
www.oregonmetro.gov

Willamette Falls Funding Strategy

An overview of opportunities and action steps to finance transformative re-development in Oregon City.

September 2012



Metro | *Making a great place*

About Metro

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together we're making a great place, now and for generations to come.

Stay in touch with news, stories and things to do.

www.oregonmetro.gov/connect

Metro Council President

Tom Hughes

Metro Councilors

Shirley Craddick, District 1

Carlotta Collette, District 2

Carl Hosticka, District 3

Kathryn Harrington, District 4

Rex Burkholder, District 5

Barbara Roberts, District 6

Auditor

Suzanne Flynn

Acknowledgements

Staff representatives from Oregon City, Clackamas County, Metro, and the State of Oregon contributed their experience and expertise to this document. In addition, representatives from public, private, nonprofit, and academic agencies throughout the region shared valuable insight.

Author

Annie Moss, Hatfield Fellow, Metro

Special thanks to the following contributors:

Hillary Wilton, Metro

Tony Konkol, City of Oregon City

Kelly Moosbrugger, Metro

Kathleen Brennan-Hunter, Metro

Christina Robertson-Gardiner, City of Oregon City

Hope Whitney, Metro

Tim Richards, Metro

Brian Vaughn, Metro

Eric Underwood, City of Oregon City

Janet Hillock, Business Oregon

David Frasher, City of Oregon City

Lloyd Purdy, Main Street Oregon City

Bobby Lee, Regional Solutions Center

Sandy Carter, Willamette Falls Heritage Foundation

Ray Valone, Metro

Stuart Cowen, Autopoiesis

Jamie Johnk, Clackamas County

Cheryl Twete, Metro

John Williams, Metro

Kim Knox, Shiels Obletz Johnsen

Gerard Mildner, PSU

Chris Deffebach, Metro

Roger Roper, State Historic Preservation Office

Randy Tucker, Metro

Ted Leybold, Metro

Rick Bastasch, City of Portland Office of Healthy Working Rivers

Chad Freeman, Business Oregon

Catherine Comer, Clackamas County

Megan Gibb, Metro

Meganne Steele, Metro

Kate Porsche, City of Albany

Nancy Kraushaar, City of Wilsonville

Karen Homolac, Oregon Brownfields

Miranda Bateschell, Metro

Marybeth Haliski, Metro

The City of Oregon City

Clackamas County

The State of Oregon

All photos courtesy of Metro.

TABLE OF CONTENTS

Part 1: Strategy Overview

Introduction	4
Executive Summary	5
Lessons Learned	9

Part 2: Funding Opportunities

Priority Funding Opportunities	12
Building Political Capacity	12
Project Partner Contributions	13
Analysis of Major Funding Opportunities	14
Public Grants and Funds	15
Public Finance	25
Development Incentives	28
Private Philanthropy and Foundations	30
Additional Funding Sources	32
Public Grants and Funds	33
Public Finance	36
Development Incentives	37
Private Grants and Investments	41
Indirect Funding Resources	42

Part 3: Priorities and Action Steps

Optimizing Funding Opportunities	46
Immediate Action	47
Gear Up For... ..	55
Pre-Development	58
Down the Road	61
Conclusion	62
Appendices	
Appendix A: Deadlines and Eligible Applicants	63
Appendix B: Planning Funds Deadlines	64
Appendix C: Funding Contacts	65
Appendix D: Oregon Lottery Figures	69
References	73

Part 1:

Strategy Overview

INTRODUCTION

Background

Metro, along with partners at the City of Oregon City, Clackamas County, and the State of Oregon, is investigating using its Natural Areas Bond Fund to acquire the former Blue Heron Paper Mill site, a 22-acre property at Willamette Falls in Oregon City's historic downtown. This funding strategy provides a toolbox of resources and outlines steps to prepare for and capture funding opportunities as they arise. This report reflects the potential regional significance that transformation of the Willamette Falls property represents.

Objectives

This report considers funding needs throughout the Willamette Falls transformation (see Table 1). Particular emphasis is given to resources that will contribute to the early stages of the project or that fill significant gaps along multiple project stages.

Table 1: Project Timeline

Project Stage	Components
Acquisition	Investigations; Acquisition; Due diligence; Demolition & Retention; Partnership Development
Planning	Interim use and operation; Zoning; Planning; Design; Outreach
Implementation	Infrastructure; Development incentives; Achieving values
Refinement	Ongoing operation; Maintenance; Continued development

How to Use This Report

This report is divided into three sections:

1. **Part 1** is an overview of the funding strategy summarizing key resources and lessons learned.
2. **Part 2** defines the tools, mechanisms, and funds presented in this report, organized by resource type. Several indirect resources are explored, such as pro-bono support, added notoriety, or reduction of cost and risk.
3. **Part 3** provides guidance to project partners by prioritizing funding sources and presenting action steps needed for implementation.

Additional Resources

- Funding deadlines and eligible agencies are listed in Appendices A and B (p. 67-68)
- Program officers and practitioner contacts are provided in Appendix C (p. 69)

EXECUTIVE SUMMARY

The potential for transformational redevelopment at Willamette Falls represents a once-in-180 year opportunity. It also represents a significant challenge, as project partners seek to unlock this complex site's potential while upholding four critical and co-equal values: public access, economic development, cultural/historic interpretation, and ecological restoration.

Despite the magnitude of the task, an array of resources can support the public sector as it ushers the Willamette Falls property into a new era, while honoring its historic role in the region. To optimize these resources, however, significant energy is needed to build public support and foster enthusiasm. Communications and outreach form the backbone of the funding strategy. Internal partners' and elected officials' ability to promote a compelling vision for the Willamette Falls property is a pre-requisite for securing the majority of funding sources listed in this report.

Key Lessons Learned

Two principles guide the strategy for funding a major re-development project:

“Success Breeds Success”. Momentum is critical to optimizing sufficient funding opportunities for a project of the scope and scale of Willamette Falls.

“There is No Silver Bullet”. A layered funding strategy which combines multiple tools and resources is the most feasible option for success.

In addition, four key activities form the basis of successful execution of this strategy:

- ☐ Build relationships and develop communication tools that can foster excitement and support. A champion is critical to securing commitment and collaboration.
- ☐ Secure public and private grants to fund specific project components and outcomes.
- ☐ Employ public finance tools, which can contribute to site-readiness and and “prime the pump” for private investment.
- ☐ Attract development by preparing a package of opportunities that private sector partners can utilize to increase the likelihood of success and profitability.

Priority Funding Opportunities

Those resources and tools considered by project contributors as essential or highly likely to contribute to the re-development of Willamette Falls are summarized on the following page. These resources represent a range of different funding types to both diversify funding for the project and address varying needs. Each tool's level of priority is evaluated as follows:

Legend for ease of implementation:

- | | |
|----------|--|
| A | Essential: Potential contribution is significant and therefore merits a high level of effort to implement |
| B | Good: Requires large effort for a fairly sizeable return, or modest return but predictable approval |
| C | Challenging: highly competitive, long timelines, complex requirements, potential controversy, etc. |
| D | Risky: Particularly unpredictable and risky path to implementation, low overall contribution |
| F | Off the list |

Table 2: Funding Summary (Major Sources)

	Ease	Program	Agency/Funder	Estimated Yield
Public Funding	A	Project Funding Partner	Metro Natural Areas Bond Fund	tbd
	A	Project Funding Partner	Oregon City	tbd
	A/B	Lottery	State legislature, et al.	tbd
	A	Infrastructure Finance Authority	Business Oregon	\$100K - \$1 mil.
	A	Assessment Grant	EPA Brownfields	\$200K - \$600K
	B	Cleanup Grant	EPA Brownfields	\$200K/site
	A	Revolving Loan Fund	EPA & Oregon Brownfields	tbd
	B	Planning	EDA	\$60K to \$70K
	B	Local Technical Assist.	EDA	Ave. \$83K in 2011
	B/C	Pub. Works & Ec. Adjustment	EDA	\$200K to \$3 mil.
	B	Local Government Grants	State Parks	Up to \$750K
	B	LWCF Grant	State Parks	Min. \$12,500
	B	Recreational Trails Grant	State Parks	\$10K - \$160K
	B	Restoration Grant	OWEB	\$250K
	A	STIP Enhance Grant	ODOT	TBD
	B	TGM	ODOT	\$75K to \$200K
Public Finance	A/B	Urban Renewal	Oregon City	tbd
	B/C	HUD 108 Loans	HUD/Clackamas County	5x county CDBG (\$1.9 mil. in 2011)
Development Incentives	C	EB5	USCIS	tbd, min \$500K
	A	Preservation Tax Credits	National Parks Service	20% credit
	A	SHPO Special Assessment	State Parks	10 year AV freeze
Private Funding	B	Grant or collaboration	Bullitt Foundation	\$100K to \$1 mil. +
	B	Grant or collaboration	Oregon Community Foundation	\$5K to \$35K +
	B	Program-related Investment	Meyer Memorial Trust	\$75K to 4 mil.
	B/C	Responsive Grant	Meyer Memorial Trust	\$40K to \$300K
	C	Grant	Surdna Foundation	\$5K to \$600K
	B/C	Grant	Collins Foundation	\$3K-\$300K

Table 3: Funding Summary (Additional Sources)

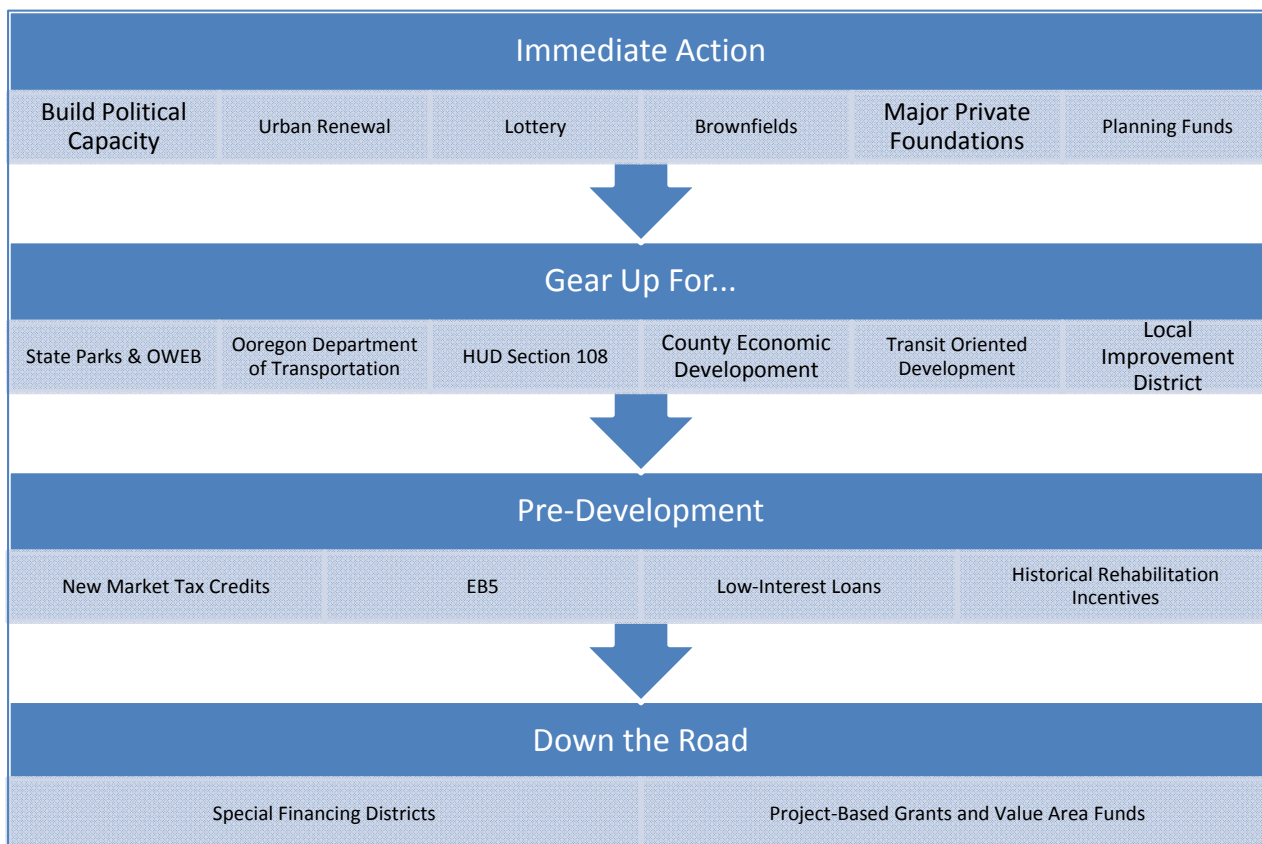
	Ease	Program	Agency/Funder	Estimated Yield
Public Funding	A	Planning and Development Grant	Metro	\$30K to \$400K
	B/C	Transit Oriented Development	Metro	up to \$500K
	B	Regional Flexible Funds	Metro	2011 projects ranged from \$100K to \$5 mil.
	B	Heritage Grant Program	State Parks	\$20K
	B/C	"Our Town" Grant	NEA	\$25K to \$150K
	A	Certified Local Government	State Parks	\$15K/bi-annually
	B	Fish Restoration & Enhancement Grant	ODFW	Up to \$170K
	C/D	State Wildlife Program Access & Habitat Grant	ODFW	Approx. \$100K
Public Finance	A/B	Special Financing Districts	Oregon City	Tbd
Development Incentives	A	Low-interest loan	EPA/Oregon Brownfields	Tbd
	B	Low-interest loan	Business OR Special Public Works Fund	\$100K to \$10 mil.
	C	Low-interest loan	DEQ	\$100K to \$5 mil.
	B/C	Low-interest loan	DOE	Tbd
	F	New Market Tax Credits	US Treasury	39% tax credit
Private Funding	C	Large grant	Spirit Mountain Community Fund	\$50K max.
	C	Capital grant	Spirit Mountain Community Fund	\$100K max.
	C/D	Real Estate Investment Trust	Tbd	Tbd
	C/D	Oregon Governor's Fund for the Environment	National Fish and Wildlife Foundation	\$30K to \$50K

Critical Action Steps

Build relationships: The need for a project champion and significant political capacity was reiterated throughout interviews. From gaining a foothold in competitive grant processes, to generating public support, to accessing matching funds or other support from the State and Federal government, the **Willamette Falls project's success will rely heavily on the ability of its champions to spark public imagination, market the regional benefit of site transformation, and attract commitment at multiple levels.**

Be prepared: Lost time adds costs; many funding opportunities are time sensitive. A missed deadline on a competitive grant could mean a setback of a year or more. Lag time while political support is generated for certain public finance tools could mean missed opportunities in the short-term. Preparation and foresight are key. The following timeline indicates the priorities for action:

Figure 1: Funding Timeline



LESSONS LEARNED

Success Breeds Success

Contributors to this report concurred: momentum is crucial in a project where the financial gap is significant. The need to catalyze a robust funding effort forms the backbone of this funding strategy for the Willamette Falls project.

There is No Silver Bullet

Additionally, a funding strategy for the re-development of Willamette Falls will require a menu of funding options, deployed collectively and leveraged against one another, in order to achieve site transformation.

Case studies locally and nationally demonstrate how funding mechanisms are layered to facilitate development. A preliminary review by Metro staff of possible financial resources for Hillsboro's 4th and Main development identified nearly 20 possible tools or funds¹. Wilsonville's Villebois development – which required a substantial public investment in infrastructure and transportation – combined Systems Development Charges, a Local Improvement District, Urban Renewal backed-bonds, State and Federal Grants, and utility fees to finance the project².

Examples also provide insight into the role that different tools and sources play in leveraging successful development. For instance, the Minneapolis Riverfront District Revitalization strategy included the following components:

- Establish a vision and ensure that planning and regulatory tools support this vision.
- Remove barriers to private investment, such as pollution or blight.
- Install the necessary infrastructure to support private development.
- Provide amenities and build on strengths – through methods such as restoring natural areas and creating public access – to make the site more attractive to investment.
- Create opportunities through financing programs and site readiness³.

Each step in the Minneapolis strategy implies a need for funds to support it. Local development practitioners and experts verified these elements, and from this survey four key activities were determined, which are critical to funding redevelopment:

- 1. Building Relationships and Communications (ongoing, but essential to begin early):** Two types of relationships are crucial. The first is with elected officials and other influential individuals with high levels of political capital who can foster public support and collaboration. The second involves building relationships with private funders. Securing funds or a preliminary letter of interest can be an important tool for leveraging developer interest or other sources of funding.

Building successful relationships and generating excitement relies heavily on a vision for transformation that can spark the imagination of the general public or potential collaborators. Although there are many unknowns on the site, and the process of shaping public and private involvement will determine a great deal of what is feasible, **a vision of transformation will help to build excitement and commitment.**

2. **Secure Public & Private Grants (at appropriate phase):** Grants are an important source of equity for a project, and can be used to leverage financing. Funds for specific projects or tasks range in size and importance. Planning ahead on these funding sources will assist in leveraging them to secure other opportunities and will enable partners to prepare for deadlines and application processes.
3. **Employ Public Finance Tools (important early on):** Local jurisdictions have a variety of tools at their disposal that can help generate cash flow, overcome property liabilities, reduce the cost of borrowing, or remove barriers to economic development. Putting these tools to use in redevelopment can provide the necessary up-front effort to “prime the pump” for future investment by the private sector.
4. **Attract Development (post-acquisition, with preparations beginning earlier):** Certain characteristics of the project make it eligible for programs and tools that can lower the risk or cost for developers. Detailing this package of incentives in advance prepares project partners to attract development; it also provides some leverage to negotiate any risk and responsibility that should be borne by the developer.



Fitting it All Together

A final lesson is the need to consider how funding sources relate to one another. Funding sources that can act as equity to leverage financing are needed. Likewise, liquid funds in the form of partner contributions or federal and state allocations will provide continuity between prescribed funds and individual grants. A diverse array of tools will likely play a role in the overall strategy for Willamette Falls.

PRIORITY FUNDING OPPORTUNITY

MAJOR FUNDING OPPORTUNITIES

ADDITIONAL FUNDING SOURCES

INDIRECT FUNDING SOURCES

Part 2:

Funding Resources

BUILDING POLITICAL CAPACITY

The Willamette Falls project is a complex and dynamic one, with significant opportunities to produce region-wide benefits, but also significant potential challenges along the way. The ability to raise the required level of funds for such a project rests heavily on the ability of its leaders to build political capacity and foster support. Therefore, at the core of a funding strategy is a communications strategy.

The Basis of a Sound Financial Structure

This report describes a layered funding strategy, where a multitude of tools address financing gaps and enable site improvements that move the Willamette Falls project closer to an ambitious vision of successful transformation. However, in order for this funding strategy to be sustainable, some flexible, liquid sources of funding will be needed. Political capacity is critical in accessing this type of funding.

Many funding sources are tied to specific project outcomes. However, prescribed funding sources such as project-based grants require management, and it is unlikely that grants alone will be sufficient to cover all of the financial needs of the project, particularly if unexpected costs arise. Liquid funding can come from partner contributions, loans, and matching allocations from the State and Federal levels, but access to such capital requires strong support and commitment.

Portland's South Waterfront illustrates this point. The South Waterfront redevelopment received significant earmarks to help finance the project. In addition, a developer was brought on board early in the process, and took on approximately half of the responsibility for installing infrastructure⁴. Although the scale, capacity, and economic context in which this project took place were unique, this example nonetheless demonstrates the importance of relationship building early-on in the process.

Internal Champions

The Willamette Falls Project partnership – Oregon City, Clackamas County, Metro, and the State of Oregon – represents an opportunity. Each of these levels of government is represented by elected officials whose political capital can be leveraged to bringing in resources from the State and Federal level. These elected officials have a crucial role to play as champions, leading outreach efforts and bringing in high-caliber supporters.

A Public Face

An additional factor in building capacity is pinpointing an individual outside of the partnership whose political capital can mobilize the public as well as political stakeholders. This can be a retired politician or a well-known individual from the private sector, with sufficient name recognition and networking capabilities to generate excitement and commitment.

Branding and Communications Tools

Ongoing development of a communications plan is setting the stage for public-sector collaboration. A set of outreach tools including a presentation, talking points, and 1-page handout have been developed. These tools also provide an initial step towards project branding, as they distill the crucial elements of the Willamette Falls project history, partnership, and values into core messages.

Briefing potential collaborators early on in the project will hopefully prime them to offer their support. Meetings and site tours could provide a forum for inciting excitement and demonstrating the significant potential of the project.

PROJECT PARTNER CONTRIBUTIONS

Contributions from project partners will be an essential resource to manage the Willamette Falls redevelopment.

Metro's Natural Areas Bond Fund

In 1995 and 2006, voters in the region approved natural areas bond measures to protect and restore wildlife habitat, water quality, and recreation opportunities. Through its Natural Areas Acquisitions program, Metro manages more than 12,000 acres of open space, enjoyed by more than half a million visitors each year. The program exemplifies Metro's success in both protecting natural areas and supporting effective urban growth. Metro uses bond funds to purchase ecologically strategic land from willing buyers.



The Willamette Falls property is located in Metro's Willamette River Greenway target area – one of 27 areas across the region where Metro invests bond funds. The property directly meets the goal spelled out in Metro's detailed plan for the Willamette River Greenway area: "Protect fish and wildlife habitat, water quality, scenic resources and improve public access to the river along the greenway

from Wilsonville to the Multnomah Channel." Although the Willamette Falls site currently looks industrial, it directly meets these criteria, which were established with extensive input from experts and citizens after the bond measure passed.

ANALYSIS OF MAJOR FUNDING OPPORTUNITIES

Following is an analysis of each funding source that could potentially provide a significant contribution to the Willamette Falls project. Major funding sources are defined as:

- Those with the potential to provide long-term, sustained funding;
- Those which could contribute a single large sum (minimum \$200k);
- Or those where the return on effort to attain them is fairly high.

A summary of the sources presented in this section is given below; each source is described in detail on the following pages.

PUBLIC GRANTS AND FUNDS	Lottery... page 15 Brownfields... page 18 Economic Development Administration... page 20 State Parks and Oregon Watershed Enhancement Board... page 22 Oregon Department of Transportation... page 24	PUBLIC FINANCE	Urban Renewal... page 25 HUD Section 108... page 27
DEVELOPMENT INCENTIVES	EB5... page 28 Historical Rehabilitation Incentives... page 29	PRIVATE GRANTS	Bullitt... page 30 Oregon Community Foundation... page 30 Meyer Memorial Trust... page 30 Surdna Foundation... page 31 Collins Foundation... page 31

PUBLIC GRANTS AND FUNDS

Lottery

Description: Several bodies are involved with the management and distribution of Oregon State Lottery funds. The lottery commission is a 5-member entity appointed by the Governor. This commission oversees the operation of the Lottery.

Proceeds from the Lottery are directed towards the Oregon State Lottery Fund, housed within the General Fund. The Legislative Assembly is tasked with appropriating lottery funds every two years. The next biennium will begin in January of 2013⁵. Figure 3 describes how these funds are allocated. Portions of revenues from the Oregon State Lottery are constitutionally designated for public benefit. Revenues transferred from the State Lottery Fund to the Parks and Natural Resources Fund (area X); the remainder becomes the Administrative Services Economic Development Fund (area Y)⁶.

The Oregon Constitution describes three uses of funds within the Administrative Services Economic Development Fund: creating jobs; furthering economic development in Oregon; and financing public education. In order to achieve these objectives, revenues are distributed to the Oregon Department of Education; Oregon University System; counties' economic development departments; ConnectOregon; and Business Oregon. Some discretionary funds may also be available through earmarks. Details on allocation of these funds are provided in Table 4.

Lottery-backed Bonds: The Oregon State Legislature can approve allocations of Lottery-backed bonds to fund specific projects or initiatives. A representative must sponsor a bill for such allocations. These bonds are restricted for uses that create jobs, further economic development, finance public education, or restore and protect parks, beaches, watersheds, and habitats. A bill authorizing issuance of lottery bonds

Lottery Snapshot

Available Through: Business Oregon, ConnectOregon, Parks and OWEB, Clackamas County, allocations from the Legislative Assembly, and Lottery Bonds

Amount Available: Dependent upon channel through which it's attained.

Alignment with Project

Values: Lottery funds are intended to support economic development throughout Oregon; demonstration of the project's significant development capacity is key.

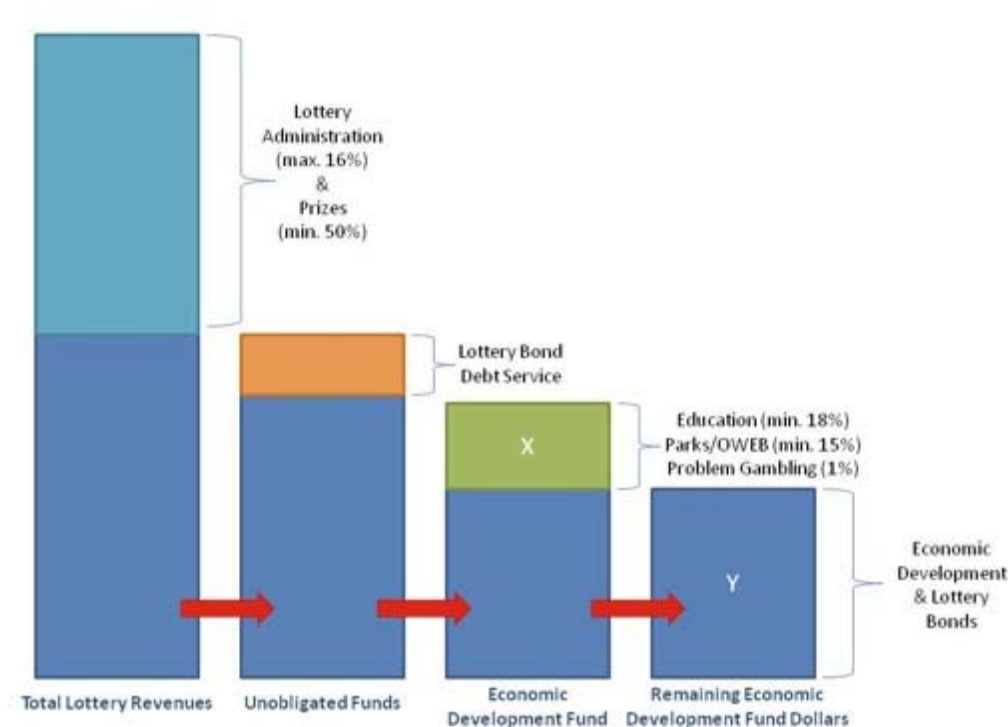
Overall Potential

Contribution: The most likely method of attaining Lottery dollars is through grants from Lottery-funded agencies. However, further research into whether Lottery funds could provide flexible, multi-year project support to fill initial gaps in site stabilization, operation, and infrastructure development with sufficient Legislative support is needed.

must substantiate a project's compliance with one or more of those purposes.

According to a February 2010 report from the State Debt Policy Advisory Committee (SDPAC), the State expects to issue approximately \$507 million in Lottery-backed bonds from FY 2012 through FY 2015. However, the SDPAC reports that declining Lottery revenues have the potential to all but eliminate debt capacity until 2015, or at the very least require the State to become more prudent in Lottery bond authorization in the coming years. The committee recommends that only the highest priority projects receive funding. Lottery bonding could be leveraged to help the project partnership access loans through the Oregon Bond Bank; however, such opportunities will rely heavily on political capitol and support from state partners and collaborators.

Figure 2: Oregon State Lottery Revenue Distribution*



**Note: Bars are not drawn to scale. Specific percentages that are constitutionally allocated are noted. Actual allocation may vary each biennium depending on the legislative process.*

Business Oregon: One use of Lottery bonds has been to fund the Oregon Business Development Department, which supports economic development throughout the State. According to representatives of Business Oregon, the program most likely to contribute to the Willamette Falls re-development is the Infrastructure Finance Authority, specifically IFA's Special Public Works Fund loan program⁷. These loans range from less than \$100,000 to \$10 million and come with attractive loan terms. Some grant programs are available

through Business Oregon, however their focus is on traded sector job retention or creation, and thus are a difficult fit for this project.

Clackamas County: The proportion of Lottery proceeds that go to Counties for economic development is Constitutionally determined. 2.5% of video lottery proceeds are distributed to counties. 10% of these proceeds are distributed equally among counties; the remaining 90% are distributed proportionately to the net receipts from video poker of each county.

In Clackamas County, the Oregon Lottery is the primary source of funding for the Economic Development Department⁸. For a detailed breakdown of how Lottery funds were used to benefit Clackamas County in the 2009-2011 biennium, see Appendix D: Oregon Lottery Facts and Figures.

Parks and Oregon Watershed Enhancement Board: Fifteen percent of the Lottery Economic Development Fund is allocated to the Parks and Natural Resources Fund; half of this fund is then distributed to the Oregon Watershed Enhancement Board (OWEB) and half is distributed to State Parks. A more detailed breakdown of grant opportunities available through these agencies is detailed later in this report.

ConnectOregon: ConnectOregon received \$40 million in lottery-backed bonds in 2011, approved by the Oregon State Legislature⁹. ConnectOregon's purpose is to connect the highway system to other modes of transportation. The largest projects funded in the previous round of ConnectOregon awards was \$7.8 million, awarded to the Port of Coos Bay.

Table 4: Lottery Allocation for Community Benefit, 2011-2013 Biennium

Agency	Biennium Allocation
State Parks	\$84.2 million
OWEB	\$84.2 million
Business Oregon	\$275 million
Clackamas County	~\$3.2 million

Brownfields

The Environmental Protection Agency (EPA) offers funding for Brownfields, which are characterized as real property or sites whose expansion, redevelopment, or re-use may be complicated by the presence or potential presence of contaminants, pollutants, or hazardous substances¹⁰. Brownfield redevelopment typically goes through a process whereby reuse goals are determined; investigations and assessments are then conducted to identify potential contaminants and barriers to achieving re-use goals; a plan is generated that aligns existing cleanup needs, reuse goals, and cleanup strategies necessary; and finally cleanup is implemented. Four Brownfields programs align with these steps:

1. **Area-wide Planning Grant:** This grant facilitates community involvement in developing an area-wide plan for a brownfield-impacted district or corridor.
2. **Assessment Grant:** Applicants can solicit up to \$200,000 each for hazardous substances and petroleum. The \$200,000 limit may be waived for a solicitation up to \$350,000. These grants fund Phase 1 & Phase 2 assessments, re-use and cleanup plans, and community outreach. Grants are available for community-wide or site-specific assessments. Alternatively, an Assessment Coalition grant is available for up to \$600,000; groups of 3 or more eligible entities submit an application under one name, and must assess a minimum of five sites.
3. **Direct Cleanup:** Funding up to \$200,000 per site is available. Likelihood of receiving a cleanup grant is enhanced if an applicant has received and completed an assessment or planning grant, as this indicates substantial preparatory work and accurate cost evaluation for the cleanup¹¹. The applying entity must have sole ownership of the site.
4. **Revolving Loan Fund (RLF):** The EPA distributes up to \$1 million dollars to successful applicants, who then administer an RLF, which makes low interest loans or subgrants to carry out cleanup activities. Further details on how the RLF program might be applied to this project are provided on page 37.

The deadline for the next cycle of Brownfields Assessment Grants is November 19, 2012; this grant could provide critical funding for stage two investigations and should be considered a priority.

Brownfields Strategy: The Legacy of Industrial History

Communications could be an important piece of the strategy for acquiring Federal Brownfields funds. Although Brownfields competitive awards are based on a points system, there is a sense in the Brownfields community in the Northwest that this region is under-funded, when compared to the Midwest and Northeast*. Emphasizing that the Willamette Falls project represents an important category of region-wide need – the legacy of a changing economic landscape that once focused heavily on high-polluting industries – and bringing this message to elected officials could put the project on the radar screen for funding.

*Karen Homolac, Oregon Brownfields



Interviews for this report revealed that funding through EPA's Brownfields program can function symbiotically with Urban Renewal. Urban Renewal relies on income generated from tax increment; brownfields are typically sites that require significant capital investments and result in opportunities for development. Therefore, Brownfields grants can provide the gap financing needed to make sites shovel-ready, and Urban Renewal can capture the benefit¹².

In addition, the State operates an EPA-funded Brownfields Revolving Loan Fund, which offers both loans and grants. This can be leveraged strategically as the match requirement for a federal Brownfields grant¹³.

Economic Development Administration (EDA)

Planning & Local Technical Assistance: These two programs serve Economic Development District, states, cities, regional governments, institutes of higher education, and public or private non-profits working in conjunction with a public entity. Award size is impacted by an ability to demonstrate need, defined by a region or community's economic distress; the definition of regional/community boundaries and indicators of distress are largely left to the applicant to interpret. For both awards, the EDA investment rate is between 50% and 80%, with a 50% to 30% matching requirement¹⁴.

The project announcements for the most recent round of funding for Planning and Local Technical Assistance were released in August of 2012; applications are taken on a rolling basis. Public Works and Economic Adjustment Assistance applications are accepted quarterly. September 14th is the deadline for funding cycle 1 of FY 2013; the deadline for funding cycle 2 will likely be in December

- **Planning Grant:** This program assists with the creation of economic development plans designed to guide a community or region's economic development efforts. Assistance is typically provided directly to an Economic Development District – Greater PDX Inc, for the Metro region – or, alternatively, short-term or state planning funds are available to eligible entities. An annual grant amount is typically \$60,000 to \$70,000 per recipient.
- **Local Technical Assistance (TA) Award:** Local technical assistance is intended to strengthen capacity of local institutions to drive economic development through feasibility studies, impact analyses, resiliency plans, or project planning. An explicit possible use of this project is to help a city prepare a feasibility study for re-purposing an abandoned manufacturing facility to promote economic development. Median award size in 2011 was approximately \$83,000. Project length for both grants is typically one year, but can be extended up to three years if appropriate. One potential application of this program would be to fund engineering studies to prepare the site for economic activity.

Public Works and Economic Adjustment Assistance: This program provides grants to construction, non-construction, and revolving loan fund investments to support regional economic development strategies and prioritizes communities whose initiatives advance new ideas and demonstrate creative approaches to continuously changing economic realities. The goal is to create jobs and enhance private investment. Two types of grants are available under this program:

- **Public Works and Economic Development Facilities:** EDA invests in the construction or rehabilitation of public infrastructure and facilities considered essential to economic development. The program considers communities' and regions' capacity to leverage their resources and strengths to achieve this goal.

- Economic Adjustment Assistance: Construction and non-construction assistance is available in regions where severe economic dislocations have occurred.

Certain criteria for economic distress must be met for a community to qualify under this program; the Willamette Falls project could qualify by demonstrating “special need”. This is defined as the sudden closure of an employer resulting in the dislocation of 200 jobs, or 1% of the civilian labor force, whichever is less. A transitioning economic base as a result of changing trade patterns or underemployment can also contribute to the “special need” criteria. EDA will typically provide up to 50% of a project’s total cost; this can be a higher proportion for a taxing district that shows it has exhausted its effective taxing and borrowing capacity. Recent grants have ranged from \$200,000 to nearly \$3 million¹⁵.

State Parks

State Parks receives funding through the Lottery; however, the opportunity to receive direct funding through Parks' Lottery allocation is politically constrained, as the agency has been under scrutiny in past years for using Constitutionally-dedicated funds for natural areas on projects that are perceived as being insufficiently parks-related. The Parks Commission does have authority to make Willamette Falls a priority and authorize funding, however, this would likely be reserved for an area that is clearly a public park.¹⁶

As a result, the highest likelihood funding sources through State Parks are competitive grants through the following programs:

- Local Government Grants: The large grant requests fund projects up to \$750,000 for land acquisition, development, and major rehabilitation on outdoor park and recreation areas or facilities that are open and accessible to the public. Both recreation facilities as well as support facilities – such as roads, parking, or utilities – are eligible¹⁷.
- Land and Water Conservation Fund (LWCF) Grants: LWCF Funds are distributed from the National Parks Service to States; States then make these funds available to other state agencies or local jurisdictions, based on alignment with a State's most recent recreation plan¹⁸. Assistance is available for acquisition or development of public outdoor recreation areas and facilities. The Willamette Falls project could apply for assistance with development activities, consisting of improvements that provide the basic facilities for outdoor recreation. Projects which serve a large portion of the general public, are open year-round, provide close-to-home recreation, or are accessible by public transportation are given some preference. The program provides up to 50% funding assistance; 2010 awards in Oregon ranged from \$12,000 to \$150,000¹⁹.
- Recreation Trails Grants: These grants are used to create or restore trails, develop or rehabilitate trailhead facilities, or acquire land or easements. While funding varies based on



annual Congressional allocation, during the 2011 cycle grants ranged from around \$10,000 to \$160,000. Grantee must provide 20% of project cost.

All of the grant opportunities listed above involve a competitive application process, and many projects vie for funding each year. Therefore, likelihood of attainment is reasonable but not given. Additionally, multi-year grants are available; the programs could therefore provide significant funding throughout multiple project years²⁰.

Oregon Watershed Enhancement Board

The Oregon Watershed Enhancement Board is a State agency which protects and restores watersheds and habitats. To do this, OWEB provides grants funded by the Oregon Lottery, federal dollars, and salmon license plate revenues. The two types of OWEB grants most suitable to the Willamette Falls project are Regular Grants and Special Investment Partnership grants. Both public agencies and nonprofits are eligible to apply.

Regular grants provide funding through a competitive process to projects that protect land or water, result in outreach and monitoring, restore watersheds or habitat, or are seeking technical assistance. Grant applications are typically due twice a year – in October and April.

OWEB's Special Investment Partnerships, a partnership with Meyer Memorial Trust, seeks to take a more holistic approach to restoration, targeting specific locations, which meet specific criteria in terms of their potential impact. One such target area is the Willamette Basin.

Oregon Department of Transportation (ODOT)

In August 2012, ODOT released an updated funding process. The 2015-2018 Statewide Transportation Improvement Program (STIP) consolidates funds into two categories: “Enhance” and “Fix-It”. Local governments and transportation agencies outline what investments are most crucial in their region, and ODOT determines how best to fund them.

The application deadline for the upcoming round of “Enhance” funding is November 27, 2012. Most projects previously eligible to apply for Transportation Enhancement Funds or Flex funds (described below) will now apply through STIP. Projects that will not be ready for construction or implementation within the four years of the STIP should be proposed under the consolidated application as D-STIP (Development STIP) projects.

Transportation Enhancement Grant: This category supported special activities on Oregon’s transportation system, in four broad categories: pedestrian and bicycle projects; historic preservation related to surface transportation; landscaping and scenic beautification; and environmental mitigation in the form of highway runoff and wildlife protection. Award size in 2011 ranged from \$400,000 to \$1.6 million. Funds were provided through reimbursement, not grants, and a minimum 10.27% match was required.

Interviewees who have worked with ODOT emphasized the need to engage the department as early on as possible in the project. Keeping ODOT at the table during assessment and planning familiarizes the agency with the project, and creates opportunities for cooperation through the funding process.*

**Jamie Johnk, Clackamas County*

Flexible Funds Program: This program invested in non-highway transportation, including transit, bicycle, pedestrian, or transportation demand management. A minimum 10.27% match was required. Funds could support construction, planning, program, service, or equipment acquisition projects.

Previously awarded projects range in size from \$83,000 to \$2.1 million. Oregon City received \$900,000 in 2010 for its Downtown Connective Corridor, which connects the city’s riverfront trails and the McLoughlin Promenade, and improves connections between the historic core, public transportation, and municipal parking lot²¹.

Transportation and Growth Management (TGM): The TGM program is available to local governments to fund planning projects in two categories:

- Transportation System Planning helps localities meet the requirements of the Oregon Transportation Planning Rule.
- Integrated Land Use and Transportation Planning promotes compact, mixed-use development with multi-modal facilities and access.

Grants have a two-year cycle for completion. Awards generally range from \$75,000 to \$200,000. Funding can cover the entire planning process; Estacada, for instance, used TGM for streetscape design, highway connection, and riverfront development²².

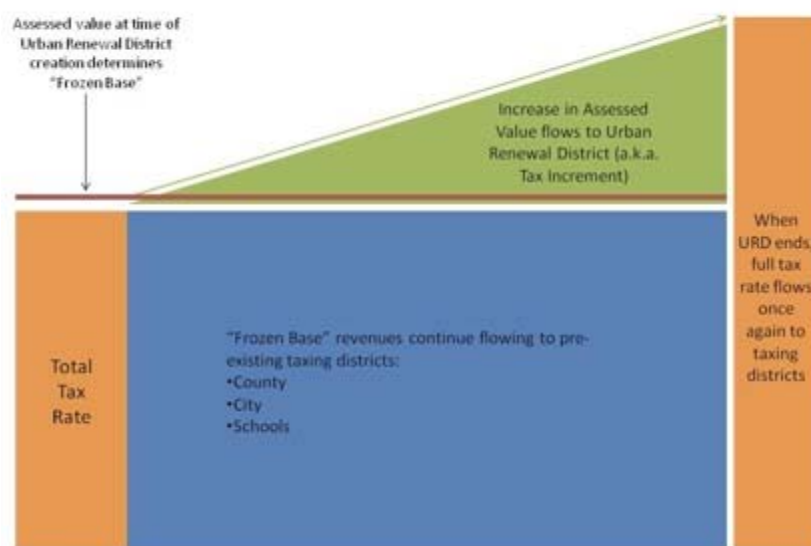
PUBLIC FINANCE

Urban Renewal

Urban Renewal is a common method for financing development in the State of Oregon, and one which Oregon City has used on a number of projects. Urban Renewal works by freezing a tax base at a current level, then using incremental property tax increases beyond the frozen base to finance improvements or secure debt. Taxes under the base level continue to flow to previously-existing taxing entities (see Figure 3).

Urban Renewal was mentioned by nearly every interviewee for this report as a necessary tool for the re-development of Willamette Falls. Because of the high-cost of re-purposing industrial land; operating the site throughout a potentially lengthy contract, planning, and re-zoning process; and installing

Figure 3: Tax Increment Financing



improvements to make the site attractive to development, a significant gap will likely need to be financed by the public sector. Urban Renewal is frequently employed for just such a purpose.

Using Urban Renewal at the Willamette Falls site also poses a series of challenges:

- The majority of the Willamette Falls site does not fall within an existing Urban Renewal district. Expanding the existing district would qualify as a significant amendment, which must be approved by a vote of the people of Oregon City.
- In order to gain public approval, a somewhat lengthy process of developing a new Urban Renewal plan and building public support are required.
- The capacity of the existing Urban Renewal area is constrained. The State of Oregon limits the amount that assessed value can increase each year. Oregon City's Urban Renewal Area may generate a limited amount of tax increment because of this.
- The existing Urban Renewal district's capacity to carry additional debt is limited.

Despite these challenges, a number of possible approaches to Urban Renewal implementation exist.

Thinking Creatively About Urban Renewal:

With the challenges associated with the Willamette Falls Project site in mind, Urban Renewal practitioners from around the region proposed several scenarios to incorporate the project into an Urban Renewal district:

Expand the existing district.

Depending on the status of the existing district, the capacity of its tax increment to finance new development at Willamette Falls may be constrained. A possible strategy to combat this could be to plan incremental development, whereby cleanup and improvements are carried out on a portion of the site, which is then developed. Income from the completed portion helps finance subsequent portions.

Re-structure the existing district.

Rather than broadening the physical and financial boundaries of the existing district, re-structuring would involve removing parcels from the existing district to free up the indebtedness capacity for the Willamette Falls site. Parcels would be selected for removal based on a current failure to contribute tax increment to the overall district, or a lack of need for Urban Renewal financing.

The benefit to this approach would be that the size of the district and amount of indebtedness could potentially remain the same, depending on how the re-structuring was executed. Time may be saved by avoiding a lengthy planning and approval process. On the other hand, the decision about what areas of the current Urban Renewal district should be removed could be a politically tricky one. It may be the case that all of the areas within the current district continue to have a need for UR financing.

Create a new district.

One approach to creating a new district would be to make a single-property district, which would exclusively encompass the Willamette Falls site. The site's low initial assessed value would create a large tax increment as development progressed; however, the risk of lending to a single-property district would likely be perceived as very high.

An approach that some practitioners consider to be more common than single-property districts or incremental implementation is to create an Urban Renewal district that is significantly larger than the area where investment is needed. This broad area could capture significant tax increment, which could be largely concentrated on the Willamette Falls site.

Ultimately, Oregon City will have to weigh the capacity of its current Urban Renewal district, the political feasibility of alternative actions to Urban Renewal implementation, and the legal issues involved in order to make a final determination of how to proceed.

Housing and Urban Development (HUD) Section 108 Loans

A loan provision under the Federal Community Development Block Grant (CDBG) program, Section 108 finances economic development, housing rehabilitation, public facilities, and large-scale development. The program allows communities to leverage their CDBG allocations towards federally-guaranteed loans. Communities must pledge current and future CDBG allocations as security, which represents a risk to local communities.

Whereas smaller cities and communities typically are granted CDBG funds directly from the state, in the case of the Willamette Falls project, Clackamas County is the local entity receiving CDBG allocations. Clackamas County is considered an entitlement community under the CDBG program; this means that the County administers its own grants to promote affordable housing and economic development.

Section 108 funds must be applied to CDBG-eligible communities and projects; in other words, for the elimination of slums or blight, or to meet an urgent community need. Specific activities eligible under Section 108 include:

- Any economic development activity eligible under CDBG
- Property acquisition
- Rehabilitation of public property
- Construction or installation of public facilities
- Other related site improvements
- Payment of interest on guaranteed loan or debt service reserves
- The amount of funding through Section 108 for entitlement communities is limited to five times the County's most recent CDBG allocation, minus any outstanding Section 108 balance. The 2011-2012 Block Grant was \$1.9 million.

Economic Development Initiative and Brownfield grants can pair well with Section 108, as these programs can cover pre-development costs leading up to Section 108 development funds. They can also be used as loan loss reserves to facilitate more favorable loan terms²³.

Case Study: Section 108 and New Market Tax Credits

In 2010, one project in Oregon used Section 108 financing. The City of Gresham received a Section 108 Guaranteed Loan in the amount of \$1,373,000. Gresham planned to re-lend these funds to a for-profit New Market Tax Credit investment fund owned by Bank of America. BOA would serve as intermediary by making a qualified equity investment into a Community Development Entity. The CDE could then re-lend to a for-profit developer charged with constructing a community service center in the Rockwood neighborhood. This would generate additional equity for the project. Lease revenues would be used to pay off the loan over 20 years.

<http://portal.hud.aov/hudportal/documents/huddoc?id=OR-EDP-2010.PDF>

DEVELOPMENT INCENTIVES

Employment-Based Fifth Preference (EB5) Program²⁴

Also known as the Immigrant Investor Program, the EB5 program is designed to incentivize foreign investment that stimulates economic growth and job creation. Administered by the US Citizen and Immigration Services, EB5 visas are US Conditional Permanent Resident visas given to foreign investors in exchange for investment in a new commercial enterprise. Investors may either participate through the Basic program, or the Regional Centers program.

Investments must meet certain threshold requirements. First, at least 10 full-time jobs for qualifying US workers must be created or preserved within two years. For the Basic EB5 program, these must be direct jobs; investors in Regional Centers can create direct or indirect jobs. In addition, the investment must be a cash, equipment, inventory, or tangible property or cash equivalent contribution of at least \$1 million for general investments, or \$500,000 in targeted employment areas (a rural area or area with at least 150% of the average national unemployment rate).

There are 10,000 EB-5 visas available annually, plus an additional 3,000 visas set aside for investors in Regional Centers.

Two organizations are authorized to arrange EB-5 investments in Oregon. American United Development Group and the American Dream Fund LLC, both of which have ties to Chinese investors and have expressed a commitment to investing heavily in Oregon-based projects²⁵.

One project is currently underway in Portland, which is partly financed through EB-5 investments. As of March 2012, Williams & Dame Development had raised \$8.5 million from Chinese investors backing the first hotel in the Pearl. Williams goal is to eventually raise \$52.95 million.

Historical Rehabilitation Incentives

Preservation Tax Credits: The National Parks Service (NPS), in partnership with the IRS and State Historic Preservation Offices, provides a 20% tax credit for the rehabilitation of an income-producing historic structure, if the structure is listed on the National Register of Historic Places. A structure qualifies for a 10% credit if it is not listed but was constructed prior to 1936. One report identified 11 structures eligible for the 10% tax credit on the Willamette Falls site²⁶. The tax credit can be applied to both hard and soft costs. A number of options for implementation exist:

1. Structures remain unlisted, and those built before 1936 qualify for a 10% tax credit. Unlisted structures would be subject to a general design review process.
2. Buildings are listed individually. This would allow the most flexibility for new development, however, it would also provide the most limited opportunity to take advantage of preservation incentives.
3. Multiple Property Documentation means that buildings are listed as a thematic group, where related properties are listed individually but submitted under a single theme. For instance, Willamette Falls buildings could be listed individually under an industrial theme²⁷.



The Preservation Tax Credit has not been used in Oregon City; typical project scale is insufficient to warrant use of the program. However, the program is considered a key opportunity for Willamette Falls²⁸. While standards and guidelines for rehabilitation are a perceived barrier to utilizing the credit, some developers have experience with the tax credit and associated compliance. McMenamin's, for example, uses the tax credit in all of their historic rehabilitation projects²⁹.

SHPO Special Assessment: This program dovetails with the Preservation Tax Credit to provide further incentives for developers to rehabilitate historic structures. The Special Assessment freezes a property's assessed value for 10 years. This program should be implemented as early on in the project as possible, in order to ensure that the property value assessment is frozen at its lowest possible value, before improvements are in place.

Implementation Next Step: Providing Developers with Evidence

Calculating the potential savings that the combined application of Preservation Tax Credits and SHPO Special Assessment could offer would demonstrate to developers the potential benefit of these tools. Given the likelihood that the Willamette Falls project site will have a low initial assessed value, the cost savings could be significant.

PRIVATE PHILANTHROPY AND FOUNDATIONS

The use of private-sector grant funding for re-development seems to be an emergent approach in the region. However, given the strong philanthropic support of sustainability and smart growth initiatives, the project partners' commitment to four guiding values and a changing economic landscape that has de-emphasized the role of federal funding, private philanthropic involvement is considered to be a significant opportunity for this project.

The funders presented in this section demonstrate funding priorities which align with project values, and show a substantial capacity to contribute resources to the project. With the exception of the Surdna Foundation, these organizations are regionally-focused.

Bullitt

The Bullitt Foundation's mission is to "safeguard the natural environment by promoting responsible human activities and sustainable communities in the Pacific Northwest". They have four focus areas: ecosystem services; energy, industry and technology; urban ecology; and leadership and civic engagement. Bullitt seeks to achieve agility in responding to issues and opportunities as they arise in the region; therefore, the ability to build a partnership with this foundation outside of its typical grant process is considered highly likely.

To date in 2012, the largest grant from Bullitt was \$130,000 to the Washington Environmental Council. Several other grants in the \$90,000-\$130,000 have been made. However, multi-year grants are common, and some projects and organizations have received support well in excess of \$1,000,000 from Bullitt³⁰.

Oregon Community Foundation (OCF)

The Oregon Community Foundation manages pooled donor funds to improve communities throughout the state. The Community Grants Program is a competitive grants program with awards typically ranging from \$5,000 to \$35,000; these awards seek to address a significant community need. The Community Grants newly-designated focus on jobs and the economy, as well as their focus on increasing cultural opportunities, are the areas that most closely align with the Willamette Falls project.

In addition to the competitive grants program, Oregon Community Foundation provides a forum for donors to channel their contributions towards areas of focus of their choosing. Building a relationship with OCF representatives could be a matchmaking tool to connect a private funder with compatible interests and values to the Willamette Falls project³¹.

Meyer Memorial Trust (MMT)

The mission of Meyer Memorial Trust is to "work with and invest in organizations, communities, ideas and efforts that contribute to a flourishing and equitable Oregon". The Trust does so by providing Program Related Investments as well as grants to tax-exempt organizations throughout Oregon.

The flexibility of Meyer Memorial Trust's Grant program make it a potential resource for covering gaps in the project's operating budget, or in interim site operation.

Program-related investments are typically made in the form of low-interest loans. Historically, these have ranged in size from \$75,000 to \$4 million, and have supported economic development and open space conservation by helping organizations acquire property and construct facilities, among other activities. PRIs have become an increasing focus of the Trust's strategy in recent years, and should be strongly considered as a resource in the Willamette Falls toolkit³².

In addition, the Trust continues to operate a grant program. Generally ranging in size from \$40,000 to \$300,000, these "Responsive Grants" are awarded in areas including community development, conservation and the environment, public affairs, and arts and culture. Grants cover both operating support as well as capital improvements³³.

Surdna Foundation

Surdna's mission is to foster sustainable communities in the United States that are "guided by principles of social justice and distinguished by healthy environments, strong local economies, and thriving cultures". They make grants across the United States. Sub categories of their sustainable environments and strong local economies focus areas include transportation and smart growth and creating economic opportunities, respectively. Surdna generally does not fund capital campaigns or building projects, but they do support community-driven design, and therefore could contribute to visioning and planning. Grants size varies widely from as small as \$5,000 to as large as \$600,000³⁴. Surdna is listed on the EPA-sponsored SMART-E website, a database of resources for Brownfield re-use, as a private foundation whose work supports revitalization of contaminated lands³⁵.

Collins Foundation

The Collins Foundation is an Oregon-based foundation which seeks to improve religious, educational, cultural, and scientific endeavors, as well as quality of life. Grants are made to nonprofit and government agencies, and must directly benefit Oregon residents.

Uses of funding vary widely, but do include capital improvements. The environment and arts categories are best aligned with the project values for Willamette Falls. Contributions could support ecological restoration, or provide significant support to interpretive programming down the road; organizations have received \$100,000 or more to support an entire season of programming. Grant size ranges from \$3,000 to \$300,000, and the 2010 average amount was \$28,600³⁶.

The foundations reviewed in this section all represent opportunities to strengthen the capacity of the Willamette Falls project. However, as noted previously, grants carry significant obligation to funders in terms of prescribed deliverables, evaluation, and reporting requirements.

ADDITIONAL FUNDING SOURCES

In this section, sources with a moderate potential contribution to the project are detailed. These sources generally contribute between \$10,000 and \$200,000 to the overall funding strategy; have a high level of effort for a more modest return; or do not represent a clear match to the project in terms of their requirements. Some would necessitate considerable effort to line up, but could deliver substantial return. The resources described in this section are summarized below.

PUBLIC GRANTS AND FUNDS	<p>Community Development Block Grants ... <i>page 33</i></p> <p>Metro Planning and Development... <i>page 33</i></p> <p>Transit Oriented Development... <i>page 33</i></p> <p>Regional Flexible Funds...<i>page 34</i></p> <p>Cultural/Historical... <i>page 34</i></p> <p>Certified Local Government Program... <i>page 34</i></p> <p>Ecological Restoration... <i>page 34</i></p>	PUBLIC FINANCE	<p>Local Improvement District... <i>page 36</i></p> <p>Reimbursement District... <i>page 36</i></p> <p>Economic Improvement District/Business Improvement District... <i>page 36</i></p> <p>Neighborhood Association... <i>page 36</i></p>
DEVELOPMENT INCENTIVES	<p>Low-Interest Loans... <i>page 37</i></p> <p>New Market Tax Credits... <i>page 39</i></p>	PRIVATE GRANTS AND INVESTMENTS	<p>Spirit Mountain Community Fund... <i>page 41</i></p> <p>Real Estate Investment Trusts... <i>page 41</i></p> <p>Oregon Governor's Fund for the Environment... <i>page 41</i></p>

PUBLIC GRANTS AND FUNDS

Community Development Block Grants

Projects interested in receiving CDBG funds apply to the County Department of Housing and Community Services, the grant's managing authority. Eligible projects are those that serve low-income communities or address slums or blight, and include community infrastructure and community betterment³⁷. The CDGB program may have a special carve-out for planning, which could be applied to the Willamette Falls project; alternatively, it could be used to support infrastructure. The program is administered every two years, and typically a 5 month horizon is given for applying.

Planning and Development (P&D) Grants

This program, administered by Metro, was created in response to a need amongst small communities within the Urban Growth Boundary to fulfill planning requirements set by state law. A tax is applied to construction permits on projects valued over \$100,000, the proceeds from which are administered as grants to communities needing assistance in planning. One of the program target areas includes projects that revitalize centers or employment areas in the Urban Growth Boundary³⁸.

Metro is preparing its third phase of the P&D grant program. Emphasis on the significant potential for job creation from the Willamette Falls re-development, its overall significance to the region, and Oregon City's status as a Regional Center offers an opportunity for a competitive application³⁹. The likely range of funding available per project is \$30,000 to \$400,000. The next round of grant proposal solicitation is expected in October or November 2012, and applicants are urged to budget 30-60 days to complete and submit the letter of intent and full application⁴⁰. Oregon City is in the process of initiating its application.

Transit Oriented Development (TOD)

The goal of Metro's Transit Oriented Development incentives is to promote medium to high density mixed-use urban centers that are connected to public transit. Typically, such development is difficult to achieve due to its high cost and perceived risk; therefore, TOD grants incentivize such development. Projects that promote high-density development and walkability; support low parking ratios and high floor area ratios; and increase transit use are strong candidates for funding.

According to program staff, the Willamette Falls site could be eligible for TOD funding, depending on the proposed outcomes of re-development. Because Oregon City has been designated a regional center, and the areas within the historic grid of Oregon City have good transit-orientation characteristics, the project could be a potential candidate, particularly if market strength information supports the project's ability to increase the transportation mode split and generate increased trips⁴¹. The program could contribute as much as \$500,000 to the project if a grant is awarded.

Regional Flexible Funds

Metro manages the Regional Flexible Funds program, which is made up of transportation projects and programs selected by the Metro Council and the Joint Policy Advisory Committee on Transportation to receive federal transportation funds. Jurisdictions, transportation, or transit agencies within the region can nominate projects, and funds can be spent on a number of types of improvements, with the exception of local street construction. The 2014-2015 round of the program will focus on two areas: Active Transportation and Complete Streets and Green Economy and Freight Initiatives. Approved projects in the past have ranged in size from \$100,000 to over \$5 million.

Cultural/Historical Interpretation Funds

Heritage Grant Program: This program supports projects that develop or interpret Oregon's Heritage. It is administered through Oregon State Parks, and typically accepts applications every two years. The next round of applications will be accepted in 2013. The maximum funding amount is approximately \$20,000. The most recent round of applications stressed preserving heritage resources of statewide significance over historical structures; while the focus may change in subsequent funding cycles, attention should be made to meeting the program's values.

National Endowment for the Arts (NEA) "Our Town" Grant: Awards ranging in size from \$25,000 to \$150,000 will be made to creative placemaking projects that contribute to vibrant, sustainable, and livable communities where arts play a core role. With a focus on creative, innovative projects and community partnerships, these grants support efforts to improve quality of life, create community identity and sense of place, and revitalize local economies. These goals make this program a likely fit for the Willamette Falls project.

Arts, design, and culture must be central to the project. In addition, grants do not cover construction, purchase, or renovation of facilities. Therefore, this grant would likely contribute to predevelopment, design, community planning, or installation of public art or interpretive resources. A one-to-one nonfederal match is required. Local governments qualify as lead agencies.

Certified Local Government (CLG) Program

The CLG program channels funds from the National Parks Service through the State Historic Preservation Office (SHPO) to city governments. In the State of Oregon, city governments agreed to share these funds equally, rather than having the program structured as a competitive grant program. Therefore, participating cities receive \$15,000 bi-annually, which they are required to match. The focus of the program is the promotion of historic preservation.

Although small, the CLG program is a source of funding that can be anticipated with some reliability. How much CLG funding Oregon City chooses to allocate to the Willamette Falls

project is yet to be determined, however, if a specific need arises tied to a given project – for instance, application fees for historic status – Oregon could use CLG to cover this cost⁴².

Ecological Restoration Funds

Oregon Department of Fish and Wildlife (ODFW) Fish Restoration and Enhancement

Program: This program funds a broad variety of enhancement and restoration projects, which increase access to fishing opportunities; support fish population enhancement and habitat restoration; or improve existing fishways. Any public or nonprofit agency can apply. A seven-member citizen advisory board meets quarterly to approve proposed projects. Application deadlines are posted online, but generally occur in late February, early June, early September, and early December of each year. The largest grant for the most recent round of projects was \$170,000. General habitat restoration, similar to the Fiddle Creek Stream Enhancement project, funded in the 2009-2011 biennium, or an access project such as dock installation are two potential applications of this grant for the Willamette Falls project. Projects have also been funded to conduct planning, as well as generate survey, design, and engineering products. Demonstrating partnership through matching funds can greatly strengthen an application.

ODFW State Wildlife Program Access and Habitat Grant: A&H funding is intended for projects that improve wildlife habitat or solve a wildlife damage issue. Development of wetland habitat and land acquisition are examples of previously-approved projects. Government agencies or landowners can apply. Applications are submitted to Regional Advisory Councils, which then request modifications or forward to the State Board for consideration. The Oregon Fish and Wildlife Commission then makes the final decision on funding for projects recommended by the Board. Funding ranges broadly, but could be \$100,000 or more. Benefits to wildlife habitat and matching commitments from other agencies are two important criteria for review. The program is funded by hunting license fees, and preference is given to private lands, so preliminary agency outreach to assess feasibility is recommended.

PUBLIC FINANCE

Special Financing Districts

Special financing districts are mechanisms that can raise capital to finance different project stages. Different types of districts vary in their implementation. Local Improvement Districts, in particular, were frequently cited as a key tool for the Willamette Falls redevelopment. Support from the business community is essential in utilizing these tools.

Local Improvement Districts (LID): A Local Improvement District is a geographic area in which the local government taxes property owners to defray the cost of installing capital improvements or infrastructure. Costs are apportioned according to the estimated benefit of each property owner. In order to form an LID, a minimum of 50% of property owners impacted must approve its petition. Once approved, the city finances the project through the issuance of bonds; bonds are re-paid with the assessment from the LID. If a property within an LID is sold, the lien is either paid off at time of sale, or transferred to the buyer.

Reimbursement Districts: A reimbursement district functions much like an LID, however the property owner does not begin paying a fee until they are utilizing the service.

Economic Improvement Districts (EID) and Business Improvement Districts (BID): An EID involves issuing a fee to property owners within a proposed area. Funds can be used to finance improvements that benefit economic activity, business recruitment, or business retention. A BID functions similarly, however the fee is assessed against the business owner. Neither an EID nor a BID can fund capital improvements; both are more appropriate for promoting economic development in later stages of the Willamette Falls project.

Neighborhood Association: In this instance, tenants or business owners would pay a fee into a common pool of funds, most likely after development is largely complete. These funds could then be used to finance additional development or site refinement; they could also contribute to ongoing maintenance of publicly-held areas, such as parks or utilities⁴³.

Special Financing Districts: Tradeoffs and Opportunities

LIDs and Reimbursement Districts are contingent upon the city's capacity to provide cash up-front. In addition, they require approval by business or land owners; the willingness of these groups to participate must be assessed¹. EIDs, BIDs, and Neighborhood Associations generate revenue in advance of its use, however they apply to later stages of development.

On the other hand, there are several different structures for special financing districts, so choosing the appropriate district for the appropriate stage of the project could increase the likelihood of success and match a structure to an appropriate gap. For instance, if the property is approached incrementally, later-stage improvements can be tied more directly to the benefit of existing tenants, and therefore participation might be more feasible.

DEVELOPMENT INCENTIVES

Low-Interest Loans

Because re-development of the Willamette Falls site – or, alternatively, failure to do so – has significant implications on the health of Oregon City’s economic development and downtown revitalization efforts, the public sector may choose to incentivize developer participation by either taking out or providing low-interest loans.

Like the Section 108 program described previously, many low-interest loan programs are available to governmental bodies; however, the benefits of these loans often translate as incentives to developers, as they lower the cost of site readiness, and thus the cost and risk to the developer.

Alternatively, the public sector offers some low-interest loans directly to private developers.

Low-interest loans are available through a number of agencies:

EPA/Oregon State Brownfields: The EPA’s Brownfields program capitalizes revolving loan funds throughout the nation. In Oregon, only a handful of revolving loan funds are currently funded. Business Oregon’s Brownfields program was the only fund in Region 10 to seek supplemental funds for its loan program in the most recent round of applications; it received \$850,000 in additional funding.

With enough advanced notice, the State’s Brownfields fund operator could incorporate the needs of the Willamette Falls re-development into future applications for supplemental funds; the EPA favors recapitalization, as it demonstrates program use. The State’s program is capable of structuring an array of flexible terms depending on the applicant’s needs⁴⁴.

On the other hand, Metro or the partnership could apply to EPA to administer their own fund. This would make the fund more responsive to the particular needs of the Willamette Falls project, however it would likely require more effort, both in terms of application as well as administration of the fund.

Business Oregon Special Public Works Fund: This program includes loans for construction projects ranging from less than \$100,000 to \$10 million, and attractive interest rates and loan terms. Oregon City or Clackamas County could utilize this fund to finance buildings, equipment, restoration of environmental conditions on publicly owned industrial lands, roadways, and waste or water management systems. Loans can apply to planning, design, or implementation, depending on project needs.

Department of Environmental Quality (DEQ): A number of loan programs are operated through Oregon’s Department of Environmental Quality, including the Clean Water State Revolving Loan Fund, which provides low-interest loans to projects that enhance water quality, and Pollution Control Bonds, which fund large pollution control facilities such as

wastewater and solid waste facilities. In 2012, project funding for the Clean Water fund ranged from \$100,000 to \$20 million; typical projects generally received between \$1 million and \$5 million in financing. Applications are received year-round, and must be deemed ready-to-proceed to qualify. Preliminary contact with a DEQ representative is strongly encouraged.

Department of Energy (DOE): Oregon's DOE provides loans to commercial applicants and public agencies. Projects which conserve energy, produce energy from a renewable resource, or are qualified alternative fuel projects or recycling projects can apply.

Qualifying demonstration projects can receive more funding than typical applicants. The Viridian Place building in Portland, for example, was in a market segment where it was important to prove the payoff of energy efficiency. In addition, a broad base of stakeholder support showed commitment to achieving energy efficiency through this project⁴⁵.

Department of Energy Loans are intended to cover only energy-saving or energy-producing components of a project. However, if the project qualifies as a demonstration project, the loan committee can recommend whole-project financing.



New Market Tax Credits⁴⁶

The New Market Tax Credit (NMTC) program was established in 2000 by Congress and is operated through the Community Development Financial Institution Fund under the US Treasury. The program allows individual and corporate investors to receive a tax credit against their Federal income tax in exchange for making equity investments into Community Development Entities (CDEs). The credit totals 39% of the original investment, and is claimed over a period of seven years.

A Community Development Entity is an entity which acts as an intermediary vehicle for lending or investing in low-income communities. A CDE must be able to document that at least 60% of its activities will directly benefit low-income persons or communities.

A for-profit, non-profit, or government entity may apply for CDE status, as long as the entity is classified as a corporation or partnership at time of application. A CDE can then apply for and receive an allocation of tax credits, which it then offers to investors in exchange for equity investments in the CDE, or receive loans and investments from other CDEs with allocations of NMTCs. A Willamette Falls project partner could apply directly to become a CDE, or could partner with an existing CDE – such as Portland Family of Funds – to seek NMTC investment on the project's behalf.

The program would allow a private developer or private investor to invest in the Willamette Falls project and receive a substantial tax benefit in exchange. The program offers substantial cost reduction to the developer. However, Oregon City is not located within a listed qualifying census tract, and therefore application of the program may be challenging⁴⁷.

Organizations can apply for CDE status on a rolling basis; the NMTC application deadline for 2012 is September 12; applications are typically received on

NMTC Snapshot

Steps to Implementation:

1. Identify or create a corporation or partnership with an Employer Identification Number.
2. Apply for CDE status (rolling basis)
3. Apply for NMTC (annually)
4. If application is successful, NMTCs are offered to equity investors.
5. Proceeds of investments are then used to make loans or investments in qualified projects and communities

Benefits of NMTC: This program can provide substantial and flexible capital to facilitate real estate development or other community development activities.

Tradeoffs and Challenges:

Oregon City's census tract does not meet the qualifications of a Low-Income Community, and therefore a CDE would have to prove that the area is a "Target Population" lacking adequate access to loan or equity investments. The Willamette Falls site's Brownfields status contributes to establishing need. However, the complexity of accessing the program under the "Target Population" rule is extremely complex, and perceived as very risky by investors.

In addition, the NMTC program is very competitive. Discussions with past successful applicants in the region is recommended.

an annual basis. The NMTC program is highly competitive⁴⁸, but can offer a substantial return on effort. Recent recipients of NMTCs in Oregon include:

- Oregon College of Oriental Medicine; \$17,350,000: In order to finance the adaptive-re-use of the historic Globe Theater, in 2011 OCOM received a NMTC investment through two CDEs, Lowe Services and the National Development council; US Bank was the sole NMTC investor.
- Albina Community Bank, \$10 million: In 2009, Albina Equity Fund 1, LLC, received an allocation of NMTC in order to invest in “shovel-ready” projects that would create jobs, stimulate growth, and jumpstart lending.
- Gerding Edlen Development, \$36 million: The NMTC allocation, combined with other tax credits, provided approximately 40% of project costs on the re-development of the Portland Armory.
- Ecotrust, \$60 million: Ecotrust CDE, a for-profit subsidiary of Ecotrust, has received allocations of NMTC to invest in Northwest businesses that are creating green jobs in struggling timber communities.

The most feasible scenario for capturing NMTC benefits for the Willamette Falls project would be to partner with an existing CDE. However, because Oregon City is not in a qualifying census tract, the only possibility for accessing NMTCs would be to demonstrate that a “Target Population” – or population that does qualify as low-income – would be the primary beneficiaries. This is very complex and risky, and therefore it becomes very difficult to attract investors⁴⁹. Some local practitioners, such as Craft3, won’t engage in a project that is attempting to use the “Target Population” rule for this reason. Others, such as Ecotrust, have done so.

PRIVATE GRANTS AND INVESTMENTS

Spirit Mountain Community Fund

The Spirit Mountain Community Fund's large grant program provides up to \$50,000 in program support or \$100,000 for capital projects to 501c3 organizations. Capital campaigns requesting more than \$50,000 for construction costs must be accessible to the public and provide tangible and measurable outcomes. Health, Historic Preservation, Arts and Culture, and Environmental preservation are all categories that could be applied to the Willamette Falls Project. The next deadline for letters of inquiry is October 5, 2012. Letters of inquiry are typically accepted quarterly.

Real Estate Investment Trusts (REITs) and Private Investment

A REIT is a company that owns or engages in the financing of real estate. Pension funds and insurance companies often invest in REITs due to their potential high rate of return. They are typically associated with large-scale, commercial properties. Some REITs focus specifically on smart growth or green building investments. A REIT may acquire a site, thus limiting individual investor liability if, like Willamette Falls, the site has potential contamination issues, or the REIT may finance redevelopment.

While it would be the responsibility of a developer to bring in private investment, the Willamette Falls Partnership could begin developing relationships that would set the stage for such investments⁵⁰.

Oregon Governor's Fund for the Environment

Administered through the National Fish and Wildlife Foundation and funded through a \$2 million court settlement with an international shipping company, former governor Ted Kulongoski and the US Attorney's Office established this fund to support environmental clean-up and restoration focused on Oregon's rivers and wildlife. The RFP is typically released in late August, with pre-proposals due in September and full proposals in December. Eight grants were awarded in 2012, ranging from \$30,000 to \$50,000.



INDIRECT FUNDING RESOURCES: LEVERAGING NOTORIETY, MITIGATING RISK, AND REDUCING COSTS

In addition to the direct funding sources outlined in this report, the Willamette Falls project can attract support through indirect means. Designations can substantiate the public significance of the project, and can be leveraged to bring in additional funding. Mitigating risk is an essential factor in attracting development, and can allow for negotiation of increased cost sharing further down the road. Finally, reducing costs lessens the fundraising burden.

Designations

Several types of designations were considered for their applicability and potential contribution to this project:

National Heritage Area: Efforts have been underway by several interest groups in Oregon City to designate the area around Willamette Falls a National Heritage Area. This designation, administered by the National Parks Service, is designed to align the values and activities of stakeholders within the area, to promote economic and cultural development and tourism⁵¹. Designation provides benefits in the form of technical assistance and some financial assistance from NPS. In addition, designation can create unifying or catalytic value.

There are several precedent projects which have used National Heritage Area designation to leverage support for site development. For examples and contact information, visit :

<https://sites.google.com/site/nhatrainings/home/entrepreneurial-funding-strategies>

The current effort, led by the Willamette Heritage Area Coalition, would protect the Willamette River from Tualatin to Clackamas. It would be among few Heritage Areas in the West.

Historic Registry: In order to take advantage of tax credits linked to preservation, it is often necessary that a building or area be listed on the historic registry. While listing can constrain, to some degree, rehabilitation options, the partnership's ability to control the process of selecting and applying for listing will mitigate the risk that citizens or outside groups apply for listing on an unmanageable number of properties, thus further burdening redevelopment.

The Willamette Falls New Heritage Area or the Willamette Falls Heritage Area Coalition have expressed interest in advancing an application for Historic Registry listing; while these offers could reduce costs to the partnership, an agreement would be needed moving into this partnership to ensure that the buildings selected for listing support project goals.

Main Street: Currently, Oregon City's historic downtown is part of the National Trust for Historic Preservation's Main Street Program. This program attracts benefits in the form of funding to cover training and consultancies, and has helped leverage significant

revitalization efforts in Oregon City's downtown. Main Street designation also qualifies an area for additional National Trust grant funding.

One important consideration for the future use of the Willamette Falls site is how the end use supports or undermines Oregon City's ongoing efforts to revitalize its downtown through the Main Street program⁵². Incorporating the Willamette Falls area into the existing Main Street district is one possible strategy for ensuring that the values of these contiguous districts align.

National Water Trail: In August 2012, the Willamette River was designated a National Water Trail by the Secretary of the Interior. This designation links water resource managers along the Willamette to a network of practitioners nationwide, which is intended to facilitate information sharing and collaboration. In addition, this designation creates opportunities for funding for planning and implementation of water trail projects. Access to technical assistance, potential for increased tourism, and visibility are additional benefits⁵³.

Wild and Scenic Rivers: The option for designation under the Wild and Scenic Rivers program was explored. However, there was little evidence that this program was applicable to the Willamette Falls area, or that its pursuit would contribute significantly to the project's success⁵⁴.

In addition to pursuing designations or optimizing opportunities created by existing designations, there will be opportunities to mitigate risk and lower cost throughout the life of the project. An example of each that was mentioned by contributors to this report is provided below.

Risk Mitigation and Cost Reduction

Prospective Purchaser Agreement (PPA): A risk-mitigation strategy that applies to contaminated sites, a PPA is an agreement between a prospective purchaser or lessee of property and the DEQ.

Land Value Write-Down: A write-down is a method of encouraging development that adheres to previously outlined goals or stringent development requirements. It is typically implemented when a public agency assumes part of the acquisition, demolition, and improvement costs in order to direct development towards a controlled end use. The write down is the difference between market value and the fair re-use value given the restrictions proposed by the public agency. This technique was cited as a potential approach to maintaining adherence to the four value areas set forth by the Willamette Falls project partnership as the public sector becomes involved⁵⁵. Ground leases or \$1/year leases were also mentioned as approaches to attracting value-oriented development.

Partnerships and Collaboration

Pro-bono or Academic Support: Relationship building can bring in technical support or project-level input where relevant. This category involves reaching out to academic

institutions or professional support groups who may have an interest in providing in-kind support. Portland State University and University of Oregon have planning departments which provide such services.

Academic partnerships can also draw visibility to the project, thus contributing to its political capital.

Nonprofit partnership: A final consideration is the role of a nonprofit partner or “Friends of Willamette Falls” nonprofit in furthering the goals of the project. Cross-sector partnerships can facilitate certain sources of funding, which may be available only to a registered 501c3. In addition, if certain elements of development that qualify for tax credits fall to a public-sector partner without the ability to claim these tax credits, a nonprofit partner may be able to sell the credits so that funding resource can still be tapped.

If a relationship with a nonprofit is pursued, the structure of the partnership between the nonprofit, government, and private-sector partners must be carefully considered; the nonprofit’s contribution should go beyond simply channeling funding⁵⁶.

Part 3:

Priorities and

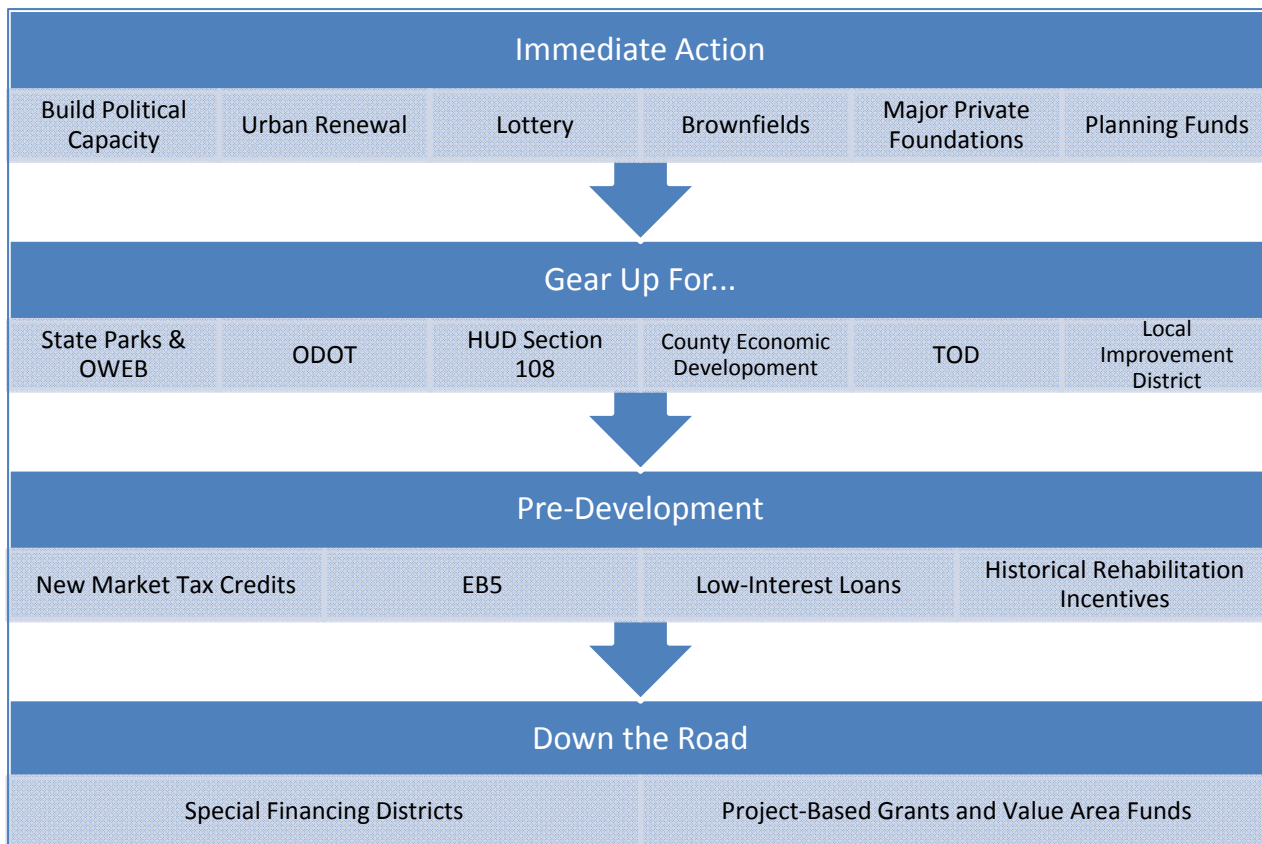
Action Steps

OPTIMIZING FUNDING OPPORTUNITIES

Setting Priorities and Coordinating Action

What follows are steps towards implementing a funding strategy for Willamette Falls. While many of these resources – particularly those that require immediate action – will likely play a role in the re-development of Willamette Falls, others may ultimately prove unnecessary, as some funding is secured, a site vision emerges, and developer negotiations advance.

Underlying the successful implementation of a fundraising strategy is the need to coordinate activities among participants in a complex partnership. Different funding sources may relate most clearly to a specific partner. Relationship-building, grant-writing, as well as management and reporting on funds will be an ongoing need. Frequent communication and clear roles will facilitate a dynamic approach to fundraising.



IMMEDIATE ACTION

Funding sources and tools requiring immediate action fall into two categories: those that can fill gaps during the early stages of the project – acquisition and planning – and those that may require longer-term, strategic effort for a long-term contribution to the overall project. This second category largely represents an opportunity to secure liquid funds.

Build Political Capacity

Necessary Conditions

- ☐ Supportive and engaged elected officials.
- ☐ A vision of transformation at Willamette Falls. To engage and excite both public representatives as well as citizens of the region, some vision of what the Willamette Falls project will ultimately provide is necessary. A somewhat concrete vision – even if is not entirely defined or subject to change – is necessary to incite the public imagination about what the results of transformation could be.
- ☐ An understanding of the needs and goals of the partnership. Once the stage has been set for engaging stakeholders, specific “asks” will shape funding efforts.

Action Steps

- ☐ Identify the most likely champions from within each partner agency. These individuals will be instrumental in communicating the significance of the Willamette Falls project to external stakeholders.
- ☐ Develop a blueprint of tasks and tools for these champions to utilize. A presentation and talking points have been developed. Further efforts towards “branding” the project are needed.
- ☐ Assess the most useful targets of outreach. For instance, the Army Corp of Engineers has some leeway to ask for project designation⁵⁷. Other agencies administering funds listed in this report provide direction.
- ☐ Outreach to representatives from Congress. These individuals will be instrumental in submitting delegation letters to secure federal grants.
 - Target representatives strategically; identify individuals who chair committees that might be interested in this project or co-chairs of Ways and Means.
 - For a project like Willamette Falls, which will likely seek multiple sources of federal funding, brief representatives early on the project. Provide tours, and engage staff as well as the representatives themselves.
 - Provide staff or representative with an overview of the funding schedule, so that they understand what they will likely be asked to support and when.

- For specific grant support, provide at least a few weeks advanced notice to answer any questions. Outline a strategy for what the letters need to say, and provide this to staff members.
- Outreach to State legislators. These key decision makers will have more influence on State funds.
 - Focus energy in the short term on representatives who aren't facing re-election.
 - Prepare for interim legislative meetings in December. Members will be convening in the capitol, which is an opportune time to reach out and set up multiple meetings. However, scheduling should start as soon as possible.
- Identify a potential public face of the project. The strategy for engaging this figure will become clearer once they have been identified.
- Think carefully about a vision of transformation at Willamette Falls that can be presented externally. Given the long time horizon that is likely for this project, providing a vision can be risky. Therefore, a strategic approach is necessary, which can both incite imagination but also avoid making unsubstantiated promises. Several potential scenarios or past examples of transformational re-development can serve as proxies for a single, concrete vision.

Urban Renewal

Necessary Conditions

- City-Level political support. Bringing the Willamette Falls site into an Urban Renewal district would require approval by the Urban Renewal Commission, the City Commission, and a vote of the people.
- Financial and legal capacity of Oregon City's Urban Renewal district. The method of applying Urban Renewal – whether by incorporating into an existing district or creating a new district – depends on the current Urban Renewal context.

Action Steps:

- Plan a process for public engagement to build support. Having the support of Oregon City's citizens, as well as the Urban Renewal Commission and City Commission, will facilitate the ability of the city to take the necessary actions to bring Willamette Falls into an Urban Renewal District.
- Assess Urban Renewal capacity. Oregon City's finance team must determine Urban Renewal capacity, and make a recommendation as to the best approach for applying to the Willamette Falls property. Outreach efforts to local citizens as well as the commissions can help to assess political feasibility.
- Estimate Urban Renewal increment generation. In order to do this, a market analysis and estimate of projects within the site are necessary.

- ☐ Seek approval of overlapping taxing districts.
75% approval is need.
- ☐ Initiate a public vetting process.
- ☐ Submit the plan for approval by the public, the urban renewal commission, and the city commission.

Oregon Lottery

Necessary Conditions

- ☐ State-Level Political Support. The Oregon State Legislature is responsible for allocating Lottery funds, in large part guided by constitutionally-set dedications. However, some discretionary funding is available, and additional channels through which Lottery dollars are allocated provide opportunities for the Willamette Falls project. Building State-level support is necessary to leverage these opportunities.

Action Steps

- ☐ Begin outreach as soon as possible to the members of the Legislative Assembly. The next opportunity to secure earmarks through the Lottery is 2013; cultivating interest among State legislators should begin immediately. Because the decision to acquire the site has not been made, one-on-one outreach to the most likely supporters is most appropriate. Educating them on the project while being open and honest about the level of uncertainty that it will move forward is important.
- ☐ Communicate the compatibility of the Willamette Falls project values and the Lottery's mission. The scope and potential of the Willamette Falls project and the evolving economic landscape in Oregon City reflect the mission of the Lottery to support economic development.
- ☐ Follow up on specific opportunities within Lottery-funded agencies.
 - Business Oregon
 - Clackamas County Economic Development
 - State Parks and OWEB
 - ConnectOregon
- ☐ Investigate further opportunities for funding through the Special Public Works fund or Lottery-backed bonds. Further due diligence should be done to assess the capacity of this resource. Building political support at the state level – particularly in the office of the governor and among legislative representatives – could help determine which route to access is most suitable for this project.

Brownfields Area-Wide Assessment

Necessary Conditions

- ☐ A partner willing to take the lead on drafting the grant application.

Action Steps

- ☐ Consult with EPA's Region 10 coordinator. This meeting can help to determine which assessment grant is most appropriate to pursue, and ensure that the project meets all of the eligibility requirements.
- ☐ Identify the primary party responsible for completing the grant application.
- ☐ Consult with experienced EPA grantees. Metro staff has worked on EPA grants, and Karen Homolac of the State's Brownfields program has been supportive of the project. Have these resources on hand if questions arise.
- ☐ Solicit the necessary supporting documents. Reach out for these early. Eligibility documentation from the State can take some time to procure, and letters of support from project partners can benefit an applicant's score.
- ☐ Be prepared to paint a clear picture of the project need as it relates to EPA priorities.

Upcoming Brownfields Deadline:

*The deadline for the
EPA's Assessment Grant
for FY13 is November
19, 2012*



Gathering data on population demographics, health needs, economic impacts, and other detrimental impacts of the Willamette Falls site's current conditions substantiates the importance of the project and its alignment with EPA goals.

- ☐ Complete the grant application.

Additional Brownfields Grants

Necessary Conditions

- ☐ While not necessary, prior successful completion of an Area-Wide Assessment grant can greatly increase the chances of subsequent awards.
- ☐ A clear idea of need in terms of Brownfields Planning, Clean-up, or Revolving Loan Fund.

Action Steps

- ☐ Assess additional project gaps that can be filled by Brownfields. Once Assessment is complete and the project budget continues to become more fleshed out, the need for financial support to plan and clean up the site should be better understood.
- ☐ Assess the best method for filling these gaps with Brownfields funding. EPA's Planning and Clean-up grants can both provide financing for gaps in the site remediation timeline. However, a Revolving Loan Fund program can provide key leverage for these programs; it may even replace the competitive grant programs. A better understanding of these gaps could guide a conversation with the State's Brownfields office or the regional coordinator to best determine how to proceed.
- ☐ Track the EPA Brownfields program. The timing of RFP announcements and grant deadlines is typically unknown until only a short time before an announcement is made. Once the announcement is made, there is typically a 60-day window to complete the application. Maintaining a relationship with the state or regional Brownfields offices, and appointing a person to follow the Brownfields opportunities, is important to avoid a missed deadline.

Successful Brownfield Grant

Application Tips:

The Brownfields Grant applications are scored based on a points system. Several tactics can help ensure maximum points are received.

- Use the term "integrated design". EPA favors this approach to re-development.
- The EPA also views complex regional partnerships and clear public support favorably. The multi-jurisdictional partnership working on Willamette Falls is an asset in seeking EPA funding. In addition, if Urban Renewal is approved, this can show community support.
- Follow application instructions diligently. Copy formatting provided by EPA where possible.
- Answer every single question. If a question does not apply, specify that it does not apply.
- Pay attention to the relative weight of each section, and give proportionate attention to each section accordingly.
- Assume the reviewer knows nothing about the project or community; explain everything.

Major Private Foundations

Necessary Conditions

- ☐ Vision of project goals to align funder's values and priorities with project needs.

Action Steps

- ☐ Build relationships. Whether seeking competitive grants or discretionary funds, building relationships with funders allows partners to better assess a funder's interest. Interviewees recommend building excitement around the project, but keeping the "ask" open-ended, so funders can suggest their vision for collaboration.
- ☐ Secure letters of interest. Early on, firm commitments from private foundations may not be forthcoming; however, a letter of interest can help provide leverage for other funding, as well as a way to re-connect to a foundation at a later project stage.
- ☐ Assess the best method of collaboration. This may largely emerge from relationships with foundation representatives, who can provide guidance on the likelihood of support through competitive grants versus direct funding or investment.
- ☐ Prioritize outreach to the Bullitt Foundation. Bullitt's agility would allow them, if interested, to join the partnership early on.
- ☐ Evaluate where grant funding is needed. Depending on the project phase or other funding opportunities, grant proposals will be tailored to current needs.
- ☐ Approach Meyer Memorial Trust with a flexible "ask". MMT offers both Program Related Investments as well as grants. Keeping the conversation open to both resources will allow MMT to suggest which they feel is more appropriate.
- ☐ Track key dates for competitive grant cycles. Appoint an individual who will be responsible for anticipating up-coming deadlines in advance.
- ☐ Determine eligibility and appropriate partner applicant. Some grants are only available to nonprofit entities.

Private Foundations: Key Grants and Deadlines

Bullitt: Prospective grantees must submit a letter of inquiry prior to applying for a grant.

- Spring: March 15th inquiry, May 1st proposal. Fall: September 15th inquiry, November 1st proposal.

Meyer Memorial Trust: Responsive grants fund an array of community development and conservation activities.

- Grants generally range from \$40,000 to \$300,000; no grant deadline, but full process takes 5-7 months.

Oregon Community Foundation: A variety of grant programs are available; Community Grants are primary grant type.

- Average grant size is \$20,000; deadlines for proposals are February 1 and August 1.

Surdna: Relevant categories include: Sustainable Environments, Strong Local Economies, or Thriving Cultures.

- There are no deadlines for submission. Grants range from \$5,000 to \$600,000.

Collins: Environment or arts categories are best aligned with the Willamette Falls project needs.

- The Board meets six times annually to review proposals. In 2010, the average grant amount was \$28,600.

Planning Funds

Many sources of planning funds are further reviewed in other sections; focus in this section is on EDA, ODOT, and ODFW opportunities. For a list of upcoming grant deadlines that can be used for planning or development, see Appendix B.

Necessary Conditions

- ☐ The ability to anticipate a timeline for planning. Many planning funds take several months to secure, and may only fund one year of activity.
- ☐ Prioritized planning needs. Knowing which funds are needed for general planning or project-specific planning will guide the funding efforts.

Action Steps

- ☐ Identify scope of planning and financial needs. This will help project partners define what combination of resources can help meet these needs.
- ☐ Begin developing a relationship with regional program officers. Project partners with experience working on ODOT grants recommended involving the agency as early as possible. Likewise, consulting with EDA or ODFW officials will help assess whether the project meets program criteria.
- ☐ Engage the State's Regional Solutions Center coordinator. As project goals and become clearer, the Regional Solutions Center can coordinate state funding opportunities.
- ☐ Track key dates for competitive grant cycles. Appoint an individual responsible for anticipating up-coming deadlines.
- ☐ Identify appropriate applicant. Some grants are only available to nonprofit entities

More about **Brownfields**: Page 18

More about **EDA Planning & Local TA**: Page 20

More about **ODOT**: Page 24

More about **Planning and Development**: Page 33

More about **Surdna**: Page 31

More about **NEA Our Town**: Page 34

More about **ODFW R&E**: Page 34

Economic Development Administration: Strengthening Program Candidacy

According to David Porter of the EDA, the Willamette Falls project could be a good candidate for EDA funding provided the following:

1. No environmental liability. The EDA typically holds some real estate interest, and therefore liability risk must be covered.
2. Ability of partners to match funds. The maximum funding amount is \$3 million, and must be matched 1-1.
3. Job creation. The EDA favors projects that create jobs, particularly those with an incubator/ tech training component.
4. Emphasize sustainability. For instance, energy in buildings, solar power, green roofs, and LEED certification.
5. Involve tribes. This is a key stakeholder group for the EDA; their support is critical.
6. Equity matters. Focus on displaced populations or other equity issues is essential.

Overview of Opportunities for Planning Activities:

Brownfields Assessment and/or Area-Wide Planning: \$200K, \$350K, or \$600K grants available for comprehensive planning.

Economic Development Administration Planning & Local Technical Assistance Awards: Must demonstrate community economic distress; up to \$70K is available for planning and \$83K or more for Technical Assistance.

ODOT Transportation and Growth Management: Awards generally range from \$75K to \$200K in two program areas:

- [Transportation System Planning](#)
- [Integrated Land Use and Transportation Planning](#)

ODOT Flex Funds: In 2011, awards ranged from \$83,000 to \$2.1 million.

Planning and Development: Metro's program provides \$30K to \$400K to small communities for planning.

Surdna Foundation: Surdna's grant for community-driven design can provide up to \$600K to support some planning efforts.

National Endowment for the Arts "Our Town" Grant: If the role of arts and culture is central enough to the development of the site, it may qualify for up to \$150K.

ODFW Restoration & Enhancement: This grant can provide 100K or more to cover engineering, survey, and design products that contribute to fish habitat improvement.

or specific project partners.

□ Prepare to highlight project characteristics that support a funder values. For instance, Oregon City has been working to support arts and creative industries through its Blue Collar Creative campaign; this can drive a strong application for NEA "Our Town" funds. A changing economic landscape could form the basis of an appeal for EDA funding. Finally, a dynamic regional partnership is often viewed favorably by the EPA's Brownfields program (see sidebar, "Successful Brownfields Grant Application Tips", page 50).



[More about State Parks: Page 22](#)

[More about OWEB: Page 23](#)

[More about ODOT: 24](#)

GEAR UP FOR...

Many decisions will impact financial needs throughout the project: the stage at which a developer is brought on board; the decision to choose a master developer or work with multiple developers; the size and nature of any publicly-owned portions. However, the public sector's role in "priming the pump" for development will require funds early on. Infrastructure is an early priority; many development practitioners also indicated the importance of realizing some green space and public access opportunities in the short term. Funding sources in this section largely address these needs.

State Parks, OWEB, and ODOT

Necessary Conditions

- ☐ A commitment from the State's Regional Solutions Center regarding its role in the funding strategy. While many opportunities are available through state grant programs, the Regional Solutions Center could greatly facilitate coordination of these funds.

Upcoming ODOT Deadline:

The deadline for ODOT's STIP Enhance application is November 27, 2012.

Action Steps

- ☐ Appoint a team member for grant oversight. Many state grant funds will apply to the development stage of the Willamette Falls project; therefore, several grant cycles may pass before the partnership is ready to secure these funds. A point person should track deadlines and be prepared to identify these grants when appropriate.
- ☐ Be prepared for a competitive application process. Consulting with Parks, OWEB, or ODOT staff can help ensure that a grant proposal demonstrates the necessary elements to be successful. The point person should also be aware of any potential workshops or webinars that may arise.
- ☐ Line up matching funds. Most grants require matching funds.
- ☐ Ensure the transportation needs for the Willamette Falls project are listed as a IPACT priority. This is an important mechanism for accessing ODOT funds.
- ☐ Assess the availability of non-grant funds. This is largely a role for the State's Regional Solutions Center coordinator, who is responsible for coordinating between state agencies to meet the goals of regional priority projects.
- ☐ Complete an ODOT STIP application for upcoming round of funding. The application deadline is November 27, 2012.

More about **HUD 108**: Page 27

More about **County Economic Devel**: Page 17

More about **CDBG**: Page 33

HUD Section 108

Necessary Conditions

- ☐ County cooperation in leveraging its CDBG allocation to secure 108 funding. Because this program is linked to CDBG funding, and Clackamas County is the local entity charged with CDBG distribution, their participation is key to feasibility.

Action Steps

- ☐ Determine whether an agreement with the county is feasible. An important component of this is to evaluate a future revenue stream to repay county debt.
- ☐ Connect with a local HUD representative to initiate the process.
- ☐ Think creatively about uses of HUD funding. A case study on HUD 108 Loans on page 27 demonstrates how HUD can be used in tandem with New Market Tax Credits. Brownfields grants can also be paired with HUD.

County Economic Development

Two resources for County-level funding are reviewed here: the County's Business and Economic Development department, and the Community Development Block Grant (CDBG) program.

Necessary Conditions

- ☐ A governance or partnership agreement with the county. Commitment to project participation from Clackamas County could be an important pre-requisite to accessing economic development funds through the Business and Economic Development department.

Action Steps

- ☐ Identify the appropriate role for the county's Business and Economic Development Department. For instance, assistance on a campaign to recruit developers⁵⁸.
- ☐ Secure commitment on project partnership.
- ☐ Illustrate how the Willamette Falls project aligns with CDBG goals. These include benefit to low and moderate income persons; elimination of slums or blight; and meeting an urgent community development need. Currently, the Willamette Falls property is located in a qualifying area, defined as an area where 51% of individuals have low to moderate incomes⁵⁹.

More about **TOD**: Page 33

More about **LIDs**: Page 36

More about **EDA**: Page 20

Transit Oriented Development

Necessary Conditions

- ☐ Proposed outcomes of re-development that align with TOD program goals.

Action Steps

- ☐ Continue to engage TOD program staff as the project develops. Because of the relatively undefined outcomes of the Willamette Falls project at this early stage, follow-up with TOD program staff as the vision develops is needed.
- ☐ Leverage the project's location within a regional center.

Local Improvement District

Necessary Conditions

- ☐ Local political capacity to form a district.

Action Steps

- ☐ Continue building local support.
- ☐ Engage Oregon City staff in determining the role of LIDs project finance.

EDA Public Works and Economic Adjustment Assistance

Necessary Conditions

- ☐ Ability to demonstrate a compelling need for funding.

Action Steps

- ☐ Maintain engagement with regional EDA coordinator.
- ☐ Emphasize special need. Major plant closure, lack of investment, and a shifting economic landscape are all factors contributing to Oregon City's need.
- ☐ Coordinate proposal with other agency projects. It is important to ensure that Metro or other partners aren't submitting competing proposals.
- ☐ Begin building a relationship with the Regional Council for Economic Development. This agency receives EDA funding and could be a key partner.

More about NMTC: [Page 39](#)

More about EB5: [Page 28](#)

PRE-DEVELOPMENT

Having a menu of incentives prepared when negotiations with a developer take place can act as leverage to ensure that the public sector's values are addressed through the project's implementation and the private sector takes on a reasonable share of the development burden.

New Market Tax Credits

Necessary Conditions

- ☐ A qualifying census tract or ability to demonstrate qualification through a special category. The Willamette Falls site is not within a qualifying census tract; therefore, the project would have to benefit a low-income "Target Population".
- ☐ Private sector interest in the Willamette Falls redevelopment.

The City of Beaverton used New Market Tax Credits to partially fund the development of the Round Executive Suites.

Action Steps

- ☐ Identify whether the benefits of NMTC outweigh costs. NMTC is complex, competitive, and burdensome, particularly because the project is not located in a qualifying census tract. Discussions with expert practitioners at agencies like Portland Family of Funds are needed to determine feasibility.
- ☐ Build relationships with a consultant or project partner who has hands-on experience with NMTC. BusinessOregon, Craft3, and United Fund Advisors are potential resources in the Portland area.

EB5

Necessary Conditions

- ☐ Willamette Falls Project capacity to support the threshold requirements for EB5 investment. Certain job creation standards must be met; Metro's *Catalytic Value of the Willamette Falls Project* report provides some indication of whether these thresholds could be met.

Action Steps

- ☐ Outreach to authorized EB-5 investment coordinators in Oregon. These coordinators are American United Development Group and the American Dream Fund LLC.

[More about Low-interest Loans: Page 37](#)[More about Historic Incentives: Page 29](#)

Low-Interest Loans

Necessary Conditions

- ☐ Debt capacity of project partners. Although some low-interest loan programs are available to private partners, the need for early-stage cash flow may indicate where borrowing might be needed.

Action Steps

- ☐ Specify cash flow timeline. As project costs become more concrete, lining up grants or other allocations with funding needs and then identifying remaining gaps will help to illustrate where additional funding is needed.
- ☐ Align gaps with lenders. Different lenders have different priority areas; securing low-interest loans will rely partly on an ability to match funding needs with the appropriate resource.
- ☐ Focus some effort on the Lottery's Strategic Reserve Fund. Oregon's Governor can initiate involvement with a project, particularly if it has potential to contribute to significant job creation. One typical use of Strategic Reserves Funds is to forgive a Business Oregon Loan.
- ☐ Consider options for leveraging and re-paying debt. Sherwood used a \$30 million investment from a private investor as leverage to secure a Business Oregon loan. Canby used Urban Renewal TIF to back their loan⁶⁰.

Historic Rehabilitation Incentives

Necessary Conditions

- ☐ A private developer willing to utilize these incentives. Choosing the correct developer with experience using these incentives can remove perceived barriers to re-development often associated with registered historic properties.
- ☐ Listing on the National Register of Historic Places.

Action Steps

- ☐ Identify the potential benefit of utilizing these programs. This can help demonstrate their value to private developers. For instance, historic rehabilitation can save costs on development, because you keep what you already have, thus reducing costs on materials⁶¹.
- ☐ Identify qualifying buildings and properties, and apply for National Register of Historic Places listing.

- ☐ Market the project to developers with experience in historic rehabilitation. Developers who have used these incentives will understand the procedures and compliance issues involved.
- ☐ Plan ahead. Prior to utilizing historic tax credits, buildings must be listed on the National Register of Historic Places. The listing process takes about a year from start to finish; approximately 70-100 hours of staff time can be anticipated per building.



[More about Financing Districts: Page 36](#)[More about Additional Grants: Page 41](#)

DOWN THE ROAD

There are prescribed funding sources available for an extremely wide variety of activities and projects; when a vision of re-development is more concrete, it will become clearer which avenues of funding to pursue.

Special Financing Districts

Necessary Conditions

- ☐ Sufficient local support. The majority of special financing districts require approval by the parties affected by the fee. Therefore, maintaining engagement with these stakeholders is key to successful implementation.

Action Steps

- ☐ Evaluate the most appropriate tools to implement. City officials can provide insight.
- ☐ Weight the potential contribution of these tools against the political capital needed to successfully implement them.

Project-Based Grants and Value Area Funds

Necessary Conditions

- ☐ Capacity to anticipate funding needs and deadlines. As the project progresses into the future, the funding landscape may evolve and new opportunities may arise. It is important to track and anticipate previously-identified as well as emerging funding opportunities so that partners are prepared to develop strong applications.

Action Steps

- ☐ Maintain a database of funding opportunities and update regularly.

CONCLUSION

Urban revitalization represents the future of Oregon City's downtown. The funding success of the Willamette Falls project relies heavily on the ability of partners and supporters to promote a vision that will excite the public, engage funders, and convince stakeholders throughout the region of its far-reaching significance.

The transformation of the Willamette Falls property is a once in 180-year opportunity. Successful communication of this points, and concerted efforts towards building political capacity, are critical to ensuring that a diverse array of liquid and prescribed funds are available to the project.

In addition, a high level of organization centered around the ability to anticipate opportunities and execute a coordinated implementation strategy is needed to guide what is certain to be a dynamic funding process. Securing the grants listed in this report require several basic action steps:

- ☐ Track key dates and deadlines
- ☐ Coordinate with project partners to identify the most appropriate applicant
- ☐ Consult with grant coordinators and past grantees for guidance
- ☐ Attend closely to funder values
- ☐ Build political support

One point person who can ensure that the above needs are fulfilled, as well as coordinating the management and reporting often required from funders, will be a significant asset to the success of this project.

The level of staff time required to coordinate this funding strategy is likely to be significant. A grant application submitted to the National Parks Service in August required three full days of staff time. This was a technical assistance grant and entailed a relatively simple, straightforward application process; more complex grants and larger funding amounts are likely to demand more staff time and effort. Metro staff with experience applying for OWEB funding, a moderately complex application process, estimated 40-60 total staff hours to complete the application. Some programs could require a time commitment of several weeks or even a month or more.

While the staff time and resources needed to fund the Willamette Falls project are significant, they represent the backbone for project success. The ability of the public sector to invest patient capital in this complex site can unlock the potential for private investment and development, and ultimately capture the opportunity to tell this amazing Oregon story.

APPENDIX A: GRANT DEADLINES & ELIGIBLE APPLICANTS

Program	Eligible Applicant	Deadlines
Lottery	Dependent upon program	Outreach to elected officials should begin immediately
Business Oregon IFA	Oregon City, Clackamas County (Special Public Works Fund); Water system owner (Water Project)	N/A
EPA Brownfields Assessment Grant	Coalition of 3 public agencies, with one lead agency	November 19, 2012
EPA Brownfields Cleanup Grant	Landowner	Typically early October/late November
Brownfields Revolving Loan Fund	May be best to apply directly through state; any public agency can apply	Advanced notice to State Brownfields program can allow time to re-capitalize the fund if necessary
Local Government Grants	City, County, Metropolitan Service District, or Parks and Rec. District	Typically Winter/Spring
LWCF Grant	Public agency	2012 funding has not been announced; expected soon
Recreational Trails Grant	Public agency or nonprofit	October: Letter of intent January: Application due
ODOT TGM	Public agency	Annually in June
ODOT STIP	Any public agency can sponsor an application	November 27, 2012
OWEB Large Grant	Public agency	October 22, 2012
TGM	Oregon City, Clackamas County	Annually in June
Urban Renewal	Oregon City	N/A
HUD 108 Loans	Clackamas County	N/A
EB5	Private developer	N/A
Preservation Tax Credits	Private developer	N/A
SHPO Special Assessment	Private developer	N/A
Bullitt Foundation Grant	Public agency or nonprofit	Letters of inquiry due March 15 & September 15
Oregon Community Foundation Grant	Typically nonprofit	February 1 and August 1
Meyer Memorial Trust	Public agency or nonprofit	N/A
Surdna Grant	Nonprofit 501c3	N/A
Collins Foundation Grant	Public agency or nonprofit	Proposals reviewed 6x/year

APPENDIX B: PLANNING FUNDS DEADLINES

Grant	Description	Award Size	Eligible Partner	Date
NPS Rivers, Trails, and Conservation Assistance Grant	One year technical support to address access	TA only	Metro	APPLIED 8/15; support would begin Oct 1
Metro Planning and Development Grants	Planning needs in small communities	\$30,000 to \$400,000	Oregon City	Solicitation begins Oct or Nov 2012; Application takes 30-60 days to complete.
EPA Brownfields Area-Wide Assessment Grant	Inventory, characterization, assessment, project planning, and community involvement	\$600,000 for Coalition	Coalition: Minimum of three agencies, with one lead agency	November 19, 2012
EDA Planning Award	Can be used to create economic development plans	\$70,000	Portland Regional Partners Council for Economic Development is contact agency	Opened Aug. 2012, rolling application
EDA Local Technical Assistance	Feasibility studies, impact analyses, resiliency plans, or project planning; investigate abandoned facility re-use	Average \$83,000	Any public agency	Opened Aug. 2012, rolling application
ODOT Enhance Funds	Enhance, expand, or improve transportation system; consolidates several ODOT grants	TBD	Any public agency can sponsor an application	November 27, 2012 Funds will cover years 2015-2018
ODOT TGM	Planning efforts to expand transportation choices	\$75,000 to \$200,000	Public agency	Annually in June
ODOT Immediate Opportunities	Building and improving roads in strategic locations to support economic development	\$500,000	Public agency	Rolling application
NEA "Our Town" Grant	Master planning and design if area is arts-centered; creative industry hub planning; design of public spaces	Up to \$150,000	Two partners required: a nonprofit and a local government entity (city/county)	Typically in March
ODFW Restoration and Enhancement	Engineering, survey, and design products that enhance fish habitat	\$100,000 or more	Any public or private nonprofit	Quarterly: Feb, June, Sept, and Dec
Surdna Foundation	Community-driven design grants support planning	\$600,000	Nonprofit (501c3)	N/A

APPENDIX C: FUNDING CONTACTS

Program Representatives directly represent the funding agency. Practitioner Contacts are local resources who have experience utilizing a specific tool or resource.

Appendix C 1: Major Funding Sources

Grant	Program Representative or Grant Coordinator	Practitioner or Internal Contact
Lottery	Jim Carbone, Department of Administrative Services james.v.carbone@state.or.us; Larry Trott, Oregon Lottery, larry.trott@state.or.us	Randy Tucker (securing earmarks) Randy.tucker@oregonmetro.gov
Business Oregon IFA	Janet Hillock, janet.a.hillock@state.or.us	
EPA Brownfields	Mike Slater, Oregon EPA contact Slater.mike@epa.gov Susan Morales, Region 10 coordinator Morales.susan@epa.gov	Karen Homolac, Karen.homolac@biz.state.or.us; Miranda Bateschell, Miranda.bateschell@oregonmetro.gov
Oregon Brownfields Revolving Loan Fund	Karen Homolac, Business OR Karen.homolac@biz.state.or.us	
State Parks Local Government Grants	Michele Scalise, Parks michele.scalise@state.or.us	Roger Roper, SHPO Roger.roper@state.or.us
State Parks LWCF Grant	Marilyn Almero Lippincott, Parks Marilyn.lippincott@state.or.us	
State Parks Recreational Trails	Mark Cowan, Parks mark.cowan@state.or.us	
ODOT STIP Enhancement Funds 2015-2018	Jeff Flowers, ODOT Jeffrey.a.flowers@odot.state.or.us	Ted Leybold, Metro ted.leybold@oregonmetro.gov
ODOT TGM	Lidwien Rahman, ODOT lidwien.rahman@odot.state.or.us	
OWEB	Wendy Hudson, Regional Officer wendy.hudson@state.or.us	Brian Vaughn, Metro Brian.vaughn@oregonmetro.gov
Urban Renewal	Oregon City staff; Harvey Rogers, OC bond attorney	Kate Porsche, City of Albany, kate.porsche@cityofalbany.net; Association of Oregon Renewal Agencies, orurbanrenewal.org; UR Consultants: Elaine Howard, Elaine@elaineconsulting.com; Jennette launer, jmlauner@comcast.net

EDA Planning & Local Technical Assistance	David Porter, EDA David.r.porter@eda.gov	Chris Deffebach, Metro; agency contact for Portland/Vancouver Regional Partners Council for Economic Development
EDA Public Works and Economic Adjustment	David Porter, EDA David.r.porter@eda.gov	
HUD 108 Loans	Doug Carlson, HUD Region 10 Doug.carlson@hud.gov	
EB5 Program	Approved regional centers: American Dream Fund, www.adreamfund.com; American United Development Group, www.audgus.com	
Preservation Tax Credits	Joy Sears, SHPO Joy.sears@state.or.us	Christina Robertson-Gardiner crobertson@ci.oregon-city.or.us
SHPO Special Assessment	Joy Sears, SHPO Joy.sears@state.or.us	Christina Robertson-Gardiner crobertson@ci.oregon-city.or.us
Bullitt Foundation	Dennis Hayes, President dhayes@bullitt.org	
Oregon Community Foundation	Max Williams, President and CEO mwilliams@oregoncf.org	
Meyer Memorial Trust	Pam Wiley, Willamette River Initiative Manager pam@mmt.org	
Surdna Foundation	Phillip Henderson, President Sharon Alpert, Senior Director salpert@surdna.org	
Collins Foundation	Cynthia Addams, Exec. VP caddams@collinsfoundation.org Cindy Knowles, Program Director cknowles@collinsfoundation.org	

Appendix C 2: Additional Funding Sources

Grant	Program Representative or Grant Coordinator	Practitioner or Internal Contact
Planning and Development Grant	Gerry Uba, Metro	
Transit Oriented Development	Megan Gibb & Meganne Steele, Metro	
State Parks Heritage Grant Program	Kyle Jansson, State Parks Heritage.info@state.or.us	
NEA "Our Town" Grant	Our Town coordinator OT@arts.gov	
State Parks Certified Local Government	Kuri Gill, CLG Coordinator Kuri.gill@state.or.us	Christina Robertson-Gardiner crobertson@ci.oregon-city.or.us
ODFW Fish Restoration and Enhancement	Josie Thompson R&E Program Coordinator 503-947-6259	
ODFW State Wildlife Access and Habitat	Matthew Keenan, State Coordinator Matthew.t.keenan@state.or.us	
Community Development Block Grants	Chuck Robbins, chuck@co.clackamas.or.us	
Special Financing Districts		Nancy Kraushaar, Wilsonville, Kraushaar@ci.wilsonville.or.us
New Market Tax Credits	John Berdes, jberdes@craft3.org	Alma Flores, City of Beaverton
Business Oregon Special Public Works Fund Loan	Janet Hillock, Business Oregon, janet.a.hillock@state.or.us	
DEQ Low-interest Loan	Tiffany Yelton Bram, Portland Project Officer Yelton.tiffany@deq.state.or.us Jim Harris, Pollution Control Bonds Harris.jim@deq.state.or.us	
DOE Low-interest Loan	Kathy Estes, Government Loans Kathy.estes@state.or.us Ed Tabor, Large Commercial and Industrial Loans Ed.tabor@state.or.us	
Spirit Mountain Community Fund Grants	Kathleen George, Director Kathleen.george@Thecommunityfund.com	
REITs or private investments		Stuart Cowen, Autopoiesis, scowan@apoiesis.com
Oregon Governor's Fund for the Environment	Cara Rose, Assistant Director Western Partnership Office Cara.rose@nfwf.org	

Appendix C 3: Additional Contacts

Grant/Topic	Practitioner, representative, or expert contact
National Heritage Area Designation	Alice Norris or Peggy Siggler
General development expertise	Will Macht, willmacht@gmail.com
Travel Oregon/Tourism Funding	Carol Astley; Scott West
Green Building/Design	Eden Bruckman
Land Re-use	Ignacio Dayrit, Center for Creative Land Recycling
Water Trails and River Recreation	Rick Bastasch, City of Portland Office of Healthy Working Rivers
Oregon history, design and development	Chet Orlaff
Prospective Purchaser Agreements	Mike Rosen, DEQ

APPENDIX D: OREGON LOTTERY FACTS AND FIGURES

2009-2011 Biennium Reports by County: Clackamas County¹

Business Oregon: OBDD

Project	Lottery Grant	Lottery Loan
Credit Enhancement Fund and OBDF – Anderson Quality Spring Manufacturing, Inc. Loan Guarantee and New facility for business expansion		1,075,000
Entrepreneurial Development Loan Fund – The Place to Be Café, LLC Working capital & equipment to start business		25,000
Small Business Programs – Various Business Retention	56,000	3,500
Special Public Works Fund – City of Sandy Design engineering to produce project ready plans for construction	19,125	
Strategic Reserve – OECO, LLC Expansion of company's facility to accommodate consolidation of its Carpenteria, California generator and alternator system manufacturing operations	150,000	
Strategic Reserve – Oregon Iron Works, Inc. Expansion and diversification of company's products to include streetcar manufacturing in response to demand and interest of many cities which are considering the establishment of streetcars as part of their urban transportation alternatives	120,000	
Various Fund loss reserve to incent small business lending		25,800
Agency Totals	345,125	1,129,300

Department of Education: ODE/ESDs

Project	Lottery Grant	Lottery Loan
Clackamas ESD	1,128,553	
Agency Totals	1,128,553	

Department of Education: ODE/SSF

¹ Oregon Lottery

Project	Lottery Grant	Lottery Loan
Canby SD 86	3,783,810	
Colton SD 53	585,220	
Estacada SD 108	2,324,566	
Gladstone SD 115	1,700,360	
Lake Oswego SD 7J	2,617,961	
Molalla River SD 35	2,086,040	
North Clackamas SD 12	11,831,681	
Oregon City SD 62	5,627,439	
Oregon Trail SD 46	2,770,367	
West Linn-Wilsonville SD 3J	4,630,929	
Agency Totals	37,958,372	

Department of Transportation

Project	Lottery Grant	Lottery Loan
Wilsonville SMART Transit Operations Center	2,000,000	
Agency Totals	2,000,000	

Oregon Watershed Enhancement Board

Project	Lottery Grant	Lottery Loan
Council Support Clackamas River Basin Council; Greater Oregon City Watershed Council; Johnson Creek Watershed Council; Sandy River Basin Watershed Council. – Support for community efforts to protect and enhance clean water and healthy habitats for fish and wildlife	16,399	
Restoration and Protection Nineteen grants to: Clackamas River Basin Council; Clackamas Soil and Water Conservation District; Ecotrust; Johnson Creek Watershed Council; Lower Willamette East Small Grant Team; Marion Soil and Water Conservation District; Molalla River Watch Inc.; The Freshwater Trust; Tualatin River Watershed council. – Support for restoring habitat for native fish and	1,032,009	

wildlife, planning native trees and shrubs along streams and rivers, weed removal, and improving water quality. For example, Johnson Creek Watershed Council restored a quarter-mile stretch of Johnson Creek where it meets the Willamette River in order to improve the habitat of coho salmon, steelhead trout, and spring Chinook salmon.		
Agency Totals	1,048,408	

Parks and Recreation

Project	Lottery Grant	Lottery Loan
Gleason Cemetery About 25 trees in the cemetery will be trimmed for their health and preservation of markers	2,800	
Michael J. Gudge St. John's Catholic Church: Repair Roof	8,500	
Milo McIver State Park Paving-McIver Entrance Road Overlay	62,040	
Milo McIver State Park McIver Pump Station Vault Replacement	3,930	
Milo McIver State Park ARRA0-McIver Group Camp Restructuring	22,941	
Tryon Creek Cazadero Trail Bridge-Cazadero Geotech Eval	15,641	
Tryon Creek Cazadero Trail CAZADERO TRAIL – Boring to Barton Park – Bridge Washout-Culvert	29,894	
Tryon Creek Cazadero Trail Cazadero Trail – Phase 2 1.06 miles to North Fork Deep Creek	95,114	
City of West Linn Oak Savanna Park	333,000	
Clackamas Boring Station Trailhead Park	425,000	
METRO Graham Oaks Nature Park	500,000	
Oregon City Canemah Neighborhood Park	253,900	
Agency Totals	1,752,760	

Video Lottery/Local Economic Development

Project	Lottery Grant	Lottery Loan
---------	---------------	--------------

Video Lottery proceeds to county for local economic development projects (per ORS 461.547).	2,699,853	
Agency Totals	2,699,853	

TOTAL CLACKAMAS COUNTY 09/11

Lottery Funded Grants:	\$46,933,071
Lottery Funded Loans:	<u>\$1,129,300</u>
Total Lottery Funded Dollars:	\$48,062,371

REFERENCES

-
- ¹ Meganne Steele, Metro, Personal Correspondence, August 2012
 - ² Villebois Development Finance Plan
 - ³ Presentation by City of Minneapolis CPED Department and Minneapolis Park and Recreation Board
 - ⁴ Cheryl Twete, Metro, Personal Interview, July 2012
 - ⁵ Larry Trott, Oregon Lottery. Personal Interview & Correspondence, July 2012.
 - ⁶ Oregon Constitution, Section 461
 - ⁷ Janet Hillock, Business Oregon, Personal Interview, July 2012
 - ⁸ Jamie Johnk, Clackamas County. Personal Interview, August 2012.
 - ⁹ http://cms.oregon.gov/ODOT/COMM/Pages/CO4_Final_Review_Meet.aspx
 - ¹⁰ epa.gov/brownfields
 - ¹¹ Miranda Bateschell, Metro, Personal Interview, August 2012
 - ¹² Kate Porsche, City of Albany, Personal Interview, August 2012
 - ¹³ Karen Homolac, BusinessOregon, Personal Interview, August 2012
 - ¹⁴ <http://www.eda.gov/ffo.htm>
 - ¹⁵ <http://www.eda.gov/grants.htm>
 - ¹⁶ Roger Roper, State Historic Preservation Office, Personal Interview, July 2012
 - ¹⁷ http://www.oregon.gov/OPRD/GRANTS/local_more.shtml#large
 - ¹⁸ <http://www.nps.gov/ncrc/programs/lwcf/funding.html>
 - ¹⁹ http://cms.oregon.gov/oprd/GRANTS/pages/lwcf_other.aspx#important
 - ²⁰ Roger Roper, State Historic Preservation Office, Personal Interview, July 2012
 - ²¹ <http://downtownoregoncity.org>
 - ²² Jamie Johnk, Clackamas County, Personal Interview, August 2012
 - ²³ Hud.gov
 - ²⁴ ²⁴ <http://www.uscis.gov/portal/site/uscis>
 - ²⁵ “EB-5 to trigger millions for real estate projects”, Wendy Culverwell, www.bizjournals.com/portland
 - ²⁶ AKS Engineering & Forestry, Site Assessment of Blue Heron Paper Mill Property, November 2011
 - ²⁷ AKS Engineering & Forestry, Site Assessment of Blue Heron Paper Mill Property, November 2011
 - ²⁸ Christina Robertson-Gardiner, Oregon City, Personal Interview, July 2012
 - ²⁹ Christina Robertson-Gardiner, Oregon City, Personal Interview, July 2012
 - ³⁰ <http://bullitt.org/>
 - ³¹ <http://www.oregoncf.org/receive/grants>
 - ³² Stuart Cowen, Autopoesis, Personal Interview, July 2012
 - ³³ <http://www.mmt.org/grants>
 - ³⁴ <http://www.surdna.org/grants/grants-overview.html>
 - ³⁵ <http://www.smarte.org/smarte/resource/sn-sources-money.xml?page=4>
 - ³⁶ <http://www.collinsfoundation.org/>
 - ³⁷ Jamie Johnk, Clackamas County, Personal Interview, August 2012
 - ³⁸ Oregonmetro.gov
 - ³⁹ Chris Deffebach, Metro, Personal Interview, July 2012
 - ⁴⁰ Gerry Uba, Metro, Personal Correspondence, August 2012
 - ⁴¹ Conversation with Megan Gibb and Meganne Steel, Metro, August 2012
 - ⁴² Christina Robertson-Gardiner, Oregon City, Personal Interview, June 2012
 - ⁴³ Cheryl Twete, Metro, Personal Interview, July 2012

-
- ⁴⁴ Karen Homolac, Business Oregon, Personal Interview, August 2012
- ⁴⁵ [Cms.oregon.gov/energy](http://cms.oregon.gov/energy), Veridian Case Study
- ⁴⁶ Information on NMTC from cdfifund.gov
- ⁴⁷ http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=5
- ⁴⁸ Megan Gibb, Metro, Personal Interview, August 2012 and Stuart Cowen, Autopoesis, Personal Interview July 2012
- ⁴⁹ John Berdes, Craft3, Personal Interview, September 2012
- ⁵⁰ Cheryl Twete, Metro, Personal Interview, July 2012
- ⁵¹ Roger Roper, State Historic Preservation Office, Personal Interview, July 2012
- ⁵² Roger Roper, SHPO, Personal Interview, July 2012
- ⁵³ <http://www.nps.gov/WaterTrails/Home/About>
- ⁵⁴ Rick Bastasch, City of Portland Office of Healthy Working Rivers, Personal Interview, August 2012
- ⁵⁵ Conversation with Megan Gibb and Meganne Steele, Metro, August 2012
- ⁵⁶ Stuart Cowen, Autopoesis, Personal Interview, July 2012
- ⁵⁷ Chris Deffebach, Metro, Personal Interview, July 2012
- ⁵⁸ Eric Underwood, City of Oregon City, Personal Interview, July 2012
- ⁵⁹ <http://www.clackamas.us/communitydevelopment/improvement.html>
- ⁶⁰ Janet Hillock, Business Oregon, Personal Interview, July 2012
- ⁶¹ Christina Robertson-Gardiner, City of Oregon City, Personal Interview, July 2012