



DOUGLAS COUNTY INDUSTRIAL DEVELOPMENT BOARD

744 S.E. Rose Street - Roseburg, Oregon 97470
(541) 672-6728 Fax (541) 672-7011

Douglas County Industrial Development Board (DCIDB) Meeting Minutes January 20, 2009 UT & E Roseburg, Oregon

Welcome

Lynn Herbert called the meeting to order. Please refer to attachment A for the list of members and guests that attended the meeting.

Approval of Minutes

Lynn requested a motion to approve the minutes of the November 18, 2008 board meeting. Dave Sabala moved to approve the minutes. Perry Murray seconded the motion. The motion passed unanimously.

New Business

A. Nominating Committee Reports

a. Vacancy Recommendation –

Ron Doan explained that he and Georgia Stiles, the Nominating Committee, had met to review the many applications received to fill the vacancy created by Rochelle Ondracek. Ron said that the Committee would recommend to this Board that they recommend to the Board of Commissioners the appointment of Kelly Morgan. Ron explained that when there were IDB openings the positions were advertised. He explained that the IDB was looking for people that could balance the Board with diversified experience and geographical relations. The IDB looks for people that can provide new input and ideas on ways that the Board can promote a strong economy and economic growth and business in the area. Ron explained that Kelly Morgan was a key senior professional in the area and has a long history of serving on economic and community development ventures in many areas of the Country. He said that Kelly had served on the Economic Development Corporation Board of Directors in Tulare County, the Porterville Chamber of Commerce and Economic Development Committee, Chair of the Porterville Planning Committee and a Porterville Leadership member. Since moving to Roseburg, Kelly has joined the Roseburg Rotary Club and is a member of The Partnership for economic and community development.

Ron Doan motioned that the IDB recommend to the Board of Commissioners that Kelly Morgan be appointed to serve in the vacancy. Dave Sabala seconded. Lynn asked if there was any discussion.

Perry Murray recommended that new members be presented with indoctrination and some DCIDB history so they could better know their role and expectations. Norm Gershon suggested that the IDB might hold a retreat and a class in March to identify where the IDB was at and where they might be headed.

Lynn asked if there were any nominations from the floor. There were none. He called the question. The motion passed unanimously.

b. Officer Recommendation –

Ron explained that since Lynn Herbert's term was ending the Committee was further recommending that Norm Gershon move to the President's role and that Perry Murray move to the Vice Chair. Ron then motioned that Norm become President and Perry become Vice Chair. Georgia Stiles seconded the motion.

Lynn asked if there was further discussion. There were no questions. Lynn called the question. The motion passed unanimously.

c. Term Ending Positions –

Ron explained that there was going to be a term ending position creating a Board vacancy that would need to be filled. He explained that the Board would be talking with the Commissioners about re-advertising and if it's necessary. Ron stated that he wasn't sure if the Commissioners would require another advertisement as there were several highly qualified applications received during the first round of advertising. He said that he and Georgia would be coming back to the next meeting with that recommendation.

Lynn passed control of the meeting to newly elected President Norm Gershon.

B. Budget Committee Appointments

Norm appointed Lynn to serve on the budget committee based on institutional memory; Perry Murray, as Vice Chair; and Lauren Young.

Tania asked Norm if we could get input from Robb Paul based on his special knowledge of the Industrial Parks. Robb agreed to serve.

C. Veterans Home Discussion

Tania explained that this item was on the agenda because there was information included in the Board packet and there might be a need for a letter of support.

Lynn explained that there was a report provided by the Chief Economist for Avista, Randy Barcus. He said the report had been provided to give the IDB an idea of what the value of the Home would be to Douglas County and Roseburg specifically. He said the total value from the facility would be approximately \$58 million dollars at net present value to the greater area as a whole. Lynn explained that even with a \$14-15 million dollar match the cost benefit would be 3.9-4%. Lynn referred the members to the draft letter on pages two and three; he felt might need some changes to make it a letter of support considering the economic benefit to the county. He explained that the payback would benefit a variety of folks, but would come through Salem. He gave the members time to review the letter then asked if there was discussion.

Steve Vincent commented that there would be some variable, but felt the economic benefit was unmistakable. Steve said that he had heard that there were some other communities that would be competing for the Veteran's Home including Medford and Bend. He did feel that the healthcare infrastructure here had gaps and that the gaps could be filled by the facility and that would improve Roseburg's chances. Steve said that approaching the Veteran's affairs office and working on the RFP would be the best way to show the need.

Eric Swanson commented that he would like to see the County take a leading role in pursuing the Veteran's Home. Eric commented that there might need to be some money spent to develop a presentation that would enhance a RFP and make Roseburg more competitive. Eric also said that Tim Freeman, as a representative, might be a good person to contact and get involved.

IDB members expressed surprise that choosing a site was a RFP process. Norm suggested that a coalition be developed to work on this and that the coalition might do the letter of support. Eric commented that the County would probably be the best to lead and develop the coalition.

Eric explained that the matching portion of the project would have to be addressed during the RFP process and that asking for a bond or seeking federal aid might need to be considered.

Susan Morgan mentioned that including this in the economic stimulus request might be possible.

General discussion ensued regarding the process. Norm suggested that he, Eric, and Commissioner Laurance meet to learn a little more about the process and the roles.

Lynn thanked Avista for their executive time in attending and preparing the report.

D. Local Contractor Priority Option Response

Perry explained that he had sent a letter to Dan Lattin, the project manager for the Pacific Connector Gas Pipeline, asking some questions about how to get local craftsmen and contractors involved. Perry said that he received an encouraging response. Perry read a portion of the response, "I have been thinking about your ideas and suggestions. I think it would be great for us to sit down and discuss these ideas. I believe that there is value to the community in mobilizing a qualified local workforce. I also believe that mobilizing the local workforce will ultimately add value to our project."

Perry explained that, in a subsequent phone conversation, he learned that Williams had provided funding for training in the past. He said Williams is a third owner with PG&E and Port Chicago and that it was 2.3 Billion dollar project with the possibility of 1400 jobs in construction. Perry commented that he believes there is real opportunity here and a spirit of cooperativeness.

Perry then said that the not-so-good news was that it didn't appear our Governor was in favor of Liquid Natural Gas. The new attorney general has taken a hard line against proposed LNG terminals saying, "They are bad for land owners, environment and energy independence." Perry said that there was a bill being proposed to make permitting more stringent.

Coos County is very much in favor of the project as it creates a lot of permanent full time positions and they have a public effort to support it. Perry said that the Williams folks are meeting next week formalize a public campaign promoting the project benefits. He then commented that he and Dan were trying to set a meeting in the next couple of weeks.

Some general discussion pertaining to the progress of the project and hurdles the company faces ensued. Norm indicated that he would like to attend the meeting with Dan and would like to invite Pete Bober from the College.

Norm called for questions or comments. Susan Morgan commented that the pipeline now had to go through State and County permitting and had to get an agreement from the Oregon Coastal Zone Management folks. She also said that a person opposed to this project had come forth at the last Commissioners' meeting to put testimony on the public record about a rally recently held at the State Capitol in opposition to it and how this individual was also in opposition to it.

Dave Sabala let everyone know that the Bradworth landing LNG project in Astoria had a FERC approval that was reaffirmed last week.

Reports

The Partnership

Helga Conrad updated the IDB on the Partnership's activities. Helga explained that she had been doing retention calls. She said she had visited with Alcan Cable and they currently have 141 employees and have been in the area for 18 years. They have completed a new project in Utah to wire wind farms and are diversifying. She said their business is still tied to housing. They are using UT&E for hiring and had recently had 250 applicants, 22 of which

met the math and reading requirements. They are working with UCC on career linking with college and high school students.

Helga said she had toured Roseburg's new pellet mill. They are using existing structures and will have 4 mills. They will produce 20 tons of pellets and hour that are presold.

Helga said she visited with TMS and that some account volume is down. They are also trying to diversify. They are looking at adding onsite daycare.

Helga said that, under recruitment, they have had seven state leads, but many projects are now on hold due to the economy. She said that they were still working on some in house leads including the proposed pellet mill at Bolon Island. She said Kathleen was working on a contract.

She said that they had had a call from CB Richard Ellis out of Phoenix. They have a back office and are reviewing 20 sites, including Roseburg. She said that she had put on the table that there was significant unemployment and a building ready to go. She also committed to working with them on a Greenfield site.

Helga said that a number of companies have looked at the Bayliner plant, both internal and external. She said that they had sent a letter to the Governor regarding the Bayliner site and how it would fit anyone in the wind industry. She has received a response indicating they are well aware of the building.

Helga said she had been attending many meetings, one of which was a meeting put together with the city and the Economic Development Administration regarding grant opportunities that may come up. She said the The Partnership had sent a letter of support to ODOT regarding the 138 corridor.

City of Roseburg

Eric Swanson said that there would be another EDA meeting. He said the first meeting resulted in two ideas. One was to do a workforce study of the existing Bayliner employee skills and the other was looking at bringing UCC in to help Roseburg become a lean manufacturing area. Eric said David Porter, of the EDA, liked the ideas. He said there would be another meeting on February 4th and would be working with CCD to put together something for the EDA.

Helga commented that she felt that it was a good point and that it was very important that CCD be at the table because they are the Economic Development Administrative management team.

Eric said he needed to thank Eileen because she had been very ably assisting in putting this all together.

Helga also commented that, before Christmas, David Porter had contacted CCD and asked for a list of infrastructure projects in the area to be submitted by January 7. She said that CCD had worked on an infrastructure inventory earlier so Douglas County had a list of possible projects, but Eileen also requested priorities from everywhere so Douglas County was able to submit a great list. EDA had a \$400 million dollar stimulus package funds to manage and hopefully we will get chosen.

General discussion regarding stimulus projects and packages ensued.

Other Discussion

Ron commented that the economic downturn was causing people to question what the IDB and The Partnership had done. He emphasized the importance of making the public aware of the accomplishments and the ongoing projects and efforts to improve the economy. Ron commented that Good Governance was one group looking at these issues. He said that it would be great for Norm and Helga to do some outreach.

Norm gave each of the members a book called "The Small-Mart Revolution" courtesy of the Ford Foundation to help give the members some ideas on a new wave of economic development. Norm said the Ford Family

Foundation would be interested in helping with speakers, also. Norm said it was important for the IDB to reevaluate goals and set strategy.

Norm thanked Dan Huff, Interim Manager, City of Sutherlin, for attending.

Susan commented that she had heard from the public regarding disappointment with economic development in the county and that the retreat might include discussion of perception versus fact and that we need to do a better job of telling the story of economic development.

Lynn Herbert thanked Tommy Ursry for his participation on the IDB and presented him with a Certificate of Appreciation.

Charmaine Vitek, Port of Umpqua, explained that the appropriation request for dredging was in process and that she would appreciate a letter of support from the IDB. Norm asked her to forward the information to Tania. Charmaine then explained that Helga's visit had prompted the formation of a group to promote Reedsport.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Douglas County Industrial Development Board

Tania Korpi,
Staff

Norm Gershon, President

A Tape Of The Meeting Is Available At The CCD Office.

Attachment A

The following is the list of DCIDB members who attended the meeting:

Lynn Herbert, Norm Gershon, Lauren Young, Georgia Stiles, Tommy Ursry, Dave Sabala, Perry Murray, Ron Doan, Eric Swanson, Robb Paul, Charmaine Vitek, Susan Morgan

Staff:

Tania Korpi, CCD Business Development; Tracy Loomis, CCD Business Development; Helga Conrad, UEDP; Liz Thompson, UEDP and Kathleen Johnson, County Counsel.

Guests:

Dan Huff, Interim City Manager, City of Sutherlin; Monte Mendenhall, Pacific Power; Harold Sheeran, Avista; Steve Vincent, Avista