



**REGIONAL SOLUTIONS OFFICE
GOVERNOR KATE BROWN**

**Greater Eastern Oregon Regional Solutions
Advisory Committee Meeting**

Representing Wheeler, Gilliam, Morrow, Umatilla, Grant, Harney, and Malheur Counties

**Thursday, March 16, 2017
10:00am – Noon**

**North Gilliam County Rural Fire Protection District
1500 Railroad AVE, Arlington**

Call-in is available at: 888-398-2342; participant code 7476425 #

- | | |
|---------|---|
| 10:00am | Introductions – all |
| 10:05am | Public Comment - all |
| 10:10am | Welcome New Members/Advisory Committee membership and terms – Cam Preus, Convener/
Scott Fairley, Regional Solutions Coordinator |
| 10:15am | Regional Solutions program update – Scott Fairley, Regional Solutions Coordinator |
| 10:20am | Budget/Regional Infrastructure Fund – Scott Fairley, Regional Solutions Coordinator |
| 10:30am | Gilliam County Economic Development Update – Peter Mitchell, Port of Arlington Director |
| 10:55am | Workforce Investment Board Sector Strategies Update – Bill Rosholt, Workforce Investment
Board Executive Director |
| 11:20am | Project Updates – Regional Solutions Team |
| 11:35am | Area Commission on Transportation update – Ken Patterson, ODOT |
| 11:50am | Roundtable/Good of the order |

The meeting location is accessible to persons with disabilities. To request an interpreter for the hearing impaired or for other accommodations for persons with disabilities, please make requests at least 48 hours before the meeting to Lisa Howard at 503-378-6502 or lisa.howard@oregon.gov, or by TTY: Oregon Relay Services at 1-800-735-2900.

EASTERN OREGON REGIONAL SOLUTIONS CENTER
EASTERN OREGON UNIVERSITY
233 BADGLEY HALL, ONE UNIVERSITY BLVD., LA GRANDE, OR 97850

Charter
Greater Eastern Oregon Regional Solutions Advisory Committee
Adopted June, 2014

Background

The Regional Solutions Program, attached to the Governor's Office, was created by Governor Kitzhaber in 2011 and was sanctioned by the legislature in 2014 with the passage of HB 4015. The Regional Solutions program works with state agencies, local governments, public and private sectors, and philanthropic organizations as appropriate to identify regional priorities for community and economic development, develop and coordinate regional implementation projects, and address issues and seize opportunities.

The Regional Solutions Program includes regional state agency teams including representatives from the Governor's Office, the Oregon Business Development Department, Department of Transportation, Department of Environmental Quality, Department of Land Conservation and Development, and Oregon Housing and Community Services. Other state agencies and Oregon Solutions and Oregon Consensus (the state's collaborative problem solving and dispute resolution organizations) participate as necessary. The program also includes Regional Solutions Centers where team members are co-located, and regional Advisory Committees that set priorities and direct the work of Regional Solutions Teams.

Geographic Coverage

The Greater Eastern Oregon Region is comprised of Wheeler, Gilliam, Morrow, Umatilla, Grant, Harney, and Malheur counties (the same counties served by the Greater Eastern Oregon Economic Development District).

Advisory Committee Membership

Each Region shall have an Advisory Committee consisting of a minimum of five members appointed by and serving at the pleasure of the Governor. Advisory Committees shall be comprised of:

- One local convener who represents the region and who shall serve as the Advisory Committee Chairperson
- One representative recommended by the League of Oregon Cities
- One representative recommended by the Association of Oregon Counties
- One person who represents local and regional business and industry
- One person who represents philanthropic organizations

Advisory Committee members appointed by the governor may appoint additional Advisory Committee members in consultation with the Regional Solutions Coordinator. In selecting additional members the goal is to maintain balanced membership from the public, private, tribal, philanthropic, and higher education sectors. Additional members shall be appointed by consensus of at least four out of the five appointed members (this is intended to allow forward movement in the event it is not possible to schedule a discussion with all five at the same time). Additional members shall serve for 36 months from the date of their appointment.

Decision Making Process

Only Advisory Committee members, including those appointed by the group of five identified above, may participate in any decision making process. The full committee shall strive to make decisions by consensus (i.e. no one objects); where consensus cannot be reached, decisions will be made by a majority vote of the five members appointed by the Governor.

Advisory Committee Mission

- Provide a forum for public, private, and civic sector stakeholders to discuss, understand, and coordinate community and economic development issues and opportunities affecting the Greater Eastern Oregon region
- Communicate regional community and economic development issues to the public, neighboring regions, area legislators and other interested organizations
- Advise the Governor's Office, state agencies, and other organizations on state and regional policies affecting community and economic development issues and opportunities in the region

Advisory Committee Members - Roles and Responsibilities

- Establish regional priorities for community and economic development in the region
- Consider, review, and recommend regional implementation project proposals
- Assist with connecting to technical and financial assistance resources to implement regional projects
- Advocate regional priorities and community and economic issues and opportunities to other sector, community, and regional advisory groups, and state and federal elected officials

Regional Solutions Team Roles and Responsibilities

- Assist Advisory Committee in the identification and implementation of projects that address regional priorities
- Coordinate state agency technical and financial assistance resources with other available resources in alignment with regional priorities

Public Involvement

All meeting information and materials where the Regional Advisory Committees will be reviewing regional priorities or discussing regional implementation project proposals will be posted at <http://www.regionalsolutions.oregon.gov>. Meeting materials and agendas shall be posted seven days prior to the meeting. During advisory committee meetings where regional priorities are discussed and/or established there will be an opportunity for public testimony during that agenda item. There will also be opportunities for public testimony during meetings where regional implementation projects are discussed/recommended.

Meeting Materials

- An advance agenda shall be provided one week prior to the meeting
- For decision items information shall be distributed to everyone in attendance at the meeting

Meeting Schedule

- The Advisory Committee shall meet no less than twice a year.

Meeting Minutes

Minutes shall be taken for all Advisory Committee meetings and shall contain:

- List all members present.
- All motions, proposals and resolutions proposed, and their disposition, will be in the minutes.
- Results of all votes/decisions
- Minutes will be posted on the Regional Solutions web page.

**Greater Eastern Oregon
Regional Solutions Advisory Committee
Regional Priorities
(Adopted July 5, 2016)**

The following priorities are ranked by order of importance – but all are related and implementation of each is required to advance the regional economy.

Support for current and emerging businesses

Support for traded sector, small business, and entrepreneurial job growth and retention.

Natural resources utilization

Support forestry, agriculture, mining, and recreation sectors.

Water management and development

Secure agricultural, industrial, and municipal water supply.

Workforce availability

Increase regional workforce availability to meet current and future industry needs.

Workforce housing

Increase housing availability across types and values.

Competitive Communities

Access to community amenities (bike/ped facilities, broadband and other amenities) to attract growth, development, and workforce.

Infrastructure for marketable industrial lands

Increase availability of sewer, water, roads, and other investments to be competitive in attracting business development opportunities.

Secretary of State
Certificate and Order for Filing
PERMANENT ADMINISTRATIVE RULES

FILED
12-22-16 8:34 AM
ARCHIVES DIVISION
SECRETARY OF STATE

I certify that the attached copies are true, full and correct copies of the PERMANENT Rule(s) adopted on Upon filing, by the
Oregon Business Development Department

Agency and Division Administrative Rules Chapter Number

Mindee Sublette (503) 986-0036

Rules Coordinator Telephone

775 Summer St. NE, Suite 200, Salem, OR 97301

Address

To become effective Upon filing. Rulemaking Notice was published in the July 2016 Oregon Bulletin.

RULE CAPTION

These rules relate to the administration of the Regional Infrastructure Fund.

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:

123-061-0031, 123-061-0032, 123-061-0033

AMEND:

123-061-0010, 123-061-0020, 123-061-0030, 123-061-0035

REPEAL:

123-061-0040

RENUMBER:

AMEND AND RENUMBER:

Statutory Authority:

ORS 285A.075, OL 2013 c.786 §3,

Other Authority:

Statutes Implemented:

ORS 285B.551, OL 2013 c.786 §3, OL 2014 c.82 §2, 3, 5

RULE SUMMARY

In 2013, the Oregon Legislature created the Regional Infrastructure Fund through SB 5533. The fund provides grants and loans to local governments for Regional Implementation Projects including long-range planning, research and design.

The purpose of the creation of the new rules and amendments is to establish a process and criteria for recommending projects to be funded by the Regional Infrastructure Fund.

The principles are:

Ensure statewide economic vitality.

Allocation of state funds will reach all corners of Oregon.

Strategic investments are best identified by regional leaders

Timely application of resources targeted to move the needle.

Unlocks funding from other sources.

Transparent and accountable decision-making.

Processes for recommending implementation projects will be inclusive, transparent and consistent across all regions.

Mindee Sublette
Rules Coordinator Name

mindee.sublette@state.or.us
Email Address

OREGON BUSINESS DEVELOPMENT DEPARTMENT

DIVISION 61

REGIONAL INFRASTRUCTURE FUND

123-061-0010

Purpose

These rules establish the criteria and process for selecting projects to be funded by the Regional Infrastructure Fund. The 2013 Oregon Legislature created the Regional Infrastructure Fund for the purpose of providing grants and loans to local governments for Regional Solutions implementation projects including long-range planning, research, and design. As provided in 786 OL 2013 § 3, the Oregon Business Development Department shall administer the Regional Infrastructure Fund.

Stat. Auth.: ORS 285A.075, , OL 2013 c.786 §3
Stats. Implemented: ORS 285B.551, OL 2013 c.786 §3
Hist.: OBDD 7-2014, f. 4-30-14, cert. ef. 5-1-14

123-061-0020

Definitions

The following terms have the following definitions, unless the context clearly indicates otherwise:

- (1) "Department" means the Oregon Business Development Department defined in ORS 285A.070.
- (2) "Fund" means the Regional Infrastructure Fund.
- (3) "Grant" means funds for an awarded project that are not required to be repaid, if contract conditions are met.
- (4) "Grant and Loan Review Committee" means a committee designated by the Department, comprised of a geographically diverse, odd number of members from the Oregon Business Development Commission and the Oregon Infrastructure Finance Authority Board, to determine project awards. The Committee must include at least one member that is a representative from a city and at least one member that is a representative from a county.
- (5) "Loan" means a non-revolving loan for an awarded project. Loan funds are required to be repaid after project completion.
- (6) "Project" means a project funded by the Regional Infrastructure Fund that supports regional economic and community development.
- (7) "Local government" means a city, county, authority or entity organized under state statute or city or county charter, and includes any council of governments.
- (8) "Region" means an economic development district in Oregon, created by the Economic Development Administration of the United States Department of Commerce, for which the Governor has appointed a Regional Solutions Advisory Committee.

(9) “Regional priorities” means the priorities for economic and community development established by a Regional Solutions Advisory Committee.

(10) “Regionally-based planning committees” means Regional Solutions Advisory Committees appointed by the Governor as described in Chapter 82 Oregon Laws 2014.

Stat. Auth.: ORS 285A.075, , OL 2013 c.786 §3

Stats. Implemented: OL 2013 c.786 §3, OL 2014 c.82 §2, 3, 5

Hist.: OBDD 7-2014, f. 4-30-14, cert. ef. 5-1-14

123-061-0030

Project Applications

(1) Regional Solutions, in coordination with the Department, will develop an application to apply for project funding and develop procedures for review and award. Applications will be received by the Department.

(2) Regional Solutions, in coordination with the Department, will announce periods for local governments to submit applications for funding.

(3) The announcement will identify the types of funds available and the eligible uses.

(4) The applicant must be an Oregon local government. A project must have a local government sponsor but may provide either a public or private benefit.

(5) If a project or applicant is deemed ineligible, the applicant will be notified by the Department. The director of the Department, or a designate, will consider appeals of the eligibility determination. Only the applicant may appeal, and appeals must be submitted in writing to the director within 15 calendar date of the decision being appealed. The director’s decision is final.

Stat. Auth.: OL 2013 c.786 §3

Stats. Implemented: OL 2013 c.786 §3, OL 2014 c.82 §2, 3, 5

Hist.: OBDD 7-2014, f. 4-30-14, cert. ef. 5-1-14

123-061-0031

Project Criteria

Projects shall be evaluated by the Department and the Regional Solutions Teams for whether the project will:

(1) Address one or more regional priorities.

(2) Support the retention or creation of jobs in the region directly impacted by the project.

(3) Not require or rely upon continuing subsidies from the Department for ongoing operations.

(4) Help meet the sustainable community objectives as noted in ORS 184.423(2).

(5) Be ready for implementation. The project has:

(a) Identified all applicable and required permits within the project schedule.

(b) Committed funding contributions from other public, private, or philanthropic resources.

(c) Demonstrated community support.

(6) For economic development projects, be consistent with Oregon Business Development Department strategic plan priorities.

Stat Auth: OL 2013 c.786 §3

Stats. Implemented: OL 2013 c.786 §3, OL 2014 c.82 §2, 3, 5

123-061-0032

Public Involvement

(1) Eligible projects will be forwarded to the applicable Regional Advisory Committee for review and recommendation of projects from that respective region. Regional Solutions Advisory Committees must provide at least 14 days for the public to review meeting agendas, projects materials and provide comment on proposed projects before such a Committee makes its final recommendation.

Stat Auth: OL 2013 c.786 §3

Stats. Implemented: OL 2013 c.786 §3, OL 2014 c.82 §2, 3, 5

123-061-0033

Funding Allocation and Project Recommendation

(1) Each region will receive a base of five percent of the total amount available during any round of applications. If a region does not submit a timely application or submits one for less than five percent, the five percent or remaining percent for that region may be awarded to other projects.

(2) Regional Solutions Advisory Committees will recommend projects from their region to the Grant and Loan Review Committee.

(3) The Department will establish a Grant and Loan Review Committee, which will review project recommendations, determine projects and amounts to award.

Stat Auth: OL 2013 c.786 §3

Stats. Implemented: OL 2013 c.786 §3, OL 2014 c.82 §2, 3, 5

123-061-0035

Contracts

(1) Upon approval of an award from the Fund, the Department will enter into a binding contract with the local government.

(2) The contract for a grant and/or loan shall be in a form provided by the Department and will include but not be limited to:

(a) A provision that disbursements from the Fund will be according to the terms of the contract;

(b) The eligible use of funds;

(c) The performance standards expected of the local government;

- (d) The repayment obligation of the local government for failure to perform the specified project activity.
 - (e) Other provisions that the Department considers necessary or appropriate to implement the award.
- (3) In the event of a contract default, any recovered funds will be returned to the Fund and may be awarded to another project.
- (4) A contract for a loan must be authorized by an ordinance, order or resolution adopted by the governing body of the local government in accordance with the local government's requirements for public notice and authorizing debt.

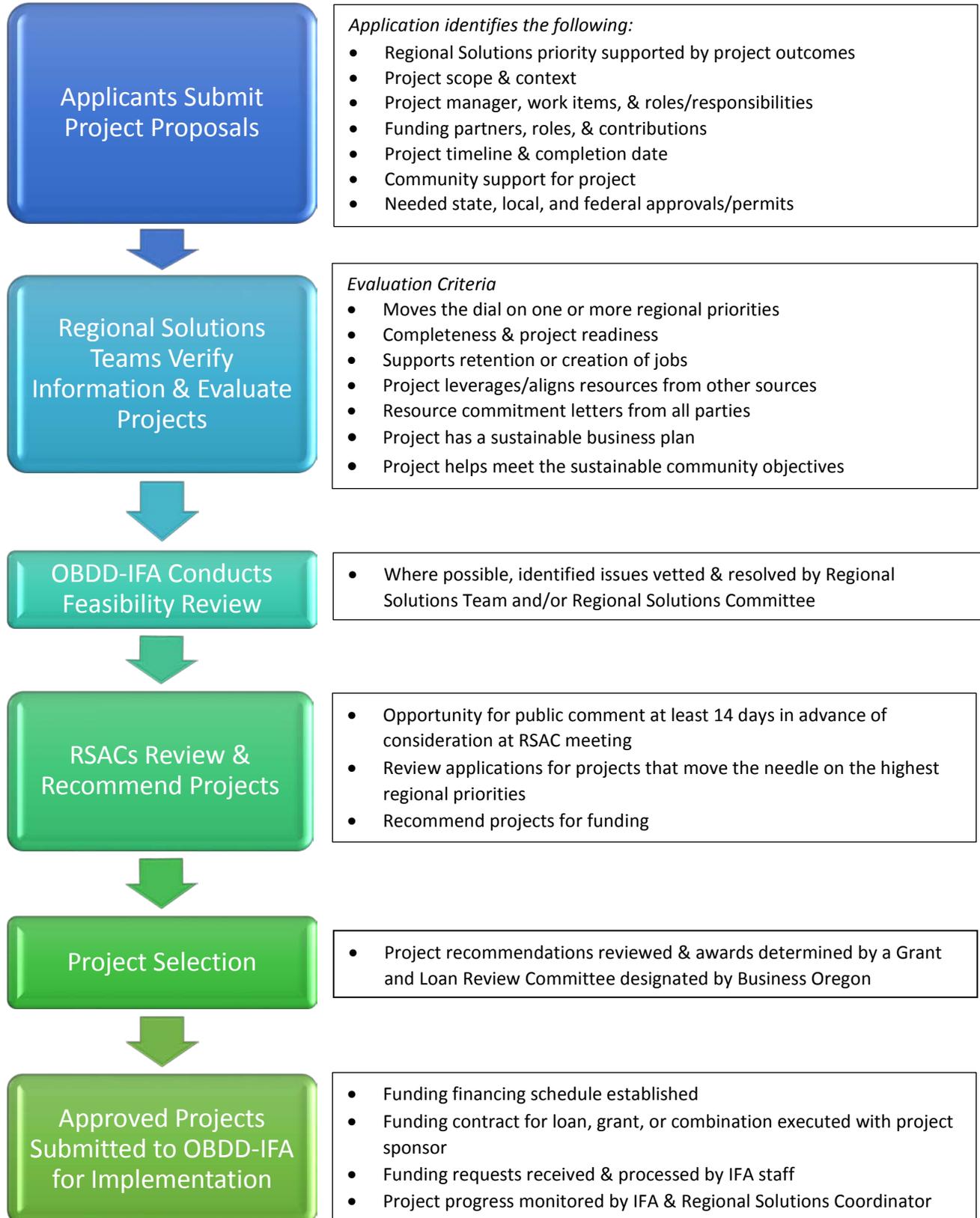
Stat. Auth.: ORS 285A.075, OL 2013 c.786 §3
Stats. Implemented: OL 2013 c.786 §3
Hist.: OBDD 7-2014, f. 4-30-14, cert. ef. 5-1-14

REGIONAL SOLUTIONS PROGRAM

DRAFT - Regional Infrastructure Fund | 2017-19 - DRAFT

Regional Implementation Projects Review Process

Minimum of 5% of funds assigned per each of 11 regions; remaining 45% competitively awarded based on designated criteria



REGIONAL INFRASTRUCTURE FUND (RIF) RULEMAKING
SUMMARY AND RESPONSE TO PUBLIC COMMENTS
October 2016

Introduction:

Public comments were received from five organizations or individuals. Overall, the commenters were supportive of developing a clearer more transparent process for decision making for Regional Solutions implementation projects that receive funding from the Regional Infrastructure Fund. Commenters also supported an approach similar to that used by the Oregon Department of Transportation for Connect Oregon. Commenters requested specific clarifications summarized below.

Summary of comments and responses:

Comment: The purpose of the fund is not clearly articulated relative to other Business Oregon funds (League of Oregon Cities - LOC).

Response: The fund is meant to leverage/align resources from other sources, such as the private-sector or federal government, and not duplicate funding available from existing programs.

In comparing the Regional Infrastructure Fund (RIF) to other funding programs offered through Business Oregon, the most significant differences are that the funds are typically awarded as grants as opposed to loans, and benefits may accrue to private entities in addition to the primary public benefit. Another big difference is the flexibility in how projects are selected and in how they are structured. Examples of projects funded by grants from the RIF that may not have been eligible under Business Oregon's other programs are: construction of the Innovation Center for Entrepreneurship at OSU Cascades; regional workforce housing revolving loan fund; water delivery infrastructure for economic development and habitat; construction, equipment, and acquisition costs for private employers; construction of an organic food hub to aggregate and process agriculture products; and removal of woodstoves to reduce restrictions on expanding and new businesses.

Another difference is the regional focus and regional involvement. Most Business Oregon projects are decided internal to the Infrastructure Finance Authority (IFA). Some programs target rural areas (e.g., the Special Public Works Fund must award at least 60% of its grants to rural areas), but none use a designated percentage per region. Business Oregon's projects are generally based on a locality's plan – not prioritized as regionally significant projects. This program is designed to develop and promote projects tailored to a region's strategic objectives.

Comment: Some commenters requested the rules clarify that the funds are for infrastructure projects such as water, sewer, transportation, etc. (LOC); other commenters requested that infrastructure be flexible to include projects beyond "brick & mortar" (South Central Oregon Economic Development District - SCOEDD and Klamath County Chamber of Commerce). One

commenter requested that the rules describe different restrictions for lottery bonds and lottery revenue (LOC).

Response: The rules have not been revised to define “infrastructure.” This change was not made in order to preserve the greatest flexibility for Regional Solutions Advisory Committees. Eligible projects will be determined by the type of funding made available by the Legislature, which will be identified in the application materials.

Comment: Clarify criteria for grants vs. loans; include a definition for “loan” (LOC).

Response: Both loans and grants are eligible for funding. To date, the funds have been awarded as grants. In one case, the funds are being administered regionally as a revolving loan fund to address housing needs/issues. The following definition was added to the rules: ““Loan” means a non-revolving loan for an awarded project. Loan funds are required to be repaid after project completion.”

Comment: Define eligible projects and eligible costs (LOC).

Response: The types of projects and types of costs that are eligible depend upon the source(s) of funds appropriated by the Legislature. Further clarification will be provide in program guidelines.

Comment: Describe how a beneficiary of funds may be a private entity (LOC).

Response: Although the project sponsor must be a local government as defined in the rules, the project may provide benefits to a private entity. This provides the greatest opportunity to support job retention and creation to meet the unique opportunities of each region. Program guidelines will contain requirements that mandate a public benefit for all projects, regardless of any additional private benefit.

Comment: The rules need to be clearer about the membership, required expertise, term length for the Grant and Loan Review Committee (LOC); include representation from all parts of the state and specifically east of the Cascades (SCOEDD).

Response: The rules have been revised to indicate that the committee will be comprised of a geographically diverse, odd number of individuals who currently serve on the Business Oregon or IFA boards. At least one member will represent cities and one member will represent counties.

Comment: The definition of local government needs more clarity; does it include ports, special districts, associations, commissions (LOC). Include tribes as eligible project sponsors (Confederated Tribes of the Umatilla Indian Reservation). Clarify that Economic Development Districts formed under ORS 190 are included (SCOEDD).

Response: The local government definition comes from ORS 284.752 to 284.754, which applies to Regional Solutions programs, including funds from the Regional Infrastructure Fund. Ports and special districts certainly are units of local government, as are public school districts, public colleges, and councils of government. Tribes are not considered “local government” as defined in ORS 284.752, and therefore are not eligible direct applicants but may partner with an eligible applicant. If there is any question as to whether a potential applicant qualifies as a unit of local government, the potential applicant is encouraged to contact Business Oregon, prior to its application, for a determination.

Comment: The rules indicate eligible projects are those that support “economic and community development.” Rules should clarify what these terms mean (LOC).

Response: ORS 284.753 applies generally to Regional Solutions programs, but more specifically for awards under the Regional Infrastructure Fund, the project evaluation criteria are set forth in 123-061-0031. Relevant criteria include: (1) Address one or more regional priorities; (2) Support the retention or creation of jobs in the region directly impacted by the project; (3) Not require or rely upon continuing subsidies from the state for ongoing operations; (4) Help meet the sustainable community objectives as noted in ORS 184.423(2).

Comment: The rules need to clarify eligible uses, applicants, and fund managers; differences between lottery bond revenue and lottery revenue; provide more specific criteria, how criteria will be scored, minimum benchmarks, and priorities for determinations. Local government should participate in the creation of criteria. (LOC; SCOEDD on need for clarity).

Response: The application criteria and program materials will be developed in consultation with stakeholders, including local governments, once funding has been established. The rules have been revised to use local government consistently throughout. The rules have also been revised to include a city and county representative on the Grant and Loan Review Committee.

Comment: Clarification was requested around the minimum allocation of five percent of funds to each region and how the selection of projects and distribution of funds would or would not differ beyond the regional allocation. For example, will a region receive five percent even if there are no eligible projects; will funds be carried over; will all projects be considered in the same manner (LOC, SCOEDD, Wild Rivers Coast Alliance).

Response: The rules were revised to state that if a region does not submit a timely application or submits one for less than five percent, the five percent or remaining percent for that region may be awarded to other projects statewide.

Key agency budget components that support economic and community development

A. Business Oregon

1. Regional Infrastructure Fund (\$11 M, HB 5025 & SB 5530)
 - Support Regional Solutions projects recommended by Regional Solutions Advisory Committees
2. Special Public Works Fund (\$50 M)
 - \$10 M dedicated to levees
3. Seismic Rehabilitation (\$200 M)
 - \$160 M – Schools
 - \$40 M – Emergency Services Buildings
4. Support for Innovation & Entrepreneurship
 - Rural Economic Development Initiative (\$1 M)
 - Regional Accelerator & Innovation Network – RAIN (\$500 K)
5. Oregon Inc. (\$17.5 M)
6. Portland Harbor Cleanup (\$10 M)
7. Small-Scale Energy Loan Program (\$2.7 M)

B. Department of Transportation

1. Connect Oregon (\$71 M), Lottery Backed Bonds
2. Immediate Opportunity Fund (\$7 M)

C. Water Resources Department

1. Grants for Water Conservation & Supply Projects and Feasibility Studies (\$32 M)
2. Increasing Capacity for Groundwater Studies (\$1.8 M)
3. Helping Communities Plan for Water Needs (\$204 K)

D. Other Agency Funds

1. Oregon Department of Forestry - Restoring Federal Forest Lands, Creating Jobs (\$4.4 M)
2. Department of Environmental Quality - Clean Water State Revolving Fund (\$10 M)
3. Department of Land Conservation & Development - \$250 K to help communities plan for a Cascadia earthquake and tsunamis, and \$250 K for local grants for 5 community hazard mitigation plans.

OFFICE OF GOVERNOR KATE BROWN

REGIONAL SOLUTIONS
PROJECTS UPDATE



December 31, 2016

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Executive Summary

Regional Solutions works to remove barriers, solve problems, and align state resources (information, capacity, technical assistance, grants, and loans) with other public, private, philanthropic, and higher education resources to address economic and community development priorities. This approach recognizes the unique needs of each Oregon region, and the importance of working locally to identify priorities, solve problems, and seize opportunities to get projects done.

For each region, Governor Brown has appointed an advisory committee to represent the private, public, and philanthropic sectors. The regional boundaries are aligned with the 11 federally designated Economic Development Districts. Over 100 local elected officials, business representatives, foundation representatives, and citizens serve on advisory committees. These 11 committees establish priorities unique to their respective region.

State agency staff are co-located in Regional Solutions Centers around the state to support collaboration and alignment in support of regional priorities. Five core state agencies – the Oregon Department of Transportation, Land Conservation and Development Department, Department of Environmental Quality, Oregon Housing and Community Services, and Business Oregon – co-locate their regional staff in these centers to form Regional Solutions Teams (RSTs). Additional state agencies are invited to join the team as needed to address priorities. Coordination for the teams is provided by the Governor’s Office.

The state’s investments of staff time, technical assistance, and grants/loans - when aligned with county, municipal, private, philanthropic, and other funds - contribute significantly to the vitality of our state. The RSTs help integrate and align permitting requirements, remove barriers to business retention and expansion, and quickly respond to issues. Below are some examples of the work of the RSTs in areas throughout the state.

Regional Solutions Teams have provided regulatory assistance by

- working with Cascades Tissue in St. Helens on permitting, transportation, and other construction issues;
- providing technical assistance on permitting and identifying funding opportunities related to Red Rock Biofuels in Lakeview;
- providing technical assistance for permitting associated with Project Falcon in Klamath Falls;
- assisting in Newberg’s Crestview Drive project and permitting processes;
- facilitating communication and negotiations for the Fred Wahl Marine expansion on Bolon Island, just north of Reedsport; and
- providing permitting assistance for biomass torrefaction in Boardman.

Regional Solutions Teams support industrial lands readiness and help communities meet their infrastructure needs by

- funding technical assistance to plan for the expansion of the North Valley Industrial Park in Josephine County;
- continuing to work on repurposing Oregon City's Blue Heron Mill site and the redevelopment of Willamette Falls;
- partnering with Metro to identify and clean up polluted brownfield sites;
- providing technical assistance for an economic development study in Cascade Locks to determine the highest and best use of the airport;
- assisting with permitting and funding for sewer and water infrastructure in Madras, LaPine, and Prineville; and
- working with Burns, Hines, and Harney County on industrial land certification.

Regional Solutions provides assistance with community development, tourism, and downtown revitalization through

- working with Marion County and the Mid-Willamette Valley Council of Governments to maximize resources available to small cities in the North Santiam Canyon;
- providing financial and technical assistance to establish a regional food hub in the Rogue Valley;
- supporting the development of a Creative Economy Action Plan in central Oregon;
- working with the City of Klamath Falls to develop a project scope of work for downtown revitalization; and
- planning for the 2017 Solar Eclipse with communities located in the Path of Totality.

Working with private and philanthropic partners, Regional Solutions supports entrepreneurship, business retention, and work force development by

- continuing to bring in new marine industry activity to the Garibaldi Wharf;
- working closely with Scappoose to develop the needed infrastructure for the Oregon Manufacturing Innovation Center;
- helping to address the needs of the growing bioscience industry in the south Willamette Valley;
- supporting the construction of the Innovation Center for Entrepreneurship at OSU Cascades;
- connecting students to regional employment opportunities in eastern Oregon; and
- helping to connect Eastern Oregon University students and faculty to the Wallowa-Whitman Forest.

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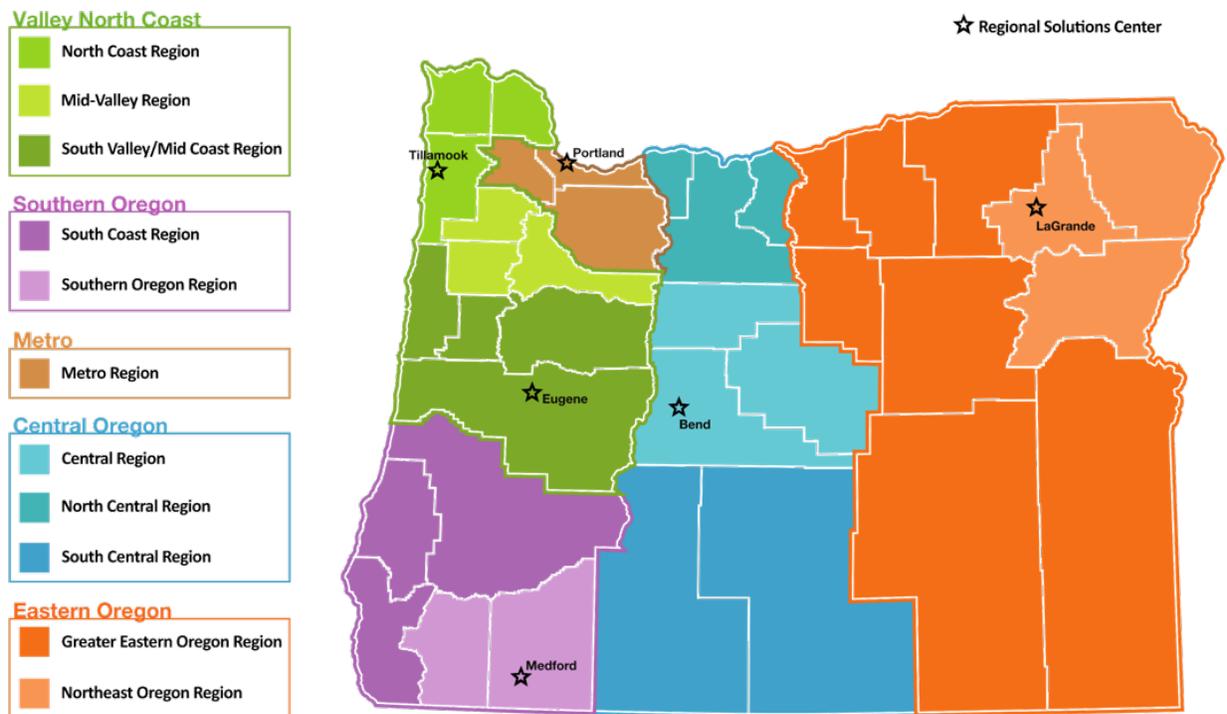
Acronyms used in this report

DEQ	Oregon Department of Environmental Quality
DLCD	Oregon Department of Land Conservation and Development
DOGAMI	Oregon Department of Geology and Mineral Industries
DSL	Oregon Department of State Lands
EIS	Environmental Impact Statement
EPA	US Environmental Protection Agency
IFA	Infrastructure Finance Authority (division of the Oregon Business Development Department)
OBDD	Oregon Business Development Department (Business Oregon)
ODFW	Oregon Department of Fish and Wildlife
ODOE	Oregon Department of Energy
ODOT	Oregon Department of Transportation
OED	Oregon Employment Department
OEM	Oregon Emergency Management
OHA	Oregon Health Authority
OHCS	Oregon Housing and Community Services Department
OPRD	Oregon Parks and Recreation Department
RS	Regional Solutions
RSC	Regional Solutions Center
RST	Regional Solutions Team
SHPO	State Historic Preservation Office (division of the Oregon Parks and Recreation Department)
UGB	Urban Growth Boundary
USACE	US Army Corps of Engineers
USDA	US Department of Agriculture
WRD	Oregon Water Resources Department

Introduction

The report summarizes projects completed, or major milestones met for multi-year projects, through the Regional Solutions program in the last six months of 2016. Six Regional Solutions Centers are located around Oregon to serve and support the unique economic and community development needs of the regions of the state. Five state agencies co-locate their regional staff in these centers (aka Regional Solutions Teams or RSTs) with coordination provided by the Governor's Office. Over 100 local citizens - representing business, government, philanthropic foundations, and more - serve on 11 advisory committees. These committees establish priorities for their region. Regional Solutions Teams work collaboratively on projects to address the priorities and serve as quick responders to emerging issues. This community-based strategy has been very well received by both local governments and the business community.

Regional Solutions Center Locations



North Coast Region (Clatsop, Columbia, Tillamook, and western Washington Counties)

North Coast Advisory Committee

Convener	Senator Betsy Johnson, Senate District 16
Philanthropic Representative	Harold Snow, Oregon Community Foundation
Business Representative	Paul Langner, Teevin Brothers
LOC Representative	Mayor Suzanne Weber, Tillamook
AOC Representative	Commissioner Tony Hyde, Columbia County
Committee Appointment	Commissioner Mark Labhart, Tillamook County
Committee Appointment	Mayor Don Larson, City of Seaside
Committee Appointment	Kurt Englund, Englund Marine Group

North Coast Team

Center Address: [Tillamook Bay Community College, 4301 3rd St, Tillamook, OR 97141](#)

Governor's Coordinator	Mark Ellsworth
Business Oregon, Business Development Officer	Dennie Houle
Business Oregon, Infrastructure Finance Authority	Melanie Olson
Environmental Quality, Department of	Jennifer Purcell
Housing & Community Services	Kim Travis
Land Conservation & Development, Department of	Patrick Wingard
State Lands, Department of	Lori Warner-Dickason
Transportation, Department of	Jae Pudewell
Columbia-Pacific Economic Development District	Mary McArthur

North Coast Priorities

Team Mission

- Promote and sustain healthy communities through retention, diversification and expansion of the economic base. Job creation is paramount with the goal of expanding the region's economic base while being responsible stewards of the region's natural resources.

Regional Priorities

- Sustain and grow NW Oregon businesses in areas such as aerospace, marine based industry, small manufacturing, tourism, forest products, and agriculture.
- Support innovation, business incubation, and the manufacturing of new product technologies. Assist business start-ups and entrepreneurs.

- Improve the readiness of industrial land by addressing wetlands, transportation access, infrastructure, and other impediments. Work to increase the number of sites that have building-ready status.
- Review, streamline, and address regulatory and permitting impediments to economic development.
- Support comprehensive solutions to barriers limiting business retention and expansion (e.g., housing, workforce development).
- Work with rural communities to plan, coordinate, fund, and install needed infrastructure and advance community development and resiliency initiatives.
- Bring regional support to ongoing Oregon Solutions projects (e.g., Southern Flow Corridor, Vernonia schools).

North Coast Projects

1. **Astoria Marine – AMCCO – Project Milestone:** This historic ship refurbishing operation has operated in Clatsop County since 1926, building minesweepers during WWII and serving other Navy contracts throughout the years. The site was slated for inclusion on EPA’s Superfund list following an evaluation of sites along the lower Columbia River as a part of its designation as a “River of National Significance.” Upon consultation and reevaluation, we reached a milestone where cleanup authority was delegated from the EPA to Oregon’s DEQ. DEQ has worked closely with local, state, and regional stakeholders, including several federally-recognized tribal governments and a community advisory group, to complete a remedial investigation. Since the operation of a small-boat maintenance facility is a priority for Clatsop County’s marine cluster, the team is working with community partners to explore options to retain these services in the region if the facility closes when remedial action is implemented in 2017. (December 2016)
2. **Botts Marsh – Project Milestone:** This Tillamook County saltwater marsh is located on the Nehalem River estuary next to the City of Wheeler. The property, long mired in ownership uncertainty, changed hands this year and is now owned by Ken Ulbrecht. Ken’s goal is to place the marsh into conservancy and over time develop the upland portion of the property. Opportunities abound for this site which is located right off Highway 101. It is ideally suited for an educational interpretive center, or as a natural terminus for the Salmonberry Trail project. It is part of the County River Trail Network for kayaking and the tourist train travels there from Garibaldi. The site is an environmental sanctuary for downward migrating smolt and a salmon run and is deserving of protection. The team looks forward to continuing engagement to bring about the highest and best uses for this property. (December 2016)
3. **Cascades Tissue – Project Milestone:** Retaining and growing forest product industry jobs has been a key priority for the team, and to this end, we have worked closely with Cascades Tissue over the past several years as they have expanded and retooled operations at their St. Helens plant to add jobs, double capacity, and improve efficiency. Building upon this success is the recently announced production facility to be located in Scappoose that will

take large rolls of tissue from the St. Helens plant and convert them into finished product at the new facility. Over the last several months, the team has been heavily involved in permitting, transportation, and other important construction issues. (December 2016)

- 4. Clatsop Plains Sub-Area Planning Effort – Project Milestone:** The unincorporated Clatsop Plains area is located between the cities of Seaside and Warrenton in Clatsop County. The region is characterized by rural residential home sites interspersed among coastal lakes and dunes, wetlands, pastures, and a few mobile home parks and small businesses. Hundreds of individual septic systems are located on Clatsop Plains and water quality in the area is poor. In light of this issue, the RST is supporting a sub-area planning process for the northern portion of Clatsop Plains (which includes Camp Rilea) to look at land use, regulatory issues, water quality, wastewater management, public infrastructure, transportation, and beach management. In 2014, Clatsop County held hearings and adopted the North Clatsop Plains Sub-Area Plan and related amendments. In 2015, DEQ convened groundwater monitoring stakeholder meetings, and in 2016 the team has been and will continue to help the county work on near and long-term goals as outlined in the plan. (December 2016)
- 5. Garibaldi Wharf Revitalization:** The Port of Garibaldi’s wharf was significantly damaged during severe winter storms in 2011. The RST, Col-Pac EDD, the Port of Garibaldi, and the City of Garibaldi have worked unitedly with the US Department of Commerce Economic Development Administration (EDA), ODOT, Business Oregon, and US DOT on over \$6.5 million in repairs and enhancements to the wharf. These investments have been transformational to NW Oregon’s regional marine economy and have helped to retain 250 jobs and bring \$1.8 million in private investment to the area. Today, the new wharf space is fully leased out. The RST continues to work on bringing in new marine industry activity through Rural Development Initiative’s (RDI) WealthWorks NW program with support from The Ford Family Foundation. A recent success has been retaining a third generation fisher at the Port, who is in the process of constructing a building to not only expand his crab bait business, but to also provide a facility and services for two other small marine entrepreneurs. Planned for 2017 is the development of mobile cold storage capacity for the small commercial fishing fleet and the recreational fishing industry. (December 2016)
- 6. Neskowin Emergency Access Road – Project Milestone:** Oregon state fire code requires communities of over 29 residences to have two access roads. Neskowin, an unincorporated community with several hundred homes, has only one access across a narrow bridge which could fail in a flood or emergency event. This project will construct an emergency access road across a portion of Hawk Street that will serve the community during an emergency as well as replace culverts, improve fish passage, and restore the resiliency of a 130 acre marine estuary. Funding for this project includes \$150,000 in Regional Solutions dollars as well as county and community funds. The project engineering and design work is currently underway. (December 2016)
- 7. North Coast Business Park – Project Milestone:** This large, 177 acre site was acquired by Clatsop County in 1991 and is located within the City of Warrenton. Through much effort and coordination, the site is now being developed by the county as an industrial site with

the goal of creating family-wage jobs for the lower Columbia River region. It is anticipated that there will be four sub-areas with 117 acres available for business activity. The site has now been designated a Regionally Significant Industrial Area, is certified, and is included in the enterprise zone. The RST is working with county and state agencies to help with permitting, access, and other development issues as the park prepares to host its first businesses. The team is also helping to coordinate regional strategic planning work with development plans for the nearby Astoria Airport Industrial Park (December 2016)

- 8. Oregon Manufacturing Innovation Center (OMIC) – Project Milestone:** This exciting and transformational project combines cutting-edge manufacturing, education, and industry partnerships to bring to Oregon a unique research center modeled on the Advanced Manufacturing Research Center in Sheffield, England. With legislatively approved funding, and education partners in place, the team is working closely with Scappoose to put in place the needed infrastructure for this most significant project. Founding partners for this project include The Boeing Company, the broader regional metals manufacturing industry and employers, Portland Community College, Portland State University, Oregon State University, and Oregon Institute of Technology. (December 2016)
- 9. Pacific Seafood – Project Milestone:** In June 2013, Pacific Seafood’s Warrenton plant burned to the ground. While insurance will pay for some of the rebuild, there are extraordinary expenses associated with rebuilding the facility along with work to be done on permitting and regulatory issues. Fish and shellfish processing is key to the North Coast economy, and retaining and supporting this industry yields important spillover benefits for the entire region. To this end, the Oregon Legislative Assembly approved \$3 million in bond sales, the governor’s strategic reserve fund has allocated \$350,000, and the Regional Solutions Advisory Committee approved \$650,000 of Regional Solutions dollars for the rebuild. The team continues to work with the company and with the City of Warrenton on design, planning, contracting, and permitting issues. (December 2016)
- 10. Rails and Trails Tourism – Project Milestone:** The decision by the Port of Tillamook Bay to not rebuild the railroad following the 2007 storm has created an opportunity to convert the old rail bed from Banks to Tillamook into a mixed use-trail suitable for bike, horse, partial rail, and pedestrian tourism. This multi-year project will increase tourism and create a world-class facility. A feasibility study was completed in March 2013, financed by State Parks, Department of Forestry, and Cycle Oregon, and a concept plan has been created. Most recently, a governance structure has been put in place through the work of Oregon Solutions. The Salmonberry Intergovernmental Agency now has the appropriate authority as a public body to manage and administer the project. A team initiated EPA grant is being used to conduct an environmental assessment along the rail corridor within the county, and a TGM grant is being used by the Port of Tillamook Bay for planning purposes. A planning advisory committee for the coastal segment of the trail has been formed and is holding meetings. (December 2016)
- 11. Rainier Rail Corridor Safety Project – Project Milestone:** This regional project has become more important as rail traffic has increased along Highway 30 from Multnomah County,

through Columbia County, and into Clatsop County. Currently, the P&W rail line runs down the center of the City of Rainier's main street, with no safety features protecting residents from the train. Following rail safety studies, and various efforts over the past decade, a multi-part rail safety project is underway. Because of the significance of the safety issue, we are using a combination of federal rail safety dollars; a Connect Oregon V Grant; \$2 million of Regional Solutions dollars; as well as city, agency, and private dollars for the project. Final design work is now underway, with ODOT, ODOT Rail, the P&W Railroad, and the City of Rainier all having agreed on the design. (December 2016)

12. St. Helens Waterfront Redevelopment – Project Milestone: The City of St. Helens has undertaken a comprehensive look at redeveloping their downtown waterfront district. The team has met with the city to discuss the project and its many opportunities. Of particular interest are two recently acquired brownfield sites where Boise Veneer and Boise White Paper were once located. They alone offer over 900 acres of development opportunity for the city. (December 2016)

13. Tillamook Flooding – Southern Flow Corridor Project: In 2007, Oregon Solutions began the Tillamook Bay Flood Reduction project with the goal of managing the impacts of flooding which had ravaged the county. Twenty individual projects from spillways to plans for gravel removal were designed to put infrastructure in place for the purpose of moving water through the county. Most recently, 130 acres have been acquired to open land for what may be the largest flood reduction and ecological restoration project on the west coast. To date, \$10.6 million has been raised for the project which includes \$500,000 of Regional Solutions dollars as a part of its mosaic of funding. A ribbon cutting this December celebrated the completion of this momentous project. (December 2016)

14. Tillamook Main Street Revitalization – Project Milestone: The City of Tillamook is facing an exciting time of downtown revitalization. Multiple projects are either underway or anticipated both in and around downtown. Agency coordination continues to be critical to support the city's success and take advantage of emerging opportunities maximizing the potential of existing public partnerships and private investments. The city has been formally accepted into the Oregon Main Street Program as a "Transforming Downtown" participant and has completed its downtown strategic plan. Highway 101/6 construction work has begun which will increase safety, improve traffic flow, and allow for a revitalized downtown. (December 2016)

Mid Valley Region (Marion, Polk, and Yamhill Counties)

Mid-Valley Advisory Committee

Convener	Senator Jackie Winters, Senate District 10
Philanthropic Representative	Lane Shetterly
Business Representative	Jody Christensen, McMinnville Economic Development Partnership
LOC Representative	Mayor John McArdle, City of Independence
AOC Representative	Commissioner Craig Pope, Polk County
Committee Appointment	Commissioner Stan Primozich, Yamhill County
Committee Appointment	Commissioner Kevin Cameron, Marion County
Committee Appointment	Mayor Kathryn Figley, City of Woodburn
Committee Appointment	Steve Powers, City of Salem
Committee Appointment	Chad Freeman, SEDCOR
Committee Appointment	Julie Huckestein, Chemeketa Community College

Mid-Valley Team

Governor's Coordinator	James LaBar
Business Oregon, Business Development Officer	Mitchell Gee
Business Oregon, Infrastructure Finance Authority	Michelle Bilberry
Environmental Quality, Department of	Mary Camarata
Land Conservation & Development, Department of	Angela Carnahan
Transportation, Department of	Jae Pudewell and Tim Potter
Agriculture, Department of	Terry Fasel and Gary Neuschwander
Employment Department, Oregon	Patrick O'Connor and Thomas Erhardt
Fish & Wildlife, Department of	Doug Cottam
Parks & Recreation Department	Dennis Lucas
State Lands, Department of	Lori Warner-Dickason
Water Resources Department	Mike McCord
Mid-Willamette Valley Council of Governments	Renata Wakeley

Mid-Valley Priorities

Primary Goal: Become a center for Agri-business innovation and agri-tourism

- Promote regional workforce development opportunities
- Increase business capital for existing and emerging businesses
- Explore passenger and freight rail opportunities
- Expand agri-tourism opportunities which highlight local produce, viticulture/winery operations, and visitor hospitality amenities
- Enhance programs that encourage business retention and expansion
- Engage in local government infrastructure assessments

Mid-Valley Projects

- 1. Carlton Downtown Water System:** The City of Carlton’s major infrastructure issues are inadequate water supply, transmission, and distribution systems. The city’s reservoirs have lost significant capacity and need repair, the transmission line is inadequate, and the distribution lines are undersized and terminate in areas resulting in improper system looping. These deficiencies result in future water supply uncertainty and insufficient fire flows, which has stymied economic development efforts. To alleviate these water system deficiencies, Carlton is analyzing its raw water storage capacity, planning to rehabilitate its concrete reservoir, and working with McMinnville Water and Light to replace an existing inter-tie system. The city has completed its Meadowlake Transmission Line project, which replaced and upsized the infrastructure. Regional Solutions invested \$500,000 in Carlton to improve the downtown distribution system and construction is complete. The Mid-Willamette Valley Council of Governments (MWVCOG) provided administrative and wage monitoring assistance to the city for the project. The distribution system investments are connected to the supply and transmission improvements, and the system has been tested for fire hydrant flows, which immediately generated multiple inquiries from developers about the tests. This was a positive sign that the investment would open up additional development opportunities downtown and on the north side of town. Those initial inquiries and signals have transitioned into two tangible projects that will strengthen Carlton’s community and region. Chad Olson, City Manager for the City of Carlton, stated “This \$1 million water project would not have been possible without the participation and assistance of Regional Solutions!”
 - a. Carlton Grain Elevator Project** – the owner of the iconic grain elevator initiated a commercial development project to restore it to commercial use. Design review has been approved and the city, ODOT, project architect/engineer and owner are working through the first phase of development.
 - b. Rockblock Building** – the iconic building in the downtown business district on Main Street has been vacant for many years since the old glove factory went out of business. The property has recently been purchased by a large healthcare company, Upsher-Smith, who is currently remodeling it for occupancy.

- 2. Independence Landing:** Over the last 15 years, downtown Independence has experienced a revitalization spurred on by a series of ventures, including municipal investments in a new streetscape for Main Street, a premiere city park and amphitheater, a new civic center, and private investments in downtown buildings and businesses. Adjacent to downtown is Independence Landing (a.k.a. Valley Concrete, Independence Waterfront Development), an 18-acre, industrially-zoned property. In early 2015, the city purchased the property and is actively working to bring the concept plan of housing and mixed-use development, including a hotel component, to fruition. The initial concept plan and the vision for Independence Landing was developed with a Transportation and Growth Management Quick Response Grant from ODOT and DLCD. In August 2015, city contractors began the process of clearing and grading the site to make it development-ready. While Independence was preparing the site, asbestos was found on the property. The Business Oregon Brownfield Program promptly awarded a grant for its entire cleanup. In March 2016, Regional Solutions convened an outreach meeting that included approximately 30 participants representing a variety of perspectives, including Travel Oregon, DEQ, ODFW, and OPRD. Regional Solutions codified the robust conversation in a wrap-up document and identified possible opportunities/solutions for the city and its partners to explore as they work the site. Independence completed engineering estimates of \$3.5 million for public infrastructure. In October 2016, Business Oregon awarded the city \$2.6 million in loans for public streets and utilities. Construction activities began in November. A month later, the city was approved for a \$250K Type B IOF grant to help with roadway improvements. Independence is also in the process of negotiating an agreement with Gresham-based Tokola Properties for an 11-acre development terrace on the site to develop a 75 room hotel, 110 apartments, and 14 townhomes. Independence hopes to have agreement with Tokola soon with work to begin in spring 2017.
- 3. Marion-Polk Food Share (MPFS) Quinoa Development:** The goals of this project are to provide a nutritious and 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. A contract defining MPFS's partnership with the Oregon Youth Authority has been signed and representatives from the Department of Justice have provided significant guidance, oversight, and input. Regional Solutions invested \$205,000 in the project and MPFS has installed a cold storage unit, acquired a farm-field truck and trailer, and is planning additional structural improvements to facilitate the processing of quinoa. The MPFS also is in their third year of a five year commitment for their agricultural work with quinoa. They are working with NORPAC to see if it can be grown for seed as a better and additional return on investment. Their 5-acre crop was very successful and they are working with OSU Extension Services to document fertilization and pesticide use. This documentation is a key phase towards making quinoa a commercially viable crop with standard farming methods. Additionally, several farmers have contacted MPFS about their experiences growing quinoa in the Willamette Valley, which includes their Youth Farm in partnership with Chemeketa Community College and OSU Extension. Willamette Valley Quinoa, who MPFS has been in conversation with since their initial foray into growing quinoa, now sells their product to Whole Foods Market.

- 4. Mid-Willamette Valley Intermodal Facility Feasibility Study:** There has been interest among shippers, legislators, and other stakeholders in exploring the establishment of a new rail intermodal yard in the Willamette Valley to reduce transportation costs and truck congestion. Initial analysis of this concept was undertaken as part of the Governor’s International Trade and Logistics Initiative. During the 2016 Legislative Session, \$100,000 was allocated to Business Oregon to conduct a feasibility study for a new intermodal terminal in the Mid-Willamette Valley. The Mid-Valley and South Valley/Mid-Coast Regional Solutions efforts are working with Business Oregon, Department of Transportation, and Department of Agriculture to launch the study with ECONorthwest. The study was in two phases, with the first phase focusing on data resources tracking gross commodity flows, by commodity type, volume, value and containerization potential that could exploit a transfer facility. The second phase rendered alternative transfer facility utilization scenarios using the gross commodity flow data. ECONorthwest and Business Oregon presented the study to the Oregon Legislature’s House of Representatives Committee on Transportation in December.
- 5. Mountain West Career Technical Institute (MWCTI) Career Technical Education Center:** This new, state-of-the-art, 150,000 square-foot Career Technical Education Center (CTEC) in Northeast Salem will serve the Salem-Keizer School District, provide regional workforce development opportunities, and contribute to agri-business innovation in the Mid-Valley region. As an innovative public-private partnership between MWCTI and the Salem-Keizer School District, CTEC is focused on helping area students develop academic proficiency, technical skills, and industry certifications, as well as the professional skills needed to assure success in careers and/or college. When fully built out, CTEC will house 10 CTE programs, serving approximately 1,000 students, as well as a Professional Development Center. Launched in September 2015, CTEC now has four programs open—Residential Construction, Manufacturing, Cosmetology, and Digital Design—serving 340 students in the 2016-17 school year. Students are motivated by the hands-on learning, industry mentors and possibilities for their career and educational futures. As one student said, “CTEC has given me the experience and assurance that I’ve needed to make the ultimate decision about what to pursue with my career.” Several students from the first graduating class of 2016, have taken their new skills in welding and construction and directly entered the workforce, earning strong wages and meeting industry needs. Others have gone on to trade schools, community and four-year colleges. Regional Solutions invested \$900,000 into CTEC to help finish building renovations and set up additional CTE programs. In April, the City of Salem decided to allocate \$1 million of Urban Renewal dollars to CTEC. CTEC is currently building out the next two programs—Automotive Collision Repair and Unmanned Autonomous Systems (Drones)—both set to open in September 2017. The plan is to add four more programs, including Agricultural Science, Business, Public Safety, and Culinary within the next two years. The project is currently seeking New Market Tax Credits and working with foundations, private donors, and industry to secure the final funding needed to complete the facility. Additionally, Regional Solutions and DEQ have recently begun to work with MWCTI and Salem-Keizer School District to address soil contamination at the site. Initial testing before CTEC opened stated that the facility was safe to occupy, and that is still the

case. Additional and ongoing testing is needed for the next construction phases and due diligence requirements for when the facility is donated to the school district.

- 6. Newberg Crestview Drive Enhancements:** The Newberg-Dundee By-pass will be changing the traffic patterns in the City of Newberg in late 2017. The Crestview Drive project encompasses three segments of a major collector roadway, and it will function as a relief valve for the new congestion on the city's local grid system. The improved road would provide an alternative route for more than 1000 A-dec employees and, more importantly, the company's freight movement. The improved road also would improve access and/or open more than 80 acres of land for commercial, retail, and industrial development. The project also would provide increased access to vineyards and wineries north of Newberg and the Allison Inn & Spa, which is one of the "Top 25 Luxury Hotels of the United States." Regional Solutions has invested \$740,000 in the Crestview Drive project to help with construction of Segment 1 as early as FY 16/17 and design work beginning for Segment 2 and 3 in FY 17/18. Regional Solutions convened a meeting with the U.S. Army Corps of Engineers, DEQ, and DSL with the project's principle partners: City of Newberg, Gramor Development, and Springbrook Properties. As a result of the meeting, all parties received additional information about the project and permitting processes for the removal/fill wetlands permits. Gramor Development is in the process of resubmitting their applications to the USACE, DEQ, and DSL.
- 7. North Santiam Canyon Communities Economic Development Project:** The North Santiam Canyon (NSC) consists of 670 square miles and includes the small cities of Lyons/Mehama, Mill City, Gates, Detroit, and Idanha. Over the last 25 years, the NSC has experienced severe economic distress fueled by a sharp decline in economic activity. Protection of the Northern Spotted Owl under the Endangered Species Act in 1990, enactment of the Northwest Forest Plan of 1994, and the 1996 Omnibus Parks and Public Lands Management Act greatly contributed to the reduction of new timber sales. The reduction of employment in the timber industry has had a profound impact on the ability of local governments in the canyon to provide essential services to their citizens. Marion County and the MWVCOG have constructed a series of workshops with NSC communities to help them conceptualize and plan as a region. Regional Solutions has been working with the county and MWVCOG to maximize the available resources for the NSC communities. Three recent results of this collaboration are:

 - Business Oregon and Marion County hired consultants Keller Associates to inventory commercial and industrial lands and Maul Foster & Alongi to evaluate wastewater for the NSC. The consultants put together commercial and industrial GIS Database and a web based interactive map, a demographic trend analysis, site readiness matrix, and population forecasts if sewer services were provided in those communities. With the information from Maul Foster & Alongi, Keller Associates made recommendations that can comply with the Three Basin Rule and DEQ permitting requirements. The recommended next step was for a Wastewater Facilities Planning Committee to be formed and begin discussions with city council followed by an intergovernmental agreement between the five NSC cities, Marion and Linn counties toward a unified

vision. It is expected this intergovernmental agreement would be over the next 2-5 years.

- Marion County, through Business Oregon's intergovernmental agreement with the Oregon Health Authority (OHA), scoped out an OHA community health assessment for the NSC. The OHA Health Assessment focuses on water, wastewater, telecommunication and internet access, transit, and employment and how each of these topics affects public health. This study, in combination with Marion County's county-wide health assessment from 2015, will help each community make decisions about the desire to pursue wastewater services (or expand sewer as currently offered in Mill City).
- Detroit Lake Marinas: Kane's and Detroit Lake marinas are working collaboratively with Marion County, the U.S. Army Corps of Engineers (USACE), U.S. Congressman Kurt Schrader's Office, and Regional Solutions to obtain permits to deepen the existing marinas. The intent of the work is to allow the marinas to operate in lower water levels and build additional resiliency into the economy as a whole. The collaborative effort established a two-phase work plan that allows the marinas to prioritize the needs and focus the process of acquiring permits. Phase 1 is about making improvements to docking infrastructure before the 2017 recreational year kicks off. These include altering piling, extending gang planks, and upgrading required dock services. These improvements will allow the marinas to safely reach the reservoir at lower levels, better ensuring operations from July to September and possibly lengthening operations into September. The improvements are also a necessary step to prepare for Phase 2 investments. The Oregon State Marine Board awarded \$47,000 in late October in grant funds that were contingent on state and federal permits which were secured late November. Subsequently, Marion County's Economic Development Advisory Board voted to recommend \$55,000 worth of funding for the marinas' projects to Marion County Board of Commissioners. The commissioners will take action on the recommendation in late January 2017. Phase 2 will be the excavation of dirt under the existing footprint and special use permit. This will allow the docks to float in even lower water levels and allow the marinas to be more resilient to potential low water years in the future. Pacific Habitat has been brought on the project using Business Oregon grant funding as a consultant to assist in securing the complex Phase 2 permits. Scott Lunski, Detroit Lake Marina Owner, said "I want to thank Regional Solutions efforts on getting these projects completed. We attempted a similar process in 2010 and 2013 without success. Regional Solutions' ability to get the agencies involved to respond and work together made all the difference."

8. **WestRock Facility:** This paper mill in Newberg has closed, and the City of Newberg is working with Regional Solutions to best understand the asset and to begin the planning efforts for its reinvestment. The Regional Solutions Team assembled a comprehensive, responsive inventory of "assets" associated with the WestRock Facility from the state's perspective so the city could better understand the property and begin to strategize on its economic development potential. The inventory included information from DEQ, Water Resources, ODOT, and DSL. Newberg used this asset information to award a 2016 TGM grant to update its Riverfront Master Plan, which is primarily composed of low-density residential uses, rural residential uses, undeveloped open space areas, Rogers Landing Boat

Ramp and park, and the former WestRock mill site. In December 2016, the entire Regional Solutions Team, plus several other agency colleagues, met with city to discuss redevelopment plans and explore other funding opportunities.

South Valley Region (Benton, Lane, Lincoln, and Linn Counties)

South Valley-Mid Coast Advisory Committee

Convener	Senator Lee Beyer, Senate District 6
Philanthropic Representative	Casey Woodard, Casey Woodard Consulting
Business Representative	Nick Fowler, Orion Ventures
LOC Representative	Mayor Kitty Piercy, City of Eugene
AOC Representative	Commissioner William Tucker, Linn County
Committee Appointment	Commissioner Annabelle Jaramillo, Benton County
Committee Appointment	Commissioner Doug Hunt, Lincoln County
Committee Appointment	Commissioner Faye Stewart, Lane County
Committee Appointment	Mayor Biff Traber, City of Corvallis
Committee Appointment	Gregory Hamann, Linn-Benton Community College
Committee Appointment	Mary Spilde, Lane Community College
Committee Appointment	Birgitte Ryslingle, Oregon Coast Community College
Committee Appointment	Brad Shelton, University of Oregon
Committee Appointment	Mark Lieberman, Oregon State University
Committee Appointment	John Pascone, AMEDC
Committee Appointment	Julie Manning, Samaritan Health Services

South Valley-Mid Coast Team

Center Address: [University of Oregon, 1715 Franklin Blvd, Room 225, Eugene, OR 97403](#)

Governor's Coordinator	Jackie Mikalonis
Business Oregon, Business Development Officer	Sean Stevens
Business Oregon, Infrastructure Finance Authority	Melissa Murphy
Environmental Quality, Department of	Mary Camarata
Housing & Community Services	Kim Travis
Land Conservation & Development, Department of	Ed Moore
State Lands, Department of	Kirk Jarvie
Transportation, Department of	Jae Pudewell

South Valley-Mid Coast Priorities

Entrepreneurial Ecosystem

- Encourage business incubation, acceleration, manufacturing and new technologies
- Encourage and support an entrepreneurial culture and ecosystem
- Leverage research corridor
- Access to capital strategy – develop resident capital and access to capital investment
- Venture Capital and Commercialization – support mentoring related to capital access and product development, as well as networking opportunities with other innovators
- Support both emerging entrepreneurs and established companies
- Promote regional workforce readiness

Housing

- Housing and Manufactured Housing/Economic Development

Land Use and Economic Development

- Improve the readiness of industrial land
 - Address uncertainty and permit streamlining on wetlands
 - Support rural industrial development opportunities
 - Encourage creation of quality industrial flex-space
 - Increase number of certified industrial sites
 - Support time to market initiatives

Transportation

- Transportation systems
- Improve access to markets via improved transportation systems
- Energy and Transportation - support alternative fuel and energy industry and alternative energy advancement
 - Infrastructure and broadband
 - All modes
 - Rapid rail
 - Transit
 - Air
 - Ports

South Valley-Mid Coast Projects

1. **Bioscience in South Valley:** We have been working with OTRADI, bioscience private sector, start-ups, COGs, the two universities, and many local government economic development entities on addressing the facility needs of the growing bioscience industry in this part of the Willamette Valley. Collaboratively with Fertilab and continuing on from the Wetlab

Summit we convened last year, we continue to work together to highlight the opportunities for this sector. We attended a “BioMix” which offered tours of the new home for the expanding NemaMetrix firm and heard from tech transfer projects out of the UofO as well as examples of opportunities and challenges for bioscience firms in the region. Working with this collaborative, we hope to seize the opportunity of a vacated state-of-the-art laboratory in Corvallis. The group is striving to develop a bioscience incubator partnership for start-up companies in need of co-shared lab space and partner them with an anchor growing company in need of wet lab space and equipment.

- 2. Intermodal Transload Facility:** International trade is an important component of the Oregon economy. The loss of container service at the Port of Portland’s Terminal 6 in 2015 forced businesses to find alternatives to import and export their products. Prior to the changes made at the Port of Portland, many high volume/high value agricultural products relied on a multi-node, multi-modal network composed of local, regional, interstate, and international facilities. The Trade and Logistics Initiative and Governor’s Transportation Vision panel recommended looking into locating a transloading facility (i.e., facilities that facilitate transfer of product between rail and truck modes, in particular) in the mid to south Willamette Valley that would receive container semi-trucks, move containers to trains, and ship them via rail to ports and other rail yards with container rail service. Regional Solutions is working with ODOT, Department of Agriculture, Business Oregon, and the private sector and has completed work with EcoNW that examined the feasibility of operating such a facility, including revenues, operating costs, and capital needs. The possibility of public investment and public benefits generated were also taken into consideration.
- 3. Oregon RAIN - The Regional Accelerator Innovation Network:** RAIN was established through Regional Solutions to develop a healthy entrepreneurial ecosystem in the region that would move our economy forward and encourage growth. The aim is to launch early-stage businesses and turn them into high-growth companies that will help generate jobs and prosperity in the region and turn the economy from resource-based to one focused on knowledge and innovation. This unique group of higher education, government, philanthropy, and the private sector is working together to implement strategies and create an environment where innovation is encouraged, and where startup and early-stage companies receive the support they need to put down roots and then stay in our communities. RAIN continues to achieve its goals. Milestones for this period include:
 - Continuation of a physical innovation hub in downtown Eugene that collaboratively houses the RAIN Eugene Accelerator, and two innovative UO programs: the Product Design Program and Tyler Invention Greenhouse or “green chemistry.” RAIN and the region’s entrepreneurial ecosystem has been enhanced by this partnership and will continue to help create, and keep, companies and jobs in the region. One of the UO class projects became a real-life exercise in turning an original idea into a business for four students. The Eugene start-up Blueprint designed and prepared to manufacture the world’s first light and locking system for bikes. They tested the business idea at Fertilab’s start-up clinic and a pre-accelerator workshop, then they moved on to RAIN’s 16 week business accelerator. One of Blueprint’s founders said unequivocally “our

business would not exist today if we did not have this opportunity to go through the RAIN accelerator.” They would have sought gainful employment at other businesses rather than building their own dream. Blueprint said RAIN and the innovation hub opportunity enabled them to grow exponentially in a short period of time.

- RAIN continues to build the collaborative partnership. All four counties - Linn, Benton, Lane, and Lincoln - have financially invested in RAIN as well as the UO, OSU, the Economic Development Alliance of Lincoln County, and many foundations and private sector businesses. The two RAIN accelerators continue to graduate start-up companies. Nine businesses fledged from the Eugene accelerator in November.
- RAIN has accomplished the following to date:
 - ✓ \$6.4 million generated by RAIN companies
 - ✓ \$17 million of capital raised by RAIN partners for regional start-up companies
 - ✓ 373 companies assisted
 - ✓ 76 new mentors and business advisors engaged
 - ✓ Grant received to target business start-ups on the mid-coast
 - ✓ Increased the dollar amount of Angel investment and the number of Angel investors in South Valley/Mid Coast region
 - ✓ Outreach efforts to Florence, Newport, Lincoln City, and east Linn County

4. Wood Smoke Workgroup in Oakridge: Oakridge, who is under serious nonattainment status from the EPA, worked with Regional Solutions, Lane Regional Air Protection Authority, EPA, the USFS, the Willamette Forest Collaborative, Senator Prozanski, and others on an air quality compliance plan. Regional Solutions worked with Oregon Solutions to develop a strong group of advocates to build a road map for funding sources to implement the plan. In addition, the governor sanctioned a Wood Smoke Working Group staffed by DEQ to highlight Oakridge strategies as a possible pilot project during the next legislative session. The Wood Smoke Group completed their work and submitted recommendations to the legislature. Oakridge is working with Regional Solutions to implement an Oregon Solutions project. This project would be an extension of the community partners already meeting that have developed strategies to address the Oakridge air quality problem. The current group formulates strategies, not funding. The idea is to expand the group of community stakeholders and concentrate efforts on 1) identifying existing and new potential resources and 2) development of an action plan to seek out these resources.

South Coast-Umpqua Region (Coos, Curry, and Douglas Counties)

South Coast-Umpqua Advisory Committee

Convener	Commissioner Keith Tymchuk, Port of Umpqua
Philanthropic Representative	James Seely, Wild Rivers Coast Alliance
Business Representative	David Kronsteiner, West Coast Contractors
LOC Representative	Mayor Crystal Shoji, City of Coos Bay
AOC Representative	Commissioner John Sweet, Coos County
Committee Appointment	Commissioner Chris Boice, Douglas County

South Coast-Umpqua Team

Governor's Coordinator	Alex Campbell
Business Oregon, Business Development Officer	Sean Stevens
Business Oregon, Infrastructure Finance Authority	Becky Bryant
Environmental Quality, Department of	Kate Jackson
Housing & Community Services	Kenny La Point
Land Conservation & Development, Department of	Dave Perry & Josh LeBombard
State Lands, Department of	Kirk Jarvie
Transportation, Department of	Mark Usselman

South Coast-Umpqua Priorities

- Access to Natural Resources, Support of Natural Resource Economy, and Active Forestry Management on O&C Timber Lands
- Business Retention, Expansion, and Creation
 - Workforce training
 - Regulatory streamlining, technical assistance
 - Population retention
- Enhance Marine, Rail, and Telecommunication Infrastructure
- Build on Recreation Economy
- Alternative Energy Development
- Community Resilience

South Coast-Umpqua Projects

1. **Cannery at Port of Port Orford:** The primary building at the Port of Port Orford, known as the Cannery, has been in major disrepair for many years, with further damage sustained during recent high wind and wave events. The Cannery provides space for live fish holding

tanks, storage, and fish processing. Building replacement and expansion is needed to support the port activities and to retain the key primary buyer of the Port Orford fleet's catch. The new building would also provide a tourism attraction and support new business development. Partial funding was secured through the legislature for building replacement. Technical assistance to the port is being provided by RST members, NeighborhoodWorks Umpqua, and CCD Business Development Corp. With funding from Wild Rivers Coast Alliance, a preliminary conceptual design and cost estimate was completed in spring 2016.

Milestones

The Port of Umpqua has secured financial support from Ford Family Foundation, Wild Rivers Coastal Alliance, and US Economic Development Administration to complete an independent, professionally driven, economic feasibility study and an operating *pro forma*, and to conduct value engineering of the preliminary design. RS team and advisory committee members assisted with development of the needed scope of work; identification of possible funders and contractors; and grant proposal development. The Port has selected Collaborative Fisheries, a consulting team based in Newport, to complete the work, which will begin January 2017.

- 2. Coos Head Area Master Planning:** RST members have provided technical assistance on soil remediation, land use, and transportation alternatives to the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians (CTCLUSI) regarding this important base re-development opportunity. Funding to start master planning work for the redevelopment of the tribe's 43 acre property on Coos Head was secured through a Transportation Growth Management (TGM) grant in 2015, the first such grant made to a Tribe. The TGM contracting was completed and project launched in the first half of 2016.

Milestones

Cogan Owens Green has completed work to develop technical memos regarding future use concepts. The concepts include multiple uses including recreation, nature-viewing and hiking connections to Charleston, and a possible historic/cultural interpretation center. A cultural interpretive and retreat center at Coos Head would showcase CTCLUSI culture and traditions. Chief Warren Brainard says "We foresee an environmentally sensitive redevelopment of Coos Head as a benefit not only for Tribal members, but also for the greater Charleston and Coos Bay area economy."

- 3. Fred Wahl Marine Expansion:** Fred Wahl Marine launched a large expansion in early 2015 with the purchase of the former American Bridge site on Bolon Island. Regional Solutions has been closely involved since then, assisting with critical permitting to ensure that construction could commence on a new dock facility in fall 2015. That effort was a success and construction was completed on schedule. In mid-2016, with support from City of Reedsport and other regional partners, Fred Wahl Marine was approved for a \$3.4 million Connect Oregon grant to expand boat repair and construction facilities at their new site on Bolon Island, just north of Reedsport.

Milestones

Fred Wahl Marine took delivery of and commissioned a large travel lift in early fall 2016. The next element of the overall \$10 million expansion project is the construction of a large building that would accommodate boat construction. In August 2016, Fred Wahl Marine was confirmed to receive a \$3.4 million contribution to that project from Connect Oregon. Time was of the essence in the Connect Oregon contracting process as FWM had completed all match activities and was ready to commence with construction. RST facilitated communication and negotiations with ODOT, who agreed to move FWM's Connect Oregon contracting process to the top of the queue. The agreement was signed in November and further construction activities are underway. Fred Wahl Marine hires relatively inexperienced laborers and promotes heavily from within. Their employment is up over 100 from a prior level of about 80, and significant new hiring is anticipated over the coming year.

4. **Gorse Management:** Gorse (*Ulex europaeus*) is an Oregon State Class B noxious weed found in abundance on the southern Oregon coast. Gorse was intentionally introduced into the southern Oregon coast in the late 1800s and is now rated one of the top 100 worst invasive species worldwide (World Conservation Union), and the #1 most invasive species on the south coast of Oregon (Oregon State Parks). The presence of gorse has negatively impacted the regional economy and, due to its flammable nature, has created a serious public safety concern. In 1936, gorse played a key role in the complete burning of the town of Bandon, OR (Oregon Historical Society). Since 2013 The Wild Rivers Coast Alliance has been organizing a Gorse Action Group, coordinating data collection and other activities by multiple stakeholders.

Milestones

In June 2016, Oregon Solutions (OS) launched an assessment process to consider whether OS might effectively catalyze the key stakeholders into action on the issue. That evaluation concluded successfully and in December 2016 Governor Brown issued a formal declaration of an OS project to develop a multi-agency approach to gorse removal.

5. **Mill Site Redevelopment:** Redevelopment of large former mill sites in the region is one of the central priorities for the South Coast Umpqua team. Several very large scale sites have been unused for a decade or more and represent significantly under-utilized assets. Significant progress on two sites, in particular, was made in the second half of 2016: The "Back Nine" site is approximately 130 acres, immediately north of Roseburg on the I-5 corridor, and was formerly a Roseburg Forest Products site. Operations ceased over 10 years ago and wetlands mitigation work has been complete for five years. The Gardiner International Paper site is over 400 acres on Highway 101 just north of Reedsport. Both sites have rail access and enormous employment potential.

Milestones

- A. Development activity on the Back Nine site has been spurred by the emergence of two local companies that have targeted the site as likely for major expansions. Total new employment for the two expansions is anticipated to be over 50 full-time

positions. In September, Roseburg Urban Sanitary Authority, with support from RST members, filed an application to the Infrastructure Finance Authority for funding to design a waste-water collection system for the park. The alternatives analysis work is complete and final design is underway. Construction of both utilities and expansion projects is expected for summer 2017.

- B. Industrial Harbor has completed acquisition of the International Paper site in Gardiner. The process was exhaustive and RST assisted with resolving several issues that held up closing, including clarification of water rights and allowing state land easement amendments to be made at closing. The purchase was completed in November. Industrial Harbor has development plans for multiple projects on site, with potential for employment in the hundreds. Initial development is likely to focus on aquaculture.

- 6. Permit Coordination and Equipment for Port Managed Dredging:** Both navigational channel and inner harbor dredging remains vital for the operation of coastal ports. While the US Army Corps of Engineers plans for and manages permitting for dredge work within the federal navigational channels along Oregon’s coast, ports are in charge of planning and permitting dredging activity within the marinas, and around the docks and fuel stations, boat launches, ice houses, and other areas adjacent to the federal navigational channels. Permitting this activity is extremely complex and time consuming. Private contracting for dredge work can be cost prohibitive. In early 2013, the RST initiated a partnership with the South Coast Ports to provide technical and funding assistance on permitting and equipment. A portable hydraulic cutter head suction dredge was purchased in 2015 with funds through the Regional Infrastructure Fund. In fall 2015, dredge operations began at the Port of Bandon, which were completed that winter. The dredge has since been deployed at Port of Brookings Harbor, Port of Gold Beach, and Port of Alsea.

Milestones

- A. Department of State Lands issued a final rule for a General Permit for Navigational Access Maintenance Dredging on June 14, 2016 and it went into effect in September. In August, US Army Corps of Engineers released for public comment a parallel federal general permit that would apply to the South Coast. In November, USACE announced it was proposing to expand the boundary to include the Port of Siuslaw.
- B. The State of Oregon purchased dredge was originally made available through a one-year contract with the Port of Brookings. To improve operations and management, the Infrastructure Finance Authority decided to enter a new contract with the International Port of Coos Bay to manage operations of the dredge. The IGA was signed in late summer 2016 and provides for a more accurate cost recovery (for depreciation and long-term maintenance).

Southern Region (Jackson and Josephine Counties)

Southern Advisory Committee

Convener	Bill Thorndike, Medford Fabrication
Philanthropic Representative	Emily Mostue, The Carpenter Foundation
Business Representative	Steve Roe, Roe Motors
LOC Representative	Councilor Jonathan Bilden, City of Eagle Point
AOC Representative	Commissioner Rick Dyer, Jackson County
Committee Appointment	Commissioner Simon Hare, Josephine County
Committee Appointment	John Roberts, Oregon Water Resources Commission

Southern Team

Center Address: [100 East Main St., Suite A, Medford, OR 97501](#)

Governor's Coordinator	Alex Campbell
Agriculture, Department of	Amy Gilroy
Business Oregon, Business Development Officer	Larry Holzgang
Business Oregon, Infrastructure Finance Authority	Mary Baker
Environmental Quality, Department of	Kate Jackson
Fish & Wildlife, Department of	Russell Stauff
Housing & Community Services	Kenny La Point
Land Conservation & Development, Department of	Josh LeBombard
State Lands, Department of	Kirk Jarvie
Transportation, Department of	Art Anderson

Southern Priorities

Active Forestry Management on O & C Timber Lands
Maintain and Enhance Forest Industry Infrastructure
Business Retention, Expansion, Creation, and Recruitment
Regulatory Streamlining
Water Conservation and Stream Restoration
Workforce Training
Downtown Revitalization
Agricultural Economy
Recreational Economy
Community Infrastructure

Southern Projects

- 1. Food Hub:** Fry Family Farm, based in Medford, constructed a regional “food hub” in 2016. This facility serves certified organic growers in the Rogue Valley, providing the only processing facility for small, family-owned, certified organic farms in the region. The food hub will enable them to process and store their crops in a manner that meets the needs of wholesale market customers and to create value-added. The food hub includes a temperature controlled handling facility to wash, sort, and pack produce; a commercial kitchen; and a farm stand. RST members were involved with the planning of the facility from the very earliest days. The RST (along with Jackson County and 1000 Friends) provided technical assistance on land use approval. Financial assistance (for the shared facilities) was secured as a result of the Regional Solutions priority implementation process. “My family really couldn't have gotten to where we are today without the help of Regional Solutions,” Amber Fry.

Milestones

Project construction broke ground in February 2016. All work was completed in the summer, and a public grand opening was held in August 2016. Several other producers, in addition to the Fry's, were able to process organic fruits and vegetables at the facility in the 2016 season, and more are anticipated to do so in 2017. Completion of the facility has also attracted greater interest from a large organic food distribution company in establishing a distribution center in the Rogue Valley.

- 2. Grants Pass Airport Expansion:** RST is helping the Grants Pass Airport move forward with the environmental review and design of a new parallel taxiway. The taxiway is needed to address safety concerns (in the current configuration, airport users and mechanics have to cross the existing active runway multiple times a day) and open additional areas for commercial hangar development, for which the airport has received significant interest in recent years. The RST worked on obtaining gap/catalyst funding of the taxiway design via the Regional Infrastructure Fund. The availability of state funding motivated the Federal Aviation Administration (FAA) to accelerate funding for construction, now scheduled for 2017. The 2015 legislature provided RST priority implementation funds for the engineering design and permitting of the East Side Taxiway.

Milestones

With technical assistance from RST members, Josephine County submitted a pre-application to the IFA for bridge funds in spring 2016. In May 2016, IFA issued a formal invitation for final application. IFA staff went “above and beyond” in recognition of the airport manager's workload and completed the necessary steps to issue funding in September. As of January 2017, environmental review is 99% complete, preliminary design is complete, and the project is on track to be out for bid in April.

- 3. North Valley Industrial Park Infrastructure:** This industrial park represents practically the only available acreage for business expansion in unincorporated Josephine County. The park

relies on a waste water collection system operated by the county and a treatment plant operated by Three Rivers School District. The plant has no additional capacity, hampering expansion of the many businesses located in the park, which includes Dutch Bros. corporate headquarters and roasting facilities. RST has been assisting with environmental and funding technical assistance.

Milestones

- A. OBDD-IFA awarded a \$60,000 grant, which will be combined with \$40,000 from the county, to prepare a preliminary engineering report in 2015 and Josephine County awarded the project to Civil West Engineering Services, Inc. in November 2015.
- B. As of January 2017, engineering work is 95% complete and a strategy to serve both the North Valley Park and the nearby Grants Pass airport has been developed. A one-stop to discuss funding options will take place first quarter in 2017.

- 4. Project Thermal:** This is a Jackson County business expansion project and unique partnership potentially utilizing an available thermal energy system to offset operating costs at a combined aqua-culture/hydroponic vegetable production facility. RST agencies are assisting with financing tools and a feasibility analysis. ODOE is assisting with technical design issues. An initial search focused on possible geo-thermal sources of heat, but an acceptable solution was not found. In early 2016, the company identified a possible project partner that could provide waste heat on-site at their electric power generation location and completed a preliminary design, with support from Oregon Department of Energy staff. The planned project would support a ten-fold production increase and increase employment by 10-20 positions.

Milestone

RST members are providing technical assistance on finance, land use, and possible grant funding opportunities. In early fall, the company completed an SBIR application that could provide partial funding for the project, which breaks new ground in scaling the combined aqua-culture/hydroponic approach. With assistance from Southern Oregon Economic Development Initiative (SORED) and Regional Solutions, the company is working to identify additional equity investors.

- 5. Water for Irrigation, Streams, and the Economy (WISE):** This long term project would support regional agriculture and aquatic habitat by piping the irrigation water delivery system. Subsequent water conservation (estimated 30,000 acre feet annually) could improve water quality for fish and reduce drought vulnerability. The project will replace the current open-ditch system with a piped, pressurized system and install in-line hydropower generation. The project is essential to the continued viability of the agricultural industry in the Rogue Valley because of competing pressures on the water supply, environmental issues, and the periodic occurrence of drought. A state appropriation, a result of a 2012 Oregon Solutions project, has funded the current phase of technical work by the Bureau of Reclamation and the WISE coalition. The project reconvened in late 2015 thanks, in part, to securing state funding for preliminary engineering.

Milestones

The WISE board and the Rogue River Valley Irrigation District (RRVID) met in December and have jointly declared that the “Bradshaw Drop” project will officially serve as a WISE demonstration project. Phase A funding is secured (funded by Bureau of Reclamation under the SONC Coho recovery biological opinion). Phase B, which would extend the project another 2+ miles is still seeking funding. RRVID and Jackson Soil and Water Conservation District hosted multiple local stakeholders, Regional Solutions (IFA, DEQ), and senate staff to brainstorm additional funding opportunities for Phase B in late 2016. Three separate, but related efforts are positioned to launch in early 2017: commencement of preliminary design of the project; an effort to develop a comprehensive strategy related to the complex water rights involved; and a facilitated multi-partner discussion to begin scoping a master work plan that would encompass all of the elements necessary to complete the larger project.

Metro Region (Clackamas, Multnomah, and Washington Counties)

Metro Advisory Committee

Convener	Bill Wyatt, Port of Portland
Philanthropic Representative	Doug Stamm, Meyer Memorial Trust
Business Representative	Janet LaBar, Greater Portland Inc.
LOC Representative	Commissioner Nick Fish, City of Portland
AOC Representative	Commissioner Martha Schrader, Clackamas County
Committee Appointment	Commissioner Diane McKeel, Multnomah County
Committee Appointment	Commissioner Roy Rogers, Washington County
Committee Appointment	Tom Hughes, Metro
Committee Appointment	Carl Talton, Portland Family of Funds
Committee Appointment	Dave Robertson, PGE
Committee Appointment	Wim Wiewel, Portland State University

Metro Team

Center Address: [Portland State University, Market Center Building, 1600 SW Fourth Ave, Suite 109, Portland, OR 97201](#)

Governor's Coordinator	Bobby Lee
Business Oregon, Business Development Officer	Carolyn Meece
Business Oregon, Infrastructure Finance Authority	Ami Keiffer
Environmental Quality, Department of	Cheryl Grabham
Housing & Community Services	Kim Travis
Land Conservation & Development, Department of	Jennifer Donnelly & Anne Debbaut
Transportation, Department of	Andrew Plambeck
Agriculture, Department of	Gary Roth
Building Codes Division	Tom Phillips
Employment Department	Christian Kaylor
Energy, Department of	Roger Kainu
Fish & Wildlife, Department of	Jeff Boechler
Parks & Recreation Department	MG Devereux
State Lands, Department of	Lori Warner-Dickason
Water Resources Department	Mike McCord

Metro Priorities

Regulatory Coordination, Streamlining & Continuous Improvement: Proactively coordinate, synchronize and improve the State’s application of regulations and permitting processes to efficiently manage regionally significant projects.

- Streamline wetland permitting process in coordination with US Army Corps of Engineers and other related government agencies.
- Provide regulatory certainty for industrial land and brownfield redevelopment.
- Deliver efficient and professional services through improved communication and coordination.

Infrastructure: Provide resources and technical assistance to modernize the region’s key transportation and infrastructure systems to support livability and to promote traded sector economic growth.

- Pursue “shovel ready” certification for the region’s priority industrial lands greater than 25 acres.
- Prioritize projects that enhance freight mobility and provide access to key industrial areas and intermodal facilities.
- Work in concert with local government and private sector partners to leverage greater resources for infrastructure investment.

Redevelopment: Align state policies and resources to cleanup and reuse brownfields and other potential redevelopment areas to efficiently use existing properties and protect productive farm and forest land and conserve natural resources.

- Target and cleanup brownfields in economically deprived neighborhoods.
- Encourage local hiring to promote workforce development when redevelopment projects are procured and implemented.
- Coordinate longer term evaluation and prioritization of public and private sites for future clean-up and re-use along key transportation corridors.

Economic Development: Improve the regional economy by prioritizing economic development efforts around distinctive industry clusters: 1) software & high technology, 2) advanced manufacturing, 3) clean technology, and 4) athletic & outdoor.

- Promote “shovel ready” large industrial land to traded sector investors.
- Support regional export initiatives to help companies access global markets and grow local jobs.

Metro Projects

- 1. Columbia Corridor Levee Recertification:** Since 2014, Oregon Solutions’ Columbia Levee Improvement Project has been focused on the challenges faced by the Columbia Corridor levee system along much of the south shore of the Columbia River in Multnomah County. The Oregon Solutions team has been working together to develop a strategy and work plan to ensure the levee system meets both FEMA and USACE standards. This effort has brought together key stakeholders including the Regional Solutions Team (RST), Multnomah County Drainage District (MCDD), Multnomah County, City of Portland, business groups, neighborhood

associations, environmental groups, and non-profit organizations to develop a project team that is focused on the condition of this levee system, which protects over \$5 billion of property value, over 7,500 residents, and the Portland International Airport. To date, this project has brought in over \$2 million from project partners and completed an initial engineering assessment in two of the four levee districts managed by MCDD.

Milestones: Levee Ready Columbia Phase II is well underway, building on the results of the Phase I levee engineering assessments in Peninsula Drainage District #1 (PEN 1) and Peninsula Drainage District #2 (PEN 2) to evaluate the condition of the levee systems in MCDD #1, Sandy Drainage Improvement Company (SDIC), and Sauvie Island Drainage Improvement Company (SIDIC).

Contracts have been signed and work is under way for the following project elements. Funding through the RST's \$300,000 and Business Oregon Infrastructure Finance Authority loans continue to be drawn down to pay for these project elements.

- Phase 1 – Levee Engineering Assessments – Cornforth Consultants Inc. are reviewing all of the collected archive information on MCDD and SDIC to identify data gaps that will need to be addressed to satisfy the certification requirements set forth in 44 Code of Federal Regulation 65.10. Certification engineering data is submitted to FEMA, along with interior drainage reports and operation and maintenance plans for a levee system to be accredited.
- USACE Rehabilitation and Inspection Program (RIP): Inspection criteria to remain active in the RIP is underway, resulting in video inspections of outfalls through the levees in PEN 1, structural encroachment evaluations in PEN 2, and toe drain analysis in SDIC.
- Levee Environmental Conditions Assessment: Parametrix, Inc. will create a summary report of the existing status of natural areas, open space, and fish and wildlife habitat locations within or adjacent to the districts in order to document baseline conditions in preparation of development design alternatives to repair deficiencies.
- The proposed two-year project office budget supports the known and anticipated tasks and services required to reach the following shared decisions regarding the future of the Columbia River levees in Multnomah County:
 - Prioritized list of levee improvements that are required to achieve re-accreditation by FEMA. The prioritized list will be risk-based.
 - Long-term financing strategy that balances the burdens and benefits of the levee system and provides sufficient and sustainable funding for levee system improvements, inspection, operations, and maintenance.
 - Long-term governance structure that provides a sustained level of leadership and support that is commensurate with the significant statewide, regional, and local assets protected by the levee system.

Next Phase Project Goals

In Phase I, the Oregon Solutions Team investigated the issues and deficiencies in meeting minimum FEMA accreditation standards for PEN 1 and PEN 2 through the levee engineering assessments. Additional modeling was conducted to assess the USACE authorized design

and existing levels of protection. In the next phase, our work will focus on the following objectives:

- Develop inventories of the specific economic, community, and environmental resources protected by the regional levee system.
- Complete engineering assessments in MCDD, SDIC, and SIDIC consistent with those done for PEN 1 and PEN 2.
- Implement a communications strategy with the general public and targeted audiences such as neighborhood groups about the project. Develop a process and criteria for evaluation and selection of preferred solutions. That process will include at least the following considerations for how best to meet the goals:
 - i. Impacts to surrounding public and private property owners including recognition of historical community impacts of the levee system
 - ii. Ecosystem function including environmental, wildlife, and habitat values
 - iii. Consistency with existing neighborhood and community plans
 - iv. Current and future economic stability
 - v. Broader community benefits such as recreation, transportation, and access
 - vi. Protection of key public (and other) infrastructure

By the end of this phase we will be ready to outline solution alternatives in each of the districts.

Additionally, Phase II includes overall project facilitation, public involvement, and communication efforts. The program had a strong presence at multiple community events throughout the summer to bring awareness and education to members of the public regarding the project. Additionally, a project website has been populated to provide up-to-date information on the project to members of the public. www.leveereadycolumbia.org

2. **Cully Neighborhood Revitalization:** Redevelopment and revitalization of this NE Portland neighborhood includes making improvements on the 25 acre Thomas Cully Park, repurposing of former Sugar Shack property, and industrial land shovel ready certification of former Colwood Golf Course. RST has been in partnership with Living Cully (LC) - a coalition representing Habitat for Humanity Portland/Metro East, Hacienda CDC, Native American Youth & Family Center, and Verde to address Cully's disparities in housing, income, health, education, and natural resources by concentrating environmental investments at the neighborhood scale and braiding those investments with traditional community development resources. Since 2010, LC has reinterpreted sustainability as an anti-poverty strategy, turning it into a powerful new tool to address the needs of low-income people. This neighborhood is characterized by concentrated poverty, as well as by a lack of access to nature and other environmental benefits. RST's role was to work with 1) ODOT to improve transportation safety including sidewalks, 2) DEQ, OHA, and Business Oregon to help with cleanup on the Cully Park and Colwood Golf Course, 3) Business Oregon and ODOT on IOF funding to add an extra lane on Killingsworth exit from I-205, and 4) Business Oregon to certify the former Colwood golf course as shovel ready for industrial development.

Milestones: Cully Park redevelopment took a huge step forward with additional funding from the City of Portland (\$211,000) and Oregon Legislature (\$300,000). RST has successfully assisted

in improving the access road to the park by working with private utility companies. Also working with PDC and City of Portland to evaluate the former Colwood Golf Course as the new site for the Pearl District's US Post Office. We are also evaluating additional brownfield redevelopment funds to finish the last leg of the project. Additional milestones are:

- *Let Us Build Cully Park.* 2012, Verde and Portland Parks & Recreation (PP&R) - with assistance from the RST - entered into a public-private partnership to fundraise for, design, and construct Cully Park. The project transforms a 25 acre brownfield into a new public park that will serve 405 households not currently served by another park; 45% of these households earn less than \$40K/year. Since 2012, Verde and PP&R have raised over \$6.4M for Cully Park, including \$300,000 from the State of Oregon during the 2016 legislative session. 2015, Verde implemented a significant construction program at Cully Park: Extending the landfill gas wellheads to finished grade; mass grading the full site with roughly 70,000 yds³ of clean fill imported in 2014; completing turf removal, hydroseeding, and native plant installation on the North Slope; building NE 72nd greenstreet; and beginning construction of the Intertribal Gathering Garden. Upcoming, Verde pursues significant, discretionary public investments to complete project fundraising, working together with PP&R to secure these investments, including a 3rd investment from PP&R. In addition, Portland Parks Foundation has selected Cully Park as 1 of its 2 major donor priorities for 2016. With timely completion of our fundraising goals, Verde can complete construction of Cully Park in 2017.

3. **James Beard Public Market:** The James Beard Public Market will add over \$22 million of food sales to the local economy while creating over 250 jobs within the Market for all locally-owned businesses, and another 100+ jobs in the rural agricultural economy (ECONWest, 2011). Even though the market will be built by and for all Oregonians, the tourist benefits are significant. Pike Place Market in Seattle is the single most visited site in Washington while the Reading Terminal Market in Philadelphia is the second most visited destination in that city after the Liberty Bell. The Market is envisioned as a year-round hub for fresh food and culinary events - a daily market and community gathering place that celebrates Oregon's bounty. The RST provided technical support and worked with Representative Jennifer Williamson to obtain \$250,000 from the legislature to pay for site planning, and to work with the project managers to resolve challenges. The location of the project has now been changed potentially to the OMSI expansion site. OMSI is currently evaluating the viability of the project being co-located.

Milestone: After project officials revealed Snohetta's architectural design concept for the site in July 2015, the City of Portland allocated \$200,000 on June 2016. Property and engineering assessment is still being conducted.

4. **OHSU Cancer Knight Institute Development in South Waterfront:** As a direct result of the Knight Cancer Challenge, Oregon Health & Science University (OHSU) is proposing three new buildings in Portland's South Waterfront: 1) The Knight Cancer Research Institute would be built on Southwest Moody Avenue just north of the new Collaborative Live Sciences Center. The 332,000-square-foot building is valued at \$115 million. 2) A 12-story, 360,000-square-foot ambulatory care building above an existing underground parking garage. The garage is currently topped with grass. 3) A 10-story, 264,000-square-foot

building with a conference center on the ground floor and guest housing for 80 people. It would also include 515 parking spaces. A major development challenge is transportation within and around South Waterfront. Need better access from I-5 and Macadam Ave. based on traffic forecast. Additional extension on local roads (Moody, Bond, etc.) and greenways that are in alignment with the adjacent neighborhoods and nearby major road systems. Brownfield redevelopment, cleanup, and environmental remediation will be required on the targeted South Waterfront sites. RST is also looking for ways to support traded sector economic development opportunities including tech transfer and commercialization in biotech.

Milestone: June 2016 OHSU Knight Cancer Research Building broke ground on the new site in Portland's South Waterfront. RST and DEQ are working with OHSU to address ongoing brownfield cleanup and redevelopment challenges. RST is also working with ODOT, PBOT, and OHSU to identify complex short and long term transportation solutions. Immediate Opportunity Fund of \$1 million was approved by the Oregon Transportation Commission in December 2016.

- 5. Oregon City's Blue Heron/Willamette Falls Redevelopment:** For over 150 years, Oregonians did not have access to the Willamette Falls - in fact, many had never heard of it. But that is about to change. Oregon City's Willamette Falls - the largest waterfall in the Pacific Northwest - is a horseshoe-shaped basalt cascade that divides the upper and lower reaches of the Willamette River, which is an American Heritage River. The former Blue Heron Mill site, located next to the falls, was recently sold to a new owner after years of abandonment. Oregon City, Clackamas County, Metro, RST, and the new owner – Falls Legacy LLC – are now working together to develop a vision and master plan to repurpose the site including the construction of a publicly accessible River Walk. This legacy project has the potential to transform Oregon City and the larger Clackamas County region. During the 2013 legislative session, \$5 million was approved to help pay for construction of the River Walk. The riverfront easement to the Willamette Falls – the River Walk – was secured in late 2014 from PGE and the new private property owner. In May of 2015, Governor Kate Brown announced that the team of Snohetta, Mayer-Reed, and Dialog will design the Riverwalk. The 2015 Oregon Legislature also allocated an additional \$7.5 million for the project. (Total from the State of Oregon: \$12.5 million.)

Milestone: The new IGA was completed in February 2016 including the latest budget. A new fundraising private foundation - Rediscover the Falls – was legally established with a new board. The project is now on pre-design phase for the Riverwalk. There has been new interest in adding a whitewater facility on the site, but the request was denied by the Willamette Falls Partners Group.

- 6. Portland 82nd Ave Revitalization:** ODOT has embarked upon a planning study for 82nd Avenue to explore community priorities and safety improvements along the corridor. ODOT working to improve safety and traffic flow at the SE 82nd Avenue (OR 213) intersections with E Burnside Street, SE Stark Street, SE Washington Street, SE Yamhill Street, SE Mill Street, and SE Division Street. RST is a participant on the Jade District and Lents neighborhood revitalization assessment project with ODOT leading the process. Five of these intersections rank among the top 5% of high-crash sites in the region. RST is also working with

Groundwork, Metro, and the City of Portland to fund brownfield redevelopment projects, including the Dharma Rain brownfield redevelopment project on Siskiyou and 82nd Ave. \$15 million of STIP funded projects have now been identified, both in design and construction. ODOT is leading a community based planning effort with a steering committee for ongoing safety and street improvements along 82nd Ave.

Milestone: RST and Oregon Solutions are working with APANO (Jade District) and Lents neighborhood to address air quality, development of open space and parks, industrial land readiness, and flood mitigation. A new Oregon Solutions task force was created to address Lents neighborhood's challenges in October of 2016. ODOT's Burnside to Division safety project was completed in late 2016. The 82nd Avenue of Roses Improvement Plan process has selected four focus areas through the Citizen Advisory Committee process and will have the newly formed steering committee to help refine the implementation plan. (Members of the steering committee: Rian Windsheimer, ODOT Region 1 Manager; Rep. Alissa Keny-Guyer; Sen. Michael Dembrow; Commissioner Steve Novick, City of Portland; Neil McFarlane, TriMet)

- 7. Regional Brownfield Redevelopment Project:** RST has been working to identify and cleanup key brownfield sites to improve neighborhoods, livability, and job creation opportunities. Brownfields are often abandoned, closed, or under-used industrial or commercial facilities, such as an abandoned factory or a closed commercial building or warehouse. Many contaminated brownfield sites sit idle and unused for decades because the cost of cleaning these sites are very high and uncertain. The cost of the clean-up is often greater than the land would be worth after remediation. These brownfields were often in prime locations, close to transportation and a local workforce. Abandoned building or fenced-off vacant lots depressed real estate values and incentives for economic growth. After the RST conducted a community planning process in search of a brownfield project, Dharma Rain was selected for a \$25,000 cleanup fund from Business Oregon. This project also leverages the transportation improvement projects as part of the 82nd Ave. Revitalization project.

Milestone: RST formed a partnership with Metro and regional stakeholders to tackle brownfields in the region. Recently Metro and regional partners successfully attracted Environmental Protection Agency's \$600,000 grant to identify and clean up polluted "brownfield" sites along a 9-mile stretch of Southeast McLoughlin Boulevard. Part of a nationwide brownfield program, the grant was one of three awarded to communities in the Portland region. This fund will be leveraged with state funding.

- 8. Troutdale Reynolds Industrial Park (TRIP) Readiness:** The former Reynolds industrial site, owned by the Port of Portland, is uniquely situated to create family wage jobs in east Multnomah County where a third of residents fall below the self-sufficiency standard. Once completed, this site will unlock the potential for creation of an additional 3,500 traded sector jobs while cleaning up a large superfund site within the UGB. The RST provides ongoing regulatory and technical assistance on the development plan, including wetland permitting, BPA power line relocation, transportation improvements, water infrastructure, and cleanup. Exit 17 on I-84 and local roads are under construction. RST helped design an innovative permitting

approach that was recently approved by DSL, DEQ, SHPO, ODFW, USACE, and NOAA federal partners. This project also includes developing a plan to expand local job training opportunities that are aligned with industry recruitment priorities. RST is coordinating with the regional workforce development agency to find ways to proactively skill-up the nearby residents to prevent further gentrification. RST is partnering with the City of Gresham, Port of Portland, Metro, and federal agencies to identify potential wetland mitigation banks in east Multnomah County. RST is working with DSL to review the City of Gresham's proposal to convert a portion of the Fairview Creek channel into a wetland mitigation bank site.

Milestone: Stormwater on the TRIP property and the associated safety and operational concerns due to extreme flooding on the TRIP property has now been addressed. Port of Portland successfully dewatered the site quickly to prevent severe property damage, restore flood capacity, and reduce wildlife safety hazards. RST allocated \$1.14 million to help cover the cost of mitigating the flood event. Business Oregon also allocated an additional \$75,000 for environmental assessment on the site. We are also negotiating with a major employer to locate on the site (Project Piper).

North Central Region (Hood River, Sherman, and Wasco Counties)

North Central Advisory Committee

Convener	Mike McArthur, Association of Oregon Counties
Philanthropic Representative	Celeste Hill-Thomas, Mid-Columbia Health Foundation
Business Representative	Scott Reynier, Columbia River Insurance
LOC Representative	Mayor Stephen Lawrence, City of The Dalles
AOC Representative	Commissioner Rod Runyon, Wasco County
Committee Appointment	Commissioner Maui Meyer, Hood River County
Committee Appointment	Judge Gary Thompson, Sherman County
Committee Appointment	Mayor Carol MacKenzie, City of Wasco
Committee Appointment	Frank Toda, Columbia Gorge Community College
Committee Appointment	Amanda Hoey, MCEDD
Committee Appointment	Andrea Klaas, Port of The Dalles
Committee Appointment	Barbara Briggs, Briggs Business Consulting
Committee Appointment	Ken Bailey, Orchard View Farms
Committee Appointment	Keith Mobley, Attorney

North Central Team

Satellite Office: [Columbia Gorge Community College, 400 East Scenic Dr., Suite 307, The Dalles, OR 97058](#)

Governor's Coordinator	Nate Stice
Agriculture, Oregon Department of	Erick Garman
Business Oregon, Business Development Officer	Carolyn Meece
Business Oregon, Infrastructure Finance Authority	Shanna Bailey
Environmental Quality, Department of	Cheryl Grabham & Kelly Hill
Housing & Community Services	Kim Travis
Land Conservation & Development, Department of	Scott Edelman
State Lands, Department of	Lanny Quackenbush
Transportation, Department of	Brad DeHart

North Central Priorities

- Infrastructure focus
 - Wastewater
 - Water
 - Telecommunications/broadband
 - Public transportation, access, freight
- Providing support for business clusters
 - Value added agriculture
 - Fermentation sciences (wine, beer, distilling, cider, cheesemaking) (subset of value added agriculture)
 - Technology
 - Arts and culture
 - Healthcare
 - Renewable energy
 - Tourism and recreation
- Workforce training
- Attainable housing
- Availability of industrial land
- Urban area boundaries in the National Scenic Area and need for clarity from Columbia Gorge Commission re: amendments
- Regulatory integration/streamlining

North Central Projects

1. Broadband

- **Sherman County:** An effort to extend broadband in Sherman County was completed in late 2016. The project was completed in three phases. The first phase ran fiber from the City of Wasco to Erskine. The second phase ran from Wasco to Rufus and the third ran from Erskine to Grass Valley. Regional Solutions secured \$820,000 for the project. Funds leveraged approximately \$14 million in private and local investments. In addition to serving as part of the backbone of Sherman, Gilliam, and Wheeler counties' 911 network, this buildout will help to meet the needs of school districts, county offices, households, and business. Technical assistance and funding was provided by the following state agencies: Governor's Office, Business Oregon, and ODOT.
- **Wasco County/Maupin Buildout:** Regional Solutions secured \$410,000 for broadband expansion in South Wasco County to serve residents and businesses in the City of Maupin. Leveraging local investment with Q-Life and the City of Maupin and private partnership with LS Networks, 1GB broadband service will be "turned up" in Maupin by April 2017. This connection will also allow for improved cellular service and wireless broadband access in the surrounding areas. MCEDD and the Wasco EDC were vital in driving this project forward. Technical assistance and

funding provided by the following state agencies: Governor's Office; Business Oregon, and ODOT.

- 2. Cascade Locks Economic Development Study:** Regional Solutions, with the Port and City of Cascade Locks, Department of Aviation, DLCDC, and Business Oregon, helped to develop a scope of study, coordinate with stakeholders, and explore funding options to look at the highest and best use of a state-run emergency/warning airport within the UGB of the City of Cascade Locks. The study will look at a variety of uses of the land, including enhanced aviation uses. It will examine the costs and benefits of different options, including the potential health and safety concerns of the general aviation community. Technical assistance provided by the following state agencies: Governor's Office; Business Oregon, DLCDC, Department of Aviation, and ODOT.
- 3. Mosier Recovery:** In June, a train towing oil cars derailed and caught fire in the Columbia River Gorge near the City of Mosier. The cars burned for hours and hundreds of people were forced to evacuate the surrounding area. Several emergency response agencies provided a coordinated response to the immediate incident, and Mosier is now on the path of recovery. Regional Solutions helped throughout the fall to work with Team Mosier - City of Mosier, Mosier Fire District, and Mosier Schools - to help with recovery efforts with state agencies and local strategic planning for possible future community and economic development projects that might be catalytically moved with the recovery. In August, the RST held an outreach meeting in the community to learn about the full range of projects the community is engaged in, both those related to the recovery and longer term efforts. Regional Solutions continues to engage in an advisory capacity with Team Mosier. Union Pacific and Team Mosier have engaged in an ongoing process to discuss an appropriate response to the spill. More information on the efforts are available here: <https://teammosier.org/>.
- 4. Workforce Housing in Hood River, Wasco, and Sherman Counties:** The lack of attainable (affordable and market rate) housing is an issue that several partners have been working on for a few years in this region.
 - **Strategy development and implementation:** The RST has worked with the Mid-Columbia Economic Development District (MCEDD) to compile a summary of the comprehensive plan provisions related to housing throughout the region. In addition, the RST has funded housing needs analyses and the development of housing strategies (Goal 10) in the cities of Hood River and The Dalles. The City of Hood River completed its analysis in 2015 and with the support of RST, DLCDC, and OHCS, has been moving forward in implementation. The City of The Dalles will finalize its housing needs analysis and strategy in early 2017. The implementation of housing strategies in Hood River has proven both time consuming and costly, and the RST continues to work with the city to find resources.
 - **Attainable Housing Revolving Loan Fund:** The Governor's Office, OHCS, and DLCDC have assisted in developing the Regional Solutions priority project to show how \$2 million could be invested as seed money for a revolving loan fund to help leverage other funds to develop more attainable housing units in the region. In June, the RS

Advisory Committee modified the revolving loan fund to make the funds more attractive to create more attainable housing in the region.

- **Project Milestone:** These changes have resulted in increased interest in the fund and the funding of the first two projects through the fund. The second of these two projects is a set of duplexes (4 units) in Sherman County that will serve as rentals for teachers, wind tower workers, and others transitioning into the community. The project will leverage a loan from Sherman County and a separate Sherman County incentive program that offers a \$5,000 grant per unit. The need for rentals for workers to relocate to the community was the top need for workforce housing identified for Sherman County.

Central Region (Crook, Deschutes, and Jefferson Counties)

Central Advisory Committee

Convener	Michael Hollern, Brooks Resources
Philanthropic Representative	Frances Willis, Oregon Community Foundation
Business Representative	Amy Tykeson, Bend Broadband
LOC Representative	Mayor Betty Roppe, City of Prineville
AOC Representative	Commissioner Alan Unger, Deschutes County
Committee Appointment	Commissioner Mae Huston, Jefferson County
Committee Appointment	Commissioner Mike McCabe, Crook County
Committee Appointment	Mayor George Endicott, City of Redmond
Committee Appointment	Mayor Ken Mullenex, City of LaPine
Committee Appointment	Councilor Victor Chudowsky, City of Bend
Committee Appointment	Lonny Macy, Confederated Tribes of Warm Springs
Committee Appointment	Becky Johnson, OSU Cascades
Committee Appointment	Roger Lee, EDCO
Committee Appointment	Andrew Spreadborough/ Karen Friend, COIC
Committee Appointment	Benny Benson, Energyneering Solutions
Committee Appointment	Melanie Widmer, Madras Sanitary

Central Team

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Governor's Coordinator	Annette Liebe
Business Oregon, Business Development Officer	Clark Jackson/Mitchell Gee
Business Oregon, Infrastructure Coordinator	Melissa Murphy
Business Oregon, Brownfields Specialist	Karen Homolac
Energy, Department of	Rob Del Mar
Environmental Quality, Department of	Kelly Hill
Housing & Community Services	Kim Travis
Land Conservation & Development, Department of	Scott Edelman & Jon Jinings
State Lands, Department of	Lanny Quackenbush
Transportation, Department of	Della Mosier

Central Priorities

HIGH FOCUS PRIORITIES

For High Focus Priorities, the committee, coordinator, and team will actively engage in seeking solutions and projects that contribute to successful outcomes for the priority.

1. Establish a four year university (OSU Cascades)
2. Retain and grow jobs
3. Ensure the region has land and infrastructure available to retain/attract employers
4. Enhance transit in Central Oregon (COIC led priority)
5. Support the regional creative economy
6. Increase work force housing
7. Encourage water conservation and restoration; improve water availability

SUPPORT PRIORITIES

For Support Priorities, the committee, coordinator and team will monitor, engage, and support as needed and requested. The coordinator/team will continue working with communities opportunistically to address these priorities and to serve as a catalyst for their successful accomplishment.

1. Improve sewer infrastructure
2. Support regional agriculture (COIC led priority)
3. Improve forest health

Central Projects

- 1. Arts and Culture:** Supporting arts and culture is a priority in this region. Once the committee identified this priority, the team reviewed each agency's role/contribution to advancing this priority. The advisory committee supported the development of a Creative Economy Action Plan. The committee partnered with Arts Central to support the project; the Oregon Cultural Trust provided over \$12,000 in funding for the project; philanthropic donors provided over \$20,000. The consultant interviewed thought leaders and surveyed employers related to this employment sector. The final report with recommendations was presented in October 2016. Additional outreach was conducted to gather feedback on the consultant recommendations resulting in recommended next steps for the advisory committee. Key next step is to support the creation of a strong regional arts council. Philanthropic donors have supported the development of a strategic plan for the existing Central Oregon Arts and Culture Alliance.
- 2. Bend Affordable Housing Project:** As a way to identify opportunities for state agencies to help in addressing regional housing needs, state agencies were asked to provide an inventory of lands they owned that would be suitable for single family and multi-family

residential development. ODOT had one residentially zoned lot that was listed for sale. In early 2015, ODOT and the regional coordinator began setting up meetings with local affordable housing advocates to discuss the property and explain how ODOT's surplus property process works. Shortly thereafter, ODOT property management accepted an offer from Habitat for Humanity for the property. Over the next several months, the City of Bend's Affordable Housing Manager assisted Habitat for Humanity with securing funding to purchase the property. The property was deeded to Habitat for Humanity and construction of a duplex has begun.

- 3. Cascades Campus, Oregon State University (OSU):** The establishment of the four year campus for OSU Cascades is the advisory committee's highest priority. Multiple advisory committee members and state agencies have contributed, and are continuing to contribute, to the success of the project.
 - a. The advisory committee recommended state funding for OSU's Innovation Center for Entrepreneurship; the legislature awarded \$524,800 for capital construction. The intergovernmental agreement to allow OSU Cascades to borrow from the internal bank to begin construction was finalized in June 2016. There were also meetings convened with regional stakeholders to confirm the need for additional entrepreneurial space and to discuss programs that will be offered at the center. OSU Cascades is partnering with the OSU Advantage Accelerator in Corvallis to offer programs to support entrepreneurship.
 - b. The committee also recommended state funding to support the Transformational Transportation system; \$738,000 was awarded to support capital construction elements of the project. The Central Oregon Intergovernmental Council (COIC) met with cities in the region to finalize the project elements. Project elements include park and ride amenities in Redmond and La Pine, purchase of a low floor bus, and enhanced bus stops in Bend. The COIC leveraged the Regional Solutions funding to apply for Connect Oregon funds for a Redmond transit hub and park and ride facility. Additional funding commitments were made by the Oregon Community Foundation and City of Redmond Urban Renewal. The RST has successfully leveraged the \$738k transformational transportation funds with COIC's Connect VI and Enhance projects. The Regional Solutions investment has been a catalyst and influenced the CET's larger plan for regional shuttle stops via Enhance, and Redmond Transit Hub via Connect Oregon. This investment also catalyzed the vision for a proposed La Pine Transit Center. Overall, the Regional Solutions investment leveraged about \$3M in transit projects. COIC has completed purchase of the site and ODOT is in the process of acquiring right of way.
 - c. State agencies have contributed in the following ways: DLCD and ODOT awarded a transportation growth management grant to the City of Bend to support west side Bend planning (\$257,500). DEQ is providing technical assistance regarding the clean-up needs and funding resources for a former county landfill site. In November 2015, DEQ and Deschutes County entered into an intergovernmental agreement for up to \$100,000 in funding from DEQ's solid waste orphan site account. The funding is for removal and remedial actions associated with a waste processing pilot test. The test is needed to evaluate subsequent mitigation measures. Funding up to the \$100,000 will not have to

be repaid by the county. DEQ is also providing technical assistance regarding waste water and storm water technologies. ODOE is providing technical assistance regarding energy efficiency for the campus. Multiple agencies are members of the campus planning advisory committee.

- 4. Culver Core:** Culver's economic development strategy includes improving the downtown streetscape. This project involves facilitating the design of drainage system options and evaluating funding opportunities for storm water improvements needed to complete improvements on the other side of the street. DEQ facilitated a number of stakeholder meetings and those present were amenable to developing a solution for the off-site drainage problem. DEQ developed preliminary calculations for the total drainage. In late summer 2015, DEQ and Business Oregon facilitated a \$15,000 Business Oregon grant that enabled the city to hire an engineer to conduct a feasibility study to address the drainage issues. The engineer completed some initial design work and the city is about to embark on outreach to determine if property owners are willing to participate in some of the design options. The city is eligible for Community Development Block Grant funds from Business Oregon and will pursue those funds when a construction option is identified.
- 5. Employment Lands Readiness:** In order to better understand the regional priority related to the availability of employment land, the RST met with all jurisdictions in Central Oregon (Madras, Redmond, Prineville, La Pine, Sisters, and Bend) and economic development professionals to review their needs and issues. This led to an inventory of available (vacant and re-developable) industrial lands and identification of high priority sites to invest in improving "marketability." (September 2013)

Follow up on identified planning and infrastructure priorities is ongoing.

- Prineville's UGB is amended to include reconfigured industrially zoned state (DSL) owned land (completed). The Madras UGB is evaluated for opportunities to reconfigure industrially zoned land with rail access. Business OR-IFA helped facilitate a \$60K grant for the city to develop an Industrial Site Readiness Plan.
- Redmond was awarded \$7,129,250 from DEQ's State Revolving Loan program to help pay for the east side sewer interceptor in Redmond. This infrastructure is critical to serving multiple industrial sites in Redmond.
- The team has met twice with the City of Redmond to talk about planning for the DSL owned large lot site in south Redmond. Transportation infrastructure is the biggest challenge. Options for addressing this challenge will be considered during the upcoming update to Redmond's Transportation Systems Plan.
- The team worked with the City of Madras and Central Oregon Intergovernmental Council to approve the second large lot site under the regional large lot program. The team continues to provide technical assistance to the City of Madras regarding potential annexation of the Madras airport industrial area.
- Employment Department provided employment data to the City of Sisters that will allow them to complete their own Economic Opportunities Analysis. Great to see DLCD and Employment Department working closely to provide technical assistance and data to the City of Sisters.

- 6. Path of Totality Planning and Coordination:** State agencies have been coordinating with regional tourism and emergency responders to plan for Path of Totality event August 21, 2017. It is anticipated that more than 100,000 people will visit the region to view the solar eclipse. Emergency response, public sanitation, transportation, and communication are all key issues being coordinated.
- 7. Prineville Air Quality and Housing:** DEQ worked with the city and county to get an action plan in place to reduce wood stove and open burning smoke. The community is striving to avoid a nonattainment designation and adopted an action plan. A nonattainment designation would create significant barriers to future economic development. The city/county air quality committee continues to implement that plan. DEQ assisted with developing agreements with federal partners that engage in prescribed burning and was successful in establishing these agreements. DEQ, OHCS, and ODOE worked with local and federal partners (Neighbor Impact, the city, the county, USDA-RD, local gas and electric companies, etc.) to embark on key life and safety improvements for homes. The project is intended to replace heating systems, conduct weatherization, and address other key life/safety issues needed for workforce housing. The community's work to conduct outreach and work with Neighbor Impact regarding stove replacements will be ongoing.
- 8. Prineville Airport:** The Prineville airport manager requested team assistance with identifying funding sources for planned expansions and infrastructure improvements at the airport. The project will consolidate dispersed and obsolete firefighting facilities while enhancing safety and efficiency. It will do this by separating firefighting ops from the flight academy and public use ramp and moving them to a dedicated ramp on an Airbase campus. Also included in the project: a new itinerant apron, fueling system replacement, run-up apron for Runway 28, and rotating beacon replacement. The team (Oregon Dept of Aviation, DEQ, ODOT) assisted in gathering local, state, and federal partners to coordinate goals. An outcome of the meeting was to wait until it was known whether or not the Prineville Airport received Connect Oregon VI funding for \$2M in assistance (total project cost is \$8.86M). The Oregon Transportation Commission approved the project as part of its final project list in August 2016. The airport anticipates moving forward in the first quarter of 2017 with a regathering of project partners.
- 9. Sewer and Water Infrastructure:**
 - The City of Madras applied for a \$1,150,000 DEQ Clean Water State Revolving Loan Fund loan for wastewater improvements for the Herzberg Heights and Bel-Air Estates parts of the community. The project will add a wastewater collection system and a pipeline to connect to the main extension.
 - The RST conducted an outreach meeting with the City of La Pine and jointly sponsored the October 12, 2015 Rural Resource Forum. The RST is leading follow up on the following priorities: downtown revitalization, sewer infrastructure for Cagle subdivision, and partnering with US HUD on increasing housing supply. The city received financing from IFA to complete waste water and water facilities plans. The city received a Transportation Growth Management grant to complete visioning for

the downtown and DLCD is working on follow up with code assistance. OHCS and HUD worked to convene a local housing roundtable in April 2016. The RST agencies along with USDA RD, RCAC, and others met as a “one stop” to provide funding information for water and sewer needs. The city is in the process of applying for funding for the expansion of water and sewer to the Cagle subdivision.

- **Prineville Waste Water Treatment/Park Project:** Permit processing and funding with grants and/or forgivable loans: USDA (\$5 M), Pelton Fund (\$750K), Oregon Watershed Enhancement Board (\$750K), Oregon State Parks (\$913K), Business Oregon (\$1.5 M; \$750K is grant and \$750K is loan), DEQ (\$3.5M CWSRF loan issued November 2015). DEQ provided technical assistance and permitting. DEQ worked closely with EPA and the city to enable the issuance of the NPDES permit modification that was critical to the success of this project. The permit was issued in late September 2015; the groundbreaking ceremony was held in April 2016, and was a big success. State, federal, local, and non-profit partners were all represented and the city also provided tours. The city recently (July 2016) also requested assistance with coordination on its permits for in-river work (USACE, DSL, and DEQ). The team was successful in assisting the city in getting a joint JPA, DSL permits, and DEQ 401 Certification issued in early September 2016.

10. South Deschutes Groundwater Study and Recommendations: DLCD and DEQ worked with Deschutes County on a land use goal exception to allow sewer service outside the UGB; this is needed to implement local committee recommendations. In 2015, both agencies assisted Deschutes County in the county review of the Goal 11 exception process. The project was reviewed and approved by the County Planning Commission and the Board of Commissioners. The county’s decision was appealed to LUBA, which found in favor of the appellant and remanded it back to the county. Since the county and state jointly requested the exception, the state has been helping to defend the LUBA appeal and will continue to work with the county to determine the best path forward. Following this review, DLCD and DEQ will next assist Klamath County in processing the review of the exception and the submittal of the application to DLCD. The team kept the Klamath County Commissioners briefed during the year.

11. Warm Springs Unmanned Aerial Vehicle National Test Site: Business Oregon and the RST Coordinator worked with the Economic Development for Central Oregon Aviation Committee and other potential partners to establish test areas for unmanned systems. The State of Oregon contributed \$15,000 to the costs of developing the multi-volume proposal. The FAA awarded one of the six national test sites to the Pan Pacific Partnership (AK, OR, & HI). The site on the Warm Springs Reservation is included in this approval (as are sites near Pendleton and Tillamook). (December 2013)

In November of 2014 Oregon Department of Energy staff conducted a walk-through energy audit of the Kah-Nee-Ta facilities. The purpose of the audit was to gather information on how their facility was built and operated and to identify and prioritize potential energy saving upgrades. The site visit was coordinated with Raul Ainarji, the assistant General Manager. The audit demonstrated that there are considerable opportunities for energy

saving retrofits at Kah-Nee-Ta. The proposed upgrades associated with development of the unmanned aircraft test range headquarters may present an opportunity to complete energy upgrades.

In May 2015, Business Oregon awarded a grant (\$500,000) and a forgivable loan (\$500,000) to the Confederated Tribes of Warm Springs for the development of five launch and recovery sites, fiber extension, lab and meeting space construction at Kah-Nee-Ta, mobile command units for testing, and storage units. The tribes are investing \$270,000 in the facility. In January 2016, the RST held an outreach meeting with the Warm Springs Tribe.

South Central Region (Klamath and Lake Counties)

South Central Advisory Committee

Convener	Jane O’Keeffe, O’Keeffe Family Ranch
Philanthropic Representative	Charles Massie, Klamath County Chamber of Commerce/KCC
Business Representative	Bridgitte Griffin, Ag-Sense, Inc.
LOC Representative	Councilor Trish Seiler, City of Klamath Falls
AOC Representative	Commissioner Bradley Winters, Lake County
Committee Appointment	Commissioner Jim Bellet, Klamath County
Committee Appointment	Ray Simms/Roberta Vanderwall, Town of Lakeview
Committee Appointment	Ed Case, Klamath Tribes
Committee Appointment	Betty Riley, South Central OR Economic Development District
Committee Appointment	Jim Walls/Christy Tveit, Lake County Resources Initiative
Committee Appointment	Peter West, Energy Trust of Oregon

South Central Team

Governor’s Coordinator	Annette Liebe
Business Oregon, Business Development Officer	Larry Holzgang
Business Oregon, Infrastructure Finance Authority	Mary Baker
Energy, Department of	Rob Del Mar
Environmental Quality, Department of	Kelly Hill
Housing & Community Services	Kenny La Point
Land Conservation & Development, Department of	Jon Jinings & Scott Edelman
State Lands, Department of	Lanny Quackenbush
Transportation, Department of	Butch Hansen/Jarod Johnson

South Central Priorities

HIGH FOCUS PRIORITIES

- 1) Infrastructure
 - a. Water systems (Chiloquin, Malin, Merrill)
 - b. Wastewater/Sewer (Bonanza, Crescent)
 - c. Natural gas (Lakeview)
 - d. Broadband
- 2) Availability and marketability of employment land
- 3) Business retention, expansion and attraction
 - a. Support entrepreneurship and small businesses
 - b. Renewable energy and energy efficiency

- c. Food processing/value added agriculture
 - d. Remove air quality impediments to economic development
- 4) Regulatory integration/streamlining

“High Focus Priorities” – the committee, coordinator and team will actively engage in seeking solutions and projects that contribute to successful outcomes for the priority.

SUPPORT PRIORITIES

- 1) Water storage for agriculture
- 2) Transportation (rail, highways, airports, and local roads)
- 3) Workforce training
- 4) Workforce housing
- 5) Downtown revitalization
- 6) Improve forest health and access federal timber resources

“Support Priorities” - the committee, coordinator and team will monitor, engage, and support as needed and requested. The coordinator/team will continue working with communities opportunistically to address these priorities and to serve as a catalyst for their successful accomplishment.

South Central Projects

- 1. Crescent Waste Water Treatment System:** The Crescent Sanitary District (CSD) has been working for several years to resolve public health concerns related to their failing waste water treatment plant. The RST (DEQ, OBDD/IFA, ODF, and DLCD) have been meeting consistently with the CSD since January 2015 to make recommendations on their facilities planning, advise on the best strategy for locating their facility on ODF-owned property (including a process to transfer the land and subsequent zoning applications), and on project financing. Due to technical and funding assistance from the Department of Environmental Quality and Business Oregon’s Infrastructure Finance Authority, the CSD has made remarkable progress. The district now has an approved facilities plan. An accompanying environmental report has been completed and reviewed by state agencies. These two reports were funded by a \$40,000 grant from IFA and was matched with \$19,000 of local funds.

Extensive work has been completed by the CSD Board to fulfill its own legal requirements and pursue a path forward recommended by the RST. IFA also funded an income study with a \$7,500 grant. The district contracted with PSU to conduct an income survey to determine eligibility for a variety of funding programs including a Community Development Block Grant. The PSU Population Research Center made two visits to Crescent in spring 2016. There were 23 residences they were unable to survey. As a result of the survey, it was determined that the district is not eligible for a Community Development Block Grant.

The team conducted a funding “One Stop” meeting in September at the Gilchrist Fire Station. CSD reviewed the outcome and proposed funding scenarios and decided to pursue \$6,714,700 in funding from DEQ’s Clean Water State Revolving Fund (\$5,364,700) and IFA’s Water/Wastewater Financing Program (\$1,350,000.)

CSD submitted the final application on December 28, 2016. The final application is under review and it is anticipated that the funding proposal from IFA will require approval from the IFA Board, therefore it is expected to go before the Board on April 7, 2017.

The Oregon Department of Forestry (ODF) approved of the land sale on June 8, 2016. ODF published a notice of surplus real property on December 20, 2016 with comments due by January 20, 2017. On December 21, 2016 ODF advised that the required appraisal was complete.

- 2. Innovation and Learning Center (ILC) in Lakeview:** This center began as collaborative effort between the Lake County Renewable Energy Working Group, Klamath Community College, and the Lake County School District #7 to facilitate a wide range of innovative learning opportunities for both Lake and Klamath County residents. The ILC brings the advantages of distance learning—live, real time video connection between instructors and students—to residents of Lake County, allowing dual credit offerings for secondary students and college level courses for all age groups, as well as offering a 5th year degree for high school students through Klamath Community College. The remodeled Daly Middle School is heated with Lake County’s geothermal heat source, furthering energy efficiency and capitalizing on long-term energy cost savings. The ILC grand opening was in June 2014; since then, the ILC has been full to capacity with 60 full time students registered, working towards 5th year advanced degrees and Associate Degrees. This project contributes to creating a seamless system of education as well as furthers workforce development. The Lake County School District and IFA executed the agreement for the Regional Solutions funding in April 2015. This innovative partnership is allowing students in this remote area, who may not earn advanced degrees otherwise, to gain valuable skills and degrees.
- 3. Klamath Downtown Revitalization:** The RST worked with the city and the Blue Zones project to identify funding opportunities for public outreach regarding downtown pedestrian safety amenities. In 2016, the City of Klamath Falls was approved for this program and DLCD and ODOT TGM staff worked with city staff to develop a project scope of work. DLCD will hire a consultant to conduct a community workshop with the objective of helping the local community understand designs for, and the impacts of, potential streetscape and traffic flow changes that are part of the proposed “Downtown for People” project, a Blue Zones initiative. The city’s goal is to explore how well the two main streets in the downtown serve the needs of the city and downtown businesses and increase downtown safety and activity, including travel on foot or by bike, while slowing vehicular traffic. DLCD released the scope of work in November and will be interviewing and selecting consultants in January 2017.

- 4. Klamath Falls Brett Way Extension:** RST has been working to identify and secure state permits/approvals needed for construction of a new road to increase safety and serve future industrial uses. ODOT has been working closely with the City of Klamath Falls to encourage the city to install wet utilities in the right of way. DEQ, DLCD, and ODOT worked to address land use issues and federal Clean Air Act requirements. The consultant has started the design process for this project.
- 5. Klamath Falls Trail Plan:** The City of Klamath Falls has been seeking opportunities to increase biking trails throughout their area. In 2015, ODOT and DLCD worked to provide a transportation growth management grant to develop a trail plan for Klamath Falls. Partners include the Klamath Trail Alliance and the City of Klamath Falls. The urban bicycle master plan was approved by the city council in June 2016.
- 6. Klamath Works:** Community leaders have been working for more than a year to explore opportunities to better serve the needs of homeless or unemployed individuals. As a result of surveying this population, these leaders realized the need to co-locate facilities and services to provide better services. Services to these individuals are currently spread over more than 16 miles. As a result, hand offs and coordination between service providers is challenging. The community has raised over \$2.5 M in private contributions to relocate the Gospel Mission along with other services. State services offered by the Department of Human Services are currently located in four different locations. The goal is to co-locate DHS as an anchor tenant at the Klamath Works site. DHA and the Department of Administrative Services met with the Klamath Works Board to provide information about their process in identifying and selecting a future site. Current leases for DHS buildings will expire in 2019. The RST also met with the Klamath Works Board to explore funding opportunities for planning and creating transportation infrastructure.
- 7. Lake and Klamath Counties - Reduce Economic Development Barriers by Improving Air Quality:** Through this project, uncertified wood stoves will be replaced (and energy efficiency in homes in Lake and Klamath Counties increased) in order to reduce barriers to economic development and public health exposures from violations of the air quality standards. Because of the region's status as non-attainment for air quality standards, businesses have issues obtaining air quality permits for new business and expansions. One of the primary sources for the poor air quality is uncertified wood stoves.

The RST assisted the project partners to establish a woodstove replacement and energy efficiency/weatherization program through the South Central Oregon Economic Development District (SCOEDD) and Klamath Lake Community Assistance Service, with guidance from DEQ, ODOE, and OHCS. Additional partners include the Oregon Health Authority, Lake County, Klamath County, City of Klamath Falls, Town of Lakeview, Lake County Resources Initiative, and private businesses.

The South Central Regional Solutions Advisory Committee acknowledged the need for assistance to the region in order to advance business and workforce and improve housing stock, and prioritized the project for \$1.5 M in Regional Solutions priority funding. The team

negotiated the project scope of work and agreement for the funds with SCOEDD, DEQ, ODOE, and local partners. Due to feedback from residents in the Town of Lakeview, SCOEDD, DEQ, ODOE, and IFA worked together to modify eligible equipment for the program in Lakeview and ensured that weatherization was a component where appropriate. As of December 22, 2016 there were a total of 109 woodstove changeouts in Klamath Falls and 62 changeouts in Lakeview. In addition, there have been a total of 19 residences that received weatherization and electrical upgrades in Lakeview and 20 residences that received weatherization and electrical upgrades in Klamath Falls.

8. **Lake Ewauna Trail:** The RST is working with EPA on brownfield issues at the site; DEQ used EPA funds to do soil testing and analysis; and ODOT is acquiring a right-of-way and working with the city on design. The design for the trail is nearly complete, and acquisition of the final permits are nearly complete. The project is planned to be out for proposals in May 2017, and construction in the spring.
9. **North Ridge Estates Superfund Site Interagency Land Exchange, Klamath Falls:** North Ridge Estates is a subdivision in Klamath County, developed with approximately 22 homes and a small apartment complex. The site was developed with a number of uses in the past, including the Oregon State Hospital and the former Oregon Technology Institute (now Oregon Institute of Technology). Like many buildings constructed prior to 1970, the buildings and associated underground steam heating pipe were asbestos-laden, and when the property was developed as a subdivision the asbestos abatement was handled improperly. In August 2010, the State of Oregon nominated the property to the National Priorities List (NPL). In March 2011, the Environmental Protection Agency (EPA) proposed listing the North Ridge Estates site to the NPL, and it became officially listed on September 16, 2011.

As part of a Superfund cleanup action, the state is required to pay a 10% match of the actual cleanup costs. The EPA has estimated the total cleanup effort at North Ridge Estates to be approximately \$29.9 million. Instead of a hard match, the RST executed a land exchange between ODOT and DSL that will provide up to approximately 320,000 cubic yards of clean fill material for the remediation. Because of regulations governing disposal and use of DSL-owned property, the agency needed to transfer the site to other ownership. ODOT was interested in obtaining jurisdiction of the site. DEQ and EPA successfully negotiated the use of the site for much of the remediation, which will allow this and related in-kind contributions to meet a portion of the state's 10% match liability. The kick off for the remediation was held September 2016; DEQ continues to work with EPA on the elements of the remediation plan. The RST continues to facilitate the details surrounding use of the property (easements, road construction, etc.). DEQ and ODOT worked together to construct the access road to the borrow site and worked with the county on the Old Fort Road weight limit.

The project will clean up a public health issue, put properties back on the tax rolls for the county, and save the state funds. The actual remediation will also employ approximately

300 construction workers over approximately three construction seasons. In 2016, DEQ worked with EPA to provide federally funded worker training to ensure that local workers will have needed federal certifications to work on the cleanup. EPA conducted a Super Job Training Initiative in Klamath Falls. In June 2016, there were 18 Klamath Falls workers that graduated from the program with hazardous waste and asbestos training, as well as life skills training. This training program will make these workers highly employable in the cleanup effort. A second round of this training and life skills training will occur in the spring of 2017, and additional local workers are hoped to be hired from that effort. It's anticipated that the number of local workers hired from this second round will be in excess of the number from the first round.

- 10. Project Falcon:** The RST continues to provide information and technical assistance about regulatory and natural resource issues as part of the due diligence process for site selection related to this major economic development project. Key agency partners include Business Oregon, DEQ and WRD.
- 11. Red Rock Biofuels:** Red Rock Biofuels (RRB) is constructing a \$250 million biofuels refinery in Lakeview, funded with a \$70 million federal Department of Defense grant and private investors. Once operational, the facility will employ 25-30 full time, with 55-60 indirect jobs created in the nearby Fremont-Winema National Forest; 250 jobs are estimated for construction. RRB intends to convert 140,000 BDTs of woody biomass (along with juniper and other sources) into 14 million GPY of renewable jet fuel, diesel, and naphtha fuels. The RST is coordinating RRB's state permits, including DEQ Air Quality Permit; DSL wetland permits; and UGB Exchange/Amendment with guidance from DLCD was approved by DLCD in October 2016. The RST has been convening regular calls with the company, town, county, and state agencies to ensure good coordination on the various state approvals. The Final Environmental Assessment was published in December 2016. The town and county approved the Enterprise Zone Agreement December 2015. The RST continues to work with the town, the county, and Red Rock to provide assistance on state approvals and incentives (air quality and wetland permitting, transportation/jobs incentives).
- 12. "Tech Hills" Employment Lands, Klamath Falls:** The RST is reviewing inventories of employment lands in the south central region and identified high priority sites for focused interaction with local partners. Tech Hills is a site in Klamath Falls adjacent to the Oregon Institute of Technology. ODOT has provided feedback on transportation issues and we are working with the Klamath County Economic Development Association to certify one or more of the parcels.

Greater Eastern Region (Gilliam, Grant, Harney, Malheur, Morrow, Umatilla, and Wheeler Counties)

Greater Eastern Advisory Committee

Convener	Cam Preus, Blue Mountain Community College
Philanthropic Representative	Timothy Mabry, Oregon Community Foundation
Business Representative	Donald Rice, GreenWood Resources
LOC Representative	Mayor Phillip Houk, City of Pendleton
AOC Representative	Judge Steven Shaffer, Gilliam County
Committee Appointment	Commissioner Boyd Britton, Grant County
Committee Appointment	Commissioner Bill Elfering, Umatilla County
Committee Appointment	Judge Steve Grasty, Harney County
Committee Appointment	Judge Dan Joyce, Malheur County
Committee Appointment	Judge Terry Tallman, Morrow County
Committee Appointment	Mayor Mike McLaughlin, City of Vale
Committee Appointment	Dave Tovey, Confederated Tribes of the Umatilla
Committee Appointment	Bob Levy, Windy River Farms
Committee Appointment	Fred Flippence, Harney Electric

Greater Eastern Team

Governor's Coordinator	Scott Fairley
Business Oregon, Business Development Officer	Melisa Drugge
Business Oregon, Infrastructure Finance Authority	Tawni Bean
Environmental Quality, Department of	Randy Jones
Housing & Community Services	Kim Travis
Land Conservation & Development, Department of	Grant Young
State Lands, Department of	Lanny Quackenbush
Transportation, Department of	Ken Patterson

Greater Eastern Priorities

The following priorities are ranked by order of importance – but all are related and implementation of each is required to advance the regional economy.

Support for current and emerging businesses

Support for traded sector, small business, and entrepreneurial job growth and retention.

Natural resources utilization

Support forestry, agriculture, mining, and recreation sectors.

Water management and development

Secure agricultural, industrial, and municipal water supply.

Workforce availability

Increase regional workforce availability to meet current and future industry needs.

Workforce housing

Increase housing availability across types and values.

Competitive Communities

Access to community amenities (bike/ped facilities, broadband, and other amenities) to attract growth, development, and workforce.

Infrastructure for marketable industrial lands

Increase availability of sewer, water, roads, and other investments to be competitive in attracting business development opportunities.

Greater Eastern Projects

- 1. 2017 Solar Eclipse Coordination – New Project:** 50,000 visitors are expected in the region for the August 2017 solar eclipse. Regional Solutions is coordinating with Grant, Wheeler, Baker, and Malheur counties on tourism promotion and public safety/emergency response needs. Travel Oregon is coordinating with the Eastern Oregon Visitors Association on tourism promotion, OEM is providing county emergency response planning assistance, and Regional Solutions has hosted two tourism promotion and emergency response coordination meetings and has been asked to begin coordinating monthly meetings. (December 2016)
- 2. Biomass Torrefaction – New Project:** Grants from the US Endowment for Forestry and Communities is supporting the development of forest biofuels to replace coal as fuel at the PGE Boardman power generating facility. Primary outcomes include uninterrupted power supplies, increased regional employment, enhanced forest health, reductions in air contaminant discharges regionally, reductions in forest wild fire fuels, increases in watershed water yield, and improvements in wildlife habitat on federal state, and private forest lands. DEQ provided air quality permitting assistance on two portable torrefiers to provide material for a mid-December test burn. (October 17)
- 3. Burns/Hines Industrial Land Certification – Project Milestone:** Burns and Hines could not pursue some economic development leads because all their industrial land was located in the floodplain. Regional Solutions Team members worked with the cities and Harney County to identify and rezone 40 acres of county owned land outside the floodplain. We are continuing to work with the cities to certify the site as ‘shovel ready’ to increase the site’s

marketability. The site has been submitted to OBDD's Priority Industrial Site Program to facilitate site development planning. (July 2016)

- 4. Canyon City Hazard Mitigation Plan – Project Milestone:** DLCD and Regional Solutions are coordinating with Canyon City and Grant County to develop a Hazard Mitigation Plan for Canyon City. Completion of the plan will allow Canyon City to access FEMA resources to reduce the risk of flooding on Canyon Creek. DLCD has awarded \$30,000 to Grant County to assist Canyon City with planning efforts and DLCD and OEM are assisting the local planning team. Planning efforts are on track to be completed by May 2017. (December 2016)
- 5. Connecting Students to Regional Employment Opportunities – New Project:** This project is focused on coordinating student tours of advanced manufacturing businesses in support of the Regional WIB Advanced Manufacturing Sector Strategy. The purpose of the tours is to educate regional high school and community college students about regional employment opportunities, work environment, and wages and benefits, as well as educational requirements to qualify for available jobs. The goal is to grow the region's workforce and help meet employer workforce needs by letting students know about work that is available in the region. The Regional Solutions Intern has been reaching out to businesses to assess interest in participation. Nine have expressed interest in student tours. (December 2016)
- 6. Cottonwood Crossing Summer Institute – Project Completion:** Eastern Oregon University (EOU) in partnership with Oregon State Parks launched the Cottonwood Crossing Summer Institute (CCSI) in 2014 to connect students and teachers in the John Day basin to academic and practical watershed-based learning opportunities. The first classes were held in June, 2015. \$19,000 in grants were received from the Gray Family Foundation, Oregon Community Foundation, and Shelk Family Foundation for spring 2016 classes. The Oregon State Parks Foundation provided substantial logistical support. Teachers from Arlington and Condon schools attended along with nine students ranging from freshman to seniors. Students received two college credits. Teachers received graduate credits. Based on the success of the programs EOU is incorporating CCSI into their regular summer session coursework curriculum. (December 2016)
- 7. Grant County Canyon Complex Fire Response – Project Milestone:** The 2015 Canyon Complex Fire in Grant County burned over 40 homes and severely damaged the watershed south of Canyon City significantly increasing flood risks in Canyon City and John Day. Regional Solutions worked with the cities, Grant County, and state and federal agencies to offer assistance to affected home owners and reduce short term flood risk. Regional Solutions is currently working with Grant County and federal agencies on identifying long-term solutions to flooding on Canyon Creek. The short-term Canyon Creek Flood Berm project is complete. Regional Solutions is coordinating with OEM, DLCD, and Grant County to provide assistance on a \$440,000 Fire Management Assistance Grant to be used to reduce long-term flood risk on Canyon Creek. (November 2016)
- 8. Grant County Community Investments Oregon Solutions Project – New Project:** Citizens in Grant County are facing several significant community development investment requests

including, flood mitigation on Canyon Creek, a new school district bond, a recreation center bond, a library bond, and city sewer upgrades. The school district has requested an Oregon Solutions project to help the community discuss and prioritize sustainable community investments. Oregon Solutions is working with local partners to host a series of public meetings in Grant County to help identify a community-supported prioritized list of community development projects. (November 2016)

- 9. Grassy Mountain Mine – Project Milestone:** This project includes the development of gold resources through chemical separation means at the underground Grassy Mountain Mine near Vale. State agency project coordinating and technical advisory teams will help guide project permitting, review, and reclamation. Additional resource exploration borings have been approved and development of an environmental impact statement utilizing data from the baseline environmental work plan is underway. (November 2016)
- 10. High Desert Partnership Economic Analysis – Project Completion:** The RST RARE participant assisted the High Desert Partnership (HDP) in creating a quantitative and qualitative report on the effects that HDP's policies and agenda have had on the social and economic demographics of Harney County. (September 2016)
- 11. LUBGWAMA Groundwater Nitrate Reduction Collaboration – New Project:** Exceedance of groundwater nitrate standards in the Lower Umatilla Basin could jeopardize opportunities to expand irrigated agriculture and associated food processing in the basin. Regional Solutions is coordinating with Oregon Solutions and the LUBGWAMA advisory committee to assess interest from growers, processors, ports, cities, and other stakeholders in the basin to participate in a collaborative process to identify long-term options to reduce groundwater nitrate levels in the basin. (November 2016)
- 12. Pendleton Industrial Lands Readiness – Project Milestone:** The RST RARE participant assisted the City of Pendleton on a Business Oregon Industrial Site Certification application for the Pinkerton Property and a Regionally Significant Industrial Area (RSIA) application for all of the city's industrial lands and the Pilot Rock Industrial Park. The RSIA application was conditionally awarded and DLCD assisted Pendleton and Pilot Rock in removing commercial uses from their proposed RSIA lands. Zoning amendments for Pilot Rock and Pendleton have been completed and submitted to OBDD for approval of a RSIA designation. (November 2016)
- 13. Sector Strategies – Project Completion:** Regional Solutions partnered with the Eastern Oregon Workforce Investment Board (WIB) and regional businesses to develop sector strategies for the region. The intent is to identify what businesses need to be successful in the region. The WIB has currently identified health care and advanced manufacturing as key sectors for the region. Now that sector strategies are underway, Regional Solutions will support implementation efforts. (August 2016)
- 14. Umatilla Army Depot Reuse – Project Milestone:** An Implementation Local Reuse Authority (ILRA) is planning the redevelopment of the 20,000 acre former Umatilla Chemical Depot.

Reuse includes a training area for the Oregon National Guard, land set aside for wildlife habitat, and 1800 acres for industrial development in Umatilla and Morrow counties. The ILRA has contracted with consultant companies to assess reuse of the industrial lands including requirements to rezone the lands for industrial use. In addition, ODOT has funded an interchange area management plan to facilitate land rezoning and future industrial development. The RST met with the CDA director for an update on land transfer and infrastructure needs. ODOT offered a scoping team to develop roadway cost estimates for the CDA. (October 2016)

- 15. Umatilla Recycled Water Pipeline – New Project:** The City of Umatilla currently has a bottleneck for further industrial growth in the city's domestic wastewater treatment plant. The wastewater treatment plant has a capacity of 0.8 MGD and that was exceeded in the summer of 2013. As more data centers come online in the near future with a flow of 0.25 MGD each, the wastewater treatment plant will need an immediate upgrade. By diverting the recycled industrial water to the West End Irrigation District, the bottleneck is removed for a fraction of the potential cost and the water is recycled for beneficial reuse including irrigation. IFA has awarded the city a \$403,000 SPWF loan for project construction. (October 2016)

Northeast Region (Baker, Union, and Wallowa Counties)

Northeast Advisory Committee

Convener	Tim Seydel, Eastern Oregon University
Philanthropic Representative	Dianne Ellingson, Leo Adler Foundation
Business Representative	Vacant
LOC Representative	Mayor Dennis Sands, City of Joseph
AOC Representative	Commissioner Mark Davidson, Union County
Committee Appointment	Mike Kee, City of Baker City
Committee Appointment	Curtis Martin, VP Ranch
Committee Appointment	Nils Christoffersen, Wallowa Resources

Northeast Team

Center Address: [Eastern Oregon University, 233 Badgley Hall, One University Blvd., La Grande, OR 97850](#)

Governor's Coordinator	Scott Fairley
Business Oregon, Business Development Officer	Melisa Drugge
Business Oregon, Infrastructure Finance Authority	Shanna Bailey
Environmental Quality, Department of	Randy Jones
Housing & Community Services	Kim Travis
Land Conservation & Development, Department of	Grant Young
State Lands, Department of	Lanny Quackenbush
Transportation, Department of	Ken Patterson

Northeast Priorities

The following priorities are ranked by order of importance – but all are related and implementation of each is required to advance the regional economy.

Support for current and emerging businesses

Support for traded sector, small business, and entrepreneurial job growth and retention.

Natural resources utilization

Support forestry, agriculture, mining, and recreation sectors.

Water management and development

Secure agricultural, industrial, and municipal water supply.

Workforce availability

Increase regional workforce availability to meet current and future industry needs.

Workforce housing

Increase housing availability across types and values.

Competitive Communities

Access to community amenities (bike/ped facilities, broadband and other amenities) to attract growth, development, and workforce.

Infrastructure for marketable industrial lands

Increase availability of sewer, water, roads, and other investments to be competitive in attracting business development opportunities.

Northeast Projects

- 1. 2017 Solar Eclipse Coordination – New Project:** 50,000 visitors are expected in the region for the August 2017 solar eclipse. Regional Solutions is coordinating with Grant, Wheeler, Baker, and Malheur counties on tourism promotion and emergency response needs. Travel Oregon is coordinating with the Eastern Oregon Visitors Association on tourism promotion, OEM is providing county emergency response planning assistance, and Regional Solutions has hosted two tourism promotion and emergency response coordination meetings and has been asked to begin coordinating monthly meetings. (December 2016)
- 2. Baum Industrial Park Infrastructure – Project Milestone:** Union County is seeking to increase the marketability of the Baum Industrial Park by investing in rail, road, and utility infrastructure at the site. The project has received \$1,118,000 in Regional Infrastructure Funds for road, sewer, water, and utilities installation. Contracting is complete and construction is scheduled to begin in spring of 2017. The site is enrolled in Business Oregon’s industrial land certification program. (November 2016)
- 3. Connecting Students to Regional Employment Opportunities – New Project:** This project is focused on coordinating student tours of advanced manufacturing businesses in support of the Regional WIB Advanced Manufacturing Sector Strategy. The purpose of the tours is to educate regional high school and community college students about regional employment opportunities, work environment, and wages and benefits as well as educational requirements to qualify for available jobs. The goal is to grow the region’s workforce and help meet employer workforce needs by letting students know about work that is available in the region. The Regional Solutions Intern has been reaching out to businesses. Nine have expressed interest in student tours. (December 2016)
- 4. Halfway - Pine Creek Flood Alleviation – Project Milestone:** Intermittent flooding of Pine Creek is impacting the City of Halfway and is a risk to the city’s wastewater storage lagoon. ODOT will perform an alternate analysis to determine possible corrective work to help

alleviate flooding issues. This will include impacts to OR 86 and working with DEQ to address planned wastewater treatment plant upgrades. \$400,000 has been allocated for needed corrective work from the State Transportation Improvement Program. Plans and specifications have been completed for an anticipated spring 2017 bid let. (August 2016)

5. **Wallowa-Whitman Charter Ranger District – Project Milestone:** The RST will provide technical assistance crafting the purpose, scope, and long-range implementation strategy. The USFS intends to collaborate to make federal forest assets available to EOU students and faculty so that real-world work products for the Wallowa Whitman Forest can be produced (e.g., landscape-scale watershed and community assessments). A working partnership for project advancement has been established between Wallowa Resources, EOU, and the Wallowa Whitman Forest. A memorandum of understanding coordinating on-the-ground work between the partners, including connecting EOU students to landscape stewardship planning and recreation projects has been signed. (October 2016)