

City pursues housing program to create growth

City pursuing housing program to turn decline into growth

By Sean Hart
Blue Mountain Eagle



Eagle file photo

A for sale sign in John Day. City Manager Nick Green is pursuing a housing incentive program he hopes will attract new residents.

Nine months into the city of John Day's strategy for growth, only one key piece has not been addressed: housing.

To combat population decline — and the resulting negative impacts on schools, businesses and taxing districts — City Manager Nick Green proposed a new approach in January to make strategic investments to spur growth.

To attract digital commuters, active retirees and young, working families, the city focused on rebranding and improving recreational amenities and broadband service as well as housing and community development.

Green, in his first year on the job, was awarded \$437,000 in outside grant funding for projects including Main Street revitalization, transportation planning, a sidewalk extension and a bike park. He persuaded the state legislature to award \$2.2 million for a new fiber op-

tic line and funding to keep the dispatch center open — both providing benefits throughout the county.

"Our message is resonating with people," he said. "They get it, they understand it and they think it's worth investing in."

Green is now taking his progressive approach to the housing problem.

And he believes he may have a solution.

The foundation

Only three site-built homes and two manufactured homes have been constructed in John Day city limits in the last decade, Green said.

Blue Mountain Hospital District CEO Derek Daly said well qualified employees have

turned down job offers here because they were unable to find suitable housing.

From January 2016 to April 2017, 29 homes within city limits were sold — 4.7 percent of the city's residential housing market of 615 single-family homes — averaging 1,676 square feet at 58 years old with a sale price of \$141,407, Green said.

A similar-sized new home would sell for an estimated \$254,000, he said, which equates to about \$1,800 in additional property tax revenue per home for local taxing districts.

While the benefit to the city of new homes on the tax rolls is clear, convincing a potential homeowner to spend \$112,000 more to build a new

home rather than purchasing a 58-year-old home is not always as easy.

Green said the actual cost to construct the home may even exceed the estimated selling price, making it difficult for a homebuilder to sell a spec home in the city. Further, he said, the potential homeowner is expected to pay additional system development charges to connect to water and sewer services as well as other building fees.

To overcome this gap to make it easier for builders to build and buyers to buy new homes, Green proposes providing incentives.

Instead of charging \$7,500 per home in system development charges, he said the city could front the cost to encourage people to add property to the tax rolls.

As an even greater incentive, Green said the city could offer a 7 percent rebate of the purchase price to homebuyers.

And he believes it can be done with no cost to the city or taxpayers.

Building support

To cover the cost of the \$18,000 rebate for a \$254,000 home, Green said the city could rely on the additional property tax revenue generat-

ed by the more valuable home, reimbursed to the city through a housing district.

With \$1,800 in additional tax revenue each year, the \$18,000 rebate could be paid off in 10 years. After the rebate is repaid, the additional tax revenue would benefit all of the properties' taxing districts.

Currently, Oregon law allows cities to develop urban renewal districts to address blight. Green said most of John Day meets that description.

Once the district has been designated, property taxes are frozen at current property value levels for all other taxing districts, such as the hospital and school, so those districts would continue to receive the same amount in property taxes each year. As property values in the district increase over time, the resulting increase in property tax revenue would be distributed back to the district alone. Through the program, cities can reinvest to reduce blight.

Green said that utilizing the program as a housing district, the city could maintain the additional tax revenue until it covered the full cost of the rebate, and then the additional amount would be split

among the taxing districts, each benefiting from the incentive as soon as it was repaid.

One problem with the renewal district program, Green said, is that renewal district areas are currently limited to 25 percent of a city's acreage or assessed value. Unlike cities dealing with downtown blight, Green intends to reinvigorate the housing market throughout the city.

He said the state legislature may consider an exemption, waiver or flexibility with the definition on the 25 percent limit. He said he is working with Rep. Cliff Bentz and is hopeful legislative action may be taken in 2018. Gov. Kate Brown is also accepting proposals for development programs, he said, and this idea may be a great fit for its ability to be applied anywhere.

With an improved housing market, along with improved broadband services and recreational amenities, Green believes the city will be able to attract new residents, turning the tide of population and economic decline into a new era of growth.

"This is going to reinvent Eastern Oregon if we are successful," Green said.

New chamber president has hard-working vision

By Richard Hanners
Blue Mountain Eagle



Bruce Ward

Bruce Ward is no stranger to community projects in John Day — he was involved in the project several years ago to upgrade the intersection of highways 26 and 395 that now hosts the Corner Cup.

"I love doing community projects and want to see my community prosper," he said.

Ward is the president-elect of the Grant County Chamber of Commerce and will be installed as president during a ceremony at the John Day Golf Club on Nov. 8.

He will succeed Jerry Franklin. Franklin served as president in 2007, when the chamber acquired and remodeled its current office on Main Street, and again for the past two years.

Ward's wife, Kimberly, is the John Day-Canyon City Parks and Recreation director. They have three grown children in Portland and four grandchildren. Ward enjoys riding motorcycles and snowmobiles, two areas that fit into the chamber's plans for tourism promotion.

The owner of Sunrise Construction, Ward was born here and spent 40 years in construction in Salem before moving back about nine years ago. In addition to yard-scapes and driveway grading, he focuses on constructing steel-frame commercial and residential buildings. He is currently working on a steel-frame home in Canyon City.

"My interest in community projects grew out of the Grant County Economic Council started by Les Zaitz," he said. "I was interested in their activities and came to head up

two projects."

The first project involved converting a closed gas station on the corner of Canyon Boulevard and Main Street. The

council raised \$9,000 from the community for the non-profit project, Ward said.

"The council provided the Western-style false front for the place," he said.

The second project involved clearing land north of the Timbers Bistro into a space for RVs, trucks and large vehicles to pull over in town. The council raised \$10,000 for the project and the Ford Foundation provided \$5,000.

"It was an extensive makeover that took six months of working with the Oregon Department of Transportation for a new highway approach," he said. "There were a lot of volunteers involved and donated materials."

Ward recalled removing trashed furniture from the site one very hot summer day when a pickup pulled up and an arm emerged through the driver's side window holding an ice cream cone. It was Jerry Franklin.

"I knew who he was, but we hadn't been formally introduced," Ward said.

Ward also started working on the former Oregon Pine mill site after the DR Johnson Lumber Co. gave him permission to clean it up and keep the weeds mowed. ODOT participated by cleaning up some of the rights-of-way along the highway.

"I believed the mill proper-

ty could be the center point of the community," he said.

Ward thought about the former mill site over the past three years and mentioned his ideas to John Day City Manager Nick Green. The city acquired the 53-acre site in September and is now developing extensive plans for the site as the Innovation Gateway project.

"This is the most exciting thing that has happened in this town in a long time," Ward said.

Ward took on the job of moving the city's welcome sign from downtown John Day to the former mill site.

Future plans call for placing symbols of the ranching, mining and timber industries near the sign, including an aluminum, life-sized steer, ore cars and logging equipment.

Ward, who joined the chamber more than a year ago, considers himself a "project guy" who handed off projects to Franklin as chamber president. He wants to see a major cleanup and restoration of John Day so residents can be proud of their city and the city can attract visitors.

"Bruce is a mover and shaker when it comes to cleaning up town," Franklin said.

While the chamber represents all of Grant County and its cities, and Ward is "technically a resident of Mt. Vernon," he is unabashed about his focus on cleaning up John Day.

"John Day is the most recognizable name for the area," he said. "Many people have heard of John Day but not Grant County. By promoting John Day, you're promot-

ing all of Grant County."

Ward notes that oftentimes residents get enthusiastic about volunteering to help the community but slowly lose interest.

"I'll have no trouble keeping up my interest," he said. "I want John Day to live up to its potential."

Promoting tourism for Grant County — from snowmobiling, motorcycling and

bicycling to special events — is a major goal of the chamber. And Ward's next project is a heavy one — mounting the new interactive touchscreen kiosk on the front of the chamber office, a joint tourism information project with the Forest Service.

"This will take a couple people to lift," he said, looking down on the electronic device.

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