REGIONAL SOLUTIONS
COMPLETED PROJECTS
AS OF DECEMBER 31, 2012

North & Central Coast

Expedite Permitting in Columbia River for Expansion of Green Tug Manufacturing

Project/Problem: In early 2009 Foss Maritime sought permission from Department of State Lands and US Army Corps of Engineers to expand their shipyard on the waterfront in Rainier to accommodate the fabrication and launching of a new generation of ocean-going tug boats. The project involved expanding this Seattle company's operation out into the Columbia River to provide sufficient space for manufacturing and launching. Such impact to the river required that Foss mitigate for the loss of near-shore aquatic habitat.

Solution: Recognizing the regional economic importance of this project, the team adopted the project into its work plan with the mission to help facilitate the complex permitting and state-as-landowner permission requirements to move the project forward. With coordination through the Regional Solutions Team, Business Oregon, DSL and the Regional Coordinator worked closely with Foss staff and their consultants to ensure that the project remained a "go" within the company and that permitting issues were being resolved expeditiously.

With the RST's involvement, final permissions to develop the project were issued in time for the 2011-2012 Columbia River in-water work window.

This success paves the way for a million dollar investment by Foss Marine in expanding their facility and in adding some much needed high-wage jobs in Columbia County. Agencies worked above and beyond what was required to address complex issues and find solutions to politically sensitive issues when this project looked like it would be lost. This joint agency effort, along with our work with the city to keep them on the reservation has revived the company's interest in expanding in Oregon.

Resolution of Long-Standing Conflict between Lincoln City and ODOT over Highway Improvements

Project/Problem: For more than half a decade, Lincoln City and ODOT have been at odds over how to proceed with highway widening improvements along Highway 101 between SE 19th and SE 31st streets. In 2005, the city and agency started discussions on the number of lanes needed to meet transportation requirements for the next 20 years. ODOT insisted that state and federal policy required certain standards. The city objected insisting that the city would be put in financial jeopardy by having to acquire a contingent right of way that might never be needed.

Two previous Regional Coordinators worked with the agency and city to resolve this standoff with no success. In February 2011, the City Council approved a resolution calling for "high

level heroes" – negotiators – from FHWA and ODOT to meet with the city to find a way forward. Director Garrett asked Mark Ellsworth to fill this role for the agency.

Solution: Building on the Governor's charge to resolve problems and move projects forward, the regional coordinator delivered a skeptically received message to the city that we would find a way forward and that we would not require them to accept any agreement with which they were uncomfortable. To ODOT, the message was to put new staff on the project with a new approach. To underscore the message, the Coordinator and Lynn Peterson traveled to Lincoln City to actively engage in the design discussions and to convey the Governor's commitment to resolving this impasse.

What was achieved: In September, this very public disagreement ended with the signing of a memorandum of understanding over the future of the highway. Matthew Garrett, Phil Ditzler of Federal Highways with their staff, Lynn Peterson and Mark Ellsworth met with the city to review and approve an agreement on how they will move forward. The city is very pleased and ODOT is to be commended for finding a path forward that is acceptable to the city. In addition, the agency will provide help for the city in finalizing their TSP. This is a big win for the Governor in his directive to be responsive to communities in moving projects forward.

Flood Mitigation on US Highway 101 South of Seaside to the US101/US26 Junction

Project/Problem: Flooding across US Highway 101 south of Seaside has been an ongoing problem for years. The frequency of highway restrictions up to and including full closures has had a direct impact on safety and the fragile tourism-dependent local economy. Up until recently, it has been public perception that this is an ODOT problem, and that highway improvements needed to be made to reduce the impact of seasonal flooding.

Solution: Under sponsorship of the Regional Solutions Team, ODOT, Clatsop County, the Port of Astoria, Seaside, and Cannon Beach all partnered to form a consortium to address this problem. All members shared in funding NHC's work. DSL, ODFW, NMFS, NOAA Marine Fisheries and the North Coast Land Conservancy were brought into the process. With an aggressive timeline, a solution was modeled for delivery by the end of summer 2012.

What we will achieve: This solution removes a private flood control berm on the west side of the Necanicum River along US101. The North Coast Land Conservancy recently acquired this property and has plans to convert it back into a wetland.

Removal of the berm allows water from the Necanicum River to flow back to the west and not across US101. While removal of this berm will not eliminate flooding, it will reduce its impact greatly. ODOT is in need of a wetland bank within the Necanicum Watershed, and has started the process of creating a bank on the North Coast Land Conservancy property.

This project, when completed, will be a win for the Conservancy as they will end up with a wetland that they did not have the funding to establish. And, it will be a win for ODOT with the establishment of a wetland bank. Most importantly, it will be a win for the traveling public and the local economy.

Fleming Fire Suppression Pond Construction

Project/Problem: The Mist-Birkenfield Rural Fire Department in Columbia County near rural Oregon Highway 202 (which runs through rural Columbia and Clatsop Counties) has been working for some time to construct a fire suppression pond by damming up an intermittent tributary of the Nehalem River. This project has been delayed for some time over permitting and also in securing the funding necessary to take on such a large undertaking.

This is an ambitious project with several moving parts. To help ensure that water temperature is not impacted in the stream, a bypass would need to be constructed which will allow water for fish runs while not adding any additional heat to the water. The project cost is around $150,000.

Solution: The North Coast Regional Solutions Team has worked closely with the county and community to help them navigate the process so that they can complete the project successfully. Some of the challenges have included coordinating engineering planning, erosion control, coordinating the permitting among state agencies including DSL for permit renewal, Water Resources, DEQ for discharge and the Army Corps 404 for Certification.

Through a series of meetings, Commissioner Tony Hyde, a member of our advisory committee has been instrumental in helping secure the funding from NW Natural. NW Natural has wells in the area and sees the benefit of having increased fire suppression capacity.

With much effort, we have successfully navigated the permitting process and the in-water-work-period for construction. The project has been a big success that would not have happened without the leadership and involvement of the Regional Solutions Team.

Oregon Aero – Low G (Scappoose)

Project/Problem: This innovative cutting-edge manufacturer of aviation and healthcare foam-based products which exports to over 50 countries has been courted by other states and even other counties within Oregon. Their fast growth has necessitated expansion and other locations have been more than willing to offer incentives that could have attracted them to leave the region.

Solution: The team has responded at lightning speed to turn around requests for help as this business has worked to expand. This company is a key player in our regional aviation cluster strategy and one that will attract other employers to the area. Ground breaking for their new 22,000 square foot facility occurred on September 28, 2012. The $1.5 million hangar, which is being financed by Business Oregon and the Port of St. Helens, will house operations for the development and manufacturing of Oregon Aero's advanced, maximum-comfort, safer aviation seating systems and aircraft interior upgrades.

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South Valley

- **I-5 Ramp Closure Improvement:** ODOT's internal decision to close the I-5 ramp (for two years) to Eugene/University of Oregon/Springfield resulted in dramatic decline in traffic into Franklin Blvd area motels and restaurants. (80% decline in walk-in customers). RST worked with Eugene Chamber of Commerce, local hospitality industry leaders, Lane County officials and ODOT to develop a "permanent" detour route with ample and clear signage improvements. Turn-around time was two months. For this work, RST received public recognition from the Eugene Area Chamber of Commerce during their annual conference.

- **Bascom Village Workforce Housing Project:** RST worked with the City of Eugene, Lane County, Lane Transit District and CBOs to implement a 100 unit workforce housing project in Eugene's north Gilham area. The total project would inject $20 million into the local construction industry. Although there was opposition from a nearby neighborhood, the Eugene City Council approved the plan after a long public process.

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Southern Oregon

Southern Oregon Rail Service: ODOT was awarded a $7.1 million DOT TIGER grant to reopen the Siskiyou rail line running from Weed California to Ashland. CORPS closed the line in 2008 to the dismay of wood products manufacturers and shippers in the region. This was a project the RST prioritized and focused on after the Advisory Committee identified forestry sector infrastructure retention as a priority in the region.

Secondary Wood Products Support: RST partnered with Southern Oregon University to provide grant writing assistance with USDA Woody Biomass Utilization Grant application. Project scope is for final feasibility assessment for a biomass boiler system to meet the university's electricity and/or thermal needs. $250,000 WBUG grant was awarded in August. Project contracting is underway.

WISE Project – Water for Irrigation, Stream and Economy: This project supports regional agriculture and aquatic habitat through efficient water delivery and subsequent water conservation (30,000 acre feet annually). Governor Kitzhaber approved designation as Oregon Solutions Project in November 2011. $250,000 grant application for final cost-benefit study awarded by OWRD in April, 2012. OS project completed September 2012. RST now assisting with programmatic EIS funding needed for project.

Face Rock Creamery: RST helped the City of Bandon and Face Rock Creamery resolve a FEMA ESA issue that sprang up as they attempted to gather all the permit approvals before initiating construction of the new cheese factory. RST assistance also involved financial (OBDD) and permitting (State Building, ODA food processing permit). Project is now under construction.

Port of Port Orford: The Port was given authorization to proceed with their prop wash dredging project. This was a last ditch effort to keep the channel open for crab season. Permits and approvals from USACE, USFWS, DEQ, DLCD, and DSL were all expedited.

Grants Pass DHS Facility: RST involvement at the request of Grants Pass led to the development of new statewide policy on how state agencies site buildings and do hot sheet processes, etc. The policy will require additional steps working with local governments and the Regional Solution Centers to help ensure appropriate site selection. DHS/DAS will begin the process of advertising for a new DHS building/location in Grants Pass using the revised process in early 2013.

Douglas County Industrial Sites: RST assisted with the selection and preparation of a Regionally Significant Industrial Area request to the Economic Recovery Review Council for review in September 2012. The nomination was for three sites totaling 358 acres along I-5 in Central Douglas County. The Council approved the request. These are all sites that the RST

has worked on and supported through assistance on wetland issues, transportation plans, infrastructure development, soil remediation, and zoning.

Sustainable Valley Technology: Economic development business accelerator initiative promoting the development of sustainable technology start up businesses. The Governor approved a Strategic Reserve Fund grant toward the project in partnership with local, federal, and private sector funding.

Jefferson Public Radio: Via referral to Oregon Consensus: Susan Hammer successfully mediated an agreement between SOU and the JPR Foundation Board to re-organize existing structure of shared assets (radio licenses), staff, and debts (Holly Theatre, etc). New agreement strengthens JPR radio, and limits liability to SOU, the Foundation Board, and members.

Vernal Pool Mitigation Bank: Assistance to establish a large wetland mitigation bank in the Eagle Point area. Current constraints on the development of industrial zoned land in Jackson County. The RST worked to ensure the state/federal technical reviewers of the proposed mitigation bank continued to work with Wildlands (http://www.wildlandsinc.com) to find agreement on the conditions of the bank instrument. Bank was finally approved in June 2012. Pacific Power purchasing first credits for new substation in White City needed with the expansion of Amy's Kitchen.

County Payments - County Technical Assistance: Provision of technical assistance to Curry County on budget crisis. During October 2011, Oregon Consensus convened the Curry County Citizens Advisory Committee who completed consensus recommendations to the Board to address fiscal stability.

POBH Tsunami, Brookings: Coordinated assistance to Brookings Harbor to mitigate $6.7 million damage caused by 2011 tsunami. The state identified a financial plan of grants and bridge loans to match FEMA funds. Environmental permits and authorizations from DSL, USACE, DEQ, ODFW, SHPO, and NOAA were prioritized and streamlined for in-water work in the Chetco River estuary.

First Call Resolution Coos Bay: In partnership with the State, the City of Coos Bay helped to identify a suitable downtown location that was selected by First Call Resolution. First Call Resolution, LLC is now employing 40 people at the downtown Coos Bay center and expects to employ a minimum of 180 people within three years. SRF funds leveraged substantial private capital investment. OED is providing workforce training and recruitment assistance.

Port Orford Visitor and Interpretive Center: Proposal to build a marine interpretive visitor center at the Battle Rock wayside. DLCD provided a $30,000 grant to the City of Port Orford to prepare plans for a visitor center and marine reserves interpretive center at the existing wayside. ODOT authorized transfer of the site to the City under a rest area agreement.

Talent Community Infrastructure Coordination: RST assistance to create Hwy 99 business/community friendly, multi-modal facility, and water line project. Approval of a CDBG for upgrade of the City's water distribution system. Leverage and approval of transportation

funds. Hwy 99 improvements were then delayed to follow the water line project and reduce project costs.

Butte Falls Hatchery Education Center: The Center is a joint project of the City of Butte Falls and the School District to create an educational opportunity out of the recent closure of the ODFW fish hatchery. WRD accepted ODFW proposed modification of water right for requested outdoor education use as well as potential use at Ginger Springs water bottling plant.

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Metro

1. **East Gresham Vista Business Park (LSI) - Metro Area Industrial Lands Readiness Initiative**
   The goal of this project is to certify the 116 acre industrial land in Gresham as shovel ready. 12-2012: COMPLETE - The eastern portion of the Port owned Gresham Vista Business Park has been cleared for certification by Business Oregon. This 116-acre site was also identified as the largest shovel ready site in the Portland Metropolitan Area by the Metro Industrial Readiness Inventory project. This site is also the second site to be certified in the Metro area over the past year, the previous one being 17.25 acres at the Interstate Crossroads Distribution Center in Northeast Portland.

2. **Gateway Green Project**
   Transform approximately 24 acres of underutilized public land at the confluence of I-84, I-205, the I-205 multi-use path and the Gateway MAX light rail station into a regional asset that serves as an important active transportation link for bicycle and pedestrian mobility and provides open space and recreational opportunities while also demonstrating Portland's and Oregon's commitment to sustainability. In addition, make environmentally sensitive connections to the more than eighty acres of publicly-owned property on the flanks of Rocky Butte that will enable residents and visitors to enjoy and help preserve the natural features of this unique property. Upon completion, this project will become a key active transportation link and destination that provides iconic, synergistic and economic development benefits to Gateway, East Portland, and the entire region. Appraisal done, City and ODOT putting together agreement for transfer of property.

   RSC was involved in helping to negotiate an MOU between ODOT and the City of Portland for the eventual transfer of property where this project is planned.

3. **Willamette Falls**
   The Regional Solutions Center helped Metro complete enough due diligence to submit a letter of interest to the trustees of the Blue Heron Mill site, a 23-acre parcel adjacent to both downtown Oregon City and the scenic Willamette Falls (second largest falls by volume in the U.S.). Metro – along with its local government partners - wishes to create public access to one of Oregon’s scenic wonders for the first time in 150 years, and sell the remaining parcels to private developers for mixed-use development. The Regional Solutions Center was able to convene state agencies to help identify and initially address historic preservation, brownfields, transportation, and other issues at the site. State agencies together committed more than $200,000 in funds this biennium to assist with future phases of the project.

4. **Toyo Tanso**

This Japanese-owned high-tech machining company intends to expand its facilities in the U.S., either at its Troutdale site or at its facility in Connecticut. A potential swing of up to 200 jobs is at stake. One barrier to the Oregon expansion was a Water Resources permit for a new well to provide high quality water. The Regional Solutions Center convened the pertinent State agencies, helped accelerate the permit process through coordination, and the permit was issued to the company with no problems. The company was pleased with the quick response and will be making their expansion decision early 2012.

REGIONAL SOLUTIONS
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Central Oregon

1) OSU Cascades is in the Governor's Recommended Budget

   RST lead: Annette Liebe, GO

2) Consumer Cellular

   Oregon cellular phone customer call center in Redmond that took over lease from T-Mobile. Strategic Reserve Fund request ($250,000) approved by Oregon Business Development Department and GO; company committed to hire over 50 workers in 2013 and 250 by end of 2016.

   RST leads: Clark Jackson, Business Oregon, Annette Liebe, GO

3) Cessna Building – No Further Action Determination

   This determination documented that there were no outstanding environmental issues with the property and increased the marketability of the building. Epic Air purchased the building December 2012 to accommodate their expansion plans and took over the lease with the City of Bend. Cessna vacated this building in 2009; this was the single largest vacant industrial building in Bend. Epic plans to hire 40-80 new people in 2013.

   RST lead: Kelly Potter, DEQ

4) Living Waters/DSL UGB adjustment and expansion, Prineville

   These sites needed to be reconfigured to make both the Living Waters site and DSL property more marketable. DLCD worked with the City of Prineville to amend the UGB to reflect the reconfigured Living Waters site. Living Waters is also a certified site; potential future UGB amendment to bring into the UGB the reconfigured DSL site.

   RST lead: Karen Swirsky, DLCD

5) NW Aluminum, No Further Action Determination, The Dalles

   GO worked with DEQ to accelerate the process for making the determination that there are no outstanding environmental clean-up issues at this site. Property is also a state certified industrial site.

   RST leads: Kelly Potter, DEQ

6) 2012 Certified and Decision Ready Sites:

a. Hood River decision ready site
b. New certified site in Redmond (Desert Rise parcel C)
c. Renewal of certification of Rufus industrial site
d. Renewal of certification of La Pine site

RST leads: Clark Jackson, Business Oregon (Central Oregon)
Carolyn Meece, Business Oregon (North Central)

7) Unmanned Aerial Vehicle Effort

OBDD and GO are working with the EDCO aviation committee and other potential partners to establish test areas for unmanned systems. OSU is now lead sponsor for creating a Center of Excellence and building a coalition to apply for a national test site. Application is likely to move forward in partnership with other NW states. During 2012, the state committed $5,000 to assist in hiring a consultant to draft a proposal for the FAA.

RST leads: Annette Liebe, GO, Clark Jackson, Business Oregon

8) Little Deschutes Lodge 2

Senior housing project that is supported by OHCS tax credits ($5.2 million). Developer interested in an alternative treatment system. DEQ and DLCD met with all involved parties and clarified engineering options and opportunities. Land use exception not needed for these options.

RST lead: Kelly Potter, DEQ

9) Wetlands in the Port of The Dalles

As an urban hub for the north-central region, the City of The Dalles contains a substantial portion of the region's industrial land supply with approximately 60 acres of undeveloped and 265 acres of re-developable industrially-zoned land within the urban growth boundary. Because the state and federal wetland permit processes from wetland boundary delineation to permit decision can take six months to one or more years, any efforts to pre-work the wetland challenges will significantly advance readiness of those sites for industrial development. Cursory assessment work done by the Department of State Lands in 2010 for 300 acres of zoned industrial land in The Dalles indicates that nearly 40 of the acres examined are potentially constrained by wetlands.

This project involves pre-working all of the key elements of the wetland permit process for a defined area and securing regulatory approval of that work. Future project developers may then use that work to finalize their own individual permit application and thus receive final approval in a more expedited/predictable time frame.

- Completed Interagency Work Plan for programmatic approach to resolving wetlands issues in the Port of The Dalles

RST leads: Annette Liebe, GO, Kirk Jarvie DSL

10) Wal-Mart Permitting, The Dalles

Coordinator worked with hired consultant, federal delegation, and federal agencies to resolve issues of technological feasibility presented by the biological opinion issued by the National Marine Fisheries Services. NMFS issued an amendment to the initial biological opinion that addressed Wal-Mart's concerns. State dredge and fill permit ready to be issued once applicant is OK with moving forward.

RST lead: Annette Liebe, GO

11) Northridge Estates Superfund Site

Klamath Falls residential subdivision site that is formally listed on the National Priorities List (superfund list) because of heavy asbestos contamination. The preferred alternative for remediating Northridge Estates is a combination of the removal of contaminated soil (2-4 ft. deep across the affected areas) and then the filling of the those excavated areas with clean soil (tested to pass EPA standards). The State of Oregon (DEQ) is obligated to pay 10% of the cost of the remedy (the clean-up), plus take on all operation and maintenance costs in perpetuity, after remediation is fully complete. This State obligation is a significant cost because the current general estimate for the total clean-up is $21 million. RST working to locate and facilitate the use of approximately 294,000 cubic yards of free fill material from state-owned land (or an existing quarry) adjacent to or very close to the Northridge Estates superfund site in Klamath Falls.

- Initial outreach to ODOT, DSL, DOGAMI, Klamath County, & Klamath Econ. Dev't leaders done.

- **Milestone 1:** Assemble GIS Map for Evaluating Borrow Sites – COMPLETE. Klamath County developed GIS map with many layers of information to assist in evaluating sites. DEQ modified & completed GIS project & creating spreadsheet of options. Both were presented to EPA in May, 2012. DEQ presented project to Klamath Co. Planning Dept. on June 4, 2012. Two DSL-owned sites tentatively selected.

- **Milestone 2:** Select Borrow Site(s) (COMPLETE)**:** DEQ, DSL, DOJ, & ODOT working on potential land swap & other agencies being consulted. DEQ obtained right-of-access permit from DSL in Sept, 2012. DEQ & EPA arranged funding for testing and cultural surveys.

- **Milestone 3:** Achieve agreement for land swap between affected agencies.

    - Two phase agreement; phase 1 has been drafted and will be signed January 2013

- **Milestone 4:** Complete land swap. Involves approval from State Land Board.

RST lead: Kelly Potter, DEQ

12) Ahu Fish Farm

RST identified state permitting issues for establishing tilapia fish farm and aquaponic farming operation in Lakeview. Applicant hoped to use geothermal waters. RST worked with the applicants beginning April 2012. RST provided general guidelines to applicant on a host of issues, including all permitting needs, so that applicant could determine the most economically viable design. State agencies collaborated on issues to resolve conflicts and assisted applicant in understanding applicable regulations and available options. SCOEDD obtained grant for feasibility study for Lakeview for this type of business. In the end, the applicants decided to pursue their project in the Rogue Valley. Regulatory technical assistance provided by the RST relevant for permitting in the Rogue Valley as well.

RST lead: Kelly Potter, DEQ

13) Conroy Property

RST helped the Town of Lakeview realize their vision of having a historic chuck wagon as an entryway to their community. DEQ needed to assist existing owners of the proposed site (an old service station) with liability and contamination issues. Prospective Purchaser Agreement developed by DEQ in concert with new buyer. Letter developed by DEQ to provide as much assurance as possible to existing property owner re: liability and liens. Settlement for resolution of outstanding property lien achieved. Landscaping questions answered. Town of Lakeview & new property owner to proceed with project after property transaction.

RST lead: Kelly Potter, DEQ

14) Central Oregon Regional Large Lot Industrial Lands Process

Deschutes County received two Technical Assistance Grants from the Department of Land Conservation and Development (DLCD) in 2010 to evaluate Central Oregon's opportunities, competitiveness, and ability to recruit new and locally grown firms requiring large sites. With the assistance of a Regional Advisory Committee (RAC) a Regional Economic Opportunity Analysis (REOA) was conducted. The RAC consisted of Central Oregon cities and counties, Johnson-Reid LLC, Business Oregon, DLCD, Department of State Lands, Central Oregon Intergovernmental Council (COIC), 1,000 Friends of Oregon (1,000 Friends), Economic Development for Central Oregon (EDCO), Central Oregon Association of Realtors, and private area developers.

The REOA project determined that Central Oregon has a short term need for nine competitive and diverse vacant, developable large lot industrial sites. COIC has agreed to manage the distribution of sites among the various jurisdictions through intergovernmental agreements. Participating local governments will review the program after the regional supply of six sites has either been replenished by three additional sites or after ten years, whichever comes first.

- **Milestone 1**: Negotiated Settlement of Appeal

In late 2011, Deschutes County adopted Ordinance 2011-017, which provided the policy framework for designating lands among coordinating jurisdictions in a mutually agreed proportion. Ordinance 2011-017 was appealed by 1,000 Friends of Oregon to the Land Use Board of Appeals by 1,000 Friends in December 2011.

The appeal however, was stayed in early 2012 to allow DLCD, Deschutes County, and 1,000 Friends to explore a settlement, facilitated by the Governor's Office. A settlement was reached in April 2012, which consisted of an agreement that the technical document produced would not be called an Economic Opportunity Analysis (EOA) as that term is understood in Oregon land use law. 1000 Friends agreed that the region has a need for up to nine large industrial lots in Central Oregon and the parties agreed upon policy principles guiding how those sites could be incorporated into existing UGBs. The settlement consisted of policy concepts focusing entirely on Central Oregon's short-term need for large-lot industrial sites as well as a commitment from DLCD to initiate rule-making later in the summer.

- **Milestone 2**: Rulemaking

The Central Oregon Large Industrial Lot Rules Advisory Committee, representing the interveners in the LUBA appeal and facilitated by DLCD, met four times over the summer of 2012. A public hearing conducted by a LCDC hearings officer was held in Redmond on September 27, 2012, followed by a hearing with the full commission on November 15, 2012 in McMinnville. LCDC adopted the changes to Oregon Administrative Rules (OARs) Chapter 660-024 on November 15. They became effective on December 10, 2012.

RST Lead: Karen Swirsky, DLCD

15) TRIP97

A well functioning US 97 is vital to the economy of Central Oregon. Future growth and job development within municipalities located adjacent to the US 97 corridor is impacted by inadequate funding to improve US 97, and the requirement to identify and mitigate transportation impacts from land use changes. This project supports job creation, industrial land availability, and other economic and livability benefits by developing alternative mobility targets (potentially allowing for some congestion) and identifying innovative funding mechanisms.

- Agencies closely involved include: ODOT, DLCD, OBDD, Governor's Office, Redmond, Bend, Madras, La Pine, Deschutes County, Jefferson County, Bend Metropolitan Planning Organization (BMPO).

- **Milestone 1: Recommendation of Evaluation *Performance Measures:*** Measures include both Segment and Corridor, ranging Across Travel Time reliability, Change in Job Potential, Safety, GHG Emissions, Alternate Mode Levels of Service, Accessibility. **COMPLETE.**

- **Milestone 2: Recommendation of Projects & Strategies:** A range of currently planned and TRIP97 generated transportation and land use projects/strategies and scenarios will be evaluated based on the Performance Measures. Recommendations due **Feb, 2013.**

- **Milestone 3: Recommended Funding Plan:** A range of funding options, strategies, and scenarios will be evaluated based on the Performance Measures and Recommended Projects & Strategies. Recommendation due **March 2013.**

- **Milestone 4: Recommended Governance Model:** A range of governance options will be evaluated based on the recommendations of all previous Milestones. **Due April 2013.**

- **Milestone 5: <u>Begin</u> Implementation Process:** Including State and Local Adoption processes, Intergovernmental Agreements, and potential Phase II based on findings and recommendations from all previous Milestones. **April/May 2013.**

RST Lead: Gary Farnsworth, ODOT

16) Wasco County Development Review Audit

DLCD awarded Wasco County Community Development Department a Technical Assistance Grant to audit of portions of its Land Use and Development Ordinance (LUDO) and other development permitting procedures to identify strategies for improving the department's operational functions, particularly its permit intake and review activities. The process was intended to resolve a number of procedural, coordination, and customer service issues. The audit provided a detailed discussion of findings and recommendations to improve for the County's permit and review processes. DLCD and Building Codes Division, DCBS reviewed and provided critical input. The report will provide other communities with an outstanding example of how to take a fresh look at code, policies, and procedures with the goal of streamlining and better serving the public.

RST Lead: Karen Swirsky, DLCD

<u>Completed Projects - 2011</u>

1. Central Oregon Truck Co.

The Central Oregon Truck Company (COTC) is headquartered in Prineville, with a truck terminal and training facility in Terrebonne. COTC hauls freight throughout the United States and Canada, employing 218 people, including 175 truck drivers and 43 support staff. The company has been seeking a single site to consolidate their operation either in Oregon or another state. Economic Development Central Oregon identified the Redmond site and the need for public improvements to make it feasible for a trucking facility. The RST partnered with the City of Redmond to seek public funding for an acceleration lane on US

97 and an intersection widening of SE 9th Street at Highway 126 to accommodate the increased truck movements and provide for the safe and efficient operation of their fleet. OTC awarded the request on an accelerated schedule in September 2011. It will cover 75 percent of the $495,000 project, with the City of Redmond providing 25 percent ($123,750) in local match. The design and construction of the transportation improvements will be coordinated with the construction of COTC's new buildings and are scheduled to be completed in October 2012.

2. NW Sign Recycling

   OBDD and ODOT are working collaboratively to help improve business processes for this small company in Prineville that strips aluminum road signs so that they can be reused. The company is also interested in helping ODOT reuse signs from the state system. ODOT is conducting a research study to determine whether the hydro stripping affects the quality of the aluminum backing. NW Sign Recycling has signed a pilot project contract with ODOT for hydro-stripping of signs, as part of the ongoing ODOT research effort (initial overall ODOT research findings and recommended next steps will be provided in the first half of 2012). OBDD has awarded a Business Retention grant to the company to refine their logistical strategies and future business planning. If the pilot project and research findings provide positive results for ongoing benefits of the hydrostripping process, ODOT will extend more contracting opportunities.

3. EartH2O Building Codes Assistance

   Company ordered equipment from China, but some of this equipment did not meet Oregon Building Codes. RST worked with the company to allow for an extended time period for removing and replacing the non-certified equipment. Company was allowed to replace pressure relief valve and continue using the non-certified equipment pending replacement. Company has ordered certified equipment and will install it.

   BCD has made contact with neighboring states to see if they are recognizing Chinese construction standards and found that they are not but do accept Chinese equipment made to ASME. BCD also explored the process that would be needed to start to recognize Chinese construction standard and realized it could be very costly as well as time consuming and that the Chinese standards may be recognized over time if their reputation for quality using their standards developed a history that is acceptable.

4. Farmer's Conservation Alliance Fish Screen Approval

   Worked with the National Marine Fisheries Service to obtain approval for the Farmers Fish Screen.

5. Certification of Smith Landing Site in Prineville

6. Solar Energy Project Assistance in Lake County

   Provided assistance to the Town of Lakeview and Lake County to obtain an extension from the PUC on their solar feed in tariff project. Intervened to get parties talking again on an interconnect agreement between Mid-State Elect Co-op and Lincoln Solar Company.

7. Klamath Falls NESCO Energy
   Facilitated agency involvement in the NESCO biomass facility siting. Draft siting order out on public notice right now.

8. Resolution of Breedlove Guitars Customs Issue
   Imported wood was being held at the Port of Portland because of paperwork problems under prior ownership; problems had been resolved but wood was sitting and rotting due to delays.

9. Free Trade Zone for Facebook
   Put Crook County, Facebook, and Economic Development of Central Oregon representatives in touch with the Port of Portland to discuss establishment of a free trade zone under PDX's umbrella in Prineville. Port of Portland is supportive of the idea, but Facebook needs more certainty in their business plan before they decide whether to move forward. Application has to come from the private company. If Facebook decides to build their own servers in Crook County that will serve all of their data centers, then there may be a volume of imports sufficient to justify an application.

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Eastern Oregon

Arlington Industrial Land Project

The Regional Solutions Team (DLCD, ODOT, OBDD, and DEQ), City Of Arlington, Gilliam County, and the Port of Arlington partnered to help the city acquire new industrial land to meet short-term employment opportunities associated with wind energy servicing and maintenance. The process, which included an update of Goal 9 (Economic Opportunities), Goal 11 (Public Facilities), and Goal 12 (Transportation Impacts) to the city's comprehensive plan, took approximately seven weeks and resulted in 300 acres of new industrial land in the city's urban growth boundary that can support up to 350 jobs. The project immediately helped retain eight jobs and the Port, which is actively marketing the site, anticipates announcing 12 additional jobs by early fall.

Wallowa Biomass Campus

The Regional Solutions Team has been working with Wallowa County, Wallowa Resources, and Integrated Biomass to address regulatory issues and funding opportunities for the Wallowa Biomass Campus Project. The project consists of Wallowa County purchasing a former mill site for the co-location of Integrated Biomass (a post and pole, firewood, compressed fuel, and other related biomass manufacturer), a forest material sort yard, and a 300 kilowatt federally funded biomass cogeneration facility that will provide electricity and heat to associated businesses. The campus will allow local contractors to market material from private and public forest land contracts, creating 14 new jobs (12 retained jobs) and promoting forest health and wildfire risk reduction. DEQ has funded a $40,000 environmental assessment to determine potential cleanup issues for the former mill site, and OBDD is assisting the county's purchase of the site through the Governor's Strategic Reserve Fund. In addition, DEQ, OWRD, and State Building Codes have provided technical assistance on a number of regulatory issues associated with the project. Work on the biomass campus is planned for later this summer pending the outcome of the environmental review.

Malheur Forest Stewardship Contract Assistance

The Regional Solutions Team and Oregon Solutions are working with the Malheur National Forest to assist in the completion of stewardship contracts that will allow an additional 3 million board feet of timber (17 million board feet total) to be sold this year that will help retain approximately 165 industry and contactor jobs. OBDD submitted and the Governor approved a Governor's Strategic Reserve Fund request that will be used to assist in necessary timber sale preparation work. All lands receiving treatment have been through the collaborative process and NEPA review.

Industrial Land Certification

The Regional Solutions Team continues to make state certified industrial land a priority. An 80 acre site in Ontario was recently certified and we are currently working with Pendleton (300 acres) and Burns (100 acres). Arlington would like to enter their new 300 acre site into the industrial land certification program, and a new 300 acre industrial land site in La Grande will be entering the site certification program once an ODOT/DLCD-funded transportation planning analysis is complete. The Regional Solutions Team assisted in the creation of all the industrial land sites above.

La Grande US 30 Access

Oregon Trail Electric Cooperative owns commercially zoned land along US Highway 30 in La Grande that was subject to access control. OTEC and the City of La Grande felt direct access to US Highway 30 was needed to make the site attractive for commercial development. ODOT was able to provide an approval of Access No Longer Needed which allowed for a Grant of Access to the site. The City is currently working with OTEC to market the site for commercial development.

Stafford Custom Meats USDA Certification

Stafford Custom Meats in Elgin wanted to expand their operations and meet an identified need for a regional slaughter facility by becoming USDA-certified. DEQ staff provided technical assistance on wastewater treatment requirements and helped determine it would be cheaper to transport wastewater to the City of La Grande for treatment than to treat on site. The certification is complete and Stafford's has hired five new employees.

Boardman Workforce Housing

The City of Boardman believes a shortage of workforce housing causes approximately 800 of the 1400 employees at the Port of Morrow to live outside of Boardman. The Port also felt that increasing workforce housing in Boardman would support their business recruitment efforts. The city, county, and Port worked with the Regional Solutions Team and Oregon Solutions to complete an analysis of housing needs and opportunities in Boardman. Outcomes included a locally funded housing revolving loan program, a city residential and commercial land "shovel ready" certification program, and the identification of workforce housing as a top priority for the Boardman City Council. The city is currently working to attract housing development to Boardman.

Burns Airport Development

With assistance from the Regional Solutions Team the City of Burns was awarded a $1.4 million Connect Oregon grant in 2010. The grant will be used to install a fire suppression system at the Burns Airport necessary to lift a development moratorium imposed by the State Fire Marshall's Office and allow additional development at the airport. When the city went to bid on the project however, the State Fire Marshal's office indicated the project as proposed was not adequate to lift the development moratorium. This put the city at risk of losing their Connect Oregon grant as well as $140,000 the city had spent on engineering. Coordination between the city, the Governor's office, and the State Fire Marshal's office was able to resolve

the State Fire Marshal's concerns and the city anticipates going to bid on the project in early 2013.

Umatilla Forest Collaborative

The Umatilla National Forest requested assistance from Oregon Solutions to help start a collaborative process on the Umatilla National Forest in 2011. The goals of the project were to build ongoing collaborative capacity, identify and implement an initial pilot project in the Heppner Ranger district, and help build consensus for future Eastern Oregon forest management. The collaborative is now moving forward on developing recommendations for dry and "wet" forest treatments and the Regional Solutions Team is working with the Umatilla Forest and Eastern Oregon University to provide student interns to support the collaborative effort.

EOU Land Use Technical Assistance

The Department of Land Conservation and Development worked with Eastern Oregon University faculty and staff to provide student interns to assist the cities of North Powder and Union with comprehensive plan updates including zoning, land division, and floodplain ordinance changes and updated planning and zoning maps.

Irrigon Drinking Water Protection

The City of Irrigon constructed new drinking water wells – a $4 million investment – after nitrate levels in their old wells exceeded drinking water standards. When nitrates began to be detected in the new wells the city contacted the Directors of DEQ, ODA, OWRD, and the Eastern Regional Solutions Coordinator to ask for assistance to protect their new wells from nitrate contamination. The Regional Solutions Team identified resources to determine where the city's well draws water from, potential sources of contamination, and to create a plan to protect the city's drinking water supply. DEQ and OHA have completed a source water assessment for the city and are currently working on sampling to determine nitrate levels within the city well's 10 year time of travel. Education and outreach on best management practices within the area that provides the city's drinking water are being planned and are anticipated to reduce the risk of nitrate contamination to the city's drinking water supply.

Vale and Nyssa Industrial Land Pilot

The Regional Solutions Team is working with the cities of Vale and Nyssa, and Malheur County on a pilot project to help the cities identify and rezone industrial land to meet their immediate and long-term employment land needs. OBDD and Malheur County Economic Development have identified employment opportunities and associated land needs, WorkSource Oregon has identified workforce availability, DEQ and the OHA have evaluated wastewater treatment and water capacity, and ODOT has provided information on transportation impacts on potential industrial land sites. DLCD and the City of Ontario are providing a suitability analysis on currently available industrial lands in Vale and Nyssa, and the cities have budgeted funds for a planning consultant if the need for additional employment land is identified as anticipated. Additional marketable industrial lands should be available in Vale and Nyssa by late 2011.