

STATE OF THE CITY To City Council

2-4-19

2,000 words = 15.6 minutes



Hello Everyone. Here to reminisce about the year behind us and see what's in our windshield. Feel free to laugh and gasp in awe at the appropriate moments. So you won't doze off, there's a big reveal near the end!

They say that "demographics is destiny", so let's start there.



Folks are coming to Oregon in droves, 370,000 people since the last census, adding the equivalent of a city larger than the size of



Eugene and Salem combined.

Of course, that's Woodstock – what 400,000 people looks like. For those of you who weren't there, here is a closeup from the crowd.



Actually, that's my great-great Grandfather on the right who got to Oregon in 1851. Early hippie or something. Or ZZ Top band member.

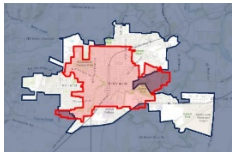


I'm having way too much fun with this.



Anyway, Dallas. We are now the 37th largest city in Oregon and since the last census we have been growing faster per capita than McMinnville, Corvallis, Salem, Eugene and even Ashland to name just a few. Soak that in. We are growing faster than McMinnville, Corvallis, Salem and Eugene.

Recall our 50-year growth rate is projected to be 1.4% - by the next generation we'll be a city twice our size, about like McMinnville.

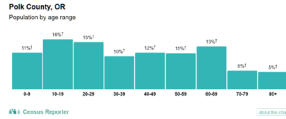


For fun, I superimposed McMinnville over Dallas to see what we'll look like when we double. I say we will grow faster than predicted. Anyone disagree?

Dallas now has a certified population of 15,830, in shorthand, 16,000. Recall in 2017 we gained an amazing 225 residents. Last year it accelerated to 260 new residents, up 1.7% and



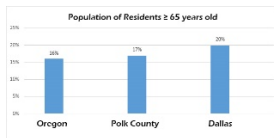
enough to fill up more than ten classrooms at Lyle School.



Here’s Polk County by age range. Just like Dallas, we have peaks of young folks and a similar peak of older folks with fewer in the middle, the working ages. Don’t we have enough jobs to attract them to Dallas? Here’s a clue,

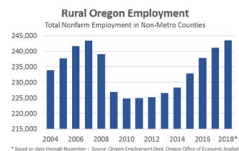


East Ellendale headed east on weekday mornings.



Also, we’re graying fast – of age 65 plus, 16% for Oregon, now 20% for Dallas. Dallas Retirement Village alone has more than twice the number of employees as the City of Dallas.

Another concern, Dallas is officially “severely rent stressed” meaning 30% of our population spends more than 50% of their income on housing. Also, 30% of our school students qualify for free or reduced-price lunches.



But, at least there is work. Given our county’s near record low unemployment rate of 4.7% and as all of us know,



most employers around here are in great need of more workers.

So, demographics.



On to the Duality of our municipal lives, **Livability and Economic Development**.

First, livability. Dallas neat, clean, safe, comfortable, fun and everybody just loves it -



our surroundings of beauty, vibrant neighborhoods, sense of comfort, safety and pride. It was on the radio the other day – an unimpeachable source –



that we in the top ten safest cities in Oregon.



Anyone feel in peril walking around downtown Dallas at night? Of course not.



We have fun here, like wildly popular Pickleball.



Disk Golf tournaments.

The Downtown Association's



Murder Mystery and



Art and Wine Walk



The City's Glow Run – Raised over \$10,000 for Christmas Cheer and other local charities.



Speaking of Cheer, here is Christmas Cheer, 600 volunteers pack up huge boxes of



food and gifts to help over 400 of our families through the holidays. Unique to Dallas.

Speaking of help, we have about 40 homeless veterans living in Polk County, so



Polk Community Development Corporation has just finished turning the Tracy mansion into 6 beautiful apartments for our County's homeless veterans with more housing on the horizon.



The Dallas Booster's Club Turf Project raised \$825,000 for the new field, in part by collecting



close to half a million cans and bottles for redemption.

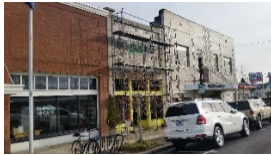


Our Dallas schools do a great job in so many ways, but their Career and Technical Education (CTE) system jumps out as their stellar success these days. Enrollment in CTE went from 281 participants to 1102, a 370% increase. Currently the programs are available in Agriculture, Business, Culinary, Engineering, Health Sciences,

Information/Communication Technology. These programs teach real-world skills along with academics, captivating the interest of students and, in my view, improving attendance, graduation rates and engagement more than any single facet I can pinpoint. Our schools plan to do much more in this realm and more power to them.

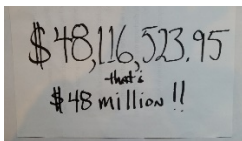


And, of course, we value the occasional solar Eclipse. Positions are open on the long-range planning committee.



Turning now to the other half of the **livability/economic development equation**, our prosperity and what we aspire for ourselves beyond the moment.

First, construction, the heartbeat of economic development. Last year we issued 720 building permits totaling



over \$48,000,000 valuation (not permit fees. Dang!)



But discouraging to me, exactly zero new industrial building permits were issued, a real bummer. But don't despair! There's light ahead you'll see in a moment.



On our commercial land same bumper situation, only 1 new building permit was issued in 2018, Grocery Outlet, set to open February 14th.

But, a little good news on existing commercial - filling vacant commercial buildings downtown. Last year we had 29 vacancies, this year it's down to 22 – a really good sign of revival plus



with some hope of filling more soon.

Of course, our big development story last year was residential.



We permitted 143 single family homes and 32 multi-family units. Also, 4 new subdivisions were approved with 118 building lots, so more construction is on the way.

We're sure on a roll with houses, but let me interject a reminder that houses are expensive to service. Bluntly put, under the current tax system, they cost the City more in services than they pay in taxes.

<p>SERVICES RECEIVED FOR EACH \$1.00 PAID IN TAXES</p>

INDUSTRIAL = \$.25

COMMERCIAL = \$.75

RESIDENTIAL = \$1.25

Recall that this last year we issued no – zero - industrial permits and only one commercial building permit but we issued 175 residential unit permits. Ballparkish, the average house pays \$780 a year and gets \$975 in services.



how many new houses can we afford to service losing a couple of hundred bucks per year per house if industrial and commercial development can't keep up to fill the gap?

On to our historic restoration, bad news and good.



We had a little setback with the very, very close defeat of the County's bond to fix up; their Courthouse Square buildings,



but the County is hoping to find other ways to repair things. Let's hope they do.

But, good news, the Carnegie building finally sold and



it looks like it will be restored to a high standard.



And, rounding out the year, Coach Jim Fairchild retired after 20+ years of service as Mayor for 10 years, Councilor for another 10, Council President and President of the League of Oregon Cities. Great honors and great service. Thank you, Jim.

Well, that's 2018.



What's ahead of us? Some fun stuff:

This year the City, lead by Sheila Peirce – famously of the Glow Run success – now coordinates our big community events, among them,



our concert series,



Summerfest



Winterfest

Plus others, all reimaged, even with new names coming and excitement!



With more than 10 local partners, the Downtown Association has started work on a Community Arts Master Plan to help realize

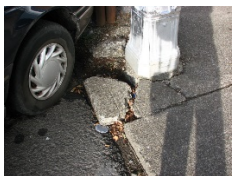


the potential of our history, culture and arts.



Just like I promise every year, dirt will turn soon on the new senior center. The bid opens tomorrow.

In Urban Renewal, some major streetscape work is in the planning stages,



such as a couple of more blocks of Main Street.

It looks like industry will FINALLY be the high point of this evening. Here we go.

I'm pleased to note that, barring unforeseen circumstances, the mystery industrial project we've called "Indigo" we've been pursuing for 2 years has now chosen Dallas for siting their large, new manufacturing plant.



"Indigo" is actually Mint Valley Paper of Battle Ground Washington, a privately-owned corporation which values their local connections in the Pacific Northwest.



Mint Valley manufactures a variety of household paper products. They are not a "pulp mill" of the old days, it is a paper conversion facility that trucks in dried paper stock, rehydrates it and then makes paper consumer products such as towels, napkins and toilet tissue.

Here is their



55-acre site off Godsey Road.



They have told us that their plant value will be somewhere in the realm of \$300,000,000 and will employ about 120, family-wage, skilled workers capable of operating a state-of-the-art manufacturing plant.



This plant would be a significant customer for the City's new partially treated water production system (purple pipes) being built now.

Mint Valley still has to obtain all of the required permits and approvals, both state and our own, but we are encouraged by the interest being shown in Dallas for new industrial investment and development.

More industrial news:



The large American Gas & Technology building on Monmouth Cutoff was recently pulled from auction. Loans are being sought and plans for production of their liquefied natural gas fueling stations are not yet final. Stay tuned.



You heard it here. The Dallas Mill Site is under negotiation by a prospective buyer. The intent is to redevelop and market this site for industrial users as it is one of the few remaining 50+ acres site in the I-5 corridor. The City is helping.



A slice of east Dallas has been selected as one of a handful of Opportunity Zones in Oregon a Federal program to stimulate investment in economically distressed communities. The tax treatment in these Zones is highly favorable to investors and may attract substantial investment in our community over the next few years. More to come on this complex development opportunity.

Insert photo of Police car or other police graphic

Regarding Police, it is apparent that our facility is woefully inadequate as to size and configuration. How to tackle that problem is the subject of a study this year.



Fire & EMS Affiliation - perhaps our most complex, unfolding issue. Intently-watched in the newspaper and social media is the idea of achieving the economies of scale by forming a region-wide District in collaboration with at least West Valley, SW Polk and Sheridan. The possible dollar savings and efficiencies of such a consolidation have inspired our Council to embark on a methodical, five-year exploration and, if seen as pragmatic, the package will be presented in due time with both clarity and, one hopes, consensus to our voters.

Fire is not an abstraction around here. Recall,



our own 1987 Rockhouse Fire which burned 5,000 acres of our watershed. With prolonged drought, the entire region remains at risk.

So, it looks like we have a great year ahead of us.



At this time, I honor a few whom we have lost in the past 12 month, folks who gave a lot back to our community during their lives. We will miss their voices.

Bill White – Donated his time around the community in so many ways for years and years, for example donating his time putting up the Christmas decorations on the light poles all over town, helping the Boosters turf project and lately, the motivating force behind our very popular Pickleball courts, soon to be named in his honor. His passing is a big loss to our community in incalculable ways.

Jason Locke – The City’s Director of Community Development for 10 years. Jason worked hard for us and was particularly dedicated to revitalizing our historic downtown. We grieve for his young family.

Wrapping up, much to their discredit, the Salem City Council



appears poised to hit the kill switch on the Third Bridge. When they do, as a clarion call, more than ever we need to find ways to be more self-sufficient out here. Jobs, commerce, the arts and culture, schools, tourism and robust civic institutions. We can choose to adapt and thrive or simply languish. No choice really, here we are, vibrant and:



Thanks everybody. See you next year with lots more to report.