

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 11, 2016

BOARD MEMBERS: Ken Bailey, Jan Brending, Tonya Brumley, Joeinne Caldwell, Nick Hogan, Mary Kramer, Steve Lawrence, Gabriel Muro, Dana Peck, Eric Proffitt, Bill Schmitt, and Mark Zanmiller

STAFF: Amanda Hoey (Executive Director), Sherry Wickert (Finance Manager), Eric Nerdin (Loan Fund Manager), Carrie Pipinich (Project Manager), Jacque Schei (Project Manager), Michele Spatz (Project Manager), Jessica Metta (Project Manager), Mark Heystek (RARE) and Sherry Bohn (Office Administrator)

GUESTS: Connie Shaw (Oregon Brineworks), Rick Leibowitz (SBDC)

CALL TO ORDER/INTRODUCTIONS:

Jan Brending called the meeting to order at 4:01 p.m. A quorum was present. A round table of introductions took place.

LOAN CLIENT HIGHLIGHT:

Jan Brending introduced Connie Shaw from Oregon Brineworks. Connie explained that Oregon Brineworks is a MCEDD loan client and the process by which they created their business and their product line. She also explained their financial success, obstacles and future goals.

CONSENT AGENDA:

Approval of December 10, 2015 MCEDD Minutes
Approval of PNMP Charter

Motion to approve the consent agenda made by Ken Bailey. Eric Proffitt seconded the motion. Motion carried unanimously.

FINANCIAL REPORT:

Sherry Wickert presented the finance report for the period ending December 2015, reporting that MCEDD's balance sheet indicates differences from the prior year in both Assets and Liabilities. Loan fund cash, other than Housing RLF funds, is below last year's cash balance. Sherry reported that the current liability for Accounts Payable includes bills that were encumbered and were paid in January.

Sherry reported that October's Operations Budget vs. Actual report reflects variances in both Revenue and Expenses. She noted that for revenue, Federal and State income are below projections due to the timing of billings for several projects. She also noted that Contract Reimbursement is below budget due to billings associated with contracts that are tied to points of completion, which have not occurred and that loan fund revenue continues to be under budget, due to no lending of the Housing RLF funds and factors that have affected the other loan programs. Sherry reported that one factor is the early-unanticipated loan payoffs, which have decreased the amount of interest earned. The second factor Sherry noted is budget allocation of interest and processing fees, which are allocated equally throughout the year. She noted that this allocation method creates a variance

between when loans are actually made and when they were projected. Sherry reported that Travel expenses are under budget due the timing of expenditures. Supplies are above budget due to purchases for Gorge Robotics program, which were higher than anticipated and that Professional Services for contractual expenses are under budget because of the timing of expenses.

Motion to accept the financials as presented was made by Nick Hogan. Bill Schmitt seconded the motion. Motion carried unanimously.

ANNUAL BOARD FORMS

Amanda Hoey explained the purpose of the annual Board Commitment and Conflict of Interest forms and requested board members complete and return them.

Discussion: Steve Lawrence asked why the board does not meet in Wasco County. Amanda noted that the Board meetings used to rotate between all counties but in the last review, the board made the decision to rotate meetings between Hood River and Bingen/White Salmon. Jan Brending noted that it helps with travel and provides consistency in meeting space. Ken Bailey noted that the decision was also made to ensure better quorum.

SALARY SURVEY

Jan Brending reported that at the last board meeting, MCEDD's Executive Committee provided a recommended modification to employee salary scales, based on review of comparables and considering a number of factors and best practices. The Committee recommended revisions to the Executive Director and Project Manager pay scale. The MCEDD Board reviewed the recommendation and returned the topic to the Executive Committee for further discussion. Jan noted that while there was no disagreement related to the proposed scales, there was discussion as to which step current employees should move to in the proposed modification.

Jan stated that the Executive Committee recommends adoption of the salary scales, with the revision that employees in a position affected by revised pay scales would be placed in the step nearest their current salary level (without dropping below their current pay rate) however they would be eligible for consideration of a step increase on July 1, regardless of the timing of their usual consideration for a step increase.

Motion to revise the salary scales as recommended by the Executive Committee was made by Steve Lawrence. Nick Hogan seconded the motion. Motion carried unanimously.

Discussion: Mark Zanmiller asked if this decision impacted the current fiscal year. Amanda Hoey explained that it did not. Nick Hogan thanked the Executive Committee for revisiting the topic.

SUPPLEMENTAL BUDGET:

Amanda Hoey explained that, as a result of unanticipated changes in MCEDD's revenue and expenditures, a supplemental budget for FY16 is required. She noted that these include additional expected principal payoffs from our loan clients, unforeseen projects, and modifications to existing projects that were not included in FY16's budget.

Amanda reported that the following revenue categories are proposed to be increased to account for the changes:

- Federal, State and Match: Additional revenue in these categories includes the modified Hood River Drive Less Connect contract and Travel Oregon funds granted to MCEDD to support the Columbia Gorge Winegrowers, as well as the local match for these grants.
- Contract Reimbursement: Includes new anticipated projects and contracts, notably new and expanded services for Community Development Block Grant projects, the Columbia Gorge Bi-State Renewable Energy Zone, transportation projects, the Gorge Technology Alliance Robotics program and the Wind Challenge.
- Principal repayments: Early loan payoffs impact the principal repayment balance, requiring a significant modification to the anticipated revenue. The supplemental incorporates all repayments that have been indicated by clients as potential for early loan repayment, in addition to regular payments.
- Other revenue: Includes additional revenue due to unforeseen reimbursements.
- In-kind: The modification to in-kind is required due to the transfer of intellectual property from Meyer Memorial Trust to MCEDD for the Agora project. The Intellectual Property has an in-kind value exceeding \$20,000.

Amanda reported the following expenses were included to offset the increased revenue:

- Personnel Costs: Additional FTE has been added to fulfill the change in scope of work for new projects. MCEDD's current budgeted staff will be utilized for all other unanticipated projects.
- Materials/Services: Anticipated expenses for the new projects include costs for materials and services associated with implementing these projects. In particular, contractual expenses increase with a large portion of that due to the continuation of the Government Affairs Specialist work. It also includes in-kind.
- Revolving Loan Fund: The expense for revolving loan fund incorporates the additional carry forward funds, which is the result of unexpected principal payoffs.
- Carryover restricted: The carryover reflects additional carryover restricted for programs as a result of new contracts.
- Carryover unrestricted: The unrestricted carryover increases in direct relation to the "Other" revenue.

Discussion: Jan Brending asked how much change requires a supplemental budget. Amanda Hoey and Sherry Wicket explained the requirements. Eric Proffitt asked if there was a chance of a need for another supplemental. Amanda stated that it was not anticipated at this time, but could be needed if there are unanticipated circumstances in the next few months, such as unexpected loan payoffs.

Motion to adopt Resolution 2016-1 Adopting the FY16 (July 1, 2015 – June 30, 2016) Supplemental Budget was made by Eric Proffitt. Bill Schmitt seconded the motion. Motion carried unanimously.

CONNECT MID-COLUMBIA:

Amanda Hoey reported that in September the MCEDD Board approved a process to bring together individuals and entities in the region in order to enhance a coordinated approach to regional transportation issues and opportunities. The process was designated as “Connect Mid-Columbia.” She noted that with an established regional framework through the Comprehensive Economic Development Strategy to coordinate on issues of regional economic concern, staff proposed using the Strategy as a starting point to work within an existing structure to convene regional conversations in order to:

- Inventory and prioritize transportation project needs and regional issues;
- Develop regional consensus and provide a mechanism to jointly advocate for regional priorities;
- Provide a space to inform and educate about projects, funding options and upcoming issues;
- Enhance the regional Comprehensive Economic Development Strategy as a tool to promote high priority transportation projects or issues to state/federal funders

Amanda reported that MCEDD staff met with representatives from the Washington and Oregon DOTs and the SW Washington RTC to ensure collective understanding of the purpose of Connect Mid-Columbia and secure commitment from their staff to identify plans and projects already underway and participate in Connect Mid-Columbia meetings.

Amanda reported that there were a number of themes from the January meeting. First, there is a long history of collaboration within and between Oregon and Washington, particularly in relation to transportation issues. However, she noted that having the region clarify its regional transportation priorities, working from established lists, would provide additional value. Amanda did note that the statements appear to validate the purpose of engaging in this process. Second, Amanda reported that MCEDD has a mechanism in place to coordinate the effort and there is a desire for ongoing communication through Connect Mid-Columbia. Third, she noted that the discussion on transportation (like economic development) can broaden quickly and a focus- differentiating between infrastructure projects, transit projects, and policy issues- is important. Finally, Amanda reported that there are some immediate actions that can be taken in relation to projects under consideration. She also noted that during and subsequent to the meeting, the issue of the National Scenic Area arises, particularly in relation to incorporating projects and issues outside of MCEDD’s five counties.

Amanda reported that the September to January meetings were the first step in an iterative, long term process. She noted that MCEDD has an opportunity to build from this solid foundation and partnership through additional Connect Mid-Columbia forums, thereby providing a venue to continue to collaborate on projects and issues in order to make progress in meeting the purpose described above.

Amanda recommended the establishment of an informal workgroup for continuation of the Connect Mid-Columbia process, to inform the region and MCEDD board. Meetings would rotate on a quarterly basis around the region and request local host support.

Discussion: Jan Brending stated that she had attended the meeting and thought it was a great opportunity for collaboration. She stated that she thought that MCEDD brings a

regional coordination mechanism to transportation conversations. Steve Lawrence asked how this fits into Business Oregon and ODOT activities. Amanda Hoey explained that there are number of activities going on in transportation and Connect Mid-Columbia provides a cohesive, bi-state regional coordinating mechanism. Jan Brending stated that this is a communication process. Joenne Caldwell noted the FAST ACT and NSA as well as the Region I Area Commission on Transportation and stated that the state of Oregon is trying to set its priorities. Jan Brending clarified that there is no money specifically allocated by the FAST ACT to the National Scenic area. She reported that there is money allocated to the FAST ACT generally and stated that it was important for the region to coordinate on issues of regional economic concern and develop regional consensus and provide a mechanism to jointly advocate for regional priorities.

Motion made by Tonya Brumley to establish an informal workgroup for the Connect Mid-Columbia process, to inform the region and MCEDD board, as recommended by staff. Joenne Caldwell seconded the motion. Motion passed with one abstention - Steve Lawrence.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY, TRANSPORTATION:

Amanda Hoey reported that the Economic Development Administration directs MCEDD to submit a Comprehensive Economic Development Strategy (CEDS). Annually, the MCEDD Board, acting as the CEDS Strategy Committee, updates and adopts the Mid-Columbia CEDS.

Amanda requested that the MCEDD Board discuss the proposed modifications specific to the transportation elements of the plan. She noted that the approved revisions will be incorporated into the updated plan which will be presented to the Board in March.

Discussion: Mark Zanmiller asked if the local airports are more than just recreational airports. Amanda Hoey discussed the growth at the Columbia Gorge Regional airport and recent investments supported by the Board. Jan Brending noted the proposed modification to the Challenges section, including that fleshing out the policy areas would be scheduled for discussion in the 2017 CEDS. Tonya Brumley asked about the location of the Cascade Locks Airport. Joenne Caldwell explained and noted conversations about the future of the airport.

Motion to approve the proposed modifications to transportation section of the Comprehensive Economic Development Strategy was made by Bill Schmitt. Eric Proffitt seconded the motion. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT:

Amanda Hoey reported that the MCEDD Loan Administration board approved a \$65,000 loan to Baseline Brewing to purchase building and equipment to expand the brewery business, a \$175,000 loan to Abundance Marketing & Design dba Balch Hotel to purchase the hotel and a \$30,000 loan to A & R Market, Inc. dba Maupin Market to provide working capital. She also reported that MCEDD, in coordination with North Central Oregon Regional Solutions, is conducting a review of the Attainable Housing RLF. She noted that the fund has particular funding parameters placed in contract with MCEDD by Business Oregon, and that they are analyzing options for revisions.

Amanda reported that in partnership with the CGCC Small Business Development Center, Gorge Innoventure and Gorge Owned, MCEDD submitted an application to Business Oregon in response to their solicitation for Rural Entrepreneurship Development Capacity Building grants. Amanda noted the grant was not received, but the project partners expressed their appreciation for an opportunity to further collaborate.

Amanda reported that the Parkdale Sanitary District project, which was approved for inclusion on the CEDS at the last board meeting, is moving through USDA review and looking good thus far. The CEDS has been updated to reflect the new priority ranking. She noted that this project showcases an optimal utilization of our regional strategy to secure resources for the region and move projects forward.

Amanda reported that Broadband/Last Mile Fiber continues to make strides with an MOU between Sherman County and Frontier Telnet and decisions from Q-Life. She also reported that the City of The Dalles was awarded \$30,000 through the Department of Land Conservation and Development for technical assistance for a Housing and Residential Lands Needs Assessment. MCEDD provided a letter of support for the project, which was one of the factors tipping the project to receive funding.

Amanda reported that in February, the State Directors for the US Department of Agriculture will visit the MCEDD region to talk with MCEDD about highlighted successes, our planning processes and USDA's contributions. She stated that we are honored to have been selected to engage with State Directors from across the nation.

REGIONAL UPDATES

Board members shared updates on items of regional interest.

Jan Brending – Jan reported that City of Bingen applied for and received a CDBG grant for housing re-habilitation loans. She also noted that in March WSDOT will hold a kick off meeting for Bingen Point. Jan stated that this will be a three biennium project.

Eric Proffitt – Eric reported that unemployment rate was holding steady. He also reported that employers are “poaching” employees. Eric noted that there is money now available for training.

Bill Schmitt – Bill reported that it is still too wet to move dirt. He noted that Dirt Hugger is in full production and can produce three times as much in the same area.

Dana Peck – Dana reported that the three Washington chambers are partnering to hold the YES Vets program in February. He also noted that the Goldendale chamber applied for and received \$125,000 in Google ads.

Ken Bailey – Ken reported on the installation of an optical sizing and sorting machine and building expansion. He noted that this is the largest facility in the world. Ken reported that the cherry crop prospects are much better than last year but there may be some hold over damage. He also noted that the weather is looking much better.

Steve Lawrence – Steve reported that the City of The Dalles received three new RFPs for the Granada block downtown project. He noted that they are considering selecting a combination. Steve reported that the Tony's building received one proposal with construction proposed to begin the fall. He also noted that there are six craft brewing entities in The Dalles, that Qlife is going through reorganizing and that Julie Krueger was hired as the new city manager.

Nick Hogan – Nick reported that the Stevenson is finishing up the Quite Zone and will hopefully have it in place February 29th. He noted that BNSF donated \$50,000 recently to the Plaza.

Tonya Brumley – Tonya reported that the Hood River Chamber business after hours was happening right now. She noted that blossom time is coming up. Tonya also stated that Oregon Senate Bill 1532 is not supported by the local chambers. She reported that The Dalles Chamber is at the Sportsman show and there is a network strategy boot camp on February 19th.

Joeyne Caldwell – Joeyne reported that the Port of Hood River had purchased the Lower Hanel Mill property and are facing utilities challenges. She noted that the Port of Cascade locks received a \$180,000 grant from Home Land Security for surveillance. Joeyne noted that the Port of Cascade Locks had lost a business in their flex building but did lease space to an business expanding from Hood River and that a fish processing plant was coming to the port.

Mary Kramer – Mary reported that CGCC had just completed a five year academic master plan. Mary noted that enrollment was down but this is typical as the economic improves.

Gabriel Muro – Gabriel reported that Next Door had 14 graduates of their Latino business owner class. He also noted that they had found a new partner for loans for clients without social security numbers.

Mark Zanmiller – Mark reported that housing continues to be a main issue for the city and county. He noted that the city had adopted a three phase policy. Mark also reported that the waterfront is active with six new buildings.

Steve Lawrence left at 5:10 pm

EXECUTIVE COMMITTEE REPORT:

Jan Brending presented the Executive Committee report highlighting the following activities and decisions:

- Approved Longevity Credit and Rate Lock Agreement for insurance from January 1, 2016 to December 31, 2017.
- Reviewed annual insurance coverage through Special Districts Insurance Services.
- Recommended a revised salary schedule to be presented to the Board.
- Discussed a request from the Community Renewable Energy Association for partnership/membership. Approved exploring options to develop a memorandum of understanding for further consideration by the Committee and MCEDD Board.
- Reviewed the revised schedule and intention for the January “Connect Mid-Columbia” transportation meeting.

LOAN COMMITTEE REPORT

Eric Nerdin reported that MCEDD had funded a \$129,000 loan to Veronica's Salsa, LLC since the MCEDD Board last met in December 2015. Eric reported that there are currently four approved loan applications totaling \$290,000 that are pending funding. He noted that Jeffrey Miller dba Apple Jam Audio paid off his loan early. A & R Market, Inc. dba Maupin Market paid off its MCEDD loan four months early.

PROJECT MANAGER REPORTS

Michele Spatz highlighted the following

- Skamania County WET Week-end Bus: Michele reported that improving safety at the Dog Mountain Trailhead, particularly during the annual spring bloom season and increasing ridership are the two main goals of Year 3 funding. She noted that she is a member of the Year 3 Planning Team which met in January and began to fine-tune the proposed Dog Mountain shuttle service, discuss the Dog Mountain parking lot reconfiguration and explored messages to post on the Variable Message Sign that will be set up along SR-14. Michele also reported that a promotional plan to increase ridership is getting underway and that she continues to provide technical assistance to Skamania County Senior Services in support of their Seasonal week-end WET bus service.
- Gorge TransLink Alliance: Michele reported that she facilitated a meeting of the Gorge TransLink Alliance in December where participants discussed the Washington Statewide Transportation Plan public input process, ODOT 2016 STF Discretionary Grant funding application process and the member grant requests. She noted that the Gorge TransLink Alliance promotional video can be which may be viewed on the Gorge TransLink Alliance website.
- Hood River County Transportation District. Michele reported that the Hood River County Transportation District has been awarded a grant to conduct a transit master plan for the county. They will be bringing on a consultant to conduct this work. She noted that the transit master plan will explore the feasibility of improving public transportation in downtown Hood River and extending transit service to the upper Hood River Valley.
- Michele reported that she facilitated a meeting of the Mt Hood Transportation Options resort partners to review the implementation of the Mt Hood Express and Drive Less Connect promotional plan. She noted that she continues working with PacWest Communications on the development of the print and social media collateral resources in support of the Mt Hood Transportation Options Outreach plan.
- Michele reported that she secured Commute Options Partner renewals with all existing partners for 2016 under the new dues structure program. They included Mid-Columbia Medical Center, Columbia Gorge Community College, Google and MCEDD.
- Michele reported that the North Central Region AOC Coordinated Human Services Transportation Pilot Project focusing on Limited English Proficiency (LEP) individuals was presented to the Oregon statewide Regional Solutions Team on Feb. 3 in Salem, OR. She noted that she is finalizing a \$19, 550 grant request to fund implementation of the project's recommendations including cultural awareness training for transportation service providers, continuing education for human services agencies on accessing available transportation services, development of a Community Health Worker Travel Ambassador training program to assist individuals in the LEP community and initiating an effective LEP promotion and outreach campaign highlighting transportation services and how to use them.

Carrie Pipinich highlighted the following:

- “Making Rural Communities Better with Broadband” Workshop: Carrie reported that USDA, Rural Development and Oregon Rural Development Council have organized a two-day event to be held in Bend on February 2nd and 3rd. She noted that this workshop is modeled off of one hosted by USDA, RD and WSU Extension in Washington last year, and is a result of conversations started at our regional coordination meetings in 2015. Carrie noted that she participated in the planning process, and will be presenting on incorporation of broadband into regional planning processes as well as moderating a panel on health care broadband connections and how they can be leveraged to support increased access in communities.
- Carrie reported that in December staff supported Q-Life in collecting letters of intent to purchase service from the Maupin area as they finalized their pro forma for the project. The Q-Life Board has decided to move forward with the project, contingent upon the various funding pieces falling into place.
- Carrie reported that the January quarterly EDC meeting was held in The Dalles and focused on economic development projects from around the County. She noted that 12 entities submitted 23 projects for consideration. These projects included a significant focus on infrastructure development and community facilities. Carrie reported that at the February 4th meeting the EDC will discuss project rankings and began its process to determine focus areas for the coming year. These areas will include both technical assistance to specific projects and broader economic development strategies.
- Carrie reported that staff has been working with Wasco County Commissioner Hege and the work group he convenes focused on the undeveloped land NORCOR currently owns next to their facility. NORCOR is working with AOC and Regional Solutions to convene a series of workgroups on different topics all focused on the long term business model and sustainability of the facility. Carrie noted that the Property Work Group will present short, mid, and long term recommendations for utilization of the property to further support NORCOR into the future. These recommendations will likely be provided to the NORCOR Board for their consideration in February.
- Carrie reported that she is working with the CiderCon (national cider maker’s conference) Planning Committee to host a tour of the Gorge Cider Region during the convention on February 2, 2016. This will feature local cideries, as well as strengthen ties to the National Association of Cider Makers that puts the conference on and other cideries in Oregon that are engaged in the planning process. She also noted that she attend the convention during the first week in February. In addition, the NW Cider Association approached the Gorge Cider Society about hosting a meet and great focused on connecting orchardists with cidermakers. This is planned to occur in late March and will provide an opportunity to further connect our local industry with resources.

Jacque Schei highlighted the following:

- Travel Oregon Grant: Jacque reported that she had worked with others on the JDRT Committee to add details requested by Travel Oregon after the original application was submitted. The idea for the grant was to develop material for and place kiosks in the four counties. She reported that Travel Oregon reported back in early January that the JDRT Committee did receive a grant in the amount of \$5,000. She noted that they are currently awaiting the contract from Travel Oregon while starting to plan content for the kiosks.

- GTA Tech Awards: Jacqu reported that the GTA held its third annual awards program on December 15, 2015, recognizing Steve Maier of Innovative Composite Engineering as the 2015 GTA Technology Leader of the Year and Prigel Machine & Fabrication as the 2015 GTA Technology Organization of the Year. Finalists included Jackson Perrin of Gorge MakerSpace and the Hood River County Education Foundation.
- GTA Scholarship Committee: Jacqu reported that she had worked with the GTA Scholarship committee to finalize the Corwin Hardham Memorial Scholarship. She noted that the final application can be found on the GTA website and will be distributed to regional ESDs. In addition, a press release about the scholarship will be sent in late February.

Mark Heystek highlighted the following:

- “Phase 2” Rollout: Mark reported that MCEDD is leading the effort to expand Agora across the State of Oregon and in so doing has entered contractual agreements with Zanbato (Agora Platform engineers) and four Economic Development Districts (EDDs)
- Agora Trainings: Mark reported that platform trainings to stakeholders are an essential component to Agora’s continued viability within the Mid-Columbia and throughout the Phase 2 process. He noted that the entities that will have received trainings by MCEDD staff to date include the four Economic Development Districts, Community Enrichment for Klickitat County, Skamania County Economic Development Council, North Central Oregon Regional Solutions Team and Regional Solutions Cabinet
- Agora as a CEDS Resource: Mark reported that as MCEDD prepares for its annual 2016 CEDS update, staff will continue to encourage and assist regional stakeholders in using the Agora Platform as a tool for project updates and prioritization lists. Additionally, staff will be cleaning up the system to ensure that the project/deal display matches the present status of active projects. As of February 1, 2016, the Platform contains 373 individual members and 126 projects.

ADJOURNMENT: Meeting adjourned at 5:58 p.m.

*Respectfully submitted,
Sherry Bohn, Office Administrator*