



REGIONAL SOLUTIONS OFFICE
GOVERNOR KATE BROWN

May 8, 2017

MEMORANDUM TO: Ways and Means Subcommittee on Transportation and Economic Development

FROM: Jason Lewis-Berry, Regional Solutions Director/Jobs & Economy Advisor

SUBJECT: RESPONSE TO APRIL 20 HEARING

When I appeared before the committee on April 20th to testify regarding funding for the Regional Solutions Regional Infrastructure Fund (RIF) under House Bill 5025, the committee raised three questions for follow-up:

- 1) A request for the status of 2015-17 projects funded through the RIF
- 2) Clarification on the roles of Oregon Solutions vs. Regional Solutions
- 3) Question about a Regional Solutions project around Detroit Lake.

Regional Infrastructure Fund Projects

Money provided for Regional Solutions projects via the RIF are typically just a portion of the total funds a project receives. The RIF funds are used to leverage other investments by public, private, and philanthropic partners. Attached is a chart which lists the RIF projects that have been approved to receive funds via the 2017 lottery bond sale.

Regional Solutions vs. Oregon Solutions

We often encounter confusion on this issue since each entity may play a role on project planning.

Regional Solutions' role in planning centers on intergovernmental coordination and aligning financial and technical resources to address regional priorities. Streamlined permitting is a common focus.

While Regional Solutions is part of State government, Oregon Solutions is one of several programs at the National Policy Consensus Center (NPCC) housed at Portland State University. Oregon Solutions serves as a neutral forum to bring together public, private, and nonprofit partners and help them implement solutions to address community problems and opportunities. NPCC is a service provider. It does not directly fund projects.

NPCC and Regional Solutions may be involved in the same project, sometimes at different stages of development and implementation. The Governor designates Oregon Solutions projects and the conveners, so there is a natural nexus between the organizations. We maintain regular communication on projects and overall strategic direction. As an example, Governor Brown has designated the Lents Stabilization and Job Creation Collaborative as an Oregon Solutions project. The project is receiving technical support from several state agencies as well as the Regional Solutions Coordinator. Once a plan has been developed, the Metro Regional Solutions Team will become more involved in the project.

Detroit Lake Community

Representative Meek expressed concern about the economic stability of the Detroit Lake region due to the U.S. Army Corps of Engineers' control over reservoir levels, particularly during drought years. Attached is a memo on the Regional Solutions project focused on increasing economic resilience in that area.

Regional Infrastructure Fund Projects
2015 – 2017
April 2017

#	Region	Recipient	Project Name	Funding	Date Contract Executed	Planning or Permitting Stage*	Percent Implemented or Constructed*
1	Central	Central Oregon Intergovernmental Council	Central OR Transformational Transportation Network	\$738,000	01/03/2017	Underway	Will break ground later this year
2	Central	Oregon State University	Innovation Center for Entrepreneurship OSU Cascades	\$524,800	06/13/2016	Done	50%
3	Greater Eastern	Grant County	Biomass Breakdown Facility	\$811,800	04/26/2017	Underway	0%
4	Greater Eastern	City of Hermiston	Regional Water System Delivery Improvement-Port of Umatilla	\$664,200	12/16/2015		100%
5	Metro	Multnomah County	Columbia River Corridor Levee Improvements	\$300,000	01/13/2016		50%
6	Metro	Port of Portland	Neighborhood Brownfields Revitalization Initiative/Cully Park Parking Lot	\$100,000	ETA 05/2017	Done	ETA Fall 2017/Jan 2018
7	Metro	Port of Portland	TRIP Phase II Infrastructure, Earthwork & Wetland	\$1,140,000	05/02/2016		100%
8	Mid-Valley	Marion County	Career Technical Education Facility Salem	\$900,000	ETA 05/2017	on-going	40%
9	Mid-Valley	City of Newberg	Crestview Drive Improvements Newberg	\$740,000		on-going	0%
10	North Central	City of Hood River	Attainable Workforce Housing	\$410,000		Underway	0%
11	North Central	Sherman County	Sherman County Broadband	\$820,000			100%
12	North Central	City of Maupin	Wasco County Broadband Fiber Project	\$410,000	02/22/2016		55%
13	North Coast	Pending Contract	Dike and Levee Repair	\$160,000		0	0%
14	North Coast	Tillamook County	Neskowin Emergency Access Road Project	\$150,000	09/15/2015	Done	Looking at federal grants
15	North Coast	City of Warrenton	North Coast Pacific Seafood Dock Project	\$150,000			Dock under construction
16	North Coast	Tillamook County	Southern Flow Corridor Flood Mitigation	\$500,000	09/15/2015		100%

Regional Infrastructure Fund Projects
2015 – 2017
April 2017

17	North Coast	City of Rainier	Rainier Rail Safety	\$60,000		Done	Construction 2018
18	Northeast	Union County	Baum Industrial Property Infrastructure Improvements	\$1,066,000	04/21/2016	Done	0%
19	South Central	Pending Contract	Small Communities Planning, Technical Assistance	\$250,000		RSAC reviewing projects	
20	South Coast	MULTIPLE - Youth Workforce	Youth Workforce Development & Community Infrastructure Project	\$820,000		Projects selected, contracting in process	
21	Southern	Josephine County	East Side Parallel Taxiway Planning	\$344,400	10/27/2016	Done	Construction Summer 2017
22	Southern	Rogue Valley Council of Governments	Fry Family Farm Food Hub	\$395,000	10/07/2015		100%
23	Southern	Jackson Soil & Water Conservation District	Little Butte Creek Watershed Efficiency	\$282,000			

* RIF dollars are only a portion of the funding for each project, the information listed under the last two columns – “Planning Stage” and “Percent Implemented” – refer to the project as a whole rather than the portion of the project funded through Regional Solutions. “Planning stage” generally means a shovel hasn’t hit the ground and under “percent implemented” we’ve indicated *approximately* how far along the project is to completion.



REGIONAL SOLUTIONS OFFICE
GOVERNOR KATE BROWN

April 26, 2017

MEMORANDUM TO: Representative Mark Meek

FROM: Jason Lewis-Berry, Regional Solutions Director/Jobs & Economy Advisor
James LaBar, Mid-Valley Regional Solutions Coordinator

SUBJECT: **Detroit Lake Marinas Project**

Situation:

Detroit Lake is a reservoir located 45 miles east of Salem on Highway 22 in the North Santiam Canyon (NSC). It has a capacity of 455,000 acre feet (561,000,000 m³) of water when full and 281,600 acre feet (347,300,000 m³) when drawn down in the winter time. The water level fluctuates with snow pack, precipitation, and the water consumption of Salem and surrounding areas. At low pool, it has a surface elevation of 1,450 feet and at the full pool season—typically April 15th to September 15th—it can rise up 119 feet to a water elevation of 1,569 feet.

The U.S. Army Corps of Engineers (USACE) operates the dam and lake levels according to long-established parameters that cannot be changed without comprehensive studies of the entire Willamette River System and subsequent federal legislation. If those studies were conducted, they might show an even more adverse effect upon the lake levels for economic activity in the North Santiam Canyon based upon the USACE's primary objective of flood control to protect life and property downstream.

The NSC consists of 670 square miles and includes the small cities of Lyons/Mehama, Mill City, Gates, Detroit, and Idanha. Over the last 25 years, the NSC has experienced severe economic distress fueled by a sharp decline in economic activity. Protection of the Northern Spotted Owl under the Endangered Species Act in 1990, enactment of the Northwest Forest Plan of 1994, and the 1996 Omnibus Parks and Public Lands Management Act greatly contributed to the reduction of new timber sales. The reduction of employment in the timber industry has had a profound impact on the ability of local governments in the canyon to provide essential services to their citizens.

Problem:

How do Detroit Lake's marinas achieve more economic certainty within USACE's existing operating parameters?

Solutions:

A collaborative group led by Regional Solutions, Marion County, U.S. Representative Kurt Schrader, Detroit Lake Marina, USACE, and Pacific Habitat Services has been working on a phased solution to provide more certainty to the recreation season.

- Phase 1: Additional infrastructure (gangplanks, pilings, pump outs and other marina improvements) to reach the reservoir at lower levels enabling the marinas to stay open longer

- Current status: Permits acquired, grants obtained (approx. \$170K of state and county resources), and infrastructure ordered and just waiting for water levels to drop after this “normal” (hopefully) recreation/water year to make most of the improvements in the fall/winter of 2017
- Phase 2: Strategic excavation to retain usable water levels around marinas and using the new infrastructure to reach even lower levels enabling the marinas to stay open even longer
 - Current status: Working thru the permits and scope of work to do the actual excavating in 2018

Expected Outcomes after Phase 1 for just one marina – Detroit Lake Marina:

The Detroit Lake economy is driven by tourism. The marinas and campgrounds are the main draw. When the marinas open, they will have approximately 250 families that will come to enjoy their boats during the boating season, and 2500 families coming for weekend to watercraft rentals. These families will spend money at businesses throughout the NSC such as markets, stores, restaurants, gas stations, and recreational activities. The increased traffic at these businesses will increase orders from local and regional vendors. Currently the boating season starts the first part of May and with a normal rainfall will last through Labor Day. With the last two years being drought years the reservoir has not fully filled, causing very short boating seasons. Below is a graph of how the additional gangplank will extend the Detroit Lake normal season and can give them the opportunity to operate during low water years. With the way their business model works and most people's summer schedules, *60% of Detroit Lake Marina's revenue is generated in the month of August.*

In the NSC's Detroit Recreation Area in 2014, there were 47 primary jobs with a majority of people (25 jobs) working in the tourism sector. The projects that the Detroit Lake Marina is investing in would create 6 new jobs (a 13% increase in employment opportunities) and protects 10 jobs (21% of the existing workforce). Following these investments, the *Detroit Lake Marina will directly employ 30% of Detroit Recreation Area's workforce.*

Along with retaining and creating new jobs in the tourism industry, this project will also help retain a sister company, Santiam Ice Company, located in Idanha which manufactures and delivers packaged ice throughout the Willamette Valley. The main reason Santiam Ice Company stays in the area is the close proximity to the marina and for ease of operation because of same ownership. A simultaneous investment in new equipment by Santiam Ice Co. would create 4 new jobs (an 8% increase in employment opportunities) and retain 3 jobs (8% of the existing workforce). Following these investments, *Santiam Ice Co. will directly employ 10% of Detroit Recreation Area's workforce.*

In total, after these projects the Detroit Lake Marina and Santiam Ice Co. will *employ 40% of the Detroit Recreation Area's workforce.*

The ability to maintain and extend Detroit Lake Marina's season will increase revenue streams through more watercraft rentals, store sales, and food services. 65% of those sales are derived from within Marion County.

Graphic for Phase 1:

