

Good afternoon,

Thank you all for being here today. Thank you to the Canby Area Chamber of Commerce for allowing me time to give you an update on how we are doing as a city.

I would like to thank our City Councilors. These men and women volunteer their time at a number of meetings each week, preparing for those meetings, and often times staying awake at night trying to figure out course corrections to issues in or city.

- Council President Tim Dale,
- Councilor Traci Hensley,
- Councilor Tracie Heidt
- Councilor Todd Rocha,
- Councilor Greg Parker,
- Councilor Clint Coleman,

Additional Guests here today that I would like to acknowledge and thank for coming are:

- Commissioner Paul Savas
- Commissioner Martha Schrader

Thank you to our guests for coming today. Canby really appreciates the support.

I want to personally thank our City Staff. Our City Manager Rick Robinson, his team, and all the city employees do so very much to keep our city going strong. In every department of the city we are running 1-4 positions short because of budget cuts each of the last 3 years that WE made. They, the city team, show up and make sure the lights are on, the buses are running, the water is flowing, and our streets are safe.

This past December during the heavy rains our Public Works team members were on it! They were working 24 hours a day for 3 days straight. They went and checked all the trouble spots around Canby. When they cleared the last spot, they turned around started all over again.

Please, will all the City Team Members that are here stand – Give them a round of applause, please!

Last year I while giving the State of the City I talked about 'WE' and 'US' as it pertains to 'WE' the city and 'US' its community members. I will continue this because I believe it is up to 'US', all of 'US', on how Canby grows and how it keeps its small town feel and values as we grow into a city. 'WE' all must be involved and engaged. It is a challenge, when we all balance work, family, and other activities. How do we fit in anymore? We are a participatory form of government, those that

participate shape and mold what happens. Sometimes it can be full contact. I want US to be engaged. I want to know what WE are thinking as a community.

I am often asked 'Mr. Mayor – How is the City doing?' My response is often – "You tell me, how are WE doing?". This is often times responded to with a surprised look on the persons face. Not quite sure how to answer. Sometimes I am given what I ask for and my quick run to the grocery store takes a little bit longer. I do not mind it one bit.

(Side note - If you ever want to get a feel on how we are doing, visit the Facebook Page 'Canby Now'. This page has covered everything from Parks to Housing to Business Development. Those people on there are not afraid to tell you what is up!)

I am still filled with a cautious optimism. Canby is a good city (some have said great) to live in and live near. We have challenges that WE will work on and are working on, we will make course corrections, and do our very best to keep Canby improving. Canby has always been thoughtful and deliberate in how WE grow. That is not going to change. We cannot afford to be hap-hazard or accidental about our growth.

Over the course of the State of the City I am going to give you a recap of what we have accomplished and paint a picture of what we are faced with and what we are working on. There are so many things to be excited about – New civic building, development of the city block, new business ventures coming to the industrial park. It is an exciting time to be living in Canby.

Here is how we done over the past year and where we are headed:

This year, 2016, started with some excitement as our Police force with support from multiple agencies brought a tense hostage situation to a successful end. Thank you to Chief Smith and the Canby Police Department for a safe conclusion to that situation.

In addition to the aforementioned situation our Police Department has been busy this past year.

- Added a New Narcotic K9 to assist officers in searching and locating illegal drugs. With the legalization of Marijuana, many Police Departments have to switch out their K9 units to ones trained NOT to detect Marijuana.
- Our PD joined Clackamas County Inter-Agency Task Force. A coordinated group of local and federal law-enforcement officials to reduce illegal drugs and related crimes -- including child endangerment -- in Clackamas County
- Implementation of Social Media (Facebook) - Using social media to deliver important information and events. Adding this has helped Canby PD capture several wanted subjects with the help of citizen's tips.

- Awarded several traffic safety Grants for the enforcement of Impaired Driving, Occupant Safety and Pedestrian Safety.
- Traffic Safety Projects included collaboration with Traffic and Pedestrian Safety Committee, Public Works and Canby School District to install sidewalks and crosswalks in front of Canby High School to improve safety. Also added flashing crosswalk sign on S. Ivy St in front of Lee School.
- Total calls for service – 21,544
- Total reports taken – 2,013
- Total citations issued – 2,834
- Total arrests made – 339
- This has led to Canby being rated one the safest and most livable cities in Oregon due in part to our continued low crime rate as compared to other Oregon Cities.

On the necessary infrastructure front we have several other Infrastructure improvement pieces that are occurring and being worked on:

We've replaced some (sewer lines) this year to address specific problems in areas where we have noticed recurring problems. We are also replacing or rebuilding wastewater lift stations where we've seen ongoing maintenance costs begin to be climb or have identified multiple system failures.

Our wastewater capital improvement plan is proceeding with additional improvements to our treatment plant this year. We are improving the way bio-solids are handled and disposed. Several of you have indicated that the odors from the treatment facility seem better than in past years, and the improved odor control is a byproduct of the improvements that have been made to the plant. *We continue to have one of the most cost-efficient treatment operations in the region.*

The Street maintenance fee is a big help in addressing the paving needs of existing city streets. We still are in a constant battle to keep up though and try to get to the worst of our paving needs based on available funding. An increasing issue for Canby, and other cities, are the county roads that are within the city of Canby.

Canby currently has approximately 3.25 miles of County roads that are within the City Limits. Some of those roads will be updated when annexation occurs and new developments go in. Still there are others that will need to be brought up to our standards. I have been working with County Chair Ludlow, Commissioner Savas and others across the county regarding this issue for the last four years. The cost to install curbs, gutters, sidewalks, and reconstruct the County roads to City standards would run in the millions of dollars – funds that could be spent on repairing other City streets and even be used for additional improvements. If the county cannot come up with the funds to make the improvements and the City does not assume responsibility for the roads they will continue to deteriorate.

As you saw when you arrived today we have walls going up on the new civic building! This is a very exciting stage for this project. We broke ground on our Civic Building just this past year. This 2 story building, with its 25,000sqft footprint, will be a huge addition to downtown. This is one of several additions that are planned for our downtown.

On January 27<sup>th</sup> we executed the GMP amendment and set the Guaranteed Maximum Price for the Library/Civic Building at \$6.91 million. This includes a construction contingency of \$243,000, sets the building completion date of late August and building occupancy for the end of September.

The two factors that could influence the project completion date are weather and material availability. We have already taken into consideration the time lost due to both factors in December. The heavy rains in December did delay some of the work as did a delay in receiving structural steel to start framing the new building. Structural steel and other specialty materials needed for the project are now keeping up with the rigorous construction schedule that we have set for this project.

Once this is complete and we have moved in, this will leave all but two buildings on the city block vacant as well as the old library building.

After the signing of the land purchase for the new City Hall and Library, we immediately began conversations with a developer, The Hanlon Group, to develop the city block.

Our goal of this very exciting project is that it will be a catalyst for future downtown improvements. This is a Master Developer driven initiative with a design concept that could add:

- First floor retail space,
- Several floors of market rate apartments, plus
- The City Hall and the old Police Department building could be part of the development, or they could be developed separately depending on the ability of the master developer to invest in building improvements. We have interest in both of these properties already.

Additional downtown developments include interest by several businesses in what will become the Old Library Building and the development of the block at NW 1<sup>st</sup> and Elm which could include additional office space, updating the restaurant, street improvements, and possible railroad right of way. These will be transformational projects and make for some very exciting changes to come to downtown in the coming years.

In the meantime activities continue to drive business downtown. The Big White Goose brought to life Junk Refunk Street Market that drew almost 5,000 visitors to our downtown this past August. Plans are underway for this event again this year.

Our Main Street Program, led by Jamie Stickel, continued to organize 1<sup>st</sup> Friday events, coordinated with the Canby Arts and Culture Advisory Council the installation of 3 new sculptures on 1<sup>st</sup> Ave, and continued the Halloween Spooktacular in pouring down rain. With the help of a number of community members and business owners, WE added "Canby's Big Night Out!" to kick off Canby's Big Weekend and it was a huge success! This year WE will see this event grow I am sure.

Light up the Night saw another tremendous turnout and more parade entries than in many of the previous years. This continues to be a marquee event for the city. One of our other Marquee events this year, General Canby Day, is going through some changes. In the fall the General Canby Board announced to the City Council in a work session that they wanted to move on.

It is my honor to announce the CANBY INDEPENDENCE DAY CELEBRATION that will take its place. With the help of a great many community volunteers Canby Main Street will host this event and the event will once again be closed out by a Fireworks display with Western Fireworks Display and the Canby Volunteer Fire Fighters.

The topper to all this, was that Jamie Stickel was awarded Oregon's Main Street Manager of the Year award back in October.

I am going to turn to Economic Development and our Urban Renewal Agency. Since its inception in 1999, the URD has added over \$60M in value to the tax rolls and hundreds of jobs to the city of Canby. The Façade Program saw 1 more project completed this past year and 1 more started in 2015 for completion in the coming months. The Canby Liquor store has been completed and looks great, Trinity Counseling is underway and the Kiwanis Store is working on a proposal to bring forward for their façade improvement.

This past year the Urban Renewal Agency, in working with Canby Fire District, agreed to terms on providing funds from the URD to the Fire District. These funds will enable the Fire District to make capital improvements to their building and purchase overdue equipment.

Also, Chief Davis with direction from the Fire Board was able to lower the cities ISO rating down from a 5 to a 2 with in the city and from a 10 in the rural area to a 3. What this means is that the city will save money on insurance and so will you. This is a big savings. Thank you Chief Davis for your hard work on this.

The Canby Pioneer Industrial Park is currently full with no empty buildings. We are actively working on numerous projects to help businesses locate in Canby. With

Metro's recent decision not to expand the Urban Growth Boundary, it makes our Industrial Park all the more attractive and increases our competitive advantage.

Projects that are happening or very close to a decision are:

- The Stratus Development will be located along Sequoia Parkway. This 60,240sqft building will be opening Winter of 2017
- Bowen Building Expansion will add 26,400 of warehouse space and construction will begin this spring.
- Trend Business Center will be adding building C to their portfolio. This building will be 33,000Sqft and will enable 3 spaces for small to midsized users.
- Canby Mini-Storage is planned for this summer, with a square footage of almost 47,000sqft.
- Canby Commons Industrial Park will have 3 buildings estimated at 78,400sqft total. This will be located on land after Fred Meyer and the Park on Sequoia. The developer has interest already and wants to plan ground preparation when they start work on the Canby Commons Apartments this spring.
- Leads that we have pursued have made on to the selection list and in some cases we are 1 of 2 cities being considered.
  - **Project Blue Ice:** This company would invest about \$40 million in a 400,000 square foot building at Sequoia and 4th Avenue. They could employ over 100 workers in first two years. The city would extend 4th Avenue and utilities using state grants for most of the costs. We have support from Oregon Business Alliance and Clackamas County for this project. Yesterday, Monday, I lobbied support from the Regional Area Commission on Transportation to support our efforts to seek money to assist us with these road improvements.
  - **Project Borealis:** A high tech company is considering a 40 acre site to build a 350,000 square foot facility that could create 200-250 jobs. They plan to investment \$140 million.
  - **Project AK:** A clean tech manufacturer is looking for 6 to 8 acres for a 100,000 square foot, \$30- 40 million building. They would employ 60 and grow to 150 over the next 3 years.
  - **Compressed Gas Production Company:** An acetylene manufacturing / distribution Company is looking at a 7+ acre site. They would invest \$10-15 million and hire 25-50.
  - **Project Crimson:** A manufacturing / distribution company is looking for an 800,000 to 1 million square foot building and would employ 250- 500. Decision in approx. 2 years.

Stratus Development, Project Blue Ice, Borealis, and AK – should they come to fruition, will be over one million square feet of new development, over 600 new jobs to Canby, and almost \$250 million is assed value.

Here is one item that has been keeping me awake at 2am in this area. Regarding two of these projects, they have narrowed their choices down to Canby and one other city. We are one of 2 cities to be chosen between. The other city in both of these situations is Vancouver, WA. My Concerns stem from some of the legislation currently proposed in Salem right now. I know Senator Olsen spoke about it last month. Specifically, the minimum wage increase and IP23, the gross sales tax on sales over \$25 million. There are others, too. How does this keep US competitive as a state? That isn't even a level playing field when we as a city are looking to bring jobs here.

I attended the Clackamas Chamber state of the Cities luncheon the other day and 4 of the 5 Mayors expressed these same concerns. On Thursday I attended a dinner with four of our State Senators and 3 of the 4 felt these were going to be happening. Foregone conclusions if you will.

What happens to a Puddin' River Chocolate or a Backstop or a Thriftway? They will adapt, for a short time. Then what? Increase prices or worse. I want to see prosperity up and down the spectrum for sure. Setting a new wage floor and then selling it as "bringing up the lower income" just sets the new floor level that fewer will ever get off of, or worse will have not job at all. I have shared these concerns with Senator Olsen and Representative Kennemer. I have asked the Chamber Board to take a position and I ask you to do the same.

The other wake up, stare at the ceiling at 2Am challenge is housing. We have a number of developments under way and more to come.

- Canby Commons Apartments will break ground in late spring early summer. This will be 166 Market rate apartments that will be built.
- Scott Territorial Apartments will begin construction of 48 2 bedroom apartments in fall of 2016.
- Franz Meadow Development on North Pine. 18 lots being platted for construction to begin March 2016.
- Addition development is occurring at
  - Northwoods Phase 2. 10 Permits issued of 33 lots
  - Poplar Townhomes, six townhomes planned.
  - Feist Addition #6. 3 Permits issued of 30 lots
  - Emerald Garden Townhomes, fifteen planned.

Late this past year Metro decided not to expand its Urban Growth Boundary. Metro has a target of 50 dwellings per acre which is consistent with their desire to go up, not out and maximize services. What this will mean for Canby is yet to be totally determined. WE have room within our Urban Growth Boundary and we have the capacity to grow. With Oregon being one of the best places to live and Canby ranked #5 on the list of the best cities to raise a family in Oregon, we need to be prepared. That means WE will need to be tasked with watching what goes on around us in Wilsonville, Oregon City, etc.

This topic leads me into what WE will be working on in the coming months and years. There are several items that WE are tackling and grappling with as a community. These will take planning, lots of discussion, money, and time.

➤ Park Funding:

- The City currently has funding to support acquisition and initial park improvements but not ongoing maintenance. Until we figure out the direction here we cannot develop more parks and make them inviting.
- We will be exploring options to ascertain the level of support for funding of ongoing maintenance costs in existing and new parks.

➤ Housing mix:

- Affordable/Workforce/Equitable housing whatever name is being used, is a concern for many in Canby.
- There are many wanting Multi-family housing – more duplexes, triplexes, and apartments
- Thoughts and ideas to address potential housing shortage that are being discussed are:
  - Smaller houses
  - Smaller Lot sizes
  - Planned development communities
  - Other thoughts and ideas welcome.

➤ Road Maintenance and Enhancements

In April the Council will be holding a day long retreat to discuss the concerns mentioned here today – Housing concerns, continued road maintenance, Parks and park maintenance, Job growth, and continued Economic Development. I will be bringing forward an idea that may start to address how we may be able to develop entry level housing. Housing is a very big conversation across the county and the region. Canby has seen the development of a number of higher end homes. There will need to be discussion on how to address this situation. I understand that the market sets the tone. The conversation is more along the lines of what the city can change so as to not to have to legislate and make things happen that way. It will not happen overnight. We have been working with our City Attorney to investigate how we can return foreclosed properties back into being viable home purchases sooner instead of later, we have been sharing thoughts and ideas around Parks and what are possible things we can do.

There are a great many things going on in Canby. I am excited about what the future holds for Us. WE are a community of doers. WE want to see Canby prosper. It takes each of US to make prosperity happen. WE do this by finding your favorite business and telling your friends about it. Send them there, here in this town first. We have had a number of people and will have a number of people that move to

Canby. We need to help them. Teach them about what makes Canby special. Teach them to not just come home at night, drive into the garage, and stay inside. Tell your employees about what is going on in this City. It will take all of US to help each other and Canby be successful today and in the future.

Thank you for being here today. God Bless you all and may He bless Canby abundantly.

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