DIG DEEP CASE STUDY

CITY of NEWPORT

A crystal-clear vision for funding today and tomorrow

When Tim Gross began his tenure as Director of Public Works and City Engineer for Newport, OR, it didn't take long to realize that the needs on Newport's capital improvement plan far outnumbered the digits in the city's budget. Government grants seemed a likely source for capital improvement funds. But how to go about grant-seeking, and do it successfully? That's where the city needed help. So, Gross partnered with Tia Cavender of Dig Deep, a leading cultivator of creative solutions for municipalities in the hunt for capital improvement funding.

Step one for Newport and the Dig Deep team of researchers was to develop a long-term, comprehensive strategy for all capital improvement projects. That's a critical piece of advice Gross follows. "Don't think about where you are today, but rather, where you need to be three, five or even 10 years down the road." With Dig Deep's insights, Gross learned exactly which Newport projects were most "fundable," and which funding programs were worth pursuing. Next, they successfully secured grants and low-interest loans to pay for the planned capital improvements.

Over a five-year period, the City of Newport secured approximately $14 million in low-interest government loans, and $3 million in grants from federal, state and private sources. With Dig Deep's expert approach to capital grant-seeking, Newport now has a sustainable funding plan in place for replacing and repairing the city's aging infrastructure.

"Pairing fundable projects with public—and private—capital funding allows the City to stretch its investments," explains Gross. "In some instances, we don't have any out-of-pocket funds because we're able to use one grant to provide the match for the next. That's part of the strategic planning process, understanding how all those pieces fit together."

Capital Improvement Project Highlights

Newport Fire Station

PROBLEM Research around the Cascade Subduction Zone revealed a 40% likelihood of a seismic event in the next 50 years, which Newport's main fire station could not withstand.

SOLUTION The team identified and secured a $1.5 million grant to fund 100% of the costs to seismically retrofit the building and bring it up to current seismic standards.

Bay Moore Road

PROBLEM The City needed to repair and update its road and storm drainage system near a bayside road, but lacked the funds to pay for the upgrades.

SOLUTION By tapping into a special public financing package to replace the bayside storm drainage system, the strategist team creatively rolled six projects into one $9 million loan package, secured 1% APR financing for the entire group of projects, and helped save the City $2.2 million in interest payments.

Big Creek Dams

PROBLEM The City recently discovered that the Upper and Lower Big Creek Dams, which provide the sole source of water for the city, are seismically deficient. In the event of a mild or moderate seismic event (i.e., 3 or higher on the Richter scale), the soil under the dam will liquefy and the two dams will fail, leaving up to 60,000 visitors and residents without water for three to six months. The cost of a new dam is expected to be $40–$50 million over the next five to 10 years.

SOLUTION The team created a long-term strategic funding plan to secure funding for the Dam planning, design, and construction; resulting in (to date) $500,000 in government planning grants and $800,000 in 1% APR financing for fish passage planning, design and environmental permitting.

6:1 ROI
$6 for every $1 invested from 2014–2017

Secured grants totaling **$2.9M**

Saved **$3.7M** in loan interest

Secured **$14M** in low-interest financing

42 partnerships created with influential stakeholders