

Union County Economic Development Corporation

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Minutes October 16, 2008

Monthly Meeting: 6:00 p.m. at UCEDC Office, 102 Depot Street, La Grande, OR
Meeting Facilitator: Howard Perry, President
Board Reporter: Janis Bozarth, Administrative Assistant
Interim
Executive Director: Mike Sanford

Members Present: Howard Perry, John Howard, Dale Case, Steve Anderson, Mike Poe, Don Kellogg, Bill Whittemore, Gary Lillard

Absentees: Dennis Spray, Janet Hume-Schwarz, Robert Strobe, Jeff Puckett
Visitors: Mark Davidson, Brian Cole, Charlie Mitchell

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

President Howard Perry introduced Janis Bozarth as the new Administrative Assistant.

President Howard Perry welcomed and introduced the visitors: Charlie Mitchell, the new Economic Development Director for the City; Brian Cole, who is assisting UCEDC with the ODOT transportation grant; and Mark Davidson, a former member of the UCEDC Board and candidate for Union County Commissioner.

Howard asked for a motion to approve the September minutes.

John Howard moved that the board approve the September minutes. Dale case seconded the motion. The motion carried.

OLD BUSINESS:

Howard suggested moving the agenda items around a bit to discuss the PGG Project and the SWOT analysis as the first items of Old Business.

PGG Project - Dale Case/Howard Perry/Brian Cole

Dale reported on the teleconference meeting they had on Tuesday (10/14). He reported they are making progress. PGG seems ready to go. The agreement with PGG is in the works. Dale received an e-mail from Craig Nightingale with regard to the RFP for the banking proposals. Things are gradually coming together. He asked Brian Cole to fill the board in with more details on this project.

Brian stated that this was a project in partnership with PGG and UCEDC with a grant application that has been approved. The grant application is for \$2,723,688. There is a required local match of 20 percent, and UCEDC is going to have to meet that because the total cost of the project is now \$3.947 million. This number could shift a bit. Also included is some land that PGG is in the process of acquiring from Union Pacific Railroad and the Peacocks.

Discussion followed on many aspects of the PGG project. Three agreements are needed:

- 1) Agreement between the State, UCEDC, and PGG.
- 2) Agreement between UCEDC and PGG.
- 3) The actual lease agreement between UCEDC and PGG. Details are still being worked out on this agreement.

There was discussion on the time line of the project. It is important that groundwork start this fall if the project is to be completed by harvest season 2009.

Steve Anderson asked if there was a way we could empower the E-board to sign documents and do whatever else is required without the approval of the full board based on the report we were given here. Dale said that the way the agreement is written this board has to approve the document before going forward. Steve said he didn't want to have to wait for another board meeting to get a vote. Could we set up a process where we could all vote – possibly electronically – by e-mail? If the board approves that as a method of going forward, that should be appropriate. Additional discussion followed regarding the lease agreement between UCEDC and PGG.

Steve Anderson moved that the board approve giving the e-board permission to sign the necessary documents with regard to the \$850,000 to get the project moving. The motion was seconded by Don Kellogg. The motion carried.

After additional discussion on the 30 percent going to UCEDC, ***Steve Anderson moved that we make sure that legal fees, banking fees, etc., are covered for the first year plus \$12,000, and a figure of \$12,000 each year thereafter. The motion was seconded by Don Kellogg.***

After some additional discussion, ***Steve amended his motion to say that UCEDC would get \$12,000 plus legal fees, banking fees, etc., would be covered for the first year. The balance would be held in a reserve account. Thereafter, UCEDC would receive \$12,000 each year. Interest also would be kept in the reserve account. The amended motion was seconded by Don Kellogg. Motion carried.***

Discussion followed on the purchase of the property by PGG at the end of the lease period.

Steve Anderson moved that we turn the property back to PGG for \$1.00 at the time the note is paid off. The motion was seconded by Don Kellogg. Motion carried.

After some discussion regarding the lease with PGG, and the lessee paying all costs, utilities, maintenance fees, etc., Howard asked for a motion on this.

Bill Whittemore moved that the lease agreement with PGG be a triple net lease. The motion was seconded by John Howard. Motion carried.

Howard recommended the board give the e-board the authority to enter into an agreement with the bank once we have something firm so we don't have to have a special meeting for that. Dale said the first thing needed will be the construction loan and that won't be the \$850,000. He recommended having a vote on using the CDs as collateral for the start of the project.

Steve moved that the board give the e-board permission to enter into loan agreements with the bank as needed to make the project happen. The motion was seconded by Don Kellogg.

Howard expanded on Steve's motion to state with the understanding that once we know we have the financing, we'll bring back copies either through a special board meeting or through e-mails the lease agreement we have with PGG, the interim agreement we have with PGG, etc., so we can get board authorization to enter into those agreements as a full board.

Motion carried.

Bill Whittemore then made the motion that RFPs would be sent out to banks that were members of UCEDC. The motion was seconded by John Howard and the motion carried.

Additional discussion followed on this and Dale said we could send RFPs to all the banks, however, making membership in UCEDC a requirement. Don will visit the banks that are not members and take membership packets.

SWOT Proposals – Mike Sanford/Brian Cole

Howard explained that under our agreement with the City of La Grande, UCEDC agreed to do a SWOT analysis of the area. The SWOT analysis needs to be completed by the end of the year. We have received proposals from Brian Cole and Dick Gardner for a SWOT analysis. Howard introduced Brian Cole to give a presentation on his proposal. In his proposal, he presented several options. The option that he recommends, Option 5 of his proposal, would expand on the basic SWOT analysis; it would be a partnership between the city, the county, and other partners. This option will bring the different groups together and the goal would be to get everyone together and define their roles and determine priorities. This process would firm up Charlie Mitchell's role and UCEDC's role. It also would firm up the relationship UCEDC has with the City. UCEDC will need to contact the City and County and see if they would be willing to become partners in this. The SWOT analysis would be done after you figure out what your priorities are. This process would also help UCEDC determine what they need in the way of an Executive Director.

Charlie Mitchell said he wasn't aware of the SWOT issue, but wanted to make the board aware that the City is in the process of a Goal 9 Review right now. The City of La Grande and the City of Union are partners in this and it's getting close to finality. He suggested that UCEDC may want to wait for the outcome of this Goal 9 review since these two things seem to be related – the SWOT analysis and the Goal 9 Review. Additional discussion followed. Gary Lillard suggested that information be given to the City Manager and he can then pass the information along to the City Council to review.

Mike reminded the board that the UCEDC E-Board has a meeting with City representatives on November 4 to talk about the work plan and the SWOT. Howard's feeling is that UCEDC should propose this option to the city officials at the work session on November 4th and delay the SWOT analysis until we feel it makes sense. Gary Lillard suggested getting information together and giving it to the City Manager prior to the work session so things would move along faster. Howard suggested that Charlie talk with the City Manager and see how important the SWOT analysis is.

Steve asked about getting some information to the other groups. Howard explained that what they are planning is to run this by the City at the November 4 meeting, and if they think it makes sense, UCEDC would sponsor a joint meeting and invite the various parties and see who would be willing to be partners and go from there. It was generally agreed this was a good working plan. Howard said they would report to the E-board after the meeting with the City on November 4.

Water Rights – Dale Case

Dale reported he received a letter from the lawyers and they have said that we have water rights. Next week they are setting up a teleconference to discuss this.

Work Plan – Howard Perry

Howard reported they're meeting with the City on November 4 to see where we go for next year and talk about these other issues.

Director Job Description – Howard Perry

Howard reported that Steve and Robert put together a draft job description. Steve corrected this to mean that Robert put the job description together. Steve has read it, but not critiqued it. It was generally felt the job description was too overdone. Howard suggested that we table hiring a new director until we have a better sense on our role. Mike has done an excellent job. Until we know better what our role is going to be, we should continue on as is and Mike has agreed. Discussion followed on whether UCEDC could find someone with the qualifications outlined in the draft job description and whether a full-time person was needed. Steve feels we need to have a committee of at least three people to come up with a job description and identify what is needed – full-time, part-time. The goal would be to have three people who can work on it after the first of the year. Howard asked who would be willing to serve on this committee. Steve, Robert Strope, and John Howard were selected to serve on the committee.

EOU Representative –

This item was tabled for now.

REPORTS

Finance Committee – Mike Poe

No report.

Property Committee –Dale Case

Dale reported they had not had a meeting. The only thing they have are some leases on the farm grounds. At the E-board meeting they discussed the need to renegotiate the leases because it seems that one is not being paid very well. Also, more attention needs to be given to keeping the place clean so it has the appearance of being maintained and the potential to be utilized.

Communications/Marketing –Steve Anderson

Steve reported they haven't made any contacts yet, but this will be pursued. He said he had requested that the E-board publish minutes of their meetings and get copies of these minutes to the full board prior to the board meeting. Howard reported that in the future the E-board would prepare a list of action items and copies of these action items would be sent to the board members electronically after all E-board meetings.

Steve reported that the marketing committee had met. He had some examples of brochures from other areas which he shared. The committee feels the brochure needs to include other properties in Union County instead of just the Technology Park. Mike Sanford will contact other cities to see what industrial properties are available in these other areas. They also would like to have some contact information included in the brochure. The intent is to make the brochure more appealing and not so focused on the Technology Park but give the front page to the Park since that is our show piece right now. If there is money in the budget the committee would like to hire a graphics person in town to help put this brochure together. Howard asked Mike Sanford to check and see if there is money in the budget. Mike reported that there is some money left in advertising, but he doesn't know what percent of that is allocated to the monthly payment on signs. He will check on this. Steve indicated they could wait until next year on the brochure if there isn't money left in this year's budget. Additional discussion followed on getting some aerial photos of the Park. Steve said he is working on this. Everyone seemed to be in agreement with what Steve and the Marketing Committee were doing with the brochure.

Membership Committee – Don Kellogg

No report.

Administrative Assistant Report – Janis Bozarth

Janis reported that she spent the previous week training with Violet and asked for everyone's patience while she was learning her new job. She reported that UCEDC had received a check from the City that day for their \$35,000 partnership fee.

Executive Director Report – Mike Sanford

Mike reported on the progress that has been made on cleaning out the basement. He has contacted OTEC on the easement at the Technology Park. He recently met with Claude Morgan, their Regional Superintendent. Beaver State Computers has cleaned up his computer, formerly Craig Thompson's, removing viruses, and it is now up and running. The plan is to get Janis' computer in next and have it cleaned up.

FOR THE GOOD OF THE ORDER:

Howard reported that we received a letter from Tim Seydel from the University expressing their appreciation and thanks for the donation of the lot at the Business Park. Abstract & Title valued the lot at \$55,000.

Gary Lillard asked if anyone had had a conversation with Robert Strobe about the weeds at the Technology Park. Mike reported that Robert had the Public Works personnel go out and they did a nice job cutting the weeds along the curbs. Gary also asked if Mr. Gardner will have an opportunity to present his proposal to the board. Howard said that if they decide to go forward then they would need to sit down and decide whether to consider Brian Cole's proposal or Gardner's.

Meeting Adjourned 7:40 p.m.

Respectfully Submitted by:
Janis Bozarth, Administrative Assistant

Note:

Next Board Meeting: Thursday November 20, 2008 at 6:00 p.m.

UCEDC Office at 102 Depot St.

Executive Meeting: Tuesday, November 11, 2008 at 7:30 a.m.

UCEDC Office at 102 Depot St.