Gov. Ted Kulongoski said Wednesday he will seek hundreds of millions of federal stimulus dollars to rebuild the flooded community of Vernonia as an environmental utopia, build the nation's most sustainable new prison and install solar panels to light the state's freeways.

Using the latest green technology and construction techniques would give Oregon a leg up in a fierce competition among states for the cash, Kulongoski said.

"We're going to do them smarter and better this time," the governor said at a Portland news conference. The projects, he said, "would showcase to the world our expertise in green planning and green development."

At stake is $37 billion for construction that's part of the giant $789 billion tax-cut and federal spending package hurtling through Congress this week. The catch is that states must compete for this part of the package.

Several states have appointed "stimulus czars" to coordinate requests for the federal dollars. Kulongoski took a different approach and created an advisory group that mixes private business leaders with public officials, each with an interest in sustainable development.

Any state agency that applies for a grant from the stimulus program would have to notify the governor, who would then run it by the panel, which Kulongoski dubbed The Oregon Way Advisory Group. Members of the group have yet to be selected.

With key details of the federal package still in flux, it's hard to tell what criteria will be used to judge projects worthy of the money. It's also hard to say how much of the spending will be determined by political clout in Congress and how much by the new Obama administration.

Regardless, Kulongoski said he wants Oregon to be first out of the gate with proposals that he thinks will stand out, not only because they can be done quickly and offer thousands of jobs, but also because they match the environmental standards held by President Barack Obama.

Specifically, the state would ask for money to rebuild schools in Vernonia away from the flood plain and use the latest in sustainable techniques, such as energy efficient construction, stored rainwater and recycled materials. The state also is looking at similar rebuilding methods for flood-damaged houses and using environmentally friendly methods for rebuilding the town's water and sewer systems.
"This community is looking to be revitalized, and a new school would be a catalyst for that," said Kenneth Cox, superintendent of the Vernonia School District, which has 625 students. Instead of moving or rebuilding all three schools, the current plan is for one to house all grades, he said.

"It would be my goal to make our new school the greenest school in Oregon," Cox said.

The new prison, set for construction this year in Junction City, could include solar energy panels, laundry heat recovery and water efficiency innovations, said Max Williams, director of the state Corrections Department.

The state also is building a mental hospital on the same 250-acre tract as the new prison. Between them, they're expected to account for one-third of Junction City's water and wastewater use, Williams said.

"With the opportunity to access these grants, we can take it to a level of sustainability that we haven't previously envisioned," Williams said.

The third example Kulongoski gave is to take the solar lighting project at the intersection of Interstates 5 and 205 and replicate it around the state.

"My belief is, in this difficult economic time, this is a tremendous opportunity for Oregon to drive public policy," Kulongoski said. "We intend to drive this concept of green technology through everything state government does."

Kulongoski's staff has been working closely with Mark Edlen, of Gerding Edlen Development, a company that has gained an international reputation for putting up highly energy efficient buildings. Edlen said he sees promise in the confluence of the down economy, billions in federal construction dollars and a president who believes in green technology.

"Not just to fill potholes," Edlen said, "but to bring lasting green investments ... I believe we can attract a disproportionate share of those dollars for Oregon and Oregonians."

-- Harry Esteve; harryesteve@news.oregonian.com