

W. S. B. L

Memorandum Date: March 3, 2010  
Board Order Date: March 17, 2010

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**TO:** Board of County Commissioners  
**DEPARTMENT:** CAO/Economic Development Standing Committee  
**PRESENTED BY:** Mike McKenzie-Bahr, Community and Economic Development Coordinator

**AGENDA ITEM TITLE:** ORDER/IN THE MATTER OF APPROVING A \$79,476 GRANT TO THE PORT OF SIUSLAW TO COMPLETE THE FISHERMAN'S ICE MACHINE, TO BE FUNDED FROM THE LANE COUNTY INDUSTRIAL FUND.

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**I. MOTION**

Move to approve a \$79,476 grant to the Port of Siuslaw to complete the fisherman's ice machine, to be funded from the Lane County Industrial Fund.

**II. AGENDA ITEM SUMMARY**

The Port of Siuslaw, in partnership with Siuslaw Fisherman's Association, is attempting to complete the installation of an ice machine at the Port, which will support economic development and create at least twelve new family wage jobs in Lane County. The Port is seeking \$79,476 in order to complete the project. The Port and its partner have already provided materials and services to the project totaling more than \$225,000.

The Port plans to complete the ice plant installation at the Old Town Wharf in downtown Florence. It is the goal that with a functional ice plant in the Port of Siuslaw, fishing boats will return to the Port and Lane County will benefit from jobs created both directly and indirectly. The ice plant will increase the quality of seafood product that hits the Oregon marketplace and will provide a positive economic impact to Lane County. The Port has been without an operational ice plant since 2004 and has lost approximately 70% of its commercial fishing fleet since that time. This project will complete upgrades to the ice machine which will enable the Siuslaw Fisherman's Association ice plant to operate on the wharf, providing an essential supply service to local fishermen.

### **III. BACKGROUND/IMPLICATIONS OF ACTION**

#### **A. Board Action and Other History**

In August 2008, the Port of Siuslaw remitted Lane County \$250,000 as consideration for removing the 11 conditions of land transfer as part of a sale of 40 acres by the County to the Port in August 2008.

The Lane County Board of Commissioners then used the \$250,000 to set up an Industrial Development Revolving Fund.

Under ORS 275.318(3), the Industrial Development Revolving Fund can be used for engineering, improvement, rehabilitation, construction, operation or maintenance of any project located in the County that could directly result in one of the following activities:

- (a) Manufacturing or other industrial production;
- (b) Agricultural development or food processing;
- (c) Aquaculture development or seafood processing;
- (d) Development or improved utilization of natural resources;
- (e) Convention facilities and trade centers;
- (f) Transportation or freight facilities;
- (g) Other activities that represent new technology or types of economic enterprises the county governing body determines are needed to diversify the economic base of the county.

As can be seen from the above uses, this project falls into two of the categories: Aquaculture development or seafood processing and Development or improved utilization of natural resources.

Though it is called a revolving fund, the rules that set up the fund do not require that the funds be loaned out, they could be used as grants. This project is requesting a grant as there will not be enough of revenue stream to pay back a loan as the revenues from the ice sales will be used to 1) pay a previous loan that secured some of the ice plant equipment and 2) operations and maintenance of the ice plant.

The Port of Siuslaw, in partnership with Siuslaw Fisherman's Association, needs \$79,476 to complete the ice plant. The plant has been installed at the Old Town Wharf in downtown Florence. But it lacks the essential parts to move the ice from the plant to the boats. The Port and its partner have already provided materials and services to the project totaling more than \$225,000 and this would be the final funds needed for the project. The County previously spent \$71,157 from Video Lottery funds to bring electricity to the ice plant and the entire wharf.

The return of an ice plant and seafood buyer to the wharf is specifically identified in the Port of Siuslaw 2008-2013 Strategic Business Plan. The Port has been without an operational ice plant since 2004.

The Siuslaw Fishermen's Association has commitments from approximately 60 vessel operators to purchase ice from this plant and anticipates gross sales of \$52,800 in the first year; these sales will also have a direct financial impact to the greater Florence area and Lane County. Based on the number of long term commercial moorages at the Port prior to the closure of the former ice plant, the Port of Siuslaw expects at least 12 new jobs will be created because of this project. These new jobs will be due to commercial fishing businesses returning to Florence and to related increases in local sales.

While the ice plant is the first commercial facility slated to operate on the wharf, long-term plans also include a custom smokehouse, cold storage and a cannery to increase the availability of value-added products.

The request for the funds from the Port was reviewed by the Lane County Economic Development Standing Committee on September 30, 2010. The Standing Committee unanimously supported the request be forwarded to the Lane County Board of Commissioners for consideration of funding if the request was also supported by the City of Florence. (See attached Port of Siuslaw funding request).

The City of Florence City Council voted on February 2, 2010 to support the project. (See attachments)

**B. Policy Issues**

Should the Lane County Board of Commissioners approve additional funds for the Port of Siuslaw Wharf Improvement Project?

**C. Board Goals**

This project meets the Board Goal to "Develop Lane County's economic engine" and its strategies to "Grow local businesses" and "Focus on what we do best and take advantage of our unique strengths and image."

**D. Financial and/or Resource Considerations**

The Industrial Development Revolving Fund was started in August 2008 with a \$250,000 payment from the Port of Siuslaw to the County for purchase of property.

To date there has been no expenditures from the fund and the fund has grown to \$256,750.23

Under the adopted rules of the fund, the Board of Commissioner must approve any expenditure of the funds.

#### **E. Analysis**

The wharf has traditionally been one of the main drivers of the Florence economy. The reintroduction of an ice machine could assist revitalizing the local fishing industry and promote tourism.

The Port is estimating that availability of the ice machine will create at least 12 new permanent fishing jobs in the first year as a result of this project. The average yearly wage for the fishing jobs created will be \$46,255 (Bureau of Labor & Industry, 2005). This annual wage is considerably higher than both the per capita income for Lane County, \$22,804 (Census, 2007), and the County's Benchmark Annual Average Wage of \$13,500-\$17,500.

With ice once again available at the Port, a seafood buyer is expected to return also, to purchase product direct from fishing boats. Upon completion, the ice machine upgrades will enable future development of other commercial properties on the Old Town Wharf, increase production and sale of local seafood products, increase the local tax base by creating new jobs and business, and improve the economy of Lane County. Further, the project's location in rural western Lane County offers an opportunity to enhance economic development beyond the Eugene/Springfield area.

With regards to the use of the Industrial Development Revolving Funds, this project seems to be the perfect fit for the use of the funds. As the property sale was to the Port of Siuslaw, this would be an investment back into that area.

Over the long-term it should be the goal to invest in projects that will revolve funds into the account, but the financial nature of this project is such that a loan could not be paid back.

#### **IV. TIMING/IMPLEMENTATION**

Upon Board approval of funding the Port of Siuslaw ice machine the project will start. The goal is to have the project completed before the start of summer.

## **V. RECOMMENDATION**

The Lane County Economic Development Standing Committee and the Community & Economic Development Coordinator recommend the Board of Commissioners approve funding for the Port of Siuslaw Wharf Industrial Improvement Project.

## **VI. FOLLOW-UP**

If this funding is approved, a funding agreement will be put in place between the County and the Port of Siuslaw. The Community and Economic Development Coordinator will work with the Port and the Fisherman's Association to ensure the project is completed in a timely manner.

## **VII. ATTACHMENTS**

- A: Letter from the City of Florence, dated February 16, 2010
- B: Florence City Council Agenda Item Summary February 16, 2010
- C: Letter from the Port of Siuslaw, dated September 29, 2009
- D: Port of Siuslaw Industrial Fund Application

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO. ) IN THE MATTER OF APPROVING A \$79,476  
 ) GRANT TO THE PORT OF SIUSLAW TO  
 ) COMPLETE THE FISHERMAN'S ICE MACHINE,  
 AND APPROPRIATE FUNDS IN THE AMOUNT  
 OF \$79,476 IN FUNDS 275, THE INDUSTRIAL  
 REVOLVING FUND

WHEREAS, the Lane County Board of Commissioners established the Industrial Development Revolving Fund under ORS 275.318(3), and

WHEREAS, the Port of Siuslaw has requested a grant of \$79,476 to complete the installation of a new ice machine at the Port to be used by local fishermen , and

WHEREAS, the Economic Development Standing Committee reviewed the application and recommends the Board of Commissioner consider funding the request, and

WHEREAS, the Lane County Board of Commissioners finds that this project meets the uses for the Industrial Development Revolving Fund, and

WHEREAS, the Lane County Board of Commissioners finds that this project will help improve the economy of the Florence area, and

THEREFORE IT IS HEREBY ORDERED that Lane County Industrial Loan Funds are awarded to the Port of Siuslaw, in the amount of \$79,476 to finish the Ice Machine.

IT IS ALSO HEREBY RESOLVED AND ORDERED that the amounts as outlined below be additionally appropriated and the County Administrator is authorized to sign the contracts authorized under this Order.

**Fund 275 Industrial Revolving Fund**

**General Expense**

Expense Detail

Material & Service \$79,476

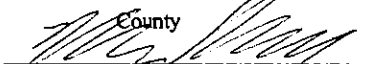
Contingency (\$79,476)

Total Expenditures: \$0

Signed this 17th day of March, 2010.

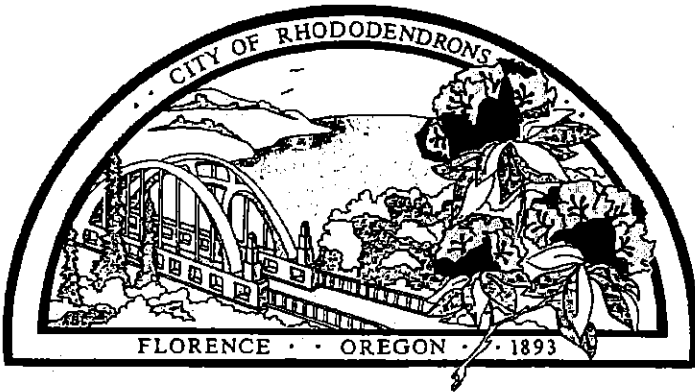
APPROVED AS TO FORM

Date 3-17-10 Lane

  
County

OFFICE OF LEGAL COUNSEL

\_\_\_\_\_  
Bill Fleenor, Chair  
Lane County Board of Commissioners



# *City of Florence*

Mayor and Council

250 Highway 101  
Florence, OR 97439-7628

Voice/TDD: (541) 997-3437  
FAX: (541) 997-6814

February 16, 2010

Lane County Board of Commissioners  
Chair Bill Fleenor  
125 East Eighth Avenue  
Eugene, OR 97401

Re: Lane County Industrial Development Revolving Fund

Dear Chair Fleenor,

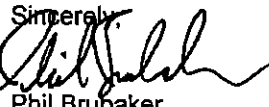
The Florence City Council is sending this letter in support of the Port of Siuslaw's request for \$79,000 in funding from the Lane County Industrial Development Revolving Fund to complete the Ice Machine Project on the wharf by spring 2010. It is our understanding that the funds would be allocated to the Lane County Community Economic & Development Department and spent on the costs directly related to the completion of the ice machine and all invoices would be approved by them.

The Port of Siuslaw Wharf Industrial Improvement Project addresses Lane County's economic development strategic goals to improve the County's net job growth, by providing the ice machine for a new employer to begin creating jobs in Lane County.

We believe this upgrade will be a real economic benefit to the Port and the Florence Old Town area. This new business, the Siuslaw Fisherman's Association (SFA) Ice Plant, will bring commercial fishing boats back to Florence and Lane County, creating at least 12 new family wage jobs in the first year. It will also provide service for other businesses to locate on the wharf which will strengthen the regional economy of Florence and the surrounding area with increases in grocery, marine supply, retail, restaurant and lodging sales.

The SFA and the Port have worked very hard for several years to raise the money to get an ice machine back to Florence and we applaud their efforts. In recommending support for this project, The Council would also request that if approved, the funding be awarded in the form of a grant instead of a loan. We understand that the establishment of the Lane County Industrial Development Revolving Fund was done because the Board of Commissioners are interested in improving the vitality of the Florence community by funding its highest priority projects in a way that makes the most sense for all parties involved. The SFA and the Port of Siuslaw do not have a financial model for paying back a loan. The ice machine will pay for the operations and maintenance, but that is all.

Thank you for your consideration of the Port of Siuslaw's request for funding.

Sincerely,  
  
Phil Brubaker  
Mayor



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**AGENDA ITEM SUMMARY**

**ITEM NO:**

**FLORENCE CITY COUNCIL**

Meeting Date: 2-16-10

Department: Assistant City Manager

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**ITEM TITLE:** Letter of Support for Ice Machine Project

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**BACKGROUND/ISSUE.** The Port of Siuslaw is requesting \$79,000 from the Lane County Industrial Development Revolving Fund to complete the Ice Machine Project.

When the Port of Siuslaw bought the 40 acre parcel (located next to the Pacific View Business Park) from Lane County for \$250,000, the Board of Commissioners (BCC) established a fund called the Lane County Industrial Development Revolving Fund and deposited the proceedings from the sale into it.

Below is an excerpt from the county action taken in relation to establishment of the fund:

WHEREAS, ORS 275.318 allows monies from said Revolving Fund to be used for, inter alis, engineering, improvement, rehabilitation, construction, operations, maintenance and planning costs for manufacturing, agricultural development projects pursuant to an Order by the Board authorizing disbursement of said funds.

IT IS HEREBY ORDERED that pursuant to ORS 275.318 the Board, in consideration of \$250,000 received from the Port of Siuslaw, shall execute a Quitclaim Deed to said Port for property identified in attached Exhibit "A", that said Quitclaim Deed shall be void of any conditions or restrictions on said property and that the Quitclaim Deed shall note the County's intention to convey title free and clear of the conditions contained in the 1998 deed to the Port of Siuslaw as recorded on Reel 2462, Reception No. 9872710 in the Deed records of Lane County.

IT IS FURTHER RESOLVED & ORDERED that pursuant to ORS 275.318 an Industrial Development Revolving Fund be established for Lane County and that the monies received from the Port of Siuslaw be deposited in said Fund.

In the Board conversation during the action that set up the Fund, Commissioner Fleenor stressed that the funds should be used in the Florence area and they should be prioritized with input from the Florence City Council. In addition the action taken by the Lane County Economic Development Standing Committee, to recommend the project to the Board of Commissioners, also included a request for input on the project from the Florence City Council.

Input from the Council is purely advisory, but it does set a nice precedent for moving forward with the fund expenditures.

If approved, staff has prepared a letter to be signed by the Mayor and sent to the Board of Commissioners for their consideration. As you can see from the attached letter, once fully operational, the ice machine would provide a tremendous economic benefit to the Port, the Siuslaw Fisherman's Association (SFA) and the Florence Old Town area. It is projected that the ice plant will bring commercial fishing boats back to Florence (and Lane County) and creates 12 new family wage jobs in the first year. More fishing boats also draw more tourists to the Old Town Florence area, further increasing the positive effect of the ice plant.

The Board of Commissioners wants to help the Florence community by providing funds for its highest priority projects. The Port and SFA do not have financial means for paying back a loan from this Fund. The ice machine will pay for operations and maintenance but that is all. Because this fund is set-up on a "revolving" status, which technically means allocations are for a loan, staff is also recommending in the letter that the Board consider awarding the funding as a grant instead of the loan.

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**FISCAL IMPACT:** There is not a fiscal impact to the City budget in approving this letter of support. However there is a fiscal impact to the community by not having a fully operational ice machine on the Port of Siuslaw's wharf that can be accessed by the commercial fisherman. Florence has faced great economic challenges (such as the decline of logging and fishing industries) so it is important that we collectively support projects in our community that may assist with enhancing our vitality.

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**ALTERNATIVES:**

- Approve the letter as presented
- Approve the letter with amendments.
- Do not approve the letter.

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**RECOMMENDATION:**

Authorize the Mayor to sign a letter to the Lane County Board of Commissioners in support of the Port of Siuslaw's request for \$79,000 from the Lane County Industrial Development Revolving Fund to complete the ice machine project by spring of 2010.

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**CITY MANAGER'S RECOMMENDATION:**      Approve/Disapprove/Other



# **PORT OF SIUSLAW**

**Serving Western Lane County and The Central Oregon Coast**

**"Creating quality jobs and businesses through the development and application of Port facilities, resources and unique capabilities."**

29 September 2009  
Mark Freeman  
Port Manager  
Port of Siuslaw  
P.O. Box 1220  
Florence, OR 97439

Lane County Board of Commissioners  
125 E. 8<sup>th</sup> Avenue  
Eugene, OR 97401

Dear Commissioners

The Port of Siuslaw and the City of Florence have seen economic conditions decline in the very recent past. In spite of this, the Port of Siuslaw has been successful in dredging the marinas, upgrading the RV Campground and completing the new 800-foot long Transient Dock. Congressman DeFazio and other representatives from State and Federal agencies have inspected the new dock. These projects serve the commercial and sport fishing industries as well as the tourism industry.

The Siuslaw Fisherman's Association (SFA) formed five years ago to finance a new ice machine that delivers ice vital to keeping fish cold prior to processing plant delivery. If ice is available, boats from Charleston to Newport will call on Florence for that ice. Many boats will relocate to Florence if ice is available.

According to inflation adjusted 2002 Oregon Coastal Zone Management Association figures, active fishing boats add \$60-120 per day to the local economy. An ice machine will attract more commercial boats to the Port of Siuslaw thereby adding to the economy of western Lane County.

In the last five years, the SFA has raised nearly \$300,000 of privately raised funds to build a new ice machine. Over \$71,000 of County funds was key in delivering electricity to the ice machine now resting on our wharf. The SFA estimates it will take \$79,000 to bring the ice machine online.

Long-term economic growth in this area is key for all of Lane County and the State of Oregon. We urge you to consider and approve this funding that will bring this five-year project to fruition.



# PORT OF SIUSLAW

**Serving Western Lane County and The Central Oregon Coast**

**"Creating quality jobs and businesses through the development and application of Port facilities, resources and unique capabilities."**

Sincerely



Mark Freeman

**Lane County Economic Development Project****Section 1****Proposal Cover Page**

**Grant Amount Requested: \$79,476.03 Match Amount Proposed: \_\_\_\_\_**  
**Please select the appropriate application box: [X] 2009-2010 Industrial Fund**

**Project Focus (Required - select one category of economic development):**  
**[ X ] Business development, [ ] Workforce development**

**PROJECT TITLE: Port of Siuslaw Wharf Industrial Improvement Project**

**Principal Project Organization: Port of Siuslaw**

**Address** 1499 Bay Street, PO Box 1220  
Florence, OR 97439

**Project Contact Person: Mark Freeman, Port Manager**

**Phone: 541-997-3426 Fax: 541-997-9407**

**E-mail: port@portofsiuslaw.com**

**Person/Agency preparing fiscal reports Same**

**Title: \_\_\_\_\_**


**Address \_\_\_\_\_**

**Phone: \_\_\_\_\_ Fax: \_\_\_\_\_**

**E-mail: \_\_\_\_\_**

Our representative, \_\_\_\_\_, attended the pre-proposal conference on behalf of this project.  
 (name)

Signature of Applicant and each Partner included in Proposal (Copy and Use additional sheets as needed)

	<u>3.8.2010</u>
Signature	Date
Mark Freeman, Port Manager	Port of Siuslaw
Typed name/Title	Applicant Organization

Signature	Date
Typed name/Title	Partner Organization

Signature	Date
Typed name/Title	Partner Organization

Add additional signature lines as needed

## Section 2

### **Project Summary**

The Port of Siuslaw, in partnership with Siuslaw Fisherman's Association, is planning an industrial improvement project that will support economic development and create at least twelve new family wage jobs in Lane County. This Business Development project will encourage business growth in the Natural Resources industry cluster and create new employment opportunities within the Port district and Lane County. The Port plans to complete the ice plant installation at the Old Town Wharf in downtown Florence to support existing and new businesses. It is the goal that with a functional ice plant in the Port of Siuslaw, fishing boats will return to the Port and Lane County will benefit from jobs created both directly and indirectly.

The Port District has a population of about 20,000 people and covers approximately 720 square miles in western Lane County. While this industrial improvement will potentially provide service to any business throughout the state or beyond, it will be first and foremost an attraction to commercial fishing boats from up and down the coast. The target population benefiting from this project resides in Lane County, with a population of 339,869 (Census, ACS 2007). This project will directly serve the 8,328 (Census, ACS 2007) individuals who currently live in Florence, including the 100-plus fishermen who live in and around the Lane County area, as well as new boats expected to arrive or return when improvements are complete.

The Port is ready to complete this project as soon as funding is available. The Port and its partner have already provided materials and services to the project totaling more than \$225,000. The ice plant will increase the quality of seafood product that hits the Oregon marketplace and will provide a positive economic impact to Lane County. The Siuslaw Fishermen's Association has a commitment from approximately 60 vessel operators to purchase ice from this plant and anticipates gross sales of \$52,800 in the first year; these sales will also have a direct financial impact to the greater Florence area and Lane County. Based on the number of long term commercial moorages at the Port prior to the closure of the former ice plant, the Port of Siuslaw expects at least 12 new jobs will be created because of this project. These new jobs will be due to commercial fishing businesses returning to Florence and to related increases in local sales.

The Port has been without an operational ice plant since 2004 and has lost approximately 70% of its commercial fishing fleet. Once completed, this project will revitalize the commercial fleet by bringing vessels back to Florence. Without this much needed ice machine the commercial fishing industry in Lane County may not recover from past losses and the Port of Siuslaw will find it difficult to draw new vessels and new fishing-related businesses to the Port district and Lane County.

## **Proposal Narrative**

### **1. Project Focus and Scope:**

The Port of Siuslaw Wharf Industrial Improvement project addresses Lane County's Strategic Plan of economic development goals to improve the County's net job growth by completing the ice machine upgrades needed for a new employer to begin creating jobs in Lane County. This new business, the Siuslaw Fisherman's Association (SFA) ice plant, will in turn bring commercial fishing boats back to Florence and Lane County, directly creating at least 12 new family wage jobs in the first year. The increase in the number of commercial fishing businesses operating in the County will strengthen the regional economy of Florence and the surrounding area with related increases in grocery, marine supply, retail, restaurant and lodging sales. More fishing boats also draw more tourists to the Old Town Florence area, further increasing the positive effect of these basic ice machine upgrades.

The Port of Siuslaw Old Town Wharf was built in 1966. Tourists and locals alike want to observe a working fishing fleet in Florence and the wharf is a recognized driver of the local economy. Since 2004 the Port has been without an operating ice plant, leaving a significant economic void as fishing boats were forced to relocate to other ports which could meet their supply needs. The Port of Siuslaw believes the upgraded ice machine will bring new or returning commercial fishing boats to Florence. This project will complete upgrades to the ice machine which will enable the Siuslaw Fisherman's Association ice plant to operate on the wharf, providing an essential supply service to local fishermen.

This project is a Business Development project, directed towards completing ice machine upgrades necessary for new businesses to operate in Lane County. As a result of ice being available again in Florence, the Port expects at least 12 commercial fishing boats to return to Florence. Based on the at least 40 long-term commercial moorage customers at the Port in 2003, with an operating ice plant, the Port expects to gain an additional 27 long-term commercial moorage vessels over the next two years. Twelve commercial boats are expected to return during the first year of the project, with an additional 15 boats returning in the second year. Although most fishing boats working in the area employ 2 or more people per boat, we are conservatively estimating just one job per boat, creating at least 12 new permanent jobs in the first year as a result of this project, with related positive employment effects on the greater Florence area and Lane County due to additional sales for local businesses and additional tourists visiting the area. The average yearly wage for the fishing jobs created will be \$46,255 (Bureau of Labor & Industry, 2005). This annual wage is considerably higher than both the per capita income for Lane County, \$22,804 (Census, 2007), and the County's Benchmark Annual Average Wage of \$13,500-\$17,500.

This industrial improvement project targets Lane County's Natural Resources cluster industry by addressing fishing, both sport and recreational. Fresh-caught seafood will have value added by having ice available to the boats to improve the quality of the product and to improve the speed of the product reaching consumers. With ice once again available at the Port, a seafood buyer is expected to return also, to purchase product direct from fishing boats. Having an on-site buyer is not only beneficial for the fishermen's business, but also for the quality and speed of the seafood reaching the market. While the ice plant is the first commercial facility slated to operate on the wharf, long-term plans also include a custom smokehouse, cold storage and a cannery to increase the availability of value-added products. Further, the project's location in rural western Lane County offers an opportunity to enhance economic development beyond the Eugene/Springfield area. This will increase the number of jobs available in western Lane County, as well as draw tourists from throughout the County and beyond. The SFA has also been part of the ongoing Old Town Market on the Port's boardwalk for the past two years. The Market operates May through October each year and draws up to 3,000 visitors per weekend.

The new ice plant will primarily support commercial fishing, a long-term sustainable industry based on renewable natural resources. The ice plant will also support recreational fishing and boating, tourism, and the restaurant industries, all sustainable operations. SFA's new ice plant is extremely energy efficient and will be much more economical to operate than the prior plant. As an added benefit, fishing boats will be saving fuel and other expenses by being able to purchase ice in Florence, rather than having to run to Newport or Charleston to buy ice. Florence's location is an added incentive for boats to operate from here because seasonal fishing boundaries are often at the Siuslaw River--allowing ready access for boats either north or south depending on the closures.

The new ice plant is a significant upgrade over the old plant and will provide greater energy efficiency, increased ice output and storage capabilities, a sustainable working operation, less manpower, safer operation, and on-call service. The new plant operates with push-button delivery of ice and a rake leveler to keep the ice rotated and fresh. It will produce 20 tons per day, with storage for 22 tons. SFA has a commitment from approximately 30 commercial fishing boat skippers to return to Florence to fish and deliver product during the fishing seasons. SFA's ice plant will be the only commercial grade ice available between Charleston, 56 miles to the south, and Newport, 50 miles to the north.

Upon completion the ice machine upgrades will enable future development of other commercial properties on the Old Town Wharf, increase production and sale of local seafood products, increase the local tax base by creating new jobs and business, and improve the economy of Lane County.

## 2. Project Goals, Performance Measures (outputs and outcomes):

With the restoration of commercial ice available at the Port of Siuslaw, we anticipate the return of many commercial fishing vessels, both to purchase ice, and to moor in Florence. These returning boats and their associated jobs will benefit the economy of the County overall through wages, increased tax revenues and spending.

Performance measures selected for this project (from RFP Attachment B) are: Outputs- Number of Businesses to Participate, and \$ Increase in Gross Sales; Outcomes-\$ Leveraged, and the Number of Responses to Marketing.

Measurable outputs for this project include: Within the first three months of ice plant operation, SFA expects \$6,550 in gross ice sales, from 21 ice customers. Within six months- \$34,950 in sales from 69 customers. Within 9 months- \$10,850 in sales and 37 customers. And during the final quarter, \$450 in sales from 9 customers. Total gross sales for the first year are expected to be \$52,800, from 136 total customers. In the same year, the Port anticipates at least 12 new long-term commercial moorage customers, creating at least 12 new jobs for the County.

Measurable outcomes expected one year from the end of the project include: 1) \$1,406,539 in funds leveraged from the initial grant outlay. These funds (totals from the one year project period plus one year post-project) will come from gross ice sales (\$141,250), increased moorage revenues (\$16,404), and wages from the 27 new jobs added to the County (\$1,248,885); and 2) SFA expects to have 506 ice customers over the two year period and the Port expects to have 27 new long-term commercial moorage customers over the two year period. Even though the average commercial fishing vessel employs more than two people, we conservatively estimate one job per boat, at an average annual wage of \$46,255 (BOLI, 2005); more than double Lane County's per capita income.

Data to evaluate performance outputs will be collected from the SFA for ice plant gross sales and number of ice customers. This data will be reported to the County on a quarterly basis during the project period. Outcomes will be reported one year after the grant is completed. That data will again be collected from SFA regarding ice plant sales and number of customers, and from the Port regarding moorage revenues, number of commercial boats based in Florence and number of related jobs created for the County. Performance measure estimates used for this project were based on: SFA's 5-year Operating Budget for ice plant operation; an SFA completed survey of fishing boats committed to purchase ice and boats committed to returning to Florence to fish; and historical moorage records from the Port regarding the number of commercial boats in residence when ice was available as well as the average number of jobs per fishing boat based in our area. Quantity of ice needed varies with fishing seasons.

This project's completion will increase work readiness by enhancing the capacity of workers to find family wage jobs in rural Lane County. The SFA will also provide training for both their staff and Port staff to learn how to operate and maintain the new ice plant. The return of fishing boats to Florence and Lane County will provide additional job opportunities for residents. The sooner the ice plant begins operation, the sooner jobs return to the area.

## 3. Selections and Involvement of Partners:

The Port has worked closely with many organizations to bring this project to fruition, including their partner, the Siuslaw Fisherman's Association, which has been focused on returning an ice plant to Florence since 2004. The City of Florence Urban Renewal Agency has been working with the Port and SFA to find an appropriate funding source to provide the needed ice machine upgrades. The Port and SFA have also sought advice and counsel from Lane County, Oregon Department of Agriculture, Oregon State University, and Oregon Economic and Community Development Department on this project. The SFA has taken many

innovative approaches to raising funds needed to pay for the ice machine, including community barbecues, book sales and quilt raffles. The Port and SFA have been proactive in community outreach and public information activities regarding the return of an ice plant to the Old Town Wharf. Numerous articles have been published in local and regional papers, along with radio and television items. SFA maintains a website focused on the project. SFA has participated in Holiday Lighted Boat Parades, Community Festivals, Land Parades, and Boat Shows to provide public outreach about the ice plant.

For the duration of this project, the Port and SFA will continue to provide information to the public using Port and SFA web sites, press releases, signs, direct advertising, public service announcements with regional media, and email messaging. SFA has 92 current members, a mix of sport and commercial fishermen and members of the public; they will also be working to advertise installation of the new ice plant and the availability of ice in Florence once again.

The return of an ice plant and seafood buyer to the wharf is specifically identified in the Port of Siuslaw 2008-2013 Strategic Business Plan under Strategy 2-Enhance Florence's Working Waterfront. The greater Florence and Central Coast communities have been actively involved in the return of an ice plant to the Port for the past 5 years. Thousands of people have attended community fundraising events. The ice plant project has been in the press regularly and continues to generate much community interest.

This project enjoys the full support of the Siuslaw Fishermen's Association as well as the City of Florence Urban Renewal Agency, the Merchants of Old Town, and regional commercial fishermen. See Section 7 for Letters of Support.

#### 4. New Opportunities, Capacity and Readiness:

The return of an anticipated 60 fishing boats coming to Florence to purchase ice, and an expected 27 boats returning to the Port for full-time moorage, will result in at least 12 new jobs in the County during this one-year project. According to BOLI 2005 data, the average wage for fishing is \$46,255 per year. These additional family wage jobs will increase local governments' tax revenues and improve the local economy overall due to associated increases in other industries. Although the ice plant will be the first wharf tenant to use the upgraded ice machine, additional commercial businesses are expected to locate on the wharf in the future, increasing the quantity and value of local seafood products.

The Port of Siuslaw maintains a separate accounting fund just for grant income and expenses. All Port staff time and administration spent on the project will be tracked via timesheets and charged accordingly. Complete records will be kept for all grant expense incurred and paid. The Port has overseen numerous grants over its 100-year history and has all of the accounting and audit procedures in place to ensure accurate accounting and reporting of grant and project funds. The Port is contributing the cost of overhead and administration of the grant as part of its in-kind match, and will keep those costs to a minimum. As a local government, the Port has an independent audit of its accounting system completed each year. All project reports will be completed accurately and on time. The Port has the necessary professional, fiscal and management capacity to successfully complete this project.

**Budget Proposal and Narrative**Project Title: Port of Siuslaw Wharf Industrial Improvement

Proposed Expenses. The following Form may be expanded to one full page to describe specific project budget items and subcategories.

Budget Item	Description	Grant funds	Percent of Grant Funds	Totals
Personnel				
Benefits				
Travel				
Equipment	Ice Machine Equipment	\$47,500	60%	\$47,500
Supplies				
Contractual Services	Engineering, Project Supervision	\$27,000	34%	\$27,000
Administration*				
Fees and Permits	Buildings Fees and Permits	\$4,976	6%	\$4,976
Total Matching funds				
<b>TOTALS</b>		<b>\$79,476</b>	<b>100%</b>	<b>\$79,476</b>

**If appropriate, the applicant may propose additional line items for proposed expenses.**

Revenue for the Project.

List in the following format (up to one page) the various cash and non-cash resources that contribute to completion of the project scope of work. Add lines for other partners.

Source	Description	Cash	Non-cash	Total
Proposed Grant	Installation of Ice Machine Upgrade	\$79,476.03	\$0	\$79,476
Partner A				
Partner B				
Other Partners	Total Dollars Spent to Date	\$225,000		\$225,000
<b>Total</b>				<b>\$304,476</b>

**Are other grants or funding sources being pursued for the same or similar proposal? If yes, please describe:**

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\*10% admin/overhead limitation

\*\*Matching funds must be broken out by individual partners. Please see below.

**Budget Narrative:**

The following chart is a detailed breakout of each of the proposed budget categories found on the budget proposal form.

<i>Ice Machine Equipment</i>	
Auger system	\$25,000.00
Metering Hopper	\$3,500.00
Missing Sprolan level master Valve	\$500.00
Refrigerant	\$5,000.00
Rake, Auger, Refrigeration and controls installation	\$10,000.00
Contingency	\$3,500.00
<b>SUBTOTAL</b>	<b>\$47,500.00</b>
<i>Contractual Service</i>	
Stairs and engineered drawings Budget #	\$15,000.00
Supervision and Expenses	\$12,000.00
<b>SUBTOTAL</b>	<b>\$27,000.00</b>
<i>Fees and Permits</i>	
City Commercial Plumbing-25%	\$19.10
State Surcharge fee-12%	\$404.96
Building Plan Check fee	\$1,196.47
Building Permit fee	\$3,298.20
Commercial Plumbing-75% Mortier	\$57.30
<b>SUBTOTAL</b>	<b>\$4,976.03</b>
<b>Total Budget</b>	<b>\$79,476</b>

The above amounts are based on price quotes received by the Port and the Fisherman's Association

**Lane County Economic Development Project**  
**Project Performance Measures and Targets**

**Section 5**

**Project Title:** Port of Siuslaw Wharf Industrial Improvement

What are your proposed outputs and outcomes that will be used to measure success in meeting or exceeding the goal to create or retain jobs? Please see Attachment B for description of sample outputs and outcomes, and Attachment C for suggestions on creating performance measures for your proposed program. Which Oregon Business Plan (Attachment C) does the output or outcome related to? What is the project target for each output or outcome and when will results be reported?

Outputs (amount or frequency of project activity)	Oregon Business Plan	Project Targets	Reporting Timeframe
\$ Increase in gross sales for Siuslaw Fisherman's Association Ice Plant	N/A	\$6,555; \$34,950; \$10,850; \$450 (\$52,800 for the year)	At the end of each quarter; 09/01/10, 12/01/10, 03/01/11, 06/01/11
# Of business/boats that purchase ice	N/A	21,69,37,9; (136 for the year)	At the end of Each quarter; as above

Whenever possible list outcomes that will result from the project, even if these outcomes are measured after the proposed project contract term. The logic model in Attachment C further explains how to describe outputs and outcomes.

Outcomes (impacts and long-term results from the project)	Oregon Business Plan	Project Targets	Reporting Date
\$ Leverage from grant funds (Including \$ from ice sales, increase in Port moorage revenues, increase in Wages for county-based boats)	N/A	\$1,406,539	1 June, 2011
# of Responses to marketing (Number of ice customers, new commercial moorage customers for Port)	N/A	506 ice cust. 27 moorages	1 June, 2011

**Lane County Economic Development Project  
Statement of Assurances and Proposal**

**Section 6**

**Project Title:** Port of Siuslaw Wharf Industrial Improvement

The undersigned attests that the information provided to determine eligibility is true and accurate to the best of his/her knowledge. The undersigned further attests that he/she has the authority and/or responsibility to represent his/her organization in all phases of this Request for Proposal process. Finally, the undersigned understands that any false or substantially incorrect statement may disqualify this proposal from further consideration or be cause for termination of any further contract.

If this proposal is selected for funding, the undersigned provides assurances on behalf of his/her organization that the organization will comply with the General Conditions and Special Conditions in its subcontract with Lane County. The organization will also comply with all applicable federal, state, county and local statutes, rules and funding criteria governing service, facilities and operations. Finally, the organization will submit all required reports, documents and forms within the allotted time for their submission.

The undersigned, as applicant, declares that he/she has carefully examined the specifications and requirements of the Lane County Request for Proposal packet and that applicant agrees, if the proposal is accepted, that applicant will contract with Lane County to furnish the services as specified, in accordance with the proposal offered here.

The Applicant hereby certifies that he/she is a resident bidder as defined in ORS 279A.120, of the state of Oregon.

By initialing this space MF applicant hereby certifies that he/she has not discriminated against minority, women, or emerging small business enterprises in obtaining any required subcontracts.

By initialing this space MF applicant hereby certifies that to the best of applicant's knowledge, he/she is in compliance with all the Oregon tax laws described in ORS 305.380(4).

The applicant represents that the proposal is in all respects fair and without collusion.

Signature

8 March 2010  
Date

Mark Freeman

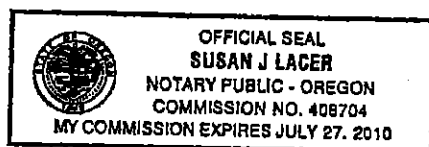
Port of Siuslaw  
Printed or Typed Agency Name

Printed or Typed Name and Title

MARK FREEMAN, Port Manager  
Subscribed and sworn to before me this 8, day of MARCH, 2010.

by MARK FREEMAN

Notary Public for the state of Oregon. My commission expires, July 27, 2010



SJ Lacer

