



MEMORANDUM

TO: JOHN DAY CITY COUNCIL
FROM: NICHOLAS GREEN, CITY MANAGER
SUBJECT: COMMUNITY DEVELOPMENT INVESTMENT PLANNING AND OREGON SOLUTIONS
DATE: MAY 9, 2017
CC:

EXECUTIVE SUMMARY

This memo presents the City Manager's proposal for community development initiatives related to the City's *Strategy for Growth*. It describes a vision for the future wastewater treatment plant and the status of the treatment plant replacement project. It also discusses the nexus between the Oregon Solutions process and the City's community development priorities. The memo concludes with a unique proposal for a new community development initiative. One that would create economic benefits for multiple agencies and result in greater cooperation in strategic planning and local priority setting.

BACKGROUND

The City's *Strategy for Growth* is designed to attract three core demographics to our community: 1) Digital commuters; 2) Active retirees; and 3) Young, working families.

Attracting these demographics requires the City to make investments in four main areas:

- 1) **Digital marketing and branding** that promote our rural quality of life and opportunities for rural innovation;
- 2) **Recreational amenities** that make for attractive, active-lifestyle communities and enhance the abundant opportunities for outdoor recreation in our area;
- 3) **Competitive broadband infrastructure** enabling residents to be digitally connected to friends, family and co-workers, with scalable broadband infrastructure to allow for growth in advanced industries; and
- 4) **Housing and community development initiatives** that create more diversified housing options across a wider and more balanced price range, with new community spaces that enhance the economic value of the city.

In prior city council meetings, I have discussed the impacts of digital marketing through the City's new website; recreational amenities like the proposed John Day Bike Park and trail system; the proposed broadband infrastructure and funding strategy; and the proposed housing development plan and incentives.

The fourth pillar of the *Strategy for Growth* makes targeted investments in new community development projects that enhance the economic value of John Day. Several of these will be discussed during Oregon Solutions process. Properly sequencing these investments and communicating the City's financial strategy to the public through the Oregon Solutions process will help ensure their successful completion.

PROPOSED COMMUNITY DEVELOPMENT INITIATIVES

During the fall of 2016, a group of community representatives and advocates met with the Oregon Solutions team to discuss projects and needs for our area. Among the topics discussed were the need for a new school; a new wastewater treatment plant; improved floodplain mitigation; a new library; a recreation center and indoor pool; job training and workforce development; and improved housing and transportation options. The total cost of these projects easily exceeds \$50 million.

Among all of these initiatives, the top priority for the City of John Day is the construction of a new wastewater treatment plant. The permit to operate the treatment plant expired in 2007. The Oregon Department of Environmental Quality (DEQ) will not renew the permit due to the age and condition of the plant and its proximity to the John Day River.

THE OREGON SOLUTIONS PROCESS & TIMELINE

In order to communicate the need for a new treatment plant and prioritize other community development initiatives, the City collaborated with Grant School District #3, the Grant County Court and the Blue Mountain Hospital to engage the services of the Oregon Solutions team.

The Oregon Solutions team and Oregon's Kitchen Table is a non-profit alliance that will help our residents to provide critical local input in our investment decision-making. The process allows residents to contribute their insight, ideas and resources to improve our community.

A multi-disciplinary team will convene from May through July 2017 to evaluate the needs and priorities for our area. They will discuss and develop tradeoffs, outline questions and frame an outreach plan for engaging local residents. Oregon's Kitchen Table will then develop both online and print surveys that will be made available for public feedback. The surveys will launch in mid-May and close in mid-June.

Community leaders will meet both before and after the survey results are analyzed. During the post-survey meeting, community leaders will revise and finalize a set of priority strategic initiatives, including more detail on next steps and development of a clear and compelling framing of how these projects will move the community forward.

The schedule of events is as follows:

- May 11** – First meeting of community leaders (Focus Group #1)
- May 18** – Second meeting of community leaders (Focus Group #2)
- May 19** – Finalize outreach plan
- May 22 - June 16** – Launch survey and collect community feedback
- June 29** – Third meeting of community leaders
- July 17** – Results made available to the public

The total cost of the Oregon Solutions process is \$9,800 plus incidentals. The City applied for and received a grant of \$5,000 from The Ford Family Foundation to help finance the community priorities planning. The balance of the cost will be shared equally by the City, County, School District and Blue Mountain Hospital.

STATUS OF THE NEW WASTEWATER TREATMENT PLANT

In August 2016, I provided the city council with a memo outlining a new option for the wastewater treatment plant that would generate up to 80 million gallons of reclaimed water annually and put it to beneficial reuse. I also proposed an update to the 2009 Wastewater Facilities Plan to include a land application option and revised costs for the mechanical treatment plant the council originally selected.

In October 2016, I completed two applications for grants, one from Business Oregon's Infrastructure Finance Authority (IFA) and one from the Oregon Water Resources Department (OWRD), to conduct a feasibility study and facilities plan update for the new treatment plant. IFA awarded a \$20,000 grant to the City on February 17, 2017. On February 24, the OWRD notified the City of their intent to provide a \$50,000 grant, with funding awards scheduled for announcement on May 12.

In anticipation of this funding, I created a list of consultants under OAR 137-048-0120 and the City's Public Contracting Code through a formal request for qualifications (RFQ). As defined in the Oregon Administrative Rules (OARs), a consultant includes a business entity that employs architects, engineers, photogrammetrists, transportation planners, land surveyors or providers of related services, or any combination of the foregoing.

From its list of consultants, the City will select a team for the new treatment plant, with each member able to receive a direct award of up to \$100,000 per project. The City's RFQ was posted to its website and sent to the following firms:

- Sustainable Water
- Anderson Perry
- T-O Engineers
- Pinnacle Architecture
- Benchmark Land Surveying
- Ferguson Surveying & Engineering
- Sisul Engineering
- OFS Optics
- EntryPoint, LLC

A team will be selected from these firms to help with the concept, feasibility study and preliminary design of the new wastewater treatment facility. The concept will be vetted and refined through public feedback during the Oregon Solutions process and other public meetings. The formal feasibility study will then begin in July 2017 (scheduled to last 12 months) followed by preliminary engineering in the fall of 2018. Construction will begin in 2019, with the intent to have the new treatment plant operational by 2021.

VISION AND CONCEPTUAL DESIGN FOR THE NEW TREATMENT PLANT

Traditional treatment concepts focus on the basic function of a treatment plant: to purify wastewater to a quality standard permitted by the DEQ for safe and effective disposal. Under the traditional concept, effluent is viewed as a waste stream that has to be properly disposed of. The traditional concept ignores the economic value that can come from harvesting and reclaiming wastewater and putting it to beneficial reuse.

New techniques for water recycling and reclamation can turn wastewater from an environmental hazard into a monetary asset. These techniques are being used across North America and Europe to create facilities that combine productivity, education and recreation. Many have also become destination attractions that generate new sources of economic value such as the 50-acre Butchart Gardens in Victoria, B.C., and the 80-acre Oregon Garden in Silverton, OR, both of which use reclaimed water purchased from their local municipalities, and the Water Hub (designed by Sustainable Water) at Emory University in Atlanta, GA, which reclaims up to 400,000 gallons of water per day for use by the university campus (Figures 1-3).

The City of John Day has the potential to create a first-of-its kind treatment facility that uses reclaimed water to produce cash crops using controlled environment agriculture. This state of the art facility may be integrated with other amenities through public private partnerships (P3s) and land use agreements that will create new sources of revenue and economic value for our community.

John Day's new wastewater treatment plant could become a center for rural innovation that combines multiple beneficial uses into a single, integrated system. That system could include:

- Commercial greenhouses for regional food security and hydroponic crop growth;
- Public gardens, riverfront trails and indoor/outdoor community gathering places;
- A year-round public market selling locally grown produce and aquaculture;
- A restaurant/microbrewery overlooking gardens and ponds that serves meals from locally grown produce and craft beer from hydroponically grown hops;
- A destination resort/hotel for visitors and business conventions;
- Indoor and outdoor recreational facilities for public use; and
- An open campus for secondary and post-secondary education and research.

The City is located in a banana belt that has an ideal climate for crop growth and a sustainable source of wastewater that currently generates 80 million gallons a year for reuse. The City also has over two billion gallons of water rights to underground aquifers and natural springs with sufficient water infrastructure currently in place to meet the needs of a population four times larger than our present service area.

By combining our natural growing climate and abundant water sources with available land, the City has all of the components necessary to create a destination location that will create multi-dimensional economic benefits for our residents. The proposed treatment plant is also scalable to meet future treatment and water reclamation needs.

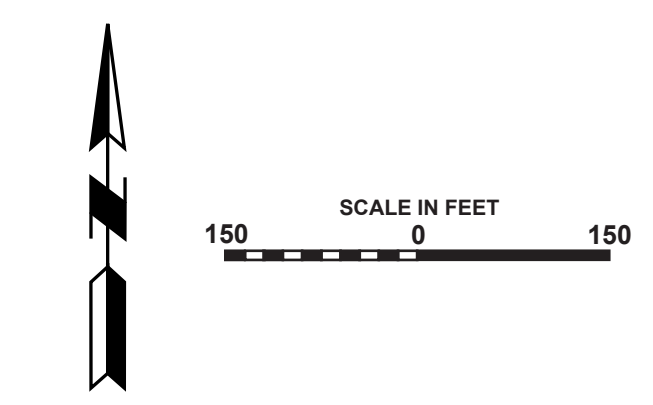
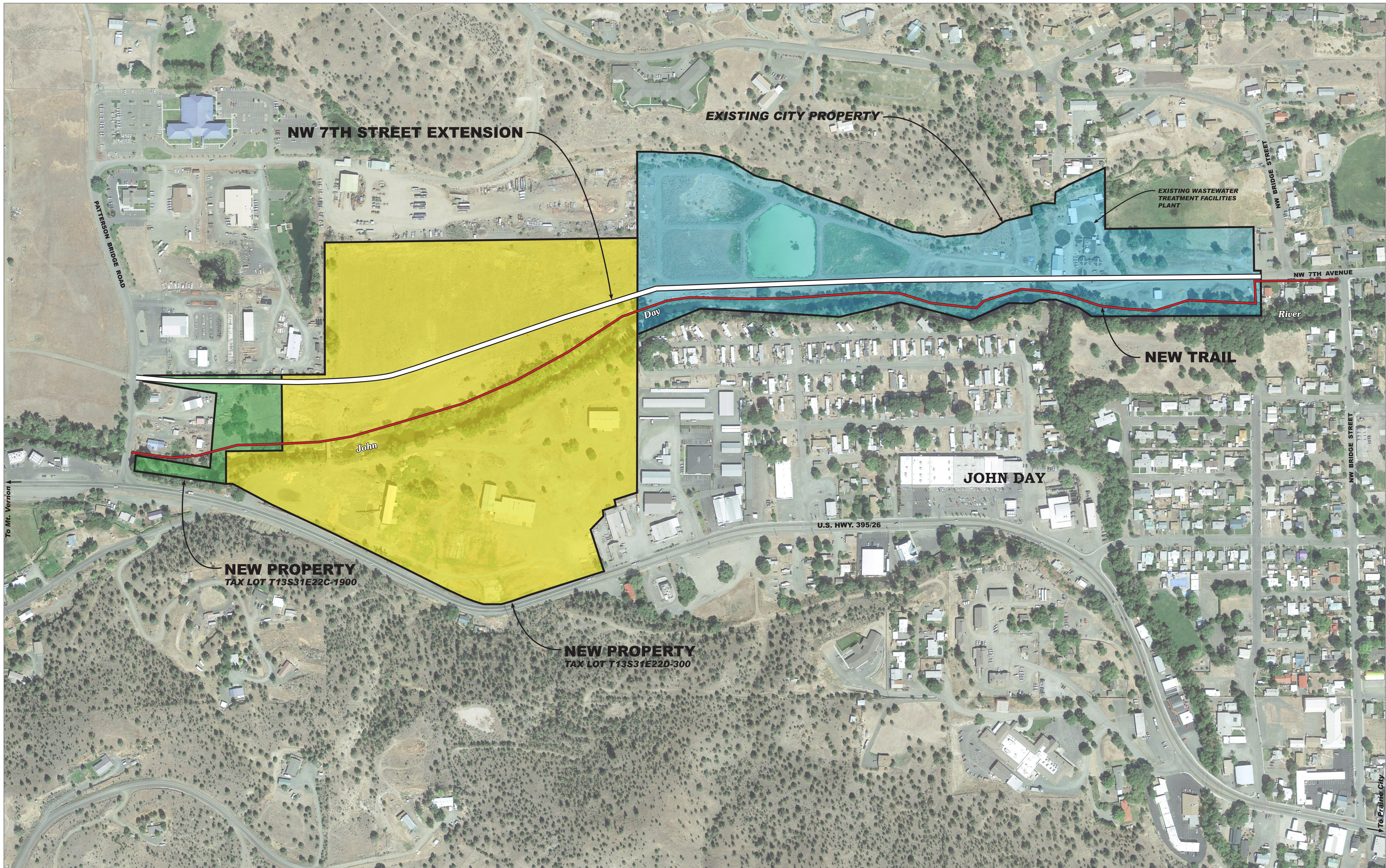


Figure 1. Butchart Gardens (top left), Oregon Gardens (top right), and the Water Hub wastewater treatment facility (bottom)

TURNING VISION INTO REALITY

In order to create the opportunity to pursue the reclaimed water treatment option, I began negotiating with DR Johnson Lumber Company in October 2016 to allow the City of John Day to purchase their former mill property known as Oregon Pine. This 53.46-acre parcel, adjacent to 30 acres currently owned by the City that houses the existing treatment plant, would give the City over 80 acres of riverfront and highway frontage property with which to design the new treatment plant and reclaimed water complex.

On January 24 and March 28, 2017, I met in executive session with the city council to discuss the proposed property acquisition. Following the March 28 executive session, the city council unanimously authorized me to negotiate the purchase of real property as discussed during the executive session. These future acquisitions are shown in Figure 2 (yellow and green shaded areas).



CITY OF
JOHN DAY, OREGON
 WASTEWATER SYSTEM IMPROVEMENTS
PROPOSED OREGON PINE PROPERTY ACQUISITION

The City is in the final stages of its negotiation with DR Johnson Lumber Co. to purchase the 53-acre property for \$519,000 (\$9800/acre). This purchase will create numerous benefits for the residents of John Day and the surrounding communities. These benefits include but are not limited to the following:

- Building the new treatment plant entirely outside of the 100-year floodplain, eliminating floodplain development restrictions and allowing construction of the new plant to proceed without disrupting operations at the existing plant;
- Creating options for commercial-scale hydroponics greenhouses producing year-round agricultural and aquaculture products for local consumption and export;
- Improving transit and access to the north side of the city by extending 7th Street through to Patterson Bridge Road, reducing traffic on Bridge Street and opening up access to the north side of the John Day River from both Patterson bridge and the bridge at Oregon Pine;
- Creating over one mile of multi-use trails and paths along the north side of the John Day River, restoring public access to the riverfront on both the north and south sides of the river;
- Improving water runoff and containment at the mill corner through natural and man-made waterways, water features and botanical gardens;
- Creating a welcome sign and botanical gardens at the western entrance to our city that will make for a more inviting and attractive approach to John Day;
- Developing the highway frontage property of Oregon Pine to allow for commercial development such as showcase greenhouses for agritourism, a local market and a local restaurant and microbrewery overlooking the gardens;
- The purchase includes an industrial-scale shop for the John Day Public Works Department that will allow the department to store its equipment indoors and allows the City to redevelop the riverfront parcel adjacent to 7th Street that is currently occupied by public works equipment and buildings;
- Clearing and redeveloping the 30-acres of riverfront property used by the existing treatment plant for future public amenities and facilities such as an agricultural experiment/research station, a visitor center/auditorium and a new school.

KEYS TO SUCCESSFUL COMMUNITY PLANNING

In order for Oregon Solutions and our upcoming planning process to be successful, the community cannot view the process as a zero sum game, where one agency gets what it wants at the expense of all the others. Rather, we should define the process as one that creates multiple winners by identifying win-win arrangements where all can benefit.

To achieve this outcome, we are proposing the redevelopment of Oregon Pine as our strategic priority initiative for the City. Our goal is to create a public space in a way that maximizes its value to the community, where multiple stakeholders and residents have a voice in creating the vision for the future land use. The outcome will be a locally supported initiative that attracts external capital from both public and private sources and contributes to the land development of high-value public amenities.

JOHN DAY INNOVATION GATEWAY

The redevelopment of Oregon Pine will change the face of John Day – creating a new gateway to the city and a new gateway to our future. Our vision is to create an 80-acre innovation complex, the John Day Innovation Gateway, which will create new investment opportunities for community, technology, education and commercial activities.

We envision a place where families and the community can go for evening walks along the river to greet their neighbors. Alongside the riverfront, they will view state-of-the-art commercial greenhouses mixed with natural indoor and outdoor botanical gardens. The innovation gateway will be a place of beauty and productivity, harmonizing the spirit of Grant County's natural resource industries with its strong sense of community pride, self-sufficiency and family values.

The John Day Innovation Gateway will house the new wastewater treatment plant, educational facilities, agricultural experiment stations and outdoor venues such as an outdoor amphitheater and combination visitor center/convention center/auditorium for local events. A community garden greenhouse could also be established alongside the commercial scale facilities for public use.

These public amenities will be surrounded by botanical gardens, trails and walkways that are cultivated and maintained by the City and local volunteers. The innovation gateway will benefit local residents, attract visitors from outside the community, and will rebrand John Day as a thriving rural community.

Themes to motivate and inspire the future design concept include the following:

- Promoting an open campus model for academic research (research park)
- Focusing on rural innovation and rural value creation
- Blending recreation, education, and productivity
- Creating a destination attraction for visitors, businesses and guests
- Identifying new opportunities for revenue generation
- Creating an integrated value chain that enhances planned and existing amenities for ranching, forestry, conservation and renewable energy
- Advancing the science and art of reclaimed water usage
- Integrating gigabit broadband infrastructure to support advanced industries
- Creating a beautiful and scenic environment for conventions and trade shows
- Capitalizing on our natural assets – abundant land, sunlight and water
- Building a lasting community asset that improves our quality of life

OTHER PRIORITY COMMUNITY DEVELOPMENT INITIATIVES

Enhancing the value of the Oregon Pine property and optimizing its land use will also create space for other community development initiatives that have struggled to gain traction.

At present, there is a conflict in the proposed land use of the 7th Street Complex. Attempting to locate both a school and a recreation center in the area is problematic due to space restrictions, lack of adequate transit to the site, inadequate parking and the complexity of building on sloped terrain.

Additionally, the Parks and Recreation District has made a significant investment in developing the location for recreation and there is concern that a future school could displace some of the recreational benefits of the complex. The 7th Street Complex has been proposed as a site for a future John Day Bike Park, the expansion of the Parks and Recreation office and a future recreation center and indoor pool. Overdeveloping this area could result in friction between its various stakeholders and local residents.

Developing Oregon Pine and opening up the former treatment plant area for redevelopment will de-conflict some of these land use issues. For example, building the future school at the location of our current treatment plant would allow students to walk across Bridge Street and use the 7th Street Complex. A future Rec Center at 7th Street could then serve as an indoor pool and gymnasium for both school and public use. This type of arrangement would allow the school campus to be dedicated to academic use and the 7th Street Complex to focus on Parks & Recreation programs.

Using an open campus design for the school, similar to a college or university, could also allow the campus to cover more terrain and include mixed-use buildings for both secondary and post-secondary education and research. For example, an auditorium could serve as both a school venue and a public conference center/visitor center. Similarly, the hydroponics greenhouses could serve as an academic research park for a state university while also providing a learning environment where our high school students can earn college credit in chemistry, physics, agricultural and biological sciences through hands-on research.

While these concepts are notional, the essential goal remains the same. The John Day Innovation Gateway will provide an opportunity to create a space in the city that we optimize for use by multiple public agencies and our residents – shifting the dynamic from one of interagency conflict to one of interagency cooperation.

SUMMARY

The acquisition and redevelopment of Oregon Pine creates an inviting indoor and outdoor space with riverside accessibility for community residents and visitors to enjoy for generations to come. Working together as a community, we can create an environment that will inspire the mind, lift the heart, and bring the hope of a more prosperous future to all Grant County residents.