



# Oregon

John A. Kitzhaber, M.D., Governor

## Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: (503) 373-0050

Fax: (503) 378-5518

[www.oregon.gov/LCD](http://www.oregon.gov/LCD)



May 8, 2014

TO: Land Conservation and Development Commission

FROM: Angela Lazarean, Mid-Willamette Valley Regional Representative

SUBJECT: **Agenda Item 5, May 22-23, 2014, LCDC Meeting**

### REGIONAL SOLUTIONS TEAM REPORT

#### I. AGENDA ITEM SUMMARY

The list of priority projects currently being undertaken by the the Mid-Willamette Valley Regional Solutions Team (RST) is attached. The projects are initiatives supported by the Regional Solutions Advisory Committee and regional interests that fulfill the mission of the RST: "Become a center for agribusiness innovation and agri-tourism. A place to go, grow and stay." These projects were identified at the local level as priorities that would capitalize on immediate job and economic development opportunities.

Greg Ellis, the new coordinator, will provide a briefing to the commission highlighting the selected projects (project proposal summaries were offered to the Governor's Office for funding consideration). The selected projects cover a wide range, including infrastructure, capacity building and workforce development. Mr. Ellis will also talk about his role and vision moving forward.

Chad Olson, Carlton city administrator, will provide an overview on the water infrastructure project that was selected to receive RST funding. Mr. Olson will also give an update on the city's development activities since the last time the commission toured the city.

For additional information about this report, contact Angela Lazarean, Willamette Valley Regional Representative at 503-934-0056 or by email at [angela.lazarean@state.or.us](mailto:angela.lazarean@state.or.us).

#### II. ATTACHMENT

A. Regional Solutions Team Project Summary

1/2014

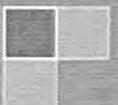
# Oregon Regional Solutions

Mid-Willamette Valley Region

*Become a center for agribusiness innovation  
and agri-tourism:  
A place to go, grow and stay*

Project proposal summaries offered to the Governor's Office for funding consideration

Dick Townsend  
Mid-Valley Regional Solutions Coordinator  
1/1/2014



This document contains six project proposals considered by the Mid-Willamette Valley Regional Solutions Advisory Committee which address priorities within the region. Each proposal was assigned to a Regional Solutions Agency Team (RST) member for review and subsequently sent to the entire RST for comment. At the request of the RSC Advisory Committee, a final assessment of each project was prepared by the Regional Coordinator and is part of these materials.

Each project was evaluated as to its regional benefits, relevance to agriculture, and ability to create short and long term jobs. Proposals were also assessed for their ability to leverage other resources.

This material is offered to the RSC Advisory Committee for their final consideration. The Mid-Willamette Valley Regional Solutions Coordinator recommends that the six projects be forwarded to the Governor's office by January 27, 2014 for funding consideration.

- Page 3            **Mid-Willamette Valley Council of Governments Infrastructure Inventory:** A three county assessment of local government infrastructure to increase responsiveness for business development inquires.
- Page 5            **Business Retention and Expansion Program:** Using community leadership teams, evaluate local community businesses to assess strengths and weaknesses and build capacity for their retention and expansion.
- Page 9            **Marion-Polk Food Share:** Development and production of quinoa veggie burger offering workforce opportunities focused on farming and food processing.
- Page 13           **White's Rail Siding:** Construction of Multi-modal railcar siding hub for transfer of agricultural products, and other commodities, from trucks to rail cars in order to more economically move products to market.
- Page 16           **Carlton Water infrastructure:** Construction of water lines in downtown area to provide adequate fire flows for life safety and to allow building permits for agri-tourism/visitor hospitality amenities and other downtown business expansion.
- Page 19           **Workforce Investment Board (Job Growers):** Creates a three-county network of training sites to provide youth (age 17-26) essential skills to get and keep jobs.
- Page 21           Mid-Willamette Valley Regional Solutions Advisory Committee members
- Page 23           Mid-Valley Regional Solutions Agency Team members
- Page 24           Diagram of funding and leverage relationships
- Page 25           Timeline for project completion and legislative budget process

## Mid-Willamette Valley Council of Governments Request for Funding: \$345,000

### ***Section I***

#### ***Regional Solutions Funding Request: \$180,000***

#### **Mid-Valley COG Regional Infrastructure Assessment/Project Management Services**

**Applicant:** Mid-Willamette Valley Council of Governments, 100 High Street SE, Salem, OR 97301

Contact: Suzanne Dufner, Director of Community Development Ph: 503-540-1616

**Sponsor:** Same as above – COG is an ORS Chapter 190 public entity

**Description of Project:** Conduct an infrastructure assessment in Yamhill, Polk, and Marion Counties that will result in an understanding of what infrastructure is currently available to serve employment opportunities in the region. Assessment will also determine what additional infrastructure is needed to make employment land available for future development. Without a clear understanding of infrastructure needs, it is difficult for decision makers to prioritize funding for improvements and align state and federal funding for infrastructure projects that will produce the greatest return on investment.

**Short & Long Term Project Objectives, Outcomes, Merits and Benefits:** In the short term, the assessment would result in the identification of 7-10 regionally significant infrastructure projects on which to focus funding resources, and provide city/county business recruitment and retention staff a better understanding of what infrastructure is currently available to employment sites within the region. Requested funding also includes project management services to assist in the analysis of potential projects, and/or to develop projects to a point of readiness for implementation. Resources for project management services will be focused on and shared among all three counties. The long term goal of the assessment is to increase the amount of “shovel ready” employment sites, consistent with Business Oregon’s Certified Industrial Lands Program. The project would also leverage local, state, federal and private resources, and position the region for possible future funding resources available for industrial site certification.

The Mid-Willamette Valley Community Development Partnership approved a five year Comprehensive Economic Development Strategy (CEDS) for the Marion, Polk and Yamhill County region in 2012. Multiple objectives listed in this document support this project along with the Business Retention and Expansion (BR&E) project outlined in **Section II**. (See State Agency Alignment & RST Recommendations)

**Applicability to Three County Region:** The Mid-Valley COG serves Marion, Polk & Yamhill Counties and assessment activities will be carried out throughout the region.

**Applicability to Agriculture Theme:** The Willamette Valley produced over 50% of the \$5 billion of total annual agriculture production in Oregon. Over 200,000 jobs are tied to Oregon Agriculture and the Willamette Valley supports nearly 20,000 farms. One of the fundamental elements needed to support the goal of becoming a center for agribusiness and agri-tourism is the availability of infrastructure to move people, and goods and services to markets. The availability of infrastructure systems, such as water, sewer, roads, rail power, and broadband services, provide the backbone for successful long term economic development efforts.

**Analysis of Job Creation:** The project will identify and prioritize infrastructure improvements needed to support new employment opportunities within the region. Prioritized infrastructure projects that receive future funding will benefit the region through both temporary construction jobs and permanent job opportunities that result from new and expanded businesses.

**Project Funding Evaluation:** The total project cost is \$265,000. The request for RSC funding is \$180,000. Leveraged resources, in the amount of \$85,000, come from local COG funds, along with federal and private foundation resources. It is anticipated that there would not be significant on-going O&M costs to keep the infrastructure assessment up to date. In addition, Business Oregon has committed to using staff time from an Industrial Lands Analyst position to support this project. The project will also leverage activities in the BR&E project by incorporating information on infrastructure needs identified by local businesses, and providing information to economic development staff on employment sites that have access to adequate infrastructure services. (see, *Section II - program funding evaluation*)

**Project Partners & Community Support:** The Mid-Willamette Valley COG represents 42 public entities within its organization. Strong support will be needed from local government staff, targeted businesses, business recruitment and retention specialists such as SEDCOR, state agencies such as IFA/Business Oregon, ODOT, DLCD and ODOE, as well as federal agencies such as EDA and USDA.

**State Agency Alignment & RST Recommendations:** Regional Solutions Team review has made the following observations:

- The project can be easily implemented. The RST has recommended that the project be forwarded to the Advisory Committee for their consideration.
- There are no permits required. This project is strictly information gathering and project review and analysis.
- From the state level, there are no conflicts with agency policies, planning or compliance.
- There is significant alignment with the legislative support for the State Industrial Lands program as the data collected will feed directly into the certification process.

**Project Timeline:** Once funding has been received, all activities will be completed within one year.

**Likelihood of Project Success:** The work will be conducted in-house with some outside engineering assistance for detailed cost analysis. The Mid-Willamette Valley Council of Government has a proven record of project accomplishment since it was formed in 1957. The long tenure of many COG staff affords the organization the knowledge base for successful program delivery. The professional relationships that the COG has with governmental entities are not only a plus but essential to this project.

## ***Section II***

***Regional Solutions Funding Request: \$165,000***

### **Business Retention and Expansion (BR&E) Project**

**Applicant:** Strategic Economic Development Corporation (SEDCOR), 503-837-1800  
Chad Freeman, President 626 High Street NE, Suite 200 Salem, OR

**Sponsor:** Mid-Willamette Valley Council of Governments Contact: Suzanne Dufner

**Description of Project:** Using an instrument developed by the University of Minnesota's Extension Service, businesses are surveyed through personal interviews. Surveys are conducted by community volunteers who receive prior training. The data will be compiled and analyzed by OSU to provide quantitative direction for local communities. The intent of the project is to help local businesses become more competitive by evaluating and addressing some of their key needs and concerns, thereby helping to create jobs through recognized road blocks. A second stage of the project is fixing the road blocks, or "red flag issues", through support of local businesses, state agencies and others.

**Short and Long Term Project Objectives, Outcomes, Merits and Benefits:** In the short term, the BR&E program builds networks and shows that communities care about business. The program leads to addressing issues and obstacles for business success, and provides information to help construct local strategic plans. The program establishes an economic development plan for each community and a broad based community coalition to sustain long-term economic development efforts.

**Applicability to Three County Region:** SEDCOR represents communities in Marion and Polk Counties. Both the applicant and sponsor of this project would like to incorporate, to some extent, communities in Yamhill County. With a set amount of funding, the inclusion and number of Yamhill County participants will be dependent upon the number and size of communities participating in Marion and Polk County.

**Applicability to Agriculture Theme:** With the majority of the manufacturing sector in the Mid-Valley region being related to agriculture or agri-business, this project will be closely linked to these industries. Marion County is the # 1 agricultural county in Oregon and Polk County is # 5. As further evidence of applicability to the agricultural theme, more than 50% of SEDCOR's economic development work in Polk and Marion Counties during 2012 was in agribusiness.

**Analysis of Job Creation:** The information gathered from this program will not lead to direct job creation but rather will be used to identify community strengths and weaknesses. It will then be up to each community to act upon the results, ideally resulting in additional jobs within the communities. The State Agency Team for the Mid-Valley Region will have a significant role to play in addressing the “barriers” that will be offered in the community/business evaluation report. To the extent that the barriers can be addressed, job growth should follow.

**Project Funding Evaluation:** The BR&E proposed 2013-2015 budget totals \$271,000. It includes expenditures for engaging OSU Rural Studies, and SEDCOR facilitation and coordination functions. Resources for the project include \$165,000 from Regional Solutions, community contributions totaling \$56,000, and a federal and SEDCOR match of \$50,000.

Program costs will vary depending upon how many communities participate and how many businesses are selected in each community for the survey work. Each community will be asked to contribute between \$2,000 and \$4,000 each. It is possible that the budget will only serve communities in Marion and Polk Counties. If less communities participate in the two counties, the Regional Solutions funding will make it possible for some communities in Yamhill County to engage in the program.

Leveraged Resources: Beyond the community contributions, leveraged funding for the project is also available through the *Make It In America* Grant that was recently awarded to the three county region. The \$2.1 million federal grant awarded to the COG, SEDCOR, Job Growers and the Oregon Manufacturing Extension Partnership (OMEP), will target efforts to develop industries that utilize advanced manufacturing processes to accelerate, grow and maintain industrial activity. Part of the grant’s activities include outreach to targeted industries and interviews with local manufacturing companies. Additional in-kind resources come from each community that participates. [As an example: Fifteen teams consisting of three people and each contributing 40 hours for training and business surveys will contribute \$16,200 at an hourly rate of \$9.00/hr.]

**Project Partners & Community Support:** The project will be led by SEDCOR, working closely with the OSU Rural Studies, local communities, as well as Business Oregon. Over a period of 2 years, it is estimated that 27 communities will be engaged in this program. This shows significant support in SEDCOR’s two county region. In addition, the Mid-Valley Council of Governments will be participating. In the second stage of the project “red flags” will be addressed and local entities will be working with agencies such as the Department of Agriculture, Business Oregon, ODOT, DSL and others. The local data collected can be aggregated into county wide and region wide data. This data can be used to show trends and issues that are common or diverse among different communities and geographic areas.

### State Agency Alignment & RST Recommendations:

- Business Oregon fully supports a regional approach to BR&E activities as the data can be used on many levels. The RST has recommended that the project be forwarded to the Advisory Committee for their consideration.
- There are no permits required to accomplish this project. The intent is to remove agency regulation barriers, which may address permit requirements in a positive way.
- From the state level, there are no conflicts with state agency policies, planning or compliance.
- The results from this project will be unbiased statistical information. This information will identify community strengths and weaknesses, as well as state barriers for business growth and retention.

Through the Mid-Willamette Valley Council of Governments a regional Comprehensive Economic Development Strategy (CEDS), dated Nov. 2012 has been compiled. It serves as the five year strategic plan for the Mid-Willamette Valley Economic Development District serving Marion, Polk and Yamhill Counties. Within that document, the following *Objectives align* with this BR&E project and the COG Infrastructure Assessment project listed above in *Section I*.

#### ***Goal #1: Support Opportunities for employment growth.***

Objective 1.1 Provide adequate infrastructure.

Objective 1.3 Reduce barriers and obstacles to economic development.

Objective 1.6 Ensure adequate supply of developable land throughout the region.

Objective 1.7 Support opportunities for business growth and entrepreneurial development

#### ***Goal #3: Support efforts to improve the regional economy through partnerships and regional collaboration.***

Objective 3.1 Coordinate regional economic development efforts with other agencies.

Objective 3.2 Promote collaborative projects that maximize and leverage economic development programs and efforts.

**Project Timeline:** The BR&E project is estimated to take approximately 2 years to complete.

**Likelihood of Project Success:** Public involvement can vary greatly from community to community. Volunteer training will be crucial to the success of this project. Follow through in the project will be essential.

The University of Minnesota Extension Service BR&E Program has been successfully used in a number of communities in Minnesota and more recently in Grants Pass, OR. Research results from successful programs showed improved business firm competitiveness (measured in manufacturing sales per worker); increased supply and quality of workforce/labor (e.g. high school vocational classes, new community learning centers, school/business partnerships); increased business cooperation (e.g. marketing strategies, employee customer skills); and diversified agricultural enterprises. Through the BR&E Program, the City of Grants Pass was able to increase the supply of developable industrial land within the city.

More work by SEDCOR needs to be undertaken to secure the financial commitments from participating communities.

More work by SEDCOR needs to take place to determine which communities will participate and set expectations of how many businesses in each community will participate. Several letters from cities expressing their intent to participate have already been received by SEDCOR.

The program uses a Task Force which is a group of community leaders. It will include representatives of business, government, education, economic development organizations and other well-respected influential community leaders. Choosing Task Force representatives that will stay with the program and have longevity in the community is important for program success.

A well facilitated BR&E program will increase local businesses' ability to compete in the economy, and build community capacity to sustain growth and development.

Requested Funding: \$300,000

### Marion-Polk Food Share Better Burger & Quinoa Farming Project

**Applicant:** Marion-Polk Food Share (MPFS), 1660 Salem Industrial Drive NE, Salem 97301

Contact: Rick Gaupo, President & CEO Ph: 503-581-3855 x305

**Sponsor:** Marion County, PO Box 14500 Salem, OR 97309-5036

Contact: Don Russo, Economic Development Manager, Marion County Board of Commissioners Office, Ph 503-589-3264

**Description of Project:** The goals of this project are to provide a nutritious, low cost protein source for the emergency food system, engage incarcerated youth in a vocational education program, and expand agricultural economic development through increased cultivation of quinoa.

- Small-scale burger production began at MPFS in 2012. Their market plan calls for 2 million burgers to be produced by 2016 and expanding to 3 million burgers annually thereafter. Achieving this goal will require increased farming production of quinoa, more capital outlay for equipment and a concerted effort toward burger production. Burgers will first be distributed to those experiencing hunger in Marion and Polk Counties. As production scales up, distribution to regional food banks across Oregon will take place.
- Burger production will begin at Hillcrest Youth Correction Facility in 2014. In partnership with the Oregon Youth Authority (OYA), approximately 20 incarcerated youth will participate in the production of burgers as part of a vocational skills program. The program will include extensive training in food manufacturing. The program will offer industry certifications, linkages to college credit through Chemeketa Community College, community internships, and hopefully employment upon release.
- Nine (9) acres of quinoa are currently being cultivated on Department of Corrections land at Mill Creek in Salem, and on privately donated land in Shaw. There are several positive aspects of growing quinoa in the Willamette Valley: It does not cross pollinate well with other plants; cultivation is easy to control with standard herbicides; and it is a dry land crop i.e. it does not need irrigation to grow. Additionally, the crop takes advantage of existing infrastructure – using combine harvesters and seed cleaning equipment already found in the Mid-Willamette Valley. In 2014, forty acres of quinoa are expected to be harvested. MPFS is committed to the expansion of quinoa production in the Willamette Valley. They are working with the OSU Extension Service, Iverson Farms and Food Guys in an initial *research and development* phase to define the best seed stock, growing methods and processing of the seeds.

**Long & Short Term Project Objectives, Outcomes, Merits and Benefits:** In both the short & long term, MPFS will be producing a highly nutritious, low-cost protein burger for the local and statewide emergency food network. Innovative partnerships between the public, non-profit, and private sectors have been created to address hunger and workforce development opportunities for disadvantaged youth. These collaborative efforts will establish a new food manufacturing vocational program in partnership with OYA that provides skills/education to at least 20 incarcerated youth annually, which in turn will assist with rehabilitation, and reduce recidivism. Short-term, MPFS will facilitate the experimentation (R&D) of quinoa production and processing. In the long term there is high potential for local and regional agricultural interests to grow increased acreages of quinoa in the Mid-Willamette Valley. This leads to farming opportunities which will create jobs.

**Applicability to Three County Region:** Marion-Polk Food Share serves a two county region. However, their relationships with food banks around the state are well known. The Hillcrest portion of this project includes youth from around the state, and the use of Chemeketa Community College addresses regional aspects of the project. The eventual expansion of quinoa production will not be limited to Marion County. Many farmers in the region have already expressed interest in connecting with MPFS to explore growing quinoa.

**Applicability to Agriculture Theme:** This project is firmly aligned with the Mid-Valley’s agriculture sector. The success of this project centers on growing quinoa and processing the product. There is a tremendous opportunity to have Oregon become the “quinoa capitol” for the U.S. Currently, most quinoa is imported into the United States (78 million lbs) from Bolivia and Peru.

**Analysis of Job Creation:** The youth skills portion of this project may lead to gainful employment, however at this stage of the program, projecting numbers is not possible. The OYA youth will gain skills in food manufacturing, warehousing, and inventory management. These skills can be put to work in many of the Mid-Valley’s processors. Quinoa farming relies on existing infrastructure including seed cleaning operations. The early harvest of the quinoa crop may allow seasonal employment at seed cleaners to be extended, employing more people for a longer time

**Project Funding Evaluation:** The requested amount of funds for this three-year project is \$300,000. Project elements include:

Quinoa farming (seed, fertilizer, labor)	\$123,388
Quinoa processing equipment	\$ 10,000
Better Burger staffing	\$ 52,908
Better Burger production (ingredients, packaging, distribution)	\$104,704
Grant administration – Marion County as fiscal agent (3%)	<u>\$ 9,000</u>
	\$ 300,000

The project shows significant leveraging of resources from numerous donors.

The Collins Foundation	\$ 65,000
Wal-Mart Facebook Campaign	\$ 45,000
Lamb Foundation	\$ 20,000
Oregon Community Foundation	\$ 20,000
Wal-Mart State Giving	\$ 50,000
Wells Fargo	\$ 10,000
Union Pacific Foundation	\$ 2,500
MPFS Major Donors	\$ 15,000
Donation value (OFB,OYA,DOC)	\$320,280

**Project Partners and Community Support:** The *Better Burger and Quinoa Farming Project* has strong support from the MPFS board and staff, OYA management and staff, state and local leaders, the Oregon Food Bank network, and numerous community partners. The 38,000 people each month who receive emergency food assistance can also be considered supportive as beneficiaries from this project. Other partners include the Oregon Department of Corrections, Chemeketa Community College and Linn-Benton Community College.

**State Agency Alignment and RST Recommendations:** The project touches multiple state agencies' missions and priorities including:

- Employment Dept./Work Source Oregon: vocational education and workforce training
- Department of Human Services: Service to disadvantaged populations throughout Oregon
- OR Youth Authority/Dept. of Correction: Incarcerated youth rehabilitation (OPYA) and use of DOC land
- Dept. of Agriculture: Oregon Agriculture commodities development; value added agriculture
- Business Development Department: Small business enterprise development

A contract defining Marion-Polk Food Share's partnership with OYA has been signed and representatives from the Department of Justice have provided significant guidance, oversight and input. There remains an ongoing interest by MPFS to continue coordination of technical assistance efforts with the Oregon Department of Agriculture, Oregon State University Food Innovation Center, and the OSU Extension Service.

The Regional Solutions Team found that the project has a regional component through the use of products sourced throughout the region and product distribution throughout the state. The project has a high state of readiness with small scale production initiated in 2013 and larger scale production in 2014 and beyond. The opportunity to commercialize the product could open the door to new revenue streams to support the mission of MPFS. The RST observed that they did not see any major impediments to the project moving forward, should the Advisory Committee recommend its approval.

**Project Timeline:** This project has a three year timeline (2014-16). After that period, the market plan calls for a sustainable operation without need for bridge grant funding. The growing of quinoa and the production and testing of burger patties has been underway over the last two years. The production of the burger at Hillcrest is anticipated to begin in 2014. Over the next three years, increased planting and harvesting of quinoa is anticipated.

**Likelihood of Project Success:** MPFS has a long established record of success in project design and implementation. The project has long standing relationships between MPFS and numerous public and private interests which should result in the successful implementation of this project.

**Requested Funding: \$300,000**

**White's Multi-modal Transloading Railcar Siding Hub**

**Applicant:** White's Hauling and Farm, 550 Morrow Rd., Independence 97351

Contact: Claude White, Owner & Cody White, Vice President of Operations Ph: 530-949-0313

**Sponsor:** City of Dallas, City Manager Ron Foggin 503-623-2338

**Description of Project:** The purpose of this project is to allow trucks to off-load their commodities and subsequently transfer products and materials to rail cars for transit to their next destination. This project would modify existing infrastructure in the City of Dallas at a former Weyerhaeuser sawmill (1551 SE Lyle St.) to create a loading and unloading facility for numerous commodities. Project elements consist of modifying an existing rail siding, construction of a covered loading area, storage barns and scales. This project will restore a connection to the Willamette Pacific Rail Road (WPRR) which is a subsidiary of Portland and Western Railroad (P&W). P&W is a short line of the Union Pacific Railroad (UP). The sawmill site contains 66 acres and was purchased in 2012 by Northwest Demolition and Dismantling.

**Long & Short Term Project Objectives, Outcomes, Merits and Benefits:** This project is designed to decrease transportation costs, congestion, and emissions by creating an access point for efficient commodity transportation. The project has potential to boost the local and state economy and has a positive environmental impact. It will provide transportation connections for agricultural and other commodities to domestic and foreign consumers. Cost reductions resulting from this project will be passed on to consumers of these products, many of whom use Oregon grain for various food products. Maintenance and operations will be funded by White's business activities and project operation revenues.

**Applicability to Three County Region:** Lessening truck traffic on the highways, and reduced greenhouse gas emissions as a result of this project have region wide benefits. For businesses moving products more economically, this project would primarily benefit the west side of the Mid-Willamette Valley (Yamhill & Polk Counties.) There is a limited rail car operation in the Mt Angel/Silverton area, and a small rail car loading facility in Brooks, both in Marion County. White's Hauling currently operates a small truck/rail loading site in Rickreall which would be abandoned once the Dallas project is completed.

**Applicability to Agriculture Theme:** The site will be a center for agri-businesses. Agricultural products along with other commodities will be processed, stored and distributed from the site.

**Analysis of Job Creation:** The project will create temporary construction jobs with an estimated labor cost value of \$505,000. Initially, three (3) full time jobs will occur at start-up with expectations to grow to 20 full time employees. A spin-off benefit is the potential for farmers who previously trucked their goods to collectively save \$400,000 per year. As producer costs decrease and their profit margins increase, it should allow farming interests to eventually hire new employees thereby strengthening regional workforce development.

**Project Funding Evaluation:** The project is estimated to cost \$1,385,123. The Regional Solutions funding request is \$300,000 and a local match from White's Hauling and NW Demolition is \$543,803. The remaining funds are contained in a ConnectOregon V grant request in the amount of \$541,320. Unless there are additional costs as a result of site preparation or permit requirements, it is anticipated that the project could be constructed with the indicated amount.

**Project Partners and Community Support:** A number of public and private entities have endorsed this project in writing. They include:

- Portland and Western Rail
- Polk County Commissioner Craig Pope
- Polk County Farm Bureau
- SEDCOR
- Northwest Demolition (land owner)
- City of Dallas
- Numerous farming and timber businesses

**State Agency Alignment and RST Recommendations:** The site is zoned industrial and is within the City of Dallas enterprise zone. A 2010 Oregon Rail Study shows the WPRR to be currently under-utilized. The study also recommends strategies for increasing commodity flow in Oregon by constructing a grain loading terminal to connect consumers not located near the Columbia River with exporters. The initial review of this project by RST indicates that both ODOT Rail and ODOT Highway support this project. Multimodal Connectivity (Intermodal) is a strategic ODOT objective. The project meets the goals of the Oregon Rail Study, Oregon Freight Plan, Polk County Comprehensive Plan, and City land use plan. A state agency review could be completed inside of 2-4 weeks. A NEPA Categorical Exclusion permit has been completed.

**Project Timeline:** The project is considered short-term and will be completed within two years. If a ConnectOregon V Grant is awarded in the summer of 2014, project construction could start in late 2014 and be completed approximately July, 2015. In Year One, planning, engineering, permits and some construction will take place. In Year Two, rail and building construction over a period of seven months will conclude the project.

#### **Likelihood of Project Success:**

- The Advisory Committee questioned the difficulties at the Port of Portland with Hanjin cargo vessels. The union stalemate has been resolved, however, it remains to be seen if Hanjin will continue as a shipping partner for the Port of Portland. In any event, for the foreseeable future White's Hauling has indicated that grain, lumber and other commodities will not be shipped in containers. In the unlikely event that Portland is not the final designation due to any Port of Portland transport difficulties, rail cars will continue to the next port of call.
- White's Hauling and Farm has obtained a written letter of support from Portland & Western Rail (P&W). A continued partnership with them will be needed for long term success of this project. ODOT Rail concurs that a letter of support from P&W shows confidence that the appropriate dialogue with Union Pacific has taken place.

The successful completion of this project is dependent upon several factors. Prior to awarding the funding request, it is recommended that the following take place:

- Award of a ConnectOregon V grant in the approximate amount of \$541,320 *[The application and sophisticated review process is considered a plus for this project since it provides further vetting of the proposal.]*
- A state agency review should be completed on the site. Any needed action will be addressed prior to an award of funding, unless otherwise agreed upon between the affected state agency and White's Hauling.

*Regional Solutions Funding Request: \$500,000*

**City of Carlton Downtown Water System Improvements**

**Applicant:** City of Carlton, City Hall 191 E. Main Street, Carlton, OR 97111

Contact: Chad Olsen, City Manager Ph: 503-852-7575

**Description of Project:** The City of Carlton will construct approximately 2,995 feet of downtown water line improvements to provide short and long-term economic development benefits. Currently, Carlton's major infrastructure issues are the inadequate transmission of water to the city, and sub-standard distribution systems in the downtown. The transmission line to town is inadequate and the distribution lines in town are undersized and terminate in areas resulting in improper system looping. These deficiencies result in insufficient fire flows from hydrants and restrict the city's ability to issue building permits. To alleviate these water system deficiencies, Carlton is investing approximately \$2.5 million to construct a new transmission line into town. The city's debt capacity is not capable of funding further downtown improvements in the foreseeable future without additional funding assistance. (See Project Funding Evaluation below)

**Short & Long Term Project Objectives, Outcomes, Merits and Benefits:** With increased fire flows to assist commercial development, short term benefits include the creation of jobs from infrastructure construction and new commercial businesses. In addition, life safety benefits from adequate fire flows will be realized. Long term benefits include an increased tax base from new development and further opportunities for agri-tourism within the mid-Willamette Valley. Ken Wright of Ken Wright Cellars has expressed that he has personally been approached by a half dozen hoteliers to establish a small high end hotel in Carlton. The interested parties include the Hyatt and Westin hotel chains. He said the lack of available lodging in Carlton is the "biggest hurdle in the effort to increase tourism and employment opportunities" for the region. Ken offered that Willamette Valley Vineyards located in Marion County has purchased a high profile corner in downtown Carlton six years ago. Mr. Wright said, "Development costs due to water issues have them waiting on the sideline."

**Applicability to Three County Region:** With the Willamette Valley emerging as one of the nation's premier wine producing regions, there is an increase in tourists visiting the region, now estimated at 1.5 million per year. Despite this increase in visitors, Yamhill County is not reaping the full economic benefits of this trend based on the results of a recently completed economic study, which found local visitor spending per capita is below the statewide average, and significantly less than comparable visitor destinations. The study found a lack of high amenity lodging and complementary visitor attractions are barriers to encouraging extended overnight stays and repeat visits to the area. Upon addressing the critical infrastructure needed to support these economic development opportunities, the City of Carlton is strategically positioned to provide these additional visitor services that would help raise visitor spending levels and encourage longer visitor stays within the Willamette Valley.

This project promotes the region's recreation, tourism and hospitality industry. Strengthening the agri-tourism industry in Yamhill County provides benefits for a region where visitors often explore the entire Willamette Valley. The viticulture industry in the Mid-Willamette Valley is vibrant with hundreds of small wineries scattered throughout the three county region. The Willamette Valley's Wineries Association guide map shows tasting rooms from Eugene to Portland with no distinction of county boundaries. The entire area contains prime land for vineyards as evidenced by outside interests purchasing vineyards such as Jackson Family wines in Polk County and Precept Wine and France's Maison Louis Jadot purchases of property in Yamhill County. The region also boasts culinary events and production and sale of numerous agricultural products.

**Applicability to Agriculture Theme:** This project is connected to agriculture through viticulture activities as well as agri-tourism. Carlton's connection to agriculture is not just wine production but provides a gateway to showcases farms and their products in a three county region.

**Analysis of Job Creation:** Immediate jobs will be realized during the construction phase of the project. The City estimates that during construction 10 people will be employed full-time for 3-5 months. The potential for a significant impact on additional employment opportunities will come from property development for wine operations/sales and other retail, manufacturing and lodging enterprises.

**Project Funding Evaluation:** A previous debt analysis done by the city identified that the city cannot borrow beyond their current capacity and therefore without RS funding, the downtown fire-flow project will not be viable for an extended time into the future. IFA awarded the city \$112,000 grant funds to prepare a Water Master Plan. It is currently expected to be completed and adopted in early 2014. The final draft plan identifies downtown water improvements, however the downtown distribution improvements are competing with more than \$10 million of needed transmission line improvements.

A separate analysis was requested by the City to further define debt capacity, and whether or not there are other city revenues options for the downtown fire flow project. The analysis was completed by Katherine Schwab of Wedbush Securities and a copy of the report will be available to the Advisory Committee at their first meeting in 2014. In part, the conclusion states: *Even with an annual 5% increase in rates, the City would struggle to issue \$590,000 of debt and be able to complete the remaining infrastructure improvements without new business expansion in the City's downtown area."*

In assessing the project, the following municipal revenue streams for infrastructure were verified:

- Water rate: Currently \$40.70
- SDC charges: \$6,831.00
- Urban Renewal: UR receipts in FY 2013 were \$42,000. UR Plan dedicates increment to transmission line project. City needs \$150,000 UR to pay for transmission line. The City calculates it will not realize \$150,000 through urban renewal increment until 2020/21.
- City permanent tax rate: \$5.0098
- Current outstanding P&I from bonding/debt instruments: \$5,108,142.

**Project Partners and Community Support:** Mayor Kathie Oriet presented Carlton's proposal to the Advisory Committee on Sept 11<sup>th</sup> and Nov. 1<sup>st</sup>. Wine Maker Ken Wright also voiced his support for the project on behalf of some 46 wine business operators within the city. Business Oregon (IFA), ODOT and the Oregon Water Resources Division have worked with the City on developing this project.

**State Agency Alignment & RST Recommendations:** The project is identified as a priority project in the region's Comprehensive Economic Development Strategy (CEDS). The project is also consistent with recommendations found in the Yamhill County Agri-business Economic and Community Development Plan (2009) which identifies the need to provide critical infrastructure to support agri-business and tourism. Yamhill County, DLCD and other partners' agencies collaborated in development of this plan. The plan's purpose was to promote cooperative regional economic and community development, and increase certainty for investors seeking sites to establish and grow businesses needed to support the agriculture and tourism industries. The Plan notes that inadequate infrastructure was a limiting factor for economic growth.

Regional Solutions State Agency Team comments:

- This project will require permits from the Water Resource Division and ODOT for those project elements on Hwy 47
- The project promotes compact urban development and job creation thereby preserving farmland from future UGB expansion as well as surrounding natural resources.
- The project proactively develops fire prevention and safety.
- The RST recommends that the Advisory Committee consider this project. It is ready for implementation and will create direct job and economic development impacts for the community and surrounding region.

**Project Timeline:** Upon notice to proceed, the design and construction can be completed in a 12-18 month period.

**Likelihood of Project Success:** It is anticipated that all contracts for professional services and construction for the City of Carlton will be reviewed by the city's legal counsel. The project is considered short-term and straight forward as far as engineering and construction are concerned. All construction will be done within the public rights-of way. Once funding has been secured and permits have been obtained, water line improvements should progress without complications.

Request for Funding: \$550,000

## Career Achievement Network

**Applicant:** Job Growers Incorporated (Mid-Valley Local Workforce Investment Board)

Contact: Tony Frazier, Executive Director 626 High Street NE, Suite 305, Salem Ph: 503-581-4505

**Sponsor:** Polk County, Commissioner Craig Pope

**Description of Project:** This project will coordinate non-profit and business sites in the Mid-Valley to offer skills training that lead to employment opportunities. The training will incorporate soft skills such as communication and personal accountability that can be delivered at various job sites. The program is primarily for youth aged 17-26, but would also embrace long-termed unemployed, veterans, individuals on public assistance, and the disabled. The program would select several business/industries to partner with Job Growers by providing training sites. Job Growers will provide a curriculum and facilitation for a classroom-based training component that will be complemented with a hands-on work experience. Job Growers will develop an evaluation tool that will allow participants who demonstrate mastery of essential workplace skills to earn an industry-recognized certificate.

**Short & Long Term Project Objectives, Outcomes, Merits and Benefits:** This program would provide a network of training sites at various business/industry locations to teach skills that apply to many industry sectors. Short term benefits include youth receiving instruction while at the same time getting exposure to a job environment. The participants will be eligible to receive a certificate that will be recognized by industry and increase their employability. Two hundred (200) participants will gain work experience through the Career Achievement Network in the initial 18 month start-up phase. Long term benefits: This project will benefit businesses in the Mid-Valley region that host training sites by providing sustainability in a training network, while helping the young workforce gain the essential skills necessary to get and keep a job.

**Applicability to Three County Region:** Job Growers is the local Workforce Investment Board for the Mid-Willamette Valley Region. (Yamhill/Polk/Marion Counties) This program will be available and carried out in the three county region.

**Applicability to Agriculture Theme:** Much of the training and teaching of skills apply to many industrial sectors including agriculture, agri-business and agri-tourism. An OSU study found that Oregon agriculture is directly & indirectly linked to \$25.8 billion in sales of good and services, and agriculture is still one of the most reliable industries in the Willamette Valley. Availability of a skilled labor force is one of the challenges to the Mid-Valley agriculture industry.

**Analysis of Job Creation:** Included within the Job Growers funding application were fifteen Willamette Valley businesses/industries that expressed interest in this program. Collectively they indicated that over 95 jobs were currently available and filling them was difficult. These businesses also expressed that soft skills were often deficient in the local work force. These essential workplace skills include strong work ethic, communication, punctuality, teamwork and personal accountability. Once young people are employed, it is significant to note that there is also a reduction in "tax burden" and "social burden" for communities. A White House report indicated that for each year a dis-connected youth is in a community there is an immediate tax burden of \$13,900 generated by that youth. [*The Economic Value of Opportunity Youth: White House Council for Community Solutions, January 2012*]

**Project Funding Evaluation:** The Career Achievement Network is a scalable model. The \$550,000 funding request will place 200 participants in the program over the first year. The program will be set up to eventually become sustainable with businesses and industries taking the program in-house. There will be significant leverage involved in this project from partnering organizations that invest time and resources into the program participants. At this point in time, \$82,805 has already been identified as leverage, including in-kind resources from Job Growers. The United Way of the Mid-Willamette Valley also awarded Job Growers \$50,000 to support a youth training model. A *Make It In America* grant (\$1.7 million) awarded to the Mid-Willamette Valley COG has associated benefits with this Job Growers program. The federal grant will target industries that utilize advanced manufacturing processes to accelerate, grow and maintain industrial activity. Part of the grant's activities includes outreach to businesses.

**Project Partners & Community Support:** A wide variety of partners from the education, non-profit and business sectors will be involved in the formation of this program. The partners include the OSU Extension Service, Chemeketa Community College, and various businesses and industries in the three county area. The fourteen business letters of support in their proposal also show community support.

**State Agency Alignment & RST Observations:**

- This project is consistent with the mission statement of the Department of Community Colleges and Workforce Development, "To contribute leadership and resources to increase the skills, knowledge, and career opportunities of Oregonians." This project is also aligned with Business Oregon's mission, "To improve the development, growth and vitality of Oregon's small businesses." It is consistent with the Oregon Employment Department's mission to, "support business and promote employment."
- Sustainability of the network is one primary focus of the project. Businesses will be encouraged to measure the return of investment towards their business, so they see the financial benefits of providing internships and continue that practice after the close of the start-up phase.

**Project Timeline:** The program estimates that a period of 18 months will be required to set up the training sites, develop the curriculum, and have youth successfully enter training programs to qualify for an essential skills certificate.

**Likelihood of Project Success:** Job Growers has for many years shown a professional record of accomplishment. The Job Growers' Board of Directors and Executive Director have endorsed this proposal and stand ready to implement it when funding is awarded. Given the strong support from businesses and industries in the Mid-Valley it is likely that the program can be sustained in the future by employers. The program is built upon existing curriculum and employment practices which gives it a solid platform for implementation.

## Mid-Valley Regional Solutions Advisory Committee

### **Convener**

Senator Jackie Winters  
State Senate District 10  
900 Court St. NE S-301  
Salem, OR 97301  
503-986-1710  
[Sen.winters@state.or.us](mailto:Sen.winters@state.or.us)

### **County Government**

Commissioner Craig Pope  
Polk County Courthouse  
Dallas, Oregon, 97338  
503-623-8173  
[pope.craig@co.polk.or.us](mailto:pope.craig@co.polk.or.us)

Commissioner Mary Stern  
Yamhill County Courthouse  
535 NE 5th St.  
McMinnville, OR 97128  
(503)434-7501  
[sternm@co.yamhill.or.us](mailto:sternm@co.yamhill.or.us)

Commissioner Sam Brentano  
Marion County  
451 Division Street NE, Suite 200  
Salem, Oregon 97309  
(503) 588-5212  
[SABrentano@co.marion.or.us](mailto:SABrentano@co.marion.or.us)

### **City Government**

Mayor Kathryn Figley  
City of Woodburn  
270 Montgomery Street  
Woodburn, Oregon 97071  
503-982-5220  
[kathryn.figley@ci.woodburn.or.us](mailto:kathryn.figley@ci.woodburn.or.us)

Linda Norris, City Manager  
Salem City Hall  
555 Liberty St. SE, Rm 220  
Salem, Oregon 97301  
(503)588-6255  
[lnorris@cityofsalem.net](mailto:lnorris@cityofsalem.net)

### **Council of Governments**

Mayor John McArdle  
City of Independence  
555 S. Main St.,  
Independence, Oregon 97351  
(541) 917-4210  
[mcardle@minetfiber.com](mailto:mcardle@minetfiber.com)

## **Higher Education**

Mark Weiss, President  
Western Oregon University  
345 North Monmouth Avenue  
Monmouth, Oregon 97361  
(503) 838-8888  
[weissm@wou.edu](mailto:weissm@wou.edu)

Cheryl Roberts, Ed. D., President  
Chemeketa Community College  
4000 Lancaster Drive NE  
Salem, Oregon 97305  
(503) 399-6591  
[Cheryl.roberts@chemeketa.edu](mailto:Cheryl.roberts@chemeketa.edu)

## **Business**

George F. Smith  
President & CEO  
NORPAC Foods, Inc.  
P.O. Box 458  
Stayton, OR 97383  
503-769-2101  
[georges@norpac.com](mailto:georges@norpac.com)

Chad Freeman  
President, SEDCOR  
Chemeketa Center for Business & Industry  
626 High Street NE, Suite 200  
Salem, OR 97301  
503-837-1800  
[cfreeman@sedcor.com](mailto:cfreeman@sedcor.com)

## **Business Con't:**

Jim Bernau, President  
Willamette Valley Vineyards  
8800 Enchanted Way SE,  
Turner, Oregon 97392  
(503) 588-8894  
c/o [sara.tolle@wv.com](mailto:sara.tolle@wv.com)

Jody Christensen, Executive Director  
McMinnville Economic Development  
Partnership  
417 NW Adams, McMinnville, 97128  
503-474-0544  
[info@McMinnvilleEDP.com](mailto:info@McMinnvilleEDP.com)

## **Foundation/Non-profit**

Chane Dillard Griggs  
Regional Director  
The Oregon Community Foundation  
1313 Mill St, SE, Suite 203  
Salem, OR 97301  
Phone: 503-779-1927  
[cgriggs@oregoncf.org](mailto:cgriggs@oregoncf.org)

November, 2013

**Mid-Willamette Valley Regional Solutions  
Team Roster**

Mary Camarata  
Department of Environmental Quality  
165 E 7<sup>th</sup> Ave, Ste 100  
Eugene, OR 97401  
541-687-7435  
[Camarata.mary@deq.state.or.us](mailto:Camarata.mary@deq.state.or.us)

Karen Clearwater  
Oregon Housing & Community Services  
720 E. 13<sup>th</sup>. Suite 304  
Eugene, OR 97401  
541-346-8618  
[Karen.clearwater@state.or.us](mailto:Karen.clearwater@state.or.us)

Michelle Bilberry  
OBDD – Infrastructure Finance Authority  
775 Summer St NE, Suite 200  
Salem, OR 97301  
503-986-0142  
[michelle.bilberry@biz.state.or.us](mailto:michelle.bilberry@biz.state.or.us)

Jerry Gardner  
Business Development Manager  
Oregon Department of Agriculture  
1207 NW Naito Parkway, Suite 104  
Portland, OR 97209  
503-872-6600  
[jgardner@oda.state.or.us](mailto:jgardner@oda.state.or.us)

Mitchell Gee  
Business Development Officer  
c/o SEDCOR  
626 High Street NE, Suite 200  
Salem, OR 97301  
503-837-1808  
[Mitchell.gee@state.or.us](mailto:Mitchell.gee@state.or.us)

Steven Marx  
South Willamette Watershed District Mgr.  
Oregon Dept. of Fish and Wildlife  
7118 NE Vandenberg Ave.  
Corvallis, OR 97330  
541-757-4186 Ext 224  
[steven.d.marx@state.or.us](mailto:steven.d.marx@state.or.us)

Kirk Jarvie  
Regional Solutions Liaison  
Department of State Lands  
775 Summer St. NE Ste 100  
Salem, OR 97301  
503-986-5320  
[Kirk.jarvie@state.or.us](mailto:Kirk.jarvie@state.or.us)

Angela Lazarean  
Dept. of Land Conservation & Development  
635 Capitol St. NE Ste 150  
Salem, OR 97301  
503-373-0050 Ext. 286  
[Angela.lazarean@state.or.us](mailto:Angela.lazarean@state.or.us)

Tim Potter  
Area 3 Manager  
Department of Transportation  
885 Airport Rd. SE, Bldg P  
Salem, OR 97301  
503-986-2764  
[James.T.Potter@odot.state.or.us](mailto:James.T.Potter@odot.state.or.us)

Jae Pudewell  
Region 2 Team Liaison  
Department of Transportation  
720 E. 13<sup>th</sup> Ave., Suite 304  
Eugene, OR 97401  
541-346-8623  
[Jae.pudewell@odot.state.or.us](mailto:Jae.pudewell@odot.state.or.us)

Dick Townsend  
Regional Solutions Coordinator  
167 State Capitol – 900 Court St. NE  
Salem, OR 97301 971-209-8371  
[dick.townsend@state.or.us](mailto:dick.townsend@state.or.us)

Dennis Wiley, District Manager  
Willamette Valley District  
Oregon Parks & Recreation Department  
10991 Wheatland Rd., Gervais, OR 97026  
503-390-0639 Ext 221  
[dennis.wiley@state.or.us](mailto:dennis.wiley@state.or.us)

*Requested Funding Allocation of Mid-Valley RSC Projects*

**Primary Goals: Regional – Agriculture - Jobs**

**Capacity Building Programs**

**COG**  
 Infrastructure Inventory & Project Management Services  
**\$180,000**  
Leverage Total:  
**\$595,000**  
 \$85,000 COG & EDA  
 + 30% of \$1.7 million (\$510k) "Make it in America" Grant

**BR&E**  
 COG=Sponsor  
**\$165,000**  
Leverage Total \$101,200  
 \$85,000 Local & SEDCOR  
 15 Volunteers Teams \$16,200  
 + 30% Grant - see COG Project

**Farming/Fighting Hunger**

**Marion-Polk Food Share**  
**\$300,000**  
Leverage:  
**\$630,876**  
 (foundations, donors, OYA, DOC)

**Infrastructure Development**

**Whites Rail Siding**  
**\$300,000**  
Leverage Total:  
**\$1,085,123**  
 \$541,320 Connect Oregon & \$543,803 White's/NW Demolition match

**Carlton Water Infrastructure**  
**\$500,000**  
Leverage: \$2.5 Mil  
 Municipal debt for transmission line

**Workforce Development**

**Job Growers Workforce - Investment**  
**\$550,000**  
Leverage Total: **\$499,805**  
 Job Growers \$82,805  
 annual tax/social burden \$13,900 X 30 "disconnected youth" = \$417,000  
 + 30% Grant – see COG project

**Project Requests**

COG \$180,000  
 BR&E \$165,000  
 Marion-Polk Food Share \$300,000  
 White's Rail Siding \$300,000  
 Carlton Water Infrastructure \$500,000  
 Job Growers Workforce Investment **\$550,000**  
**Total Requested Funding: \$1,995,000**

**Leveraged Resources**

\$ 595,000 \*  
 \$ 101,200 \*  
 \$ 630,876  
 \$1,085,123  
 \$2,500,000  
 \$ 499,805 \*  
**\$ 5,412,004**

Make it in America Grant  
 30% of \$1,714,376 Targets advanced manufacturing processes and includes outreach to industries

# Mid-Willamette Valley Regional Solutions

