

INNOVATION GATEWAY INDUSTRIAL PARK & OPPORTUNITY AREAS

Core to our vision for the future of John Day is an enhancement of existing neighborhoods, employment areas, and our commercial centers. Part of the City's 5-year Community Investment Strategy included in your packets is a discussion of the opportunity areas where we can address the City's housing and community development needs (Figure 1).

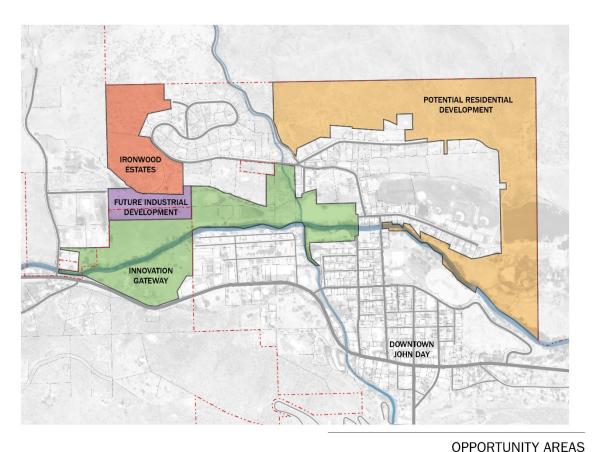


Figure 1. John Day's Opportunity Areas

The Innovation Gateway Area Plan included the re-zoning of our barren and unproductive industrial lands to allow for mixed use development. It envisioned future commercial and industrial development north of the John Day River as well as potential housing developments at Ironwood Estates and the Holmstrom property. The Mahogany Ridge property (formerly Strawberry View Estates) was later added to these opportunity areas. Local street networks have been proposed throughout these locations as a way to facilitate their future development in a phased approach.



Phase One focuses on housing improvements and mixed use commercial/industrial expansion at the west end of the city (Figure 2). This phase includes the extension of 7th Street arterial from its current terminus at Bridge Street west to Patterson Bridge Road, with both collector and local streets extending to the Ironwood Estates subdivision to allow for future residential expansion. The estimated cost for Phase One is \$12.5 million, which includes the cost of the 16-acre property purchase of the former Iron Triangle industrial site and the street right-of-way.

Th Street West Extension

HIghway 26 Traffic Safety Improvements & Innovation Gateway Access
 Johnson Drive & Parking Improvements
 Charolais Heights Intersection Improvements

Innovation Gateway Industrial Park & Government Entry Road

8 Integrated Park System Transportation Infrastructure

Ironwood Estates Street Improvements

Figure 2. Phase One of the 2020 BUILD Grant

Gateway Drive

---- CITY LIMITS

FUTURE STREETS



Phase Two focuses on the downtown corridor and future housing on the northeast end of the city (Figure 3). Street improvements in this phase include a new bridge from the 3rd Street Extension north to 7th Street across the Holmstrom property, improving downtown parking areas recently acquired by the City, and opening 18 acres for new housing development at Strawberry View Estates. The estimated cost for Phase Two is \$7.2 million.

Phase Two This treet East Extension and Holmstrom Road & Bridge Downtown Parking Improvements Mahogany Ridge Street Improvements Image: Resource of the provided repairment of the

Figure 3. Phase Two investments proposed in the 2020 BUILD grant



The purchase of the Iron Triangle property and associated right-of-way was essential to complete these local street networks and allow for the orderly development of new industrial, commercial and residential opportunities (see enclosures for full design). If the 2020 BUILD grant is awarded, we will receive up to \$17 million in federal funding to create this local street network. If it is not, we will still press on with our planning, preliminary engineering, and design for these street improvements, because without them, we cannot open lands for redevelopment and we will continue to hamper our ability to grow and recover economically from the loss of the timber industry.

These are difficult decisions to make, not because the projects aren't inherently good, but because they are so expensive. State and federal policy sets a minimum price for labor through the Davis-Bacon Act and Oregon's Prevailing Wage laws. These costs add about a 20 percent premium to our cost of construction. The cost to build in John Day is also high due to lack of raw materials and few contractors capable of executing projects at this level. However, this is the economic landscape we have been given. We cannot continue to ignore these constraints or make up excuses for why we can't grow or recover our economy. We cannot wait for the private sector to do it alone because it won't. The economics don't work. The cost to develop our land exceeds the value of the land after it is developed. Instead, we must continue to apply for state and federal grants to help offset the cost of land development, so that our housing incentive program can succeed by making buildable lands available to our current and future residents.

The 2020 BUILD grant is our second effort to secure funding for these projects. We were highly recommended in 2019 and we will continue to apply in 2022 and beyond if the grant is not awarded, because we have to. It is the only way we are going to succeed in recovering our economy. New home construction and buildable commercial and industrial lands are essential for our Strategy for Growth to succeed.

We will also continue to advocate for policy changes at the state and federal level to remove artificial and unnecessary barriers to our growth and development. Oregon's 2017 Transportation bill had the unfortunate effect of removing all local street funding from state budgets that is not tied directly to immediate opportunities for traded-sector industries. In addition, the small cities allotment grants were amended so that they can no longer be used to build new roads or assist with on-highway projects. These policies are detrimental to our rural communities and must be changed, or supplemented, with policies that encourage and incentivize new road construction for affordable workforce housing when and where they are needed.

John Day is leading this fight, and we will continue to do so through our planning and advocacy efforts until we are successful.

