

## State of the City Message July 2023

I am proud to stand before you and, as your Mayor, deliver the State of the City message. Thank you for taking the time out of your busy lives to attend. Please hold your questions until the end of the Town Hall. City Manager Luke Shepard and I will be available to answer your questions and listen to your input.

We live in one of the best run cities in Tillamook County. You just need to look north and south to find cities in various states of disarray.

We have an engaged community; attendance at our City Council meetings is the envy of other mayors.

We have an awesome business community that is expanding; our residents are welcoming; and both are committed to Rockaway Beach's success and livability.

We have a productive and highly functioning City Council, an outstanding Public Works department and Fire Department; a growing beneficial relationship with the Tillamook County Sheriff's Office; and effective Planning Commission and Budget Committee. Our City Manager and staff are wholeheartedly committed to Rockaway Beach's success.

Before I continue, a quick shout out to our City Manager and city staff for their invaluable help in preparing the State of the City Message. Thank you!

The City Council set the plan for 2022-2023 by approving and handing to City Manager Shepard an Administrative Task List. Notable deliverables from this list are:

- Acquisition of the 10-acre lot on the east side of our city.
- Fire Department Equipment Acquisition Plan
- Enhanced railroad crossing at S. 1<sup>st</sup> Ave
- Community Center Weatherization
- Lease of Lake Lytle Boat Launch
- Short Term Rental Ordinance with focus on solving parking and garbage issues and

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- The City brought back the 4<sup>th</sup> of July Parade

And, the city has a full head of steam on:

- New bathrooms at Wayside
- Anchor Street Parking and Park and
- Wayside Beach Access – ramp and stairs

How did the City do financially in 2022 - 2023?

City revenues are projected to exceed the budget by nearly \$200,000; we saw higher than expected number of STR licenses, interest on accounts, water SDC fees, and zoning permits.

City expenses for the fiscal year we just completed are projected to be less than budget by nearly \$4 million; our City was conservative with spending; Tillamook County Sheriff costs were lower than forecast; and Capital projects either came in under budget or were deferred to 2023-2024.

Our City leadership has taken excellent care of the money you entrusted to them. And, let's not forget that the combined rate of property tax, bonds and districts for Rockaway Beach is the lowest for all cities in Tillamook County.

Let's look to the future ....

We live in a growing, and changing community. In the last 10 years our median age dropped from 55 to 46.

As a community, we are getting younger not older. Over half of residents 18 and older are single which sets us apart with a greater portion of singles than Tillamook County and Oregon. And, 66% of residents have some college or a college degree. At a recent trivia night hosted by the Roastery I looked around and marveled at the crowd filled with young adults. Let me be clear, I am still young at heart.

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What does this mean for our city? It means higher service expectations for City government; and new business opportunities.

We have the Rockaway Roastery, the Tie Breaker and the Seaquest Treasures representing a new wave of businesses in our town. I look forward to seeing growth in our business community with an increasing variety of businesses.

We have additions to staff in Public Works, Fire Department and City Hall ... including a full time City Planner and City Recorder. All added to address the growing needs of our city to deliver the enhanced level of service our residents, business owners and visitors deserve.

City Manager Shepard consolidated administration of Short Term Rentals under a single individual to provide consistent, efficient and professional service. He has also added an inspection to the license application process. Those seeking a renewal of their STR license will be granted a conditional license pending an inspection of the property. Those seeking a new STR license will have their property inspected prior to receiving the license. The City needs to make sure that that which is on the application matches the STR property.

As we look ahead, we need to lay the groundwork for the future.

In October, the city will engage with the community in developing a roadmap for future projects funded by Transient Room Tax aka TRT revenue.

The City applied for funding to develop a Source Water Protection Plan that will identify actions to better manage the city's surface water source; actions we need to take now before it is too late.

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We will complete the housing needs analysis including a look at the impact of 2<sup>nd</sup> homes and short-term rentals on housing; this will be followed with the identification of specific actions the city can take to address the city's housing needs as determined by the housing needs analysis.

The Middle Housing Bill passed the state legislature so our Planning Commission will be recommending changes to our zoning ordinances to increase the supply of duplexes, triplexes, etc. in our community. One potential solution to our need for work force and affordable housing.

A study to evaluate flooding that exists on S. Coral St. and the surrounding neighborhood; identifying solutions to mitigate the risk of flooding will be completed.

Mobile Equipment replacement for Fire Department and Public Works and fire department equipment acquisition will be top priorities.

The city will engage with the community to evaluate roads under the City's jurisdiction and rank projects for repair. The resulting Streets Capital Repair Plan will prioritize transportation projects for the next five budget years.

The Nedonna Beach Water System Improvements project will upgrade over 8,500 lineal feet of aging steel and asbestos piping.

The City's finances are in great shape. The City's net position has grown \$6.5 million over the last five years. We forecast financial resources of nearly \$25 million in 2023 - 2024; and our budget is balanced as required by law.

City Councilors have many suggestions for new projects and areas of focus for City staff so I call upon the City Council to meet in a Special Public Session to prioritize their ideas and provide focus to the activities of our City staff.

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The City is investing in our present and our future but we do have a serious challenge ahead.

More visitors are attracted to our area for the beach; the relaxed and friendly atmosphere; the restaurants and stores; events; and beautiful outdoor recreation opportunities.

We saw this with the increase in number of visitors descending on Rockaway Beach for our parade and other 4<sup>th</sup> of July events.

More visitors throughout the year, too; no longer just in the summer months. All of this is good for our business community but it creates demand for services especially law enforcement, medical, public facilities, and utilities.

Finding ways to balance the needs of visitors, business owners, and residents is critical to our city's future.

Rockaway Beach is home to nearly 25% of hotel/motel rooms in Tillamook County.

Rockaway Beach has 412 short term rentals and about 900 second homes which leaves about 900 owner or renter occupied homes.

Engagement with residents, business owners, and other stakeholders; research and study; financial investment; and well thought out changes to ordinances will serve Rockaway Beach residents and support thriving tourism.

We must avoid knee-jerk reactions. We must find the balance between tourism and residents.

City of Rockaway Beach is on solid footing and prepared to move forward. This is the culmination of hard work and years of dedicated service by caring and devoted

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volunteers and community members, business owners, City Councilors, Mayors, and City staff.

I look forward to continuing the work begun by those who came before me, and promise to make every effort to deliver transparent government rooted in community engagement.

In closing, let me share a portion of an email I received yesterday from a resident and business owner. He wrote “I often tell my customers who come through our doors from around the globe, ‘I’ve never lived in a town where it felt like HOME such as it does with Rockaway Beach, Oregon! It’s easy to figure out why. It’s the citizens and leaders of this town, the COMMUNITY!

Let us, as a community, continue to work collaboratively and move forward to dream and chart the glory days ahead.

I am still listening.

Thank you for your time and attention!