



## **McKenzie Rebuilds - Blue River Workgroup**

*Thursday, July 27, 9 am - 2:00 pm*

*Hybrid, Zoom and in person at McKenzie School Administrative Office 51187 Blue River Dr., Vida OR*

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**Attendees:** Courtney Flathers (Regional Solutions), Devin Thompson (MVLTRG), Cliff Richardson (LHL), Jude Anderson (County), Matt McRae (County), Marianne Nolte (County, Lane Tompkins (McKenzie School), Mandy Jones (co-convener), Melanie Stanley (Meyer's General Store), Terry Herndon (BR Resident), Brandi Ferguson (McKenzie Community Land Trust), Neil Barret (OHCS).

**Facilitators:** Kristen Wright, Sofia Castellanos, Oregon Solutions

### **Meeting Summary**

#### **1. Needs Assessment: Number of Rebuilding Businesses, Costs and Funding**

Attachment A: Lane County Brick and Mortar Business Rebuilds Memo

Attachment B: Parcel by Parcel Business Analysis Worksheet

- Matt McRae at Lane County presented County data on the number of brick-and-mortar businesses that are recovering (see Attachment A). It was noted that less than 10 businesses were attempting to rebuild. Table 1 in the County's memo, during the meeting, was complemented with additional information shared by the attendees. (See discussion below)
- Cliff Richardson and Brandi Ferguson presented their parcel-by-parcel analysis of the commercial area of downtown Blue River to aid in understanding what Blue River businesses were wanting to recover. (See Attachment B)

#### **Group Discussion and Questions:**

- A key concern raised during the meeting was the need to focus resources and efforts on supporting businesses that were directly affected by the fire before promoting the development of new businesses. **Decision:** The group discussed and then decided that it would proceed with the priority focus being the handful of brick-and-mortar businesses trying to recover.
- The businesses identified as working to rebuild were Meyer's Store, McKenzie River Resort, Wayfarer Lodge, and The Cafe, although the latter may take on a different form instead of being solely a cafe. Wayfarer was mentioned in Goodpasture, but it was recognized that assistance provided to brick-and-mortar businesses in Blue River could benefit that business as well and that the group would like to consider them in the solution building.
- There is a need for a long-term economic recovery plan, with emphasis first on recovering businesses affected by the fire.

- Christmas Treasures, Vern's, and BR Grass Station have no intentions to rebuild at this time. New business property owner, Jennifer Zerkle expressed her willingness to assist and support the rebuilding efforts.
- In the Blue River Drive commercial area, there was some discussion about mixed use commercial and residential, but current zoning does not allow for it. Only those which are zoned rural commercial zoning (RC) allow for commercial ventures in the front and residential spaces attached. Most of the properties are zoned rural residential (RR). The group highlighted opportunities to create more residential spaces to accommodate future growth.
- Two scenarios were presented: immediate rebuilding of formerly open commercial businesses affected by the fire, or waiting for wastewater and water infrastructure to support business and residential development. Business representatives shared that they cannot afford to wait for the timing of either the wastewater nor the transportation growth management (TGM) process, and that they plan to proceed with what they can now.
- Regarding the TGM project, updates on land use and zoning were limited as the project did not appear to have recent progress. While ideas were proposed, concrete plans and solutions were yet to be established, with the deadline set for 2025. Participants raised questions about the scoping of the project, wondering about what could be moved forward in the meantime. Some suggested that the group explore what can be done with the current zoning and land use designations and pointed to a map created by DLCD's Patrick Windgard's which outlined current possibilities for Blue River.

## **2. What are the Costs and Nature of Costs Businesses are Facing?**

- The group used information from two businesses to extrapolate overall costs to rebuild the three Blue River businesses. Costs for the two businesses are estimated below in Table 1. One business only had replacement costs estimated, and did not have estimates for an ideal construction scenario. Using the estimated costs for both businesses, the group then calculated an estimate for what would be the overall cost to rebuild the building infrastructure for the three businesses in Blue River that are trying to recover. See table 1 below.
- Extrapolating from the known cost estimations, the group calculated that it would cost about \$11-12 million to bring back up to 8 businesses. The group noted that a solution is likely going to be capital and not cash given that we are talking about private businesses. In addition to solutions to aid businesses in covering the financial gap, there would need to be policy solutions that complement the commercial recovery effort.
- One suggestion was made to consider the recovery of the Blue River commercial area as a development with component parts. For example, it may be phased to prioritize recovering existing businesses, then focus later on new businesses, building infrastructure to draw people off the highway, among others. This would require there to be a vision that tied all the efforts and parcels together. There is some tension between

the need for short-term solutions for the rebuilding businesses, and a longer-term solution

- One notable concern was the absence of a consistent community vision for economic recovery of Blue River. There was some discussion about how these existing businesses were key, but that an overall effort to recover the Blue River economy (and that of the whole valley) would need to be considered in order to sustain these few businesses.
- Table 1. Estimating Costs to Rebuild Existing Businesses:

<b>Meyer’s General Store</b>		<b>Amount</b>
<i>Estimations to replace building infrastructure as it was pre-fire</i>		
*Contractor quote for replacement value. Store is 1836 sq ft.		\$688,500 - 780,300 (\$375 - \$425 / sq ft)
Insurance will cover		\$344,000 (\$225/sq ft)
Contractor quote vs insurance coverage gap		\$344,500 - \$436,300
<i>Estimations for “ideal” construction (doubles sq ft to 3275)</i>		
*Cost of construction		\$1,555,625 - 1,719,375 (\$475-\$525 / sq ft)
Contractor quote vs insurance coverage gap		\$1,211,625 - \$1,375,375
<b>McKenzie River Mountain Resort</b>		<b>Amount</b>
<i>Estimates to replace building infrastructure as it was pre-fire</i>		
Estimated costs		\$ 6 million
<b>Others Costs to consider:</b>		
Inventory ( <i>Estimation from Meyer’s General Store</i> )		\$210,000
* Commercial permit fees are waived for existing businesses so are not included in costs. Earthwork and septic were not included in costs.		

### 3. Exploring Solutions: What Have Others Done in Similar Circumstances?

- Oregon Solutions reported out on their research and conversations with Rural Development Initiatives (RDI), the City of Sisters, and the City of Detroit:
  - RDI: much of the resources available are not geared toward the issue of addressing the financial gap for rebuilding business infrastructure. There is some potential with the Mainstreet program and have initiated conversations with community members on that front.
  - The City of Sisters: is a non-fire recovery context and as such solutions did not translate well.
  - The City of Detroit: while a more relevant context, Detroit has not yet figured out solutions to offer.
- Kelli Weese from Marion County was scheduled to present on other lessons learned from Santiam County recovery but was unable to attend.

#### Group Discussion and Questions:

- There was a suggestion to reach out to Paradise, CA who is further along in their recovery and seeing what solutions they might offer.
- The discussion became focused on wastewater as a constraint for rebuilding. Some suggested that a community wastewater treatment plant was not the only way to rebuild Blue River. It was suggested that most properties in the area have a functional septic system. The emphasis then shifted to advancing the BR downtown wastewater system, as a potential area of development.
- Another topic of discussion was zoning, with the goal of finding a way to fund the reconstruction of the residences and commercial properties that existed prior to the fire. Immediate zoning for downtown BR was considered, with the suggestion of developing a policy with language tailored to the area's specific needs.
- The issue of decision-making authority came up. It was mentioned that county commissioners have the authority to change policy, allowing policy updates that respond to the needs of those looking to rebuild.

### 4. Brainstorm: Resources, Strategies and Partnerships to Rebuild Businesses

- The main workgroup was divided into three smaller groups. Each group brainstormed resources, strategies, and partnerships required to rebuild the identified Blue River businesses. Each group presented their brainstormed lists and the full group discussed the viability of some of the ideas. It was emphasized to not reinvent the wheel, but to look for what has worked somewhere else.

- It was decided that Oregon Solutions would send a survey out to the workgroup after the meeting for the group to begin to prioritize which of those resources, strategies and partnerships that were the best to pursue.
- Table 2: Brainstormed Resources, Strategies and Partnerships

Resources	Strategies				
<ul style="list-style-type: none"> <li>● PIER and CDBG funds (<i>\$1.5 million under consideration</i>)</li> <li>● Business Oregon</li> <li>● Federal Grants (EV charging funds, C Green space)</li> <li>● County (economic development, transient lodging tax, travel Oregon, Travel Lane County, Safe Routes to School)</li> <li>● EWEB funding (septic funding)</li> <li>● Philanthropic institutions</li> <li>● Tax incentives</li> <li>● Fee removal</li> <li>● Congressional funds/federal earmarks</li> <li>● RDI - Mainstreet project funds (\$100-200K in exploratory stage)</li> <li>● Financing options</li> </ul>	<ul style="list-style-type: none"> <li>● Leverage / develop gateways off highway to attract downtown activity</li> <li>● Public amenities: bathroom, EV charging</li> <li>● Leverage events: recreation, MBX, cyclists, track, chain saw fest</li> <li>● Vision Plan connects with business recovery. Long term econ. development and main street.</li> <li>● Prioritization framework for funding</li> <li>● Land use / zoning long term strategies</li> <li>● A sense of urgency</li> <li>● A local econ development coordinator or planner - that coordinates, represents the community, plans roadmap.</li> <li>● Build back 3-4 business (pre-fire)</li> <li>● Convening a meeting with the state and county.</li> <li>● “What can we do now, in order to start rebuilding the Blue River?”</li> <li>● Create opportunities for new businesses</li> <li>● Broadband</li> <li>● Advocate to legislature for new fire recovery funding with other fire-affected areas.</li> </ul>				
<p><b>Key Partners:</b></p> <table border="0"> <tr> <td data-bbox="272 1444 846 1724"> <p>Government:</p> <ul style="list-style-type: none"> <li>■ Lane County (Economic Development and Land and zoning)</li> <li>■ Forest service</li> <li>■ State of Oregon</li> <li>■ OHCS</li> <li>■ Travel Lane County</li> <li>■ Lane electric</li> </ul> </td> <td data-bbox="846 1444 1511 1780"> <p>Other:</p> <ul style="list-style-type: none"> <li>● LTRG</li> <li>● BR Waterboard</li> <li>● EconNW (data)</li> <li>● Other affected communities (Santiam, others outside OR)</li> <li>● Track Town USA, Track Groups</li> <li>● Rural Development Initiatives</li> <li>● McKenzie Community Land Trust</li> <li>● Chamber of Commerce</li> </ul> </td> </tr> <tr> <td colspan="2" data-bbox="272 1745 846 1938"> <p>Philanthropic</p> <ul style="list-style-type: none"> <li>■ The Ford Family Foundation</li> <li>■ Oregon Community Foundation</li> <li>■ Meyer Memorial Foundation</li> <li>■ Kelly Nonprofit Consulting</li> </ul> </td> </tr> </table>		<p>Government:</p> <ul style="list-style-type: none"> <li>■ Lane County (Economic Development and Land and zoning)</li> <li>■ Forest service</li> <li>■ State of Oregon</li> <li>■ OHCS</li> <li>■ Travel Lane County</li> <li>■ Lane electric</li> </ul>	<p>Other:</p> <ul style="list-style-type: none"> <li>● LTRG</li> <li>● BR Waterboard</li> <li>● EconNW (data)</li> <li>● Other affected communities (Santiam, others outside OR)</li> <li>● Track Town USA, Track Groups</li> <li>● Rural Development Initiatives</li> <li>● McKenzie Community Land Trust</li> <li>● Chamber of Commerce</li> </ul>	<p>Philanthropic</p> <ul style="list-style-type: none"> <li>■ The Ford Family Foundation</li> <li>■ Oregon Community Foundation</li> <li>■ Meyer Memorial Foundation</li> <li>■ Kelly Nonprofit Consulting</li> </ul>	
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- Round house
- Reser

## 5. Identifying Information Needs for Evaluating Options

The group identified the following information needs:

- Blue River map: identifying the commercial and residential lots
- Map created by Patrick Wingard that identifies what can be built within the current zoning and land use designations.
- Need to verify the existing wastewater/water infrastructure can support 1:1 replacement. More information about how the infrastructure feasibility study and plan will support the businesses.
- Information from the Wayfarer regarding their plan and estimated costs to rebuild.

## 6. Next Steps

- Next Blue River Workgroup meeting is August 14th but will be focused on the Blue River Drive design. Oregon Solutions will work to schedule a September meeting.

### Action items:

- Oregon Solutions will send a survey out to the workgroup to begin prioritizing the strategies, partnerships, and resources identified.
- Oregon Solutions will reach out to the City of Paradise to invite their ideas for solutions and things they have tried, and will reach out to folks who might be willing to present the identified information needs to the group.