

The City Council for the City of Junction City, met for a work session at 6:30 p.m. on Tuesday, January 24, 2017, in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

**PRESENT:** Mayor, Mark Crenshaw; Councilors Karen Leach, Rob Stott, Jim Leach, John P. Gambee, Steven Hitchcock, and Bill DiMarco; City Administrator, Jason Knope; and Recorder, Kitty Vodrup.

**1. Call to Order and Pledge of Allegiance**

Mayor Crenshaw called the Work Session to order at 6:30 p.m. and led the pledge of Allegiance.

**2. Function 4 Junction Request to Add a Night to Event**

Administrator Knope shared that the City had received a request from Mr. Dan Alley from Function 4 Junction to add an additional cruise night to their event.

Discussion followed and included that the Council wanted more information on the details of the event, feedback from impacted residents and businesses, and what the additional impacts to the Police Department and Public Works would be.

In response to a question on the impacts/value to the community for special events, Administrator Knope stated that he was working with Chamber Executive Director Rick Kissock to try and develop a metric for special event impacts. In response to the financial impacts to the City of an additional night for the Function 4 Junction, Administrator Knope responded that was not known at this point.

After discussion, the Council consensus was to have Mr. Alley attend the Community Development Committee meeting to provide more information and have further discussion.

**3. RLF Business Development Loan Program Discussion**

Administrator Knope stated that staff had prepared information, per the Council's request, on history of the Revolving Loan Fund (RLF) loans and two examples of property tax impacts as a result of RLF loans. Discussion followed and included:

- Attorney Connelly had provided three options for general fund use of RLF: 1. Abolish the RLF and transfer those funds to the General Fund or another fund, 2. Approve an Interfund loan from the RLF to another City fund, to be repaid per State of Oregon budget law, and 3. The City could submit an RLF loan application.
- Two additional options could be: 4. Leave the fund as is and 5. Fix the RLF so it worked better.
- Councilor K. Leach, who serves as RLF Chair, had worked with City staff for many years to try and address program challenges by streamlining the application process and loan criteria, working with Lane Small Business Development Center to assist business applicants with writing Business Plans and other resources, and getting the word out about the RLF program. The bankers on the Revolving Loan Fund Committee were very knowledgeable and helpful.
- Part of the challenge for staff and the Council members was that they were not loan officers and different administrations and Councils over the years had different ideas about the program.
- There had been a few inquiries over the last few years, but no loans made in six years.
- The Facilities Task Force started about four years ago and the community members on the Task Force wanted to see a new facility for the Police Department (PD). Ideas included having the PD take over the existing City Hall so the jail could be grandfathered in and moving City Hall to the City owned block north of the current City Hall. They had also asked about the potential of borrowing money from the RLF for other City projects.
- It was noted that one City loan had defaulted in the amount of \$100,000 and there had been a few other loans that had problems. Also noted was that the City received the

original block grant funding repayment of \$380,000, plus interest, as a gift and now that fund was at \$1.2 million, so the City had gained far more than it had ever lost.

- It was noted that not one of the 20 successful loan applicants was still in town. Also noted that another way to look at that was the original Country Coach loan gave way to having Winnebago in town now.
- The RLF could be rebuilt from the ground up and an outside administrator hired to manage the program, with Council oversight and policy guidance.
- Part of the RLF funds could be used to provide Interfund loans for Council approved projects and part could still be used for Microloans or other RLF program funding that the Council would desire.
- The example staff had provided on loan recipient Bentwood Northwest’s property tax growth of over \$8,000 per year, showed the additional long term effects of the program and additional revenue coming to the City and School District each year.
- Having a RLF program in place that was managed could promote commercial and industrial growth. It could also be beneficial to consider not limiting funding to Microloans, as one large developer could not only repay their loan with interest, but add to the property tax annual revenue for years to come.
- There was a current interfund loan from RLF to the Water Department for the 11<sup>th</sup> and Elm Street Well. The loan must be repaid over a 10 year period.
- In response to if other City’s had programs like this, Mayor Crenshaw stated that he had seen an advertisement for a Community Development Fund from the City of Prineville.

There was a general consensus that the Council did not desire to abolish the RLF, but find a way to make the program work and to possibly utilize some of the present funds for present City projects; City projects would be looked at one project at a time.

Mayor Crenshaw stated that he would like to make the RLF Committee a subcommittee of the Community Development Committee at the February 14, 2017 Council meeting. The Council could give that subcommittee a mission of finding possibilities of revamping the program and working towards growing it. As a separate piece of business, the Council could look at some proposals for making Interfund loan for City projects.

It was also noted that there had been success with other subcommittee project work, such as the Transportation System Plan Task Force, Skatepark Subcommittee, Customized Periodic Review Subcommittee, Treatment Stakeholder Subcommittee, and the Vista Dale Stakeholder Subcommittee; each was given a mission and when the mission was completed, the Committee ended.

**4. Adjournment**

As there was no further business, the meeting was adjourned at 8:28 p.m.

ATTEST:

APPROVED:

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Kitty Vodrup, City Recorder

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Mark Crenshaw, Mayor