



RS EXCHANGE

REGIONAL SOLUTIONS

Monday, November 27, 2023

Regional Solutions Team News

Governor Kotek & Regional Solutions Team Attend AOC Conference

Earlier this month, the Association of Oregon Counties held their annual conference in Eugene, and Governor Kotek and the Regional Solutions Team were glad to join for part of the event. After the Governor addressed the group, focusing her remarks on partnership and the necessity of working side by side to solve Oregon's biggest challenges, the Governor was able to reconnect with several commissioners she'd met in their home counties during her One Oregon Listening Tour. After she departed, the RS Team stayed to learn from breakout sessions on a wide variety of timely topics including county fairgrounds, behavioral health, land use, the opioid crisis, housing production, homelessness response, and O&C lands. We had great conversations about projects around Oregon and how we can work together to address the challenges our communities are facing. It was great to make new connections and strengthen existing relationships while speaking with county commissioners and staff from across the state. Thank you to Commissioner DeGroot for inviting the Governor to speak, and to all the elected officials and staff for the rich discussions and the chance to gather.

Regional Updates

Southern Region – Jessica LaBerge

- **OnTrack Rogue Valley:** Regional Solutions had the opportunity to visit with OnTrack Rogue Valley staff, a few of their partners and tour several locations. OnTrack has been serving Southern Oregon for over 50 years, providing substance use disorder treatment. They recently integrated behavioral healthcare services to treat co-occurring disorders that are common among people who seek treatment. New program launched summer of 2023 is the Recovery 360, which is a day treatment/partial hospitalization program for individuals with severe, persistent mental illness, substance use disorders, and forensic involvement. Participants will be on-site at OnTrack for 35 hours a week of structured whole-person activities. OnTrack Rogue Valley provides programs and services in Medford, Grants Pass and Cave Junction.

South Coast Region – Jessica LaBerge

- **Coos County:** Regional Solutions recently toured Oregonized Builders, who utilizes a Class III panelized housing technology. Uni-Panelized Construction System (UPCS) is a Class III system consisting of standard and interchangeable panels, whose design integrates panel connections. In addition, no on-site framing is needed as each panel functions as both a structural component and serves as a part of the building's envelope. The team provided direction on next steps, funding opportunities and will stay engaged with housing partners on the south coast.

Greater Eastern – Courtney Warner Crowell

- **Baker City Wastewater Project:** DEQ staff came to Baker City this past month to do a site visit on land that the city is interested in bringing into their recycled water project for land application. DEQ is going above and beyond to ensure that any land that the city is interested in bringing into their land application process is land that can be approved prior to the city making any decisions on infrastructure upgrades. This is the latest step in our Regional Solutions team working to help the city, their consultants and DEQ find a solution to the challenges that the city has had with their new wastewater system. The hope is that this new land can be approved by DEQ over the next few months so that the city can use this land for land application during the next irrigation season and the city can move from discharge into the river to land application during the summer irrigation season.
- **John Day Air Quality Concerns:** DEQ has let our Regional Solutions team know that the John Day area is nearing an EPA air quality limit from wood stove smoke and open burning. If they cross that limit, EPA could designate the area as a “nonattainment area.” Once in nonattainment, it can hinder local economic development because it becomes very difficult for facilities (like wood mills) to get air quality permits. And it can take decades to remove that designation. The good news is that DEQ has funding available for the local community to start an educational program that can help reduce the impacts of wood stove smoke and open burning and can hopefully keep the community out of the “nonattainment” status. Our Regional Solutions team is working with Grant County and the Greater Eastern Oregon Development Corporation to find local champions that would be willing to help lead the efforts to create a community group that will work to get the DEQ resources and begin the education program.
- **Eastern Oregon Border Board Investments:** The Eastern Oregon Border Economic Development Board invested over half a million dollars in the Border Region during the last fiscal year. That investment leveraged more than \$1.7 million in additional funds infused into the region. The Border Board's programs were fine-tuned over the fiscal year and, with the new additional appropriation, the pace and scale of investment in the region's workforce and economic development will increase significantly in the next year. Applications for new six figure strategic investments are currently in process (see one example below related to Fry Foods). The Border Board's success in identifying and addressing barriers to economic prosperity in the region relative to neighboring Idaho is also found in its advocacy efforts. The board looks forward to making additional

recommendations to the legislative assembly for legislation and strategies toward that end.

- **Fry Foods State Investment:** Business Oregon awarded \$675,000 from the Emerging Opportunity Fund to assist Fry Foods Inc. to add a new fryer line to meet current demand for breaded mozzarella sticks for sale to Lamb Weston. The project work (purchase and operationalizing Fryer Line) is estimated to be complete by June 30, 2023. Grant of the Emerging Opportunity Fund award is based on the following outcomes as noted above:
 - Purchase, install and operation of Fryer Line equipment.
 - Production and sales growth year-over-year at the Oregon plant.
 - Job creation, maintenance and infrastructure improvements at the Oregon plant.
 - Increased annual wages at the Oregon plant.

The investment into a new fryer line will allow Fry Foods to grow their 2023 sales from the plant's production by 6.2 percent over 2022 sales, in addition to growth from other product lines, which combined grew by 20% from 2021 to 2022. This investment will also keep Fry Foods focused on growing their business in Oregon rather than at other locations outside the state. Without this investment, Oregon may lose out on this growth as well as other opportunities in the future.

Additionally, the Eastern Oregon Border Board (EOBB) successfully negotiated a \$750,000 grant and a \$250,000 loan to Fry Foods for the expansion of cold storage at their Ontario Plant (Malheur County). Business Oregon previously funded the expansion of a 6th fryer line at the Ontario plant by awarding a \$675,000 Emerging Opportunity Fund grant. This expansion and investment is worth noting because it is the first public private project that Business Oregon brought to the EOBB.

- **Vale, Ontario and Nyssa City Outreach:** Regional Solutions met with the mayors of Vale, Ontario and a Nyssa city councilor this past month to discuss how the three communities can work more closely together moving forward. Much of the discussion centered around housing and homelessness and their hope to get additional state resources to their communities. They are also interested in having some ongoing conversations together as Malheur county cities with our entire Regional Solutions team so I'm working on setting that up over the next few months.
- **Baker City Maternity Services:** Senator Wyden's team put together a briefing for our office, OHA, Oregon Office of Rural Health, Sen. Merkley's office and Baker County with Health Resources and Services Administration (HRSA) this month to learn about the various grant opportunities that could be available to help Baker County with reestablishing their maternity services. There are several good programs that could be a great fit for both Baker County and the state of Oregon.
- **Harney County Industrial Infrastructure Project Outreach:** Harney County received \$2.25 million from the Legislature during the past session to provide infrastructure upgrades that would connect an existing neighborhood to new residential lots as well as open up almost 40 acres of industrial development. This infrastructure investment would also connect the community to a newly planned subdivision. All told in addition to the industrial land, this funding will help unlock up to 30-40 new residential lots for

the city of Burns. Our Regional Solutions team (Governor's office, Business Oregon, DEQ and DLCD) all visited Burns recently to talk with the City of Burns, Harney County, Harney County economic development, and the city of Burns consultant to talk about the project and how the state can assist the project in completion. It was great to get an overview of the project and see the areas that we might be able to help. They have enough funding to complete all the water and wastewater upgrades and create a road, however, they are short about \$1 million to complete the paving. The consultant to the city of Burns is planning to update the plans and then meet with Rep. Owens to get him up to speed with the project. Our Regional Solutions team identified a number of low interest loans that could be available for the city to use in coordination with the R3 housing funding (\$10 million) that the Legislature funded in the session. The city is working on completing the wetland delineation and cultural resources work and then will be ready to go out to bid on the project.

Mid-Valley – Beth Wytoski

- **Chemeketa Ag Hub:** Last week I toured the Chemeketa Agriculture Hub on the Salem campus, an incredible facility with flexible spaces, tons of efficiencies, and innovative materials like mass timber, among other features. I learned about the opportunities afforded to students pursuing ag careers through use of the greenhouses, soils labs, and other campus resources and how the facility is being used for events to promote ag education and innovation. I look forward to learning more about Chemeketa programs that support workforce development.
- **Harvest Garden Homestead:** GK Machine is a major manufacturer of ag equipment in Donald. For more than 40 years, they have built greenhouse components, sprayers, diggers, fuel tanks, trailers, and more for use in our ag-economy. In partnership with Regional Solutions, the City of Donald, OHCS, and DEQ plans were developed to build 297 homes in an Agri-hood for the local manufacturing and agricultural workforce, centered on a working farm. The first 29 homes are complete and phase 2 of another 20 will soon be underway. The Agri-hood will also have green space and commercial property. This public-private partnership creates affordable housing, supports workforce development, amplifies economic opportunity while relying on multi-agency collaboration.
- **McMinnville Water Trailers:** While not a Regional Solutions Project, I want to highlight some regional success stories, one being the McMinnville Water Trailers. The project involved students from McMinnville High School, who worked with Mac Water & Light to custom design a prototype emergency drinking water filtration trailer. The system could be used to clean water for any number of reasons from power outage to contamination. Design students began with a 3-D model, then worked with fabrication students to build to CAD specs. The trailer can extract water from a lake, river, or stream and filter into potable drinking water with an output of about 80,000 gallons per day per trailer. MWL plans to build additional trailers and McMinnville is willing to share this safety net in the region, in the event of an emergency.

Metro Region – Amelia Porterfield

- **Salmonberry Trail:** I recently connected with Caroline Fitchett, Executive Director of the Salmonberry Trail Foundation (STF), and heard updates on their recent efforts. STF has made significant strides with key staffing and board expansions, and has been making progress on the trail. In Washington County, after contracting A&K for 7.2 miles of rail salvage near Banks, they're now focusing on maintenance and planning for construction. The Foundation has applied for a grant to build a Buxton trailhead and will seek an EPA grant for land assessment in 2024. The goal is to fund and build this trail section through a mix of paid and volunteer efforts. In Tillamook County, they're finalizing engineering plans for the trail in Rockaway with ODOT and engaging Wheeler officials on infrastructure and trail planning. A community event with the Tillamook Visitors Association is set for spring, and they're discussing a RAISE grant with local authorities to address safety and infrastructure, including the trail as a vital emergency route. In January, the Salmonberry Trail Intergovernmental Agency will meet, focusing on policy updates and funding strategies. They are also seeking volunteers – folks can get involved by joining their **Trail Cleaning Event on January 20th at 10 AM in Buxton**. Details on salmonberrytrail.org.

Resources and Opportunities

- **Recruiting Director of Oregon Water Resources Department:**

We are excited to share this extraordinary opportunity – the chance to lead and shape the future of Oregon's water resources. The Governor's Office is seeking a new Director of the Water Resources Department (OWRD), the state agency charged with administering the laws governing surface and groundwater resources. The Director is at the forefront of addressing critical water challenges, working alongside a dedicated team to ensure a sustainable and equitable water future for all Oregonians.

The Director provides overall leadership for the agency and is responsible for all programs, operations, and administrative functions. The Director represents the Department and the State of Oregon in negotiations regarding statewide and interstate water use issues, with federal officials, and other local, state, and industry officials. The Director also represents the Department to the Oregon legislature.

Preferred Experience and Knowledge

- **Courageous Leadership:** The Director must demonstrate the courage to make difficult decisions, challenge the status quo, and take calculated risks in advancing water resource management. Courage in leadership is essential to addressing complex challenges.
- **Collaboration and Teamwork:** A strong ability to collaborate and work effectively with diverse stakeholders, both within and outside the organization, is vital to building productive relationships and achieving our mission.
- **Strategic Vision:** The Director should have a strategic vision for addressing water issues in Oregon, focusing on innovation, sustainability, and forward-looking solutions.
- **Commitment to Equity and Inclusion:** The Director should be dedicated to fostering a fair and inclusive work culture and advancing equity, diversity, and justice.

The state is seeking to have a candidate in place by February 2024. Please share this opportunity with someone who might be interested, or [apply here!](#)

- **Semiconductor Industrial Lands Program Funding:**

Business Oregon is pleased to announce a Notice of Funding Availability (NOFA) for Semiconductor Industrial Lands Loan (SILL) Program funding. The focus of the SILL Program is to financially assist project sponsors with planning and development site readiness of industrial lands for new and expanded semiconductor manufacturing projects.

The SILL Program is a forgivable loan program designed to reimburse government entities, property owners and businesses, up to \$2.5 million for development projects, and planning activities of at least \$100,000. Development projects can include a range of eligible activities such as land acquisition, infrastructure and utility improvements, and environmental remediation or mitigation of industrial properties for semiconductor manufacturing uses as well as land acquisition.

Funds Available: This NOFA is to cover \$10,000,000 from the industrial lands loan fund towards the SILL Program. The SILL Program funding is expected to be fully committed in this initial application process. If funding is not fully committed in this initial application process another application round will be opened.

The program guidelines for the SILL Program address the needs of preparing and improving industrial lands for semiconductor manufacturing uses. Eligible activities consist of:

- Planning studies
- Site, transportation, and utility infrastructure improvements
- Remediation and mitigation activities
- Property acquisition and project costs

Applications must be submitted to the Industrial Lands Specialist by 5:00 pm, February 1, 2024.

Details on the program and application process can be found on the [Business Oregon SILL webpage](#).