

Union County Economic Development Corporation

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Minutes February 19, 2009

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

Members Present: John Howard, Gary Lillard, Robert Strope, Mark Davidson, Mike Poe, Bill Whittemore, Jeff Puckett, Dale Case

Absentees: Howard Perry, Steve Anderson, Tim Seydel, Janet Hume-Schwarz
Visitors: Mat Barber, Brian Cole, Charlie Mitchell, Hanley Jenkins, Mike Boquist, Jim Mollerstrom

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

Vice President John Howard welcomed and introduced the visitors: Bill Rosholt, Golf and Promotions Director/Economic Development Director for the County, replacing Dennis Spray; Mat Barber, Grande Ronde Sign Company; Brian Cole, the Orbis Group; Hanley Jenkins, County Planner; Mike Boquist, City Planner; Charlie Mitchell, Community and Economic Development Director for the City; and Jim Mollerstrom.

John asked that one item be added to the Agenda, the Goal 9 Update right behind the City Work Plan. Another item to be discussed that is not on the Agenda concerned some legislative issues. These will be discussed in the Executive Report.

John asked for a motion to approve the January minutes. Robert Strope moved that the January minutes be approved. Seconded by Gary Lillard. The motion carried.

OLD BUSINESS:

Alicel Update – Mike Sanford

Appraisal - Mike reported that the appraisal has been completed. It will be sent to the U.S. Bank review committee on February 24. UCEDC should have final approval on the following Monday, March 2. Interest rates, as of February 19, would be 4 percent for the construction loan and 6.75 for the long term.

IPNRR Contract – Mike reported on January 23 he met with Jon Sperl with PGG, the foreman with Swaggart Bros., Neil Cox with Idaho Pacific Northern, and Steve McClure regarding the railroad. It was agreed to have a contract drawn up between UCEDC and Pacific Northern. Neil Cox is to provide Mike with the information needed to have a contract prepared. He is still waiting for that information.

Project Representative – Mike reported that, with Howard Perry's approval, he contacted Rod McKee to act as a Project Rep on the project with up to 8 hours a week now while the foundation work is going on and afterwards approximately two hours a week.

Dale Case gave an update on the construction work that is currently going on at the Alicel jobsite. The contractor has indicated they are on schedule and the project should be complete by harvest.

Grande Ronde Sign – Mat Barber

Mat Barber presented another mock-up of a smaller sign for the LB&TP in the \$15,000 range (\$14,800). Mike reported he had gone out to the site with Mat and found there is room near where All-Phase is going in for location of the sign. Discussion here followed on what the actual name of the park should be. A recommendation had been made to change the name to La Grande Business, Technology & Industrial Park. Bill Whittemore asked if it would be out of line to add “Industrial.” Mike Boquist stated that the name could be whatever they wanted it to be. Discussion followed. Mark Davidson’s suggestion would be to call it the “La Grande Business Park” and have some wording on the sign pointing out that it was a partnership between the City and UCEDC. Having “Industrial” on the sign could discourage some businesses from wanting to locate there. Dale Case remembered that the City and UCEDC had agreed the actual name would be La Grande Business & Technology Park. Mark’s recollection was that the push for the Technology portion came from the City Council, so the City would need to approve any change in the name. Robert stated that the City Council will be having a work session on March 9. Robert will take back to the Council that the consensus of UCEDC Board members is to shorten the name to “La Grande Business Park.”

Mark Davidson moved that the name be changed to La Grande Business Park subject to the concurrence of the City Council. Seconded by Bill Whittemore. Motion carried.

Robert said that he will also bring up the cost of the sign at the City’s work session on March 9. Robert asked Mat if he had figures for the smaller sign on Gekeler that the City would be paying for. An approximate cost could be between \$10,000 and \$12,000 for the smaller sign. Mat will get figures to Robert before the work session.

City Work Plan and MOU – Mike Sanford/Robert Strobe

Mike Sanford asked everyone to refer to the final draft of the Joint Memorandum of Understanding between the City and UCEDC in their notebooks. Robert explained that the MOU is a 15 or so year document and on an annual basis UCEDC would adopt goals and outcomes which would be incorporated by reference by UCEDC action. Jointly, UCEDC and the City would adopt the Specific Tasks document. Robert indicated there was one change on the Specific Tasks document, Task 3 for the 2008-2009: take out “to include common areas and“. Mike reminded the Board that last year UCEDC was to perform a SWOT analysis. That has become Task 4 on the list of Specific Tasks for 2008-2009. In the list for FY 2009-2010, there are items that are a continuation of Task 4 for 2008-2009.

Mark Davidson said that he has reservations on the cost of the sign being proposed for the Technology Park. He’s uncertain how much it contributes to the value of the park and how easy it is to market. Robert suggested having an activity that would trigger when the sign would be put up, such as the sale of a certain number of lots. Additional discussion followed here on how the cost for the signs should be split up and if a trigger should be used for when the signs would be placed on the Park. After discussion.

Mark Davidson moved that the Memorandum of Understanding between UCEDC and the City of La Grande be approved as presented. Seconded by Dale. Motion carried.

Robert suggested that all three documents (MOU, Goals & Outcomes and Specific Tasks) should be voted on separately. Discussion here followed on the placement of signs as written in the Specific Tasks. What do we want to use as a trigger for placing the signs up? Charlie Mitchell feels the sign is a critical element to the Park and symbolizes that the Park is finished and adds credibility and professionalism. A straw poll was taken to see how many members would like to see a sign being initiated this year. Six members were in favor of having the sign put up this year. Mike Poe indicated that tying the sign to a triggering event would make it difficult to have the money available to pay for the sign. Jeff Puckett made the recommendation that UCEDC and the City split the cost of one sign now and split the cost of the second sign at a later date. The decision was made that Robert will bring these matters up at the City’s Work Session on March 9 – that the Board is willing to, if need be, fully fund the main sign this year but

would like to have a cost sharing for the single sign and then a cost sharing for the secondary sign at a later date. Robert will inform the City Council that the UCEDC Board passed the MOU, that the Board is prepared to pass the Specific Tasks document but want to resolve the issue of the timing on the sign, and that they recommend the name be shortened to La Grande Business Park and have the UCEDC and City's logos on the sign.

Goal 9 Update – Hanley Jenkins/Mike Boquist

Hanley Jenkins and Mike Boquist were present to give an update on the City's Goal 9 plan – an economic development report prepared by The Benkendorf Associated Group, which includes a reexamination of the City's Comprehensive Land Use Plan. The focus of this report was trying to identify additional land for heavy industrial development. The City of Union's needs were looked at also. They had not revisited their Comprehensive Land Use Plan since it was adopted in the early 80s. Hanley and Mike passed out the second draft of a 20-year and 50-year land need table and map showing three growth scenarios: low growth, medium growth, and high growth. The Consultant prepared the map showing their take on the direction the City has for the best chance of expanding with regards to accessibility and the ability to provide services to these properties. This report focuses on large acre needs. They explained that the important part of this Goal 9 process is that now the City has a foundation to work from. Mike stated that the complete report is on the City's web site and anyone interested in reading the entire report should contact him at the City and he will give them the link.

Economic Summit – Brian Cole

Brian Cole corrected that the agenda should have read "Strategic Plan." He is present to follow up on his presentation to the Board in October where he talked about the need to do a comprehensive economic development strategic plan for La Grande and Union County. Since October, he has put more time into the methodology and would like to roll it out into a community that is ready for it and he feels the circumstances couldn't be better for an economic development strategic planning in La Grande and Union County right now. The approach is to bring together the entire community and introduce his 25 strategies and 80 success factors. This would be the first community in the U.S. for this type of plan. He has had discussions with the U.S. Economic Development Administration. They like the plan and are prepared to put some dollars behind it. He has been working with USDA Rural Development, and they are thinking the same thing. He would like to hold off publishing of his book, for about 8 months and test drive his program with a community, and would like La Grande/Union County to be that community. He is prepared to deliver the plan for \$8,000 rather than \$20,000 that he quoted in October, and he feels he has \$20,000 in State resources to subsidize it. Jeff Puckett asked about a timeframe. Brian responded that you need to determine how many people will be included and how much time you are willing to devote to extend invitations, etc. It will be a two-day session that everyone gets invited to. It could take place as early as one month from now. Robert asked what would happen if the State says "no" on the resources they would contribute. Brian's response was that if UCEDC comes up with the \$8,000, he'll come up with the rest. Mark Davidson said that the County would support it. Gary Lillard indicated that the City of La Grande hasn't been approached about this yet.

Bill Whittemore moved that the Board support Brian's new risk venue for the betterment of Union County at \$8,000, and Brian will come up with the \$20,000. Seconded by Roberts Strobe. Motion carried. Gary Lillard abstained from voting.

Brian recommended having a strategic planning steering committee and include some outside people – 7 to 8 people. Robert suggested that anyone who sits on the steering committee should be from an agency that is financially supporting the project. Mike Sanford would oversee the steering committee. The recommendation is that the program should be done within 5 to 8 months. Robert recommended having the two-day session sometime in April. Mike Poe asked if we should have a formula when approaching the other cities for their buy-in. Brian will create something to use when approaching the other cities. Mark Davidson will check to see when the next Mayors' meeting will be.

Water Rights – Dale Case

Dale reported he has talked with the potential buyer of the water rights. He is willing to go forward and pursue the project on his own. Mike Sanford then gave some history on what has been happening with the water rights issue. It was discovered that there is no way to get water out to the UCEDC property to irrigate the ground to save our water rights without some major work to replace culverts, head gates, and piping that were removed by the City of La Grande when making the improvements to Gekeler Lane and Taylor Creek. The Ditch Master was under the assumption that UCEDC had sold its water rights. The E-Board recommended allowing the potential buyer of the water right, if he is willing, to pursue the water right, and then it would be his. That way there is no loss to UCEDC and the buyer may get something out of it. The original agreement with him was that he would buy the water right and we would split the costs of getting it switched. But now we feel we could lose the water right to someone who doesn't have Union County interests at heart. If we let this buyer pursue it we have at least tried to help someone in Union County. Bill Whittemore asked if the E-Board, after investigation, was comfortable with this recommendation. Dale responded that he felt the E-Board was comfortable with making this recommendation. John Howard indicated he called the Water Master about UCEDC's water right and the Water Master strongly believed that UCEDC didn't have a water right because it hadn't been used within the last five years. Dale Case said that UCEDC has an affidavit that it was used in 2007. Mike Sanford said there was a statement from Don Miller and the Ditch Master to that effect. After discussion, John asked Dale what his recommendation would be. Dale Case feels the best thing would be to let someone use it instead of having the State take it. Additional discussion followed about whether UCEDC should try and get some financial gain from this and what it might cost UCEDC to do so. The general feeling was that UCEDC should give the potential buyer the opportunity to get some use of the water. If he wants to take the risk to pursue the water right, he gets the gain of not paying us for the water right and we have no more cost risk.

Dale Case moved that we go forward with allowing the Grande Ronde River right to be transferred to a willing buyer (Kurt Bowman) provided they incur all costs with pursuing the water rights, and if he backs out we would pursue someone else. Motion seconded by Robert. Motion carried.

Board Appointments and Elections – John Howard/Mike Sanford

John passed out the nomination ballots and stated that the recommendations from the Nominations Committee are: President – Howard Perry; Vice President – John Howard; Past President – Dale Case; Treasurer – Mike Poe; Secretary – Jeff Puckett. John said if anyone from the floor would like to add names to the recommended list of officers they should do it now. Jeff Puckett clarified that the City of La Grande had, at their Council meeting the night before, appointed Howard Perry as their Board candidate and the County may be making their final selection on Monday, January 23. The Nominations Committee is recommending that in future years the City and the County would be asked to have their nominees in to UCEDC by December 1 so elections can be done by January 1. Robert responded that the City has new council members take office in January and the new members like to appoint their own representatives to boards and commissions, so that makes it difficult to have this selection made by December 1. Dale recommended moving the officers' dates to the first of March.

Bill Whittemore said if there were no nominations from the floor, he would move that the nominations be closed and the nominations ballot be accepted as presented. Mark Davidson seconded. Motion carried.

U.S. Bank CD – Mike Sanford

Mike reported that U.S. Bank had called one of UCEDC's CDs. It had an interest rate of 4.75 and its expiration date was January 2011. The decision was made by the E-Board to transfer the funds into a money market account so there would cash readily available when needed for the Alicel Project.

Goal Setting Session – John Howard

Mike stated that the goals included in the Board notebooks are the goals for 2008-2009. There needs to be discussion if any of these need to be changed. There were no changes.

Dale Case moved that these goals be set for the coming 2009 year. Seconded by Gary Lillard. Motion carried.

REPORTS

Finance Committee – Mike Poe

Mike reported that with the Alicel Project, we weren't sure what short-term liquidity would be needed, and that was the reason for transferring the U.S. Bank CD into a money market account. Cash is up. All the bank records are up to date. Comparing this year's revenue with last year's revenue, one of the reasons the cash is up is that the City's payment was received sooner than a year ago. The County pays quarterly, and only one of those payments has been received. The budget looks better this year. Salaries are down, but we had additional costs for Brian in helping out with the Alicel Project. Mike stated that we had received payment from the County to offset the brochure costs. Robert asked about the \$11,000 for fees against a \$3,700 budget. Mike explained that \$3,400 was for legal fees and \$7,500 was payment to Brian Cole. These are Alicel fees and some additional costs when UCEDC did not have a director. Robert asked about having a copy of the updated budget in the monthly packet. Mike stated that the budget was now in Quick Books and asked Janis to now put an updated budget in the notebooks for the Board meetings

Property Committee – Dale Case

Mike Sanford reported that bids had been received from two proposed lessees and the Property Committee would be taking a look at those and bring a recommendation to the next Board meeting. Dale added that the proposals include maintenance inside the sidewalks.

Communications/Marketing – Gary Lillard

Gary reported the committee had not met in the last month. There were two businesses from the original list that need to be interviewed. Mike reported the brochure is at the printer and will be finished in time for the Chamber Banquet.

Membership Committee –

No Report. Don Kellogg's term is up. Someone needs to be appointed to his committee. John recommended this be put on the agenda for the next E-Board meeting.

Administrative Report – Janis Bozarth

Janis reported that the January minutes had been sent out to the Board for review. Mike Poe helped with the financial reports and some Quick Book problems. Membership list was updated through January. Renewing members for January are: Oregon Trail Seeds, U.S. Bank, Dave Baum, Lynn Harris, and EOU. Newsletter should be out the end of February, and working on the Chamber Banquet.

Executive Report – Mike Sanford

Mike reported most everything had been covered in the meeting, but he reminded John there were some legislative issues. John reported there were some legislative issues brought up at the Chamber meeting that morning, and he feels it would be helpful to have the President sign a letter in support regarding the Enterprise Zone. Mark Davidson explained that the Enterprise Zone needs to be renewed every ten years, and it's now up for renewal. They're working with all the cities and county on that. The other issue concerns a House Bill, 2429, that has been introduced by the labor unions. They are trying to get legislation enacted that would require the developer to pay Prevailing Wage Rates on projects that exceed \$5 million in construction costs. There is a concern this would have a negative impact on utilization of the Enterprise Zone. John stated that when the time is right, Mark Davidson will help with the preparation of

a letter for the President's signature.

NEW BUSINESS

Chamber Banquet Table –Mike Sanford

Mike reported the table for the Chamber Banquet was coming along nicely. PGG has been very cooperative in donating the use of a silo for the table's centerpiece and donating various items for the gift bags. Several UCEDC members donated items for the bags, including coffee mugs and pens. Bill Whittemore donated a tram ticket for each gift bag.

The meeting was adjourned at 8:10 p.m.

Respectfully submitted by:
Janis Bozarth, Administrative Assistant

Note:

Next Board Meeting: Thursday March 19, 2008 at 6:00 p.m.

UCEDC Office at 102 Depot St.

Executive Meeting: Tuesday, March 10, 2008 at 7:30 a.m.

UCEDC Office at 102 Depot St.