

Union County Economic Development Corporation

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Minutes July 17, 2008

Monthly Meeting: 6:00 p.m. at UCEDC Office 1119 Washington Avenue,
La Grande

Meeting Facilitator: Howard Perry, President
Board Reporter: Violet Trapp, Administrative Assistant
Executive Director: Craig Thompson
Members Present: Howard Perry, Mike Poe, Robert Strobe, Gary Lillard, Don Kellogg,
Janet Hume-Schwarz, Jeff Puckett and Dale Case

Absentees: Bill Whittemore, John Howard, Steve Anderson, and Dennis Spray

Visitors: Jim Mollerstrom, candidate for Union County Commissioner

The meeting was called to order at 6:00 p.m. by Howard Perry - President.

President Howard Perry welcomed the UCEDC visitor, Jim Mollerstrom who is a candidate for the position of Union County Commissioner.

Howard called for a motion to approve the June minutes.

Dale Case moved that the board approve the June minutes. Robert Strobe seconded the motion. The motion carried.

OLD BUSINESS:

Alicel Project - Craig Thompson/Dale Case

The Property Committee met to discuss the next steps forward on the Alicel Project. John Sperl of PGG did a conference call with the committee. It was decided to go ahead with the project. The ownership was discussed. PGG has offered to buy the land of 4.5 acres that is part of this project. The amount PGG pays for the land will come off the local match. The second issue was the rail spur. Idaho Northern will contract the construction of the extended rail line and there will be a maintenance agreement with Idaho Northern. The property committee agreed to let PGG take ownership of the rail. UCEDC will take ownership of the grain storage facilities and lease them to PGG. UCEDC will reserve the right to access of the rail line because the long term goal of this project is to develop some of this land around the project area. Another issue discussed was that of project management. The recommendation of the Property Committee was that PGG takes on the management but UCEDC will retain services of independent third party engineer or architect that will review the progress of the construction as well as the submission of drawls of

funds. grant administration will be UCEDC.

Dale Case, Chair of the Property Committee recommended that UCEDC make an agreement.

Robert added that UCEDC work on the leases and assign persons to review the ODOT requirements to make sure that there is not an issue of PGG owning the rail and making sure the lease covers the debt service as well as additional cash flow. The other component is that at the end of the lease what will need to be done.

Jeff Puckett said that the lease has to be 1.3 times the amount of the debt service which would give UCEDC an extra \$700 – 800 p/mo which projects the lease at \$36,000 p/yr to make it work on a \$400,000 loan.

The State of Oregon is sending the grant agreement within a few days. The Property Committee will review the agreement and determine whether there are any changes to be made. Craig said UCEDC will probably have until September 1, 2008 to sign and return the agreement to the state. Until the agreement is signed and returned there can be no money spent on the project. Discussions and getting things in place can be done so that when the money is available the project can proceed. ODOT will hold a workshop in August to discuss the whole process and its relationship with the applicants in terms of invoicing, and reimbursements and etc. Craig and John Sperl will attend the workshop.

UCEDC Office Lease & Relocation – Craig Thompson

UCEDC will move to the new location at 102 Depot Street on July 31, 2008. The rent is \$450 per month for the office space and \$35 for the storage area in the basement. The lease agreement is still being worked on and will be signed before the move. Mountain West Moving and Storage will do the moving of the office furniture and boxes of office items. On August 1 the office will be opened at 102 Depot Street at 9:00 a.m.

Craig said Ray Hyde, the landlord, wants to put a for rent sign in the window of the current office. Craig suggested that he put up a sign that says UCEDC is relocating.

Project MIT - Craig Thompson

Project MIT is a prospect from the state of Oregon. It is a manufacturer of solar grade silicon that employees 350 people looking for 30-40 acres with rail access. Craig contacted Jeff Wise, City Administrator of Union about the mill site located in Union that has the acreage and rail line. Jeff responded to the state. If this moves ahead with the state, UCEDC will be in a support role.

Donation – Craig Thompson

The EOU land donation of Lot #17 in the La Grande Business and Technology Park has been transferred to the EOU Foundation. Tim Seydel is putting together the plans for placing a sign at the site and a public ceremony that will include the membership, community leaders and the news media. This will probably take place in August. When a date is set then the UCEDC Board and membership will be notified as well as the community leaders and news media.

Marketing Plan – Steve Anderson

Craig placed this on the agenda because at the June board meeting there was not a quorum at the time this item came up. Steve Anderson is not at this meeting so the plan will be tabled until the August board meeting. The Communications/Marketing Committee met and planned some visits to local businesses for the purpose of asking:

1. Are you currently looking or talking to any of your suppliers, ancillary businesses of your business to entice them to locate in La Grande or Union County?
2. If you are not, are there any suppliers or ancillary businesses to your operation that you could provide to UCEDC so that UCEDC could contact in an effort to entice them to Union County.
3. Move into an expansion and retention, how are things going, is there anything that UCEDC can do to help, any concerns or issues that you would like UCEDC to address?

The intention is to spend no longer than 20-25 minutes at each place.

Dale Case asked if there is any activity on the parcels that have been sold. Craig said no on the UCEDC parcel and Robert Strope said no on the parcel the City of La Grande sold.

Don Kellogg asked about the forestry tour that was to be included with the crop tour. Dale Case said that it was included. The tour was at the experiment farm in Union where the timber and livestock raising projects are done.

REPORTS:

Finance Committee – Mike Poe

The Finance Committee did not meet this month. Violet gave Mike the finance reports for the end of the fiscal year end. As time allows Mike will be working on the compilation report.

Property Committee – Dale Case

No report. The committee did not meet other than for the Alicel Project.

Communications/Marketing Committee – Steve Anderson

No report.

Membership Committee – Don Kellogg

No meeting and no report.

Executive Report – Craig Thompson

3. It
 - Craig attended the VA Clinic Ribbon Cutting Ceremony on Thursday July was well attended.
 - Continues to participate in the La Grande Downtown Renaissance Committee for the downtown development.

Administrative Assistant Report – Violet Trapp

Howard thanked Violet for continuing to work in the office. Violet said she is taking care of things that are urgent such as the payroll, accounts payable and taxes. The newsletter is due to go out by the end of July and she will do that.

- April Minutes were sent to the membership and partnerships.
- Financial Reports through June were given to Mike Poe for the Financial Report.

- The membership list is updated through the month of June.
- All the board member binders are updated for the July Board Meeting.
- Invoices and letters for June membership renewals were sent.
- Thank you letters and membership certificates are prepared and ready for Craig to give to the members that renewed or new members.
- The new and in-kind members of UCEDC for June are:
Jim Mollerstrom – new (welcome, Jim)
Grande Ronde Sign Company
Union County Chamber of Commerce

NEW BUSINESS:

Administrative Assistant Outsourcing – Mike Poe

Craig has contacted the State Employment Department. The department will recruit and screen the applications and will provide Craig with a list of up to 5 of the most qualified persons. Craig expects to get the list about July 28-29. The job will be 15-20 hours a week.

Howard added that earlier the Executive Board looked into outsourcing the position on a contract basis. UCEDC received bids but felt the cost of doing that was higher than what UCEDC could pay. Jeff Puckett said that he remembered that the E-Board was going to look at the strength of the applicants to see if they are capable of handling Quick-Books before deciding the amount of hours the hired person will be given. If the person is not capable then some of the accounting functions will be outsourced. Craig said he provided that information to the employment office.

Annual Funding Requests – Howard Perry

Howard reported that UCEDC made a funding request to the City of La Grande Council on July 16th for \$37,000. The council agreed to \$35,000. It was agreed in principle that as the work plan is negotiated and if there are plans that will require additional expenditures on UCEDC's part then the council can be approached to request additional funding. The requesting was very positive and Howard said UCEDC appreciates the help from the council and that the relationship with the City of La Grande is working well.

The funding request to Union County was sent and the Union County Commissioners Meeting is scheduled for Wednesday July 23.

Howard asked that a letter of thanks be sent to the City of La Grande for the funding.

Robert Strobe questioned the sequencing of the requests, as to why the requests are made after the city, county and UCEDC's budgets are in place. It seems that it would be better to submit the requests in March or April so the requests can be considered as a part of the budgeting process. Howard said that UCEDC could do that and that the work plan should be coordinated accordingly. In agreement with the city a new work plan needs to be negotiated and agreed upon by the end of this year. This way it is known as to what

funding will be needed to implement the plans and to make the funding request during the budgeting process in the spring of 2009 and then the formality of the funding be done after the beginning of the new fiscal year.

Howard asked if anything is in place for beginning on the work plan. Craig said there is no meeting scheduled as yet. UCEDC should get started on the process. The committee members for last year were:

City of La Grande, Gary Lillard, Marianne Meisner and Steve Clements
UCEDC, Dale Case, Janet Hume-Schwarz, Sheri McDonald, Tim Seydel
UCEDC needs to replace Sheri and Tim. Tim was on the committee as the President of UCEDC. Howard suggested placing John Howard on the committee and Howard will serve also. Gary Lillard was asked to coordinate this with the city.

Off the Agenda New Business Items:

Don Kellogg made a proposal to the board on behalf of the Drug Free Relay for the sum of \$1,000.

Janet Hume-Schwarz suggested that each board member donate \$100 rather than UCEDC donate.

The consensus of the board was that individual board members donate on behalf of UCEDC.

Don retracted the proposal.

City Economic Development Director Position Update:

Robert Strobe reported that the deadline for receiving applications is July 18, 2008. The city advertised for a Community and Economic Professional. Ideally the person will have a strong economic development background, skills and education that can oversee the city planning and building department. Robert is putting together an advisory committee of 12 members. The review of the applications will be next week. The plan is to make a selection by August 15 and to have a director on board by September 15, 2008.

FOR THE GOOD OF THE ORDER:

Meeting Adjourned 6.54

Respectfully Submitted by:
Violet Trapp
Administrative Assistant

Note:

Next Board Meeting: Thursday August 21, 2008 at 6:00 p.m.
UCEDC Office at 1119 Washington Avenue

Executive Meeting: Tuesday, August 12, 2008 at 7:30 a.m.
UCEDC Office at 1119 Washington Avenue