

Polk County Food Hub Additional Information
November 5, 2015

- 1) Since you submitted the project proposal (June 2015), are there any pertinent updates for the Committee to consider?
 - Have there been any milestones reached?
 - New challenges with the project uncovered?
 - New opportunities with the project uncovered?
 - Any significant change with project (i.e. scope, location, sponsors, partners, funding, timeline)?

When the City originally conceived the food hub project approximately three years ago, the preferred location was the old city hall building in downtown Independence. When funding didn't materialize, that building was subsequently sold, which is why the 2015 proposal shifted focus to the School District's Oak Grove Road property. The most significant project change since June is that the City expects to regain possession of the old city hall building in January 2016. As the old city hall was the preferred location initially, the project is being refocused there.

Refocusing the project to its original location provides the primary benefit of a physical space which can be used for the aggregation, processing and distribution of produce from area farmers to regional buyers. The location of the old city hall downtown also presents additional opportunities for retail sales, emergency food access, and educational activities such as cooking classes and local food events.

The City has had productive conversations with Marion Polk Food Share and expects to partner with the organization on development and programming of the food hub. Since June, the City has also connected with EcoTrust which has organized a large local food buyers group in the Portland area. EcoTrust's buyers group is comprised of many institutional and retail buyers, and would be an excellent foundation for a food hub's business plan.

EcoTrust is also developing a series of commercial and industrial properties collectively called The Redd, which will be focused on "last mile" aggregation, sales and distribution of local food to Portland-area food processors, institutional and retail outlets. The stated intent of The Redd is to serve "ag of the middle" producers who have outgrown traditional retail and CSA outlets and wish to scale their businesses up. While The Redd will incorporate much of the last mile infrastructure, EcoTrust indicates that "first mile" infrastructure – initial processing, aggregation, and transportation – will be required to realize The Redd's potential. The Redd is excited to work with a Polk County food hub to fill this gap.

The Redd is an exciting new opportunity and potential end-customer outlet for the food hub, but it also illustrates the complexity involved with local food planning. Phase 1 of the Food Hub project will finalize facility and business plans for the food hub. This phase will take place in the first half of 2016 after the City regains possession of the building, and will be funded through City economic development funds. Phase 2 will be the renovation of the building and installation of specialty equipment. While exact figures will be determined through the final facility and business plans, we expect renovations to cost approximately \$100,000, with another \$100,000 used for purchase and installation of specialty equipment like a walk-in cooler, food processing station and the like. Phase 2 would be implemented

using Regional Solutions funds, and would take place after plans are finalized and funds are made available.

	Task	Cost	Funding Source
Phase 1	Finalize Facility and Business Plans	\$20,000	City Economic Development Funds
Phase 2	Renovate Building, Purchase and Install Equipment	\$200,000	Regional Solutions Funds, City-Owned Building (\$380,000 value)

- 2) If you were to receive a cut in funding from the requested amount, how would you make up the difference?

A funding cut would have to be made up with some combination of partner contributions, grants, and reductions in project scope. While a small reduction may be manageable, a functional facility is at the heart of this proposal and a significant reduction in funds would make the project unworkable. It should be noted that this project specifically meets the Regional Solution Team’s goal of supporting the region’s agriculture industry. The presentation from EcoTrust in October highlighted the significant gap in services and infrastructure available to “ag of the middle” producers. These farmers are not hobbyists with day jobs, but have not yet grown their farms to a scale that can benefit easily from a purely wholesale market. A food hub would fill a significant need for these farmers who can’t spend the time themselves developing new markets for their products.

- 3) Where are you with your previously identified sources of funding? Since your project proposal submission, have there been new sources of revenue identified and/or received?

The City of Independence is willing to contribute \$20,000 in economic development funds toward development of the food hub. The old city hall property also has a value of approximately \$380,000 which would represent an in-kind contribution.

Regional Solutions Request: Mountain West Career Technical Institute (MWCTI) respectfully requests \$900,000 in Regional Solutions funding for the 2015-17 biennium for a new, state-of-the-art, 150,000 square-foot *Career Technical Education Center (CTEC)* in Northeast Salem that will serve the Salem-Keizer School District, provide regional workforce development opportunities, and contribute to agri-business innovation in the Mid-Valley region. Specifically, Regional Solutions funding will be used to purchase equipment for up to four CTE programs, including Agriculture and Food Systems, set to open in fall 2016.

Project Background: 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. CTEC’s mission is to: “prepare students for high-skill, high-wage, and high-demand careers, while developing the skills, technical knowledge, academic foundation and real-world experience to assure their success upon graduation.”

By exposing youth to career pathways, providing links to industry certifications and college credit, and motivating students to stay in school and get their diploma before entering the workforce or going on to college, CTE programs strengthen our region and help move Oregon closer to achieving its 40-40-20 goal.

When fully built out, CTEC will house 10 CTE programs, serving approximately 1,000 students, as well as a Professional Development Center. *CTEC provides an innovative, replicable model for Oregon of how a public-private partnership can support Career Technical Education and regional workforce and economic development.*

Project Updates: We are excited to share that in September 2015, CTEC opened its first two CTE programs—Residential Construction and Commercial Manufacturing. Filled nearly to capacity with 162 students from across the district, CTEC is now bustling Monday-Friday with students engaged in hands-on projects, including designing and building a residential home that will be completed this school year, and complex welding and manufacturing projects. An integrated core curriculum of reading, writing and math required for graduation are taught at CTEC in an applied manner. Of the 162 students currently enrolled, 61% receive a free/reduced lunch, 35% are Latino, and 8% represent other minority groups.

At the Grand Opening event on Friday, October 9th CTEC students proudly led hundreds of business and community leaders on tours of the facility. Students shared their enthusiasm for CTEC and what it is offering to them in terms of gaining skills toward employment and/or college.

Have there been any milestones reached?

Yes, multiple milestones have been reached.

- Opened the first two CTEC programs—Residential Construction and Commercial Manufacturing—in September 2015, serving over 160 11th and 12th grade students.
- Renovated approximately 35,000 square feet of the 150,000 square foot building and fully remodeled the exterior, including landscaping.
- Opened CTEC administrative offices, with the Salem-Keizer CTE Coordinator, CTEC Principal, MWCTI President, CTEC administrative staff, and a Business Liaison hired by the Salem Area Chamber of Commerce to build industry relationships with CTEC, all housed on-site.
- Hosted Grand Opening Celebration on Friday, October 9th, with many state and local leaders, businesses, and community partners present.
- Completed CTEC Master Plan that identifies the 10 programs, their location and timeline for roll-out.

New Challenges: There are no significant new challenges for the project. Our most significant challenge continues to be securing the capital needed for equipment and renovation. However, a comprehensive fundraising plan is in motion that includes private foundation and public sector grants, major donor gifts, New Market Tax Credits, and industry support.

New Opportunities: We are working diligently to secure New Market Tax Credits (NMTC) by the end of 2016. There have been few NMTC projects in our region, but there is the potential for approximately \$3 million for CTEC. In addition, bringing NMTC expertise to our region, will increase the potential for future tax credit projects. In October, a nearly \$400,000 grant was submitted for CTE State Revitalization Funds. In September, the Salem-Keizer CTE Coordinator, CTEC Principal, MWCTI President, and Salem-Keizer Facilities Manager, all traveled to Texas to tour model CTE schools in order to gather information for upcoming program development. The Salem Area Chamber of Commerce is funding a Business Liaison position housed at CTEC to expand relationships between industry and CTEC.

Any significant change with project (scope, location, sponsors, partners, funding, timeline)?

A master planning team, including the Salem-Keizer Superintendent and the Portland firm of Dull Olson Weekes—IBI Group Architects, Inc., has developed a CTEC Master Plan for all 10 programs. The team is now working to fully detail programs, including educational content, equipment budgets, etc. In order to be competitive for New Market Tax Credits, the master plan needs to be complete and all matching funds raised by mid-2016. This has sped up the planning and fundraising process and will allow the project to potentially be fully built out by 2018, rather than 2020. There are additional community partners involved with CTEC as Industry Advisory

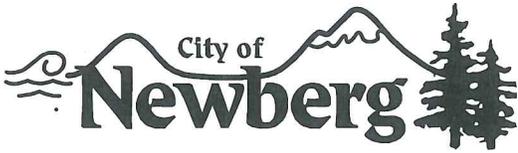
Committees are formed for each program. New business partners are continually developed for each program—contributing their expertise, in-kind and/or financial contributions.

If you were to receive a cut in funding from the requested amount, how would you make up the difference? If there is a cut in the requested \$900,000, we will have to seek additional funds from donors and foundations to make up the difference. Given the \$13 million capital budget, and the fact that funds need to be secured by mid-2016 in order to be competitive for New Market Tax Credits, receiving the full amount from Regional Solutions is critical to project success.

Where are you with your previously identified sources of funding? Since your project proposal submission, have there been new sources of revenue identified and/or received? Since the project was first submitted, we have secured \$1,000,000 in support from the State Capital Construction Budget, have a pending \$400,000 grant for State CTE Revitalization Funds, and have a pending \$50,000 Community Projects grant with Marion County. If all are secured, and Regional Solutions is funded at the full \$900,000, we still need to raise approximately \$1 million dollars by mid-2016 in order to be competitive for nearly \$3 million in New Market Tax Credits. Regional Solutions funding is critical to leveraging the Federal Tax Credits.

We continue to explore the possibility of securing City of Salem Urban Renewal funds in 2016. The City is in the process of evaluating projects and investment strategies for the North Gateway Urban Renewal zone where CTEC resides. We will know more about this funding possibility in spring 2016.

Conclusion: Our community is challenged by high poverty, low educational outcomes, and unemployment, while simultaneously area industries are challenged to find a skilled workforce. CTEC provides a solution oriented response that is full of hope for the future. CTEC will measurably increase student opportunities for educational success, support regional workforce development, promote agri-business innovation, and significantly boost economic vitality in the Mid-Valley region. We appreciate your interest and support.



Community Development Department

P.O. Box 970 ▪ 414 E First Street ▪ Newberg, Oregon 97132

503-537-1240 ▪ Fax 503-537-1272 ▪ www.newbergoregon.gov

November 5, 2015

Mr. James LaBar
Regional Solutions Coordinator
900 Court Street NE
Salem, OR 97301

RE: City of Newberg – Crestview Drive

James,

Below and attached is material requested regarding Regional Solutions funding allocation for the City of Newberg – Crestview Drive project.

2015 Project Update Questions:

1. Since you submitted the project proposal (June 2015), are there any pertinent updates for the Committee to consider?

Discussions have continued with our partners for the Crestview Drive transportation improvement project. The partners for this project continue to be Regional Solutions, City of Newberg, Gramor Development and Springbrook Properties.

The City of Newberg is in the process of updating its Five Year Capital Improvement Program (CIP). Crestview Drive is identified in the draft CIP to have the City's funding portion available to start design in FY 17/18 for Segments 2 and 3. Segment 1 could start as early as spring FY 16/17 based on timing for Gramor's development of Crestview Crossing which in part is contingent on obtaining necessary Oregon Department of State Lands and U.S. Army Corps of Engineers environmental permits for wetlands which are currently in review by both agencies.

The City of Newberg is in the final stages of updating its Transportation System Plan. As noted in our communication to Regional Solutions on June 5, 2015, Crestview Drive was identified as a transportation corridor to be improved in the 2005 Newberg Transportation System Plan. In the Draft 2015 Transportation System Plan Update Crestview Drive from North Springbrook Road east to the city limits is identified as a project (see Attachment - Segments 2 and 3 from the June 5, 2015 proposal).

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2. Have there been any milestones reached?

The City of Newberg has prepared an initial draft of our Five Year CIP identifying \$1.1 Million in Transportation System Development Charges as a local match for the Crestview Drive project. The CIP is anticipated to be finalized in February 2016.

Gramor Development has submitted applications to the Oregon Department of State Lands and U.S. Army Corps of Engineers for environmental permits for wetland mitigation which are currently in review by both agencies for Segment 1 for Crestview Drive and the Crestview Crossing project.

3. New challenges with the project uncovered?

No new challenges have been identified for the Crestview Drive project since the proposal was presented to Regional Solutions on June 5, 2015.

4. New opportunities with the project uncovered?

No new opportunities have been identified since the City of Newberg June 5, 2015 proposal to Regional Solutions.

5. Any significant change with project (i.e. scope, location, sponsors, partners, funding, timeline)?

The scope, location, partners and funding of the Crestview Drive project remains as originally proposed to Regional Solutions on June 5, 2015. We have been able to refine our timeline, with activities previously noted that, that design could begin in FY 17/18 on Segments 2 and 3. Gramor Development may be able to start construction on Segment 1 as early as FY 16/17 contingent on obtaining the appropriate permits from the Oregon Department of State Lands and U.S. Army Corps of Engineers.

6. If you were to receive a cut in funding from the requested amount, how would you make up the difference?

If there was a reduction in Regional Solutions funding the City of Newberg would need to discuss the reduction with our funding partners to determine who could increase their share of the funding package. Our draft CIP analysis indicates limited or no increase in our System Development Charge contribution. The City would also look at other funding sources such as gas tax, other state funding programs, federal funds, etc. to fill the funding gap if the Regional Solutions funding allocation was reduced.

7. Where are you with your previously identified sources of funding? Since your project proposal submission, have there been new sources of revenue identified and/or received?

The City of Newberg draft CIP identifies \$1.1 Million in Transportation System Development Charge funds for Segments 2 and 3. The CIP will be finalized in February 2016. Discussions

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continue with our partners for the Crestview Drive transportation improvement project including Regional Solutions, Gramor Development and Springbrook Properties.

The City of Newberg has evaluated supplemental funding sources for the Crestview Drive transportation project. This included STIP and Connect Oregon VI. The transportation project did not meet the requirements for either of these funding programs. The City of Newberg is evaluating a pavement maintenance package that may free up a limited amount of gas tax funds for the Crestview Drive project.



Douglas R. Rux, AICP
Community Development Director

Attachments: 1. June 5, 2015 Regional Solutions Project Proposal Form

Regional Solutions Project Proposal Form

Purpose: The following information will assist the Mid-Valley Regional Solutions Advisory Committee and RS Team in evaluating proposals.

1. Provide a brief description of the project, including the benefits derived from accomplishing the project.

What is the project?

The Crestview Drive project encompasses three segments of a minor arterial roadway. Segment One would be intersection improvements at the Highway 99W/Providence Drive intersection including a right turn lane, traffic signal modifications and construction of approximately .23 miles of new arterial roadway northward from Highway 99W. Segment Two encompasses reconstructing and widening a portion of Crestview Drive to a minor arterial standard. Segment Three is improving a minor arterial roadway that is currently gravel that connects to North Springbrook Road. Segments Two and Three are approximately .57 miles in length.

Can the project be characterized as a Capital Project?

The project would be a capital infrastructure improvement consisting of a minor arterial roadway with two travel lanes, bike lanes, planter strip and sidewalks.

Where is the project?

The project is in the northeast quadrant of the City of Newberg, north of Highway 99W and east of North Springbrook Road. (See attached map)

What are the benefits of the project?

The economic benefits of construction of Crestview Drive are that it will provide an east-west minor arterial connection to commercial and industrial land within Newberg. Segment One of Crestview Drive will open up approximately 19 acres of vacant land for retail development. Segments Two and Three will provide access to approximately 24 acres of commercial land north of Crestview Drive at North Springbrook Road. The entire Crestview Drive improvement will additionally provide a more direct access route to roughly 68 acres of industrial land in northeast Newberg. Of this industrial land approximately 38.3 acres are vacant and available for development. A portion of the overall industrial land houses the city's largest industrial employer and would enhance access to this facility. Construction of the roadway will additionally provide an access route to the vineyards and wineries located north of Newberg and the Allison Inn & Spa that are part of the agri-tourism sector of the Newberg economy.

2. Does project comply with the Advisory Committee's priorities?

Yes. The Crestview Drive capital infrastructure project would be consistent with Regional Primary Goal for Agri-tourism and the priorities of:

- 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

3. What would happen if this project was not accomplished?

The Newberg-Dundee By-pass will be changing the traffic patterns in Newberg in 2017. The By-pass will be using Highway 99W and South Springbrook Road as part of that route. This will significantly change the traffic patterns at the Highway 99W/South Springbrook Road intersection. Without the Crestview Drive project the Highway 99W/South Springbrook Road will become more congested over time. With the Crestview Drive project it will function as a relief valve to access the approximately 68 acres of industrial land and the two commercial development areas previously described. Without the roadway, access to the industrial employment land will be impaired. The 19 acre commercial area (the last large vacant commercial site in Newberg) is challenged by environmental issues (wetlands) that increase development costs. Without financial assistance this parcel may be delayed in developing until other financial resources can be acquired to build the first segment of the roadway.

4. Does the project have strong community and agency support?

Yes. The Crestview project is listed in the City of Newberg Transportation System Plan – 2005 adopted by the Newberg City Council.

- Who are the responsible/lead parties?

City of Newberg.

- Who are partners that need to be involved?

City of Newberg, Oregon Department of Transportation, Oregon Department of State Lands, Springbrook Properties (Austin Industries), Gramor Development, Providence Newberg Medical Center.

5. List identified or potential funding sources needed to carry out the project.

- What is a rough cost estimate to complete the project?

\$5,000,000.00

- If state funds are used, will they leverage other resources?

Yes. Other leveraging resources would include private partnership contributions from abutting property owners and City of Newberg SDCs.

- Are there operating or maintenance costs associated with the project?

Yes. There would be on-going maintenance costs of the roadway which are the responsibility of the City of Newberg.

6. Is this project characterized as short or long term. (short = 1-2 years)

- List the approximate time frame for implementation.

The Crestview Drive project would be considered a short-term project. It would be anticipated that with consensus between the City of Newberg and its partners the project could be designed and constructed within two years of funding authorization.

7. Outside of permits and funding requirements, list any impediments/obstacles to accomplishing the project. List possible solutions to those obstacles.

The critical impediment for this project is the permitting and mitigation of wetlands in Segment One noted above.

8. Is the project economically and environmentally sustainable?
(Sustainable Community Objectives established by Oregon Legislature per ORS 184.423)

Yes. The Crestview Drive project would be consistent with 184.423(1)
(c) Investments and expenditures should help promote improvements in the efficient use of energy, water and resources.
(g) State operations should reflect partnerships with communities and businesses.

And 184.423(2)

- (a) Resilient local economies that provide a diversity of economic opportunities for all citizens.
- (c) An independent and productive citizenry.
- (f) Development that wisely and efficiently uses infrastructure investments and natural resources.
- (h) Healthy urban and rural watersheds, including habitats for fish and wildlife.
- (j) Efficient use and reuse of resources and minimization of harmful emissions to the environment.

Regional Solutions Agency Team Review/Comments:

- A. Can the project be easily implemented? List the requirements for permits, policy conflicts, planning compliance, etc.
- B. Is project consistent with state agency missions/priorities?
- C. Is project duplicative of, or contrary to, another state, regional or local government entity's efforts or involvement?
- D. List potential funding sources
- E. List state agencies that might be involved with this project:
- F. List potential "Lead" state agency person

DAVID LN

ROBERTS LN
ZIMRI DR

BENJAMIN RD

REX HILL CT

Crestview Drive
Newberg, Oregon
Regional Solutions
June 5, 2015

SD/LDR

ALLISON LN
SD/H

R-1

SPRINGBROOK RD

SD/LDR

ASPENWAY

SD/E

SD/V

M-1

R-P/LU

Segment Three Segment Two

CRESTVIEW DR

BIRDAHVEN LOOP

BLUEHERON CT

LAKE SHORE DR

R-3

HEATER ST

WESTLAKE LOOP

EMERY DR
WAREHAM LN

MIDDLEBROOK DR

DRR/3 PD

COFFEY LN

LEO LN

R-1

DOUGLAS AVE

R-3

VICTORIA WAY
GEMINI ST
MADRONA DR

R-2
Segment One

C-2

R-3

R-2

AQUARIUS BLVD

R-1

KLIMEK LN

HARMONY LN

HAWORTH AVE

NEWALL RD
HADLEY RD

PORTLAND RD

I

PECAN CT
WALNUT AVE
FILBERT CT

C-2

S BRUTSCHER ST

R-1/SP

R-2
R-3

M-1

R-P/SP

M-1/SP

TINWOOD CUP WAY
IRONWOOD WAY

M-2

M-1 C-2/SP

HAYES ST
BUR-OAK CT

LITTLE OAK ST
OAK GROVE ST

PROVIDENCE DR

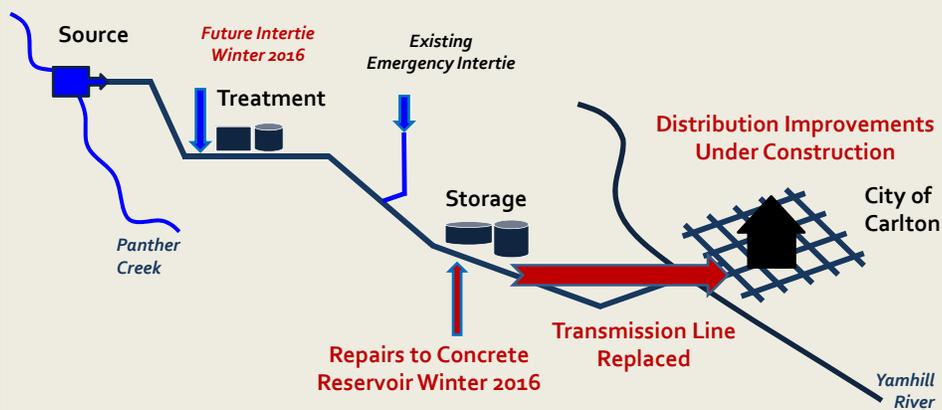
City of Carlton Water Projects



MLTL Water Project – \$2.55m

- Meadowlake Road Transmission Line Replacement
- Concrete Reservoir Rehabilitation
- McMinnville Water and Light Inter-tie Project
- Shut-off Valves and Miscellaneous

Carlton Water System Overview



City of Carlton Water Projects



Regional Solutions Water Project - \$900,000 Cost Share = \$500,000 RS/\$400,000 City

- **Monroe Street**
- **Main Street**
- **Pine Street**
- **Yamhill Street**
- **Grant Street**
- **Kutch Street** - the Kutch Street scope was increased 750 l.f. due to favorable pricing. This will improve fire flows in the northwest area benefiting some large vacant commercial properties.

