

# Union County Economic Development Corporation

P O Box 1208      1119 Washington Avenue      La Grande, OR 97850  
Phone: 541-963-0926      Fax: 963-0689      e-mail: [ucedc@eoni.com](mailto:ucedc@eoni.com)      website: [www.ucedc.org](http://www.ucedc.org)

## Minutes June 19, 2008

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

Meeting Facilitator:      Howard Perry, President and John Howard, Vice-President  
Board Reporter:      Violet Trapp, Administrative Assistant  
Executive Director:      Craig Thompson  
Members Present:      Howard Perry, Mike Poe, Robert Strobe, John Howard, Don Kellogg,  
Steve Anderson and Dale Case

Absentees:      Bill Whittemore, Gary Lillard, Janet Hume-Schwarz, Dennis Spray and  
Jeff Puckett

Visitors:      Jim Mollerstrom, candidate for Union County Commissioner

The meeting was called to order at 6:03 p.m. by Howard Perry - President.

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

Howard Perry presented an 'In Recognition' plaque to Violet Trapp. She worked nine years for UCEDC serving as Administrative Assistant and is retiring in July. Violet said, "I enjoyed the years with UCEDC and the work that I did. I worked with three different directors and many board members who served throughout the nine years. All of you were great to work for and with. I appreciate the opportunity to have worked with you. Thank you, Craig and Board for the plaque."

Howard called for a motion to approve the April minutes.

*Dale Case moved that the board approve the April minutes. John Howard seconded the motion. The motion carried.*

### **OLD BUSINESS:**

Howard said he needs to leave the meeting at about 6:30 and because there will not be a quorum when Howard leaves, the items on the agenda needing approval will be done first.

#### **MOU/Work Plan** - Craig Thompson

Craig said the Joint Review Committee met a couple of weeks ago and discussed the MOU/Work Plan. The MOU expires June 30, 2008 and needs renewing. The Joint Review Committee

approved a 6 months extension upon the completion and approval of the work plan to be done no later than December 31, 2008. Sandy Lund sent Craig the MOU extension and a copy was given to each board member. Robert Strobe said the expectation was that the MOU and Work Plan would be completed by the end of the fiscal year. The MOU agreement was done and approved but by the time the City of La Grande and UCEDC finished adopting the Work Plan it was several months into the new fiscal year pushing the work plan completion into the new fiscal year. The MOU does not automatically allow an extension so this extension needed to be approved.

***John Howard moved that UCEDC accepts the extension of the Work Plan Completion to December 31, 2008 and that the Executive Director be authorized to sign the agreement. Mike Poe seconded the motion. Motion approved.***

**UCEDC Office Lease** – Craig Thompson

At our current residence UCEDC is paying \$1000 per month. The lease expires on July 31, 2008. The Executive Board asked Craig to look at other options for office space. Craig talked with Ray Hyde, owner of this building. The first offer Ray made was \$750 per month plus gas and electricity. Currently UCEDC pays for the electricity. The gas would average \$108 a month. The storage area is \$35 per month. Ray would receive 1/3 of the rent for each office space and UCEDC would keep 2/3 of the rent income. Ray wants a 1 year lease. The other available space in this same building is next to Cam Credit and faces Depot Street. At the June E-Board meeting the E-Board members looked at the space. This space is available for \$450. There is 750 sq. ft. compared to 1500 sq. ft. that UCEDC currently is using. UCEDC would pay rent and electricity and contract for a 3 year lease. Craig inquired about a space that Jeff Puckett said was available along Island Avenue. Two offices 14x15 feet are \$400 each making a total for UCEDC \$800 p/mo. including utilities but no conference room space. The last place Craig checked out was the State Employment Building on Adams Avenue. A 1,000 sq. ft. space is available for \$750-800 p/mo. plus an equalization charge for the utilities. Craig took these options to the E-Board and the recommendation of the E-Board is to rent the available space in the building that faces Depot Street. After the E-Board Meeting Ray brought in a counter offer for current space UCEDC is leasing. The offer is for \$700 plus the electricity and gas.

Howard added that the original idea was that UCEDC would sub-lease the extra office spaces but UCEDC has not been able to do. UCEDC is paying rent for a lot of space that is not being utilized. Dale Case pointed out that the reason is due to not having restrooms that are handi-cap accessible which is a requirement for many organizations.

***Steve Anderson moved that UCEDC contract a 3 year lease for the 750 sq. ft. space off of Depot Street at \$450 p/mo. plus leasing the storage area for 1 year. Robert Strobe seconded the motion. Motion carried.***

The items in the storage are to be disposed of within 1 year to eliminate the need for storage space.

**Water Right Sale-Kurt Bowman** - Craig Thompson

Howard Perry said there are two water rights that exist on the La Grande Business and Technology Park. The senior water right is the Taylor Creek Water Right and has been the primary one on this property. The secondary water right is out of the Grande Ronde River. About a year ago UCEDC advertised the water rights and had no responses. Later Kurt Bowman

came to UCEDC and offered to buy the water right out of the Grande Ronde River. The UCEDC Board at that time approved for Anderson/Perry to assist in making an application to the Water Resources Department to transfer that water right from UCEDC to Kurt Bowman and change the point of diversion so that the water right can be used on property that Kurt owns off of Hunter Lane. The process was started and working with the water master there were two concerns brought up by the water master. If the secondary water right is transferred then UCEDC automatically loses the right to the primary water right. Secondly, being able to demonstrate that the water right out of the Grande Ronde River has been utilized on the LGB&T Park property within the past 5 years could be challenged and may be difficult to prove. The water master was not encouraging of the possibility to accrue that transfer. The question is, does the board want to continue to spend money to complete the application and go through the process to see what water master's office says or does UCEDC want to cut costs at this point and not move forward. Kurt Bowman is paying half the cost of the application and wants UCEDC to continue on recognizing that there is no assurance of getting a transfer and it is not looking positive that the transfer will be approved. Early on UCEDC approved to spend \$2,000 and not to exceed \$4,000.

Robert Strobe asked if Kurt would be willing to shoulder the burden of all the remaining costs. Perhaps this would be the time for UCEDC to discontinue financing any further and if Kurt wants to continue pursuing the water right he can do so. If the water right transfer is successful then UCEDC will pay ½ the cost but if not then Kurt pays for everything from this point forward. Howard Perry said the other thing to consider, and it is an unknown, if the Grande Ronde River water right is sold then UCEDC would lose the primary water right out of Taylor Creek. If UCEDC could find a buyer, the primary water right would be much easier to transfer and the buyer would have to be down stream from Taylor Creek. Howard said the process is a formal and very extensive process.

John Howard said he had an inquiry from a party who ask what water source there might be for using in the business. Howard said that if the use of the water changes there is a process to go through for that.

***Robert Strobe moved that Craig talk to Kurt Bowman and ask if Kurt would be willing to split the cost of the process with the understanding that if the transfer is approved UCEDC will pay ½ the cost and if the transfer is refused then Kurt pays the full cost with the exception of the expenses incurred to date UCEDC will pay ½ of the cost. Steve Anderson seconded the motion. Motion approved.***

#### **Annual Budget – Mike Poe**

The Finance Committee went over the annual budget. On the Income portion the membership amount was left as previously budgeted. The membership income is up from last year but is still short of the budgeted amount. The office rent inflow will come out of the budget due to moving the office to the other location off of Depot Street. Operating Expenses format was changed and the committee looked at expenses that could be cut. The office rent will be less due to a smaller office space. The payroll is another area the committee looked at and is considering some options to decrease that expense. With Violet retiring this made a natural time to evaluate the payroll expense. The Finance Committee made a recommendation to the executive board that the committee explore the possibility of outsourcing the financial bookkeeping and perhaps all the Administrative Assistant duties. An RFP was written for Craig to deliver to the bookkeeping services in La Grande for getting bids to see if outsourcing is a possibility. The bids are to be in by July 3<sup>rd</sup> and will be presented at the July board meeting. The other duties of the administrative assistant will be done on an hourly basis with no guarantee of the number of hours or by an independent contractor.

Mike pointed out that under Other Expenses the line item 'Mailboxes' is an agreement that UCEDC has with the City of La Grande that upon selling the first lot in the LGB&T Park UCEDC will pay for the cluster mailboxes in the park.

Howard Perry mentioned that a 4% cost of living raise for Craig was figured in the budget. A formal evaluation will take place to look at merit raises that will be above the cost of living raises for Craig by the end of the year. The 4% increase will be effective on July 1, 2008 upon the approval of the budget.

***John Howard moved that the board approve the 2008-2009 Budget as presented. Don Kellogg seconded the motion. The motion was approved.***

Howard Perry needed to leave the meeting early and turned the facilitating over to Vice-President, John Howard.

**Alicel Project** – Craig Thompson

June 20 the Oregon Transportation Commission meets. The final decision will be made on which applications will receive funding. Craig and Dale Case are very optimistic that the Alicel Project will receive final approval. With the anticipation of the approval of the application, Dale, Commissioner Steve McClure, John Spurl of PGG and Craig have been meeting to get some of the documents prepared so that when the final approval is given UCEDC and PGG are ready to start.

**Land Donation** – Craig Thompson

Craig received the Preliminary Title Report on Lot #17 that the right of that deed is Eastern Oregon University and has sent it to Tim Seydel to review and get back to Craig. When Craig hears from Tim and if the report is okay then the agreement will go to closing to transfer ownership to the foundation.

**Marketing Plan** – Steve Anderson

The final marketing plan is ready for approval of the board. Bill Whittemore, Gary Lillard, Craig and Steve Anderson met and incorporated the suggestions on marketing that the Consultant, Richard Gardner of Bootstrap Solutions, had in his report. The committee decided to expand the plan from dealing only with the business park to call the plan The UCEDC Marketing Plan which includes the La Grande Business and Technology Park. On the last page is a plan for developing a business incubator which would serve as another tool to help local companies grow. Steve asked the board to review the plan before the July board meeting. If anyone has suggestions please notify the Marketing Committee so the changes can be implemented into the document before it is presented to the board for approval in July.

On the first page of the marketing plan is a list of some of the businesses to be visited. There are six members on the Communications/Marketing Committee. Steve said that the committee will be divided up to make visits to these businesses. Steve asked for the board's input on other businesses and the contacts that can be added to the list. Craig said he will give Steve the names of the business contacts for # 3, 5 and 8.

## **REPORTS:**

### **Finance Committee** – Mike Poe

Covered under Old Business

### **Property Committee** – Dale Case

The committee did not have a meeting. Dale asked Robert Strope to give an update on what has and is happening with the city owned portion of the LGB&T Park. Robert said the city received another offer on a lot. The Joint Review Committee met and discussed the pricing guidelines. The outcome was that Robert talked with the realtor and said that the city does not want to continue to sell the lots at \$17,500 and \$20,000 and that there is a pricing guideline and to please send that message. Craig asked Robert to update the board on what land has sold and what is under contract. The city has sold Lot #1, Lot #3 is under contract and Lot #9 is the one an offer was made and the city counter offered and the party said no to the counter. Craig said UCEDC donated Lot #17 and sold Lot #6.

### **Communications/Marketing Committee** – Steve Anderson

This was covered under Old Business

### **Membership Committee** – Don Kellogg

A meeting was held with only two committee members present. Don said that Steve Anderson contacted Jim Mollerstrom and Gregg Blackman for membership. Jim Mollerstrom is now a new member of UCEDC. Don asked for someone to contact Matt Barber to get a dollar figure of the sign work he did for UCEDC so credit can be given in-kind work and membership. Craig said he would make the contact. Pacific Empire Radio was a member but the contact is no longer with the radio station. Don said he will take that one and Steve suggested that Don talk with Bill Whittemore that he may know who the contact person is.

### **Executive Report** – Craig Thompson

The ribbon cutting ceremony for the VA Clinic is scheduled for July 2 at 2:30 p.m.

At the June 17<sup>th</sup> Chamber of Commerce Board Meeting it was announced that City Chief of Police, John Courtney, is retiring June 30, Eldon Slippy, City Finance Manager is going to ¾ time the first of July in transitioning toward retirement and city council member, Todd Richmond, resigned as councilor to move to Newport, OR.

### **Administrative Assistant Report** – Violet Trapp

- February Minutes were sent to the membership and partnerships.
- Financial Reports through May were given to Mike Poe for the Financial Report.
- Worked with Craig to prepare the proposed 2008-2009 budget for the Finance Committee
- The membership list is updated through the month of May.
- All the board member binders are updated for the June Board Meeting.
- Invoices and letters for May and 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 are new members.
- The new and renewed members of UCEDC for April and May are:

**Action Plumbing**

**Barreto Manufacturing**

**Mountain West Moving and Storage**

**Joseph Petrusek  
Janet-Hume Schwarz  
Wheatland Insurance  
Steve Rzonca  
Pendleton Grain Growers**

Mike Poe said Violet is retiring as of July 3, 2008 but has agreed to do the finance part for the month of July to make sure the accounts payables, the payroll and the tax reports are taken care of while the Finance Committee works out the outsourcing situation.

## **NEW BUSINESS:**

### **Administrative Assistant Position** – Mike Poe

This item was covered under the Annual Budget in Old Business

## **FOR THE GOOD OF THE ORDER:**

Don Kellogg is serving on the Drug Free Relay Committee. There is a drug problem in La Grande and the committee is considering bringing Milton Creah back to La Grande. He was here in 2007 and it will cost \$8,500 to have him come to La Grande again. This time Milton will go to the businesses in the community and talk with them concerning the drug situation and economic development. Don asked for this to be placed on July's Agenda for the possibility of UCEDC helping with the funding.

Robert asked if he has been assigned to any of the committees. He would like to be on the Property Committee.

Meeting Adjourned 7:10

Respectfully Submitted by:  
Violet Trapp  
Administrative Assistant

## **Note:**

**Next Board Meeting:** **Thursday July 17, 2008 at 6:00 p.m.**  
UCEDC Office at 1119 Washington Avenue

**Executive Meeting:** **Tuesday, July 8, 2008 at 7:30 a.m.**  
UCEDC Office at 1119 Washington Avenue