The John Day Innovation Gateway
Water Reuse System

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Reimagining John Day

A Place where the Old West meets the New West
A portfolio of problems...

- Highest **unemployment rate** in Oregon since 2010 (7.3% as of March 2018)
- **Most economically distressed** area in Oregon (Oregon Sec. of State Distressed areas, 2018)
- Second poorest **broadband connectivity** (avg. data speeds < 10 mbps down/ 1 mbps up)
- Second lowest **median household income** ($32,614 per household)
- Majority of residents are **low-to-moderate income** households (57% as of 2018)
- Second lowest real market **property values** and fourth lowest assessed values
- Loss of 40% of **student enrollment** since the year 2000, reducing much-needed funding for schools
- Third highest rate of **population decline** with continued loss projected at the rate of -0.5% per year
- Inadequate, undersized and aging **workforce housing** with rental vacancy rates less than 1%
- Workforce development and **human capital challenges** restricting economic expansion
- **Aging critical infrastructure** in both public and private sector developments
- **Complex geographic constraints** including floodplain mitigation; intensively managed watersheds; wildfires and forest management; coupled with competing interests over the use of public lands and natural resources
50 Years of Net-Zero Population Growth
Collapse: How Societies Choose to Fail or Succeed
Jared Diamond (2005)

**Root causes:** human impact, climate change, friendly trade partners (lost incentives), hostile actors (competition), political/economic/cultural factors

**Four primary decision failures:**
- Failure to recognize a problem (creeping normalcy)
- Failure to adapt (or choose not to) once they do recognize a problem
- Adaptations are not effective
- Adaptations are effective, but are implemented too late
“This is your wake-up call—change or die.”
Strategy for Growth

1. Digital commuters
2. Active retirees
3. Young, working families

Differentiated capabilities
1. Digital marketing/re-branding
2. Recreational amenities
3. Competitive broadband
4. Housing & Development

Cost structure alignment
• Investments that fuel growth
• Align costs with capabilities
• Cut “non-strategic” spending
• Dedicated and secure funding
• Monetize existing assets

Reorganize for growth
• Identify strategic partners
• Engage local stakeholders
• Build internal capacity

Adapted from Strategy& (PwC) *Fit for Growth* framework, A practical approach to business transformation, 2016
# City of John Day – Top 10 Revenue Sources FY17

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Funding Use</th>
<th>Use</th>
<th>Jurisdiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Water Sales</td>
<td>$635,000</td>
<td>Water</td>
<td>City</td>
</tr>
<tr>
<td>• Sewer User Fees</td>
<td>$550,000</td>
<td>Sewer</td>
<td>City</td>
</tr>
<tr>
<td>• Property Taxes</td>
<td>$270,000</td>
<td>Unrestricted</td>
<td>City</td>
</tr>
<tr>
<td>• State 9-1-1 Tax</td>
<td>$265,000</td>
<td>911</td>
<td>State</td>
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<tr>
<td>• Grant County Forest Receipts</td>
<td>$180,000</td>
<td>Streets</td>
<td>County</td>
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<tr>
<td>• Franchise Fees</td>
<td>$106,000</td>
<td>Unrestricted</td>
<td>City</td>
</tr>
<tr>
<td>• State Gasoline Tax</td>
<td>$91,000</td>
<td>Streets</td>
<td>State</td>
</tr>
<tr>
<td>• State Excise Tax (Cigarettes/Liquor)</td>
<td>$27,500</td>
<td>Unrestricted</td>
<td>State</td>
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<tr>
<td>• State Revenue Sharing</td>
<td>$16,000</td>
<td>Unrestricted</td>
<td>State</td>
</tr>
<tr>
<td>• City Licenses</td>
<td>$7,100</td>
<td>Unrestricted</td>
<td>City</td>
</tr>
</tbody>
</table>

**Net Revenue** $2,150,000
We need a magnet investment
JOHN DAY INNOVATION GATEWAY
The integration of community, technology, education, and commerce.
Sustainable Wastewater Treatment Facility (Conceptual Framework)

- **Renewable energy source**
- **Locally harvested woody biomass**
- **Woody Biomass Gasification**
- **Cogeneration = Steam + power for hydroponics facility**
- **Sustainable water source**
- **Wastewater Reclamation**
- **Cash crops for local use and export**
- **Hydroponic Agriculture**

**Renewable energy source** and **Sustainable water source** are linked to the **Sustainable Wastewater Treatment Facility**. The **Locally harvested woody biomass** is converted into **Woody Biomass Gasification** for **Cogeneration**. The **Cash crops for local use and export** are produced in the **Hydroponic Agriculture**.
Most Essential

*Capital Improvement*

**New Wastewater Treatment Plant**
- DEQ Permit expired in 2007, operating under administrative review
- $8-10M projected cost
- Hydroponic wastewater treatment
- Reclaims over 80M gallons of water per year
- Feasibility Team = Anderson Perry & Sustainable Water (Glen Allen, VA)
- Potential Oregon Agricultural Experiment Station for OSU research

**Next step:** Financing (one-stop)
Sample hydroponics systems
80-acre Innovation Center

- Reclaimed water treatment plant
- Commercial scale greenhouses
- Multi-use trails and paths
- Improved signage (rebranding)
- Redeveloped greenway
- Botanical gardens and water features
- Outdoor amphitheater
- Academic campus for research
- Commercial innovation opportunities
- Recreational amenities
- Multiple agencies benefit
- Community gathering places
- State-of-the-art technology
- Creating new opportunities for rural innovation
JOHN DAY INNOVATION GATEWAY
The integration of community, technology, education, and commerce.

COMMUNITY

Amphitheater  Theme Gardens

Education  Public Art  Pathways / River Walk
JOHN DAY INNOVATION GATEWAY
The integration of community, technology, education, and commerce.

Research
Education

Commercial Greenhouses
Export Crops
JOHN DAY INNOVATION GATEWAY
The integration of community, technology, education, and commerce.
Themes to motivate future development

- **Open campus model** for academic research (research park)
- Focus on **rural innovation** and rural **value creation**
- Blend **recreation, education, and productivity**
- Create a **destination attraction** for visitors, businesses and guests
- Identify new opportunities for **revenue generation**
- Create an **integrated value chain** that enhances planned and existing amenities for ranching, forestry, conservation and renewable energy
- Advance the science and art of **reclaimed water usage**
- Integrate **gigabit broadband** infrastructure to support advanced industries
- Create a **beautiful and scenic environment** for conventions and trade shows
- **Capitalize on our natural assets** – abundant land, sunlight and water
- Build a **lasting community asset** that improves our quality of life