



CASCADES WEST ECONOMIC DEVELOPMENT DISTRICT

Semi-Annual Report

April 1 through September 30, 2009

EDA Award No.07-83-06380

District Context

The Cascades West Economic Development District (CWEDD) is designated by the U.S. Department of Commerce Economic Development Administration (EDA) as the regional economic development planning organization for the Linn, Benton, Lincoln, and Lane Counties area of Oregon. The District was established in 1977 by the Oregon Cascades West Council of Governments (OCWCOG) for its service area of Benton, Lincoln, and Linn Counties. In 1983, OCWCOG agreed to expand the District to include Lane County. CWEDD is managed by OCWCOG, with services provided in Lane County through intergovernmental agreement with the Lane Council of Governments (LCOG).

CWEDD receives an annual planning grant from the EDA that, along with multiple other funding sources, works to achieve a broad community and economic development program. Over time, the availability of these EDA planning grant funds has allowed the region to address economic development barriers and develop several priority initiatives such as regional business lending and transportation programs.

Key Reporting Period Accomplishments

Some of the more significant efforts undertaken during the planning period include –

- ♦ Published 2009 CEDS Update Report and conducted regional economic development forum
- ♦ Completed a pilot regional economic opportunities analysis for eight cities in Linn and Benton Counties and identified options to address wetland mitigation needs to provide an adequate inventory of industrial lands.
- ♦ Built disaster resilience for businesses in Lincoln County under EDA funding.
- ♦ Structured priority marine cluster public works projects for EDA consideration.
- ♦ Continued development of a biofuels energy sector in the region.
- ♦ Worked with State and local governments on initiating carbon reduction plans.

These and other District activities are described on the following pages under:

- Collaborative Efforts and Coordination Activities
- Business Lending Support and Activity
- Public Works and Community Facilities Development Assistance
- Transportation Planning, Coordination, and Advocacy
- Other Community and Economic Development Activities



Collaborative Efforts & Coordination Activities

District staff provide support to multiple groups that are working to improve the community and economic well being of the region. Coordination and collaboration work requires District staff to play various roles in the economic and community development arena (convener, facilitator, traditional support staff role, key partner) - often simultaneously. Equally challenging is the broad spectrum of expertise required, as evidenced by the variety of efforts described below. Efforts specific to business lending, public works/facilities development, transportation planning and advocacy, as well as a potpourri of other economic development activities are described in subsequent sections.

American Recovery and Reinvestment Act (ARRA): LCOG and OCWCOG staff have worked to identify potential projects that might align with added funding under the ARRA. Staff continues to closely track ARRA funding and works to keep local leaders and project proponents informed about emerging funding opportunities, requirements, and timeframes. Staff have assisted with and developed ARRA funding applications in the areas of transportation, broadband telecommunications, green energy, and economic development.

Cascades West Economic Development District: OCWCOG published data updates to the Comprehensive Economic Development Strategy in May. A June regional economic development forum was conducted as a joint meeting of the CWEDD Board and the BL3 Regional Investment Board. Attendees celebrated recent accomplishments and identified interest in establishing a new non-profit that could work to create replacement funds for diminishing State and federal economic development support.

Lane Economic Committee (LEC): LCOG continues to provide staff support for this regional economic advisory committee comprised of fifteen members who represent business, government, labor, and education interests in Lane County. The LEC develops project priorities for Lane County in conjunction with the LCOG Board of Directors for a Needs and Issues Inventory.

The LEC provides a forum to facilitate the exchange of information on economic development projects. To assist the LEC with a thorough and comprehensive analysis of obstacles to economic development in Lane County, the Lane Economic Committee extends invitations to guests to discuss economic development activities and concerns. The LEC uses this exchange to better inform local elected officials about specific actions that can and should be taken to improve the local economic

environment. In addition, these findings will provide background for future Economic Development District planning.

The LEC embarked on a project to consider and discuss obstacles to economic development in Lane County. Initial discussions focused on availability of industrial and commercial land in Eugene, Springfield, and surrounding rural communities.

The LEC has also focused recent efforts on specific obstacles to the redevelopment of downtown Eugene. The LEC identified that a vibrant downtown in Eugene is critical not only to the economic vitality of Eugene, but also to the rest of Lane County. The LEC reviewed certain proposed amendments to the City of Eugene land use code which are anticipated to help speed redevelopment. The LEC supported the proposed amendments and will take other actions to see amendments are made.

The LEC believes that more involvement from the local business community can lead to better long term decisions regarding economic development. Recently, the LEC has solicited such input from local and regional banks regarding the outlook for short term business lending.

OCWCOG Community and Economic Development (CED) Committee: OCWCOG staffs and serves as a key partner on the OCWCOG Board-appointed CED Committee. The economic development partners at the CED table share information on local efforts and needs, and act as a liaison back to their entities on emerging trends and opportunities.

Based on the CED work plan, OCWCOG actively pursued projects during this reporting period on -

- ♦ Industrial Site Readiness: Evaluating the industrial development future of Linn and Benton Counties as part of an effort to clarify options for addressing the wetlands that lie on most undeveloped industrially zoned sites. (Described in more detail elsewhere in this report.)
- ♦ Entrepreneurial development efforts, including support to grow an angel investor network.
- ♦ Advocating for changes in the State of Oregon's community and economic development programs.
- ♦ Continued advocacy for improvements to the region's transportation system via the Cascades West Area Commission on Transportation (described later in this report).

The CED Committee also agreed to research branding for the region to support needs identified by the biotech cluster work, entrepreneurial development, and industrial recruitment efforts.

Cluster Industry Efforts:

Marine Cluster: The decision by the National Oceanic and Atmospheric Administration to headquarter its west coast research facilities in Newport led to increased attention to the coastal cluster of marine-related businesses. A business

assistance effort has been framed by the non-profit Lincoln County Economic Development Alliance in partnership with CWEDD, Oregon Coast Community College, and Lincoln County. OCWCOG and the Alliance are completing a request for EDA investment in this effort.

Motor Coach Cluster: LCOG was able to create a cluster of motor coach (RV) industries under a prior EDA-funded pilot project. The motor coach cluster in Lane County has continued to meet on a regular basis to address priority cluster needs.

This cluster is experiencing significant problems that most analysts link to declining credit availability which reduced RV purchases. The future of this cluster in this region is threatened, with two major RV manufacturers recently declaring bankruptcy. One of the industries has been sold and emerged from bankruptcy affiliated with a manufacturer of a wide array of transportation equipment. Perhaps the most likely outcome is that the industry will continue, but with significantly reduced employment.

Energy Cluster: LCOG has participated in activities related to developing an energy cluster in the region. At the present time the major components of this emerging cluster are biofuels and solar panel development. The feasibility of developing a significant biofuels industry in the region has been investigated and business plans are now being developed for several bio energy facilities which will use local resources to produce electrical and fuel energy. The region is also developing as a location for solar manufacturing. Several firms have located in the region and another manufacturer is negotiating to locate in the area.

Benton, Lane, Linn, and Lincoln Regional Investment Board (BL³ RIB): The four counties in the District have collaborated since 1993 in developing a joint regional economic development strategy and implementing projects under the State Lottery-funded Regional/Rural Investment Strategies Program. Under direction of county-appointed board members, CWEDD serves as the administrative agent for the RIB. District responsibilities have included development of the Strategy, solicitation of applications for project funding, coordination of project review, negotiation of contracts for funding awards, and the ongoing monitoring of projects funded.

Given the State's decision not to renew funding of the Regional Investments Program, the role of the RIB has shifted to oversight of previously-funded projects. This oversight responsibility will end in 2010.

Association of Oregon Economic Development Districts (OEDD): District staff continued to participate in a collaborative effort funded by EDA to refine the position of the Districts within Oregon's economic development system, increase their visibility, and strengthen their ties with State and federal agencies. A full color marketing piece that relays the variety of expertise and strength of partnerships available through the Districts was published and distributed during this reporting period. Corporate articles were drafted and approved pending legal review.

OCWCOG staff took the lead on behalf of the OEDD in proposing the Districts provide project management and administrative services for ARRA-funded projects under the State Energy Initiative and the Energy Efficiency and Conservation Block Grant Program. Intergovernmental Agreements between the Districts and the Oregon Department of Energy are being finalized and work on community projects will begin in October.

Local Government Managers Meetings: LCOG facilitates bi-monthly meetings and OCWCOG facilitates monthly meetings of city and county managers to share information on topics of joint interest.

Industrial Lands/Wetlands Mitigation Project: At least half of all undeveloped industrially zoned land in Linn and Benton Counties are wetlands. The Governor's Economic Revitalization Team and several cities in the mid-Willamette Valley are concerned that current approaches to mitigating wetland losses will not be adequate to meet industrial development requirements.

OCWCOG has completed the next phase in an effort with the cooperation with State agency partners and the Cities of Adair Village, Albany, Corvallis, Halsey, Harrisburg, Lebanon, Millersburg, and Tangent. OCWCOG developed a pilot "Regional Economic Opportunities Analysis" which evaluated growth potential of industrial sectors, analyzed industrial land demand, and assessed the ability of the existing industrial lands inventory to meet projected demand and provide for market choice. State partners then assisted OCWCOG by providing a preliminary evaluation of wetland functions and values for a sample group of key industrial sites. Findings allowed OCWCOG to evaluate options for addressing wetlands constraints.

With concurrence of project partners, OCWCOG is now pursuing next steps, including seeking approval from the U.S. Army Corps of Engineers for conducting a Regional Opportunities Analysis and conducting assessments on a group of priority industrial sites.

Wetlands Assessment: Working in conjunction with the Oregon Department of Land Conservation and Development, LCOG received funding to conduct a wetlands assessment for ten cities in the region. The assessment will identify and categorize wetlands within the jurisdictions, develop detailed mapping of wetlands areas and work with the jurisdictions to change land use laws to adapt to the presence of wetlands in the area.

Disaster Resilience for Lincoln County Businesses: The EDA-funded Lincoln County Disaster Recovery Planning project was initiated in January 2008 by OCWCOG following the severe winter storms of 2007. Driven by a task force of leaders from emergency response, local government, and other economic development entities this effort analyzed recent storm events, prioritized the preparedness needs of the business community, and outlined an outreach strategy to address the identified needs. The first phase of this effort was completed in June 2009 and EDA has awarded additional funding to continue outreach efforts through 2010.

Project outcomes between April 1st and September 30th include:

- ♦ Publication and distribution of two disaster preparedness brochures -
 - Lincoln County Disaster Resilience Kit addressed business needs
 - Disaster Preparedness for You and Your Household addressed employee and household needs
- ♦ Creation of a website outlining disaster preparedness resources and tips for businesses and households. This was the result of a collaborative effort between the task force; OCWCOG; and the Lincoln County Departments of Public Relations, Emergency Management, and Health and Human Services.
- Collaboration with the Oregon Coast Community College Small Business Development Center to provide community-based training and technical assistance for small businesses developing disaster preparedness and business continuity plans.
- Completion of direct outreach to business owners through presentations at local business group meetings.
- Completion of broad-based outreach effort through a radio broadcast on KBCH 1400 AM and ongoing partnerships with local cable and radio stations.



Business Lending Support & Activity

Today's Outlook

Key partners in the financial industry are experiencing mounting pressure to maintain the quality of their loan portfolios during an economic crisis that has pushed unemployment and loan delinquency to levels that have not been seen for a decade. Increased scrutiny of lending practices and defaulting loans has resulted in fewer business owners able to qualify for much needed capital.

Comparison of Recent Lending Activity

Non-CWFSI Lending in Region

EDA Report Period	2005-2006	2006-2007	2007-2008	2008-2009	Mid-Year 2009-2010
Number of Businesses	54	38	26	21	18
Public Funds Lent (non-CWFSI)	\$12.9 million	\$4.4 million	\$2.4 million	\$1.7 million	\$.7 million
Jobs Created or Retained	420	281	136	123	45

What can we do?

- ◆ Flexibility in repayment of existing funding as well as sources for additional working capital to fund increased costs will be important to businesses in all of Oregon's primary employment sectors.
- ◆ OCWCOG and LCOG lending staff are diligently working with business clients to provide options and remedies as clients need them, but it is imperative that additional loan resources emerge and fill lending gaps before businesses fail.
- ◆ SBA, EDA, and USDA resources could play a critical role in filling the lending gaps that are emerging during this economic crisis.
- ◆ This year, OCWCOG applied for USDA Rural Business Enterprise Grants for Linn County and for Lincoln County that were not funded due to the high demand nationwide. We will continue to compete for any available funds to match with our existing lending resources to provide gap financing within our counties.
- ◆ OCWCOG continues to pursue micro-business loan funding to provide financing for small business requests.
- ◆ Economic downturn has impacted most borrowers sales performance, forcing startup business to use alternative lending partners, such as investors.
- ◆ We are following the recent shift in funding requests for projects that create jobs to those that retain jobs.

Historic Context

OCWCOG and LCOG: Business lending activities of the OCWCOG and LCOG provide gap financing to assist start-up and expanding businesses. These efforts expand the local economy and generate new private sector jobs.

Loan fees and interest income support the lending program - no EDA planning grant funds are used to support these business lending efforts. However, lending activities remain an integral part of the CWEDD's overall economic development program.

Cascades West Financial Services, Inc. (CWFSI): OCWCOG, LCOG, and Mid-Willamette Valley Council of Governments (MWCOG) formed CWFSI in 1983 for the seven-county area of Benton, Lane, Lincoln, Linn, Marion, Polk, and Yamhill. CWFSI is a SBA-certified, private, non-profit development company providing access to the SBA 504 and SBA 7A programs. Staff serves on the board of CWFSI.

Lending Services

OCWCOG and LCOG continued to serve as “one stop” centers for businesses seeking public financial assistance for start-up and expansion. Both OCWCOG and LCOG have experienced a dramatic decrease in borrowers and lenders that are willing to finance their capital needs during a recession.

OCWCOG and LCOG continue to receive inquiries for micro-enterprise development loans that we had previously provided utilizing CWFSI EDP and SBA Microloan funding. CWFSI has discontinued both programs, leaving a gap in funding for start-up businesses in our communities.

Benton, Lincoln, and Linn Counties: OCWCOG packages loans for the -

- ♦ EDA Revolving Loan Fund (RLF)
- ♦ SBA 504 Program
- ♦ SBA 7(a) Programs (statewide)
- ♦ USDA-RBS Rural Development Fund (RDF)
- ♦ Regional Strategies Business Investment Fund (BIF)
- ♦ Lincoln County Revolving Loan Fund (LRLF)
- ♦ State and Federal Guaranty and Direct Loan Programs
- ♦ State and Federal Guaranty and Direct Loan Programs (statewide)

Lane County: LCOG/CWFS packaged loans for the -

- ♦ EDA Revolving Loan Fund (RLF)
- ♦ SBA 504 Program
- ♦ Regional Strategies Business Investment Fund (BIF)
- ♦ USDA-RBS Rural Business Development Fund (RBDF)
- ♦ SBA Pre-Qualification & SBA 7(a) Programs
- ♦ State and Federal Guaranty and Direct Loan Programs
- ♦ New Markets Tax Credit Business Loan - Real Estate Program, packaged in cooperation with the Mid-Willamette Valley Council of Governments

Business Counseling and Referral: Staff at both OCWCOG and LCOG counseled multiple small businesses not yet ready for expansion financing and made frequent referrals to the Business Development Centers at the community colleges and to the Senior Corps of Retired Executives (SCORE.)

Administration and Servicing:

- ♦ OCWCOG provided central administration for the EDA RLF, Regional Strategies BIF, and the USDA-RBS RDF programs.
- ♦ OCWCOG contracted with LCOG to provide packaging services in Lane County for the RLF and BIF programs and servicing of the OCWCOG SBA 504 portfolio originated prior to the inception of the loan program at LCOG.
- ♦ LCOG provided central administration for the USDA-RBS RBDF.
- ♦ Each COG continued to service its own portfolios originated under the CWFS SBA 504 loan program and the respective USDA-RBS fund of each COG.
- ♦ Under agreement with the Mid-Willamette Valley Council of Governments, LCOG shares the fee and servicing income on projects funded through New Market Tax Credit Business Loan Program. This cooperative approach takes advantage of Mid-Willamette's existing systems for managing these deals while allowing access to long-term real estate financing that is similar to, but more flexible than, the SBA 504 Program for businesses located in qualifying low-income areas.

Marketing: OCWCOG and LCOG continued to focus on marketing loan programs through referral agents (such as banks, CPAs, realtors, developers, and borrowers). Marketing activities included presentations at bank staff meetings, training sessions, conferences, "meet the lenders" gatherings; press releases; brochures; signage at the site of funded projects; public speaking engagements; and through the OCWCOG website. An electronic newsletter to bankers, realtors, and local government officials allows OCWCOG to track readership.

LCOG sponsored a lender education forum with training provided by multiple government lending groups including the SBA, USDA, and the State of Oregon. This forum targeted local bankers with the objective of increasing awareness of various gap financing programs.

LCOG is also active with various bank trade associations, including the Risk Management association (RMA). LCOG is a primary sponsor of many local RMA presentations. These sponsorships provide increased visibility and awareness for LCOG's various government loan programs.

OCWCOG continues to be an active member of the National Association of Development Companies (NADCO) which provides training and best practices for lenders active in the SBA 504 and 7(a) loan programs.

Impact of Lending Activity

District - Reporting Period: During the reporting period of April 1 through September 30, 2009, OCWCOG and LCOG lending activity excluding CWFSI (SBA 504, 7A, EDP) loans in the four-county District (Benton, Lane, Lincoln, Linn) has:

- ♦ Provided financing that allowed the start-up or expansion of 13 businesses in the District.
- ♦ Lent \$655,087 in public funds.
- ♦ Contributed to the creation or retention of 45 jobs in the District.

District - Cumulative: Since 1983, OCWCOG and LCOG lending activity in the four-county District (Benton, Lane, Lincoln, Linn) excluding CWFSI lending (SBA 504, 7A, EDP, Microloan) has:

- ♦ Provided financing that allowed the start-up or expansion of up to 940 businesses in the District (some businesses have been repeat clients).
- ♦ Lent over \$133.3 million in public funds.
- ♦ Contributed to the creation or retention of at least 5,086 jobs in the District.

CWFSI - Cumulative: OCWCOG and LCOG continue to package loans outside of the District under contract with CWFSI. Since 1983, this overall OCWCOG and LCOG lending activity, including out of District and SBA 504 loans has:

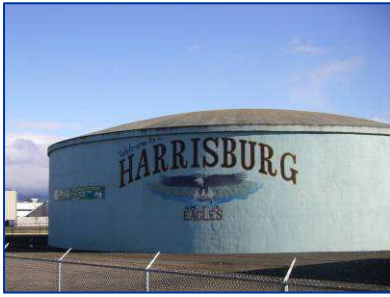
- ♦ Provided financing that allowed the start-up or expansion of up to 1,124 businesses (some businesses have been repeat clients).
- ♦ Lent \$190.5 million in public funds.
- ♦ Contributed to the creation or retention of at least 8,346 jobs.

Summary of Lending Activity

The following table identified each of the business loans closed during this reporting period, including those for CWFSI (SBA 504, 7A, EDP) by CWEDD staff for projects both within and outside of the four-county region.

Summary of CWEDD Lending Activity: Loans Closed April 1 - September 30, 2009

BUSINESS TYPE	COUNTY	CITY	PROGRAM	LOAN AMOUNT	OTHER PUBLIC FUNDS	PRIVATE FUNDS LEVERAGED	OWNERS EQUITY	TOTAL PROJECT	DATE FUNDED	EST. JOBS CREATED	EST. JOBS RETAINED	TOTAL EST. JOB IMPACT
OCWCOG Loan Activity												
Women's Center	Lane	Eugene	SBA 504	1,460,000	0	1,613,117	555,000	3,612,332	09/16/09	0	102	102
Restaurant	Lincoln	Siletz	RDF4	18,200	0	0	0	76,000	09/18/09	0	0	0
Restaurant	Lincoln	Siletz	LCLF	22,800	0	0	0	0	09/18/09	0	3	3
RV Park	Lincoln	Waldport	LCLF	25,000	0	0	5,990	30,990	05/26/09	0	1.5	1.5
Hotel/Motel	Lincoln	Newport	LCLF	25,000	0	0	3,034	28,034	06/15/09	0	4	4
Art Gallery	Lincoln	Rural	LCLF	20,000	0	0	10,000	30,000	05/21/09	0.5	1	1.5
Bakery	Lane	Oakridge	RLF	50,000	0	36,000	85,000	171,000	05/21/09	1	0	1
Automotive	Linn	Albany	BIF	15,134	0	0	5,978	21,112	09/03/09	3.5	7	10.5
Detailing	Benton	Corvallis	BIF	15,000	0	15,000	6,000	36,000	04/08/09	2	0	2
CPA Practice	Linn	Albany	BIF	15,000	0	0	5,000	20,000	09/17/09	1.5	0	1.5
OCWCOG All Loans	10 Loans			1,666,134	\$0	\$1,664,117	\$676,002	\$4,025,468		8.5	118.5	127
LCOG Loan Activity												
Restaurant	Lane	Springfield	SBA 504	586,000	0	815,000	244,500	1,645,000	04/15/09	16	0	16
Radio Station	Lane	Florence	IRP	114,453	0	413,434	0	527,887	05/05/09	1	6	7
Dentists	Lane	Creswell	IRP	150,000	0	1,243,000	33,000	1,426,000	05/06/09	0	7	7
Motel	Douglas	Roseburg	SBA 504	250,000	0	612,500	367,500	1,230,000	06/17/09	0	4	4
Restaurant	Lane	Springfield	SBA 504	602,000	0	850,000	255,000	1,707,000	07/15/09	16	0	16
Lab Testing Franchise	Lane	Eugene	EDA	34,500	0	34,500	12,500	82,000	07/15/09	1	0	1
RV Resort	Linn	Harrisburg	SBA 504	1,602,000	0	2,608,500	1,043,500	5,254,000	08/12/09	26	0	26
Pharmacy	Lane	Florence	IRP	150,000	0	374,000	127,000	651,000	08/25/09	5	0	5
LCOG All Loans	8 Loans			\$3,488,953	\$0	\$6,950,934	\$2,083,000	\$12,522,887		65	17	82
District Total	18			\$5,155,087	\$0	\$8,615,051	\$2,759,002	\$16,548,355		74	136	209



Public Works & Community Facilities Development Assistance

Assistance with the development of public works and community facility projects is an ongoing priority for the District. CWEDD staff provide technical assistance in the form of outlining potential projects, identifying funding options, seeking grant/loan dollars, preparing applications for funding, and managing grant funds and construction activity.

District staff worked on the following public works and community facilities projects during the annual reporting period of April 1 through September 30, 2009.

Alpine County Service District Dechlorination Project: The Alpine County Service District (ACSD) operates a domestic sewer system serving approximately 42 residences in the unincorporated southeast Benton County of Albany. OCWCOG assisted Benton County in securing a \$330,000 Community Development Block Grant (CDBG) in 2008 to pay for needed upgrades to the 20 year-old system. Project design, environmental review, and construction bidding process were completed with OCWCOG assistance during this reporting period. Construction of the improvements began in late September and completion is expected in December. OCWCOG staff provides grant administration services for the project.

Blue River Water System Improvements: Through Lane County the Blue River Water District accessed a \$1 million Community Development Block Grant for water system improvements. The improvements include well system refurbishing, construction of a loop for consistent water delivery, and the construction of a second reservoir. During this reporting period, work was completed and the project closed out. LCOG provided grant administration for this project.

Brownsville Wastewater Improvements: During this reporting period, the City of Brownsville completed a major project that constructed an additional wastewater treatment lagoon and replaced a substantial amount of the wastewater collection lines. The project was funded with a \$750,000 Community Development Block Grant and \$550,000 from the Oregon Water/Wastewater Finance Program (\$250,000 grant and \$300,000 loan). The USDA Rural Utilities Service provided additional project funding (\$1,189,200 grant and \$6,217,000 loan). OCWCOG staff assisted the City in obtaining funding, and is provided grant administration services under contract.

Coburg Wastewater Facilities: LCOG staff continued its twelve-year effort to help the City of Coburg develop a City wastewater facility. Funding for this \$24 million project was finalized and construction was begun during the reporting period.

Completion is scheduled for 2012. The economic downturn had a significant impact on Coburg because of the bankruptcy of a major regional employer located in Coburg. The recession also caused one of the funding agencies to withdraw its pledge of assistance. LCOG worked with Coburg to secure alternative funding and to continue the construction schedule.

The \$24 million in funding which LCOG helped the City secure includes \$2.5 million in EDA grant funds. EDA support was critical to the project in that it helped retain employment at two large regional manufacturers in Coburg. Additional funding support was provided by the USDA Rural Utilities Services, Oregon Department of Environmental Quality, Oregon Economic and Community Development Department, and the U.S. Environmental Protection Agency.

Mapleton Water District: LCOG served as contract administrator for a \$750,000 CDBG grant to Lane County for the Mapleton Water District. The program has replaced the water filtration system for the Mapleton Water District, allowing the District to overcome turbidity problems and improve service to this rural community. This project closed early in the reporting period.

Mill City Sewer System Improvements: The City of Mill City has a twenty year-old wastewater treatment system with components that are deteriorated due to hydrogen sulfide gas. The components need replacement. The system also required upgrades to resolve problems that occurred when a pump station overflowed. The pump station improvements were completed during this period, and the construction of the treatment system improvements began during this period. The \$2.5 million project is funded with an \$840,000 Community Development Block Grant, a \$1,266,000 loan and a \$335,000 grant from the Oregon Water/Wastewater Finance Program, and \$100,438 of local funds. OCWCOG staff is providing grant administration services to the City under contract.

Monroe Wastewater System Improvements: The City of Monroe is working under a Mutual Agreement and Order (MAO) with the State of Oregon to make improvements to its wastewater system. As part of the project, the City has completed a new pump station to replace one that bypassed raw sewage into the Long Tom River during periods of heavy rain. The two existing treatment lagoons are undersized and during this reporting period the City acquired a site for an additional lagoon and began constructing that lagoon. With the assistance of OCWCOG staff, the City obtained a \$1,000,000 Community Development Block Grant and a \$1,000,000 loan from the Oregon Water/Wastewater Finance Program to finance the project. OCWCOG staff is providing grant administration services under contract with the City.

Port of Newport Terminal Site Redevelopment: The Port of Newport is pursuing EDA funding for the redevelopment of their old shipping terminal property. OCWCOG continues to support the Port's efforts to prepare a project for EDA consideration that would allow this site to accommodate new industrial buildings and the Port's offices. The Port is currently working through environmental issues alongside the project area (unrelated to the proposed project) to establish sequencing of improvements.

Port of Toledo Infrastructure and Marine Yard: OCWCOG continued to support the Port of Toledo's efforts to secure EDA funding for a project that would allow the Port re-open and improve a private shipyard that was recently closed. The shipyard plays a pivotal regional economic role and is important to Oregon's marine industry. EDA funding for infrastructure improvements and the development of a ship haul-out facility that will allow ships to be scraped and painted on land instead of in the slough is proposed. The Port has acquired the site and completed a detailed business plan that lays out a detailed improvement plan. OCWCOG continues to offer grant development advice and is prepared to support the Port's application efforts.



Transportation Planning, Coordination, & Advocacy

Transportation improvements remain a high priority for the CWEDD. District staff continued to provide support to a number of community-specific transportation projects, as well as to several multi-jurisdictional efforts. However, the need for transportation improvements continues to grow while the resources available to meet these increasing needs are dwindling. The recent opening of funding through the ARRA has increased staff's efforts in lining up priority local and regional projects with funding opportunities.

Efforts in Lane County

Eugene-Springfield Metropolitan Planning Organization: In 1973, LCOG was designated as the Metropolitan Planning Organization (MPO) for the Eugene-Springfield metropolitan area. LCOG is responsible for conducting the continuing, comprehensive, and cooperative transportation planning process in the Eugene-Springfield metropolitan area. LCOG as the MPO, Lane Transit District, and the Oregon Department of Transportation (ODOT) are jointly responsible for annually certifying that the transportation planning process for the area is conducted in accordance with federal transportation planning regulations.

Metropolitan Policy Committee (MPC): LCOG continued to staff the MPC, which is the Central Lane MPO policy body. MPC is an intergovernmental committee created to promote problem solving and to resolve intergovernmental disagreements among the local governmental agencies. MPC provides policy direction for the development of the MPO's annual work program and transportation plan, and sets priorities for projects for Central Lane MPO Transportation Improvement Program and Oregon's Statewide Transportation Improvement Program.

MPO Citizen Advisory Committee: LCOG provides staff support for the MPO Citizens Advisory Committee, designed to provide a formalized opportunity for citizen discussion and advice to the MPC, acting as an MPO. The twelve-member committee was formed to advise the MPO as the region moves forward with several large transportation projects.

Transportation Planning Committee (TPC): LCOG continued to staff a standing committee, under the direction of the LCOG Board and the Metropolitan Policy Committee (MPC), which undertakes necessary technical activities for the continuing, comprehensive, and cooperative (3-C) transportation planning process in the Eugene-

Springfield metropolitan area. TPC prepares plans, programs, and special studies to address transportation issues in the metropolitan area. LCOG worked with the transportation planning and engineering staff of the cities of Eugene and Springfield, and with Lane County, LTD, LRAPA, and ODOT staff to implement the Transportation System Plan. The Plan required review and modification in light of changing funding circumstances.

Especially critical in this regard was the discovery of damage in the I-5 bridges over the Willamette and McKenzie Rivers. LCOG facilitated the public involvement in the design process for the new span of I-5 across the Willamette River and assisted with the transition from the design phase to the construction phase. LCOG has also begun working with the respective jurisdictions in Lane County who are initiating work on updates to the local transportation system plans.

In addition to providing assistance in the planning process, LCOG is playing a role in making sure that the transportation system plans of each jurisdiction is coordinated with the planning process in other jurisdictions.

Transportation System Improvement Planning: LCOG, serving as the Central Lane MPO, has worked for many years facilitating the development of local transportation project priorities. The MPO worked cooperatively with Lane County to set up project priorities for the Oregon Transportation Investment Act (OTIA) and the State Transportation Improvement Programs. LCOG has continued to work on implementation and modification of plans to accommodate changing circumstances. Responding to the opportunity presented by the ARRA, LCOG oversaw the development of an extensive list of transportation projects, the submission of applications for funding and the implementation of construction for project throughout Lane County.

Efforts in Benton, Lincoln, & Linn Counties

Cascades West Area Commission on Transportation: OCWCOG staffs the Cascades West Area Commission on Transportation (CWACT). The CWACT is a standing committee of the OCWCOG Board of Directors and is chartered by the Oregon Transportation Commission. CWACT membership includes representatives from cities and counties in the Benton-Lincoln-Linn Counties region as well as from the private sector.

OCWCOG staff prepared a biennial report for the Oregon Transportation Commission and assisted CWACT members with their biennial presentation/discussion with the Oregon Transportation Commission. With the assistance of a Technical Committee, the CWACT also participated in the update of the 2010-2013 Statewide Transportation Improvement Program.

CWACT members supported and advocated the approval of the State of Oregon Jobs and Transportation Act, the most comprehensive transportation bill in 15 years which will provide significant resources for State highways, local roads, public

transportation and multimodal projects. OCWCOG staff also took the first steps in coordinating the CWACT's review and prioritization of projects for the Connect Oregon III funding approved by the 2009 Legislative Assembly, a \$100 million program focused on multimodal projects, including rail, aviation, ports, and public transit.

Small Cities Allotment: The CWACT advocated for changes to the State's Small Cities Allotment (SCA) program. The current SCA program provides grants of up to \$25,000 to cities with populations of 5,000 or fewer to improve local streets and related facilities. The total amount allocated for the program is \$1 million. CWACT recommended that the maximum grant amount be increased to \$50,000 and the total amount allocated to the program be increased to \$2 million.

Corridor Planning: The CWCOG supported the need for long-range planning of the transportation facilities in the U.S. Highway 20 corridor between I-5 and the City of Philomath. Among the priority planning needs is a refinement plan for a Willamette River crossing in the Albany area. CWACT staff prepared an application for \$244,000 of funding from the Transportation Growth Management (TGM) program to be matched by \$125,000 from the City of Albany to complete this planning effort. Although the application did not receive approval, CWACT staff continues to work with ODOT and local partners in an effort to secure funding for corridor planning in the region.

Corvallis Area Metropolitan Planning Organization (CAMPO): OCWCOG provides administrative support to the Corvallis Area Metropolitan Planning Organization (CAMPO). Designated by the Governor, CAMPO is responsible for transportation planning and programming in the Corvallis Area. The organization operates under the auspices of a Policy Board comprised of representatives of the City of Corvallis, City of Philomath, City of Adair Village, Benton County, and the Oregon Department of Transportation (ODOT).

During this period, CAMPO worked with the City of Corvallis to ensure compliance of the Transit Master Plan with State requirements, participated in the Corvallis Transit System Triennial Review, coordinated project submissions for funding under the American Recovery and Reinvestment Act (ARRA), aided the City of Adair Village in evaluating transit service options, and continued its involvement in the area's major transportation projects sponsored by ODOT. CAMPO is also active in the Oregon MPO Consortium (OMPOC), an association of the Policy Boards of six MPOs in the State of Oregon.

Corvallis 9th Street Improvement Plan: The Corvallis Area Metropolitan Planning Organization (CAMPO) is working with the City of Corvallis and the Oregon Department of Transportation to develop an improvement plan for the 9th Street commercial corridor in Corvallis. The corridor has seen significant commercial growth in recent years and is faced with increased congestion, traffic volumes, and safety issues.

With substantial input from a project advisory committee and public meetings, CAMPO developed recommendations to address each of these issues. The recommendations were presented at four meetings with 9th Street business and property owners for further refinement, and will be presented at a public open house event in October. Recommendations include:

- ◆ Access management through driveway consolidation and construction of medians
- ◆ Enhancement of bike and pedestrian routes
- ◆ Additional bus shelters
- ◆ Support for mixed-use and pedestrian oriented development
- ◆ Enforcement of planter strip maintenance requirements
- ◆ Enforcement of sign ordinance and relocation of utility wires

Following a month-long public input period, CAMPO will finalize its 9th Street Improvement Plan recommendations and present them to the Corvallis Planning Commission and then the Corvallis City Council for review and adoption as part of the Corvallis land use development code.

Cascades West Transportation Demand Management (TDM) Program: OCWCOG continued to manage the Cascades West Rideshare Program, which provides free commuter matching for carpools and the Valley VanPool. The Rideshare Program has also developed expertise in other transportation demand management strategies and regional advocacy for alternative modes, an ability to implement commuter benefits programs for both public and private employers, and travel alternatives planning strategies for agencies.

Cascades West Rideshare continues to facilitate carpool formation for interested commuters through participation in the ridematching database and work with employers on strategies to address the transportation needs of their employees. The Cascades West Transportation Management Area (CWTMA) was responsible for adding or processing over 100 new commuters in the regional matching database during this reporting period.

Valley VanPool: OCWCOG continues to provide commuter transportation opportunities through Valley VanPool, a partnership with Salem Area Mass Transit District and Lane Transit District. OCWCOG and its partners in Valley VanPool leveraged ODOT funding to establish a new financial assistance program that off-sets some of the costs to participate in a vanpool. This program is now self-funding and makes vanpooling in the region a marquee transportation option. The viability of vanpooling expands the potential employment area for residents of Benton, Lincoln, and Linn Counties while also increasing the labor market pool for businesses in the region.

Advocacy and Coordination: OCWCOG staff served on statewide transportation demand management work groups and on the Board of Directors of the Transportation Options Group of Oregon. Specific efforts were directed to the development of statewide online carpooling matching program in partnership with the States of Washington and Idaho. This program will integrate new technology, such as real time rideshare opportunities sent to personal phones, which enriches the

number of situations through which ridesharing could be an option. The program is expected to be available to Oregon communities in 2010.

Transportation Brokerage: Cascades West RideLine, a transportation brokerage serving Linn, Benton, and Lincoln Counties, coordinates non-emergency medical rides primarily for Medicaid clients. The brokerage is coordinating an average of 6,000 rides per month to over 1,000 individuals requiring a variety of services levels including sedans, wheelchair vans, and stretcher trips. The brokerage also handles calls for Valley VanPool and Cascades West RideShare the regional programs matching commuters with common needs.

OCWCOG staff work to ensure that the vital transportation link between personal health and the health care system is able to accommodate all clients' needs. This has included working with transportation providers to meet requests that require specialized mobility equipment including wheelchairs, stretchers, securement devices and lift equipment.

Linn County Special Transportation Program: OCWCOG continues to provide staff support for the Linn County Special Transportation program under a renewed two-year intergovernmental agreement. This program helped provide more than 160,000 rides in FY 2008-2009 and expects to provide more than 165,000 rides in FY 2009-2010.

The Special Transportation Fund (STF) program, established by the State of Oregon in 1985, provides mobility for seniors over 60 years of age and for persons with disabilities who cannot access regular modes of public transportation (such as fixed route bus systems) or do not have access to personal transportation (such as an automobile). The program enables these individuals to maintain a reasonable quality of life and level of independence by providing transportation services for employment/vocational, medical, nutritional, recreational, shopping, volunteer opportunities, and other needs.

STF funding has declined by 20% in the past three years. OCWCOG, working with local, regional, and State partners, advocated for an increase in STF funding. The Oregon Legislative Assembly approved \$10 million in Special Transportation Operations funding (very similar to the STF program), which is about 75% of the current level of STF funding.

Additionally, the efforts of OCWCOG partners played a role in obtaining from the Oregon Legislative Assembly and the Oregon Transportation Commission more than \$20 million in transportation funding for seniors and people with disabilities in 2009-2011.

Linn County Coordinated Public Transit - Human Services Transportation Plan: OCWCOG updated the Linn County Coordinated Plan and continued to provide staff support on its implementation as well as the regional coordinated component in the plans of Linn, Benton, and Lincoln Counties. OCWCOG pursued multiple regional

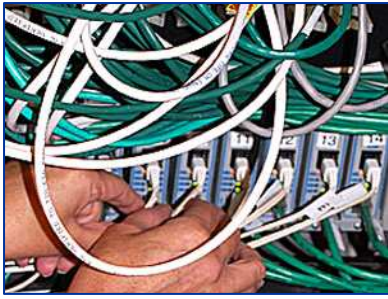
transportation programs to address the needs and opportunities identified in the plans during the reporting period.

The coordinated plans identified specific transportation needs and played an important role in the development of program and project applications for 2009-2011 ODOT discretionary grant funds. Linn County received \$437,000 in grants, Lincoln County received \$210,000, and Benton County received \$271,000.

OCWCOG staff continued to help local agencies in Linn County with their efforts to implement transit programs and projects funded through the American Recovery and Reinvestment Act totaling \$1.2 million.

During this period, OCWCOG participated in efforts to implement the recommendations of a State steering committee (which OCWCOG staff served on) that helped the Oregon Department of Transportation and Department of Human Services investigate new revenue sources to enhance transportation funding for seniors and those with disabilities. This effort included review of current transportation services for seniors and the disabled, analysis of trends and projections, identification of key transportation issues, future demand and cost projections, and alternative funding options.

OCWCOG is currently working with the Association of Oregon Counties, the Oregon Department of Transportation, and the Oregon Department of Human Services to explore the establishment of a statewide transportation services coordinated public transit-human services transportation plan. This plan would address the needs of seniors, people with low incomes, and the disabled in a more comprehensive, coordinated, efficient, and cost-effective manner.



Other Community & Economic Development Activities

Entrepreneurial Development: LCOG is a partner with the Eugene Area Chamber of Commerce in analyzing and improving the environment for new and rapidly growing entrepreneurial businesses. This effort is taking place within the Chamber's Business Development Committee. Initial efforts are focused on three strategies: 1) Creating greater networking opportunities for entrepreneurs, 2) Educating entrepreneurs regarding the existing tools and resources which are already available, and 3) Creating a conduit to funnel qualifying entrepreneurial businesses into available sources of capital.

OCWCOG is working in coordination the Corvallis-Benton Chamber Coalition to develop linkages between entrepreneurs and investors. OCWCOG provided staff support at the "Willamette Angels Conference". This annual conference links with LCOG's efforts noted above.

OCWCOG also continues to support the efforts of the Business Enterprise Center to establish a new facility. Strategies for ongoing operational funding needs as well as for facility development funding will be solidified as the BEC establishes its preferred operational location(s).

Telecommunications: The Oregon Coastal Zone Management Association has obtained District support for their request to EDA for funding to help overcome telecommunication deficiencies along the Oregon Coast. The need for improved communication systems was illustrated during the December 2007 storm event with Lincoln City unable to reach emergency management support in Newport.

LCOG provided staff support for local government consortia developing telecommunications infrastructure in Southern Oregon. The consortium includes members from Lane, Klamath and Douglas Counties. The consortium has facilitated connections within the region, including improved broadband service to Cottage Grove, Drain, Yoncalla, and Roseburg. The consortium has applied for funds from the NTIA BTOP program to improve broadband services in the three county area.

City of Siletz Comprehensive Plan Update: OCWCOG assisted the City of Siletz in accessing funding from the State of Oregon Department of Land Conservation and Development to update the City of Siletz Comprehensive Development Plan. With direction from a Comprehensive Plan Update Committee and continual public input, OCWCOG has completed a detailed buildable lands inventory, an economic opportunities analysis, a housing needs analysis, and a transportation analysis. The

City of Siletz Development Code and City of Siletz Comprehensive Plan policies were reviewed for recommended updates for each of these components.

This effort will generate a plan to move toward the community's vision for its future growth and development over the next twenty years. Additional components of the plan that will be reviewed include: natural and cultural resources, parks and recreation facilities, public facilities and services, citizen involvement, and the comprehensive plan map.

GIS Capacity: OCWCOG continues to maintain and build its Geographic Information Systems (GIS) capacity by investing in system upgrades and staff training. This continued investment has allowed OCWCOG to:

- ◆ Allow the public to view the impact of ARRA transportation projects in the MPO area
- ◆ Provide baseline wetlands data for conversations about mitigation of wetlands on industrially zoned properties
- ◆ Work with the City of Siletz to update their Comprehensive Plan
- ◆ Develop interactive poster displays for Corvallis' 9th Street Improvement Plan managed by the MPO
- ◆ Work with partner organizations for greater regional coordination

Regional Data Centers: OCWCOG and LCOG serve as the local Affiliate Data Centers for the 2000 Census and other Census information. LCOG maintains employment information for sub-county areas in association with the Oregon Employment Division. Both COGs serve as local resources for census and employment information.

Facilitation: OCWCOG provides facilitation services to community and economic development groups as well as through its members. Facilitation work during this reporting period included:

- ◆ City of Brownsville's exploration of a community and economic development plan
- ◆ City of Tangent's exploration of developing a tax base
- ◆ City of Philomath and Philomath Downtown Association discussions on expansion of the City's Urban Renewal District boundary, maximum indebtedness, and eligible projects.