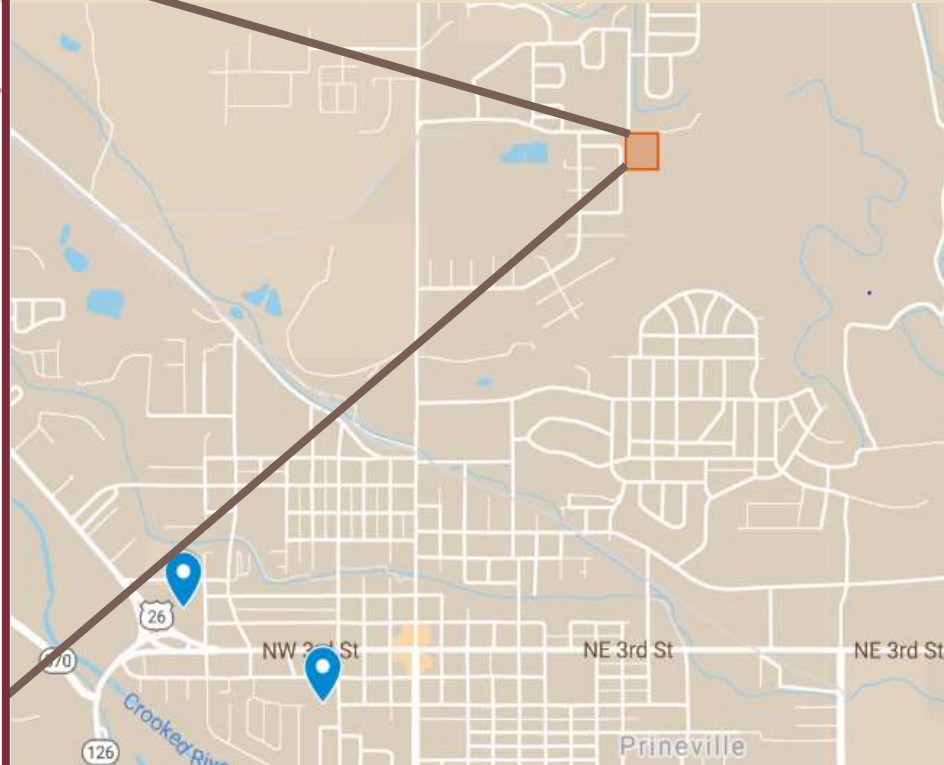
Acquired and rehabbed in 2013



NEWEST PLANNED COMMUNITY IN PRINEVILLE



Barnes Butte Vista



- Spring 2022
- 9.7 Acres
- 44 units of townhome style family housing
- 4.5 acre park dedication

PRINEVILLE HOUSING REALITIES



- The rental vacancy rate in Prineville in 2019 was 2.6%
- Prineville was the 12th fastest growing city in Oregon between 2014 and 2019
- 59% of Prineville renters paid more than 30% of their incomes on rent in 2019. That percentage has probably increased.
- 2019 median rents were \$837 vs \$616 in 2014.
- There were 40 homeless in Crook County in 2020 and that number is down from 67 in 2018

THINGS TO CONSIDER...



- Establish a construction excise tax to support affordable housing development.
- Establish areas zoned within the City for multifamily development “by right” at 20 du/acre or more.
- Make surplus City property within City UGB available for development of deed restricted affordable housing development.

THANK YOU!
QUESTIONS?



Flexible community support is cornerstone of strategy

- o Unique rural communities
- o Complex processes: infrastructure planning and deployment

Assessments will provide clear guidance on needs, and how to proceed

- o Research / stakeholder alignment
- o Data / GIS work
- o Evaluation of assets and partner opportunities
- o Grant and funding landscape
- o Output: Step by step plan to efficiently achieve broadband goals

Execution support as needed to build on assessment phase

- o Feasibility work
- o High level network designs
- o Financial modeling
- o Fundraising support

The Rural Innovation Hub process is a bit more time consuming. It sounds like a 3-6 person team from the community works best and different entities represented in other communities are listed on one of the slides in their RII deck. Here's the process and time commitment for this portion:

Steps on the rural digital economy path



We are able to select either, both, or none of the above. Let me know if something else would be more helpful for Council and if you have any questions on the information.

Thank you!

Kelsey Lucas

Prineville/Crook County Director



CENTER ON RURAL INNOVATION

Building the future of rural America

Accelerating Digital Job Growth and
Scalable Startups



The Center on Rural Innovation

Advancing inclusive rural prosperity through digital economy ecosystems that support scalable entrepreneurship and tech job creation.

We need more rural digital jobs

4.3%

The innovation economy grew 4.3% faster than the overall economy from 1997-2017...

97%

of tech jobs were created in metro areas since 2010*

\$88,240

is the median annual wage for tech jobs vs. \$39,810 for all other jobs

Steps on the rural digital economy path



Assessment

Report on assets, challenges, early recommendations

Your Time:
~5 hrs/wk
8 wks



Strategy

Place-based five year vision and strategy for all Direct Drivers

Your Time:
~10 hrs/wk
7 wks



Funding

Federal grant proposal to implement part of strategy

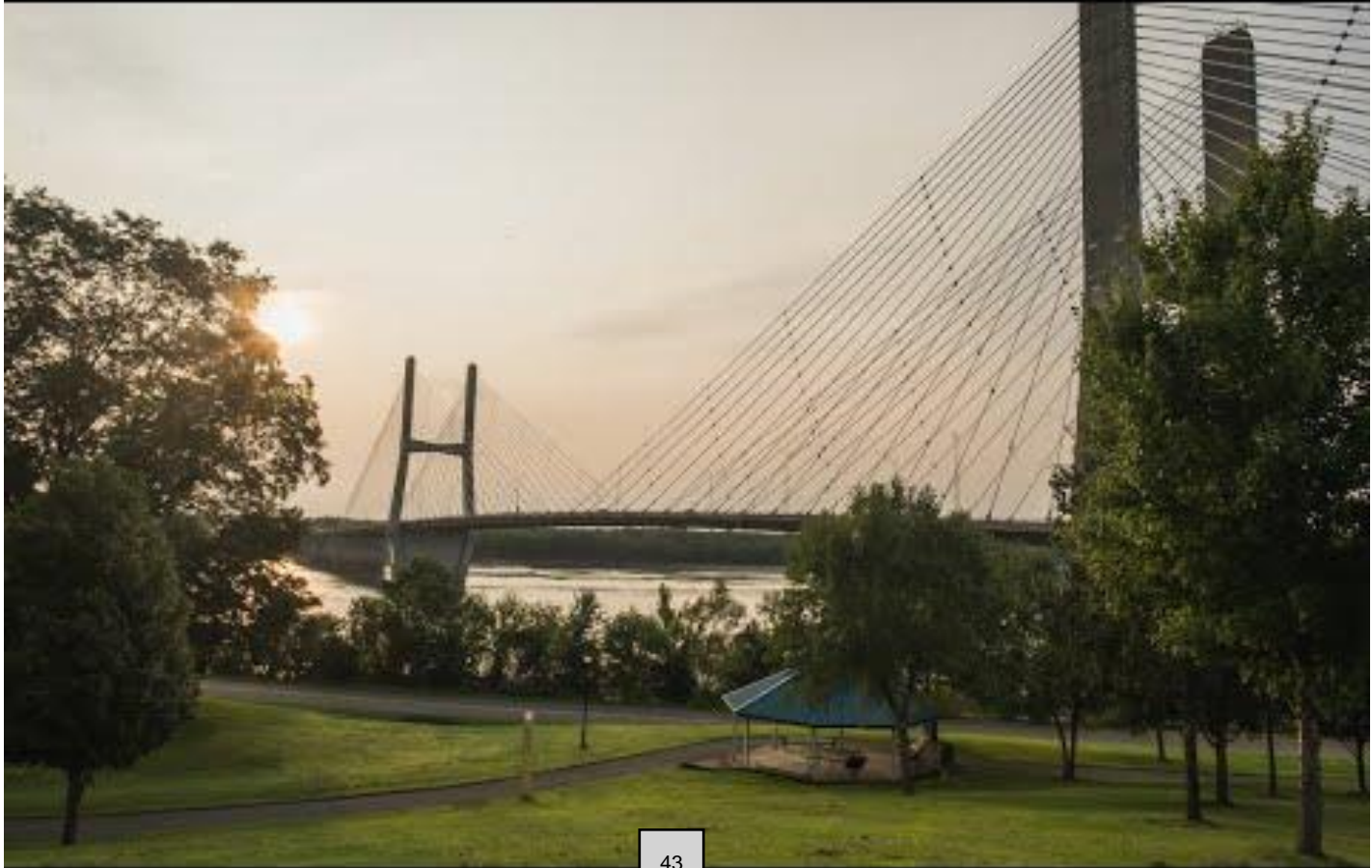
Your Time:
~15 hrs/wk
12+ wks



Network

Community of practice, tactical support

Cost: 1st year included



The results so far



- **50 tech startups** launched
- More than **180 jobs** created
- **\$20M in equity** raised
- **150 adults trained** to code
- **1000 kids** participated in Youth Coding League



Funding the work

Cape Girardeau awarded an i6 grant in 2019 to

- Service startups
- Develop community connections
- Address local industry problems
- ...and more

Federal Share: \$746,000.00

Local Match: \$1,483,600.00

Total: \$2.2M project



Formerly known as “i6 Challenge

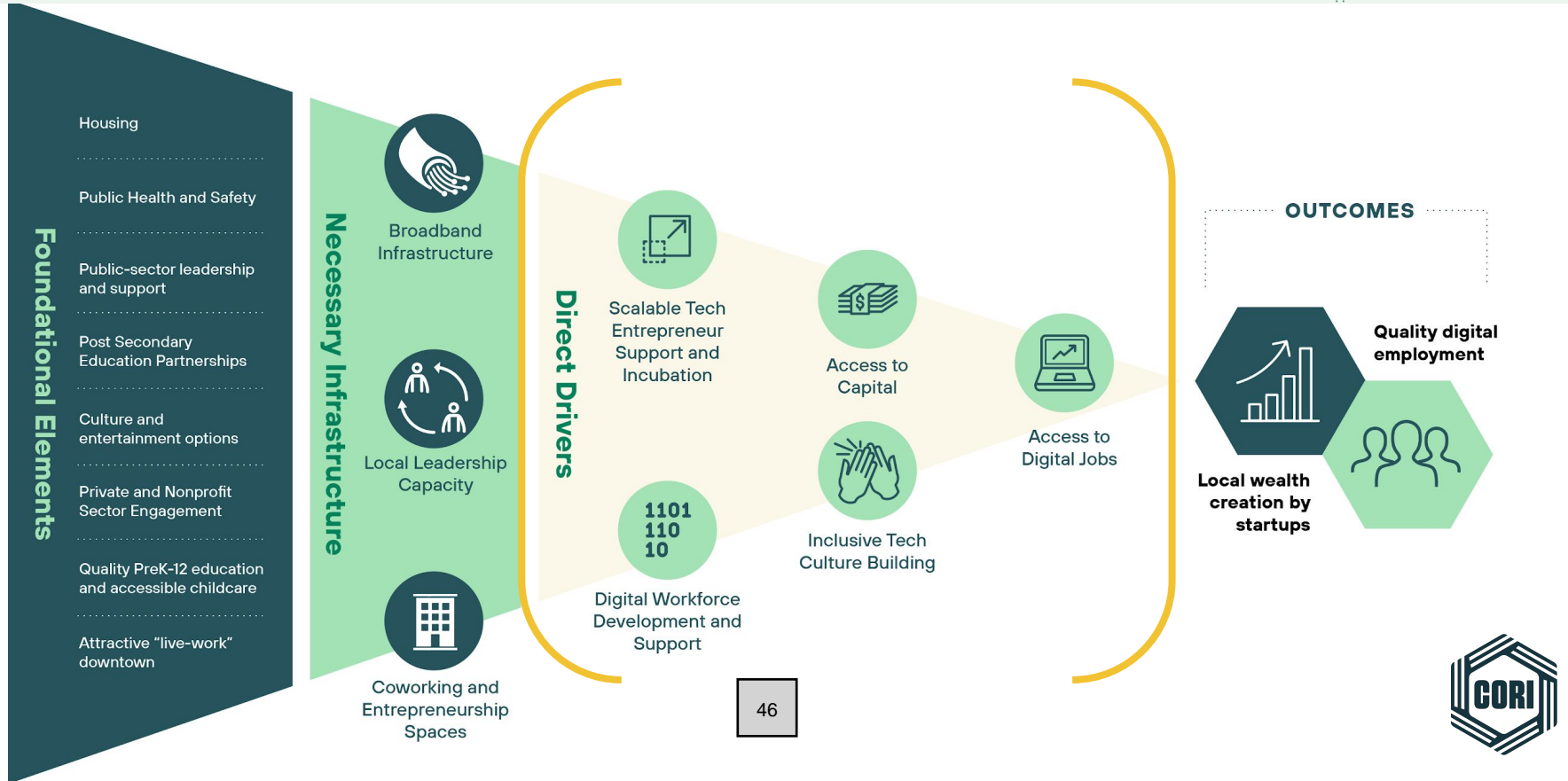
1:1 Match

3 year projects

Supports scalable tech company growth in communities

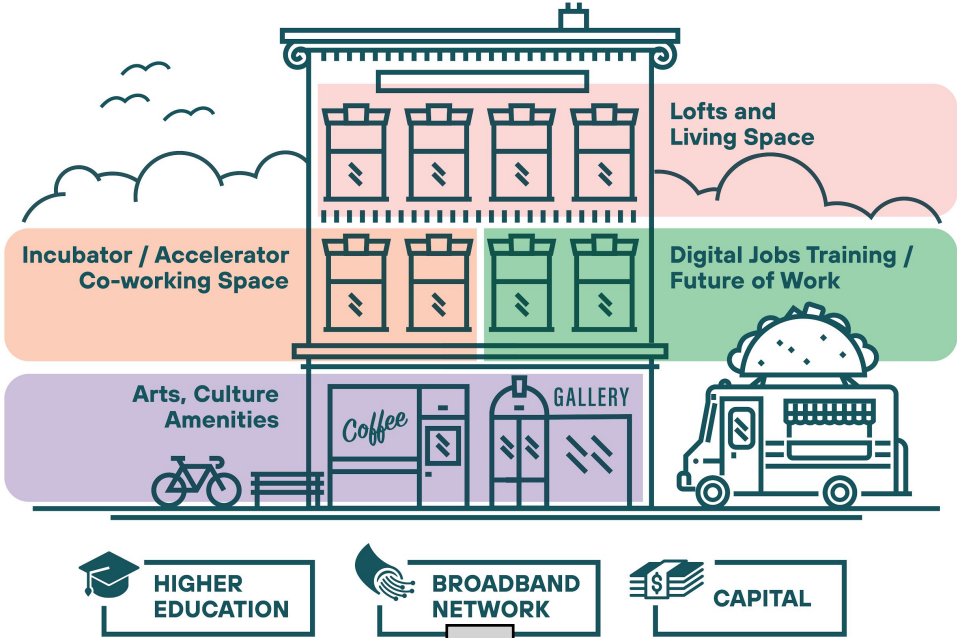
“Place-based, bottom-up, specific to your region’s needs”

Elements to enable tech economies in rural communities



What a digital economy looks like

CORI's Innovation Hub Model



CORI's Rural Innovation Initiative

We've helped our communities raise more than \$17M in federal funding and matching dollars through the highly competitive Economic Development Administration's Build to Scale Venture Challenge Grant.



A Community of Practice



Knowledge & Coaching

- ❑ Creating spaces for you to learn together with other ecosystem builders
- ❑ Webinars, Working Groups, Toolkits, Resources, and more!



Exposure

- ❑ Support for local startups and increasing local tech talent
- ❑ Comprehensive approach to highlighting network communities



Connections

- ❑ Peer sharing and learning opportunities
- ❑ Annual Network Summit

*By creating a national **network** of innovation hubs for our members to access, we are able to **accelerate** their learning and **amplify** their work on the ground.*

Steps on the rural digital economy path



Assessment

Report on assets, challenges, early recommendations

Your Time:
~5 hrs/wk
8 wks



Strategy

Place-based five year vision and strategy for all Direct Drivers

Your Time:
~10 hrs/wk
7 wks



Funding

Federal grant proposal to implement part of strategy

Your Time:
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12+ wks



Network

Community of practice, tactical support

Cost: 1st year included

Core team & partner engagement

Core Team: The 3-6 people involved in weekly check-ins, planning, and strategizing with the CORI team.



To consult: Other subject matter experts or stakeholders, local or external to region. *e.g. entrepreneurs, affinity groups or organizations etc.*

Keep informed: Not directly involved in effort, but important to keep updated. *e.g. state representatives*

Examples of core team members

- **Economic Development Organizations**
- **Entrepreneurship** or small business **organizations** (e.g. SBDC, entrepreneurship centers, chambers of commerce)
- **Post-secondary institutions** (e.g. entrepreneurship, computer science, continuing education programs)
- **Workforce development boards**
- **Makerspaces & coworking spaces**
- Local **tech employers** and **anchor employers**
- Local **government** (e.g. city managers, planners)
- **Organizations that support underrepresented groups** (e.g. Hispanic Business Association, Boys & Girls Club, Women's groups etc.)
- **Organizations trusted by the demographic/ cultural group you want to reach** (e.g. Churches/Faith Leaders, Local leadership/Community representatives)

Next steps

We would love work with you if you are interested!

- Want to build a digital economy strategy? kaitlin.klaustermeier@ruralinnovation.us
- Want to learn more about our broadband work? alex.kelley@ruralinnovation.us

Thank you!





Rural
Innovation
Strategies Inc.

RURAL INNOVATION STRATEGIES, INC.

Broadband Planning: Crook County, OR

July 2022



RURAL INNOVATION STRATEGIES, INC.

AGENDA

01. INTRODUCTIONS
02. BROADBAND LANDSCAPE TODAY
03. GOALS AND PROCESS
04. EXAMPLES OF WORK
05. NEXT STEPS & ACTION ITEMS



Rural Innovation Strategies, Inc.

RISI uses data-driven strategies, leading-edge geospatial tools, and digital economy expertise to help partners and clients advance inclusive economic prosperity in small towns across rural America.



Broadband is critical infrastructure

It supports the foundation of 21st-century life:



And, everyone is focused on it.

There has been an incredible increase in public spending on broadband since the start of the pandemic.

- In 2019: Less than \$600M in federal grants and loans designated for broadband
- Since then: Close to \$130B available for broadband deployment over the next seven-plus years

The surge in investment has changed the game

- There's an increasing emphasis on fiber, as well as adoption/affordability
- Grant programs are seeing major oversubscription — there's more competition than ever before
- Grant programs are prioritizing projects that demonstrate community involvement, public/private cooperation
- Digital opportunity and adoption is increasingly woven into all aspects of this work - there will be funding for almost every aspect of broadband

The bottom line?

We're looking at, potentially, the best (and last) chance to connect rural places with this significant public funding opportunity.

Work done this year and next will have a impact on communities for decades.

Our goals

- Facilitate future-proof broadband in rural America
- Help communities harness once in a lifetime opportunities for connectivity
- Support digital economic growth and entrepreneurship



Flexible community support is cornerstone of strategy

- Unique rural communities
- Complex processes: infrastructure planning and deployment

Assessments will provide clear guidance on needs, and how to proceed

- Research / stakeholder alignment
- Data / GIS work
- Evaluation of assets and partner opportunities
- Grant and funding landscape
- Output: Step by step plan to efficiently achieve broadband goals

Execution support as needed to build on assessment phase

- Feasibility work
- High level network designs
- Financial modeling
- Fundraising support

Selection of past projects can give you an idea of what's possible



1. Qualitative and quantitative assessment of community broadband challenges (lack of infrastructure, affordability, lack of competition, service quality, etc)
2. Feasibility study and business plan for new network deployments (municipally owned, PPP, utility-owned, etc)
3. Broadband subsidy enrollment campaign
4. Community survey (and/or pre-subscription campaign)
5. Analysis of municipal actions to improve viability of private investment
6. Broadband workforce needs analysis
7. Digital equity and digital adoption planning / analysis
8. Grant-writing and fundraising
9. Assistance with RFP process and/or vendor selection

PROPOSED ACTION ITEMS

1. **Follow-up conversations**

Who do we need to talk with to get a deeper understanding of broadband challenges in your community?

2. **Check-in meetings**

Proposed at every other week

3. ***Other items from today's discussion***





STAFF REPORT

MEETING DATE: 7/26/2022 **PREPARED BY:** Mike Kasberger

SECTION: Staff Reports and Requests **DEPARTMENT:** Public Works

CITY GOAL: Fiscal Responsibility, Provide Quality Municipal Service & Programs

SUBJECT: Intent to award Deer Street from 1st to 3rd water line replacement

REASON FOR CONSIDERATION:

The City has identified a section of water transmission line on Deer Street from West 1st Street to NW 3rd Street as needing to be replaced.

BACKGROUND:

This section is currently an OD&W pipe and will be replaced with the City standard C-900. We are replacing this section this year as we are scheduled to pave that street next year.

FISCAL IMPACT:

This project is a budgeted item, has been publically bid and will come out of the capital improvements budget. We received 2 bids on July 19th and the results are as follows:

Taylor Northwest	\$277,887.00
SMAF	\$345,263.47
Engineers Estimate	\$250,000.00

RECOMMENDATION:

Staff recommends that council approve the intent to award the Deer Street from 1st to 3rd waterline replacement to Taylor Northwest in the amount of \$277,887.00.

City Manager Update to Council

Council Meeting July 26, 2022

Public Safety / Dispatch

The Police Department and Dispatch are both doing great at recruiting and are on their way to be fully staffed. Two recruits for PD will be starting the academy and should be fully trained by June 2023.

Public Works

The 6th Street Waterline project is completed. The chip seal of South Main Street, south of Lynn Boulevard project went really well with the County and traffic delays were down to the minimum. There were some good projects completed in the last week and they were able to check off quite a few off their list.

Rail Road

The Railroad is expecting an uptick in rail car storage. Krah is super busy at the Railroad and working their pipe manufacturing 24/7 with a lot of pipe moving out the gate. Superior at the Junction in Redmond is expanding their footprint as well.

Meadow Lakes Golf

July numbers came in good. Meadow Lakes has two championships coming up the next two weekend. The course has been receiving more compliments than usual on how great it looks. August has many events booked and will be busy. Ron's Comfort Food is still on Wednesday – Saturday dine in hours, with snack bar open the other days.

Airport

Airport numbers came in looking pretty good. There is a lot of activity and air traffic up there.

Planning

The Planning Department is reporting that applications are still coming in. Housing Works will be opening their development on July 27th which will add 40 new housing units to the inventory. The bigger developers are still moving forward with houses, but have slowed down how many at a time. Wilco is moving right along now and going vertical.

Human Resources – No Update

Information Technology

Is busy with many projects across the board including annual maintenance programs that are beginning of the new fiscal year.

Finance

We have a new Finance team member that joined us last week! Please welcome Corina Davis to the team. Finance is busy with year-end and beginning the audit phase.

City Recorder/Risk Management

City Legal – No Update

EDCO

EDCO has been busy with many inquiries and existing businesses that have an interest in locating here because of significantly rising rents in other areas of the region.

Public Relations

The Barnes Butte Recreation Area photo contest is underway with forms and giveaway prizes available at the front counter for the scavenger hunt.

Mayor/Council

Please don't forget to sign up for the LOC annual conference in October. Registration is open now.



STAFF REPORT

MEETING DATE: 7/26/2022 **PREPARED BY:** Jason Wood

SECTION: Staff Reports and Requests **DEPARTMENT:** Public Works

CITY GOAL: Fiscal Responsibility, Provide Quality Municipal Service & Programs

SUBJECT: NPDES Permit Renewal Sampling Requirements

REASON FOR CONSIDERATION:

The Oregon Department of Environmental Quality (DEQ) has required the City to substantially increase their wastewater sampling and testing efforts over the next two years.

BACKGROUND:

The DEQ has scheduled the City's NPDES Permit for renewal in 2024. As a part of this process, the DEQ has required the City to perform extensive sampling and wastewater testing over the next two years. City staff and Anderson Perry & Associates, Inc. (AP) have worked with the DEQ to lower the impact of these sampling efforts to the City. See the attached memorandum from AP for more information regarding the sampling requirements from the DEQ and the efforts taken to minimize the financial impact to the City.

FISCAL IMPACT:

Lab fees associated with sampling efforts are anticipated to cost the City approximately \$125,000 over the next two years.

RECOMMENDATION:

It is recommended that the sewer budget be increased to accommodate the anticipated increase in sampling costs. In addition, a rate increase may be needed to cover these costs. As the City grows and the need for more testing is required we are also looking at the option of having our own lab to better serve our Treatment Plant and help offset testing costs.

Please review technical memo. Thank You

MEMO

To: City of Prineville City Council

From: Treyton Moore, P.E.

Subject: **City of Prineville, Oregon - National Pollutant Discharge Elimination System (NPDES) Permit Renewal 2024 Sampling Request from the Oregon Department of Environmental Quality (DEQ)**

Date: May 24, 2022

Job/File No. 1260-05-02

cc: Eric Klann, City of Prineville (w/encl.)
Jason Wood, City of Prineville (w/encl.)
Jacob Zeigler, City of Prineville (w/encl.)
Brett Moore, Anderson Perry & Associates, Inc. (AP) (w/encl.)

Introduction

The City's NPDES Permit for the wastewater treatment plant (WWTP) expired in 2016. The DEQ is just now looking to renew the City's NPDES Permit and has scheduled to do so in 2024. As a part of the renewal process, the DEQ requires extensive water and wastewater monitoring and sampling. The purpose of this memo is to outline the impacts of these sampling requirements to assist the City with implementation.

Initial Sampling Request

On March 28, 2022, the DEQ sent a Request for Supplemental Information/Data to City staff (see Attachment 1). The intent of the request was to have the City collect data throughout the next few years to help keep the DEQ informed as they prepare the City's new NPDES Permit. The data would be used to determine background pollutant levels in the Crooked River and the City's wastewater and to determine which pollutants would require permit limits in the City's new WWTP NPDES Permit. Although the DEQ requested the extensive data collection to minimize the potential for new or more stringent permit limits for the City's WWTP, the initial Request for Supplemental Information/Data would have substantial economic impacts for the City.

Based on discussion with City staff and Box R Water Analysis Laboratory, it was initially estimated that the lab fees for sampling efforts as originally requested by the DEQ would cost the City approximately \$225,000 over the next two years. For this reason, City staff and AP worked to see if the sampling efforts could be reduced to decrease impacts to the City while still providing the DEQ with enough data to minimize the risk of having new or more stringent permit limits implemented. The DEQ requiring these substantial sampling requirements is due to increasing regulations from changes in legislation and DEQ settlements due to third-party lawsuits.

Final Sampling Requirements

On April 11, 2022, City staff and AP met with the DEQ to discuss the March 28, 2022, Request for Supplemental Information/Data. Based on this discussion, the overall sampling effort was reduced by changing where most of the sampling efforts would occur, and the DEQ sent out an updated sampling request on May 4, 2022 (see Attachment 2). Based on the updated sampling request and discussion with the lab, lab fees for the sampling effort are anticipated to cost the City approximately \$125,000 over the next two years.

Although the final estimated costs are still significant, we believe they have been minimized to the extent possible without increasing the likelihood that the City will receive more stringent and, ultimately, more expensive permit limits. As a result, any changes in permit limits or requirements should be directly related to increasing regulations.

Conclusion

After working with the DEQ, the sampling requirements were modified in a manner that reduces the requirements' economic impacts to the City. The estimates presented previously should aid the City in planning for the financial impacts involved with the renewal of their NPDES Permit and, therefore, in developing the City's sewer budget for the next fiscal year.

TM/cd
Enclosure

[https://andersonperry.sharepoint.com/sites/PrinevilleOR/Projects/1260-05 General City Engineering/000-014 General Files/002 Correspondence General/NPDES Permit Renewal Correspondence/Sampling Request Memo/Prineville City Council - Sampling Req.docx](https://andersonperry.sharepoint.com/sites/PrinevilleOR/Projects/1260-05%20General%20City%20Engineering/000-014%20General%20Files/002%20Correspondence%20General/NPDES%20Permit%20Renewal%20Correspondence/Sampling%20Request%20Memo/Prineville%20City%20Council%20-%20Sampling%20Req.docx)



2023 Legislative Priorities Ballot

Issued on June 10, 2022

Ballots due by 5:00 p.m. on August 5, 2022

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2023 Legislative Priorities Ballot – League of Oregon Cities

Background: Each even-numbered year the LOC appoints members to serve on 7 policy committees. These policy committees are the foundation of the LOC’s policy development process. Composed of city officials, these committees are charged with analyzing policy and technical issues and recommending positions and strategies for the LOC. Each committee provides a list of recommended policy positions and actions for the LOC to take in the coming two year legislative cycle. This year, all 7 committees identified between 3 to 5 legislative policy priorities to advance to the full membership and LOC Board of Directors.

Ballot/Voting Process: Each city is being asked to review the recommendations from the 7 policy committees and provide input to the LOC Board of Directors as it prepares to adopt the LOC’s 2023 legislative agenda. After your city has had an opportunity to review the proposals, please complete the electronic ballot indicating the top 5 issues that your city would like to see the LOC focus on during the 2023 legislative session.

Each city is permitted one vote. As such, each city must designate a person to enter the vote electronically on the below link. For those cities without electronic options for voting, paper ballots may be requested from LOC’s Legislative Director Jim McCauley at jmccauley@orcities.org.

Important Deadlines: The deadline for submitting your city’s vote is **5:00 p.m. on August 5, 2022.**

Ballots were emailed to the CAO of each city. If your city didn't receive the ballot, please email Jim McCauley at jmccauley@orcities.org.

Brought to you by the Community Development Policy Committee

Full Funding and Alignment for State Land Use Initiatives

Legislative Recommendation: *The LOC will support legislation to streamline and fully fund local implementation of any recently adopted or proposed state land use planning requirements, including administrative rulemaking.*

Background: Recent legislation and executive orders have made significant changes to the state’s land use planning process, including increasing burdens for local government. While the LOC shares the state’s policy goals, these updates have resulted in extensive, continuous, and sometimes conflicting rulemaking efforts that are not supported by adequate state funding. Cities simply do not have the staff capacity or resources needed to implement current requirements. Existing planning updates should be streamlined to enable simpler, less costly implementation and any new proposals should be aligned with existing requirements.

Local Funding to Address Homelessness

Legislative Recommendation: *The LOC will seek funding to support coordinated, local responses to addressing homelessness.*

Background: The LOC recognizes that to end homelessness, a statewide and community-based coordination approach to delivering services, housing, and programs is needed. Addressing homelessness will look different and involve different service provider partners from one city to the next, but one thing is consistent, addressing the crisis requires significant financial resources. While cities across Oregon have developed programs, expanded service efforts, built regional partnerships, and have significantly invested both their local General Fund and federal CARES Act and American Rescue Plan Act dollars into programs to address the homelessness crisis in their respective communities, the crisis continues. The homelessness crisis exceeds each city’s individual capacity – necessitating the need for meaningful fiscal support from the State of Oregon.

Infrastructure Funding to Support Needed Housing

Legislative Concept: *The LOC will support state funding for infrastructure needed to support needed housing.*

Background: As Oregon works to overcome its historic housing supply deficit, development costs continue to rise. Cities have limited tools to address the rising costs of infrastructure necessary to support the impact of new housing development. A statewide fund to address infrastructure costs and improve housing affordability is needed.

Economic Development Incentives (co-sponsor with Tax and Finance Committee)

Legislative Recommendation: *The LOC will support legislation to preserve and strengthen discretionary local economic development incentives including the Enterprise Zone (EZ), Long Term Rural Enterprise Zone (LTREZ) and Strategic Investment Program (SIP).*

Background: The EZ and LTREZ programs provide local governments the option to offer a temporary full exemption from property taxes for qualified new property of a business (3 to 5 years for the standard EZ and 7 to 15 years for the rural EZ). The SIP program allows local governments to offer a 15-year

partial exemption on the value of new property that exceeds a certain investment threshold (\$25 million to \$100 million depending on location and total project value). Recent studies by Business Oregon confirmed what city economic development professionals knew; these incentive programs are crucial for Oregon to remain competitive nationally and show massive benefits to Oregon in terms of jobs, enhanced economic activity, and tax revenues. The EZ and LTREZ programs will sunset in 2025 without action by the legislature, and “gain share” provisions of the SIP program transferring a portion of income taxes resulting from qualified projects to local governments will sunset in 2026. The LOC will advocate for sunset extensions and for changes that will improve the programs, and advocate against any changes that will reduce local control or devalue the incentives.

Community Resiliency and Wildfire Planning

Legislative Recommendation: *The LOC will support investments for climate and wildfire resiliency planning, as well as infrastructure upgrades, to fill existing gaps and assist cities in planning for extreme weather events and wildfire.*

Background: Oregon communities are increasingly looking for help planning for climate change impacts, including infrastructure upgrades, to handle extreme weather events. Cities of all sizes, especially small to mid-sized cities, need technical assistance and additional capacity to better plan for and recover from climate events and wildfire. Investments in infrastructure upgrades, repairs, and resiliency will help rebuild communities, better ensure equity and access to critical services, protect public health and the environment, improve community resiliency, and promote economic recovery.

Brought to you by the General Government Policy Committee

Protecting Public Employees and Officials

Legislative Recommendation: *The LOC will introduce legislation to protect the personal contact information of public employees and increase criminal sanctions when public officials and employees are subject to criminal activity connected to their service.*

Background: Cities have seen an increase in harassments, threats and property damage in recent years. Over 80 percent of city leaders who participated in a National League of Cities [report](#) on public civility indicated they had personally experienced harassing or harmful behavior because of their role as a public official. Additionally, an ambiguity in the phrasing in a statute intended to protect the private information of public employees may require an employer to release home addresses, personal emails and contact information.

Return to Work

Legislative Recommendation: *Eliminate the sunset on the ability of retirees to return to work.*

Background: PERS covered retirees are currently allowed to return to work without suffering a tax or pension penalty until 2024. Allowing retirees to return to work allows employers to fill critical vacancies while not paying pension and other costs in times of both fiscal hardships and workforce scarcity. The sunset was established as part of a compromise PERS reform package passed in 2017 but has been successful for retirees and employers.

Attorney Client Privilege

Legislative Recommendation: *Ensure that privileged communications between public bodies and officials and their legal counsel remain confidential indefinitely.*

Background: A recent court ruling limited public sector attorney client privilege to 25 years, which is identical to the lifespan of other public records exemptions. The LOC believes that public officials should have the same right to unimpeded legal counsel as all other attorney clients.

Address Measure 110 Shortcomings

Legislative Recommendation: *Restore criminal justice incentives for seeking treatment for addiction while ensuring a path for expungement for successfully completing a treatment program.*

Background: Oregon voters passed Measure 110 in 2020 which eliminated criminal sanctions for simple possession for most narcotic drugs and replaced them with a waivable \$100 ticket. A citation cannot be issued if a person seeks treatment by calling a treatment referral service. The measure also re-dedicated local marijuana revenue to harm reductions services. Those funds are now pooled and distributed by an oversight and accountability committee. Oregon’s overdose deaths continue to increase and funds that should have been distributed in January of 2021 are still not delivered. Additionally, problems related to drug abuse such as property crime have increased.

Brought to you by the Energy and Environment Policy Committee

Building Decarbonization, Efficiency, and Modernization

Legislative Recommendation: *The LOC will support legislation to protect against and rollback preemptions to allow local governments to reduce greenhouse gas emissions from new and existing buildings while ensuring reliability and affordability. Some initiatives may include a local option Reach Code, statewide home energy scoring or financial incentives like [CPACE](#).*

Background: Homes and commercial buildings need a lot of power. In fact, they consume nearly half of all the energy used in Oregon according to the Oregon Department of Energy 2020 Biennial Energy Report. Existing buildings need to be retrofitted and modernized to become more resilient and efficient. New buildings can be built with energy efficiency and energy capacity in mind, so they last longer for years to come, reduce the energy burden on occupants, and are built to a standard that is futureproof for carbon reducing technologies like electric vehicles

Continue Investments in Renewable Energy

Legislative Recommendation: *The LOC will work to identify barriers and potential solutions to local energy generation and will pursue funding assistance for feasibility studies and project implementation. The LOC will support legislation to study and invest in viable, preferably locally generated, options and to divest the Oregon Treasury from fossil fuels.*

Background: Renewable energy sources can be used to produce electricity with fewer environmental impacts. Local energy generation projects can better position cities to pursue and achieve local climate action goals, address capacity constraints of existing electric transmission lines, and can help cities respond to individual businesses that may be seeking green energy options. The types of local energy generation projects discussed by the committee include, but are not limited to, small-scale hydropower, in-conduit hydropower, methane capture, biomass and solar. Such projects are not intended to conflict

with existing low-carbon power purchase agreements but can position cities to pursue local climate action goals and supplement energy needs through renewable generation.

Investment in Community Climate Planning Resources

Legislative Recommendation: *The LOC will support investments that bring climate services (for mitigation and adaptation) together and work to fill the existing gaps to help communities get the high-quality climate assistance they need quickly and effectively.*

Background: Oregon communities are increasingly looking for help planning for climate change impacts and implementing programs to reduce greenhouse gases. Interest in climate services has continued as communities experience increasing disruptions caused or made worse by climate change. Oregon's small to mid-sized communities and rural communities are particularly in need of both technical assistance and additional capacity to address climate impacts and do their part to reduce greenhouse gas emissions. While some climate resources exist in Oregon, those programs are dispersed throughout state government, the nonprofit world, and academic institutions. Because of this current structure, it is not clear for communities what they should do once they decide to act on climate change.

Adequate Funding for State Climate Initiatives

Legislative Recommendation: *The LOC will support legislation to streamline processes and fully fund local implementation of climate mandates (like [Climate Friendly and Equity Communities](#) rules) from the state. Furthermore, the LOC will support legislation that allows the state to adequately maintain and staff programs that impact a city's ability to reduce greenhouse gas emissions.*

Background: On March 10, 2020, Governor Kate Brown signed [Executive Order 20-04](#) directing state agencies to take action to reduce and regulate greenhouse gas emissions. Additionally, the state has legislatively passed many greenhouse gas reduction measures. This has led to some unfunded mandates on cities as well as a significant workload for agency staff.

Brought to you by the Finance and Taxation Policy Committee

Property Tax Reform

Legislative Recommendation: *The LOC will advocate for constitutional and statutory reforms to the property tax system to enhance local choice, equity, fairness, and adequacy.*

Background: The property tax system is broken and in need of repair due to constitutional provisions in Measures 5 and 50 that were adopted by voters in the 1990s. The current system is inequitable to property owners and jurisdictions alike, is often inadequate to allow jurisdictions to provide critical services, removes meaningful local choice, and is incomprehensible to most taxpayers. Local governments and schools rely heavily on property tax revenues to pay for services and capital expenses. With federal pandemic aid to cities coming to an end and inflation looming, cities are concerned that their top revenue source will not allow residents to adequately fund the services that they demand. Therefore, the LOC will take a leadership role in pursuing efforts to draft and advocate for both comprehensive and incremental property tax reform option packages, including forming coalitions with other interested parties. The LOC will remain flexible to support all legislation that improves the system, but will, in the short term, focus on incremental changes that will allow for a foundation on which to build for broader revisions going forward. The LOC's overall focus will be on a property tax package that includes, but may not be limited to these elements:

- In the short term, advocating for a system that restores local choice and allows voters to adopt tax levies and establish tax rates outside of current limits and not subject to compression. This may also include advocating for a local option levy that has passed three or more times to become permanent (requires constitutional referral).
- Also in the short term, advocating for statutory changes to extend statewide a 2017 Multnomah County pilot that created an option that new property has a taxable value determined based on the city average of maximum assessed value to market value as opposed to countywide average.
- Over the longer term, to achieve equity, advocating for a system that has taxpayers' relative share tied to the value of their property, rather than the complex and increasingly arbitrary valuation system based on assessed value from Measure 50 (requires constitutional referral).
- Also over the longer term, to enhance fairness and adequacy, advocating for various statutory changes, some of which would adjust the impact of the above changes. For example, as a part of comprehensive reform the LOC will support targeted tax relief for lower income residents to make sure reform does not price vulnerable residents out of their homes.

Lodging Tax Flexibility

Legislative Recommendation: *The LOC will advocate for legislation to enhance flexibility in how cities may use transient lodging tax revenues. The goal is to help cities better serve visitors and improve local conditions that support the tourism industry.*

Background: The Legislature created the *state* lodging tax in 2003, and with it a new requirement that 70% of net revenues from new or increased *local* lodging taxes must be used for “tourism promotion” or “tourism related facilities.” Cities acknowledge and appreciate the economic development benefits that tourism brings to their local economies, but often struggle to support the industry in areas like public safety, infrastructure, workforce housing, and homeless services. Enhanced flexibility and clarification of allowed use of funds will benefit both visitors and business owners alike.

Economic Development Incentives (co-sponsor with the Community Development Committee)

Legislative Recommendation: *The LOC will support legislation to preserve and strengthen discretionary local economic development incentives including the Enterprise Zone (EZ), Long Term Rural Enterprise Zone (LTREZ) and Strategic Investment Program (SIP).*

Background: The EZ and LTREZ programs provide local governments the option to offer a temporary full exemption from property taxes for qualified new property of a business (3 to 5 years for the standard EZ and 7 to 15 years for the rural EZ). The SIP program allows local governments to offer a 15-year partial exemption on the value of new property that exceeds a certain investment threshold (\$25 million to \$100 million depending on location and total project value). Recent studies by Business Oregon confirmed what city economic development professionals know; these incentive programs are crucial for Oregon to remain competitive nationally and show massive benefits to Oregon in terms of jobs, enhanced economic activity, and tax revenues. The EZ and LTREZ programs will sunset in 2025 without action by the legislature, and “gain share” provisions of the SIP program transferring a portion of income taxes resulting from qualified projects to local governments will sunset in 2026. The LOC will advocate for sunset extensions and for changes that will improve the programs, and advocate against any changes that will reduce local control or devalue the incentives.

Marijuana Taxes

Legislative Recommendation: *The LOC will continue to advocate for increased revenues from marijuana taxes. This may include proposals to restore state marijuana tax losses related to Measure 110 (2020) distribution changes, and to increase the current 3% cap on local marijuana taxes so local voters may choose a rate that reflects the needs of their community.*

Background: Recreational marijuana retailers are required to charge a state-imposed retail sales tax of 17 percent for all recreational marijuana sold. Until the end of 2020 cities received 10% of the net revenue from the state tax but Measure 110 changed the distribution formula and will reduce city distributions by an estimated 73% for the 2021-23 biennium. Cities may also impose a local retail sales tax of up to 3%, subject to voter approval. Tax rates for recreational marijuana vary widely across the states, but the total Oregon tax burden is 20-25% percent below other West Coast states. Unbiased academic studies indicate Oregon could increase marijuana taxes without pushing significant business to the illicit market. If the Legislature is not willing to allow increased taxes it should restore city revenues by other means back to what was agreed to when recreation marijuana was legalized.

Alcohol Revenues

Legislative Recommendation: *The LOC will advocate for enhanced revenues from the sale of alcohol to mitigate the impact of recent legislative changes that will otherwise reduce this crucial revenue source.*

Background: Oregon's beer tax has not been increased since 1978 and is \$2.60 per barrel which equates to about 8.4 cents per gallon or less than 5 cents on a six-pack. Oregon has the lowest beer tax in the country, and to get to the middle of the states Oregon would need a more than 10-fold increase. Oregon's wine tax is 67 cents per gallon and 77 cents per gallon on dessert wines, this is the second lowest tax nationwide, and the first 2 cents of the tax goes to the wine board. Oregon is a control state and is the sole importer and distributor of liquor, which accounts for about 94% of total alcohol revenues. The Oregon Liquor and Cannabis Commission (OLCC) sets retail prices at about 105% of their cost and net revenues are distributed based on a formula. Cities are preempted from imposing alcohol taxes. In exchange, cities receive approximately 34% of the state alcohol revenues after the state takes 50% of beer and wine taxes off the top prior to this distribution. Recent legislative changes will reduce city revenues; the legislature approved a more generous compensation formula for liquor store owners in 2021 and approved a 148% cost increase for a planned OLCC warehouse in 2022. Both changes will reduce distributions to cities. Cities have significant public safety costs related to alcohol consumption and taxes on alcohol do not cover their fair share of these costs. There are numerous ways to address the issue: increasing taxes on beer or wine (possibly through a local sales tax option), increasing the markup on liquor, or increasing the per bottle surcharge currently in place at liquor stores and dedicating the funds to paying for the planned OLCC warehouse.

Brought to you by the Telecommunications, Broadband Policy Committee

Digital Equity and Inclusion

Legislative Recommendation: *The LOC will advocate for legislation and policies that help all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy.*

Background: Connectivity is crucial to modern life. It is being relied on more for how people do business, learn, and receive important services like healthcare. As technology evolved the digital divide has become more complex and nuanced. Now, discussion of the digital divide is framed in terms of whether a population has access to hardware, to the Internet, to viable connection speeds and to the skills they need to effectively use it.

Resilient, Futureproof Broadband Infrastructure and Planning Investment

Legislative Recommendation: *The LOC will support legislation that will ensure broadband systems are built resiliently and futureproofed while also advocating for resources to help cities with broadband planning and technical assistance through direct grants and staff resources at the state level. The LOC will support legislation that addresses issues with the inconsistency of regulations applied to traditional and nontraditional telecommunications service as more entities move to a network based approach instead of what services are being provided. LOC will oppose any preemptions on local rights-of-ways, and municipalities right to own poles and become broadband service providers.*

Background:

Broadband Planning and Technical Assistance

Most state and federal broadband infrastructure funding sources require that communities have a broadband strategic plan in place to qualify for funds. Unfortunately, many cities do not have the resources or staff capacity to complete comprehensive broadband strategic plans.

Resilient and Long-Term Systems

As broadband is continually being made a priority on the state and federal level, we must think strategically about how to build resilient long-term networks that will serve Oregonians now and into the future. Ways to ensure broadband is resilient may include investing in robust middle mile connections, ensuring redundancy and multiple providers in all areas, and undergrounding fiber instead of hanging it on poles.

Optional Local Incentives to Increase Broadband Deployment

All levels of government have identified broadband as a priority. However, there continue to be proposed mandates on local governments to deploy broadband services more quickly. Cities have a duty to manage rights-of-ways (ROW) on behalf of the public and need flexibility to adequately manage the ROW. Instead of mandates the state should focus its efforts on allowing cities the option to adopt incentives that could help streamline broadband deployment.

Regulatory Consistency Amidst Convergence

Historically, the standards and oversight policies for a specific technology were established independently and were not developed with merging or interoperability in mind. For example, telephony (when providing voice), cable TV (when providing video), and mobile cellular technologies each follow their respective standards, and these services were regulated by policies specific to each type.

Incentives for Broadband Affordability, Adoption and Consumer Protections

Legislative Recommendation: *The LOC will seek additional state support and funding for increased broadband adoption and affordability and will advocate for consumer protections for those accessing the internet, internet enabled devices and broadband service.*

Background: Broadband infrastructure is being funded at a historic level. For that infrastructure to be adequately utilized affordability and adoption initiatives must receive investment. Initiatives that would help could include studying barriers to adoptions and affordability; ensuring adequate competition in providers; investing in more data centers statewide so service is cheaper for regions outside of the I-5 corridor as it is simply more expensive per megabit to provide; and ensuring providers are widely advertising programs meant for those with limited means.

Additionally, problems with internet providers are among the most common consumer complaints in Oregon. Complaints often involve paying more than expected, difficult cancellation policies and poor service. Consumers are at risk of being advertised or offered services that are not actually being delivered. For example, 25/3 is the current definition of broadband. Currently, providers are allowed to advertise

speeds as “up to” 25/3 or a certain speed. There is no one enforcing whether or not providers actually hit their advertised speeds. Providers should be accountable for making sure consumers have the appropriate equipment for the services they are paying for.

Cybersecurity & Privacy

Legislative Recommendation: *The LOC will support legislation that addresses privacy and cybersecurity for all that use technology, including but not limited to: funding for local government cybersecurity initiatives, statewide resources for cyber professionals, regulations of data privacy, or standards for software/hardware developers to meet to make their products more secure.*

Background: Society is becoming more technologically reliant than ever before and that will only increase. With this increase of technology there is an increased risk for cybercrimes. Therefore, cybersecurity and privacy systems must be taken seriously. Cybersecurity encompasses everything that pertains to protecting sensitive data, protected health information, personal information, intellectual property, data, and governmental and industry information systems from theft and damage attempted by criminals and adversaries.

Cybersecurity risk is increasing, not only because of global connectivity but also because of the reliance on cloud services to store sensitive data and personal information. Widespread poor configuration of cloud services paired with increasingly sophisticated cyber criminals means the risk that governments, businesses, organizations, and consumers suffer from a successful cyberattack or data breach is on the rise.

Brought to you by the Transportation Policy Committee

Transportation Safety Enhancement

Legislative Recommendation: *The LOC supports legislation that improves the overall safety of the transportation network in communities. The LOC will achieve this outcome by expanding authority for establishing fixed photo radar to all cities, increasing flexibility for local speed setting authority, and increased investment in the “safe routes to schools” and expansion of the “great streets” programs.*

Background: The City of Portland has demonstrated improved safety outcomes in neighborhoods with the addition of fixed photo radar along high-crash corridors. LOC’s efforts to expand the use of fixed photo radar to additional cities failed during the 2021 Session. ([HB 2019](#)) - High Crash Corridor for City of Unity) and ([HB 2530](#)) -Extending Fixed Photo Radar) were supported by the LOC, but lacked sufficient support from legislators to advance.

During the 2019 Session the LOC supported [SB 558](#), which would authorize a city to designate speed for a highway under the city’s jurisdiction that is five miles per hour lower than statutory speed when the highway is in a residential district and not an arterial highway. During the 2021 Session passage of [HB 3055](#) (Sect 81 (5)(g)) extended speed setting authority to highways within the jurisdictional boundaries of cities and Multnomah & Clackamas counties.

Road User Fee – Vehicle Miles Traveled (VMT) Structure

Legislative Recommendation: *The LOC will support replacement of Oregon’s Gas Tax with a road impact fee structure that will capture added revenue from cities with local gas tax structure. The pricing structure should also maintain a weight-mile tax structure to make sure that there is an impact element of the fees paid for transportation infrastructure.*

Background: The LOC has historically advocated for a fee structure that more closely matches road usage. Gas tax revenues are a declining source of revenue due to enhanced mileage in new vehicles and the increase of electric vehicles on roads.

New Mobility Services

Legislative Recommendation: *The LOC supports the entry and utilization of a variety of new mobility services that support a safe, sustainable, and equitable multimodal transportation system, while preserving local government's authority to regulate services and ensure public and consumer safety in communities.*

Background: The expansion of mobility services presents local governments with opportunities and challenges. Mobility services include Uber, Lyft, scooters, E-bikes, and food service delivery such as DoorDash, and UberEATS. Many cities across the country have initiated efforts to add regulatory oversight of these services to provide a base level of safety to consumers. Companies such as Uber and Lyft have tried to de-regulate their business model in states specifically introducing legislation that would pre-empt local governments to regulate and establish steps that protect their respective communities. The LOC has supported efforts during the 2019 session such as [HB 3379](#) and opposed efforts that pre-empted local governments such as HB 3023.

Funding for Recovery of Abandoned Recreational Vehicles

Legislative Recommendation: *The LOC supports the formation of a recovery fund that cities could access for disposing of abandoned Recreational Vehicles (RV).*

Background: With the ongoing houseless and affordable housing crisis cities have experienced an increase in dumping of vehicles and RVs in neighborhoods, streets and the right-of-way. The costs associated with towing, recovery, and determining ownership has presented significant costs in some communities. Several cities are allocating hundreds of thousands of dollars to recover abandoned vehicles from streets, parks, private property, and other locations. Tow companies have expressed an interest in a recovery fund as well, since the companies must deal with storage and disposal of the vehicles, which presents several challenges.

Brought to you by the Water and Wastewater Policy Committee

Water Utility Rate and Fund Assistance

Legislative Recommendation: *The LOC will collaborate with members of the bipartisan work group to continue the proposed legislative purpose of the Low-Income Household Water Assistance (LIHWA) program.*

Background: The LOC was successful during the 2021 legislative session in advocating for the development of a new water utility funding assistance program for ratepayers experiencing ongoing or recent economic hardships. The LOC worked with a bipartisan work group to pass legislation that formed the Low-Income Household Water Assistance (LIHWA) program which received federal funding for the

initial implementation through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act (ARPA) of 2021. The program was incredibly successful, but the federal funding that was allocated to the State of Oregon was already exhausted in some counties in the Spring of 2022.

The bipartisan workgroup's intent was to make this program a permanent program, with initial pilot funding provided by the federal government.

Place-Based, Water Resource Planning (Program Support)

Legislative Recommendation: *The LOC will advocate for the funding needed to complete existing place-based planning efforts across the state and identify funding to continue the program for communities that require this support.*

Background: Oregon's water supply management issues have become exceedingly complex. Lack of adequate water supply and storage capacity to meet existing and future needs is an ongoing concern for many cities in Oregon and is a shared concern for other types of water users including agricultural, environmental, and industrial. The Legislature created a place-based planning pilot program in Oregon administered through the Oregon Water Resources Department that provides a framework and funding for local stakeholders to collaborate and develop solutions to address water needs within a watershed, basin, or groundwater area. The LOC Water & Wastewater Policy Committee recognized that while this funding is limited to specific geographic areas, they also recognized the importance of successfully completing these pilot efforts and conducting a detailed cost/benefit analysis. It is a critical step to demonstrate the benefits of this type of planning. If these local planning efforts prove to be successful, there will likely be future efforts to secure additional funding for other place-based planning projects across the state in 2022.

Infrastructure Financing and Resilience

Legislative Recommendation: *The LOC will advocate for an increase in the state's investment in key infrastructure funding sources, including, but not limited to, the Special Public Works Fund (SPWF), Brownfield Redevelopment Fund, Regionally Significant Industrial Site loan program, and set asides through the SPWF for seismic resilience planning and related infrastructure improvements to make Oregon water and wastewater systems more resilient.*

Background: A key issue that most cities are facing is how to fund infrastructure improvements (both to maintain current and to build new). Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. An LOC survey of cities in 2016 identified a need of \$7.6 billion dollars over the next 20 years to cover water and wastewater infrastructure projects for the 120 cities who responded. This shows a significant reinvestment in the Special Public Works Fund (SPWF) is needed to help meet the needs of local governments.

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July 26, 2022

Prineville City Council

Re: Measure 109/Psilocybin

Dear Council:

The purpose of this letter is to provide the following:

- a. Provide an introduction to Measure 109 – legalization of psilocybin
- b. Discuss its relevance to land use in the City of Prineville
- c. Discuss upcoming rulemaking; and
- d. Provide the City Council its options regarding Measure 109.

A. Measure 109

On November 3, 2020, Oregon voters approved Ballot Measure 109, the Psilocybin Program Initiative. Statewide, Ballot Measure 109 passed with 1,270,057 votes (55.75%) to 1,008,199 (44.25%). Locally, Crook County voters opposed it by a margin of 9,643 (64.5%) to 5,301 (35.5%).

- A “yes” vote directed the Oregon Health Authority (OHA) to license and regulate the manufacturing, transportation, delivery, sale, and purchase of psilocybin products and the provisions of psilocybin services to individuals 21 years of age or older.
- A “no” vote opposed the creation of a psilocybin program, thus maintaining the state prohibition against the possession, manufacturing and consumption of psilocybin.

Psilocybin is a chemical compound obtained from certain type of mushrooms. Psilocybin is currently illegal under federal law and is classified as a Schedule I controlled substance. Schedule I substances are classified by the US Drug Enforcement Agency as having the most potential for abuse and dependence with no medical qualities.

Section 1 of Measure 109 describes the intention of initiating the program:

“(5) Studies conducted by nationally and internationally recognized medical institutions indicate that psilocybin has shown efficacy, tolerability, and safety in the treatment of a variety of mental

health conditions, including but not limited to addiction, depression, anxiety disorders, and end of life psychological distress;

(6) The United States Food and Drug Administration has:

(a) Determined that preliminary clinical evidence indicates that psilocybin may demonstrate substantial improvement over available therapies for treatment-resistant depression; and

(b) Granted a Breakthrough Therapy designation for a treatment that uses psilocybin as a therapy for such depression.”

Administration and General Timeline

Oregon Psilocybin Services is a new section housed within the Oregon Health Authority (OHA) Public Health Division’s center for Health Protection. The Oregon Psilocybin Services Section will implement Ballot Measure 109.

The Oregon Psilocybin Services Section will begin accepting applications for licensure on January 2, 2023. Until that time, the Oregon Psilocybin Services Section is in a two-year development period, working to build the regulatory framework for psilocybin services.

In April 2022, community members were invited by the OHA to provide comments on a subset of proposed rules related to products, testing, and training programs during the first public comment period. A second round of rulemaking in the fall will focus on the remainder of the rules. The remainder of rules will be posted and open for public comment in October, with all final rules adopted by December 31, 2022.

Given that this will be the first psilocybin program in the United States (and therefore, there are no existing models to follow for land use or otherwise) and that rulemaking will not be finalized until December, this letter is providing updates to the Council based on the most recent information available, while being cognizant that some elements will likely be created and refined as 2022 progresses.

Types of Licenses

OHA may issue four types of licenses:

(1) **Manufacturer** of psilocybin projects: The manufacture, planting, cultivation, growing, harvesting, production, preparation, prorogation, compounding, conversion or processing of a psilocybin project, either directly or indirectly by extraction from substances of a 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 project or labeling or relabeling of its container.

(2) Operating of a **psilocybin service center**, an establishment:

(a) At which administration session (a session held at a psilocybin service center at which a client purchases, consumes, and experiences the effects of a psilocybin product under the supervision of psilocybin service facilitator) are held; and

(b) At which other psilocybin services may be provided. These consist of services provided to a client before, during, and after the client’s consumption of a psilocybin product, including: (a) A preparation session, a meeting with a client and a psilocybin service facilitator that must occur before the client participates in an administration session; (b) An administration session; and (c) An integration session, a meeting between a client and a psilocybin service facilitator that may occur wafter the client completes an administration session.

(3) **Facilitator** of psilocybin services: an individual that facilitates the provision of psilocybin services in this state.

(4) **Tester** of psilocybin products.

Key Points

General

- Unlike with the recreational marijuana program, cities are automatically opted into the psilocybin program. However, a city may adopt ordinances to be referred to the electors of the city at the next statewide general election that prohibit establishment of psilocybin production (cultivation), manufacturing (processing/edibles) or service centers (commercial land use). This recommendation may be for a permanent ban or a temporary band, i.e., two years while the OHA rulemaking is conducted.
- If a city takes no action, it is automatically opted into the program under the regulations established in Measure 109 and subsequent rulemaking.
- A client, 21-years or older may purchase, possess, and consume a psilocybin product only at a psilocybin service center, and only under the supervision of a psilocybin service facilitator.
- A local jurisdiction may adopt “reasonable” time, place, and manner regulations; however, they cannot adopt separation distances that limit service centers greater than 1,000 feet from one another.
- The program requires a local jurisdiction to sign a Land Use Compatibility Statement (LUCS) that demonstrates that the requested license is for a land use that is allowable as a permitted or conditional use within the given zoning designation where the land is located.

Production

- Psilocybin-producing fungi is recognized as a crop for the purpose of a farm use, a farm, and farming practice. Therefore, it is permitted outright on Exclusive Farm Use (EFU)

land and if a local jurisdiction choose, it can also be recognized in other zones where farm or forest uses are allowed.

- Local jurisdictions may adopt “reasonable” time, place, and manner regulations.
- Psilocyn-producing fungi must be grown indoors.
- Commercial activities in conjunction with farm use do not apply to growing psilocybin. However, the operation of a psilocybin service center may be carried on in conjunction with a psilocybin-producing fungi crop on EFU land.

Manufacturing

- Psilocybin-manufacturing must take place indoors.
- Local jurisdictions may adopt “reasonable” time, place, and manner regulations.
- Manufacturing may be carried on in conjunction with a psilocybin producing fungi crop.

Service Centers

- Service centers may not be located within 1,000 feet of elementary or secondary schools (500 feet if there is a physical or geographic barrier).
- Services centers may not be located on lands zoned exclusively for residential use.
- Service centers may not be located in single family dwellings.
- Facilitators are required to pass an OHA exam. Processing a medical license is not required.
- A psilocybin service center is not a health care facility subject to ORS chapter 441.

B. Psilocybin and Land Use in Prineville

Psilocybin production, manufacturing and service centers will have the most direct relevance to land use in Prineville. Given that service centers are not considered to be health care faculties, this presents several options of what a service center could look like, ranging from a relatively simple clinical setup similar to a doctor or therapist’s office, to potentially a more retreat-orientated business that may involve an overnight stay and the integration of psilocybin production and manufacturing. It is anticipated that these details, as well as those governing manufacturing, will be determined through the rulemaking process.

C. Rulemaking

Measure 109 leaves many questions unanswered; many further details are slated to be determined in the rulemaking process, which will take place throughout the duration of 2022. The Oregon Psilocybin Advisory Board, which is comprised of fourteen to sixteen members with varying types of expertise outlined in Measure 109, will advise on numerous issues that will contribute to rulemaking. Those issues with the most significance to Prineville’s decision-making include:

- Recommendations to the authority on the requirements, specifications and guidelines for providing psilocybin services to a client;

- Recommendations to the authority on the education and training that psilocybin service facilitators must complete;
- Recommendations to the authority on public health and safety standards and industry best practices for holding and completing an administration session, including:
 - Whether group administration sessions should be available;
 - Whether clients should be able to access common or outside area on the premises of the psilocybin service center at which the administration session is held;
 - The circumstances under which an administration session is considered complete; and
 - The transportation needs of the client after the completion of the administration session.

D. Options for the City of Prineville

Option 1. Take no action, thereby allowing psilocybin manufacturing facilities and service centers under state law and the rules to be adopted by OHA.

Option 2. Adopt local standards and restrictions under which these uses may be approved (i.e., time, place, and manner).

Option 3. Adopt an ordinance to be referred to the electors of the city on the November 8, ballot, that either (a) prohibits psilocybin product manufacturing and/or service centers; or (b) temporarily bans psilocybin project manufacturing and/or service centers for two years allowing the OHA to finish its rulemaking process before the City makes a decision.

I have attached both Ordinances for the Council's consideration at the next Council Meeting. The ordinance requires two presentations and, if passed, the ballot title must be filed with the County Clerk by August 19, 2022.

Very Truly Yours,

Jered Reid
City Attorney
Enclosures (per text)

ORDINANCE NO. 1276

AN ORDINANCE DECLARING A BAN ON PSILOCYBIN SERVICE CENTERS AND THE MANUFACTURE OF PSILOCYBIN PRODUCTS

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 and the provisions 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 26, 2022, the Oregon Health Authority has not completed the rulemaking process for implementing the state’s psilocybin regulatory program, and the City of Prineville is uncertain how the manufacture, delivery and administration of psilocybin at licensed psilocybin facilities will operate within the city; and

Whereas, ORS 475A.718 provides that a city council may adopt an ordinance to be referred to the electors of the city prohibiting the establishment of state licensed psilocybin product manufacturers and/or psilocybin service centers in the area subject to the jurisdiction of the city; and

Whereas, the Prineville City Council believes that prohibiting product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries to enable the adoption of the state’s psilocybin licensing and regulatory program and to allow the city to adopt reasonable time, place, and manner regulations on the operation of psilocybin facilities is in the best interest of the health, safety, and welfare of the people of Prineville; and

Whereas, the City Council seeks to refer to the voters of Prineville the question of whether to establish a ban on state-licensed psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF PRINEVILLE ORDAIN AS FOLLOWS:

- 1. Prohibition.** The establishment of psilocybin product manufacturers licensed under ORS 275A.290 and psilocybin service centers licensed under ORS 475A.305 is prohibited in the City of Prineville.
- 2. Referral.** This ordinance is referred to the electors of the City of Prineville for approval at the next statewide general election on November 8, 2022.

3. **Effective Date.** This ordinance takes effect and becomes operative 30 days after the day on which it is approved by a majority of voters.

Presented for the first time at a regular meeting of the City Council held on July 26, 2022 and the City Council finally enacted the foregoing ordinance this ____ day of August, 2022.

Rodney J. Beebe
Mayor

ATTEST:

Lisa Morgan, City Recorder

ORDINANCE NO.

AN ORDINANCE DECLARING A TEMPORARY BAN ON PSILOCYBIN SERVICE CENTERS AND THE MANUFACTURE OF PSILOCYBIN PRODUCTS

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 and the provisions 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 26, 2022, the Oregon Health Authority has not completed the rulemaking process for implementing the state’s psilocybin regulatory program, and the City of Prineville is uncertain how the manufacture, delivery and administration of psilocybin at licensed psilocybin facilities will operate within the city; and

Whereas, ORS 475A.718 provides that a city council may adopt an ordinance to be referred to the electors of the city prohibiting the establishment of state licensed psilocybin product manufacturers and/or psilocybin service centers in the area subject to the jurisdiction of the city; and

Whereas, the Prineville City Council believes that prohibiting product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries to enable the adoption of the state’s psilocybin licensing and regulatory program and to allow the city to adopt reasonable time, place, and manner regulations on the operation of psilocybin facilities is in the best interest of the health, safety, and welfare of the people of Prineville; and

Whereas, the City Council seeks to refer to the voters of Prineville the question of whether to establish a ban on state-licensed psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF PRINEVILLE ORDAIN AS FOLLOWS:

- 1. Prohibition.** The establishment of psilocybin product manufacturers licensed under ORS 275A.290 and psilocybin service centers licensed under ORS 475A.305 is prohibited in the City of Prineville.
- 2. Referral.** This ordinance is referred to the electors of the City of Prineville for approval at the next statewide general election on November 8, 2022.

3. **Effective Date.** This ordinance takes effect and becomes operative 30 days after the day on which it is approved by a majority of voters.

4. **Sunset.** This ordinance is repealed on December 31, 2024.

Presented for the first time at a regular meeting of the City Council held on July 26, 2022 and the City Council finally enacted the foregoing ordinance this ____ day of August, 2022.

Rodney J. Beebe
Mayor

ATTEST:

Lisa Morgan, City Recorder

**RESOLUTION NO. 1533
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION APPROVING CORONAVIRUS STATE FISCAL RECOVERY FUND
GRANT AGREEMENT WITH OREGON DEPARTMENT OF TRANSPORTATION**

Whereas, pursuant to Oregon Laws 2022, chapter 669, section 405, the State of Oregon, acting through its Oregon Department of Transportation (“ODOT”) is authorized to distribute grant funds received by the State of Oregon under the federal American Rescue Plan Act Coronavirus State Fiscal Recovery Fund (codified as 42 U.S.C. 802) for eligible projects; and

Whereas, the City of Prineville (“City”) has developed the Combs Flat Road Extension Project that will extend NE Combs Flat Road north to NE Peters Road which will act as a bypass route to address capacity, access, and safety issues facing the City. The Project will provide alternative traffic routing to the new Barnes Butte Elementary School and St. Charles hospital while helping to relieve traffic congestion at key intersections, thereby improving public safety for pedestrians, bikes, and vehicles. It will also connect bike and walking paths, creating safer routes to schools; and

Whereas, the Combs Flat Road Extension Project is an eligible project; and

Whereas, ODOT has prepared a Coronavirus State Fiscal Recovery Fund Grant Agreement (“Grant Agreement”), attached hereto and incorporated herein, which provides the City a grant of \$9,400,000.00 for the Combs Flat Road Extension Project; and

Whereas, City staff believes it is in the best interest of the City to approve and execute the Grant Agreement.

NOW, THEREFORE, the City of Prineville resolves that the Grant Agreement is hereby approved and that the City Manager is authorized to sign such Agreement on behalf of the City.

Approved by the City Council this ____ day of July, 2022.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder



STAFF REPORT

MEETING DATE: 7/26/2022

PREPARED BY: Lori Hooper

SECTION: Resolutions

DEPARTMENT: Finance

CITY GOAL: Fiscal Responsibility and Position City for the Future

SUBJECT: Coronavirus State Fiscal Recovery Fund Grant Agreement with ODOT for the Combs Flat extension project.

REASON FOR CONSIDERATION:

This grant agreement provides funding in the amount of \$9.4 million towards the Comb Flat extension project.

BACKGROUND:

The City of Prineville has identified a bypass route as the most efficient way to address the capacity, access, and safety issues facing the city and has elected to extend Combs Flat Road north to NE Peters Road. This will provide alternative traffic routing to the eastern commercial area as well as the new Barnes Butte Elementary School and St. Charles hospital. This critical transportation project will to relieve traffic congestion at key intersections, and on N. Main Street thereby improving public safety for pedestrians, bikes, and vehicles. It will also connect bike and walking paths, creating safer routes to schools.

Oregon House Representative, Vikki Breese-Iverson, reported to the council back in April that \$9.4 million in American Rescue Plan Funding had been secured for the Combs Flat extension project. In your council packet is the grant contract with ODOT (Exhibit A) that is required for the \$9.4 million to be received and Resolution No.1533 that, if approved, will allow the City to enter into that contract.

FISCAL IMPACT:

Entering into this contract will add \$9.4 million in revenue to the Streets SDC fund to be expended on the Combs Flat extension project.

RECOMMENDATION:

Staff recommends approval of Resolution No.1533 approving the City to enter into a contract with ODOT to provide grant funding in the amount of \$9.4 million to be expended on the Combs Flat extension project.

**CORONAVIRUS STATE FISCAL RECOVERY FUND
GRANT AGREEMENT**

Contract Number: PO-73000-00006939

This grant agreement (“Agreement”), dated as of the date the Agreement is fully executed, is between the State of Oregon, acting through its Oregon Department of Transportation (“ODOT” or “State”), and the City of Prineville (“Recipient”). This Agreement becomes effective only when fully signed and approved as required by applicable law (“Effective Date”). Unless extended or terminated earlier in accordance with its terms, this Agreement shall expire **April 30, 2027** (“Expiration Date”).

This Agreement includes Exhibit A - Contact Information, Use of Funds/Project Description and Reporting Requirements, Exhibit B - Insurance Requirements, Exhibit C - Federal Award Identification, Exhibit D – Recipient Requirements.

Pursuant to Oregon Laws 2022, chapter 669, section 405, ODOT is authorized to distribute grant funds from funds received by the State of Oregon under the federal American Rescue Plan Act Coronavirus State Fiscal Recovery Fund (codified as 42 U.S.C. 802) for the purpose of constructing the Combs Flat Road Extension project as more particularly described in Exhibit A (the “Project”).

SECTION 1 - KEY GRANT TERMS

The following capitalized terms have the meanings assigned below.

Act: The federal American Rescue Plan Act Coronavirus State Fiscal Recovery Fund (codified as 42 U.S.C. 802), including all implementing regulations (31 CFR 35.1 *et seq.*) and other guidance promulgated by the U.S. Department of the Treasury.

Grant Amount: \$9,400,000.

Expenditure Deadline: December 31, 2026.

Obligation Deadline: December 31, 2024.

SECTION 2 - FINANCIAL ASSISTANCE

- A. ODOT shall provide Recipient, and Recipient shall accept from ODOT, a grant (the “Grant”) in an aggregate amount not to exceed the Grant Amount.
- B. ODOT’s obligations are subject to the receipt of the following items, in form and substance satisfactory to ODOT and its Counsel:
 - (1) This Agreement duly signed by an authorized officer of Recipient; and
 - (2) Such other certificates, documents, opinions and information as ODOT may reasonably require.
- C. **Obligation Deadline.** Pursuant to the Act, Recipient shall **obligate** Grant funds for Eligible Costs (as that term is defined in Section 4) no later than the Obligation Deadline. Funds are obligated on the date an order is placed for Project-related property or services, as well as the date Recipient contracts, subawards, or enters into similar transactions that require payment for Project activities. Grant funds may not be used for Project activities obligated after the Obligation Deadline, and any such activities are the sole responsibility of Recipient.

- D. Expenditure Deadline. Grant funds may not be expended for Project activities after the Expenditure Deadline. Project activities occurring after the Expenditure Deadline are the sole responsibility of Recipient.
- E. Return of Unobligated and Unexpended Grant Funds. Recipient must return to ODOT all Grant funds (i) not obligated by the Obligation Deadline (“Unobligated Funds”) and (ii) not expended by the Expenditure Deadline (even if such funds were obligated by the Obligation Deadline) (“Unexpended Funds”). Recipient must return all Unobligated Funds to ODOT no later than April 15, 2025, and must return all Unexpended Funds to ODOT no later than April 15, 2027.

SECTION 3 - DISBURSEMENT

- A. Full Disbursement. Upon execution of this Agreement and satisfaction of all conditions precedent, ODOT shall disburse the full Grant to Recipient.
- B. Conditions to Disbursements. ODOT has no obligation to disburse Grant funds unless:
 - (1) ODOT has sufficient funds currently available for this Agreement; and
 - (2) ODOT has received appropriations, limitations, allotments or other expenditure authority sufficient to allow ODOT, in the exercise of its reasonable administrative discretion, to make payment, and notwithstanding anything in the Agreement, occurrence of such contingency does not constitute a default.

SECTION 4 - USE OF GRANT

As more particularly described in Exhibit A, Recipient will use Grant funds to construct the Project. Recipient may only use Grant funds to cover actual, reasonable and necessary Project costs in accordance with the Act and Oregon law, as applicable, incurred during the period beginning March 3, 2021, and ending on the Obligation Deadline (“Eligible Costs”). Recipient must expend the entire Grant Amount on Eligible Costs no later than the Expenditure Deadline. Grant funds cannot be used for costs in excess of one hundred percent (100%) of the total Project costs.

SECTION 5 - REPRESENTATIONS AND WARRANTIES OF RECIPIENT

Recipient represents and warrants to ODOT as follows:

- A. Organization and Authority.
 - (1) Recipient is a public body validly organized and existing under the laws of the State of Oregon.
 - (2) Recipient has all necessary right, power and authority under its organizational documents and applicable Oregon law to execute and deliver this Agreement and incur and perform its obligations under this Agreement.
 - (3) This Agreement has been authorized by an ordinance, order or resolution of Recipient’s governing body if required by its organizational documents or applicable law.
 - (4) This Agreement has been duly executed by Recipient, and when executed by ODOT, is legal, valid and binding, and enforceable in accordance with their terms.
- B. Compliance with the Act. Recipient will comply with the terms, conditions and requirements of the Act.

- C. Full Disclosure. Recipient has disclosed in writing to ODOT all facts that materially adversely affect the Grant, or the ability of Recipient to perform all obligations required by this Agreement. Recipient has made no false statements of fact, nor omitted information necessary to prevent any statements from being misleading. The information contained in this Agreement, including Exhibit A, is true and accurate in all respects.
- D. Pending Litigation. Recipient has disclosed in writing to ODOT all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Grant or the ability of Recipient to perform all obligations required by this Agreement.

SECTION 6 - COVENANTS OF RECIPIENT

Recipient covenants as follows:

- A. Notice of Adverse Change. Recipient shall promptly notify ODOT of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient related to the ability of Recipient to perform all obligations required by this Agreement.
- B. Compliance with Laws.
 - (1) Recipient will comply with the requirements of all applicable federal, state and local laws, rules, regulations, and orders of any governmental authority, except to the extent an order of a governmental authority is contested in good faith and by proper proceedings.
 - (2) Recipient is responsible for all federal or state tax laws applicable to its implementation of the Project and its use of the Grant funds or compensation or payments paid with the Grant funds.
- C. Federal Audit Requirements. The Grant is federal financial assistance, and the associated Assistance Listings number is 21.027. Recipient is a subrecipient.
 - (1) If Recipient receives federal funds in excess of \$750,000 in Recipient’s fiscal year, it is subject to audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. Recipient, if subject to this requirement, shall at its own expense submit to ODOT a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Agreement and shall submit or cause to be submitted to ODOT the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of Recipient responsible for the financial management of funds received under this Agreement.
 - (2) Audit costs for audits not required in accordance with 2 CFR part 200, subpart F are unallowable. If Recipient did not expend \$750,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, costs for performance of that audit shall not be charged to the funds received under this Agreement.
 - (3) Recipient shall save, protect and hold harmless ODOT from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Agreement. Recipient acknowledges and agrees that any audit costs incurred by Recipient as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between Recipient and the State of Oregon.
 - (4) Recipient is authorized to use the Grant funds to pay itself for those administrative costs that are eligible costs under the Act to implement the Project. Recipient’s use of Grant funds for

Exhibit A – ODOT Grant Contract for \$9.4 million in ARPA funding

administrative costs does not preclude the State of Oregon from later recovering costs from Recipient if the U.S. Department of the Treasury disallows certain costs after an audit.

- D. System for Award Management. Recipient must comply with applicable requirements regarding the federal System for Award Management (SAM), currently accessible at <https://www.sam.gov>. This includes applicable requirements regarding registration with SAM, as well as maintaining current information in SAM.
- E. Employee Whistleblower Protection. Recipient must comply, and ensure the compliance by subcontractors or subrecipients, with 41 U.S.C. 4712, Program for Enhancement of Employee Whistleblower Protection. Recipient must inform subrecipients, contractors and employees, in writing, in the predominant language of the workforce, of the employee whistleblower rights and protections under 41 U.S.C. 4712.
- F. Compliance with 2 CFR Part 200. Recipient must comply with all applicable provision of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, including the Cost Principles and Single Audit Act requirements.
- G. Federal Employment. ODOT’s payments to Recipient under this Grant will be paid by funds received from the United States Federal Government. Recipient, by signing this Agreement certifies neither it nor its employees, contractors, subcontractors or subrecipients who will administer this Agreement are currently employed by an agency or department of the federal government.
- H. Recipient Subagreements and Procurements.

Recipient may enter into agreements with sub-recipients, contractors or subcontractors (collectively, “subagreements”) for performance of the Project. If Recipient enters into a contract for performance of work under this Agreement, Recipient agrees to comply with the following:

(1) Subagreements.

- i. All subagreements must be in writing, executed by Recipient and must incorporate and pass through all of the applicable requirements of this Agreement to the other party or parties to the subagreement(s). Use of a subagreement does not relieve Recipient of its responsibilities under this Agreement.
- ii. Recipient shall require all of its contractors performing work under this Agreement to name ODOT as a third-party beneficiary of Recipient’s subagreement with the Contractor and to name ODOT as an additional or “dual” obligee on contractors’ payment and performance bonds.
- iii. Recipient shall provide ODOT with a copy of any signed subagreement, as well as any other purchasing or contracting documentation, upon ODOT’s request at any time. This paragraph shall survive expiration or termination of this Agreement.
- iv. Recipient must report to ODOT any material breach of a term or condition of a subagreement within ten (10) days of Recipient discovering the breach.

(2) Subagreement Indemnity.

- i. ***Recipient’s subagreement(s) shall require the other party to such subagreements(s) that is not a unit of local government as defined in ORS 190.003, if any, to indemnify, defend, save***

and hold harmless State of Oregon, the Oregon Transportation Commission and its members, and the Department of Transportation, their officers, agents and employees from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the other party to Recipient's subagreement or any of such party's officers, agents, employees or subcontractors ("Claims"). It is the specific intention of the Parties that ODOT shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of ODOT, be indemnified by the other party to Recipient's subagreement(s) from and against any and all Claims.

- ii. Any such indemnification shall also provide that neither Recipient's subrecipient(s), contractor(s) nor subcontractor(s), nor any attorney engaged by Recipient's subrecipient(s), contractor(s) nor subcontractor(s) shall defend any claim in the name of ODOT or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that Recipient's subrecipient is prohibited from defending the State, or that Recipient's subrecipient is not adequately defending the State's interests, or that an important governmental principle is at issue or that it is in the best interests of the State to do so. The State reserves all rights to pursue claims it may have against Recipient's subrecipient if the State of Oregon elects to assume its own defense.

(3) Subagreement Insurance.

- i. If the Project or Project work is on or along a state highway, Recipient shall require its contractor(s) to meet the minimum insurance requirements provided in Exhibit B. Recipient may specify insurance requirements of its contractor(s) above the minimum insurance requirements specified in Exhibit B. Recipient shall verify its contractor(s) meet the insurance requirements in Exhibit B.
- ii. Recipient shall determine insurance requirements, insurance types and amounts, as deemed appropriate based on the risk of the work outlined within the subagreement. Recipient shall specify insurance requirements and require its contractor(s) to meet the insurance requirements. Recipient shall obtain proof of the required insurance coverages, as applicable, from any contractor providing services related to the subagreement.
- iii. Recipient shall require its contractor(s) to require and verify that all subcontractors carry insurance coverage that the contractor(s) deems appropriate based on the risks of the subcontracted work.

(4) Recipient shall include provisions in each of its subagreements requiring its contractor(s) to comply with the indemnification and insurance requirements in paragraphs H.(2) and H.(3).

(5) Procurements. Recipient shall make purchases of any equipment, materials, or services for the Project under procedures that comply with Oregon law, including all applicable provisions of the Oregon Public Contracting Code, Oregon Revised Statute (ORS) Chapters 279 A, B, and C, and rules, ensuring that:

Exhibit A – ODOT Grant Contract for \$9.4 million in ARPA funding

- i. All applicable clauses required by federal statute, executive orders and their implementing regulations are included in each competitive procurement; and
- ii. All procurement transactions are conducted in a manner providing full and open competition.

(6) Conflicts of Interest. Recipient's public officials shall comply with Oregon's government ethics laws, ORS 244.010 *et seq.*, as those laws may be subsequently amended, if applicable.

I. RESERVED.

J. Financial Records. Recipient will cooperate with ODOT to provide all necessary financial information and records to comply with the Act's reporting requirements, as well as provide ODOT the reporting required in Exhibit A. Recipient will keep proper books of account and records on all activities associated with the Agreement, including, but not limited to, invoices, cancelled checks, payroll records, instruments, agreements and other supporting financial records documenting the use of the Grant. Recipient will maintain these books of account and records in accordance with generally accepted accounting principles and will retain these books of account and records until five years after the Expenditure Deadline or the date that all disputes, if any, arising under this Agreement have been resolved, whichever is later.

K. Inspection. Recipient shall permit ODOT, and any party designated by ODOT, the Oregon Secretary of State's Office, the federal government and their duly authorized representatives, at any reasonable time, to inspect and make copies of any accounts, books and records related to the administration of this Agreement. Recipient shall supply any Agreement-related information as ODOT may reasonably require.

L. Notice of Event of Default. Recipient shall give ODOT prompt written notice of any Event of Default, or any circumstance that with notice or the lapse of time, or both, may become an Event of Default, as soon as Recipient becomes aware of its existence or reasonably believes an Event of Default is likely.

M. Contribution and Indemnification.

(1) Contribution.

(i) If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third-Party Claim") against a party (the "Notified Party") with respect to which the other party ("Other Party") may have liability, the Notified Party must promptly notify the Other Party in writing of the Third-Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third-Party Claim. Either party is entitled to participate in the defense of a Third-Party Claim, and to defend a Third-Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this paragraph and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third-Party Claim with counsel of its own choosing are conditions precedent to the Other Party's liability with respect to the Third-Party Claim.

(ii) With respect to a Third-Party Claim for which ODOT is jointly liable with Recipient (or would be if joined in the Third-Party Claim), ODOT shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of ODOT on the one hand and of Recipient on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant

equitable considerations. The relative fault of ODOT on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. ODOT's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if ODOT had sole liability in the proceeding.

(iii) With respect to a Third-Party Claim for which Recipient is jointly liable with ODOT (or would be if joined in the Third-Party Claim), Recipient shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by ODOT in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of ODOT on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of ODOT on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

(2) Indemnification. Subject to any limitations imposed by State law and the Oregon Constitution, Recipient agrees to the following contract-related indemnification for all projects authorized under this Agreement: Where Recipient contracts for services or performs project management for a project, Recipient shall accept all responsibility, defend lawsuits, indemnify, and hold State harmless, for all contract-related claims and suits. This includes, but is not limited to, all contract claims or suits brought by any contractor, whether arising out of the contractor's work, Recipient's supervision of any individual project or contract, or Recipient's failure to comply with the terms of this Agreement.

(3) Recipient shall meet the insurance requirements within Exhibit B.

N. Representations and Covenants Regarding Prevailing Wage.

- (1) The prevailing wage rate requirements that may apply to the Project are set forth in ORS 279C.800 through 279C.870, the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) and Oregon Laws 2021, chapter 678, section 17 (collectively, state "PWR"), or, if applicable, 40 U.S.C. 3141 et seq. (federal "Davis-Bacon Act"). If applicable, Recipient shall:
 - a) comply with PWR, require its contractors and subcontractors to pay the applicable PWR or Davis-Bacon Act rates, and comply with all other Oregon Bureau of Labor and Industries ("BOLI") requirements pursuant to the PWR, including on all contracts and subcontracts and in filing separate public works bonds with the Construction Contractors Board;
 - b) pay to BOLI, within the required timeframe and in the appropriate amount, the project fee required by OAR 839-025-0200 to 839-025-0230, including any additional fee that may be owed upon completion of the Project; and
 - c) unless exempt under Section 17(2) of Oregon Laws 2021, chapter 678, if Recipient is a "public body" and the Project is a "qualified project," as those terms are defined in

Section 17(3) of Oregon Laws 2021, chapter 678, Recipient shall require each contractor in a contract with an estimated cost of \$200,000 or greater to:

- i. Enter into a project labor agreement that, at a minimum, provides for payment of wages at or above the prevailing rate of wage;
- ii. Employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations perform under the contract, in a manner consistent with the apprentices' respective apprenticeship training programs;
- iii. Establish and execute a plan for outreach, recruitment and retention of women, minority individuals and veterans to perform work under the contract, with the aspirational target of having at least 15 percent of total work hours performed by individuals in one or more of those groups; and
- iv. Require any subcontractor engaged by the contractor to abide by the requirements set forth in subparagraphs i., ii. and iii. above, if the work to be performed under the subcontract has an estimated cost of \$200,000 or greater.

- (2) Recipient represents and warrants that it is not on the BOLI current List of Contractors Ineligible to Receive Public Works Contracts and that it will not contract with any contractor on this list.
- (3) Pursuant to ORS 279C.817, Recipient may request that the Commissioner of BOLI make a determination about whether the Project is a public works project on which payment of the prevailing rate of wage is required under ORS 279C.840.

O. All employers, including Recipient, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under ORS 656.126. Employers Liability insurance with coverage limits of not less than \$500,000 must be included. Recipient shall ensure that each of its subcontractors complies with these requirements.

SECTION 7 - DEFAULT

- A. Recipient Default. Any of the following constitutes an "Event of Default" of Recipient:
- (1) Misleading Statement. Any materially false or misleading representation is made by or on behalf of Recipient, in this Agreement or in any document provided by Recipient related to this Grant.
 - (2) Failure to Perform. Recipient fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Agreement, other than those referred to in subsection (1) of this section, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by ODOT. ODOT may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action.
- B. ODOT Default. ODOT will be in default under this Agreement if it fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Agreement.

SECTION 8 - REMEDIES

- A. ODOT Remedies. Upon the occurrence of an Event of Default, ODOT may pursue any remedies available under this Agreement, at law or in equity. Such remedies include, but are not limited to, termination of ODOT’s obligations to make the Grant or further disbursements, return of all or a portion of the Grant Amount, payment of interest earned on the Grant Amount, and declaration of ineligibility for the receipt of future awards from ODOT. If, as a result of an Event of Default, ODOT demands return of all or a portion of the Grant Amount or payment of interest earned on the Grant Amount, Recipient shall pay the amount upon ODOT’s demand. ODOT may also recover all or a portion of any amount due from Recipient by deducting that amount from any payment due to Recipient from the State of Oregon under any other contract or agreement, present or future, unless prohibited by state or federal law. ODOT reserves the right to turn over any unpaid debt under this Section 8 to the Oregon Department of Revenue or a collection agency and may publicly report any delinquency or default. These remedies are cumulative and not exclusive of any other remedies provided by law.
- B. Recipient Remedies. In the event of default by ODOT, Recipient’s sole remedy will be for disbursement of Grant funds for Eligible Costs of the Project, not to exceed the total Grant Amount, less any claims ODOT has against Recipient.

SECTION 9 - TERMINATION

In addition to terminating this Agreement upon an Event of Default as provided in Section 8, ODOT may terminate this Agreement with notice to Recipient under any of the following circumstances:

- A. If ODOT anticipates a shortfall in applicable revenues or ODOT fails to receive sufficient funding, appropriations or other expenditure authorizations to allow ODOT, in its reasonable discretion, to make payment under this Agreement.
- B. There is a change in federal or state laws, rules, regulations or guidelines so that the uses of the Grant are no longer eligible for funding.

This Agreement may be terminated at any time by mutual written consent of the parties.

SECTION 10 - MISCELLANEOUS

- A. No Implied Waiver. No failure or delay on the part of ODOT to exercise any right, power, or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.
- B. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon’s sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- C. Notices and Communication. Except as otherwise expressly provided in this Agreement, any communication between the parties or notices required or permitted must be given in writing by personal delivery, email, or by mailing the same, postage prepaid, to Recipient or ODOT at the addresses listed in Exhibit A, or to such other persons or addresses that either party may subsequently indicate pursuant to this Section.

Any communication or notice by personal delivery will be deemed effective when actually delivered to the addressee. Any communication or notice so addressed and mailed will be deemed to be received and effective five (5) days after mailing. Any communication or notice given by email becomes effective 1) upon the sender’s receipt of confirmation generated by the recipient’s email system that the notice has been received by the recipient’s email system or 2) the recipient’s confirmation of receipt, whichever is earlier. Notwithstanding this provision, the following notices may not be given by email: notice of default or notice of termination.

- D. Amendments. This Agreement may not be altered, modified, supplemented, or amended in any manner except by written instrument signed by both parties.
- E. Severability. If any provision of this Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision.
- F. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of ODOT, Recipient, and their respective successors and assigns, except that Recipient may not assign or transfer its rights, obligations or any interest without the prior written consent of ODOT.
- G. Counterparts. This Agreement may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.
- H. Integration. This Agreement (including all exhibits, schedules or attachments) constitutes the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Agreement.
- I. No Third-Party Beneficiaries. ODOT and Recipient are the only parties to this Agreement and are the only parties entitled to enforce the terms of this Agreement. Nothing in this Agreement gives or provides, or is intended to give or provide, to third persons any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.
- J. Survival. The following provisions, including this one, survive expiration or termination of this Agreement: Sections 2.E, 6 (excepting 6.H, Recipient Subagreements and Procurements), 7, 8, 10.B, 10.C, 10.L and 10.M.
- K. Time is of the Essence. Recipient agrees that time is of the essence under this Agreement.

Exhibit A – ODOT Grant Contract for \$9.4 million in ARPA funding

L. Attorney Fees. To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, the prevailing party in any dispute arising from this Agreement will be entitled to recover from the other its reasonable attorney fees and costs and expenses at trial, in a bankruptcy, receivership or similar proceeding, and on appeal. Reasonable attorney fees shall not exceed the rate charged to ODOT by its attorneys.

M. Public Records. ODOT’s obligations under this Agreement are subject to the Oregon Public Records Laws.

Recipient, by its signature below, acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through its
Department of Transportation

CITY OF PRINEVILLE

By: _____
Jeff Flowers
Statewide Investments Management
Section Manager

By: _____
Steve Forrester
City of Prineville
City Manager

Date: _____

Date: _____

APPROVAL RECOMMENDED

By _____
State Traffic Roadway Engineer

Date _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

Samuel B. Zeigler, Senior Assistant Attorney General

EXHIBIT A
CONTACT INFORMATION, USE OF FUNDS/ PROJECT DESCRIPTION AND REPORTING REQUIREMENTS

Contact Information:

ODOT

State of Oregon, acting by and through its
 Department of Transportation
 555 13th Street, NE
 Salem, OR 97301

Contract Administrator: Cecelia Gilbert

Telephone: 503-986-3528

Email: cecelia.gilbert@odot.oregon.gov

Recipient

City of Prineville
 387 NE 3rd Street
 Prineville, OR 97754

Contact: Steve Forrester

Telephone: 541-447-5627

Email: sforrester@cityofprineville.com

Use of Funds/ Project Description:

The project will extend NE Combs Flat Road north to NE Peters Road which will act as a bypass route to address capacity, access, and safety issues facing the City of Prineville. This will provide alternative traffic routing to the new Barnes Butte Elementary School and St. Charles hospital while helping to relieve traffic congestion at key intersections, thereby improving public safety for pedestrians, bikes, and vehicles. It will also connect bike and walking paths, creating safer routes to schools.

Reporting Requirements: All reports must be submitted to the contact person above and tami.weil@odot.oregon.gov.

Schedule

Report Name	Frequency	Due Dates
Project Performance Plan	One-Time	45 days after the Effective Date
Quarterly Report	Quarterly starting in 2022 through the Expiration Date	April 10 th , July 10 th , October 10 th , January 10 th
Annual Report	Annually starting in 2022 through the Expiration Date	July 10 th

Project Performance Plan

Exhibit A – ODOT Grant Contract for \$9.4 million in ARPA funding

Recipient shall submit to ODOT, using a template and instructions provided by ODOT, the following information in the Project Performance Plan:

1. Problem Statement
2. Goal
3. Rationales
4. Assumptions
5. Resources
6. Activities
7. Outputs
8. Short-Term Outcomes
9. Intermediate Outcomes
10. Long-Term Outcomes

Quarterly Reports

Recipient shall submit Quarterly Reports to ODOT which shall include such information as is necessary for ODOT to comply with the reporting requirements established by 42 U.S.C. 802, guidance issued by the U.S. Treasury, and 2 CFR Part 200 (known as the “Super Circular”). The reports shall be submitted using a template provided by ODOT that also includes the following minimum information:

1. Expenditure Report
 - a) Quarterly Obligation Amount
 - b) Quarterly Expenditure Amount
 - c) Projects
 - d) Primary Location of Project Performance
 - e) Detailed Expenditures (categories to be provided by ODOT)
2. Project Status Update
 - a) Status of project: not started, completed less than 50 percent, completed 50 percent or more, completed.
 - b) Progress since last update including project outputs and achieved outcomes.
 - c) Identify barriers/risks to outcomes and describe actions taken to mitigate delays/risks to the overall project goal.
 - d) Optional: Share with ODOT community outreach/engagement or other positive local news stories.

Annual Reports

Recipient shall submit to ODOT a report annually on the following, as applicable, using a template provided by ODOT:

1. How the Project is Promoting Equitable Outcomes, if applicable
2. How the Project is Engaging with the Community, if applicable

Administrative Costs

tmp51FB

Exhibit A – ODOT Grant Contract for \$9.4 million in ARPA funding

Recipient shall also deliver to ODOT no later than April 15, 2025, an accounting of all of its direct administrative costs paid by this Grant accompanied by a certification statement that all such costs comply with the Act. Grant funds may not be used to pay for administrative costs incurred after the Obligation Deadline.

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EXHIBIT B – INSURANCE REQUIREMENTS

1. GENERAL.

- a. If the Project is on or along a state highway, Recipient shall require in its first tier subagreements with entities that are not units of local government as defined in ORS 190.003 (if any) that its sub-recipients, contractors or subcontractors (“contractor”): i) obtain insurance specified in this Exhibit under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, “TAIL” COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before performance under the subagreement commences, and ii) maintain the insurance in full force throughout the duration of the subagreement. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to the Recipient. Recipient shall not authorize work to begin under subagreements until the insurance is in full force. Thereafter, Recipient shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. Recipient shall incorporate appropriate provisions in the subagreement permitting it to enforce compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. In no event shall Recipient permit work under a subagreement when Recipient is aware that the contractor is not in compliance with the insurance requirements. As used in this section, “first tier” means a subagreement in which the Recipient is a Party. All references to “contractor” in this Exhibit refer to Recipient’s contractor as identified in this paragraph 1.a.
- b. The insurance specified below is a minimum requirement that the Recipient shall require each of its contractors to meet, and shall include such requirement in each of Recipient’s subagreements with its contractors. Recipient may determine insurance types and amounts in excess of the minimum requirement as deemed appropriate based on the risks of the work outlined within the subagreement.
- c. Recipient shall require each of its contractors to require that all of its subcontractors carry insurance coverage that the contractor deems appropriate based on the risks of the subcontracted work. Recipient’s contractors shall obtain proof of the required insurance coverages, as applicable, from any subcontractor providing Services related to the Contract.

2. TYPES AND AMOUNTS.

a. WORKERS COMPENSATION.

All employers, including Recipient’s contractors, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide **Workers' Compensation Insurance** coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). The coverage shall include Employer’s Liability Insurance with limits not less than \$500,000 each accident. **Recipient’s contractors shall require compliance with these requirements in each of their subcontractor contracts.**

b. COMMERCIAL GENERAL LIABILITY.

Commercial General Liability Insurance shall be issued on an occurrence basis covering bodily injury and property damage and shall include personal and advertising injury liability, products and completed operations, and contractual liability coverage. When work to be performed includes operations or activity within 50 feet of any railroad property, bridge, trestle, track, roadbed, tunnel, underpass or crossing, the Recipient’s contractors shall provide the Contractual Liability – Railroads CG 24 17 endorsement, or equivalent, on the Commercial General Liability policy. Amounts below are a minimum requirement as determined by ODOT:

Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 \$2,000,000 \$5,000,000 per occurrence.

Annual aggregate limit shall not be less than \$2,000,000 \$4,000,000 \$10,000,000.

c. AUTOMOBILE LIABILITY.

Automobile Liability Insurance covering Recipient’s contractor’s business-related automobile use covering all owned, non-owned, or hired vehicles for bodily injury and property. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Amount below is a minimum requirement as determined by ODOT:

Coverage shall be written with a combined single limit of not less than \$1,000,000 \$2,000,000 \$5,000,000.

d. ADDITIONAL INSURED.

The Commercial General Liability Insurance and Automobile Liability Insurance must include the **“State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees”** as an endorsed Additional Insured but only with respect to the contractor’s activities to be performed under the Subcontract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Additional Insured Endorsements on the Commercial General Liability shall be written on ISO Form CG 20 10 07 04, or equivalent, with respect to liability arising out of ongoing operations and ISO Form CG 20 37 07 04, or equivalent, with respect to liability arising out of completed operations. Additional Insured Endorsements shall be submitted with the Certificate(s) of Insurance and must be acceptable to the Recipient.

e. “TAIL” COVERAGE.

If any of the required insurance policies is on a “claims made” basis, such as professional liability insurance or pollution liability insurance, the contractor shall maintain either “tail” coverage or continuous “claims made” liability coverage, provided the effective date of the continuous “claims made” coverage is on or before the effective date of the Subcontract, for a minimum of twenty-four (24) months following the later of : (i) the contractor’s completion and Recipient’s acceptance of all Services required under the Subcontract or, (ii) the expiration of all warranty periods provided under the Subcontract. Notwithstanding the foregoing twenty-four (24) month requirement, if the contractor elects to maintain “tail” coverage and if the maximum time period “tail” coverage reasonably available in the marketplace is less than the twenty-four (24) month

period described above, then the contractor may request and ODOT may grant approval of the maximum “tail “ coverage period reasonably available in the marketplace. If ODOT approval is granted, the contractor shall maintain “tail” coverage for the maximum time period that “tail” coverage is reasonably available in the marketplace.

f. NOTICE OF CANCELLATION OR CHANGE.

The contractor or its insurer must provide thirty (30) days’ written notice to Recipient before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

g. CERTIFICATE(S) OF INSURANCE.

Recipient shall obtain from the contractor a certificate(s) of insurance for all required insurance before the contractor performs under the Subcontract. The certificate(s) or an attached endorsement must endorse: i) **“State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees”** as an endorsed Additional Insured in regards to the Commercial General Liability and Automobile Liability policies and ii) that all liability insurance coverages shall be primary and non-contributory with any other insurance and self-insurance, with exception of Workers’ Compensation.

The Recipient shall immediately notify ODOT of any change in insurance coverage.

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EXHIBIT C
FEDERAL AWARD IDENTIFICATION
(REQUIRED BY 2 CFR 200.332(A)(1))

(i) Subrecipient* Name: <i>(must match name associated with UEI)</i>	City of Prineville
(ii) Subrecipient’s Unique Entity Identifier (UEI):	K3TUK7ENF336
(iii) Federal Award Identification Number (FAIN):	N/A
(iv) Federal award date: <i>(date of award to DAS by federal agency)</i>	
(v) Grant period of performance start and end dates:	Start: March 3, 2021 End: December 31, 2026
(vi) Grant budget period start and end dates:	Start: March 3, 2021 End: December 31, 2026
(vii) Amount of federal funds obligated by this Grant:	\$9,400,000
(viii) Total amount of federal funds obligated to Subrecipient by pass-through entity, including this Grant:	\$9,400,000
(ix) Total amount of the federal award committed to Subrecipient by pass-through entity**: <i>(amount of federal funds from this FAIN committed to Recipient)</i>	\$9,400,000
(x) Federal award project description:	Coronavirus State Fiscal Recovery Fund
(xi) a. Federal awarding agency:	U.S. Department of the Treasury
b. Name of pass-through entity:	Oregon Department of Transportation
c. Contact information for awarding official of pass-through entity:	Cece Gilbert, Cecelia.GILBERT@odot.oregon.gov
(xii) Assistance listings number and title:	Number: 21.027 Title: Coronavirus State and Local Fiscal Recovery Funds
(xiii) Is award research and development?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(xiv) Indirect cost:	
a. Indirect Cost Allocation Plan (ICAP)	<input type="checkbox"/>
b. Is the 10% de minimis rate being used per 2 CFR § 200.414?	<input checked="" type="checkbox"/>
c. None	<input type="checkbox"/>

* For the purposes of this Exhibit C, “Subrecipient” refers to Recipient and “pass-through entity” refers to ODOT.

** The total amount of federal funds obligated to the Subrecipient by the pass-through entity is the total amount of federal funds obligated to the Subrecipient by the pass-through entity during the current state fiscal year.

EXHIBIT D
RECIPIENT REQUIREMENTS

1. Americans with Disabilities Act Compliance

a. State Highway: For portions of the Project located on or along the State Highway System or a State-owned facility (“state highway”):

- i.** Recipient shall utilize ODOT standards to assess and ensure Project compliance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 as amended (together, “ADA”), including ensuring that all sidewalks, curb ramps, pedestrian-activated signals meet current ODOT Highway Design Manual standards;
- ii.** Recipient shall follow ODOT’s processes for design, construction, or alteration of sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current ODOT Curb Ramp Inspection form;
- iii.** At Project completion, Recipient shall send a completed ODOT Curb Ramp Inspection Form 734-5020 to the address on the form and to State’s Project Manager for each curb ramp constructed or altered as part of the Project. The completed form is the documentation required to show that each curb ramp meets ODOT standards and is ADA compliant. ODOT’s fillable Curb Ramp Inspection Form and instructions are available at the following address:

<https://www.oregon.gov/ODOT/Engineering/Pages/Accessibility.aspx>

- iv.** Recipient shall promptly notify ODOT of Project completion and allow ODOT to inspect Project sidewalks, curb ramps, and pedestrian-activated signals located on or along a state highway prior to acceptance of Project by Recipient and prior to release of any Recipient contractor.
- v.** Recipient shall ensure that temporary pedestrian routes are provided through or around any Project work zone. Any such temporary pedestrian route shall include directional and informational signs, comply with ODOT standards, and include accessibility features equal to or better than the features present in the existing pedestrian facility. Recipient shall also ensure that advance notice of any temporary pedestrian route is provided in accessible format to the public, people with disabilities, disability organizations, and ODOT at least 10 days prior to the start of construction.

b. Local Roads: For portions of the Project located on Recipient roads or facilities that are not on or along a state highway:

- i.** Recipient shall ensure that the Project, including all sidewalks, curb ramps, and pedestrian-activated signals, is designed, constructed and maintained in compliance with the ADA.
- ii.** Recipient may follow its own processes or may use ODOT’s processes for design, construction, or alteration of Project sidewalks, curb ramps, and pedestrian-activated signals, including using

Exhibit A – ODOT Grant Contract for \$9.4 million in ARPA funding

the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current Curb Ramp Inspection form, available at:

<https://www.oregon.gov/ODOT/Engineering/Pages/Accessibility.aspx>;

Additional ODOT resources are available at the above-identified link. ODOT has made its forms, processes, and resources available for Recipient’s use and convenience.

- iii.** Recipient assumes sole responsibility for ensuring that the Project complies with the ADA, including when Recipient uses ODOT forms and processes. Recipient acknowledges and agrees that ODOT is under no obligation to review or approve Project plans or inspect the completed Project to confirm ADA compliance.
 - iv.** Recipient shall ensure that temporary pedestrian routes are provided through or around any Project work zone. Any such temporary pedestrian route shall include directional and informational signs and include accessibility features equal to or better than the features present in the existing pedestrian route. Recipient shall also ensure that advance notice of any temporary pedestrian route is provided in accessible format to the public, people with disabilities, and disability organizations prior to the start of construction.
- c.** Recipient shall ensure that any portions of the Project under Recipient’s maintenance jurisdiction are maintained in compliance with the ADA throughout the useful life of the Project. This includes, but is not limited to, Recipient ensuring that:
- i.** Pedestrian access is maintained as required by the ADA,
 - ii.** Any complaints received by Recipient identifying sidewalk, curb ramp, or pedestrian-activated signal safety or access issues are promptly evaluated and addressed,
 - iii.** Recipient, or abutting property owner, pursuant to local code provisions, performs any repair or removal of obstructions needed to maintain the Project in compliance with the ADA requirements that were in effect at the time the Project was constructed or altered,
 - iv.** Any future alteration work on Project or Project features during the useful life of the Project complies with the ADA requirements in effect at the time the future alteration work is performed, and
 - v.** Applicable permitting and regulatory actions are consistent with ADA requirements.
 - vi.** Maintenance obligations in this Section 5 shall survive termination of this Agreement.
- 2.** If the Project includes traffic signal or illumination improvements on or along a state highway, Recipient shall:
- a.** Obtain the approval of the State Traffic Engineer prior to the design and construction of any traffic signal or illumination, pursuant to Oregon Administrative Rule (OAR) 734-020-0430,

Exhibit A – ODOT Grant Contract for \$9.4 million in ARPA funding

Oregon Administrative Rule (OAR) 734-020-0430, obtain the approval of the State Traffic Engineer prior to design or construction of any traffic control device being installed.

- c. Recipient shall enter into a separate traffic signal agreement with ODOT to cover obligations for any traffic signal being installed on a state highway.
- d. Recipient shall ensure that its electrical inspectors possess a current State Certified Traffic Signal Inspector certificate before the inspectors inspect electrical installations on state highways. The ODOT’s District Office shall verify compliance with this requirement before construction. The permit fee should also cover the State electrician's supplemental inspection.

7. General Standards

The Project shall be completed within industry standards and best practices to ensure that the functionality and serviceability of the Program’s investment meets the intent of the application and the Program.

8. Website

Recipient shall provide ODOT a link to any website created about the Project identified in Exhibit A before any costs being considered eligible for reimbursement. Recipient shall notify the ODOT Contact in writing when the link changes during the term of this Grant Agreement.

DRAFT

**RESOLUTION NO. 1534
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION APPROVING SUBGRANT AGREEMENT WITH CROOK COUNTY
FOR CORONAVIRUS STATE FISCAL RECOVERY FUND GRANT AGREEMENT
NO. 8227**

Whereas, on or about June 7, 2022, Crook County (“Crook”) executed Grant Agreement No. 8227 with the Oregon Department of Administrative Services for Coronavirus State Fiscal Recovery Fund monies; and

Whereas, one of the expected uses of those funds is to develop the intersection of Peters Road and Main St (“Intersection”) in Prineville, Oregon; and

Whereas, the City of Prineville (“City”) is willing and prepared to undertake the work necessary to complete the portion of the Grant Agreement in connection with the Intersection;

Whereas, Crook has prepared a Sub-Grant Agreement, attached hereto and incorporated herein, which provides the City a grant of \$9,400,000.00 for the Combs Flat Road Extension Project; and

Whereas, City staff believes it is in the best interest of the City to approve and execute the Sub-Grant Agreement.

NOW, THEREFORE, the City of Prineville resolves that the Grant Agreement is hereby approved and that the City Manager is authorized to sign such Sub-Agreement on behalf of the City.

Approved by the City Council this ____ day of July, 2022.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder



STAFF REPORT

MEETING DATE: 7/26/2022

PREPARED BY: Caroline Ervin

SECTION: Council Business

DEPARTMENT: Public Works

CITY GOAL(S): Position the City for the future

SUBJECT: Sub-Grant Agreement with Crook County for \$500,000 in Coronavirus State Fiscal Recovery Fund Dollars

REASON FOR CONSIDERATION: Execution of the sub-grant agreement with Crook County.

BACKGROUND: As a result of HB 5006, \$240 million in federal ARPA funds were approved for the Department of Administrative Services (DAS) to distribute to each Senate and House district for projects identified by the associated Senator or Representative. Senator Linthicum selected Crook County to receive \$1,500,000, with \$500,000 of that for the City of Prineville to make planned improvements to the NE Peters Rd. and N Main St. intersection. Since the funding was distributed to Crook County, a sub-grant agreement is necessary between Crook County and the City in order to transfer the \$500,000 in funding from Crook County to the City.

FISCAL IMPACT: \$500,000 from the Coronavirus State Fiscal Recovery Fund for development of the intersection.

RECOMMENDATION: Staff recommend council approve the sub-agreement as presented.

RELATED DOCUMENT(S): The sub-agreement with Crook County and Coronavirus State Fiscal Recovery Fund Grant Agreement between Crook County and DAS are attached.

SUB-GRANT AGREEMENT
for
Coronavirus State Fiscal Recovery Fund
Grant Agreement No. 8227

This Sub-Grant Agreement (hereinafter “Sub-Grant”) is made by and between Crook County, a political subdivision of the State of Oregon (hereinafter “the County,”) and the City of Prineville, an Oregon municipal corporation (hereinafter “the City.”) County and City may be collectively referred to as the Parties, or individually as a Party.

RECITALS

- A. WHEREAS, on or about June 7, 2022, Crook County executed Grant Agreement No. 8227 with the Oregon Department of Administrative Services for Coronavirus State Fiscal Recovery Fund monies; and
- B. WHEREAS, one of the expected use of those funds is to “develop the intersection of Peters Road and Main St” in Prineville, Oregon; and
- C. WHEREAS, the City is interested, willing, and prepared to undertake the work necessary to complete this portion of Grant Agreement No. 8227, in accordance with the terms and requirements thereof.

AGREEMENT

Now, therefore, in consideration of the mutual covenants contained herein, the sufficiency of which is acknowledged, the Parties agree as follows:

- 1. Incorporation of Recitals: The above Recitals are incorporated into and made a part hereof, as terms of contract and not mere recitals.
- 2. Effective Date: This Sub-Grant becomes effective upon the occurrence of all of the following:
 - a. The execution of Grant Agreement No. 8227 between the County and the Oregon Department of Administrative Services;
 - b. The execution of this Grant Award by the Parties; and
 - c. The payment by the Oregon Department of Administrative Services to the County, in accordance with Section 3(A) of Grant Agreement No. 8227.
- 3. Duration: Unless terminated sooner according to its terms, this Sub-Grant will continue in full force and effect until JULY 15, 2024.
- 4. Incorporation of Required Terms: The City agrees to adhere to the requirements of Grant Agreement No. 8227 as if an original party thereof, and to conform to its restrictions and obligations; provided that the City is only required to undertake those

activities connected with the “Use of Funds,” Section 6 below. Without limiting the foregoing, the City agrees to the following:

- a. The City will provide such financial records as the County or the Oregon Department of Administrative Services, or their agents and representatives, may request, including reasonable opportunities to inspect and made copies of such.
- b. The City will return to the Oregon Department of Administrative Services any grant funds not disbursed by the Completion Deadline.
- c. The City will notify the County and Oregon Department of Administrative Services any adverse change in the activities, prospects or condition (financial or otherwise) of the City related to the ability of the City to perform all obligations required by this Sub-Grant.

5. Distribution of Funds: Within ten (10) business days of the County’s receipt of funds from the Oregon Department of Administrative Services, the County will remit to the City up to Five Hundred Thousand and 00/100 Dollars (\$500,000.00) for the services to be performed under this Sub-Grant; provided, however, that if the Oregon Department of Administrative Services does not remit the entire amount due under Grant Agreement No. 8227 in one lump sum, then, within ten (10) business days, the County will instead remit one-third (1/3) of such payment(s) as it may receive to the City of Prineville.

6. Use of Funds:

- a. The City will use such funds as may be provided under this Sub-Grant only in accordance with applicable law, including but not limited to Oregon prevailing wage laws, the American Rescue Plan Act (42 USC § 802 et seq.), the state and federal administrative rules adopted thereunder, and the employee whistleblower protection statute (41 USC § 4712).
- b. The City will use the funds as may be provided under this Sub-Grant for the following activities: “to develop the intersection of Peters Road and Main St” in Prineville, Oregon.
- c. The City will track its administrative costs incurred pursuant to this Sub-Grant and the work thereunder, and will cooperate with the County in compiling such information for transmission to the Oregon Department of Administrative Services not later than July 1, 2024.

7. Cooperation in Reporting Requirements: The Parties will cooperate with each other in the drafting and transmission of a Project Performance Plan, Quarterly Reports, and Annual Reports, in accordance with the requirements of Grant Agreement No. 8227.

8. Required Insurance and Indemnity: The City will require all first-tier subcontractors as it may engage to obtain the insurance described in Exhibit B of Grant Agreement No. 8227 and maintain such insurance in full force and effect for the duration of this Sub-Grant. This includes but is not limited to the requirements regarding naming the State of Oregon an additional insured, and waiver of subrogation, as described therein.

9. Termination: This Sub-Grant may be terminated by any of the following:

- a. If Grant Agreement No. 8227 is terminated by any party thereto, this Sub-Grant may be immediately terminated upon receipt of a written termination notice to the City. Such notice will specify the reason for the immediate termination. Upon receipt of the written notice, the City will cease all activities to be paid for through use of the funds provided by this Sub-Grant.
- b. For Cause: With reasonable cause, either Party may terminate this Sub-Grant after giving the other Party ten (10) days' prior written notice of termination for cause. Reasonable cause shall include material violation of this Sub-Grant or any act exposing the other Party to liability to others.
- c. Change in Operative Law: In the event that any applicable law should be changed, whether through legislation, adoption of administrative rules, or judgment of a court of competent jurisdiction, the effect of which change is that the provisions of this Sub-Grant can no longer be applied as the Parties have agreed, then the Parties will meet to discuss, in good faith, whether and how this Sub-Grant may be amended to conform to such changes in the law. If, after reasonable efforts under the circumstances, the Parties are unable to come to terms, either Party may terminate this Sub-Grant after giving the other Party ten (10) days' prior written notice of termination; provided, however, that if applicable law requires it, a shorter period of written notice may be provided instead.
- d. No termination or expiration of this Sub-Grant will prejudice any right which accrued prior to such termination or expiration.

10. Submittal of W-9 Before Payment: The City must provide County with a fully completed W-9 form upon execution of the Sub-Grant and prior to beginning services. The City will not be paid until a fully completed W-9 form is submitted.

11. Entire Agreement: This Sub-Grant signed by both parties is the final and entire agreement and supersedes all prior and contemporaneous oral or written communications between the parties, their agents, and representatives.

12. Amendments: The terms of this Sub-Grant shall not be waived, altered, modified, supplemented or amended in any manner whatsoever, without prior written approval of County. No modification of this Sub-Grant shall bind either party unless

reduced to writing and subscribed by both parties, or ordered by a court of competent jurisdiction.

13. Successors in Interest: The provisions of this Sub-Grant shall be binding upon and shall inure to the benefit of the Parties to this Sub-Grant and their respective successors and assigns.

14. No Authority to Bind the Other Party: Neither Party has authority to enter into contracts on behalf of the other Party. This Sub-Grant does not create a partnership between the Parties.

15. Notices: Any notice given in connection with this Agreement must be in writing and be delivered either by hand to the party or by certified mail, return receipt requested, to the party at the party's address as stated below:

For the County:
Crook County
Attn: County Counsel's Office
300 NE 3rd Street
Prineville, OR 97754

For the City:
City of Prineville
Attn: City Manager
387 NE 3rd Street
Prineville, OR 97754

16. Governing Law and Venue: Any dispute under this Sub-Grant will be governed by Oregon law with venue being located in Crook County, Oregon; provided, however, that if the State of Oregon is or becomes a party to such dispute(s), the venue will be as described in Section 10(b) of Grant Agreement No. 8227.

17. Severability: If any provision of this Sub-Grant is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the Parties shall be construed and enforced as if the Sub-Grant did not contain the particular provision held to be invalid.

18. Attorney Fees: In the event an action, lawsuit, or proceeding, including appeal therefrom, is brought for failure to observe any of the terms of this Sub-Grant, each Party shall bear its own attorney fees, expenses, costs, and disbursements for said action, lawsuit, proceeding, or appeal.

19. Waiver: The failure of either party at any time or from time to time to enforce any of the terms of this Sub-Grant shall not be construed to be a waiver of such term or of such party's right to thereafter enforce each and every provision of the Sub-Grant.

20. Indemnification and Hold-Harmless:

- a. To the extent permitted by Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, the City shall defend, save, hold harmless, and indemnify the County and its officers, employees, and agents from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from or

arising out of, or relating to the activities of the City or its officers, employees, contractors, or agents under this Sub-Grant.

- b. To the extent permitted by Article XI, Section 10, of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, the County shall defend, save, hold harmless, and indemnify the City and its officers, employees, and agents from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature resulting from or arising out of, or relating to the activities of the County or its officers, employees, contractors, or agents under this Sub-Grant.
- c. Neither party shall be liable to the other for any incidental or consequential damages arising out of or related to this Sub-Grant. Neither Party shall be liable for any damages of any sort arising solely from the termination of this Sub-Grant or any part hereof in accordance with its terms.

21. Counterparts: This Sub-Grant may be executed in one or more counterparts, including electronically transmitted counterparts, which when taken together shall constitute one in the same instrument. Facsimiles and electronic transmittals of the signed document shall be binding as though they were an original of such signed document.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective the date first set forth above.

For City of Prineville

For Crook County

CROOK COUNTY COURT

By: _____
Signature

Seth Crawford, County Judge

Steve Forrester, City Manager

Date: _____

Date: _____

Jerry Brummer, County Commissioner

Date: _____

Brian Barney, County Commissioner

Date: _____