



Department of Land Conservation and Development

2021-23 TECHNICAL ASSISTANCE GRANT APPLICATION

Please complete each section in the form below. Type or write requested information in the spaces provided. **Submit completed applications by October 1, 2021.**

Date of Application: October 1, 2021

Applicant: City of Klamath Falls

(If council of governments, please also include the recipient jurisdiction name if applicable)

Street Address: 500 Klamath Avenue

City: Klamath Falls

Zip: 97601

Contact name and title: Joe Wall, Planning Manager

Contact e-mail address: jwall@klamathfalls.city

Contact phone number: 541-883-5272

Grant request amount (in whole dollars): \$55,000.00

Local Contribution (recommended but not required): \$10,000.00

Project Title:

Klamath Falls EOA & Employment Lands BLI

Project summary: (Summarize the project and products in 50 words or fewer)

The completion of an EOA with a longer-term planning horizon that reflects recent market trends, and a more detailed employment lands BLI containing constraint analyses of individual sites.

Project Description & Work Program – *See Attachment

Please describe the proposed project, addressing each of the following in an attachment.

A. Goals and Objectives. State the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.

B. Products and Outcomes. Clearly describe the product(s) and outcome(s) expected from the proposed project. Briefly describe any anticipated significant effect the project would have on development, livability, regulatory streamlining, and compliance with federal requirements, socioeconomic gains, and other relevant factors.

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C. Equity and Inclusion Considerations. Using the [TA Grant Equity Guidance](#), identify priority populations in the project planning area. Describe the anticipated impact of your proposed project on priority populations. Describe a preliminary outreach and engagement plan with specific goals and outcomes for participation of priority populations in the project. Include specific tasks and products related to the outreach and engagement plan in sections D and E.

D. Work Program, Timeline & Payment.

1. Tasks and Products: List and describe the major tasks and subtasks, with:

- The title of the task
- Steps to complete task
- The interim and final products for each task

2. Timeline: List all dates for the project including tentative start date after the contract is signed, task completion dates, and project completion date. If the project is part of a multi-year program, provide an overview of the expected timelines in sequence of expected start dates and completion date for each phase and describe subsequent phases to be completed.

3. Payment Schedule: Develop a requested payment schedule showing amount of interim and final payments. Include the products that will be provided with each payment request. The payment schedule should generally include no more than two payments – an interim and final payment.

E. Evaluation Criteria. Include a statement in the narrative that addresses the program priorities and evaluation criteria presented in the application instructions (“Eligible Projects and Evaluation Criteria”).

F. Project Partners. List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (*e.g.*, will perform work under the grant; will advise; will contribute information or services, etc.).

G. Advisory Committees. List any advisory committee or other committees that will participate in the project to satisfy the local citizen involvement program. Include specific goals for participation by priority populations in advisory committees.

I. Cost-Sharing and Local Contribution. DLCD funds are only a part of overall project costs; please identify sources and amounts of other funds or services that will contribute to the project’s success. Cost-sharing (match) is not required but could be a contributing factor to the success of the application.

Will a consultant be retained to assist in completing grant products? Yes ☒ No ☐

For cities with populations under 10,000 that are requesting a comprehensive plan update, do you have interest in using a DLCD-provided consultant to complete your project? Yes ☐ No ☐
Does the applicant intend to seek technical assistance from DLCD's equity and inclusion consultant? Yes ☒ No ☐ ([See TA Grant Equity Guidance](#))

Local Official Support

The application ***must include a resolution or letter from the governing body*** of the city, county, district, or tribe demonstrating support for the project. If the applicant is a council of governments on behalf of a city, a letter or resolution from the city council supporting the application must be included. *The application will not be complete if it does not include this item.* The letter of support may be received by DLCD after the application submittal deadline, but it must be received before a grant is awarded.

Product Request Summary

Product		Grant Request		Local Contribution		Total Budget
1	\$	<u>35000</u>	\$	<u>10000</u>	\$	<u>45000</u>
2	\$	<u>15000</u>	\$	<u>0</u>	\$	<u>15000</u>
3	\$	<u>5000</u>	\$	<u>0</u>	\$	<u>5000</u>
4	\$	<u> </u>	\$	<u> </u>	\$	<u> </u>
5	\$	<u> </u>	\$	<u> </u>	\$	<u> </u>
6	\$	<u> </u>	\$	<u> </u>	\$	<u> </u>
7	\$	<u> </u>	\$	<u> </u>	\$	<u> </u>
8	\$	<u> </u>	\$	<u> </u>	\$	<u> </u>
TOTAL	\$	<u>55000</u>	\$	<u>10000</u>	\$	<u>65000</u>

Submit your application with all supplemental information to:

Gordon Howard, Community Services Division Manager

E-mail (preferred): DLCD.GFGrant@dlcd.oregon.gov

Mail: Department of Land Conservation and Development
635 Capitol Street N.E., Suite 150
Salem, OR 97301

Phone: 503-503-856-6935

APPLICATION DEADLINE: October 1, 2021

2021-23 Technical Assistance Grant Application – Narrative Attachment Klamath Falls

A. Goals and Objectives

State the goals or overall purpose of the project. Describe particular objective(s) the community hopes to accomplish. Please indicate whether this is a stand-alone project or is part of a longer multi-year program. If it is the latter, describe any previous work completed, subsequent phases and expected results, and how work beyond this project will be funded.

The attraction and retention of traded sector companies is a local priority and part of a broader economic development strategy to provide area residents with stable family-wage jobs. Community leaders recognize the increasingly competitive nature of facility site selection and in tandem with creating quality of life amenities, seek to offer a range of readily developable sites that support area and statewide economic development objectives. Maintaining an appropriate supply of readily developable employment lands is a key priority for the region and strongly affirmed in the community vision.

The City of Klamath Falls (City) completed its Economic Opportunity Analysis (EOA) inventorying Urban Growth Boundary (UGB) employment land in 2009. The EOA was completed through Department of Land Conservation and Development (DLCD) grant funding and prepared with assistance from Johnson Gardner Consultants.

Since the EOA was completed, market conditions and trends have adjusted. As an example of a market shift, the 2009 EOA identifies Regional Retail as one of two Emerging/Potential Clusters with an increasing growth trend. Of all projected employment land needs over the EOA's 20-year planning horizon, needed Retail Commercial acreage outpaces both Office Commercial and Industrial by wide margins. While Klamath Falls is well positioned as a regional retail center serving outlying rural areas in both southern Oregon and northern California, the prevalence and viability of brick-and-mortar retail has greatly changed since the EOA's completion.

Along with shifting market trends, a handful of larger industrial opportunity sites have been developed since the EOA's completion or are actively being considered for development. As an example, a company that manufactures and distributes wood laminate products, Wilsonart, recently developed and began operating a manufacturing facility on a previously vacant 35-acre industrial property. A larger contiguous industrial tract in the vicinity was developed with a commercial solar energy facility a few years prior to.

The completed EOA identifies adequate gross large-lot industrial acreage over the report's 20-year planning horizon, though only 36% of this acreage was identified as unconstrained with 0% identified as unconstrained in the short-term. There is community concern over the availability of "shovel-ready" sites, or ones where site improvements can begin within 180 days of purchase and development application. These sites are desired by firms making location decisions and are those already served by requisite infrastructure and utilities, with environmental and other constraints known and documented. The EOA notes Klamath Falls does not have an unconstrained "shovel-ready" industrial parcel in the vicinity of 35 acres. The documented lack of unconstrained large-lot industrial acreage remains.

Staff anecdotally believes a large portion of the UGB's industrial land inventory may be too constrained to feasibly develop and may not be appropriately zoned. For example, South Suburban Sanitary District's 300-plus acres of industrially zoned land with low intensity use (settling ponds and surrounding vacant land) is heavily impacted by wetlands identified within the Local Wetland Inventory and floodplains per preliminary FEMA mapping. While the South Suburban Sanitary District owns excess industrial acreage around large settling ponds, this property and similarly constrained large industrial sites may be considered for future rezone and removal from industrial land inventories.

The primary objectives of the grant ask are twofold. They are to update or complete an EOA with a longer-term planning horizon that reflects recent market trends, and to complete an employment lands Buildable Lands Inventory (BLI) containing additional detail. The present EOA includes a limited 'Existing Land Supply & Suitability Analysis' section while more detail is sought by developing a new, lengthier employment lands BLI primarily focusing on industrial need.

In preparing a new BLI, numerous master plans and studies have been completed since the EOA's completion that can be referenced and incorporated into. These include new water, wastewater, and transportation system plans. Further, the City completed its first Housing Needs Analysis (HNA) and Residential BLI in 2019 through DLCD grant funding. The HNA identified surplus residential acreage in all residential zones which should be considered for suitability and possible conversion for employment lands use. The requested employment land BLI (or separate document) would include a brief analysis of UGB land swaps or zoning conversion if applicable and include a more thorough analysis of individual employment opportunity sites with a base documentation of existing constraints.

Separate and subsequent to the present grant request, City and community partners would follow-up on the completed EOA and employment land BLI findings. For example, the conversion of heavily constrained industrial sites to Public Facility or Special Reserve zoning or the conversion of residential lands with favorable employment characteristics may be further studied. Whether the current UGB could accommodate projected industrial land needs through the mitigation of site constraints or conversion of other land types would also be studied. Staff expects to follow-up on the BLI's identified constrained sites and complete further due diligence and master planning for to determine how to make those sites more shovel ready. As an example, the City and County are presently completing what's being called the Wesgo Subarea Master Plan which details existing and needed utility and transportation infrastructure for a large industrial land area inclusive of the recently developed Wilsonart facility.

B. Products and Outcomes

Clearly describe the product(s) and outcome(s) expected from the proposed project. Briefly describe any anticipated significant effect the project would have on development, livability, regulatory streamlining, and compliance with federal requirements, socioeconomic gains, and other relevant factors.

If awarded DLCD grant funding, City staff and local partners will complete a new EOA and employment lands BLI with consultant assistance. The City desires a current EOA that helps guide area economic development and growth for the coming decades. The newly completed reports would provide a solid base or platform and help direct future economic development investments.

The 2009 EOA's noted lack of short-term developable employment land remains valid today. The EOA did not complete a more detailed analyses of constrained lands where specific units of land or areas were identified, and the constraints enumerated. Through completing a more thorough BLI, the City and partners could then complete separate follow-up studies and master planning for identified constrained areas to make them more shovel ready. The first step for is gathering a better current understanding of area employment land needs and a more thorough documentation of constrained lands through completion of the requested reports.

Until completing the 2019 HNA and Residential BLI through DLCD grant funding, there had never been a study of the Klamath Falls UGB's residential land inventories and needs. With the HNA noting surplus land in all residential zoning categories based on expected population growth, City staff would like to now analyze whether any of the surplus land is suitable for employment purposes. This study was not previously possible. Based on study conclusions, the City and partners would then complete follow-up

steps if applicable.

In short, the community currently struggles to present suitable employment land sites to prospective industries. The grant outcome and after completing subsequent City/partner funded studies and site mitigation would be the ability to better accommodate business retention/expansion and respond to site selector and Business Oregon inquiries more frequently and with confidence that Klamath Falls employment sites are well suited for development.

C. Equity and Inclusion Considerations

Using the TA Grant Equity Guidance, identify priority populations in the project planning area. Describe the anticipated impact of your proposed project on priority populations. Describe a preliminary outreach and engagement plan with specific goals and outcomes for participation of priority populations in the project. Include specific tasks and products related to the outreach and engagement plan in sections D and E.

The purpose of applying for DLCD grant funding is to facilitate the creation of family wage jobs available to all community members, to enhance the Klamath Basin's economic viability, and to provide better economic opportunities for residents and newcomers. The 2019 HNA showed a median Klamath Falls household income of \$36,977 verse \$53,270 statewide while unemployment rates are also elevated above statewide averages.

If awarded grant funding, City staff would look to create a diverse Technical Advisory Committee of leading community members to help guide the creation of the EOA and employment lands BLI. As part of the reports' development, the Technical Advisory Committee would send notice through a variety of mediums for and host open house workshops. The workshops would share the grant program goals with community members and seek their input for report preparation and feedback on drafted report material. City staff would utilize all readily available mediums through print, radio, and web to solicit community engagement for workshop meetings.

City staff would also request to work with the 'Equity Consultant Service Provided by DLCD' as contained within the TA Grant Equity Guidance document for advice and recommendation for how to better engage all priority populations.

D. Work Program, Timeline & Payment

1. Tasks and Products:

To be developed in more detail with Klamath County and Klamath County Economic Development Association (KCEDA) partners in anticipation of releasing a RFP for consultant assistance.

Economic Opportunities Analysis - EOA (rough outline)

- Market Trend Analysis
- Competitive Position & Target Industry Opportunities
- Employment Forecasts
- Historic & Recent Development Trends (local)
- Employment Land Needs (acreage by type)
- Employment Land Needs (qualities of by type)
- Employment Land Supply & Suitability (reconciliation with needs)
 - o Detail drawn from the Employment Land Buildable Lands Inventory
- Takeaways & Recommendations
 - o Inclusion of economic Goals & Objectives to include within the Comprehensive Plan

Employment Lands Buildable Lands Inventory - BLI (rough outline)

- Base Land Analysis
- Development Status Analysis & Redevelopment Potential
- Constraint Analysis
 - o Individual Site Analysis w Constraints
- Available Buildable Land

Memorandum – UGB Zoning Conversion

- Analysis & recommendation for the conversion of identified surplus residential acreage into employment land use.

2. Timeline:

- Finalize DLCD Grant Agreement (January 2022)
- Issue Consultant RFP (February 2022)
- Submitted RFP Review & Recommendation (March 2022)
- Finalize Selected Consultant Contract (April 2022)
- Project Kickoff and Technical Advisory Committee Establishment (May 2022)
- EOA and BLI Preparation (Next 12 months May 2022-2023)
 - o Technical Advisory Committee and Public Workshops held during
- Memorandum Preparation (May 2023)
- EOA and BLI Adoption and Public Hearings (June – August 2023)

3. Payment Schedule:

To be finalized with the selected consultant team through contract negotiation. Payment likely on a per task completion basis. **I am uncertain how contracting works on DLCD TA grants and would like to further review if awarded. For example, is the consultant in contract with the City or DLCD? The recently completed HNA consultant, EcoNorthwest, directly contracted with DLCD. I however presume the City will directly pay the selected consultant and seek reimbursement through DLCD through submission of progress reports and consultant invoices.*

E. Evaluation Criteria

Include a statement in the narrative that addresses the program priorities and evaluation criteria presented in the application instructions (“Eligible Projects and Evaluation Criteria”).

Requested DLCD grant funding directly relates to the ‘Promote Economic Development’ program priority contained within the 2021-2023 TA Grant Application Packet. The City is seeking to complete an EOA and employment lands BLI which are listed as example projects beneath that program priority.

F. Project Partners

List any other public or private entities that will participate in the project, including federal and state agencies, council of governments, city and county governments, and special districts. Briefly describe the role of each (e.g., will perform work under the grant; will advise; will contribute information or services, etc.).

The City of Klamath Falls, while the sole grant applicant, is seeking to complete an EOA and BLI in partnership with Klamath County and KCEDA. The study area would encompass the Klamath Falls UGB which is uniquely split between City and County jurisdictions. City and County Planning and Public Works staffs are similarly coordinating at current to develop the Wesgo Subarea Master Plan which covers industrial land outside City limits, within the UGB, that will be annexed at the time of development and connection to City services. KCEDA is the economic development entity for all

Klamath County and the primary marketer of area employment land and will similarly be involved. All three partners (City, County, & KCEDA) regularly coordinate on site selection inquiries along with Business Oregon with a recent example being the siting and permitting for Wilsonart (developed outside City limits but to be shortly annexed).

If awarded, City staff together with Klamath County and KCEDA would develop a more refined work scope to place into a Request for Proposals for consultant assistance. Staff from all three entities would evaluate submitted consultant proposals and make a recommendation to the Klamath Falls City Council for formal contract award. Once a consultant has been chosen, all partners would be heavily involved in the preparation, review, and adoption of the completed EOA and BLI products. Once completed, the EOA would become part of the Klamath Falls Urban Area Comprehensive Plan which the City and County jointly adopted in 2019 for all lands within the Klamath Falls UGB.

Additional project partners will be involved and provide background, local perspective, and guidance to the selected consultant in preparing, reviewing, and engaging outside community members for additional study-related feedback. Many partners will overlap and be part of the established Technical Advisory Committee.

G. Advisory Committees

List any advisory committee or other committees that will participate in the project to satisfy the local citizen involvement program. Include specific goals for participation by priority populations in advisory committees.

To assist in preparing an EOA and BLI that is tailored to and best represents Klamath Falls, City staff will reach out to and engage a diverse set of community partners to form a Technical Advisory Committee. Members of the Technical Advisory Committee are expected to be from the following groups: Klamath County, KCEDA, Crater Lake Klamath Regional Airport, South Oregon Economic Development District (SCOEDD), Klamath County Chamber of Commerce, Oregon Tech, Klamath Community College (KCC), representatives from various state agencies, local real estate professionals, builders/contractors, landowners, major industrial employers, and others with specialized backgrounds.

I. Cost-Sharing and Local Contribution

DLCD funds are only a part of overall project costs; please identify sources and amounts of other funds or services that will contribute to the project's success. Cost-sharing (match) is not required but could be a contributing factor to the success of the application.

As the attraction of traded sector industries and the creation of more robust, short-term buildable employment land inventories is a high community-wide property, City and County/KCEDA partner staff will be heavily involved with and contribute in-kind staff hours to all components of the grant funded project if awarded.

The City of Klamath Falls separately allocated \$10,000 in the adopted 2021-2023 biennium budget within its Economic Development/Property Fund to specifically provide a match for this project. A cash match of \$10,000 will be provided if awarded and formally noted within the Resolution of support from City Council.