

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS MEETING
THURSDAY, MARCH 22, 2018
HOOD RIVER FIRE STATION

BOARD MEMBERS: Bill Schmitt, Bob Benton, Bob Hamlin, Eric Proffitt, Jan Brending, Ken Bailey, Mark Zanmiller, Perry Thurston, Rod Runyon, Stephanie Hoppe, Sue Knapp, Tom Furey, Tonya Brumley

ABSENT: Cassie Courtney, Dana Peck, Gary Thompson, Humberto Calderon Ayala, Joeinne Caldwell, Paul Hendricks, Rex Johnston, Robert Kimmes

STAFF: Amanda Hoey (Executive Director), Jessica Metta (Deputy Director), Siri Olson (Finance & Operations Manager), Jacque Schei (Project Manager), Carrie Pipinich (Project Manager), Kathy Fitzpatrick (Mobility Manager), Lauren Hernandez (Office Administrator), Eric Nerdin (Loan Fund Manager)

CALL TO ORDER/INTRODUCTIONS

Ken Bailey called the meeting to order at 4:00 p.m. A quorum was present. A round table of introductions took place.

CONSENT AGENDA

Approval of the January 2018 MCEDD minutes. Appointment of Budget Committee and officer. Approval of the budget process. Approval of the Title IV and LEP Policy.

Jan Brending motioned to approve the Consent Agenda. Perry Thurston seconded the motion. Motion passed unanimously.

FINANCIAL REPORT:

Siri Olson presented the finance report for the period ending January 31, 2018.

Rod Runyon joined the meeting.

The Balance Sheet for January reflects an increase of position of above \$27,000 as compared to this time last year. Accrued Loan Interest decreased over \$11,000 in January due to loan payoffs. Total Loans Receivable increased just over \$643,000, as compared to last year. It is expected the Allowance for Doubtful Accounts will also increase, at it is required to have a balance of 6% of the Loans Receivable. Current balances are based on reconciled Loans Receivable as of June 30, 2017. These accounts will be adjusted at the end of the Fiscal Year to encumber the required 6% amount. Accrued Loan Payment and Accrued Interest Payable reflect adjustments made to correct the posting of payments made in prior months. Payroll Liabilities are higher in January due to the timing of payroll payable processing.

MCEDD is currently 58% through the budget year. Although total Revenue is under what was anticipated to be received as of January 31, 2018, the first payment was received

from ODOT for Mobility Management, which was for Quarter 2 of FY 18. Local Match is higher than planned, largely due to the Economic Symposium. Contract Reimbursement is lagging due to the status of some projects and being able to bill for them. This may result in these projects extending into FY 19. Overall, Expenses reflect reduced spending activities and are 17% less than budgeted.

Siri presented the Trial Balance Report. As of January 31, 2018, the total Loan Balance is \$5,120,565.63 with total Accrued Interest of \$32,227.38 (Accrued Interest of \$24,257.53 and Structured Accrued Interest of \$7,969.85). The Portfol Trial Balance reflects loan restructures/modifications and payment deferrals. Restructures that include capitalizing interest to principal balances will appear as an increase in the Actual Loan Amount and Loan Balance.

Tom Furey joined the meeting.

Jan Brending motioned to approve the financials as presented. Perry Thurston seconded the motion. Motion passed unanimously.

REGIONAL PROJECT PRIORITIES/CEDS

Amanda Hoey explained the regional strategy is reviewed each year for minor updates and every five years for major updates. Project prioritization is part of the Comprehensive Economic Development Strategy. Each member county selects their top projects, which then filter up to MCEDD. MCEDD reviews each project in terms of how it ties into the regional economic development strategy. This is an opportunity to generate regional vision and to use the ranking to advocate for funding or policy modification to help move projects forward. Amanda presented the draft regional priority ranking and explained the board can make any adjustments necessary.

Discussion: Ken Bailey explained that in the past, the board as a whole organized the draft ranking, which was difficult. For the last several years, MCEDD staff has collected project information and rankings from partnering counties and cities. The board asked staff to take into consideration the rankings and then compile them into a preliminary prioritized regional recommendation. The board then has the authority to modify these recommendations. This strategy has been more effective.

Jacque Schei presented the Washington draft regional priority rankings.

1. The Slow Sand Filter Water System for the City of White Salmon ranked higher given the project will serve to increase housing and employment for the city.
2. The Stevenson Wastewater System for Skamania County is needed, as there is more waste being produced than permitted. Additional capacity is needed for development.

Discussion: Bob Hamlin stated the last time the system was updated was when Skamania Lodge came to the county. The county has land for development that would include small hotels. This could add to the waste problem. Industries at the waterfront have a high discharge of waste, and the system is not able to handle the additional flow. Amanda stated the city divided their project into public and private components, but they are both combined on the draft ranking. New

disaster funds through EDA are anticipated, and this project may be one to qualify for these funds.

3. Dallesport Industrial Park Improvement Project for Port of Klickitat ranks highly because it is in an economically distressed area and a new flex space will help spur development.

Discussion: Jacque noted the ranking of project 3, 4, and 5 are interchangeable. Bill Schmitt stated the Port owns several hundred acres in the Industrial Park, and a new building could help start attracting businesses.

4. Cascade Business Park for Port of Skamania has applied for a permit from the Army Corps of Engineers to secure an easement to complete the road connecting Coyote Ridge Road to Fort Cascades Drive, but there is no indication of when this issue will be solved. An access road has been opened by the city. This is an opportunity for regional advocacy to move the project forward.
5. Bingen Point Projects for Port of Klickitat is a combination of three projects: Bingen Point Flex building, BPBP property acquisition/improvement, and the Maple Street project. This area has seen much development, and these projects would support additional industry development in that area.
6. The Goldendale Energy Storage Project (formerly John Day Pool Pumped Storage) received a federal permit to explore feasibility. This project will support regional initiatives in Klickitat and Sherman counties.
7. Stevenson Shoreline for Port of Skamania has obtained the necessary permits. In-water work is underway, and work on landscaping and pathways above is underway.
8. Airport Projects for Columbia Gorge Regional Airport reflect what the airport communicated to the county is essential for airport operations.
9. Goldendale Municipal Airport for City of Goldendale will create infrastructure in an economically distressed community.
10. Stabler Feeder Upgrade for Skamania PUD is combined with North Bonneville Substation project and additional PUD activities including undergrounding lines.. This project has the potential to seek funds from the disaster funds coming through EDA.

Discussion: This project could be moved around as long as it is in the top ten.

Jan Brending motioned to approve the project ranking for Washington and incorporate County projects with description updates and to update the Stabler Feeder Upgrade project. Bob Benton seconded the motion. Motion passed unanimously.

Carrie Pipinich presented the Oregon draft regional priority rankings.

1. Workforce Housing for Sherman and Hood River Counties was an issue that is county-wide. This project would encompass a program in Sherman County to support workforce housing, developing critically needed affordable and workforce housing in Hood River County, and support the community college as it explores options to address student housing needs and development in Wasco County.

2. Biggs Water System for Biggs Service District in Sherman County is on the list because ranking will lead to the opportunity for this project to move forward quickly.
3. Deschutes Rim Medical Clinic Expansion for Deschutes Rim Medical Clinic received \$1 million from legislature last year to kick off a funding campaign. The expansion will bring additional service to South Wasco County.
4. Mosier Well Repair for Wasco County SWCD has been on the list for several years. It is related to co-mingling wells and impacts the community as well as agricultural producers in the area.

Discussion: Ken Bailey explained one part of the project is replacing the domestic wells. The legislature allocated funding to do some of this, but more funds may be needed. The second part of the project is deep-well projects. Legislature allocated \$1 million to address two wells. The first well cost between \$800,000-900,000. The project is looking for additional funding to continue and complete the necessary work. Rod Runyon added fifteen wells are fully cooperating, and approximately five are ready to go as soon as funds are allocated. The project has experienced resistance with some landowners.

5. Bridge of the Gods Maintenance for Port of Cascade Locks is a core transportation mechanism and supports an economically distressed community. It includes a pedestrian and bike crossing, which is seeking FLAP funding.
6. Confluence Business Park Infrastructure for Port of Hood River addresses infrastructure for the largest remaining area of light industrial zoning in the City of Hood River. This is an opportunity to support key industry partners and industry in Hood River.
7. Dog River Pipeline Upgrade for City of The Dalles addresses deteriorating infrastructure serving the region's largest city. The pipeline transports over 50% of the city's annual water supply. The project replaces the wooden pipeline with ductile iron pipeline to solve the significant leak issue.
8. Parkdale & Odell Treatment of Biosolids/Sludge for Hood River County creates additional storage to digest sludge composition. Additional upcoming issues related to wastewater treatment make this project a priority.
9. Mosier Fire Hall/City Hall for the City of Mosier/Mosier Fire District received \$1 million from legislature for initial funding. The project is moving forward.
10. New Fire Hall for South Sherman Fire & Rescue is on the list because the current facilities are unable to address regular needs of the fire district.

District: Mark Zanmiller asked if priority numbers on a project change, is the project impacted overall. Amanda explained the projects do not generally receive more attention based on the numbering. Tonya Brumley asked if Workforce Housing should include Wasco County as a sponsor, as CGCC is listed as part of the project. CGCC will be added as a sponsor. Eric Proffitt stated lack of housing is impacting businesses coming to the area. They turn away because there is no infrastructure in place to house them. This needs to be quickly addressed for economic development to continue. Tom Furey stated the single biggest challenge the technology industry faces is housing. The second is attracting enough talent, which is difficult due to housing shortages. He noted there were no housing projects on the Washington priority list aside from some infrastructure support. He asked what ability MCEDD has to impact

the counties to help them understand how housing affects economic development in their areas. Jan Brending stated work is going on in Washington regarding housing, but Washington faces obstacles Oregon does not. She stated White Salmon has several new housing starts and is in the process of discussing housing developments. At this point, the city is not seeking EDA money, as the discussion is in its initial stages. The projects are in progress but are not ready to be included on the regional priority list. Ken Bailey stated it is important for industry and community to work together to support these kinds of projects. Jan noted apartment-type housing in Washington is in high demand. Tom stated MCEDD's role is to make sure counties share a sense of urgency and priority around workforce housing. Amanda explained in the regional strategy, housing is the #1 strategy. Housing has been discussed across the board in Oregon and Washington. MCEDD staff has conversed with Klickitat about the need for housing, and housing rose as a county priority in their economic strategic plan.

Bob Hamlin motioned to approve the project ranking for Oregon and incorporate County projects and to approve CGCC as sponsor to the number one project of Workforce Housing. Rod Runyon seconded the motion. Motion passed unanimously.

Amanda Hoey explained MCEDD staff recommends additional modifications to the full strategy document. Modifications include updating the board of directors to reflect the current board roster, updating the introduction to reflect the correct adoption date, and including updated information about data/demographics and the Entrepreneurial Environment Action Plan. The board reviewed a data fact sheet about the region, and Amanda explained the data shows low unemployment, though the region has pockets of economic distress. Overall, the region's population is aging. Disparities between individuals, groups, communities, and counties remain a significant concern. Amanda thanked Jacque Schei for populating the data on the fact sheet.

Amanda presented proposed changes to the Financial Capital/Entrepreneurial Environment Action Plan. One modification includes the addition of 2.5.6 "Support efforts in the growing forest and wood products sector." The addition of this strategy will explore opportunities to advance innovation and development/adoption of new technologies and will allow advocacy for policy changes to accommodate industry innovation. Addition of 2.5.6 will encourage identification and facilitation of solutions to primary barriers including ensuring adequate workforce, supply, and market access as well as continued support for regional forest collaborative. Another modification includes the addition of 2.5.7, "Support efforts to connect and advance the healthcare sector, including those identified in the community health assessment." This specifically identifies the healthcare sector and notes MCEDD supports efforts to connect and advance this sector.

Jan Brending motioned to adopt Resolution 2018-3, Comprehensive Economic Development Strategy. Bill Schmitt seconded the motion. Motion passed unanimously.

EXECUTIVE COMMITTEE REPORT

Ken Bailey presented the Executive Committee report highlighting the committee:

- Approved submission of a community application and matching grant funds application for an AmeriCorps RARE.
- Confirmed the five year strategy for local assessments put into place last year.
- Ken Bailey, Amanda Hoey, and Jessica Metta met with the Gorge Commission to discuss the upcoming Management Plan review and the importance of having MCEDD representation directly involved. Ken represents the board on the review economic development strategy committee the Commission created.
- Provided direction for the annual economic symposium focus areas. The symposium is scheduled for November 2, 2018.
- Received a report from Oregon Consulting Group through the University of Oregon about the long term impact of MCEDD's loan programs. The report was positive and showcased how the loan program helps create jobs and support businesses in the area.
Discussion: Amanda Hoey noted MCEDD leveraged a solicitation for proposals through the University of Oregon. UO paid the Oregon Consulting Group to conduct the study, and MCEDD benefitted. No MCEDD dollars were used to fund the study.

EXECUTIVE DIRECTOR REPORT

Amanda Hoey provided the Executive Director's report, highlighting:

- The Oregon Consulting Group's study of MCEDD's loan programs shows MCEDD is hitting all of the metrics of the loan program put into place when it was created. Total wage growth was \$40 million. 50% of that was attributed to jobs that pay higher than the average. MCEDD's program has significant impact on businesses hiring employees post loan. OCG may profile the Renewal Workshop and use this profile in conjunction with MCEDD's data to create a more personal loan program story from the region.
- The FY18 Omnibus proposal was released. It looks favorable for the programs MCEDD operates. EDA is looking at an increase over last Fiscal Year of \$300 million. MCEDD has confirmed the annual \$80,000 partnership planning grant. The proposal from the president's FY19 budget is similar to last year, including the proposed elimination of EDA and USDA Rural Development programs that utilize Community Block Development Grant programs. Last year, the MCEDD board passed a resolution stating support for USDA Rural Development, EDA, and CDBG programs. MCEDD staff created and distributed two fact sheets for EDA and USDA that highlight how these programs impact our region.
- The US Economic Development Administration is expected to release a notice of funding announcement for emergency supplemental funds for \$600 million at the end of this month. Approximately \$1 million of this will flow to Seattle. Hood River and Skamania counties are potentially eligible for these funds. Skamania County is drafting proposals for the waste water system and PUD projects. Hood River may draft a proposal for the upper valley. The City of Cascade Locks has an opportunity for getting assistance with its electrical substation and undergrounding powerlines.
- Opportunity Zones were intended to be put into place as part of the Tax Cuts and Jobs Act of 2017. In Washington, counties are ranking and prioritizing eligible census tracts. In Oregon, there has been initial review of tracts based on criteria.

The Executive Committee authorized MCEDD sending support letters and comments for census tracts in the region.

- The Annual Columbia Gorge Economic Symposium is November 2, 2018. The focus will be the region's expanding high-tech sector.
- One board position is coming open, as Humberto Calderon will be resigning his position. The position has been advertised, and one individual has expressed interest in it.
- MCEDD staff continues work on the LINK and partnering entities, including City of Rufus, CREA, and Four Rivers Community Corporation 501c3.

LOAN ADMINISTRATION BOARD REPORT

Eric Nerdin presented the Loan committee report, highlighting increased lending activity. He noted the delinquent loan report is included in the packet for those who are interested. MCEDD staff has been reaching out to prospective loan clients and continues to be involved with the Enterprise Zone application by Orbital.

STAFF REPORTS

Jessica Metta provided the Deputy Director's report, highlighting:

- Amanda Hoey and Siri Olson continue to offer support with the LINK transition. MCEDD is hoping to expand bus service to the aquatic center in the summer and the farmer's market from June to October using PacificSource funds.
- Charlotte Dupree has been hired as Transportation Operations Director. A dispatch position will be open until April 6.
- The GTA continues to host monthly events for education and networking opportunities to support companies. Committees have been formed to implement the Strategic Plan.
- Eighteen scholarship applications were received for the GTA's college scholarship. Only one scholarship is awarded. In the future, more funds can possibly be raised to increase the number of scholarships awarded.
- Five regional robotics teams are headed to national competitions. GTA is giving \$1,500 to each team.
- Jacque Schei took the lead on planning the Wind Challenge. This is a great opportunity Google provides to the GTA.

Kathy Fitzpatrick, Mobility Manager, highlighted the following:

- There has been a massive increase of public transportation services in the Gorge. Kathy is working to coordinate all of these services between the counties.
- LINK will soon join the list of Fixed Route Services in the Columbia River Gorge. MCEDD submitted a grant application for fixed route services and is waiting to hear the final approval from the Oregon Transportation Commission.
- MCEDD submitted an ODOT grant application for bus shelter facilities.
- MCEDD received a \$3,500 award from the Columbia Gorge Health Council to support the Everybody Rides campaign. MCEDD received a \$10,000 Transportation Innovation grant for this campaign, making the total budget for the campaign \$15,500.
- MCEDD is working with Gorge TransLink Alliance to explore technology tools that will enhance and support regional transportation coordination. An E-fare app has no start up or equipment costs and would support cross-system transfers and

reduce the need for a cash-collection system. The Gorge TransLink website will be redeveloped to allow for real time information and access to directions to bus lines. An RFP will be published soon.

- The Oregon Transportation Package (HB 2017) has given stable funding for public transportation in Oregon. Coordination of projects and priorities could expand and strengthen the larger regional transportation system.
- The NADO Eastern Klickitat County Transportation Study is moving forward with initial research into successful rural transportation models. Kathy is working with Klickitat County Economic Development and Dana Peck (Goldendale Chamber of Commerce) to prepare for the NADO Associate Director's site visit in May.

Carrie Pipinich, Project Manager, highlighted the following:

- Maupin was awarded \$500,000 from Oregon Legislature in the 2018 short session to complete the fiber project.
- Sherman County and cities issued an RFP to look at developing networks that will provide service based on the backbone of infrastructure that has already been installed.
- WCEDC worked with organizations throughout Wasco County to gather information on priority projects. The EDC looked at reorganizing its committee structures to better work with incorporated and unincorporated areas.
- The Wasco County Fair Board is working on strategic planning to support sustainability and enhance utilization of the facility and grounds year round.
- Sherman County adopted updates to its Rental Housing Grant Program and added a Housing Rehabilitation Grant Program.
- MCEEDD staff worked with Rural Community Assistance Corporation to host a training in Rufus focused on financial management.

Discussion: Amanda Hoey noted there has been a shift in where project managers are oriented. Carrie has taken on Sherman County as Jessica has moved towards transportation.

Jacque Schei, Project Manager, highlighted the following:

- There has been some movement on the Center for Living Community Mental Health facility. MCCFL went out for re-bid after initial bids were rejected. Wasco County and MCCFL will review and discuss whether the lowest bid will fit within their budget and proceed from there.
- Due to cultural resources found at the reservoir project site in the City of Antelope, additional archaeologist monitoring is eating up the budget. The project sent a Letter of Intent to the Drinking Water State Revolving Fund, and the City received notification that the project is eligible for those funds. The City is working with the state to move forward.
- The Columbia Gorge Regional Airport flex space project is finished, and the project is working through closeout procedures.
- Crystal Springs Water District is moving forward with Mid-Valley Reservoir pipeline replacements. Two grant applications have been submitted for

consolidation and update of water systems. MCEDD is working on securing funding.

REGIONAL UPDATES

Perry Thurston – Perry drives for Sherman County Community Transit. He stated the transportation system MCEDD is working on is a great situation.

Mark Zanmiller – Cascade Locks is experiencing rapid population growth. Since 2017, the population has increased 4.8%. Unemployment has dropped from 20% to 13%. In the last 30 months, the City has approved 89 residential building permits. In Hood River, the City Manager is retiring. A placement firm has been hired to organize the process of filling the position. Formal hearings were held on cleaning up housing codes and the website planning process. The Planning Commission estimates it will take a year to get through the public hearings before the process can move forward. Significant effort has been shown to implement smart infill within the city so housing growth requirements can be managed in an intelligent way. The Lot 700 project will include 65 units, and 2 acres of the lot will remain an open park space.

Tonya Brumley – Foodie February was successful in Hood River. March is music month. The Dalles Chamber is preparing for the 39th annual Cherry Festival. Oregon Tourism is coming to the area to have a listening session, which is an interactive opportunity for the Mt. Hood/Gorge region. The United Way Allocation Committee gives funds to nonprofits in the region, and those funds are put right back into the community. The committee is donation driven, and Tonya is happy to meet with anyone interested in participating or donating.

Bob Benton – Hood River is experiencing significant funding issues. The County discussed implementing a sales tax, but this was not put on the ballot. A significant portion of the budget - \$1.8 million - still needs to be covered, or Hood River is looking at a substantial cut in services. The County is trying to work with partners in the area to explore how to provide services at a lower cost.

Stephanie Hoppe – Columbia Gorge Community College conducted a workforce housing survey and received 350 responses from students, prospective students, and community members. 10% reported living in cars, shelters, or on the streets. Affordability, security, and Wi-Fi ranked as highly important to respondents. The rental price respondents could afford was \$675/month. The housing study looked at a housing and skills center at the college. The project would include 2 buildings. A \$7.3 million match is needed by January 2019.

Sue Knapp – The City of Maupin held a successful legislative tour in February with Senator Bentz and Representative Bonham. Maupin received \$1 million from the legislature in the short session, which will be a huge help in moving forward with the project and seeking additional grant funding. Sue presented the civic center and clinic expansion to Shaniko and Antelope, as these facilities service these areas. Shaniko is working on water system upgrades, and Antelope is upgrading the old school building.

Tom Furey – Sagetech is moving into the old elementary school building in Dallesport. Sagetech remains in Washington and in the Gorge but is consolidating a five-building operation into one single building. The technology industry is experiencing massive growth, and as talent is sought to fill these positions, housing is also needed. Drone flight rules are under review, and changes to the rules could be impactful to the area whether they restrict use or allow for more growth.

Jan Brending – Bingen and White Salmon have many projects this summer. The Society Hotel should break ground on upgrades. Bingen will begin roadwork. The Bingen Point underpass is in progress. White salmon is parking stressed. The City will conduct a comprehensive planning process on what citizens want the city to look like. Housing remains an issue, as some want to see more workforce housing and some want to see large lot houses, which do not address affordable, attainable housing. Bingen is undertaking the process of the Comprehensive Plan.

Rod Runyon – Rod stated he is proud of South Wasco County’s work with broadband and the Civic Center. Google’s 3rd Enterprise Zone ribbon cutting was well attended. There is still one more building to go for this project. Without Google, many opportunities would not exist in the community. There will be much change in Wasco County as Enterprise Zones become eligible for taxes. Pine Hollow is on the verge of securing funds through the Oregon Marine Board to repair the boat ramps at the lake. This will be a big economic boost for the county. The Veteran’s Committee will be doing a tour of the Mid-Columbia region on June 15th.

Bob Hamlin – Skamania County has gone through some budgetary issues, but the omnibus bill provides much needed funding. The shoreline project has started, and in-water work is finished. Willows were planted for erosion control. Topsoil was donated by the lumber yard in Carson. A technology company is looking into leasing the empty Wind River Middle School building, which could boost jobs and families in the area. To address housing, the county went through planning regulations and changed accessory dwelling rules, making these dwellings legal.

Eric Proffitt – Unemployment is between 3.2% and 4%. Hood River and The Dalles have 430 jobs ready to go right now. Recruitment is underway for a used solar energy facility going up on Klondike outside of Wasco. The project needs 50 general laborers for a four month build. AutoZone in The Dalles is holding a job fair, as it needs to fill 10-15 jobs.

Bill Schmitt – Now is a good time to be on the port. Businesses want more or new space, and it has been a challenge to find funds to provide that.

Ken Bailey – The orchard is getting ready for another harvest. An internet site has been created to receive applications. Although the site officially opens April 1st, 97 applicants have signed up in less than a week. The farm employs approximately 1,000 seasonal employees beginning in June. For out-of-state workers, no housing is available in the area other than what the orchard provides. The orchard put up a housing facility that will hold 150 this summer, and a few other facilities are being revamped. New OSHA regulations kick in this summer that affect housing. The orchard is prepared for an unusually large

crop like last year, but ideally, this will not happen. Last year, the market could not handle the large influx of product.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Meeting adjourned at 6:07 p.m.

Respectfully submitted by Lauren Hernandez, Office Administrator