



## City of Falls City

299 Mill St • Falls City, Oregon • 97344  
Ph. (503) 787-3631 • [www.fallscityoregon.gov](http://www.fallscityoregon.gov)

### **PUBLIC NOTICE: City Council Meeting**

**Date:** Tuesday, July 28, 2020 **Time:** 6:00 pm

**Location:** The FC Community Center, Telephone, Web Application, in writing

### **How to Attend and/or Participate:**

1. **In-Person:**
  - a. Falls City Community Center, 320 N. Main St. Falls City, OR 97344
  - b. 10 Person Maximum Capacity
1. **Call-in:**
  - a. (425) 436-6370, Code: 251514(#)
  - b. You will be muted, but may "raise your hand" to indicate you wish to comment. Please visit [freeconferencecall.com](http://freeconferencecall.com) for a tutorial
2. **Web Application:** Download the [Freeconferencecall.com](http://Freeconferencecall.com) web application
  - a. Meeting ID: manager3208
  - b. You will be muted, but may "raise your hand" to indicate you wish to comment.
3. **Write-In:** Using regular mail or email.
  - a. [info@fallscityoregon.gov](mailto:info@fallscityoregon.gov); 299 Mill St. Falls City, OR 97344

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## **AGENDA**

### **1. CALL TO ORDER & ROLL CALL**

Jeremy Gordon, Mayor \_\_\_ Dennis Sickles \_\_\_ Lori Jean Sickles \_\_\_

Jennifer Drill \_\_\_ Tony Meier \_\_\_ Cliff Lauder \_\_\_ TJ Bailey \_\_\_

### **2. PLEDGE OF ALLEGIANCE**

### **3. MOTION TO ADOPT THE ENTIRE AGENDA**

### **4. WORK SESSION**

a. Wastewater Construction Funding Options

-----pg. 1-8

### **5. NEW BUSINESS**

a. Business License Review – Dynamite Designs ----- pg. 9-11

6. OLD BUSINESS

a. Res 18-2020 USDA Cultural Resource Funding -----pg. 12-13

7. **ADJOURN**

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## STAFF REPORT

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**TO:** HONORABLE MAYOR, AND CITY COUNCIL  
**FROM:** CITY MANAGER, MAC CORTHELL  
**SUBJECT:** WASTEWATER CONSTRUCTION FUNDING  
**DATE:** 7/28/2020

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### **SUMMARY**

Review and discussion of funding scenarios for construction of a new Falls City Wastewater Facility.

### **INTRODUCTION**

The City was awarded a CDBG infrastructure grant to complete the design of a new wastewater facility. As that project draws to a close over the next quarter, the time is ripe to select a financing strategy for construction of the newly designed facility.

On July 7, 2020 Mayor Gordon, MWVCOG, and the City Manager attended a “one stop” meeting that included all potential funding partners for construction of the new wastewater facility.

This is an opportunity to review and discuss those options, and hopefully set one for ratification at the next City Council meeting.

### **EXHIBIT**

A- Summary of funding options from “one stop” meeting with financing agencies.

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**ONE-STOP PROJECT SUMMARY**

Date

July 7, 2020

Client Name

City of Falls City

Name of Project

Improvement of a sewer treatment facility.

Project Description

Use of failing drain fields resulting in high probability of sub-surface flows surfacing, causing public health and water quality issues, and non-compliance with NPDES Permit and Clean Water Act. DEQ Letter and summary of correspondence.

Project Solution

Construction of a lagoon style wastewater treatment plant, relocation of the city's wastewater outfall, and associated infrastructure to accommodate both.

Project Background	
Type of Project	Sewer
Compliance Issue	Yes
Business Commitment	No
# Jobs Created/Retained	-

Project Financing	
Estimated Project Cost	\$4,100,000
Local Contribution	\$79,000
Assistance Requested	\$4,021,000
Source of Loan Repayment	User Fees

Water and Sewer Only	
Projected OM&R	\$170,000
Current OM&R	\$170,000
Existing DS	\$0
Current Avg Monthly OM&R + DS per EDU	\$82.36
Current Avg Monthly User Rate per EDU	\$46.00
Property Tax applied to Utility	\$0.00

Demographics	
EDU's	172
Connections	173
Population	980
Unemployment Rate	3.90%
Community MHI	\$39,583
Statewide MHI	\$59,393
Percentage of Statewide MHI	67%
LMI %	53.77%
Distressed Index	Distressed
County	Polk County
Affordability Rate	\$41.23

Term Key	
EDU	Equivalent Dwelling Unit
MHI	Median Household Income
LMI	Low/Moderate Income
OM&R	Operations, Maintenance, Repair
DS	Debt Service

**ONE-STOP SCENARIO #1**

Estimated Project Cost	<b>\$4,100,000</b>
Local Contribution	<b>\$79,000</b>
Assistance Requested	<b>\$4,021,000</b>

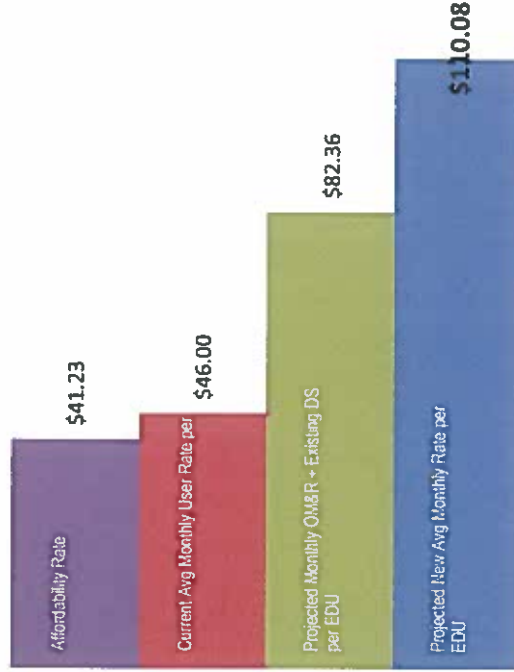
Projected Monthly OM&R + Existing DS per EDU	<b>\$82.36</b>
Monthly New DS per EDU	<b>\$27.71</b>
Projected New Avg Monthly Rate per EDU	<b>\$110.08</b>

Partner	Program	Total Financing	Grant Amount	Loan Amount	Loan Repayment Term (yrs)	Financing Terms	
						Estimated Interest Rate	Annual Debt Payment
BIZOR	CDBG	\$2,137,436	\$2,137,436	\$0			
DEQ	CWSRF	\$1,883,564	\$500,000	\$1,383,564	30	1.450%	\$57,203

Total Financed **\$4,021,000**      Financing Gap **\$0**

Annual Debt Service **\$57,203**

**Impact per EDU**



Notes	
CDBG	Must be > 51% LMI and meet affordability criteria. Grants limited to \$20K per permanent residential connection for a maximum \$2.5M. This program can only fund design or construction per application.
CWSRF	DEQ Rate is "Effective rate" which includes .5% fee. DEQ will require a Debt Service Reserve be established. Fiscal Sustainability Plan and Cost and Effectiveness analysis (both may already be included in the facility plan). Environmental report (requires 30 day public comment period). Comply with federal cross cutting authorities. Davis-Bacon (or BOLI whichever is more), American Iron and Steel certification. Applications 3 times a year scored regionally. Depending on project timing, may need to document qualifications based procurement for Architectural & Engineering contracts (OR law already requires qualifications based procurements when A&E

**ONE-STOP SCENARIO #2**

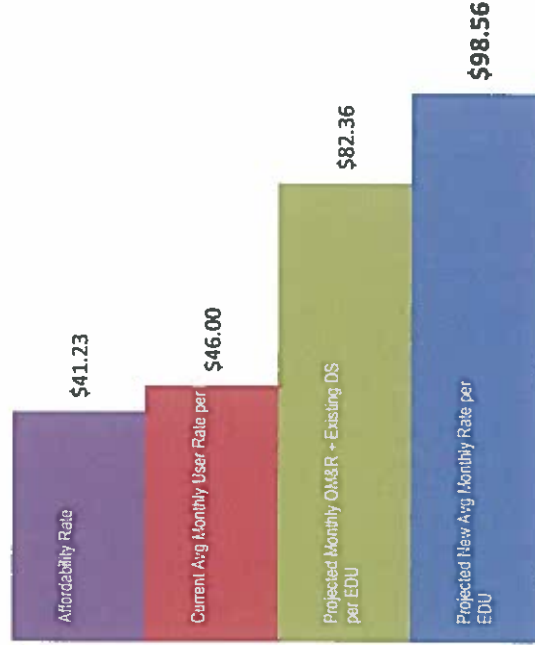
Estimated Project Cost	<b>\$4,100,000</b>
Local Contribution	<b>\$79,000</b>
Assistance Requested	<b>\$4,021,000</b>

Projected Monthly OM&R + Existing DS per EDU	<b>\$82.36</b>
Monthly New DS per EDU	<b>\$16.20</b>
Projected New Avg Monthly Rate per EDU	<b>\$98.56</b>

Partner	Program	Total Financing	Grant Amount	Loan Amount	Financing Terms		
					Loan Repayment Term (yrs)	Estimated Interest Rate	Annual Debt Payment
BizOR	CDBG	\$2,127,436	\$2,127,436	\$0			
USDA	RUS	\$1,893,564	\$893,564	\$1,000,000	40	1.500%	\$33,427

Total Financed **\$4,021,000**      Financing Gap **\$0**      Annual Debt Service **\$33,427**

**Impact per EDU**



	Notes
CDBG	Must be > 51% LMI and meet affordability criteria. Grants limited to \$20K per permanent residential connection for a maximum \$2.5M. This program can only fund design or construction per application.
RUS	For public body applicants, USDA's Rural Utility Service program typically purchases a Revenue bond. Revenue bonds and Notes (for non-profits) come with a reserve requirement equal to one annual payment that can be established in advance or accumulated over ten years equating to a 110% debt service coverage. GO Bonds have no reserve or coverage requirements. Interim financing is usually necessary. The interest rate is set at the time the funds are reserved. Should the interest rates be lower at the time of project completion, the customer will get the benefit of the lower rate. There are no fees or pre-payment penalties or restrictions. Davis Bacon does not apply. American Iron and Steel requirements do apply.

**ONE-STOP SCENARIO #3**

Estimated Project Cost	\$4,100,000
Local Contribution	\$79,000
Assistance Requested	\$4,021,000

Projected Monthly OM&R + Existing DS per EDU  
 Monthly New DS per EDU  
 Projected New Avg Monthly Rate per EDU

\$82.36
\$26.12
\$108.48

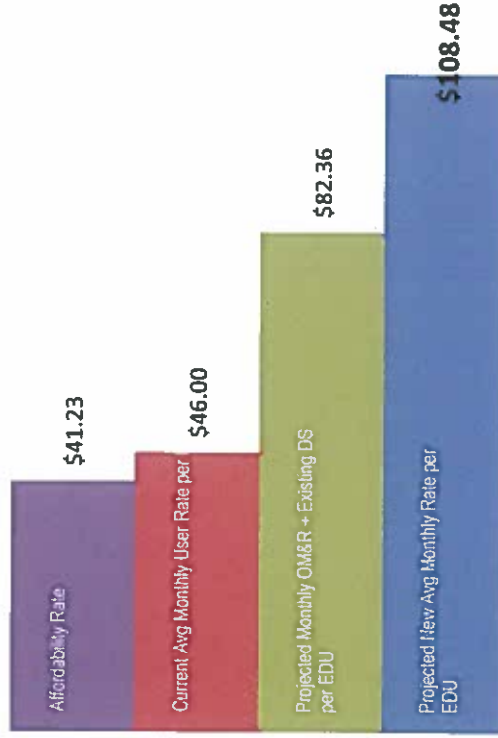
Partner	Program	Total Financing	Grant Amount	Loan Amount	Loan Repayment Term (yrs)	Financing Terms	
						Estimated Interest Rate	Annual Debt Payment
BizOR	CDBG	\$2,127,436	\$2,127,436	\$0			
BizOR	WW	\$1,893,564	\$750,000	\$1,143,564	30	2.400%	\$53,911

Total Financed **\$4,021,000**

Financing Gap **\$0**

Annual Debt Service **\$53,911**

**Impact per EDU**



Notes	
CDBG	Must be > 51% LMI and meet affordability criteria. Grants limited to \$20K per permanent residential connection for a maximum \$2.5M. This program can only fund design or construction per application.
WW	Must meet affordability criteria for subsidized interest rate and grant eligibility. Interest rates set quarterly. Oregon Bond Bank rates are set at time of the Bond Sale. IFA Board approval required for funding awards ≥\$3M or grant ≥\$500,000.

ONE-STOP SCENARIO COMPARISONS

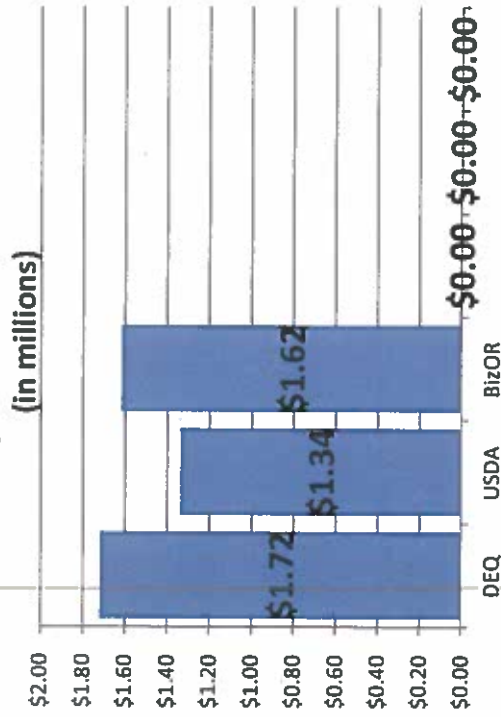
Estimated Project Cost	\$4,100,000
Local Contribution	\$79,000
Assistance Requested	\$4,021,000

Current Avg Monthly User Rate per EDU

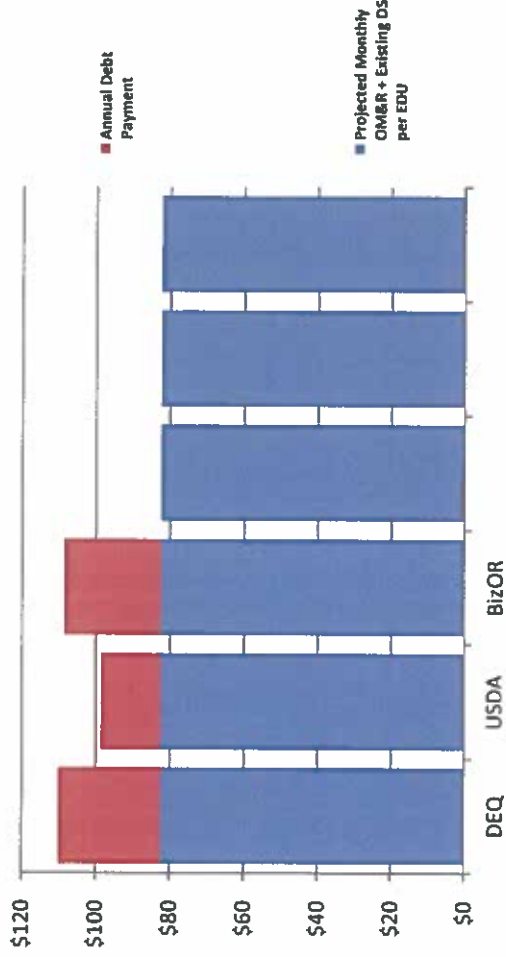
Projected Monthly OM&R + Existing DS per EDU

Scenario	Total Financing	Grant Amount	Loan Amount	Annual Debt Payment	Total Payments over Life of Loan	Projected Monthly New DS per EDU	Projected New Avg Monthly Rate per EDU	# of Funding Partners	Rate	Term Years
DEQ	\$4,021,000	\$2,637,436	\$1,383,564	\$57,203	\$1,716,089	\$27.71	\$110.08	2	Various	Various
USDA	\$4,021,000	\$3,021,000	\$1,000,000	\$33,427	\$1,337,084	\$16.20	\$98.56	2	Various	Various
BizOR	\$4,021,000	\$2,877,436	\$1,143,564	\$53,911	\$1,617,327	\$26.12	\$108.48	2	Various	Various

Total Payments over Life of Loan (in millions)



Projected New Avg Monthly Rate per EDU





**ONE-STOP FUNDING PARTNER INFORMATION**

Partner	Program	Assistance Available	Key Considerations	How to Apply
<a href="#">Business Oregon</a>	<a href="#">SPWF</a> <a href="#">WW</a> <a href="#">SDWRLF</a> <a href="#">DWSPF</a> <a href="#">CDBG</a>	Loans, Grants, TA Loans, Grants, TA Loans, Principal Forgiveness Loans, Grants Grants	*Estimated rates; Direct rates are set quarterly. Oregon Bond Bank rates are set at time of the Bond Sale Debt Service Coverage Requirement	<a href="#">Contact your local Regional Coordinator</a>
<a href="#">DEQ</a>	<a href="#">CWSRF</a>	Loans, Principal Forgiveness Interim Financing (for USDA) Planning Loans	***DEQ Rate is "Effective rate" which includes .5% fee Debt Service Reserve Requirement	<a href="#">Contact your local Project Officer</a>
<a href="#">USDA</a>	<a href="#">RUS</a>	Loans, Grants	** USDA/RUS will require 10% Annual Debt Service G.O. or Revenue Bond Debt Service Reserve Requirement	<a href="#">Contact CP Area Specialist</a> <a href="#">Apply online</a>
<a href="#">WRD</a>	<a href="#">Project Feasibility</a> <a href="#">Project Implementation</a> <a href="#">Pooled Bond</a>	Grants Loans, Grants Bond, Loans, TA Interim Financing (for USDA)	Cost-Share 50% required (cash or in-kind). Cost-Share 25% required for grants (cash or in-kind). administered by Wedbush Securities	<a href="#">Contact Becky Williams Grant Program Coordinator</a> <a href="#">Becky.S.Williams@oregon.gov</a> (503) 986-0869 <a href="#">Contact LOC</a> <a href="#">Contact AOC</a>
<a href="#">SDAO</a>	<a href="#">Services and Programs</a>	Loans, TA	special districts association funding program	<a href="#">Contact SDAO</a>
<a href="#">EDA</a> <a href="#">OHA</a> <a href="#">RCAC</a> <a href="#">OAWU</a>	<a href="#">Public Works</a> <a href="#">DWP</a> <a href="#">Programs and Services</a>	Loans, Grants TA Loans, TA TA	federal financing for public works projects circuit rider for drinking water projects technical assistance water utility assistance	<a href="#">Apply online</a> <a href="#">More Information</a> <a href="#">Contact RCAC</a> <a href="#">Contact OAWU</a>



ONE-STOP CONTACT LIST

Date

July 7, 2020

Client Name

City of Falls City

Name of Project

Improvement of a sewer treatment facility

Name	Title / Role	Representing	Phone	Email
Mac Corthell	City Manager	City of Falls City		manager@cityoffallsoregon.gov
Jeremy Gordon	Mayor	City of Falls City	612-865-6623	mayor@cityoffallsoregon.gov
Renata Wakeley	Planner/Grant Administrator	MMWCOG	503-540-1618	renata@mmwco.org
Chris Bugato	Project Engineer	Westech Engineering		chugato@westech-eng.com
Michelle Bilberry	Regional Project Manager	Business Oregon	503-986-0142	Michelle.bilberry@oregon.gov
Arthur Chaput	CDBG Project Manager	Business Oregon	503-798-5076	Arthur.Chaput@oregon.gov
Janna Graham	Public Finance Officer	Business Oregon	503-986-0128	Janna.Graham@oregon.gov
Dennie Houle	Regional Development Officer	Business Oregon	503-791-2732	Dennie.Houle@oregon.gov
Fumi Schardt	CDBG Program Policy Coordinator	Business Oregon	503-986-0027	Fumi.Schardt@oregon.gov
Ed Tabor	Assistant Manager	Business Oregon	503-949-3523	Edward.tabor@oregon.gov
Alexis Cooley	Project Officer	OR DEQ	541-687-7341	Alexis.COOLEY@state.or.us
Holly Halligan	CP Area Specialist	USDA - RD	541-967-5925	Holly.halligan@usda.gov
Chris Marko	Program Analyst	OR DEQ	503-228-1780	Chris.Marko@state.or.us
Oscar Orjuel	DEQ Environmental Quality	State of Oregon	503-229-5850	Oscar.Orjuel@state.or.us
Brian McDowell	Regional Development Officer	Business Oregon		Brian.McDowell@oregon.gov
John Schmidt	COG			
Ryan DeGroot	Regional Development Officer	Business Oregon		Ryan.DeGroot@oregon.gov



**OFFICIAL USE:**  
BUSINESS LICENSE NUMBER:  
2020 - 22 -

299 Mill Street, Falls City, Oregon 97344  
Phone: 503.787.3631 Fax: 503.787.3023  
[www.fallscityoregon.gov](http://www.fallscityoregon.gov)  
This organization is an equal opportunity provider

RECEIVED  
JUL 17 2020  
BY: AW

**APPLICATION FOR CITY BUSINESS LICENSE**  
**TERM OF LICENSE**  
**JULY 1, 2020 – June 30, 2021**

Check one:

First Time License:  Renewal:

*Falls City Municipal Code 110.01- First time business licenses shall be reviewed and approved by City Council prior to a license being issued to a business for the first time.*

Business Name: Dynamite Design Zoning: Commercial Residential

Owner(s): JO Meza

Location of Business: 285 Nmain St Falls city

Mailing address (if different): Same

Business Phone: 503-930-6744 Business Fax: N/A

Email Address: \_\_\_\_\_

Website: \_\_\_\_\_

Number of Employees: Self-only X Part-Time \_\_\_\_\_ Full-Time \_\_\_\_\_

Home-Based Business: (Circle one) YES NO

Please review the list of business types below and circle the most appropriate classification.

- 110000 Ag, Forestry, Fishing & Hunting
- 210000 Mining
- 220000 Utilities
- 230000 Construction
- 310000 Manufacturing
- 420000 Wholesale Trade
- 440000 Retail
- 480000 Transportation Warehousing
- 510000 Information
- 520000 Finance & Insurance

530000 Real Estate/Rental & leasing  
540000 Professional, Scientific, Technical  
Services  
550000 Management of Company & Enterprises  
560000 Admin Support/Waste Management &  
Remediation  
610000 Education Services

620000 Health Care & Social Assistance  
710000 Arts, Entertainment & Recreation  
720000 Accommodation & Food Services  
810000 Other Services (excluding Public  
Admin)  
920000 Public Administration

**PRODUCTS SOLD OR SERVICES RENDERED**

Jewelry, fossils, events, Rocks, coffee, comic books  
baseball cards, and collectibles.

**DESCRIBE AVAILABLE PARKING**

Side Street up to 5 cars and 4 Home spots  
for parking and other street parking.

**IMPACT ON LOCAL TRAFFIC**

None

**ENVIRONMENTAL IMPACTS (i.e. noise, waste products, odors, storage of hazardous materials)**

NONE if there is a event it would be from  
9am to 11pm

**DOES THE BUSINESS COMPLY WITH REQUIRED BUSINESS RECYCLING AS DEFINED  
IN FALLS CITY MUNICIPAL CODE SECTION CHAPTER 53.04.150: BUSINESS  
RECYCLING (See Attached)**

YES  NO

**OREGON STATE LIQUOR CONTROL COMMISSION (OLCC):**

Will alcohol be sold on the premises? (Circle one): YES  NO

If YES, provide OLCC PREMISE # \_\_\_\_\_ OLCC LICENSE  
# \_\_\_\_\_

**COUNTY AND STATE LICENSING INFORMATION:**

State Business Registry #: N/A

Please describe information pertaining to Polk County or State Issued Licenses that you currently hold.

\_\_\_\_\_  
\_\_\_\_\_

**FEE SCHEDULE.** Resolution 2013-03 defines business license fees.

Type of License	Employees	License Fee
Home Occupation, no employees	0 (Self)	\$50.00
Home Occupation, with employees	1 +	\$75.00
Commercial	n/a	\$100.00
Temporary		Same fee as business licenses categories

I hereby certify that the information contained herein is true to the best of my knowledge. I agree to abide by all applicable codes and ordinances of the City of Falls City and to correct any hazards or violations as they may pertain to the above business. Issuance of this license does not guarantee that the site or use conforms to the City of Falls City land use regulations.

NAME: Jo Meza

BUSINESS NAME: Dynamite Design

SIGNATURE OF APPLICANT: Jo

Office Use Only:

RECEIVED BY: JW

DATE: 07/22/2020

TYPE OF LICENSE: 440000-Retail

AMOUNT PAID: \$150.00

RECEIPT #: 893403

APPROVED BY: \_\_\_\_\_

DATE COUNCIL APPROVED: \_\_\_\_\_

CONDITIONS OF APPROVAL:

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## STAFF REPORT

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**TO:** HONORABLE MAYOR, AND CITY COUNCIL  
**FROM:** CITY MANAGER, MAC CORTHELL  
**SUBJECT:** USDA CULTURAL RESOURCE SURVEY FUNDING  
**DATE:** 7/28/2020

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### SUMMARY

The City Manager requests Council approval to apply for, receive, and administer a USDA grant purposed to complete the required cultural resources survey required for the design of the new wastewater facilities.

### BACKGROUND

The City was awarded a CDBG grant for the design, engineering, and environmental of a new wastewater lagoon and associated piping.

The MWVCOG was contracted as consultant to complete the environmental review required for the design. Unfortunately, the funding for a cultural resources survey was not included in the CDBG grant request and thus has created a shortfall in funding.

If the environmental is not completed, the city would be in the position of reimbursing over \$300,000 that has been expended on the project already.

This grant will provide the necessary funds to complete the CRS so the city can finalize and close the CDBG grant without having to reimburse the funds. There is no match requirement for the grant in question.

### ALTERNATIVES/FINANCIAL IMPLICATIONS

Failure to complete the CRS would lead to a failure to complete the project (new facility design), and the city would be responsible to repay all funds expended, over \$300,000.

If approved, the grant would provide up to \$50,000 to complete a cultural resources survey and prevent the city from having to fund it out of pocket or pay back the over \$300,000 already expended on the project.

### STAFF RECCOMENDATION

Adopt.

### EXHIBIT

A- Resolution 18-2020

### PROPOSED MOTIONS

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I move that the City Council of Falls City adopt Resolution 18-2020, A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, RECIEVE AND ADMINISTER A USDA GRANT TO FUND A CULTURAL RESOURCES SURVEY.

**RESOLUTION 18-2020**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR, RECIEVE AND ADMINISTER A USDA GRANT TO FUND A CULTURAL RESOURCES SURVEY.**

**Whereas:**

1. The City of Falls City was awarded a CDBG Infrastructure grant to complete the design of a new wastewater treatment facility; and
2. To complete and close the CDBG Infrastructure grant the city must complete an environmental review; and
3. To complete the environmental review, the city must complete a Cultural Resources Survey; and
4. The current funding package does not provide funds for a Cultural Resources Survey; and
5. Failure to complete and close the CDBG grant will result in the city being liable to repay all funds expended under the grant.

**NOW THEREFORE, THE CITY OF FALLS CITY RESOLVES AS FOLLOWS:**

**Section 1. The City Manager is authorized to apply for, take award, and administer all portions of a United States Department of Agriculture grant purposed to complete the required Cultural Resources Survey.**

- a. The City Manager shall have signature authority for all portions of the grant application, award, and expenditure.

**Section 2. Effective Date.**

1. This resolution becomes effective upon passage.

**ADOPTED BY THE FALLS CITY COUNCIL ON THIS 28th DAY OF JULY 2020.**

**VOTE:            AYE\_\_\_\_            NAY\_\_\_\_            ABSTAIN\_\_\_\_            ABSENT\_\_\_\_**

**Signed:**

\_\_\_\_\_  
Jeremy Gordon, Mayor

\_\_\_\_\_  
Date

**Attest:**

\_\_\_\_\_  
Jamie Ward, City Clerk

\_\_\_\_\_  
Date