

Union County Economic Development Corporation

P O Box 1208 102 Depot Street La Grande, OR 97850
Phone: 541-963-0926 Fax: 963-0689 e-mail: ucedc@eoni.com website: www.ucedc.org

Minutes April 16, 2009

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, Gary Lillard, Robert Strobe, Mark Davidson, Mike Poe, Bill Whittemore, Jeff Puckett, Dale Case, Steve Anderson, Tim Seydel, Bill Rosholt,

Absentees: Janet Hume-Schwarz
Visitors: Valerie Franklin, Jim Mollerstrom

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

Howard called for a motion to approve the February minutes. Mark Davidson moved that the February minutes be approved. Seconded by Jeff Puckett. The motion carried.

OLD BUSINESS:

Alicel Update – Mike Sanford

Mike reported on progress at the Alicel Site. The groundbreaking was held April 9. Construction is coming along well, with some delay because of windy conditions.

Bank Accounts - Two bank accounts were created at U.S. Bank for the Alicel Project.

Project Representative - Rod McKee, the project representative, is doing a good job.

Railroad - The railroad has bids out and has assured UCEDC they will be done with construction by the end of July.

Easement - PGG needed to give UCEDC an easement to allow us to be on their ground during construction. The easement has been signed and will be recorded this week.

PGG Lease - The PGG lease has been signed. PGG's first loan payment is July 1.

Railroad Contract – Mike reported that an agreement with the railroad has been prepared by our attorney and needs to be approved. Mike passed around copies to Board members. Howard explained that this contract changes who is entering into the agreement with Idaho Northern for construction of the rail spur to UCEDC. Originally the agreement was supposed to be with PGG, but PGG and the railroad weren't connecting so Union County intervened and the railroad requested through Steve McClure that the agreement be between UCEDC and the railroad. The railroad will hire a contractor to construct the rail spur. UCEDC will then reimburse them based upon appropriate invoices for the cost of constructing the rail spur. Copies of the contract were e-mailed to the E-Board for their review. Howard asked that Board members review the agreement and get any comments to Mike by Tuesday, April 21. Recommended changes will be given to the attorney to be incorporated into the agreement. Copies of the final agreement will be sent to the Board before signing.

Dale Case moved that we move the agreement forward upon approval by the E-Board after everyone has reviewed it and upon approval of the attorney, subject to whatever changes may be made after review of the board. Copies of the final agreement with the changes will be sent to board members prior to signing the agreement. Mark Davidson seconded the motion. Motion carried.

Sign and Groundbreaking - The groundbreaking was held Thursday, April 9. There was good attendance and good newspaper coverage. Mike reported that the sign is now up at the Alicel site. Mike reported that the first invoice to ODOT has been submitted and we should receive payment soon.

At this time, Howard introduced Valerie Franklin, Project Manager, for Horizon Wind Energy. Valerie gave a presentation on the new wind farm project that Horizon Wind is planning in Eastern Oregon. There will be a hearing in May with the State, and Horizon is encouraging people in support of the project to attend. She said there is activity currently at the site – surveyors, biologists, hydrologists, and others looking over the area and checking the habitat, taking aerial photos, etc. She stated that the application process will take about 6 months and then there will be another public hearing after that. The proposed project is located between I-84 and 237 in the Craig Mountain area. This project will generate nearly three times the power of the Elkhorn Valley facility near Telocaset. Mark Davidson pointed out that Horizon Wind Energy has been a great partner and has sponsored a lot of community activities, including rides on the Excursion Train. The question was asked how wind power energy costs compare with hydro and coal fired. Valerie answered that hydro and coal fired are both heavily subsidized. With subsidies, they're both a little cheaper than wind, but not much. Solar costs are much higher. When asked about the life expectancy of the wind turbines. Valerie said that they're expected to last 20 years, but it is felt that they will still have value after 20 years. Valerie passed out her business card and stated she is available to speak at other groups – service clubs, etc., to ask for support for the project.

Committee Assignments – Howard Perry

Howard reported the E-Board discussed committee assignments and they felt, unless members wanted to change, the majority of the assignments for last year would remain the same. Bill Rosholt has been asked to serve on the Membership Committee and he has agreed to do that. Robert Strope indicated he isn't on any committee presently and would like to be put on the Communication/Marketing Committee and the Property Committee. Those changes will be made to the committee assignments. Steve Anderson said he hopes next year the City and County can make their appointments to the Board prior to the end of the year so UCEDC can elect their officers the first of January or first of February and the committee assignments can be made earlier. Mark indicated that this year it will be easier for the City to make their appointments in December because there won't be any changes to the Council. Robert affirmed this.

City Work Plan – Robert Strope

Robert reported that the only item left to approve was the list of Specific Tasks. The UCEDC Goals and Outcomes document was approved and the MOU was approved. Robert reported that the Council at their last Council meeting said to do both signs. Task 1 of the Specific Tasks sets a date of August 1 for having both signs done. Under Tasks 2 and 3 for 2008-2009, the maintenance agreement dates were moved to May 1 to allow time to make that happen. From the Council's perspective, the Specific Tasks is ready for UCEDC approval. Mark Davidson said he supports the MOU and most of the Specific Tasks, but he is still uncomfortable spending that amount of money on a sign that he feels doesn't lend value. For that reason, he will have to vote against approving the Specific Tasks.

Jeff Puckett moved that the Specific Tasks be approved. Seconded by Dale Case.

Additional discussion followed here on the cost of the two signs. UCEDC has agreed to construct the sign at the primary entrance on Highway 30 and the City of La Grande has agreed to construct the sign where it ties into Gekeler Lane. The UCEDC sign will be larger than the one constructed by the City. The City of La Grande will need to put their sign out to bid (3 bids are required). Robert reported that the City and UCEDC would work together to get bids for both signs. Robert was asked if the City had agreed to drop "Technology" off the name of the Business Park, and he stated they had. The name of the park will be the

“La Grande Business Park.” Howard then asked if anyone wished to amend the motion. No one wished to amend the motion. He asked for a vote. All were in favor with the exception of Mark Davidson.

The motion carried.

Strategic Plan – Mike Sanford

Mike reported that things are moving along with the strategic planning. Mike, Brian Cole, Mark Davidson and Bill Rosholt met with communities in Union County (Union, Elgin, Imbler, Island City, Cove). The communities seem excited and willing to contribute. Communities that are still unsure are smaller communities and they are being encouraged to participate even if their budgets won't allow them to contribute monetarily. The first steering committee meeting will be April 30. Mike reports he hopes the initial process, the public meeting, can be held the end of May. It will involve a couple of hours on a Friday evening and five to six hours on the following Saturday. UCEDC applied for funding to the State of Oregon Economic Community Development Department in the amount of \$10,000. This was approved, and the contract with the State for this amount has been signed and sent back to the State. Mike is also working on an agreement between UCEDC and Brian Cole for the work that he is doing on the strategic planning.

Business Park Farm Lease – Mike Sanford

Mike reported he has a meeting April 17 with Wayne Waite to sign the lease for maintenance at the La Grande Business Park. Wayne will take care of the agricultural ground, keep the weeds down, mow, and spray, at the Business Park. Mike has also met with Tony Faro. Tony indicated he can keep the rest of the Business Park looking very nice for about 6 hours a month. That would include the entryway, weed eating around power units, and spraying. This would need to be done from the middle of April through the middle of October. Tony's rate is \$50/hour. UCEDC would pay 2/3 of Tony's fee and the City would pay 1/3 of his fee. Mark Davidson asked if the private landowners are contributing to the maintenance. Howard said he thought that the covenants read that the private landowners are to maintain any frontage they have. Mike reported that the site plan for Scott's Heating & Air Conditioning had been approved by the City and UCEDC. Howard stated that currently two projects are under construction, and Mike reported that a third project has completed their site plan.

New Brochure – Mike Sanford

Mike reported the brochure was finished. Copies have been distributed to the Chamber office, Tourism, and the Hospital. Kelly McGee from the City Council asked for some brochures to take to a trade show she was attending. Mike gave Steve Anderson credit for doing an excellent job on the brochure. There have been very positive comments on the brochure. Steve said he talked with some people at the Chamber of Commerce in Ketchum, Idaho about the brochure. Their suggestion was that the brochure should be a stand-alone item and not have inserts inside. Steve also said that the hospital was very helpful when they put together the brochure. He thanked the committee for doing a good job, who included Bill Whittemore, Mike Sanford, and former County Commissioner Colleen MacLeod. As the next step, Steve would like to have the Marketing Committee revisit the businesses they visited last fall and give them some brochures to take to trade shows. Steve also said he would like to send out brochures to the membership, so they can be marketing also.

REPORTS

Finance Committee – Mike Poe

Mike reported that the Finance Committee had met and put together a proposed budget for next year. Next year's budget would begin July 1. The committee tried to use actual figures in putting together the budget. As far as expenses, the committee looked at what we're actually paying and what the expected increases will be. Jeff Puckett also explained that they tried to break down some of the expenses more than had been done in the past. Mike reported that the salary for Mike Sanford was based on a 32 hour work week and Janis was based on 3.5 hours per day plus 5 additional hours per month were added for board meetings, etc. The Finance Council also made a recommendation that Janis' salary be raised. Mike's salary would remain the same, but the Finance Council recommended he be given one week's

vacation per year. Mike would receive 32 hours of vacation starting July 1. Some discussion followed on the budget.

Bill Rosholt moved that Janis' hourly rate be raised as recommended by the Finance Committee and that Mike be granted 32 hours of paid vacation effective July 1, 2009. Steve Anderson seconded. Motion carried.

Howard asked if the budget needed to be approved. Mike reported that the budget would need to go to the City, so the Board would need to approve the budget. Robert asked Mike if he remembered the procedure for presenting the UCEDC budget. Mike said he recalled that the UCEDC budget would tie in with the City's timeline as they prepare their budget – that UCEDC would prepare an annual report for the City and their budget would be presented at the same time the Annual Report was presented. Jeff Puckett reminded members that this budget recognizes the net revenue that there will be from the PGG project. (Robert indicated he has penciled in \$35,000 in the City's budget for UCEDC's partnership contribution, but he is looking at shifting the source of the money with \$25,000 from Urban Renewal and \$10,000 from General Fund. This would more accurately reflect where efforts are being directed.) (Do we want this in?) Discussion and questions followed regarding the budget. Mike clarified budget items for board members.

Steve Anderson moved that the budget for 2009-2010 be approved. Seconded by Dale Case. Motion carried.

Property Committee – Dale Case

Dale reported that the Property Committee had a brief meeting at the last E-Board meeting to discuss the farm lease.

Communications/Marketing – Steve Anderson/Gary Lillard

Steve reported that he wants his committee to get back to the work plan that was developed a year ago. He would like to hold a committee meeting, put together a list of additional members, get the brochure out, and take a look at other items that are on the work plan, to make sure UCEDC is headed in the right direction. Gary Lillard said that his job demands now are such that he would not be able to attend any meetings that occur during regular business hours. The committee needs to discuss with the Board putting together an interview team. Steve mentioned earlier in the meeting the committee wants to revisit the businesses that were visited last year, and prepare a cover letter to the membership enclosing copies of the new brochure. Howard encouraged anyone who is not on the committee who might want to help to do so. Mark Davidson asked that he be apprised of their schedule and he would be willing to help. Jeff Puckett asked if Comforts had a meeting room at the LGP site. He thought it would be good to meet out there and have a tour of the Business Park.

Strategic Plan – Mark Davidson

Mark reported that, as Mike mentioned earlier, the first steering committee meeting is set for April 30. They have encouraged the community to participate. He stated even if a community isn't able to contribute financially, they are encouraging them to participate.

Membership Committee – Bill Rosholt

Bill encouraged the committee to get together and discuss some items. He reported that UCEDC needs new members. He recommended that UCEDC have a Chamber After Hours to show off UCEDC's new office. The Chamber has the month of May available for After Hours. He then would like the Membership Committee to agree to have a membership drive and work with the Marketing Committee to get more people involved in UCEDC. Howard reminded everyone that committees are not limited to Board members. Anyone who is a member of UCEDC can serve on a committee. Mike Sanford mentioned that he and Bill had talked about a membership drive and possibly offering a discount on the initial membership for the first year during the month of the membership drive. Board members agreed to have a Chamber After Hours. May 19 was selected as the date. Mike will contact the Chamber office.

EOU – Tim Seydel

Tim gave an update to happenings at the college. The new President, Bob Davies, has visited Chamber events. He will be back and they plan on having him attend a UCEDC board meeting. Tim reported that enrollment at the college is up, especially on-line enrollment. Modifications are currently being planned to Inlow Hall and, as part of the Stimulus package, demolition is planned for Dorion Hall and improvements to the library. Tim also reported that the Oregon State Forensic Lab is still interested in locating in the La Grande Business Park. Another project mentioned for the EOU campus is a pilot project for Veterans.

Administrative Report – Janis Bozarth

Janis reported that the membership list had been updated through March. Renewing members for February and March were: Boise Cascade, Eagle Cap Steel & Supply, Banner Bank, Bearco, WC Construction, John Howard & Associates, Mark Davidson, Steve Anderson Consulting, Bronson Lumber, Barreto Manufacturing, and Union County. Invoices were sent out for April, and the Board of Directors' Term List was updated. She asked that Board members review the Term List and if they had any changes, to get them to her

Executive Report – Mike Sanford

Mike said he's covered most everything, but he reported the sign is now up out at Alicel. The first invoice was sent to ODOT. April 24 is the EOU Entrepreneur Day. Mike and John Howard are doing one of the breakout sessions. Mike reported he made a presentation to the Chamber lunch April 15, talking about UCEDC. He also reported they met with a group of people interested in doing something with the Terry Trailer Plant. UCEDC put together a meeting with several other individuals, including people from the County and various funding agencies. Because of the bankruptcy, they haven't heard if there is any further progress, though the group was impressed with the group of people that UCEDC had gotten together for the meeting. Steve Anderson asked how much land they had out there. Mike said they have about 40 acres – 20 acres that UCEDC sold them some time ago that is undeveloped. Steve suggested possibly, once it is known what's going to happen with the bankruptcy, UCEDC might be able to purchase that 20 acres for a reasonable price. Mike reported that UCEDC had submitted, at Jill Miles' suggestion, information on the Terry Trailer Plant for a project that was circulated through the Oregon Prospector. Jill Miles suggested we do that. That group is looking for a 80,000 to 100,000 sq. ft. facility for a food processing operation. Mike also asked the Board for a new computer. His computer hasn't worked well since he started this position. Even after putting money into it, it still isn't working very well. Mike has been investigating computers and will get bids from local and on-line businesses.

After some discussion, Dale Case moved that Mike's request to purchase a new computer be approved. Mark Davidson seconded the motion. Motion carried.

NEW BUSINESS

2009 Goals – Howard Perry

Howard asked everyone to think about what UCEDC 's goals should be for 2009. Jeff brought up the idea of an incubator building. There are a number of other things. Howard suggested that everyone look at last year's goals and see what we would like to update. At the next Board meeting some time could be spent on our goals. Steve suggested that he feels we need to think about another industrial park as one of our goals in four years. Mark reminded the Board members that the City of La Grande is in the process of expanding their Urban Growth Boundary to add industrial land. Mark also mentioned, with regard to the incubator discussion, Union County has the fire cache building at the airport that they intend to use as a transitional building and will use it after the Forest Service moves out and into their new building. They will be there for two years at the most. Howard commented that UCEDC is waiting to see what comes out as the result of the City's Goal 9 process. Robert reported that the City is still in the Goal 9 process and needs to be finished by June.

City Appointments – Robert Strope

Robert reported that, as the City was moving through their process to make appointments this year of individuals to boards, specifically council members to boards, the question came up whether there was a real or perceived conflict of interest for council members to sit on boards for the same entity it receives funds from the City. An example is that Gary is a member of UCEDC and UCEDC is going to be asking the City for \$35,000 of funding for which Gary will vote “yes” or “no” on. The City’s attorney feels there could be a potential conflict of interest that could result in someone challenging the action. What the City Council would like to do is change the way that councils are represented on boards where the City also provides funding for the organization. Specifically, that they appoint councilors to be ex-officio members similar to what UCEDC has with Tim Seydel. So Gary’s position with UCEDC would change to ex-officio, and the City would then advertise for another voting member to replace Gary’s voting position. Robert is asking if the UCEDC Board would be receptive to this change. Discussion followed including whether UCEDC wanted another ex-officio member and if, as an ex-officio member, an individual would be more likely not to attend a Board meeting. The City feels that having a council member as an ex-officio member, the Councilor will be expected to show up for meetings.

After some discussion, Jeff Puckett moved to approve what the City is proposing - that Gary Lillard would be appointed an ex-officio member of the UCEDC Board and the City will advertise for an additional voting member to replace Gary. Steve Anderson seconded. Motion carried.

The meeting was adjourned at 8:00 p.m.

Respectfully submitted by:
Janis Bozarth, Administrative Assistant

Note:

Next Board Meeting: Thursday May 21, 2009 at 6:00 p.m.
UCEDC Office at 102 Depot St.

Executive Meeting: Tuesday, May 12, 2009 at 7:30 a.m.
UCEDC Office at 102 Depot St.