

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT  
BOARD OF DIRECTORS MEETING  
THURSDAY, FEBRUARY 23, 2017  
COLUMBIA GORGE COMMUNITY COLLEGE  
THE DALLES, OR

*BOARD MEMBERS:* Ken Bailey, Tonya Brumley, Bob Hamlin, Rex Johnston, Sue Knapp, Mark Zanmiller, Bill Schmidt, Eric Proffitt, Gabriel Muro, Carol MacKenzie and Stephanie Hoppe

*STAFF:* Amanda Hoey (Executive Director), Sherry Wickert (Finance Manager), Eric Nerdin (Loan Fund Manager), Jacque Schei (Project Manager), Dan Hoyt (Mobility Manager), Carrie Pipinich (Project Manager) and Sherry Bohn (Office Administrator).

*GUESTS:* Dorothy Van Kessel (Crown Prints), Kristen Stallman (ODOT), Angie Brewer (Wasco County Planning), Tom Furey (SageTech), Kathy Ursprung (Port of The Dalles), Krystyna Wolniakowski (Columbia River Gorge Commission), Jason Hildreth (Columbia River Gorge Commission), Jessica Gist (Columbia River Gorge Commission) and Greg Weast (Port of The Dalles)

**CALL TO ORDER/INTRODUCTIONS:**

Ken Bailey called the meeting to order at 4:08 p.m. A quorum was not present. A round table of introductions took place.

Tonya Brumley joined the meeting at 4:10 p.m. A quorum was now present.

**LOAN CLIENT HIGHLIGHT – Dorothy Van Kessel dba Crown Prints**

Eric Nerdin introduced Dorothy Van Kessel. Dorothy presented the history, overview, successes, and difficulties of Crown Prints. She also thanked the MCEDD loan board and Eric for working with her over the years.

**CONSENT AGENDA:**

Approval of September 8, 2016 MCEDD Minutes

Approval of Whistleblower Policy

Approval of 2017 Meeting Calendar

**Motion** to approve the consent agenda made by Rex Johnston. Bob Hamlin seconded the motion. Motion carried unanimously.

**BOARD APPOINTMENT**

Amanda Hoey explained that the MCEDD Board appoints seven private sector representatives as voting members to the MCEDD Board of Directors. She explained that MCEDD has one vacancy currently on the board for its designated technology sector representative. Amanda reported that Brian Prange of Hood Tech Corp-Aero Inc. and Tom Furey of Sage Tech Corporation had submitted interest forms to the MCEDD Board to fill the private sector tech representative position. Amanda reported that Brian Prange could not attend the meeting and

introduced Tom Furey. Tom presented his background and expressed his interest to serve on the MCEDD board.

**Motion** to appoint Tom Furey to the MCEDD board as the Technology Representative made by Rex Johnston. Eric Proffitt seconded the motion. Motion carried unanimously.

### **ANNUAL BOARD FORMS**

Ken Bailey reported that annually MCEDD board members are asked to complete and sign the MCEDD Board of Directors Commitment Form and Conflict of Interest Statement. He noted that each board member had received a copy in the meeting packet and requested that each board member return the signed and completed form to MCEDD staff.

### **FINANCIAL REPORT:**

Sherry Wickert reported that MCEDD's December Balance Sheet reflects that MCEDD's operational cash continues to decrease from the usage of its reserved match funds. The trend of higher loan fund cash and lower loans receivable balances persists, due to principal repayments and fewer new loans made in FY17.

She reported that Total Loan Fund Revenue, excluding the Attainable Housing RLF funds, is below projections by \$7,223.45. Sherry also reported that Bonds & Insurance and Other Materials/Services are above budget due to expenses that are included for FY18. She explained that these overages on expenses will be transferred at year-end. Sherry reported that with the exception of Event Services, which is over budget due to the categorization of actual expenditures, all other expenses are under budget due to the timing of billings.

**Motion** to accept the financials as presented was made by Bob Hamlin. Rex Johnston seconded the motion. Motion carried unanimously.

### **DEPUTY DIRECTOR ROLE**

Amanda Hoey reported that in January the MCEDD Executive Committee discussed details for establishment of a Deputy Director position to address continuity of MCEDD's activities while she is out of the office with the Marshall Memorial Fellowship Transatlantic exchange and to provide for continuity at any other point in the year when she would need to be out of the office. Amanda reported that the Deputy Director position would allow for promotion of an existing qualified employee, as per MCEDD's personnel policies. Amanda noted that she was not proposing adding an additional staff member as MCEDD does not currently have the budget or resource for an additional FTE. Amanda reported that the Deputy Director would continue to fill the role in which they currently serve, with the additional responsibilities of the Deputy Director. She reported that in reviewing staff qualifications and capacities, MCEDD's most senior Project Manager, Jessica Metta (currently part-time), is proposed for the role. Amanda also reported that the MCEDD Executive Committee reviewed the proposed job description and duties as part of their analysis and recommended to the Board the approval of the Deputy Director role with relevant compensation scale and the addition of the Deputy Director as an authorized signer on MCEDD accounts.

**Motion** to approve the Deputy Director role with relevant compensation scale and add the addition of the Deputy Director as an authorized signer on MCEDD  
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accounts was made by Rex Johnston. Bill Schmitt seconded the motion. Motion carried unanimously.

### **RLF PLAN**

Eric Nerdin reported that over the course of the past few months, the MCEDD Executive Committee and staff had analyzed the status of the loan programs' revenue and expenses. He noted that while inquiries to the program are increasing, an increase in early loan payoffs, as well as a decrease in deals in the pipeline, has created a potential challenge for program sustainability. Eric reported that the Executive Committee asked the Loan Board to analyze MCEDD's position in the market and to review interest rates, terms, collateral and other factors that may increase the accessibility for borrowers to MCEDD's programs. Eric reported that the MCEDD Loan Administration Board recommended that the MCEDD Board of Directors modify the following elements of the MCEDD loan policies and plans:

**Interest Rates:** Increase the initial interest rate and allow for an automatic lowering of the rate of an amount between 0.5% to 2.0% following two to four years of full performance on the loan. Timing and amount of rate reduction would be dependent on loan risk profile, performance and staff recommendations at the time of loan approval.

**Collateralization:** Modify the collateralization language and exceptions to provide the Loan Board greater flexibility in approving loans with less than 100% collateralization across all of MCEDD's RLF programs. Eric noted that plan language would only need to be modified for our EDA funds

**Life Insurance:** Revise life insurance requirements by increasing the threshold amount of the loan at which the requirement is waived. Eric noted that it is currently \$25,000 or less and that the MCEDD board would need to determine the revised threshold amount, if it chose to approve this modification.

*Discussion: Mark Zanmiller asked how these revisions could/would increase the loan activity and turnover. Eric Nerdin explained the LAB's discussion on interest rates, suggested collateralization modifications and the life insurance threshold.*

**Motion** to approve the recommended revisions was made by Mark Zanmiller. Rex Johnston seconded the motion.

*Discussion: The Board discussed the dollar amount of the loan at which the requirement for life insurance should be waived.*

**Motion** to amend the motion to approve the recommended revisions to include the increase to the life insurance threshold to \$50,000 was made by Rex Johnston. Bill Schmitt seconded the motion. Motion carried unanimously.

### **REGIONAL STRATEGY STATUS**

Amanda Hoey presented an informational update on status and progress with the regional strategy. She noted that staff had completed the Data and Demographics Review, the Vision and Goals and SWOT Analysis. Amanda noted the proposed change to strike "public" from the infrastructure goal area in order to reflect the need for both public and private infrastructure. The Board consensus was

to make that change. Amanda reported that staff is working on finalizing the Strategies/Action Plans that were outlined at the regional strategy meeting in Moro and refined at a meeting in The Dalles. Amanda reported that the initial draft outlines were presented in the overall priority ranking order noting that they are available on the MCEDD website. Amanda reported that participants reviewed and refined the plans, identified quick wins and drafted the top three priority actions for each goal area. She noted that these plans are currently posted on the MCEDD website with a request for public feedback. Amanda noted the February 16<sup>th</sup> meeting at the Rockford Grange in Hood River will include the topic of Measurements. She noted that the summary outcomes from the last plan will be presented and staff will prepare for a conversation on how we will measure success moving forward and hold ourselves accountable to the priority initiatives expressed in the plan. Amanda also reported that the March 9<sup>th</sup> session will be held at Insitu in Bingen, Washington and will include the topic of Resiliency and preparing the final plan. Amanda noted that the final plan will be presented for the MCEDD Board's consideration for adoption in March.

### **PW/TA PROJECT PRIORITIES**

Amanda Hoey explained that annually, the MCEDD Board, acting as the CEDS Strategy Committee, prioritizes Public Works and Technical Assistance projects for incorporation to the MCEDD CEDS. Amanda explained the projects, the purpose of project prioritization and the Washington projects submitted for consideration of inclusion and ranking in the regional strategy. Amanda noted that the projects were solicited through MCEDD's local partners and then ranked by MCEDD's county economic development entities prior to submission. She also noted that projects were encouraged to be listed on the Agora Investment Platform. Amanda explained the Washington projects submitted and Carrie Pipinich explained the Oregon projects submitted for consideration of inclusion and ranking in the regional strategy.

Amanda requested the Board establish regional priorities for incorporation into the Mid-Columbia region's CEDS by determining the top ten Technical Assistance and Public works projects in Oregon and Washington.

*Discussion: Kathy Ursprung, representing the Wasco County Economic Development Commission, stated that the CEDS ranking process helps the commission to know where to better dedicate their efforts. Sue Knapp asked how the projects were prioritized. Carrie Pipinich explained the process through the counties in Oregon. Ken Bailey explained the MCEDD process. Kristen Stallman, representing the Oregon Department of Transportation, applauded all the work involved in developing the ranking list. She stated that she was happy that the Historic Columbia River Highway State Trail was ranked in the top ten and noted the new funding that recently been awarded. Mark Zanmiller asked about the timeline for the Sherman County Fiber Project and the possibility of moving the Historic Columbia River Highway State Trail to position number 6 and the Sherman County Fiber Project to position number 10. Ken Bailey stated that he thought it was a good idea.*

**Motion** to accept the Washington top ten ranking was made by Rex Johnston. Bob Hamlin seconded the motion. Motion carried unanimously.

2. Cascades Business Park Grading and Enhancements
3. Construction of Aircraft De-icing Facility
4. John Day Pool Pumped Storage
5. Brownfield Assessment and Redevelopment: Skamania County
6. Stevenson Shoreline Restoration and Enhancement
7. Natural Gas Facility: Klickitat PUD
8. Stabler Feeder Upgrade
9. Flex Buildings: DIP Cornerstone and Bingen Point
10. Wind River Boat Launch Improvements

**Motion** to move the Historic Columbia River Highway State Trail project to position number 6 and the Sherman County Fiber Project to position number 10 was made by Mark Zanmiller. Tom Furey seconded the motion. Motion carried unanimously.

**Motion** to accept the Oregon top ten ranking was made by Mark Zanmiller. Bill Schmitt seconded the motion. Motion carried unanimously.

1. Hood River Interstate Bridge Replacement Project
2. Workforce Housing: Hood River and Sherman Counties
3. Dog River Pipeline Upgrade
4. Biggs Water System
5. Mosier Well Repair
6. Historic Columbia River Highway State Trail
7. Mosier Fire Hall/City Hall
8. New Fire Hall: South Sherman Fire and Rescue
9. Bridge of the Gods Maintenance
10. Fiber Project: Sherman County

### **GORGE COMMISSION MANAGEMENT PLAN**

Amanda Hoey welcomed Krystyna Wolniakowski, Jason Hildreth and Jessica Gist from the Columbia River Gorge Commission. She reported that the MCEDD Executive Committee discussed extending an invitation to staff for the Columbia River Gorge Commission to attend a MCEDD Board meeting and engage in a conversation about the upcoming Management Plan update for the National Scenic Area, which impacts portions of four of MCEDD's five counties. Amanda noted that the Gorge Commission is in the scoping stages at this time. She noted that the MCEDD Board has an opportunity to identify general and specific issues that MCEDD members would advocate to have addressed in the update. She presented draft Gorge 2020 Management Plan comments and requested the MCEDD Board provide additional input.

*Discussion: Krystyna Wolniakowski asked what economic entities the commission should be working with to achieve clarity. She asked what are the indicators and activities and how the commission can change the perception.*

*Krystyna stated the commission is open to learning. Ken Bailey stated that he was glad the commission was making the effort to learn more about what economic development was currently happening. He suggested building relationships. Jennifer Gist and Jason Hildreth noted the emerging industries and the need to recognize the need for change. Ken Bailey questioned the disconnect between the commission and other economic development agencies and the need for more/better involvement. Krystyna explained the involvement through the Oregon and Washington Investment Boards and the Vitality Plans. She expressed the need to reach out for clarity. Mark Zanmiller asked where the commission comes into transportation strategy. Krystyna discussed their lens for approving letters of support but noted the primary role of other entities in that strategy. She noted transportation is referenced in the Management Plan in the recreation section. Krystyna requested input be specific comments and noted the soft deadline was March 8<sup>th</sup>. She stated they will deliver a refined list to the Gorge Commission in April and that the month of June would be used to narrow the topics for the next two years.*

**Authorization** – The board consensus was for the MCEDD Executive Committee to finalize and submit comments.

**EXECUTIVE DIRECTOR REPORT:**

Amanda Hoey reported that MCEDD's National Association (NADO) sent an alert in January regarding anticipated cuts to certain federal agencies and potential actions to eliminate agencies. They noted that the US Economic Development Administration was one of those likely to be impacted and encouraged all members to discuss the role of EDA with their boards and EDA grant recipients and inquire about the availability to reach out to congressional members about the importance of EDA programs to the region.

Amanda reported that MCEDD had received an invitation to apply for its annual planning grant.

Amanda reported that the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government, Harvard University recognized the Agora Investment Platform as part of the 2017 Bright Ideas in Government initiative. The Bright Ideas program recognizes creative and promising government programs and partnerships.

Amanda reported that legislative staff has indicated that any action is currently in a holding pattern regarding Oregon and Washington Investment Board funding until there is further understanding of the new landscape and leadership for the US Department of Agriculture. She noted that it is a good time, though, for all of our partners to be talking with the whole congressional delegation on both sides of the river.

Amanda reported that MCEDD submitted a scope of work to the Crystal Spring Water District to support grant administration for their project. They have secured Safe Drinking Water funding (\$3.7 million loan and \$500,000 forgivable loan) for the Mid-Valley Reservoir and 12,000 feet of pipe replacement. The District plans to go out for bid in early summer and complete construction by end of summer 2018. She also reported that MCEDD and the City of The Dalles executed an agreement for MCEDD to support grant administration and labor standards review of the City's wastewater project. The City applied for a \$2M Clean Water State Revolving Fund loan from DEQ in support of

an \$11M project to upgrade their wastewater treatment plant. The funds require compliance for all components with federal standards. Construction on the project is planned to occur from January to December 2017.

Amanda reported that Sherman County appointed Judge Gary Thompson as their representative to the MCEDD Board of Directors.

Amanda reported that with extended winter weather, the MCEDD office roof partially failed in January, leading to flooding of the bathroom and part of the back room. The building owner quickly responded to bring Brown Roofing out to make temporary repairs. Until a permanent repair can be made, he is also bringing in a cleaning crew on a regular basis to manage the leak. The building owner has agreed to reimburse MCEDD for any damages and costs incurred in containing the problem.

### **EXECUTIVE COMMITTEE REPORT**

Bill Schmitt reported the February Executive Committee activities highlighting the following:

- Authorized engaging in contract for the Sherman County housing incentive fund.
- Reviewed issues with State of Washington Department of Commerce interpretations related to program income for Revolving Loan Funds and procurement of grant administration services through inter local agreements. Authorized staff to proceed with conversations to seek resolution.
- Reviewed the draft architecture for the new MCEDD website.

### **LOAN COMMITTEE REPORT**

Eric Nerdin reported that, in addition to the loans approved noted in the loan report, the Loan Administration Board also approved a \$25,000 loan to Dwinell Ales along with a loan modification for Fort Dalles Electric, Inc. that provides a plan for this defaulted loan client and closed business to resume making monthly loan payments. Eric reported that the loan board provided staff with guidance on a loan that was past 120 days past due. The Loan Administration Board also approved loan modifications for Oregon Brineworks, Full Circle, NuCulture Foods and Heidi Hall.

Eric reported that the MCEDD loan portfolio as of February 3, 2017 showed a decrease in the portfolio balance due to a record number of early loan payoffs in 2016. The number of loans in the portfolio is considerably less for the same reason. During the next few months, staff will focus on increasing outreach efforts and expanding its referring network to find more loan program applicants.

He also reported that new officers were elected by the Loan Administration Board with Scott Clements remaining as Chair and Bob Hamlin staying in place Vice-Chair. Eric noted that the extra effort and involvement of Scott and Bob are greatly appreciated.

Eric reported that there were 12 MCEDD loan clients delinquent as of February 10, 2016, compared to 16 loans reported delinquent on the November 2016 loan report to the MCEDD Board. MCEDD staff continues to discuss potential loan restructures with multiple loan clients. Many of these loan clients have become more delinquent due to the prolonged and extreme winter weather. MCEDD staff continues to monitor delinquent loans and communicate with these loan clients on a regular and on-going basis.

## **PROJECT MANAGER REPORTS**

Carrie Pipinich highlighted the following:

- Carrie reported that she is working with broadband partners to host county focused meetings with engineering staff from project proponents to identify opportunities for coordination to support improving service for communities in the region. Meetings will be held in late February focused on Klickitat, Wasco, and Sherman counties. Specific service upgrades are also occurring around the region.
- The Wasco County EDC met in The Dalles in December and focused on developing the foundation for the EDC's updated Strategic Action Plan. The EDC updated its mission, vision, and goals as well as refined a proposed SWOT analysis at this session.
- Carrie reported that in addition to ongoing work to build a strong social media presence, a new website was launched for the Gorge Cider Society that aligns with the branding developed over the last year and more easily conveys information on the local cideries and the Cider Society to users. Carrie reported that the site also includes a video developed to showcase the local industry.

Jacque Schei highlighted the following:

- Jacque reported that she serves as a main contact to coordinate grant activities, ensures grant recipients meet the conditions of the grant contract, monitors progress of the project, and ensures that contractors fulfill contractual obligations.
- Jacque reported that for the Wasco County/MCCFL project the County is reconsidering their options for an Owner's Rep for the project. The environmental review is close to being done and bid documents are in development.
- The City of Antelope water project was delayed after receiving a response from the Confederated Tribes of the Warm Springs of Oregon to the environmental review consultation letter. The City plans to move forward with a cultural resource survey conducted by the Tribe.
- Jacque reported that the City of The Dalles project to support construction of a 12,600 square foot building at the Columbia Gorge Regional Airport recently advertised for bids and upon City and County approval will negotiate a contract with the lowest responsive bidder – Black Rock Construction.

Dan Hoyt highlighted the following:

- Dan reported that in December WSDOT Consolidated Grant Program stakeholders reviewed and prioritized project proposals. The prioritized list was accepted and endorsed by Regional Transportation Council (RTC) staff. In January the RTC Board accepted and adopted staff recommendations.
- The ODOT application for MCEDD's mobility management efforts will occur in the coming months through a discretionary funding process. MCEDD is working with ODOT Region 4 staff regarding timing of those funds.
- Dan reported that the Columbia Area Transit (CAT) is expected to launch new service to the Upper Hood River valley this winter. This will be a public/private pilot project to provide limited deviated fixed-route service between Odell/Parkdale and the City of Hood River. MCEDD is helping facilitate conversations to resolve challenges securing commercial driver licenses and coordinating service and fare issues. The private provider will cover morning and evening, CAT will cover mid-day.

- Work on the next phase of the Historic Columbia River Highway is proceeding with ODOT staff drafting a scope of work for the planning effort. ODOT near-term goals are soliciting proposals in spring 2017 and awarding the contract to work on Mitchel Point at the start of summer 2017. ODOT is organizing a management approach including a Project Leadership Team, Project Management Team and a Stakeholder Working Group.

**ADJOURNMENT:** Meeting adjourned at 6:12 p.m.

*Respectfully submitted,  
Sherry Bohn, Office Administrator*