

City of John Day Newsletter



CITY OF JOHN DAY

December 2018

A Message of Hope for 2019

Dear Residents –

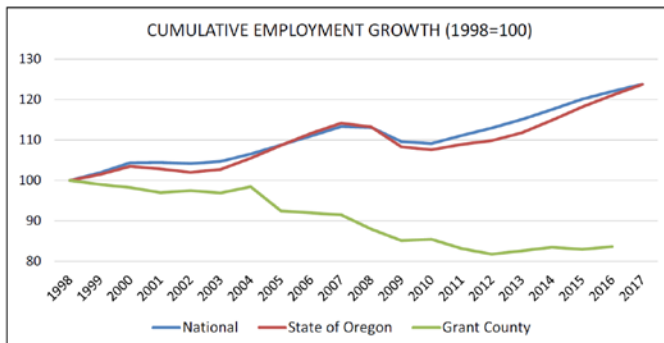
What an exciting year 2018 has been. Looking back over the past 12 months, I am amazed at everything we've accomplished – much of it behind the scenes – but also by working together as a community. I am also excited for the work we have coming up in 2019. In this newsletter, I'll talk about some significant changes we made last year and the big projects we're planning for next year. I'd also like to address some of the concerns we're hearing about our progress as well as the timing and cost of our plans.

A quick look at what we're up against

We set out two years ago with a fairly ambitious agenda – a strategy to help stem the tide of declining population and negative job growth that has plagued our area for the better part of 30 years. I've talked about this before in other newsletters and it has been the topic of many city council meetings and community advisory committee meetings.

In John Day (and Grant County), job growth historically has been linked to federal policies that regulate natural resource industries. When federal policies are permissive, industry expands, and jobs are created. When policies are restrictive, natural resource industries decline, and when jobs go, people tend to go with them.

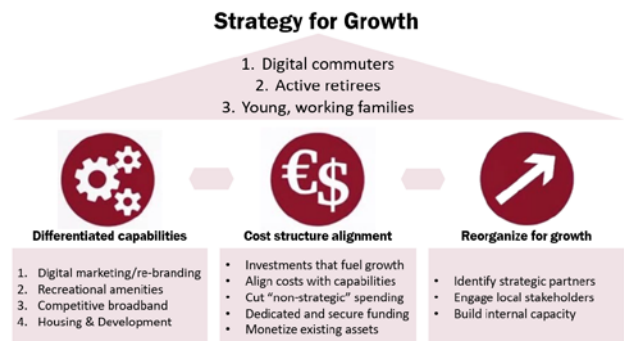
It's no surprise that the past 30 years of restrictive federal policies has led to an unprecedented level of population and economic decline in Grant County (see our point of departure from the rest of the state and nation in the graphic below).



I don't like to start out a newsletter (or a new year) talking about the negatives. There is an awful lot about our community that is positive. Even in the middle of some pretty significant trials, we manage to stick together. The sense of home, family and belonging runs deep here. That's why I feel so fortunate to call John Day my home. It's also why my wife and I chose to build a house and raise our family here.

I also believe that a close-knit community can come together when it's time to have difficult but honest conversations. We have the worst economy in Oregon. That's not subjective. It's tracked annually by the Secretary of State. According to a recent Portland State University survey (that many of you participated in), over 57 percent of our residents live in low-to-moderate income households. That's also not subjective. Low income means less money to pay the bills, less money to spend at local businesses, and fewer resources to maintain and improve our community. The combination declining population, low household incomes and bad federal policymaking for rural communities cannot be allowed to continue. If we are going to have a thriving future for ourselves, our children and our grandchildren in John Day, we have to act now.

Creating new opportunities



Two years ago, the city council recognized we needed a new strategy for growth, one that views our residents as customers who have a choice about where they live and work and where they spend their retirement years. They agreed we needed to run the city more like a business – one with a stronger focus on strategy and on long-range planning to guide future investments.

The city council also recognized that our declining economy in the near-term was going to force some tough financial decisions. Most of our state funding is per capita based – it increases the more residents we have, and it declines as residents leave. Unfortunately, the cost of services does not decline – it rises in consistent patterns based on a whole host of factors that I won't get into here.

Considering our financial projections, we recognized we are going to have to make some tough choices about the services we provide today in order to invest in tomorrow. We also felt we needed to create new sources of local revenue that did not depend on state shared revenue or federal policies. In short, we needed to take our economic destiny into our own hands, because the cavalry isn't coming.

Significant achievements in 2018

Two components of our strategy for growth rarely make the news because they aren't very exciting to talk about. One is called "Cost Structure Realignment" and the other is "Reorganizing for Growth." They're about as boring as they sound, but the basic principle is this – if you are going to reinvest in your community, you have to have the funding and the resources to do it.

Our strategy acknowledges that John Day can no longer afford to go it alone. We need to identify strategic partners and engage residents more effectively to help build our internal capacity. We need business partners – people and organizations willing to work with the city – to provide the services we need today while making sizeable investments for tomorrow. To that end, here's a brief summary of some significant steps taken in 2018 that will lead to long-term success.

Improved service delivery. Last year we led the way in creating three new, more collaborative government agencies to serve our community: the John Day Urban Renewal Agency to incentivize housing development and downtown revitalization; the Grant County Emergency Communications Agency to keep 9-1-1 service local and maintain dispatching countywide; and the Grant County Digital Network Coalition to improve internet access for our residents and other underserved residents of Grant County.

This isn't about big government. It's about working smarter and working together to strengthen our economy. By sharing resources and working toward a common mission we can create better outcomes for our community than we could ever achieve on our own. We are stronger when our public agencies work together as a team.

Better financial management. Over the past two years, we've raised just over \$4 million in outside investment – all of it in the form of grants that do not have to be repaid. It sounds like a lot (and it is) but it isn't nearly enough to lead to growth, so we're continuing to pursue additional external funding into 2019 and beyond. For example, next year we will apply for \$2.5 million in federal funding for the new wastewater treatment plant, with more on the way.

In addition to raising external funding, we are trying to make smarter use of our local money. By consolidating and restructuring the city's debt in 2018 we were able to fully fund the completion of the fire hall without increasing taxes. You'll have a chance to tour the newly finished building next month. We also accelerated our debt repayment schedule in the water and sewer funds to reduce long-term debts. Finally, we expanded our network of professionals working under contract with the city; with the consolidation of 9-1-1 under a new county organization, we were able to simultaneously reduce city staff by 30 percent.

The net result of these efforts is a leaner government with a stronger balance sheet. We are now in a better financial position to take on some of the big projects we have planned for next year.

Four major investments for 2019

The city is planning to make four major investment in 2019. Each one is planned as part of our strategy for growth and all will take significant public involvement.

1. Comprehensive economic development planning. Using a combination of federal, state and local funding, we have hired a team of economic development professionals led by ECONorthwest, one of the Pacific Northwest's largest and most respected economic development firms. ECO has partnered with Bell + Funk, a marketing firm based in Eugene, to help us expand our economic strategy for the city and reach a broader audience with our message. The team started work in December and will continue to work with us through June 2019. Their efforts will culminate next May with a Regional Economic Development Summit held here in John Day, where multiple federal, state and non-profit agencies will come together to identify funding sources to help further execute our strategy. A big part of their focus will be on digital marketing and branding – helping others to see what we see and recognize our city for what it has to offer – clean air, beautiful surroundings, and a tight-knit community. A place to live and work where others come to play.

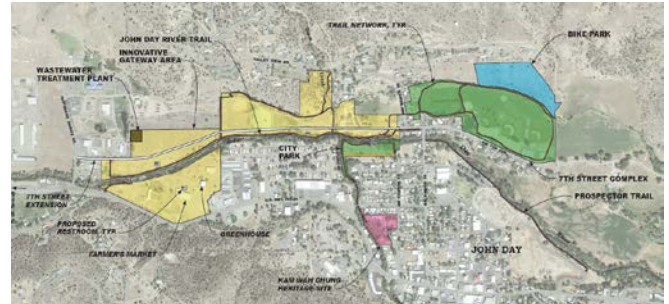
2. New and expanded recreational facilities. The city made great progress in 2018 on our recreational investments. This summer we worked with local non-profits, the Parks & Rec District and the School Board to open a new bike park at 7th Street. This is the first step in a multi-step process to create new recreational opportunities closer to home. The city also donated \$50,000 to the Parks & Rec District from our earnings from the 2017 solar eclipse to help build a new splashpad and playground that will be installed next spring. We also successfully raised \$192,000 in grant funding from the Oregon State Parks and Recreation Department to fund the creation of a riverfront trail system along the John Day River that will result in over two miles of new walking, jogging and biking trails in town that connect to five of our neighborhoods.

In addition to these quick wins, we are working on a long-term reinvestment plan for Gleason Park and Pool. This year, we purchased an additional 10-acres of riverfront property to build a new city park at the north end of Canton Street and new outdoor recreational and cultural facilities north of the John Day river along Davis Creek. We hired Counselman-Hunsaker and Opsis Architecture to help us design these facilities and they have been hard at work helping us develop new design concepts as well as a viable business model to financially sustain these facilities, which will be presented to you at various public hearings in 2019.

3. New housing and community development projects. Our new home incentive program and our remodel incentive program became effective in July and local residents are already taking advantage of the programs. These programs were designed to make it easier for you to invest your money (and our taxes) to make much-needed improvements to your homes or to build the new home you've always wanted. We are offering significant cash rebates – 15% on remodels and 7% on new home construction – to help you improve your property. Stop by city hall or visit our website for more information @ <http://bit.ly/JohnDayHousing>.

We are also continuing our investment plans for downtown. The Weaver building is currently under construction. Alpine Abatement from Bend, OR is removing all the hazardous materials, including lead and asbestos, from the building and is performing the interior demolition necessary to begin renovating this 12,000 square foot mixed-use building, which we purchased last November. Their work will be completed in January, at which point the City plans to sell the building to investors who can continue the renovations and put up to eight new loft apartments back on the market.

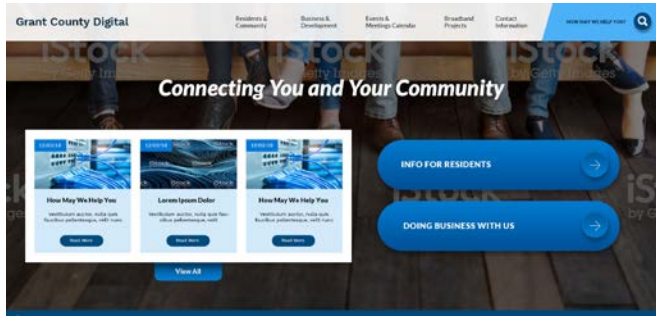
This is just the beginning of our efforts to revitalize downtown. There's more to come. We are working on several opportunities to address parking issues downtown and create opportunities for new business ventures. More information on these programs will be presented in city council meetings and to our community advisory committees in the coming months.



Our Innovation Gateway area planning has also begun. We hired a team led by Walker Macy to develop a complete design for the John Day Riverfront and our new wastewater treatment plant and greenhouses. They will also develop new transit options for trails and connector streets within the city limits. Walker Macy's team began work in December and will host three town halls to give you opportunities to contribute. These meetings will be held at the John Day Fire Hall or at the Grant County Regional Airport conference room on January 8, March 12 and in early May. More information on dates and times will be published to the city website, on KJDY and the Blue Mountain Eagle.



The City also began the engineering process for our new wastewater treatment plant last year with a feasibility study and concept plan. We have applied for over \$300,000 in federal funds through the Community Development Block Grant Program to continue our engineering into 2019. If all goes according to plan, the new system will be fully designed next fall and will be under construction in 2020. This project will replace our aging treatment plant, built in 1947, with a state-of-the-art facility that should allow us to create new economic opportunities both in the valley and at the industrial park through water reuse.



4. Improving broadband internet connectivity. Some of our residents have access to broadband internet. Many more do not. We are actively working as a member of the Grant County Digital Network Coalition to address these issues with new and improved options for community broadband. In December, we hosted the first town hall for the Grant County Digital board to address residents on this subject. We streamed the town hall meeting live to Facebook and you can watch the recorded event on the City of John Day Facebook page.

ViaSat internet was recently selected as the Connect America Fund 2 recipient for Grant County. They are now receiving federal subsidies to provide wireless internet service in our area through their ViaSat 2 satellite system. ViaSat presented at our town hall meeting along with our other internet service providers and they are now offering broadband internet at competitive rates to homes throughout John Day. If you are struggling with your current connection and do not have access to fiber, this may be a good near-term solution for you (see <https://www.viasat.com/>).

Unfortunately, we were not successful in securing federal funding for our broadband expansion projects in 2018. Our next application for federal funding is due on April 29th, where we will compete for our share of \$600 million appropriated by congress for rural broadband. This is a much bigger opportunity than the \$15 million community connect grant we applied for last year. We are competitively positioned for this application and are actively developing agreements with our local internet service providers to build a strong team to compete for these funds.

In the meantime, the new website for the Coalition will go live in early February at www.grantcountydigital.org. Check in there for more information on broadband this and other broadband opportunities.

Where do we go from here?

While we feel we've been very successful in our efforts to date, we recognize that much of our progress is not readily apparent. We set an aggressive schedule for many of our projects and we hit a few speedbumps along the way (the greenhouses are coming!). We know it seems like we're long on promises and short on delivery right now. We missed some key timelines and we had a few funding decisions that didn't go our way, which forced us to re-evaluate our approach and reset our timelines.

If you talk with the Mayor or a city councilor, you're likely to hear the same story. The delays have been frustrating, but they are minor setbacks in what has otherwise been a highly successful year. We have an active investment portfolio and we're working through the bureaucratic hurdles that have slowed our progress as quickly as we can.

We recognize there are still skeptics among you but we also know there are also a lot of supporters. We're undertaking a bold new strategy. We're doing things that may seem unconventional for a government agency, and we realize that change can be uncomfortable. We also feel it is necessary. We're doing things that are necessary to keep more of our tax money in our local economy, that will allow us to invest in ourselves, and that – we hope – will mark the beginning of our economic recovery.

We need your support and involvement! Help us invest in our community and make good choices by getting informed about these projects, attending a council meeting or town hall event, or simply talking with a city councilor. Share your opinion and your feedback to make a difference. Above all, stay positive. We have a lot of work left to do. It took 30 years for us to get to this point. We won't see change overnight – but we are committed to continuing the fight. It will be difficult, but don't get discouraged. Community development projects take time, but they will begin to make a difference. Remember, our greatest asset is you – the people of John Day. It is you we represent and serve, and you we are fighting to keep. We hope you will join with us in 2019 to continue these efforts!

Sincerely,

Nick Green, City Manager