

# Union County Economic Development Corporation

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## Minutes July 15, 2010

Monthly Meeting: 5:30 p.m. at UCEDC Office, 102 Depot Street, La Grande Oregon  
Meeting Facilitator: Dale Case, President  
Board Reporter: Janis Bozarth, Administrative Assistant  
Executive Director: Mike Sanford  
Members Present: Dale Case, Gary Lillard, Howard Perry, Mark Davidson, Bill Rosholt, Jim Mollerstrom, Tim Seydel, Robert Strobe, John Howard  
Absentees: Jeff Puckett, Mike Poe, Steve Anderson, Bill Whittemore  
Visitors: Wade Foster, Field Representative with Greg Walden's office

### INTRODUCTIONS

Dale introduced Wade Foster representing the Grande Ronde Young Professionals organization, which was recently formed with the guidance of Judy Hector and Charlie Mitchell. Wade was present to talk about the Grande Ronde Young Professionals organization. He explained that the purpose of the organization is to promote an environment that recruits and retains young professionals in the valley and provide an outreach opportunity to connect young professionals with businesses. Currently there is a core group of approximately ten people. They held their first meeting/social in June. Wade reported that the social was advertised for two weeks and 50 people attended. He passed out a handout outlining their organization. The organization will have a 5-person leadership team (Board of Directors). They are open to any ideas. The group is also interested in developing some type of internship program with the local businesses. He will come to another meeting when their organization has been more formalized. Their e-mail address is: [granderoneyoungpros@gmail.com](mailto:granderoneyoungpros@gmail.com).

### APPROVAL OF MINUTES

Dale Case called for a motion to approve the June minutes. *Mark Davidson moved that the June minutes be approved. Seconded by Bill Rosholt. Motion passed.*

### OLD BUSINESS

#### **Open Position on E-Board** – Mike Sanford

Dale asked for discussion on the open position on the E-Board. Mark brought up a question that was brought up at the last board meeting relating to whether the corporation will continue to follow the unwritten policy not to elect elected officials and staff members from the funding agencies to leadership positions. By following this policy, one-third of the board members are excluded from those positions, which makes it difficult to get a progression of people going through the chairs and spreading those responsibilities around. His feeling is that this policy needs to be changed so these people would be considered to serve also. A lengthy discussion followed here, including the idea of rolling the Secretary and Treasurer position back into one. That would make the E-Board whole as far as total number and reduce the requirement on the number of people moving through the chairs. Additional discussion followed. The general feeling of the Board is that board members need to take responsibility and move through the chairs as has been done in the past, and anyone who is a Board member should be eligible to be elected to a leadership position.

*John Howard moved that it be a policy of the corporation that any member of the Board of Directors can serve on the Executive Board as an officer. Seconded by Jim Mollerstrom. Motion passed.*

Discussion followed on the open position on the E-Board, the Vice President position, and that Dale Case also has not been officially appointed President.

Howard Perry recommended both these items be taken care of. Dale opened nominations for the unfilled position of President. Howard Perry nominated Dale Case as President. No further nominations being made, ***Howard Perry moved that nominations be closed. John Howard seconded the motion.***

Dale stated that nominations were closed. Discussion then followed on the length of term for Dale. Would he serve the remainder of the term or serve two concurrent terms? Dale stated he would serve the remainder of this term and another term.

***The motion passed.***

Dale then brought up nominations for the Vice President position. This would be a placeholder through March. Nominations were opened.

Bill Rosholt nominated Mark Davidson for Vice President. No further nominations being made, ***Bill Rosholt moved that the nominations be closed. John Howard seconded. Motion passed.***

#### **Bylaw Changes – Mike Sanford**

Dale Case reported that the purpose of the Bylaw changes was to coordinate the election of officers with the funding agencies' budget cycles. The proposed changes are:

“The last sentence of Article VII of the Bylaws would be changed to read as follows:

‘Appointments will be submitted by February 1 of each year.’

“The third sentence of Article VIII of the Bylaws would be changed to read as follows:

‘The term of the office for officers of the corporation shall be from March 1 to February 28.’

Robert Strobe suggested changing the February 28 date to the end of February. Dale asked Janis to make this change. ***Bill Rosholt moved that we approve the Bylaw changes with the change suggested by Robert Strobe. Seconded by Robert Strobe. Motion passed.***

#### **Bank Changes – Mike Sanford**

Mike stated that formal action needed to be taken in the minutes to change signers on the checking accounts to remove John Howard and add Mark Davidson and Jeff Puckett.

***Robert Strobe moved that the signers on the checking accounts be changed by removing John Howard and adding Mark Davidson and Jeff Puckett. Bill Rosholt seconded the motion. Motion passed.***

#### **Office Lease – Mike Sanford**

Mike Sanford reported that the lease on the office needs to be renewed with the lease amount being raised \$25.00 per month to \$400. At the last Board meeting, the property committee was asked to meet and discuss the increase in rent and whether they should investigate another location. The property committee met and felt UCEDC should stay where they currently are.

***Mark Davidson moved that Mike Sanford be given the approval to sign the lease for another one-year term. Gary Lillard seconded the motion. Motion passed.***

## **REPORTS**

#### **Finance Committee – Mike Poe**

No report. Mike and Janis stated that the financial reports through June were in the Board notebooks. Mark Davidson did have a question relating to the Profit and Loss, Budget vs. Annual interest off property sales/contracts. He asked if interest was being received on the Landmark contract, and Janis said

we were.

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

Dale reported that the Property Committee met and discussed the office issue. They also reviewed the Land Sale Pricing Guidelines for the Business Park. The question had been asked if we should change the pricing on jobs incentives to reflect the decrease in price. What would be the appropriate thing to do? Howard explained the lots were priced at \$55,000 with a job credit of \$5,000/job, which reduced the minimum price for the lot down to \$17,500. With the lower price of \$39,900, that brings the cost down pretty low, down from \$39,900 to \$14,900, and if 5 family jobs were created, you would still have to pay \$14,900 for the lot. The proposal is to reduce the jobs incentive \$2,500 per job. The end result would be \$25,000 per acre for 5 jobs created as opposed to \$37,500 per acre. Mark asked for how long a period did they need to create the jobs. Discussion followed on this. The general feeling was that when the policy was set, the time was set at two years. Guidelines are needed on how quickly the jobs need to be created and how long they need to be maintained. Robert indicated that there is a mechanism in place for making this determination - that would be the Joint Review Team, which consists of Board representatives and City Councilors that would review the pricing guidelines and make a joint recommendation to bring back to the UCEDC Board and the City of La Grande.

Dale stated that UCEDC is ready to go forward with these proposed new guidelines through the proper channels – the Joint Review Team. Mark indicated he would like to see additional discussion on this to cover such things as “what is the timeline?” and “how long do the jobs need to be created?” The Board needs to be looking forward, recognizing they don’t have revenues to replace land other than the revenue reaped from that land. If UCEDC gives too much land away, it will be difficult to purchase additional land. Howard Perry suggested that these proposed guidelines be sent back to the Joint Review Committee for their recommendation and then it can go to the City Council and back to the UCEDC Board. Howard also feels that if the Board feels that if the discount is too much, a minimum term should be put on it (possibly two years) and that the jobs need to be created within two years after purchase of the property with the incentive being that if you’re going to get the discount, you need to get the building up. If the wait is too long, the incentive would be gone.

Dale stated that this would be sent to the Joint Review Committee with the recommendation that a two-year term be set to create jobs and they need to maintain them for two years. Robert also suggested that the Property Team should meet with the Joint Review Committee.

Discussion then followed on the current listing agent. Robert said he feels the Board is at a point where they may want to resolicit listing agents. The general feeling is that this should be open to all realtors as long as they are a member or willing to become a member of UCEDC.

***Robert moved that the UCEDC Board send out a Request for Proposals to all realtors to provide listing agent services for the Business Park. Mark Davidson seconded. Motion passed.***

Discussion followed on the current listing agent for the Business Park. Robert said that as he remembered, the City had given UCEDC the authority to deal with the listing agent. ***Mark Davidson moved that the current real estate listing with Ranch N Home be extended for 60 days. Seconded by Robert Strobe. Motion passed.***

### **Video Marketing Committee – John Howard**

John Howard reported that the committee is progressing. Mike Sanford said there are 12 sponsors at this point. John said they are in the process of taking clips to be used in the video. Jon Griffith has indicated he wants to spend time to make this a good quality video, and it may take a little longer than originally indicated; it may not be ready until sometime this fall or winter. After discussion, Howard suggested that a date be set for completion. Fall would be a reasonable time for completion. Mike and John will meet with Jon Griffith to see if they can get a more definite completion date.

### **Communications/Marketing Committee** – John Howard

John Howard reported that members of the committee had met that morning with Allen Waggoner from PGG. They had a good meeting with Allen. He purchased an additional building out at Alicel, and he is planning on fixing up the building for some type of use. Discussion followed on additional properties that might be available out by Peacocks. Howard thought it might be worth looking into some of these other properties to see if there is interest in selling. Gary Lillard reported that the committee had also met with EONI. EONI had indicated to them they would like to provide some broadband coverage, but because of the expense they are reluctant to proceed.

### **Membership Committee** – Bill Rosholt

Bill reported there had been no meetings since the last Board meeting, but everyone has assignments and they are going forward with those.

### **EOU** – Tim Seydel

Tim reported that EOU is planning on doing a campus tour. The idea is to have people visit the campus in the morning, meet with President Davies, have the Athletic Department talk about something unique that they're doing. The idea of the campus tour is to allow people in the community to have an opportunity to visit the campus, learn more about what they do, see some of the renovations being done, and then have lunch. Tim asked what the Board thought of a campus tour and when they thought the best time would be. The UCEDC Board thought it was an excellent idea and felt it should be done when the students were on campus. Robert suggested giving free tickets to an EOU football game to people attending the tour as an incentive to attend the tour. They also are looking at having a special session for contractors.

### **Administrative Assistant Report** – Janis Bozarth

Janis reported that the May minutes were sent out to the membership. The June minutes were prepared and sent to the Board for review. The financial reports were prepared and given to Mike Poe. Copies are in the Board member notebooks. Invoices were sent out for July membership renewals. The membership list was updated through June. Renewed members for June included Pendleton Grain Growers, and 4<sup>th</sup> quarter payments were received from Union County and the Observer. Dale asked how many members were past due, and Mike reported he has contacted those members past due and he is still waiting to hear back from them.

### **Steering Committee** – Mike Sanford

Mike reported that the Steering Committee is meeting on a regular basis. They met the previous Monday. He is expecting letters from Lisa Dawson and from EOU accepting their leads in their assigned strategies. They discussed the Business Recruitment strategy that Charlie put together. Charlie advised that they may not want to apply to the County for the money that Mark has put aside for marketing until they see what is happening with the regional concept being discussed and with what will happen in Baker County. Baker City eliminated their Economic and Community Development Department. They are hiring a community development person and they will be issuing an RFP for an economic development position and house both these people in one building downtown. They are open to the idea of joint marketing/recruitment. Mark indicated that there is some work to be done before starting to spend money, but he feels they still can make the pitch in August and get some of the money allocated. They do not want to be held back because of Baker County's problems.

### **Executive Report** – Mike Sanford

Mike reported he met with Kathleen Cathey from Senator Wyden's office. She is interested in pursuing the possibility of a 50-bed Veterans nursing home in this area. He met with the Steering Committee, had a business interview earlier in the day with Allan Waggoner with PGG, did the timber tour, the crops tour, the EONI business interview, property committee meeting, main street meeting, Region 13 Workforce Board meeting, E-Board meeting, completed the Recertification package for the Business Park. He visited briefly with Elizabeth Schuler, who is Merkley's rep out of Pendleton. Discussion followed here on UCEDC's previous bid on a Veterans nursing home. Mike Sanford explained that was for a 250-bed facility and one of the criteria was proximity to a VA Hospital. The VA clinic in La Grande didn't qualify. Mike indicated that Kathleen Cathey did not give him all the details relating to funding for the

50-bed facility, just that she thought it would be worth exploring.

## **NEW BUSINESS**

Dale reported that the E-Board met on July 9 with Robert Strobe and Mark Davidson to discuss where UCEDC is going and how to proceed as a result of the pending retirement of the current UCEDC Executive Director. In addition to the retirement of the Executive Director, two of the current UCEDC Board members are candidates for County Commissioner, and both administrative staff members will retire in December. Robert led the Board through a summary he prepared of that meeting and the challenges that UCEDC is faced with, and a possible solution to consider.

A lengthy discussion followed on the concept discussed at the E-Board meeting as a possible solution to consider. The concept had not yet been shared with the full UCEDC Board, with the County Commissioners, or the City Councilors prior to the full Board meeting. The next step would be to make those groups aware of the concept to determine if there is interest in pursuing.

Discussion followed. Mark stated that with the concept described by Robert, there would still be roles for everyone to work on committees to work with particular tasks. Dale said that he sees two important questions: Do we want to be a land holding company or do we want to be an active participant in economic development in Union County and the City? And how do we want to approach this and how do we do it with the money that we have available? Dale said that the money UCEDC has available now is probably not sufficient to attract a highly qualified economic development person. Howard Perry stated that UCEDC does not have resources to do effective marketing or resources to pay for a full-time Executive Director. In response to questions, Robert responded that overhead would be covered using City and County dollars and marketing efforts would be funded with membership dollars. The Executive Director would initially be hired by the UCEDC Board (during the transition period) and down the road if Charlie would become the supervisor of the Executive Director, then Charlie would do the hiring and firing of that individual. Bill Rosholt asked why a recent MBA graduate would want to work for UCEDC for part-time wages. It is felt this would be an entry level position with a lower wage scale. We would need to go into this with the understanding that we wouldn't keep this individual for more than two or three years. It would become a transitional position. Also there is the possibility of expanding the resource base to include interns.

Dale asked what the next step would be. Howard suggested that if the UCEDC Board felt this was worth pursuing, then we would ask Robert to talk to the City Councilors and Mark to talk to the County Commissioners and run it by them to see how they feel about it. If there is some interest in pursuing this, then another committee would be formed to do the nuts and bolts of how it will work together. Robert was asked how Charlie felt about this plan. Robert indicated that Charlie is receptive to the idea. However, Charlie is employed full-time. It would be necessary under this plan for the UCEDC employee to do some of the functions that Charlie is doing for the City in order to free up some of his time to do UCEDC functions. There also will be a substantial learning curve, working with all three groups.

***Howard Perry moved that this concept as presented by Robert Strobe be explored further with the City and the County and comments brought back to the September UCEDC Board meeting. Seconded by Bill Rosholt. Motion passed.***

Robert asked if we should wait until August or September to start doing something, or does the concept of bringing in a recent graduate as Mike's replacement, regardless of the model, make sense. Robert indicated he would be comfortable in using Charlie as a mentor/resource for said individual.

Howard Perry indicated that since UCEDC doesn't even know about its partner funding right now, it would be very difficult to hire someone when we don't know if we can pay him. He feels what we should do right now would be hire a part-time replacement for Mike until our funding is secured. Mark Davidson indicated he has talked with Dennis Spray and he indicated he would be willing to help out on an interim basis if Mike needed to move into retirement sooner. Howard suggested that the E-Board meet with

Dennis Spray regarding working on an interim basis for a couple of months until the corporation has resolved what it is going to do.

*Howard Perry moved that the Board authorize the E-Board to proceed in soliciting and hiring a part-time Interim Director to replace Mike Sanford with the goal of having that person in place by the end of September 2010. Seconded by John Howard. Motion passed.*

The political reality is how do you get buy-in from the three different groups? Discussion followed on the importance of exploring this concept further with the County Commissioners, the City Council, and UCEDC Executive Board.

## **EXECUTIVE SESSION**

No Executive Session.

Meeting closed at 7:40 p.m.

Respectfully submitted by:  
Janis Bozarth, Administrative Assistant

### **Note:**

**Next Board Meeting:** Thursday August 26, 2010 at 5:30 p.m.  
UCEDC Office at 102 Depot St.

**Executive Meeting:** Tuesday, August 10, 2010 at 7:30 a.m.