

Date: August 16, 2017

From: Commissioner Huxley

To: County Counsel HuttI

Subject: Brookings Head Start Project Viability; Workshop August 9, 2017; City of Brookings participation in the Community Development Block Grant Application - Head Start program.

Review of video of the August 9, 2017 Curry County Board of Commissioner Workshop resulted in just one conclusion. You don't grasp the concept that the first critical item in a project totally dependent on the successful purchase/acquisition of a specific property (and building) is the purchase of the property within budget. You don't expend approximately \$150,000 on redesign of the property before first obtaining a thorough inspection of the existing property and structures and second, successfully purchasing the property. To say (*"Let's say we get to that point and we inspect it and find a bunch of problems. I think we could get out of the purchase and acquisition."*) as you did August 9, 2017 is simply upside down! Add to this an additional Architectural contract for \$85,000.

You presented a similar message several times during the workshop with regard to a purchase/sale agreement with the property owner. About thirty minutes into the workshop you stated *"Once we get into the agreement there's some, there's some outs for us in the typical property purchase agreements. It's all subject to inspection. At that time we would perform a more thorough building inspection."*

The following three areas are the subject of my comments.

A. Critical points discussed August 9, 2017

- State did not accept the recent realtor appraisal letter of value
- Subject property is owned by Southwestern Oregon Community College (SWOCC)
- (SWOCC) may have other offers for the property (Question: If so, for how much?)
- Five people went to inspect the building in question about two weeks ago

Eric Hanson, county maintenance supervisor participated in the inspection. Below are some of his comments made during the workshop while referencing photographs taken during the 'inspection'.

- *"There are some huge issues I need to bring to your attention"*
- *"Smoke fire life safety devices; half of them were inoperable just from a lack of maintenance"*
- *"We need to bring it up to code before someone gets hurt"*
- No ADA bathrooms
- Exposed power outlets with wires hanging out
- Room dividers fall right over if you lean on them
- Could only locate one fire extinguisher in the building
- Exposed fluorescent bulbs with no protective covers

Hanson concluded saying this was the first time he had been in the building when there were not at least sixty (60) kids present.

My reaction to the comments provided by Hanson and, the photographs presented was and remains; how on earth was Oregon Coast Community Action (ORCCA) able to obtain approval to occupy the building in this condition? Moreover, how would in this case ORCCA knowingly allow small children to be present in the building on a daily basis? Who provides liability coverage on this property?

B. Direction for you to contact the State of Oregon - consequences for termination of the Grant

About 2:20 PM into the discussion (continued from the morning) Commissioner Gold addressed you stating *"I think before we make a decision we need to know what are the consequences if we terminate the grant."*

I promptly reaffirmed the request from Gold to contact to State of Oregon and advise the board of their response to eliminate any speculation.

C. City of Brookings participation in the Grant Application for the Head Start Program

About 2:30 PM the counties understanding of the history of attempts by ORCCA to apply for a Community Development Block Grant to fund the acquisition and remodel of a building owned by SWOCC for use as a Head Start facility was discussed.

- ORCCA first approached the State of Oregon – was advised they could not apply directly
- ORCCA approached the City of Brookings and the city declined to participate
- ORCCA approached the county and the county agreed to participate

My response was that I had heard the same thing but had never seen anything in writing to that effect. I then offered that the City of Brookings had staff with experience applying for grants and the talent to administer the grants. If the county understanding above was correct, perhaps that is why they declined to pursue this particular grant.

August 14, 2017 Brookings City Manager Milliman was contacted and asked if the city did initially decline to apply for the Grant and if so, why. Milliman promptly responded that the City was well into the grant application when they withdrew. He provided the following attachments.

- Brookings City Council Agenda Report (CAR) March 25, 2013
- News article January 23, 2013 titled "Local Head Start grant tied to civil rights rule"

Also referenced in the March 25, 2013 CAR – Email from ORCCA Executive Director Michael Lehman, dated March 19, 2013 (email content is appalling)

Reasons identified in the CAR for the Brookings ending participation were extensive and included:

- ORCCA's total contribution to this project is \$1,000
- ORCCA ultimately receives title to a property valued at \$1.5 million
- The City...handles all construction management, adopts new federally-mandated policies, assumes all of the risk for failure of the program...and receives no compensation.

As stated previously, Head Start Grant Contract # C14014 needs to be returned to the State.

From: Gary Milliman [gmilliman@brookings.or.us]
Sent: Monday, August 14, 2017 1:39 PM
To: Thomas Huxley
Subject: RE: Question - Re: 2015 Brookings Head Start Grant - Contract No. C14014:

Tom...

The City was well into the grant application process when we withdrew. See attached Head Start CAR. It seemed we were constantly learning about new conditions/assurances (like the one described in the attached news clip).

Gary Milliman
City Manager, MPA/USC, CCM/ICMA
City of Brookings
898 Elk Drive
Brookings, OR 97415
541-469-1101 | Fax 541-469-3650



From: Thomas Huxley [mailto:huxleyt@co.curry.or.us]
Sent: Monday, August 14, 2017 1:14 PM
To: gmilliman@brookings.or.us
Subject: Question - Re: 2015 Brookings Head Start Grant - Contract No. C14014:

Gary,

On several occasions there has been mention that early on and prior to any Grant award of the Head Start project, the City of Brookings declined to pursue the project. I have never seen any document confirming this.

This was again mentioned by Counsel HuttI during the Curry County Workshop August 9, 2017 during his comments on the current status of the project (Grant Contract No. C14014).

Question: To your knowledge did the City of Brookings initially decline to apply for the Grant and if so, why?

Thanks,

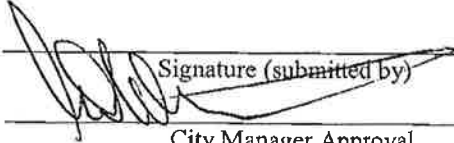
Tom Huxley
Curry County Commissioner

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: March 25, 2013

Originating Dept: City Manager


Signature (submitted by)

City Manager Approval

Subject: Community Development Block Grant/Head Start Project

Recommended Motion:

Alternate 1: Motion to cease participation in the Community Development Block Grant (CDBG) application for the Brookings Head Start program.

Alternate 2: Motion to authorize Mayor to sign revised CDBG application for the Brookings Head Start program with the understanding that the City may withdraw its application unless an agreement acceptable to the City is approved transferring all responsibility for project administration, budget compliance, state/federal program management requirements, general liability and responsibility for reimbursement of the project is not used for Head Start purposes to Coos Curry Douglas Business Development Corporation and Oregon Coast Community Action and, further, authorizing the City Manager to provide sufficient staff resources to administer the construction of the project at the City's expense.

Financial Impact:

Undetermined at this time. This matter was only brought to the City's attention two days prior to the City Council agenda deadline and staff has not had the opportunity to fully investigate the costs associated with managing this project.

Background/Discussion:

At the request of Oregon Coast Community Action (ORCCA) the City submitted an application for federal funding under the Community Development Block Grant (CDBG) program to fund the \$1.5 million acquisition and renovation of a building in which a Head Start program would be conducted. The property in question is the former Southwestern Oregon Community College (SWOCC) at 420 Alder Street. ORCCA and Coos Curry Douglas Business Development Corporation (CCD), which paid for the application preparation, proposed that the City serve as the "pass through" public agency as ORCCA is not eligible to receive CDBG funds directly.

The City Council approved the application and it was first submitted in August, 2012 (see attached). During two rounds of review of the application by the Oregon Infrastructure Financing Authority (IFA), the application was either rejected or delayed as issues such as asbestos abatement and City policies relating to use of force at civil demonstrations were resolved. SWOCC has agreed to complete the asbestos abatement at their own cost.

In late February new issues were raised by IFA regarding ownership of the project and assurances by the City that the property would be used for Head Start purposes for the next five years. The new deadline for resubmitting the application is March 29, 2013.

City Staff has repeatedly requested that ORCCA and/or CCD provide a subgrantee agreement whereby ORCCA would be responsible for managing the project and accepting all non-compliance risks, and the City's role would be limited to receiving and remitting the CDBG funding for the project to ORCCA and CCD for purchase, construction and administration.

On March 18, 2013, City Staff participated in a telephone call at the request of IFA with representatives of ORCCA, CCD and IFA concerning this project as City Staff has become concerned about the continuing delays and expansion of City responsibilities with respect to the project. IFA representatives advised City Staff that:

1. The City would be required to be the initial owner of the property, and that the property would be re-conveyed to ORCAA after the renovation work was completed.
2. The City is responsible for budget compliance; we had no role in preparing the budget.
3. The City would be required to manage the construction, including all bidding, labor compliance and construction inspection. Nothing was included in the grant budget to pay for this cost.
4. The \$25,000 listed in the budget for administration will actually go to CCD as they will be providing all of the parties with technical assistance for federal contract compliance.
5. The City will need to prepare and adopt:
 - a. A "Limited English Proficiency Plan"
 - b. A "Section 3 Plan" (see attached).
6. If the property ceases to be used as a Head Start program facility at anytime within five years after completion of the renovation project, the City would be required to return the grant funding.

Note that ORCCAs total contribution to this project is \$1,000.

Thus, under the project as now defined:

1. ORCCA ultimately receives title to a property valued at \$1.5 million.
2. CCD is fully compensated for "administration."
3. SWOCC receives \$313,000 as the sales price for the property.
4. 175 "people" would be served by the renovated facility.
5. The City...handles all construction management, adopts new federally-mandated policies, assumes all of the risk for failure of the program...and receives no compensation.

If the City is to assume construction management for this project, the responsibility would rest primarily with the Public Works/Development Services Department which is already operating at capacity. The Building Officials would serve as project manager, but other employees would be involved in advertising and selecting an architect and contractor. We may need to augment staff to accomplish this function. Some attorney cost would be needed relating to contract agreements.

Attachment(s):

- a. April 27, 2012, CAR.
- b. Page 2 of a typical "Section 3 Plan."
- c. Email from ORCCA Executive Director Michael Lehman, dated March 19, 2013

Local Head Start grant tied to civil rights rule

Curry Coastal Pilot – Wednesday, January 23, 2013

<http://www.currypilot.com/news/4305695-151/local-head-start-grant-tied-to-civil-rights>

The city of Brookings is applying for a federal Community Development Block Grant to remodel the old Southwestern Oregon Community College site on Pine Street to a Head Start facility - but has to adopt a policy concerning the police department's use of excessive force in civil rights demonstrations to get it.

The connection is vague, said Brookings City Manager Gary Milliman.

The Brookings Police Department has a 412-page policy manual that is updated from time to time, and this new federal requirement is not included in the manual.

"The frustration with us is that we contract with a national company that updates the policies that are vetted nationally for any number of standards: shooting, driving, use of firearms, force - and hundreds of agencies adopt," Milliman said.

"This policy isn't included at all. Some congressional committee tagged it onto a bill. And we went through the whole grant process and it didn't come up until virtually everything was done."

The wording will be soon be adopted by the Brookings City Council in a resolution to abide by the new requirement:

1. The use of excessive force by the Brookings Police Department shall not be used against any individuals engaged in non-violent civil rights demonstrations.
2. The city shall enforce applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of non-violent civil rights demonstrations within the city.

Milliman joked that he doesn't expect to see a demonstration regarding Head Start.

The former college site needs extensive remodeling, and officials soon determined it would not be feasible for the city to spend up to \$100,000 to make it work for Head Start classrooms.

The Community Development Block Grant (CDBG) is a federally-funded program administered by the Oregon Infrastructure Financing Authority. Funding can be used for public facilities and housing improvements, primarily for people in the low- and moderate-income bracket.

The Oregon Community Action would be in charge of acquiring and remodeling the facility.

Brookings is generally not eligible for such funding because the median income here exceeds requirements, but Head Start can meet those criteria because the majority of its clients fall within the grant guidelines. The Oregon Community Action group estimates all of those who will benefit from Head Start would be of low to moderate income.

The proposed Head Start program will serve about 175 people annually, including at least 52 children and their families.

The Head Start program promotes school readiness for children ages 3 to 5 by providing comprehensive education, health, nutrition and social services.

According to the Head Start website, parents play a large role in the program, both as primary educators of their children and as participants in administering the program locally. The program provides pre-literacy and literacy experiences in a multi-cultural environment. Parents are also provided social services, including assistance with childcare.

Gary Milliman

From: mlehman@orcca.us
Sent: Tuesday, March 19, 2013 5:17 PM
To: Eileen Ophus
Cc: t.loomis@ccdbusiness.com; Bryant A; Margaret Barber; Gary Milliman
Subject: Brooking Head Start

Eileen - thank you for the update. Having just come out of County government, I truly appreciate Mr. Milliman's concern about finances. From ORCCA's standpoint, there is not a lot of financial benefit in this project for us. We get a new building that will be great to operate out of. But, it does nothing for our balance sheet nor impact our operational costs.

The biggest thing it does for us is to give us a permanent structure to operate out of which does a good job of assuring that we will be offering Head Start in the Brookings community for many years to come. I am sure that if this deal falls through we will find location to rent. However, at some point in the future, without a permanent base of operation, it may be difficult to continue to provide Head Start in the Brookings Community.

Again, I truly understand that the City of Brooking may need to pull the plug on this project. We will continue to look for a permanent location in the community.