

May 16-17, 2006 OWEB Board Meeting

Executive Director Update #4: Local Innovation Fund

Background

In 2004, the OWEB Board began discussing the concept of funding innovative watershed restoration projects that also include clear goals to benefit the local economic and community. OWEB's investments in watershed restoration have always provided significant ancillary benefits to the local economy and community¹. However, the purpose of supporting projects with clear, connected watershed, economic, and community goals is to create economic and community benefits that have independent value, and that provide a driver to generate watershed benefits on a larger scale and longer time frame than could be accomplished by an investment of the same amount of funding in a restoration project alone.

To implement this concept, in September 2005, the OWEB Board authorized creation of the Local Innovation Fund as a year-long pilot project to fund projects that benefit and strengthen the connections between watershed health, the local economy, and the local community.

Anticipated projects included:

- the creation of market incentives for ongoing watershed protection through certification and branding of products grown in a watershed-friendly manner;
- community watershed-focused business enterprises;
- watershed projects that address entrenched economic barriers to restoration; and
- large-scale restoration projects that include significant economic and community goals.

In October 2005, staff issued a Call for Innovation requesting proposals and offering funding for the development of projects that benefit and strengthen the connections between the local watershed, economy, and community. OWEB received 24 grant applications by the December 1, 2005, deadline. In January 2006, the OWEB Board awarded eight planning grants totaling \$100,000 for projects in three categories: 1) Creation of Market Incentives for Ongoing Watershed Restoration and Protection; 2) Creation of a Sustainable Family Wage Restoration Workforce; and 3) Providing a Model for More Sustainable Sand and Gravel Mining. The funded projects are listed in Table 1.

A panel to share the knowledge and experience of these grantees and the lessons they've learned is planned at the OWEB Biennial Conference this fall. Staff will also provide updates to the Board about these projects as they progress.

The Next Local Innovation Fund Grant Cycle

The next LIF grant cycle will occur in June-September 2006, and will provide project implementation funding for on-the-ground projects that benefit and strengthen the connections between the local watershed, economy, and community. Grant applicants who did not apply during the last grant cycle are welcome to apply. A Request for Proposals will be issued in early May, and grant applications will be due June 15, 2006. The OWEB Board will be asked to consider the grant applications at its meeting in Bend on September 19-20, 2006.

¹ "Understanding the Community, Economic, and Social Impacts of Oregon's Watershed Councils," Hibbard and Lurie (2005) – copy available at www.oregon.gov/OWEB/docs/other/Hibbard_Lurie_WSCImpacts_final.pdf.

Due to the current availability of funds, LIF grant awards will draw primarily from Measure 66 capital funds. However, some projects may need small amounts of non-capital funds in addition to capital funds to move from the planning to implementation phase. Some of these costs, such as education, outreach, and training, are squarely within OWEB's mission and goals, but may not be eligible to use capital funds.

After the conclusion of the next LIF grant cycle in September, staff will ask the Board to evaluate whether the pilot grant program has met the Board's goals for the project, and whether it should continue. Stakeholder and grantee input, as well as the merits of the projects funded, should be part of this evaluation.

Table 1: Local Innovation Fund Projects Funded in January 2006

Project #	Project Name	Amount
206-381	Ecosystem Workforce Program & Siuslaw Basin Partnership: Developing a High Quality Restoration Industry in the Siuslaw Basin	\$14,966
206-383	Coquille Watershed Association: Creating a Model for Sustainable, Family Wage Restoration Jobs in the Coquille Basin	\$8,216
206-386	Lower Rogue Watershed Council: Incorporating Salmon Habitat Restoration in Sand and Gravel Mining	\$9,966
206-387	South Coast Watershed Council and The Wetlands Conservancy: Sustainable Cranberry Production and Marketing on the South Coast	\$14,466
206-389	Mary's River Watershed Council and The Food Systems Coalition: Healthy Watersheds, Healthy Food in the Willamette Valley	\$14,486
206-391	McKenzie Watershed Council: Sand and Gravel Industry Salmon Habitat Restoration Incentives	\$7,966
206-392	Clackamas County Soil and Water Conservation District: Mt. Hood Forest Habitat Restoration, Fire Fuel Reduction, and Small Diameter Wood Utilization	\$14,966
206-400	The Central Oregon Intergovernmental Council and The Juniper Group: Western Juniper Commercialization Study for Central Oregon	\$14,966
Total Local Innovation Grants Funded		\$99,998

Staff Update and Request

Allison Hensey, Local Innovation Fund Manager, is leaving OWEB to take a position with the Oregon Environmental Council. Beginning in May 2006, Melissa Leoni, Senior Policy Coordinator, will assume OWEB's Sustainability Coordinator role and responsibility for implementation of the LIF pilot program.

To assist staff with the LIF pilot program, the Board established a Local Innovation Fund Subcommittee with Dan Heagerty and Dianne Guidry as its members. Dianne is no longer on the Board; therefore staff request at least one more Board member to join the subcommittee.

Contact Melissa at melissa.leoni@state.or.us or 503-986-0179 with questions about the Local Innovation Fund or if you are interested in serving on the subcommittee.