

General Application

775 Summer St NE, Suite 200 Salem, OR 97301-1280

Applicant				
City of John Day				
Name		Federal Tax ID Number		
450 E. Main Street John Day, OR 97845		450 E. Main Street John Day, OR 97845		
Street Address	_	Mailing Address		
Organization Type: City County Spe ORS	cial District under	Port District under Tribe ORS		
Aaron Lieuallen		Senior Project Manger		
Contact Name (Person we should contact with proje	ct questions)	Title		
541-575-0028	541-575-3668	lieuallena@grantcounty-or.gov		
Phone Number Fax Number		Email Address		
Representation (Information may be	e found at <u>www.leg.st</u>	ate.or.us/findlegsltr)		
30		Ted Ferrioli		
Senate District Number		Senator's Name		
60		Cliff Bentz		
House District Number		Representative's Name		
	Project In	formation		
John Day Commercial-Scale Gr Project Name: (e.g., Stayton Water S)		

Opportunity/Problem

Briefly describe the opportunity or problem facing the applicant:

John Day residents currently pay a premium for fresh produce because of our distance from major distribution centers. Additionally, the City currently generates just over 80 million gallons of nutrient rich effluent annually which is stored in percolation ponds that indirectly discharge to the local watershed. The economic value of this treated wastewater is lost to our residents but could be put to beneficial reuse. To address local food security needs and capture the economic value of our treated effluent, we propose to create a hydroponics greenhouse that is expected to generate produce yields sufficient to meet 100% of our City's annual consumption. The City is working with local grocers in John Day (Chester's Thriftway) and Prairie City (Huffman's Select Market) who will purchase the fresh, locally grown produce at wholesale rates. We are also working with the local hospital, food vendors and the school district as potential wholesale customers, and we may employ a direct-to-consumer retail channel either via internet sales and/or through a local farmer's market.

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Response to Opportunity/Problem

Briefly describe the major alternatives considered to address this opportunity or problem:

The John Day City Council has approved the first pilot-scale greenhouse to be built at the Innovation Gateway and has committed \$105,000 for the initial analysis. This pilot-scale facility will be the first public facility constructed at the innovation gateway for beneficial reuse of the City's treated wastewater. The entire venture will be owned and operated by the City of John Day as a division of our Public Works Department. Assets from the Sewer fund (reclaimed water) will become inputs to the greenhouse, and revenue (sales) from the greenhouse will accrue to the Sewer fund to offset its operating expenditures and ultimately the cost of wastewater treatment, all while delivering fresh, locally grown produce for our residents. The major alternative to this approach is to continue the status quo and discharge nutrient-rich effluent into the water table. This approach yields no economic benefits.

Detailed Project Description

Clearly describe the proposed project work to be accomplished:

In partnership with Sustainable Water, the City will construct its first pilot-scale greenhouse in 2018 as a test facility to evaluate using water for controlled environment agriculture, specifically to grow fresh produce for local consumption.

This proposal is for a final design/construction project. The 5,000-6,000 SF facility will be located on the south side of the Innovation Gateway within site of the highway and main western approach to the city. The capital expenditure (CAPEX) to build the greenhouse will be \$350,000 and will be incurred during the current fiscal year (FY18-19). An additional \$50,000 is estimated for site preparation expenses in FY18-19 which will be provided by the City of John Day. The year-one operating expenditure (OPEX) is budgeted at \$255,000 and will be incurred in FY18-19. The greenhouse will be designed to operate as a break-even venture in its first year of operation. OPEX costs are not included in this loan request. The year one OPEX will be financed by the City and recovered in revenue from crop sales.

Hydroponic growing systems such as ebb and flow benches, dutch buckets, growing ponds, and verticle grow towers will operate initially with freshwater, but will transition to reclaimed water once the future wastewater treatment plant is built.

Local grocers intend to purchase produce from the City at wholesale prices. The pilot-scale greenhouse should generate roughly 1,200 pounds of fresh produce per week with multiple crop types (leafy greens, fruits and herbs), resulting in just over 31 tons of produce per year. We may also experiment with specialty crops like hops in a portion of the greenhouse in partnership with Oregon State University and other Oregon research institutions.

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Project Work Plan

List project activity milestones with estimated start and completion dates. Identify estimated date of first cash draw:

Activity	Estimated Date	
Activity	Start	Completion
Project funding / economic analysis	Aug 14, 2017	Dec 1, 2017
Site analysis	Sep 1, 2017	Jan 30, 2018
Contract for design and construction	Dec 1, 2017	Feb 1, 2018
Greenhouse design	Feb 1, 2018	May 15, 2018
Greenhouse construction	Jul 1, 2018	Aug 30, 2018
Initial growth cycle (seed propogation/growht/harvest)	Sep 1, 2018	Oct 15, 2018
First crop sales	Oct 15, 2018	Nov 1, 2018
Ongoing crop sales / growth cycles	Nov 1, 2018	

Estimated First Draw Date: Jul 1, 2018

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Project Budget

IF THIS APPLICATION IS FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) OR SAFE DRINKING WATER REVOLVING LOAN FUND (SDWRLF) PROGRAM FUNDING, PLEASE SKIP THIS BUDGET TABLE AND COMPLETE THE PROJECT BUDGET INCLUDED IN THE PROGRAM-SPECIFIC APPLICATION SUPPLEMENT FORM.

List individual project budget line items with requested budgeted amounts by IFA and non-IFA funding sources. Change budget column labels to identify the specific requested IFA funding sources. Non-IFA sources are those funds other than those requested from IFA.

Budget Line Item	IFA Funding		Non-IFA	
(Adjust budget items to suit the project) Below are general items most used	Source 1	Source 2	Funds	Total
Engineering/Architecture	\$50,000		\$25,000	\$75,000
Construction	275,000			275,000
Construction Contingency	25,000			25,000
Land Acquisition				0
Legal			10,000	10,000
Construction Management			15,000	15,000
Other (Specify)				0
Other (Specify)				0
Other (Specify)				0
Other (Specify)				0
Totals	350,000	0	50,000	400,000

Details of Non-IFA Funds

Source of Non-IFA Funds	Amount	Status: C-Committed, A-Application S-Submitted, AI-Application Invited, PS-Potential Source	Dates Required Funds will be Committed and Available
City of John Day Sewer Fund	\$25,000	С	01-Jul-18
City of John Day General Fund	25,000	С	01-Jul-18
Totals	50,000		

If "Non-IFA funds" include USDA Rural Development funding that will require interim financing, please indicate the source of the interim financing.

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General	Certification

I certify to the best of my knowledge all information, contained in this document and any attached supplements, is valid and accurate. I further certify that, to the best of my knowledge:

The application has been approved by the governing body or is otherwise being submitted using the governing body's lawful process, and 2. Signature authority is verified. Check one: Yes, I am the highest elected official. (e.g., Mayor, Chair or President) No, I am not the highest elected official so I have attached documentation that verifies my authority to sign on behalf of the applicant. (Document such as charter, resolution, ordinance or governing body meeting minutes must be attached.) The department will only accept applications with proper signature authority documentation. Signature Date Ron Lundbom Mayor Printed Name Printed Title FOR IFA USE ONLY Concept Number Intake Approval Date **Project Type:** ☐ Construction Other: Planning Design Design & Construction

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