

Gilliam County Grant Application

Review Sheet and Staff Report

For FY 2019-2020 Grant Cycle

Capital Investment Grant Program

Date: 3/25/2019

Applicant: Condon School District

Ranked No: 1 of 3.

Eligible Entity: Yes No

Previous Applicant: Yes No

Contact Person: Michelle Geer, Superintendent

Total Project Cost: \$755,000

Request from County: \$440,000

Matching Funds Secured: \$315,000

Matching Funds Pending: \$10,000

Match Percentage (Minimum 35%): 72%

Timeline: June – August 2020

Project Summary:

Replace the outdated, expensive to operate, and inefficient heating system in the Condon High School. Replace the Controls, Terminal Units (heating units in each room), and Boiler.

Key Facts & Findings:

The application was well written and included detailed information on the project scope and scale, including the work that is actually proposed to be implemented. Of the three Capital Investment applications received, the Condon School District demonstrated the highest level of understanding of their project and what would be required to complete it.

The Condon School District is following a strategic Long-Range Facility Plan.

The Review Team has no doubt that having comfortable conditions in the classroom is an important part of the learning process. Replacement of the outdated heating system will provide a better learning experience to Condon students.

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Staff Recommendation: Fund With Conditions

The Review Team recommends funding **up to \$440,000** for this request.

Concerns were raised about the large range of potential project costs, especially related to the replacement of the heating control system (\$150,000 - \$250,000). We recommend that the Budget Committee allots enough funding to cover the high end of the project but that the County Court does not release all of the funding until the School District can demonstrate that it is actually needed to complete the project.

If the School District has sufficient reserves in place, the grant should be provided on a **reimbursement basis**. Alternatively, the grant funding could be provided in **phases** with the School District providing a work plan/cost estimate for Court approval prior to release of each phase's funding needs.

It is clear that both the Condon School District and Arlington School District have been and will continue to request capital investment funding from the County in order to fund their various needs. With the County already having provided millions of dollars for school related operations and projects, and the current SIP agreements sun-setting in the near future, the Review Team recommends that the County Court consider the best way to strategically provide financial support to the two entities in the future, including encouraging combination of the two Districts into a single organization.

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Capital Investment Grant Program

Date: 3/25/2019

Applicant: Arlington School District

Ranked No: 2 of 3.

Eligible Entity: Yes No

Previous Applicant: Yes No

Contact Person: Kevin Hunking, Superintendent

Total Project Cost: \$800,000

Request from County: \$400,000

Matching Funds Secured: \$175,602

Matching Funds Pending: \$224,398

Match Percentage (Minimum 35%): 100

Timeline: None provided

Project Summary:

The funding will be utilized for making the Arlington elementary school more ADA compliant. No details of what upgrades are being considered was included in the application.

Key Facts & Findings:

The Application provided minimal information on the proposed project or estimated costs. The School District is in contact with an architect to develop a project cost break down. In future years it would be nice for the School District to have a more developed plan prior to applying for funding.

The Review Team feels that ADA compliance is a vital and important project for creating a satisfactory learning environment to all students.

The application referred to this funding request as "Phase 1". But no further details were given as to how much additional funding the School District might be seeking for future phases.

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Staff Recommendation: Fund With Conditions

The Review Team recommends funding **up to \$400,000** for this request.

It appears that there is no work plan or estimated costs for issues which need to be addressed to reach ADA compliance; this makes it seem that the School District is asking for a “lump sum” of cash rather than a clearly defined project with actual costs estimates. As such, the Review Team highly recommends that this grant be done on a **reimbursable basis**. Alternatively, the grant funding could be also be provided in **phases** with the School District providing a work plan/cost estimate for Court approval prior to release of each phase’s funding.

In their application, Arlington School District states that they will continue to request additional Capital Investment funding from the County every year.

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Date: 3/25/2019

Applicant: Port of Arlington

Ranked No: 3 of 3.

Eligible Entity: Yes No

Previous Applicant: Yes No

Contact Person: Peter Mitchell, Port Manager

Total Project Cost: \$475,050

Request from County: \$317,000

Matching Funds Secured: \$42,050

Matching Funds Pending: \$116,000

Match Percentage (Minimum 35%): 49

Timeline: Island Park water and sewer expansion: Fall 2019 thru early Winter 2020

Condon Airport water line expansion: End of year 2020

Project Summary:

1. Island Park Sewer and Water Expansion: Extending the water and sewer system from the RV/Bathroom area up to Island Park to allow for future development on Island Park. The future development seems to be based on a desire to build an "industrial building with office space" at Island Park. Work would be conducted in Fall 2019/Winter 2020 along with the Island Park restroom upgrade project which was previously funded by the Budget Committee. This project includes replacing the Lift Station pumps and electrical system.
2. Condon Airport Water Line Extension: Extending the City of Condon's water line to Linus Pauling Field State Airport.

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Key Facts & Findings:

The Port submitted two projects in one application. In future years it would be preferred to have each project submitted in an individual grant application. It is difficult to review and rank two projects as if they were one.

If considered separately, there is not enough match for the Island Park water & sewer line project to qualify for County grant funding. The match shown in the application is primarily for the Condon Airport project.

Both projects lack a clear work plan in the application and budgeted numbers have no supporting documentation (like price quotes) to support them. The Port did supply a multi-year capital project list which showed that the proposed water and sewer lines might eventually service a new building on Island Park. However, the Port's financials clearly show that they do not have the financial reserves at this time to construct such a building, leading the Review Team to postulate that the plan would be to ask the County to fund that construction as well. The Review Team feels that it is a poor use of money to install water and sewer service for a building that may never be built. The preference would be for a complete development plan for the building and utilities to be considered together.

1. Island Park Sewer and Water Expansion: With the exception of coordination and management work put in by the Port of Arlington, the County would be the sole funder of this project. A healthy and active Port is vital to future economic development in the County. However, it is also imperative that the Port have some "skin in the game". It would be beneficial for the economic development relationship, roles, and responsibilities between the County and the Port to be clarified and put into a written agreement. Without a clear delineation of the Port's role in County economic development it is very difficult for the Review Team to evaluate the Port's proposals.
2. Condon Airport Water Line Extension: The County has previously provided the Port with \$17,000 towards this project. The City of Condon had previously pledged support, including labor and equipment, to the project but has now backed out and will not be contributing to the project. Success of this project is now predicated on the Port applying for and receiving grant funds from the Oregon Department of Aviation. Once installed, it seems that the City of Condon would assume ownership of the County funded water line. Additional individual system hook-ups would be required in the future and it is unclear who would pay for those. There was no documentation of how many end users are located at the Airport or how many of them would want on the system if it was installed; or put another way, how would the system generate revenue sufficient to operate and cover repair/maintenance. Absent a sustainability plan for the system and without City of Condon support for the project, the Review Team does not feel that the project is a worthwhile use of County funding.

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Staff Recommendation: Do Not Fund

The Review Team recommends that the Budget Committee **does not fund** either of the proposed projects in this request. The primary reasons for the recommendation are as follows:

- The lack of a comprehensive plan for development of the Island Park property, especially in respect to how future development would be funded.
- The lack of Port funds as match for capital improvements to the Port property, especially considering the significant reserves the Port has available.
- Lack of participation by the City of Condon in the Linus Pauling Field water line project.

The Review Team highly recommends that the County Court reach a resolution of the 2006 Willow Creek IGA and that they also clarify the rolls and responsibilities of the Port as the County's economic development office prior to releasing any additional capital project funds to the Port. If this is accomplished, the Port can re-apply for Capital Investment grant funding in the Fall grant cycle.

The Review Team also recommends the Budget Committee put sufficient funding in the proper County budget line item so that economic development dollars are available during the Fall capital investment grant cycle.