

City of John Day Newsletter



May 2018

Dear Residents –

It has been a productive three months since we last sent out our newsletter. In March, I presented my first state of the city address. I will talk about some of the key themes of that address in this newsletter. I am also going to provide you with an update on several ongoing projects. We spent much of 2017 engaged in various fundraising activities in order to be able to finance new capital improvement projects. This year, you are going to begin to see those projects come to fruition and will have the opportunity to benefit from many of them.

State of the City

During my state of the city address, I talked about our Strategy for Growth. The city council launched the strategy about 18 months ago. The ultimate goal is to increase our population – to get back the 300 or so residents that we have lost over the years. Our population is the same today as it was in 1970. In order to grow, we need living wage jobs but we also need: housing, improved broadband access, and additional recreational opportunities. It is hard to get the jobs when you do not have the other three.

Our Strategy for Growth calls on the city council to engage with public and private institutions to increase and improve our housing stock, ensure every resident has access to high-speed internet and create recreational amenities that will make our city more attractive for new residents. We also have to maintain and update our core infrastructure – particularly our wastewater treatment plant, which is now 70 years old.

We raised a lot of money in 2017 to fuel our strategy, which came from a variety of sources. When combined, these sources totaled \$2,678,500 in new income for our community, at a cost of \$1 of local revenue for every \$40 of external investment capital we raised. None of these grants constitutes an unfunded mandate, which is a statute or regulation that requires a state or local government to perform certain actions with no money provided to fulfill the requirements. This aggressive fundraising will make it possible for us to move forward on our strategy and create the projects I talk about in this newsletter.

Long-term Debt Refinancing

Not all of our effort has gone toward new fundraising. This year, I began a comprehensive financial assessment of the city by evaluating each department's revenues and expenditures and making recommendations to the city council to improve our financial position. The assessment resulted in three recommendations, which the city council approved.

- 1) Secure a \$2.1 million low-interest loan to consolidate outstanding debt obligations and secure funds to complete the construction of the fire hall.
- 2) Discontinue 9-1-1 as a city-provided service by June 30, 2019 and transition it to a new jurisdiction.
- 3) Rebalance public safety spending and service levels to more closely align with general fund revenue.

In April, we completed the loan consolidation at 3.34% through Washington Federal. The loan saved the city over \$350,000 in interest payments and fees, which we would have incurred but for the consolidation. It also allowed us to raise enough funds to complete the fire station tenant improvements without raising taxes.

Fire Station Update & 9-1-1 Center

Work will resume on the fire station in July. The project is planned to take less than three months to complete. When it is done, the fire hall will become a public safety center – a multi-purpose building that will house our fire departments and the County 9-1-1 Center. The 9-1-1 Center will be operated by the newly reorganized Grant County Emergency Communications Agency. We are excited to be working with the agency to keep 9-1-1 local and help set the 9-1-1 Center up for long-term success. You will be able to attend an open house this fall so you can see the completed building and new improvements.

Housing Development Incentive Plan

The city council created the John Day Urban Renewal Agency this year to encourage new housing growth and redevelopment. The urban renewal agency consists of the sitting council members, who will authorize two new incentive programs related to housing.

- 1) The *New Housing Incentive Program* offers residents a 7% cash rebate on new home construction and pays 100% of the system development charges for new home construction (currently \$7,400).
- 2) The *Existing Home Remodel Incentive Program* provides cash rebates for major remodels that increase a property's assessed value by \$10,000 or more. This tiered incentive starts at 15% of the increase in assessed value and may go up for larger renovations.

The goal of these incentive programs is to help our residents build a new home or improve their existing home. Details are available on the city website and will be discussed at the public hearing (see notice enclosed).

Broadband Network Modernization

Our broadband team has been hard at work! The Grant County Digital Network Coalition officially organized on April 10 and has been approved by the Oregon Secretary of State. Grant County Digital's mission is to deliver the fastest internet possible to as many residents as possible for the lowest price possible. Last month we applied for an additional \$3 million in funding to expand and modernize our communications systems in order to achieve the mission.

Our proposal for the USDA Community Connect Grant would allow us to use about \$450,000 from our state appropriation to complete the fiber optic buildout from John Day to Seneca and improve public safety communications throughout the southern portion of the county. The remaining \$1.3 million will be available for operations and maintenance and future expansions in John Day and throughout the county. Our aim is to have a fiber optic connection available to every resident in John Day by the end of 2019.

We were also excited to announce the team that will be working with us on this project, which includes Ortelco as the internet service provider. Grant County Digital will finance, design, and build the network and we are working with Ortelco who will provide the internet service and customer support. This digital highway will be publicly-owned, but the services will be provided by the private sector, making it a true public private partnership. More information on this project is available on the city website.

New Recreational Opportunities are coming to John Day!

In my State of the City address and budget message, I talked about several new recreational facilities that are under development.



The Parks & Recreation District has applied for a grant to build a new playground at 7th Street (shown above). During the eclipse, the City of John Day created campsites at the industrial park and city staff volunteered their time to staff a local booth where we sold eclipse merchandise and talked with visitors about our community. After all expenses were paid, the City made just over \$50,000 in new revenue from this event. We are donating that funding to the Parks & Recreation District to build the new playground. We are excited to work with Parks & Rec on this project, which will be a great addition to the city.



Construction will also begin this summer on a new bike park at 7th Street. This project was approved by the John Day Planning Commission in 2017 and is sponsored by the Grant County Economic Council (GCEC) and the Eastern Oregon Trail Alliance (EOTA). The bike park will have trails for riders of all ages and skill levels and will be located on the hillside above the ballfields and skate park. More information on this project is available from its sponsors: Wade Tait (EOTA): wade@eotatrails.com Mytchell Meade (GCEC): mytchellmead@gmail.com

Our Strategy is Working

We are excited about these new projects. The city council set out to implement our Strategy for Growth, and that strategy is working. These are just a few of the investments we are pursuing to help our community thrive. Thank you for your continued support and efforts to make John Day great again!

Nick Green, City Manager