

Union County Economic Development Corporation

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Minutes June 18, 2009

Monthly Meeting: 6:00 p.m. at UCEDC Office, 102 Depot Street, La Grande, OR
Meeting Facilitator: Howard Perry, President
Board Reporter: Violet Trapp, substitute for Janis Bozarth, Administrative Assistant
Executive Director: Mike Sanford
Members Present: Howard Perry, John Howard, Gary Lillard, Robert Strobe, Mark Davidson,
Jeff Puckett, Dale Case, Bill Rosholt, Steve Anderson and Tim Seydel,
Absentees: Mike Poe, Bill Whittemore, Janet Hume-Schwarz
Visitors: Phil Burling of Ranch n Home Realty, Jim Mollerstrom

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

Howard Perry welcomed Violet back, filling in for Janis while she is on vacation for two weeks.

Howard called for a motion to approve the May minutes. Dale Case moved that the May minutes be approved. Seconded by Robert Strobe. The motion carried.

OLD BUSINESS:

La Grande Business Park Real Estate Listing

The agreement with Phil Burling to act as our Agent of Directors for the properties in the La Grande Business Park has expired. Howard said the board needs to decide whether or not to continue with Phil or consider other alternatives. The contract ended May 31, 2009. Phil was asked to come to the board meeting to give a report on the action items that he has done over the past 6 months and his assessment of market conditions of the park. Phil gave each board member a packet with information regarding what the current market is doing. Commercial land sales in Union County that closed this year to date are two in Cove, one in La Grande and one in North Powder, making a total of 4 to date. In 2008 there were 3 lots sold in the business park--All Phase Electric, T&T Heating and Air Conditioning, and Scott's Heating and Air Conditioning. Currently there are 19 commercial properties for sale in Union County. There are not many inquiries on the internet listing at the present time. Phil said he thinks this is due to the market in general. Phil expressed that he would like to continue to act as UCEDC's Agent of Record and extend the agreement to January 30, 2010.

Howard asked Phil if he had any suggestions to make. Phil suggested that UCEDC might consider extending the time frame for the beginning of construction with the present economy. It appears that the economy is picking up somewhat. The contractors were laying off help and are now getting busier and hiring again. Jeff Puckett agreed that the 3-month time period be reevaluated.

Phil also suggested that UCEDC consider a counter offer to Ron Larvik of the City Garbage Service. Mark Davidson gave an update on the City Garbage Service. Union County signed a franchise agreement with the City Garbage for the household waste on land they already have. The building construction is expected to begin in about 6 weeks. Jeff Puckett said that Larvik's offer did not warrant a counter offer because it was incompatible with the property guideline and it was less than 30 cents on the dollar. Howard Perry added that per the last board meeting's discussion, part of the reason for rejecting the Larvik offer was that this is the largest lot in the park and the board's decision is to keep the lot as is.

Howard opened the floor for discussion on retaining Phil as UCEDC's agent. Robert Strobe said that the City of La Grande and UCEDC should use the same listing agent. The city's listing agent agreement expires at the same time as UCEDC's agreement with Phil, May 31, 2009. The next City Council meeting is in July. Robert said the agent issue and the business park sign issue needs to be resolved in the July City Council meeting.

Robert Strobe moved that UCEDC extend the listing agent agreement with Phil Burling to the end of July. At the City of La Grande Council Meeting in July, Robert will recommend the city delegate the authority to select a listing agent for the city's property to the UCEDC Board. Dale Case seconded the motion. The motion was approved

Steve Anderson mentioned that UCEDC may have missed, during the economic slump, the opportunity to acquire a building for an incubator. He suggested the board talk to the listing agent about any existing buildings that may be suitable to use for an incubator.

Alicel Update – Mike Sanford

Storage bins – Mike reported that the construction on the bins is about 96% completed. When Mike was at the site on Wednesday, the crew was bolting the expanded metal flooring on top of the tower. The finishing of the wiring is yet to be completed.

Railroad – the materials for the railroad are arriving.

Submission of Third Invoice to ODOT – The third invoice to ODOT for \$147,799 was submitted, leaving a balance of \$684,000 in the loan money and grant.

Landmark Industries – Jeff Puckett

At the last board meeting a partial release for one acre of ground that UCEDC is selling to Landmark Industries was approved. Jeff Puckett is working with Duane Martin and Eastern Oregon Title. The sale closed June 15, 2009, and UCEDC received the money on June 16.

Business Park Signs – Robert Strobe

Robert said Mike had the updated information and gave the floor to Mike. Robert received specifications from Grande Ronde Sign Company. The bid forms were sent to Nehi Sign in Baker City, Moore Sign in La Grande, and Hi Performance Signs in Hermiston. UCEDC received a bid from Hi Performance Signs on a fabricated foam sign with acrylic letters and logos for copy, copy on both sides of sign, and installed at customer's location; the lighting would be done by someone else. The cost would be \$4,970 with no electrical work. The only other response received was from Moore Sign Company saying thanks for the opportunity but they will not be putting in a bid. Mat Barber of GR Sign said the city already had a bid from him. Mark asked if the bid from Hi Performance included the foundation because Mat Barber talked about a poured concrete foundation. Mike said the foundation was listed in the specs. Robert said he will call Hi Performance Signs and talk in more detail to make sure there is a clear understanding. Robert will get Mat Barber's quote together by the middle of next week and meet with the Property Team concerning these quotes.

Howard said at the last board meeting it was discussed that the city had decided to cut the funding to UCEDC. The city recommended \$28,000 out of its general fund. In the June 17 City Council meeting, Robert Strobe recommended that the Urban Renewal Agency take \$2,000 out of the Urban Renewal funds for a total of \$30,000. Howard made a request for the full \$35,000 but the council decided not to honor the request. Howard said the budget committee needs to meet and make some reductions in UCEDC's budget. One of those changes is the size and expense of the business park sign that UCEDC is to build. UCEDC was anticipating a cost of \$15,000 and the city a cost of \$10,000. From the responses of the sign companies' bids, it appears that the prices will be lower than anticipated. Steve Anderson suggested that there be no sign placed at the park. Mark Davidson agreed with Steve's suggestion. Howard Perry said the position UCEDC is in at

the present time is that there is an agreement between the city and UCEDC to construct a sign. Steve said he saw a sign in Mountain Home, ID with the name of the park inscribed on a large rock placed on a contoured mound of dirt that looked very attractive and would be much less expensive than what UCEDC is considering at this time. Steve expressed his view that the city has required certain accomplishments of UCEDC and then to cut back funding shows a lack of support for this organization. Mark agreed and pointed out that the city had asked UCEDC to prepare and approve its budget so the city could incorporate the amount of the UCEDC funding into its budget. UCEDC approved its budget in April and there was no indication that the city would not fund the full \$35,000, leading UCEDC to believe that it would have the full amount budgeted. At the June City Council meeting, the council agreed to cut UCEDC's funding \$5,000 to the amount of \$30,000. Mark said the other agencies requesting funding were notified that their requests were going to be cut in time for the organizations to present their case before the City of La Grande Budget Committee but UCEDC was not notified. Mark expressed his disappointment in the city's lack of support for UCEDC.

There was some discussion of the UCEDC budget deficit. Howard Perry said that the budget needs to be tabled until the July board meeting when Mike Poe will be present.

Strategic Plan – Mike Sanford

There have been two meetings for the Strategic Plan. There were 40 people at each session making a total of 80 present. Brian Cole has recorded the data and there is a steering committee meeting scheduled for July 1, 2009 at 6:00 p.m. to review the data and plan the next step.

2009-2010 Goals – Howard Perry

The E-Board reviewed the current goals and made some revisions to recommend to the board of directors. Each board member was given a copy of the revised goals.

Bill Rosholt moved that the board accept the 2009-2010 Goals. Robert Strobe seconded the motion. Motion carried.

Employment Agreement – Howard Perry/Jeff Puckett

There have been discussions in the E-Board Meetings concerning Mike's employment. In researching there is on file an Employment Policies. Jeff Puckett along with his wife, who is the HR person at Grande Ronde Hospital, has made some changes in the UCEDC Employment Policies and Practices. Howard and Jeff are making a recommendation that the board review the policy and approve the revisions. Robert Strobe wants to make some changes in the policy. The policy was tabled until the July board meeting.

REPORTS

Finance Committee – Mike Poe

No report. Mark said the Balance Sheet is still carrying 63 acres on the Smutz and Waite's Property. Due to the right-of-way, dedication and land sales there are no longer 63 acres owned by UCEDC. The balance sheet needs to be adjusted to reflect the accurate number of acres. Howard suggested listing by lots instead acreage.

Property Committee – Dale Case

No report. The Property Committee items were covered under the Alicel Update, Landmark Industries, and the business park sign under Old Business.

Communications/Marketing – Steve Anderson

There have now been two meetings this year, and we have even more on our plate than reported last month. Members of the committee are Steve Anderson, Bill Whittemore, John Howard,

and Gary Lillard. Ex-officio members are Robert Strobe and Mark Davidson. Some of our current committee activities include the following:

Business Retention and Expansion Efforts

- We are continuing in our "business retention and expansion meetings" with our membership. One has already been held with A&B Enterprises (Waldrop Oil), and a second with Community Bank is scheduled next Monday. Meetings are also being planned this month with Horizon Wind Energy and U.S. Bank.
- We are finishing up with four more follow up meetings with the businesses that we met with last year, encouraging those folks to help us with our marketing efforts whenever they are out of the area at a trade show or convention.

A few weeks ago we had a joint meeting with the Membership Committee to develop a plan for sending out ten brochures to "potential members" each month, along with a personal letter (and follow up phone call from Mike), inviting them to become members of UCEDC, and help us in our marketing of the area.

Distribution of our new Brochures

- This summer we plan to send a number of the new brochures out to the smaller cities in Union County. Our message will be the same, asking for their help in marketing Union County. We are planning to invite each of those communities to join our organization as a contributing public agency member!!
- At our last meeting, we improved on both the text and the layout of the brochure attachments that describe the individual places where property for development is available. These attachments are now ready to attach to the brochures and hand out to interested businesses. However, this summer we hope to get some better aerial photos of all these properties for updating these attachments.

Updating our Marketing Plan

At our next meeting in July, we hope to be able to develop an updated "Marketing Plan" to help direct the committee's energies and activities this coming year. At our last meeting, we dropped the ideas of Newspaper Advertising and Billboards from last year's plan. Each member of the committee is working on text changes to this new plan, and it will be presented to the full Board in August. The next committee meeting is scheduled for July 22. Anyone who would like to sit in on any of the committee meetings, just let Steve know and he will put your name in the communications loop.

Membership Committee – Bill Rosholt

The Membership and Communications/Marketing Committees had a joint meeting last week. It was decided to develop a letter with testimonials. The other discussion was to work with Judy Hector, Director of the UC Chamber of Commerce, to possibly do a dual membership drive focusing on potential retail members.

The committee still wants to have a business after hours.

EOU – Tim Seydel

One of the items currently on the Oregon legislative table is funding for the major remodeling of the Pierce Library at Eastern Oregon University. The new EOU President is to begin his position on July 1, 2009.

John added that Representative Gregg Smith has been calling the Chamber of Commerce on the legislative hot line on Wednesday mornings at 7:45 a.m. June 24 is the next report.

Mark said UCEDC needs to express an appreciation to Gregg Smith for delivering about \$6.5 million dollars for La Grande and Union County out of the transportation bill.

Administrative Report – Janis Bozarth

No report

Executive Report – Mike Sanford

- Went to Alicel for the “meet and greet” with the PGG Board and participated in the crop tour that followed.
- Met with a couple of focus groups at EOU.
- The Main Street Economic Restructuring is in the process of surveying downtown businesses. Mike participated in that.
- Bill Rosholt and Mike submitted the proposal for Project Hand.
- Mike has been communicating with Diesel Brewing whose CEO is Kevin Caldwell. Kevin will be in La Grande over the July 4th weekend and would like to meet with Tom Insko of Boise Cascade and will let Mike know the time so he can be there. Kevin is also very interested in property owned by Barney Kuensting. The company is considering a wood pellet operation and within 3 to 5 years going into a bio-diesel operation utilizing the reject pellets as the heat source to produce bio-diesel.

Dale Case mentioned that there are RV Trailers at the plant that was owned by Terry Trailers. Mike said that Nash is now in production at the plant.

EXECUTIVE SESSION

No session

NEW BUSINESS

UCEDC Employment Policies and Practices – Mike Sanford

Was discussed and tabled under Old Business

FOR THE GOOD OF THE ORDER

The meeting was adjourned at 7:42 p.m.

Respectfully submitted by:

Violet Trapp, substituting for Janis Bozarth, Administrative Assistant, on vacation

Note:

Next Board Meeting: Thursday July 16, 2009 at 6:00 p.m.

UCEDC Office at 102 Depot St.

Executive Meeting: Tuesday, July 7, 2009 at 7:30 a.m.

UCEDC Office at 102 Depot St.