

City Councilmembers, Departments Heads, Business Leaders, Citizens and Friends, thank you for attending the 2017 State of the City Address. As always, I appreciate the Whitley County Chamber of Commerce for putting on this annual luncheon to discuss the past year's successes and challenges, as well as look ahead with a bold vision for the future of our city. 2016 was a banner year for growth and development in Columbia City. Our Downtown began a renaissance, New Housing Developments arose from the ground, Businesses made first-time investments or expansions, the Unemployment rate dropped to below 4%, and strategic improvements were made in our city infrastructure. I could only find one word to represent the progress and accomplishments that have occurred in our city in 2016. So, the State of our City is Growing.

Housing Stock is growing, Downtown is growing, our Parks programs are Growing, and our Economic Momentum is not only growing, but booming! Building Permits in 2016 equaled over 27 Million dollars in development. It was the highest Construction activity the City has seen since 2007; ten years ago, before the economic recession. Deer Chase and Cambridge Crossing Subdivisions have homes popping up and new families moving in. A new section of Oakdale Ridge, along South Line Street will begin construction soon. The Quail Ridge Apartment Complex on State Road 205 has already started to accept new occupants. And the Historic Blue Bell Lofts Project will have its grand opening within the next few months. Another apartment complex is also in the works for the former Eagles Lodge property. Biggs Development, in conjunction with SCAN, Inc. and the Columbia City Redevelopment Commission have proposed an apartment complex known as the Van Buren Flats. The project looks to be transformational for our community because it will not only fill a vacant lot in our downtown, but will also add additional downtown housing to support the new businesses that are popping up. In fact, thanks to the hard work of Sharon Geiger, Ann Fahl, Billy Reffitt, and Tad Varga, as well as the Columbia City Main Street Organization and miscellaneous entrepreneurs, Downtown truly is

experiencing a bit of a renaissance. When businesses open up in downtown areas, studies show that the foot traffic increases the sales of businesses who were already there. As the saying goes, “A rising tide raises all ships.” I am appreciative to so many individuals who put their heart and soul into the revitalization of Downtown Columbia City. An extension of that effort is the Thomas Marshall Plaza. Placed in the 200 block of West Van Buren Street, this beautifully landscaped pocket park provides a respite from the hustle and bustle of day-to-day life. One of my favorite memories of 2016 was seeing the Plaza dedicated by the State Masonic Lodge. The ceremony was truly impactful and showed the overflowing support this community has for not only the plaza itself, but the Downtown as a whole. Special thanks go to the Office of Community and Rural Affairs, Lori Shipman, and numerous donors who made this project possible. The Main Street Association held a Movie on the Square event that brought over 500 people to the Square. They plan to provide two of these unique opportunities for citizens in 2017. It’s events like this and the Small Business Saturday that are important for the health and wellbeing of our downtown.

City Government continues to raise the bar in service to our citizens as we continually work to improve and enhance services for our residents. The Housing Authority’s Owner-Occupied Rehabilitation program has now given over \$57,000 in no-interest loans to residents seeking to make their homes more safe, sanitary, and secure. This OOR program is continually reviewing the housing needs of our community and is always seeking applicants who meet the income criteria of the program. The Tree Board had another year of success as they partnered with the Electric Department to cut down 36 trees that were either dying or decayed. The Board also had 53 trees pruned in order to preserve the health of the trees. Thanks to two different grants from the Department of Natural Resources, the Tree Board was able to plant 27 trees in 2016 and will plant another 25 trees this year to maintain our urban canopy. Recently, the Tree Board received The Gold Leaf Award from the Indiana Arborist Association, the only award given throughout the state of Indiana.

Our Utility Departments continued to improve and expand our infrastructure in 2016. Water Projects included Jeffrey Drive from Azuba Lane to Holden Road, Earl Avenue from Main Street to Garland Avenue, and Shinneman Drive, to name a few. A new paint job was applied to the water tower off of North Elm Street that now displays our City Logo. This year, we will continue working on the Squawbuck road project and will finish the upgrades being made to the Water line on North State Road 205. In the Stormwater Department, we will again encourage residents to consider taking part in our Rain Barrel Rebate Program which not only captures stormwater that would otherwise go into our storm drainage system, but also saves residents dollars by reusing that water for flowers, grass, or gardens. We will also be continuing the Downspout Disconnection Program which reduces the infiltration of stormwater into our combined sewer system.

And Speaking of our Combined Sewer System, we are diligently working to apply for grants and low-interest loans to help defray the cost of the Long Term Control Plan, scheduled to begin construction towards the end of 2017. As a reminder, this plan is part of a federal mandate to meet the minimum standards of the clean water act. The 8.5 Million dollar project includes storage basins, up-sizing of sewer lines, and changes to Combined Sewer Overflow points. By capturing these federal dollars, which are really dollars you sent to Washington, we will be able to keep rate increases to a minimum and stabilize sewage rates. It's been a tough few years, with multiple sewer rate increases to pay for this massive federally-mandated project, but I'm confident that the efforts that have been ongoing with our grant writer, community development director, and engineering firm, we will be able to complete the project on time and with a reduced cost per household.

The Electric Department continued to install and upgrade services as new businesses moved into the city. When time has permitted, which has been rare during the hectic year, they have worked to move electrical lines underground to strengthen our electrical grid and provide better protection in inclement weather. In 2017, we will embark on a project that will help enhance the efficiency and productivity of the department by rolling out an Automatic Metering (AMI) project. This project will allow customers to keep better tabs on their

electric usage and billing, while providing the electric department with better data to combat outages and electrical surges.

In 2016, we put a bigger focus on enhancing the look and feel of our neighborhoods. More sidewalks were upgraded, curbs reconstructed and roads paved. Sidewalks, specifically, have been brought into a heavier focus to help with the accessibility and walkability of our community. In fact, we've basically doubled the investment in sidewalks since 2013, from \$55,000 a year to \$100,000 in 2017. By investing in our neighborhoods, we are creating a safer atmosphere for pedestrians, while beautifying the area. This will continue being a focus in the years to come.

Roads are a heavy topic weighing on the legislature. As you may have heard, our lawmakers are working diligently in Indianapolis to find a way to increase road funding to accrue the additional dollars needed to support our aging infrastructure. Not only are the state roads struggling to be maintained (been on I-69 around Anderson lately?), but local roads in cities and counties across Indiana are crumbling. This doesn't even mention the fact that Main Street/State Road 9 through our City took extremely too long to mill and fill. It's a two-sided problem that is a tough nut to crack. On one side, you have fuel-efficient vehicles that are filling up at the pump much less than they were in 2003 (the last time the gas tax was raised). This leads to decreased dollars going to INDOT, as well as dollars going into the Motor Vehicle Highway Fund and Local Road and Street Fund for Municipalities. These funds are typically how locals, we, support the upkeep and maintenance on our streets. Bear with me for a real-life example of this decrease, because it gets a little number heavy. Since 2008, the total percentage of our Street-Paving budget being paid by Gasoline Taxes has decreased from 84% to 65% - a decrease of almost 20%. That decrease has been subsidized by the County Economic Development Income Tax (CEDIT) and a Street-Bridge Cumulative Fund –which is paid for through property taxes. Ultimately, this decrease in dollars is shifting the burden away from a user fee – paid for by those who buy gasoline, to more of a locally-based tax, where if you work or live in Whitley County or Columbia City, you

pay for the roads, no matter how much you drive on them. Now, I talked about a two-sided problem and we addressed the revenue side. Now let's talk about the other side, which is the expenditure side. Roads cost more to build and maintain today than they did in 2003, just like a steak or a happy meal is more expensive today than it was 14 years ago. That means the dollars we use to invest in our streets have been stretched even further. Many cities and counties have been forced to find alternative methods to stretch the dollar – grinding up paved road into asphalt, continuing to patch potholes rather than repave them, and slurry seal the tops of roads, rather than a complete mill-and-fill replacement. These methods may address the issues for the next two years, but it creates a heck of a mess for five and ten years down the road. As a City, we've tried to be proactive and have allocated the additional resources necessary to maintain a strong street inventory. However, many others are not so blessed to have a growing community like we have. It's important that we have sustainable funding into the future to address the infrastructure challenges that are facing us. That is why I am in support of House Bill 1002. It isn't perfect, and there will be lot of disagreements on different parts of the bill, but the future of commerce and the State's future population growth depends on a sound and stable transportation system.

And speaking of transportation, US 30 was a hot topic in 2016 as it has been for multiple years. After the failed plan to add J-turns throughout Columbia City, INDOT worked with the City and other counties along the US 30 corridor to consider the future of the limited-access freeway. As has been noted in many newspaper articles and speeches, US 30 maintains a higher vehicular traffic count than many sections of interstate throughout Indiana. A new US 30 Coalition was created in late 2015 to start developing a plan to move US 30 towards an interstate- type freeway. Out of that Coalition came County groups to focus on how each segment of US 30 could be developed from a local perspective. Without turning this speech into a mini-US 30 public input session, because we held four of those this past year throughout the county, I will just say that the committee worked very hard trying to take all comments and issues into consideration. We really appreciated the

feedback we received from the public and business stakeholders. In a few weeks, the Whitley County US 30 Planning Committee will be meeting again to review a concept report that will later be available to the public. Again, we know that US 30 is going to change. Without doing any upgrades, the traffic count is supposed to increase by 8500 vehicles per day in the next 20 years. For the safety of our residents and the movement of commerce, I strongly urge the Legislature and INDOT to develop US 30 into an Interstate-type highway.

A new development occurred just this past Tuesday when the City Council approved a resolution to bond for \$1 Million dollars towards the construction of the Russel and Evelyn Fahl Aquatics Facility. I want to thank the City Council for their continued support of this Quality of Life Project, as well as the Park Board for their direction and focus on the project. However, there really have been two main individuals that have continued to push this project forward and that is Parks Director Mark Green and City Councilmember Tad Varga. They, along with assistance from Community Foundation Director September McConnell and Grant Writer Lori Shipman have persevered in what looked like a challenging fundraising environment. Yet, as per the usual with our community, citizens and businesses stepped up in a big way, contributing over \$3.4 Million Dollars towards the new facility. Special thanks go to the Dekko Foundation, the Russel and Evelyn Fahl Family, the Whitley County Community Foundation, Lutheran Health Network, and so many of you who bought a brick, or simply donated cash to the project. The facility is still in design, but I'm happy to report that we have submitted an application for an \$820,000 grant to Regional Cities for the final mile of funding. If approved, construction for this community gem could break ground as early as late July. The project, complete with Water slides, a vortex water feature and children's play area will truly enhance our offerings to residents of all ages throughout the summer months. Furthermore, the project also includes an Ice Skating Rink to allow for further programming in the winter months. I don't know if you can tell how excited I am, but it doesn't come anywhere close to Mark's excitement.

Also recently, the Parks Department once again hosted the Father-Daughter Dance, and once again it was a huge success. In past years, ticket sales would be complete weeks before the one-night event, leaving many daughters disappointed and fathers in the doghouse. This year, the Parks Department expanded the event to two nights and surprise, surprise, sold out both nights. Over 700 tickets were sold for this annual event. I personally look forward to when I get to take little red to this extraordinary event.

So, lots of things are happening in the City. Lots of REALLY POSITIVE Progress is being made in our City. Right now, the Economic Development Corporation list 54 different job opportunities for current and future residents. Our unemployment rate is below 4%. Employers are looking to import workers into the community to fill vacant positions that are critically needed. To say our economy is on a roll is an understatement. As positive as this is, however, it is also a challenge. In order to continue economic growth and raise wages among our residents, we have to do two different things: #1. Develop Talent and #2 Attract Talent. You see the biggest, most ominous issue for the future of our city is population growth. Much of the data I'll be quoting in the next couple of minutes will be from the Indiana University Public Policy Institute...people much smarter than me. Now, here's the good news: Whitley County is projected to grow at or above 5% between now and 2040. Yes, we are making good strides towards the goal I set last year - that by 2025, our population will be at or above 10,000 residents. However, even with that lofty goal, we are still facing a monumental challenge that is being worked on state-wide as well as here in the Northeast Indiana region. That Challenge is Retirements. Now, some of you may be salivating over the idea that retirement may be around the corner. Some of you may be preparing for it now, while some of you see it as Star Wars...in a galaxy far, far away. Yet for leaders of our community, it should scare the life out of us. The Indiana University Public Policy Institute reports that between now and 2030, Indiana will see our senior population (65+) go from 13.9% to over 20% of the State's population. Rural areas, like Whitley County, will see this percentage be closer to 25% of the total county population. That means that a large amount of individuals will be exiting the workforce. It also

means we have to do a much better job of attracting youth and families into our county and our city in order to replace those individuals in those job positions. Ball State University completed a study a year ago where they compiled a lot of data about why people choose to live where they live. One of the most interesting parts of that survey showed a monumental increase in the effect that Schools and Public Services has on location selection. Now ask yourself how critical the New Columbia City High School Project *was and is* to the future of our community! In their Policy Summary, the briefing states, “Regions wishing to see increased tax revenues would more quickly achieve that goal by successfully attracting residential developments...” My focus, as it has been since 2012, will continue to be building a community that not only retains talent (i.e. young families), but also works diligently to *attract* talent to our community. The new paradigm, according the Ball State is that “Job Creation does not necessarily lead to population growth”. Instead, (and I’m paraphrasing here) luring talent through quality of life amenities with a value-added mindset will spur job growth. This is heavy stuff, but it is crucial to the future of Columbia City. Drew Klacik from the Indiana University Public Policy Institute put it more poignantly: We have a choice to either Embrace Change and Diversity or Manage our Decline. I’m going to say that one more time: We have a CHOICE – to either Embrace Change and Diversity or Manage our Decline. Columbia City continues to grow because we have chosen to embrace the change that is occurring. Yet, we can’t allow ourselves to rest on our laurels. We have to continue building a community that is attractive for current and future generations.

So, here is how we are going to overcome these lofty challenges.

First, we can’t forget the basics. Roads and Utilities can make or break a Community. So we’ll continue to make improvement and upgrades to our Water, Electric, Stormwater, and Sewer Utilities, while balancing the costs to the ratepayer. We’ll focus on upgrading roads to accommodate additional traffic volumes and work to replace outdated infrastructure. We’ll look towards future growth and plan expansions that will serve future residents and businesses.

Second, we'll focus on quality of life projects like completing the Aquatics Facility Project, expand our parks in size and offerings, and extend our trails. These goals will not only put us in a more marketable position to retain and attract talent, but will also keep Whitley County on the top 10 list of healthiest counties in Indiana. We will continue improving the walkability of our community through sidewalk enhancement and the 50/50 Program. And we will put a renewed focus on our Downtown to work alongside business and building owners to improve the look and feel of the heart of our community.

Third, we'll focus on growing our public safety to keep up with the growth patterns that are occurring in our community. That means we have to make sure that we are able to adequately fund the Police, Fire, and Dispatch sectors of local government. We have to be innovative in our community policing approach and continue to provide better fire coverage to our community. We have to make sure that there is a dispatcher available to answer a resident's call in times of crisis. If Columbia City has a niche, it's that we are a safe community.

Fourth, we need to consider expansion of our city boundaries. Columbia City is bursting at the seams with little room for companies to grow and expand in the City Limits. We had a 1.2% growth rate in the City since 2010, compared to 0.3% in the County and negative percentages in the other Whitley County municipalities. In the past three decades, we've averaged a 20% growth rate in the City Limits alone. These stats are not to put down any other municipality...again, a rising tide raises all ships. However, we have to recognize that residents are choosing to live in the City and we should accommodate those choices by providing additional land inside the City limits for development and growth. The Comprehensive Plan encourages strategic growth that focuses around the new High School location and in the commercial zones around US 30. At the end of the day, we have to make sure that whatever occurs is done with plenty of input from future residents and county officials.

Fifth, we will continue focusing on bringing fiber to the home to enhance technological capabilities for residents of all ages. If technology runs our world today, imagine how important it will be in ten years. This is a critical and strategic investment in our future. Of course, it's important that we balance the needs for this technology with the interest of taxpayers. I look forward to providing this service to our citizens in the near future. I don't know if we'll be able to accomplish my big goal from last year of all homes and businesses in the City limits having access by the end of 2017, but I truly believe progress will be made to finish this project by the end of 2018.

Sixth, we will create a neighborhood beautification grant program where neighbors can come together for a transformational project, put some skin in the game, and the city will financially contribute to enhance their little corner of our community. We will also find new and unique ways to spruce up our community whether it be through public art, beautification of our gateways with street lamps, or replacement of outdated signage.

Lastly, this has to be a team effort. We need everyone...every single resident and business owner, to be a champion for our city. We need you to be reaching out to your friends or family members in other states, talking to them about why you love living in our community. Why you enjoy our Parks and community programs. Why we are in close proximity to any amenity they would ever need. Why there's job waiting for them. And most importantly: Why they are missing out by not being a part of our community. We need them to know that we want them to live here, work here, and play here. Birth rate over Death rate won't cut it anymore friends. It's time for us to be proactive, bold, and focused on where our city is going in the future. I'm excited and I hope you are too. The State of our City is Growing and with your help, we'll continue making our city a place that all families of all ages can call home. Thank you and God Bless.