

**CANBY CITY COUNCIL
WORK SESSION MINUTES
September 11, 2024**

PRESIDING: Brian Hodson

COUNCIL PRESENT: Traci Hensley, Scott Sasse, James Davis, Daniel Stearns, and Jason Padden (attended virtually).

COUNCIL ABSENT: Herman Maldonado

STAFF PRESENT: Eileen Stein, City Administrator; Teresa Ridgley, Deputy City Recorder; and David Doughman, Interim City Attorney.

CALL TO ORDER: Mayor Hodson called the Work Session to order at 7:00 p.m.

CANBY ADULT CENTER BUILDING DISCUSSION: Eileen Stein, City Administrator, stated there were two issues to consider, what the Community Development Block Grant (CDBG) funds could be used for and what repayment was necessary. Two Block Grants were granted, one in 1983 for \$342,000, and one in 1994 for \$170,000 for a total of \$512,000. The City had allocated that much in ARPA Funds for the building, and the Council would need to decide what they'd like to do with the ARPA Funds. A one-time financial contribution of that amount to the Canby Adult Center would satisfy the obligation for the CDBG. Another way to satisfy the CDBG funds would be to continue to use the building for some other type of community purpose such as a childcare center or community center. Upon consulting the City Attorney, he indicated that the City's obligation to ensure continued operation might be over because so much time had passed since the grants were awarded.

Mark Sirois, Clackamas County Community Development Manager, agreed with the City Attorney that it was an old agreement and was unclear. The important thing would be for the City to notify the CDBG program in writing that the building was not being used for that purpose anymore, that the Canby Adult Center moved of their own accord voluntarily, and the City assisted with the move. It wouldn't have to be dollar for dollar since the agreement was written with no end date. Current agreements were more term limited, and the County acknowledged that.

David Doughman, City Attorney, stated his research suggested if the City were to replace it with a use that was consistent with the objectives of the CDBG program along with HUD approval, there might not be any requirement of repayment. Mr. Sirois agreed. They could change the use of the building to any CBDG eligible activity without repayment.

The Council discussed the City's obligations in the lease agreement with the School District, need for improvements to the current building, whether or not the ARPA funds were set aside specifically for the Canby Adult Center organization or for a City-owned building, estimate to demo the building and remediate the property, other organizations that would want to move into the building to meet a community need, and the appropriate/legal use of ARPA funds with the concern that the City could give the funds to a non-government entity who could turn around and sell the property to a private party. Many Councilors agreed the need for a teen center and use of the building for that purpose would be a great possibility.

Mr. Doughman would look at the lease with the School District and appropriate/legal uses of ARPA funds.

The Mayor clarified information the Council wanted staff to bring back:

Did ARPA funds follow the organization or the building?

What was the maintenance history of the building currently occupied by the Canby Adult Center and funds for maintenance?

What was the cost of the improvements identified for the building?

Get an estimate of tearing down the building and remediating the property.

What were ARPA uses and restrictions?

Follow up with the Sherwood YMCA to get an idea of what it took to run their building.

What did they continue to use the building for?

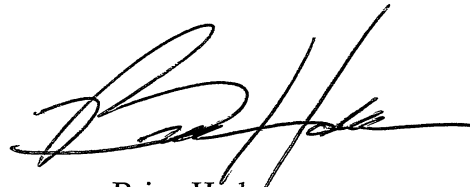
What organizations could move into that building to avoid repaying CDBG?

What were the City's obligations to the School District for that building?

What was the obligation if the City decided not to use the building any longer?

Ms. Stein would give an update on this information at the meeting next week, and the Council would decide what would be done with the ARPA funds in October.

Maya Benham, CMC
City Recorder



Brian Hodson
Mayor

Mayor Hodson adjourned the Work Session at 7:58 p.m.

Assisted with Preparation of Minutes – Susan Wood