

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS MEETING
THURSDAY, March 17, 2016

BOARD MEMBERS: Ken Bailey, Jan Brending, Bob Benton, Bob Hamlin, Stephanie Hoppe, Robert Kimmes, Mary Kramer, Sue Knapp, Steve Maier, Carol MacKenzie, Gabriel Muro, Dana Peck, and Eric Proffitt

STAFF: Amanda Hoey (Executive Director), Eric Nerdin (Loan Fund Manager), Jacque Schei (Project Manager), Michele Spatz (Project Manager), Jessica Metta (Project Manager), and Sherry Bohn (Office Administrator)

GUESTS: Carin Agren (Ground Coffee, LLC) and Mike Van Sisseren (Ground Coffee, LLC)

CALL TO ORDER/INTRODUCTIONS:

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

LOAN CLIENT PROFILE: GROUND COFFEE, LLC

Eric Nerdin introduced Carin Agren and Mike Van Sisseren from Ground Coffee, LLC. Carin explained that she is a MCEDD loan client and the process by which they created their business and their product line. She also explained that with the recent help of an additional MCEDD loan they purchased Doppio, a second coffee house down the street from Ground Coffee. Carin also explained their financial success, obstacles and future goals. Mike explained the roasting and wholesale bean aspects of the business. Eric Nerdin stated that Carin and Mike were great customers and one of his very first loan clients.

CONSENT AGENDA:

Approval of February 11, 2016 MCEDD Minutes
Appointment of Budget Committee/Officer
Budget Process Approval
PNMP Appointment

Motion to approve the consent agenda made by Bob Benton. Mary Kramer seconded the motion. Motion carried unanimously.

FINANCIAL REPORT:

Amanda Hoey presented the finance report for the period ending January 2016, reporting that MCEDD remains in a strong financial position with our biggest concerns relating to the volatility of the RLF program. She noted, however, that we are seeing a continuing trend of new loans. She highlighted special projects, noting that we have covered all Project Management staff with those already under contract.

Amanda reported that our accounts receivable look very good and 100 percent of the local dues have been collected. She also noted that Expenses for Other Materials and Supplies are high due to FY 17 expenses included, but also for expenses for dues.

Motion to accept the financials as presented was made by Bob Hamlin. Steve Maier seconded the motion. Motion carried unanimously.

CEDS PROJECT PRIORITIZATION

Jan Brending 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 projects submitted for consideration of inclusion and ranking in the regional strategy. Included in the ranking criteria, Amanda noted Joeinne Caldwell's request to consider economic distress in the economic impact criteria and stated that staff analysis took this into account. 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 requested the Board approve all projects that will be incorporated into the MCEDD CEDS update. She also requested the Board establish regional priorities for incorporation into the Mid-Columbia region's CED by determining the top ten Technical Assistance and Public works projects in Oregon and Washington.

Discussion: Bob Benton stated that the Hood River workforce housing project is nebulous but that it was important to keep the Hood River workforce housing project as a place holder. Amanda Hoey stated that next year will include a major rework of the CEDS and will allow an opportunity for a deeper conversation on this and other issues. Jan Brending explained the importance of having projects on the list. Ken Bailey stated that the ranking of the Hood River workforce housing project in the number two position raises the awareness and importance of the issue. Amanda Hoey noted that the Hood River Economic Development Group wanted to tie the two bridges' projects together but the staff draft includes them as distinct projects. She also noted the importance of the Cascade Locks truck route. Amanda reported on the discussions at the Connect Mid-Columbia meeting and the impact to the draft regional ranking of the projects. Jan Brending stated that the Connect Mid-Columbia meeting was an effective meeting that included the important discussion of regional transportation issues. Steve Maier noted the need of the Cascade Locks truck route in relation to business growth. Jan Brending noted the importance of the Columbia Gorge Regional Airport aircraft de-icing area that was discussed at the Connect Mid-Columbia meeting. Bob Hamlin reported on the status of the Wind River Business Park water and wastewater projects. Ken Bailey noted the ability of the board to move projects into the top ten should the need arise later. Steve Maier asked why the de-icing areas were needed at the Columbia Gorge Regional Airport and any connection it might have to Life Flight. Amanda reviewed the submission from the County for that project. The board asked about the position of the small cities water projects and Amanda referred to the County priorities as well as noting that some may seek USDA funds. She reviewed the importance of the new strategic community and economic development set aside from USDA that ties to our regional strategy.

Motion to accept all the projects in the CEDS and the ranking as presented by staff was made by Bob Benton. Mary Kramer seconded the motion. Motion carried unanimously.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

Amanda Hoey noted that the MCEDD Board, acting as the CEDS Strategy Committee, is responsible for updating the CEDS annually. She noted that an update is a less intensive process than a full CEDS revision, which is done once every five years and was last completed in September 2012. Amanda Hoey presented an overview of this year's update. Minor updates included updating economic profiles, updating the strategy committee membership and other minor edits. Larger updates include modification to assets related to Transportation and Location Advantages, updates to challenges to consolidate all transportation challenges under one heading and to incorporate language from the Connect Mid-Columbia process. In addition, all strategies were updated, as appropriate, to reflect the current status, with the largest work to the infrastructure goal. Finally the outcomes and status of projects was updated and the projects adopted today will be included.

Motion to adopt Resolution 2016-2 CEDS Adoption was made by Eric Proffitt. Ken Bailey seconded the motion. Motion carried unanimously.

LOCAL DUES ASSESSMENT:

Jan Brending presented the Executive Committee's recommendation for FY17 dues. Annually the MCEDD Board must vote on assessment of dues for the next fiscal year. Jan reported that the Executive Committee had recommended continuation of the current dues schedule into FY17 with no changes from the prior year. However, the Executive Committee will analyze a potential increase in FY18 to ensure MCEDD can maintain service levels and leverage federal funding.

Motion to continue the current dues schedule into FY 17 with no changes from the prior year was made by Steve Maier. Bob Benton seconded the motion. Motion carried unanimously.

EXECUTIVE DIRECTOR REPORT:

Amanda Hoey reported that MCEDD Loan Administration board approved a \$30,000 loan to Seckora Consulting, LLC for working capital and a \$20,000 loan to the Little Huckleberry Food Truck for startup of a food truck business. She also reported that the House Transportation and Infrastructure Committee unanimously approved the bipartisan Public Buildings Reform and Savings Act of 2016. She reported that the bill includes language that authorizes the U.S. Economic Development Administration to release the federal government's interest in connection with a grant not less than seven years after final disbursement of the grant. She noted that this bill has been referred to the House Financial Services Committee which will need to take action before the bill can come to the House floor for a vote. She noted that this bill is of particular concern to MCEDD's loan fund programs. Amanda reported that staff for Senator Merkley had identified a potential account for the Oregon and Washington Investment Board appropriations: Rural Development, Forestry and Communities, CDFA number 10.672. She noted that it is authorized through Rural Development Through Forestry. The identification of this account provides a potential path forward for the funding.

Amanda reported that MCEDD received its annual planning grant invitation from the EDA for the upcoming year. She noted that the planning grant is MCEDD's primary base of funding and that MCEDD has been invited to apply for \$80,000 this year. Amanda noted that the scope of work will heavily focus on the major rework of MCEDD's Comprehensive Economic Development Strategy, which is due in 2017. She noted that MCEDD will retain core implementation elements, including support for industry clusters and broadband development. Amanda reported that the grant request had been submitted today.

Amanda reported that on February 24th MCEDD was pleased to host all of the State Directors for the US Department of Agriculture from across the nation as well as DC staff, including the Undersecretary. She stated that MCEDD was honored to have been selected for the visit, which was part of their "Finishing Strong" conference in Portland. Amanda reported that she presented on the regional strategic economic development plan, industry clusters, Agora Investment Platform and development throughout the region. Carrie Pipinich presented on broadband initiatives and Jessica Metta briefly introduced the Gorge Tech Alliance. Amanda noted that MCEDD was able to highlight MCEDD loan clients Pfriem and Brigham Fish Products with site visits and MCEDD loan client Boda's catered the lunches. She also noted that the group was able to converse with Jenny Taylor from Insitu during its final stop. Amanda extended her appreciation to Board Chair Jan Brending for joining on the final stop and Board member Robb Kimmes who provided the space at Skyline Hospital. Jan provided highlights from the visit, as well. Amanda noted that there was significant interest in furthering the conversation on Agora expansion and there has also been follow-up from USDA on the housing concerns expressed by the region.

Amanda reported that the Dark Sky Campaign application was approved for a Google community grant award. She noted that the program seeks to both preserve our rural dark sky and increase energy efficiency by involving end users, lighting vendors/retailers, installers, and students through an educational program. Amanda noted that the program involves two tracks: 1) Gorge Night Sky Educational Units, geared primarily towards 4th and 5th grade students. It will include a field trip scholarship to the Goldendale Observatory for classrooms in the North Wasco County School District. 2) A workshop at the Columbia Gorge Discovery Center involving various stakeholders to provide education on lighting efficiency and dark sky initiatives.

Amanda reported that David Porter, US Economic Development Administration representative, visited the region on February 29th and toured EDA investments at the Port of Skamania and Columbia Gorge Regional Airport. Amanda noted that Board member Nick Hogan joined the tour at the Port of Skamania Riverpoint building which included a visit to Silver Star Industries and LDB Beverage who is also a MCEDD loan client.

Amanda reported that MCEDD received notification from Washington State University that their 2016 legislative budget request to include a Klickitat-Skamania Small Business Development Center advisor was not approved. She stated that MCEDD does not anticipate them to take it up again next year as WSU's legislative requests are already committed to other university needs. Amanda noted that there was perhaps a future option past 2017. She reported that MCEDD strongly supported WSU's request, as the lack of dedicated services to these two counties is a constraint to entrepreneurship and business development. Amanda requested that MCEDD Board discuss any strategy they would like to pursue in response to this news.

Mary Kramer asked if it is possible to contract with CGCC SBDC. Eric Proffitt asked if there was another agency which could provide the service. Amanda reviewed the status of previous contracts with CGCC SBDC that were the result of special funding. Jan Brending stated that she thought it would be a good idea to talk to the two counties.

Amanda reported that she had met with a representative from Fresh Starts to discuss a potential USDA Rural Business Development Grant application. She noted that the deadline is approaching for both Oregon and Washington and MCEDD would like to see some resource requests from the MCEDD region. Amanda reported that the Audit RFP was scheduled to close soon and that MCEDD had received two responses to date.

Amanda announced that she had been selected for a Marshall Memorial Fellowship with the 2016-17 Fellowship cohort. She noted that she one of only two selected from the Northwest, and the only from Oregon. The other Northwest fellow is from Seattle. She explained that the Marshall Memorial Fellowship, under the German Marshall Fund, is an international leadership development program designed to prepare leaders from both sides of the Atlantic for transatlantic relations. The program includes six months of distance learning and 24 days of first-hand experience through a transatlantic exchange. Amanda noted that there will need to be some discussion with the board regarding the travel requirements and time off.

Board members expressed their support. Dana Peck requested the Executive Committee discuss options to not require Amanda to use unpaid leave in order to participate.

REGIONAL UPDATES

Board members shared updates on items of regional interest.

Jan Brending – Jan reported that there is a new business, Carmen’s Kitchen, where Los Reyes was located. Jan also noted that White Salmon is in the process of a water rights issue. She noted that there is a deli opening, as well as the Little Huckleberry Food Truck.

Eric Proffitt – Eric reported the unemployment rate dropped to 4.3% and that there was a skilled workforce shortage. He noted that there was job expansion in the hospitality industry. Eric stated that there was a need to work with schools on workforce training. He highlighted the East Cascades Workforce Investment Board and consideration for a sector focus on beverage industries

Dana Peck – Dana reported on the status of the Gorge Tourism Studio. He noted that the Port of Cascade Locks is in discussion on raising the bridge toll. Dana reported that the Mt. Adams Chamber is going through some staff changes. He also noted the dates for the Goldendale Home Garden and Sport show and that Goldendale’s new mayor, Mike Cannon, was putting together a group to look at community issues.

Ken Bailey – Ken reported that agriculture was looking the same as a month ago. He noted that rainfall totals were up and that they were better than in previous years. Ken stated that there was still a small amount of fruit damage from 2014.

Mary Kramer – Mary reported that CGCC was preparing for the Oregon Promise Students and that they were building a lot of support services around those students to ensure those students could be successful.

Gabriel Muro – Gabriel reported that he was in the process of working with five new entrepreneur clients and that three clients had accessed loans thru MESO.

Bob Benton – Bob reported that Hood River County was working on a new cell tower ordinance and funding for a new courthouse. He noted that there will be changes on the Commission with the elections in May and that they are working with the water situation in Cascade Locks.

Bob Hamlin – Bob reported that Skamania County expected to pay off their loan and will be debt free. He noted that they have their first “grow” operation and that it is affecting other entities in the area. Bob discussed the Wind River water system and noted a discussion with the USFS regarding a potential land exchange. He also noted that there will be change on the County Commission with two open seats.

Stephanie Hoppe – Stephanie reported that local nonprofit directors meet regularly in order to collaborate. She noted that on Friday April 29th a development consultant will be at the Hood River Inn for a half and full day workshop directed toward non-profits.

Robert Kimmes – Robert reported that MCMC is in the design phase for a large addition scheduled to be completed in 2019 and that they continue to work with OHSU. He noted that Providence Hood River is going through leadership changes. Robb noted that Skyline and Klickitat hospitals are still independent hospitals. He reported that North Shore Medical group is relocating to a site on Highway 14 and that Skyline is looking to expand to those buildings.

Sue Knapp – Sue reported that there was an LOC small city support committee formed to discuss economic development for small cities. She reported that the first meeting included a presentation from Rick Leibowitz of the CGCC SBDC. She also noted that Frank Kay spoke about Maupin and the South Wasco broadband project and wastewater discussions. Sue reported that the Shearer Falls Loop was proposed as a Scenic Bikeway.

Carol MacKenzie – Carole reported on the approval of a new solar project near Klondike and that the City of Wasco was progressing on the bike fix-it station.

Steve Maier – Steve reported that sales for tech businesses are diversified and increasing. Steve noted that Insitu is rumored to want to build another building. He also reported that CII is doing a LEAN manufacturing certification training. He noted ICE was recognized by SpaceX.

EXECUTIVE COMMITTEE REPORT:

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

- Discussed the status of HR 4487.
- Discussed broadband strategies and sustainable funding mechanisms. Identified which priority activities to include.

- Recommended a level for local dues for FY17 and discussion potential revisions in FY18.
- Recommended budget committee candidates for consideration of appointment by the MCEDD Board of Directors.

Gabriel Muro left the meeting at 5:26 pm

LOAN COMMITTEE REPORT

Eric Nerdin reported that in the month since the MCEDD board met last, a \$30,000 loan funded to A & R Market, Inc. dba Maupin Market for working capital and a \$65,000 loan funded to Baseline Brewing, LLC to help with the purchase of the next door building to provide more storage space and other opportunities for expansion.

He noted that there were no unscheduled early loan payoffs during the past month and the pipeline of loan prospects, applications and approved, yet unfunded, loans remain at above average levels. The trend of increased inquiries and loan applications continues during this reporting period. There are still a few MCEDD loan clients that have informed staff that they are looking at the possibility of refinancing their MCEDD loans, but staff has been hearing this for months from some of them, so it is unclear if or when these early pay offs will occur.

Eric also reported that there had been an increase in interest in the Cascade Locks/Hood River Enterprise Zone and that he had been working on outreach to the various communities in the MCEDD region.

PROJECT MANAGER REPORTS

Michele Spatz highlighted the following:

- The Dalles Transportation System Plan (TSP) update now includes a Transit Development Plan that will assess the need for and feasibility of fixed route service in The Dalles.
- Michele reported that the Hood River County Transportation District hired its first bilingual driver. She also noted that the District is also set to send out an RFP for a consultant to conduct its Hood River County Transportation Master Plan. The Plan will look at the efficiency and productivity of current routes and identify opportunities for public transit service along with assessing the feasibility of any proposed changes in service.
- Michele reported that she partnered with Enterprise Van Pool to present a comprehensive transportation options outreach event for Insitu employees at their Bingen Point location on March 16th. She also reported that she shared information, including service hours and schedules, of Gorge TransLink Alliance members at the February 11 meeting of the Skamania Klickitat Community Network.
- Michele reported that transportation surveys were distributed to over a dozen human services agencies across the three counties to gather input from both staff and clients about their transportation needs. The survey period runs from March 7 – 18. Simultaneously, on board surveys were conducted for riders of Columbia Area Transit (Hood River County Transportation District), The LINK (MCCOG's Transportation Network, Wasco County) and Sherman County Community Transit.

Jacque Schei highlighted the following:

- Jacque reported that Wasco County, on behalf of Mid-Columbia Center for Living (MCCFL), was awarded a CDBG grant of \$2,000,000 to support MCCFL in building a

Community Mental Health facility. She noted that MCCFL will match the CDBG funding with reserves and a commercial loan for the difference of the cost of the new building. Jacque reported that MCEDD has an agreement with the County to serve as the Grant Administrator for the grant. She noted that she has been learning about federal and state requirements affecting the project in order to serve as a main contact to coordinate grant activities, ensure the County meets the conditions of the grant contract, monitor progress of the project, and ensure that contractors fulfill contractual obligations. The project is currently in the Environmental Review stage.

- Jacque reported that the City of Antelope was awarded a CDBG grant of just over \$1 million to support an update of its deficient water system. MCEDD has an agreement with the City to serve as the Grant Administrator for the grant. Jacque reported that the project is in its early stages and the subcontract for the Environmental Review work was finalized the last week of February.

Jessica Metta highlighted the following

- Jessica reported that she will be working with the County and partners to assist in completion of Sherman County's projects submitted to MCEDD's CEDS list.
- Jessica noted that she is working with partners to plan the GTA's third annual STEM Career Day. She reported that 880 seventh graders from around the MCEDD region will come to CGCC in The Dalles on April 29 to hear presentations about local careers in science, technology, engineering and math. Jessica reported that additional business presenters are needed and asked if MCEDD Board members had suggestions.
- Jessica reported that work is progressing on the April 30th Wind Challenge event at The Dalles Civic. Jessica noted that she is working with Jacque, Google and CGCC partners to organize the event. Jessica reported that middle and high school teams can register at windchallenge.org until March 18 to participate in this free and fun event. She also noted that volunteers are being recruited and MCEDD Board members are welcome.

Amanda Hoey highlighted the following for Carrie Pipinich

- Amanda reported that staff continues to work with Q-Life, SWA, and the Wasco County EDC to support finalizing funding sources and moving the Maupin Fiber Project forward. She also reported that staff is working with partners around continued engagement with CenturyLink related to Connect America Funds to be invested in the region. Additionally, staff was able to convene interested parties in Klickitat County for a Broadband Workgroup meeting.
- Amanda reported that Dufur was invited to submit a Letter of Interest to Safe Drinking Water RLF program for a water system assessment.
- Amanda reported that staff submitted a concept proposal to Oregon Department of Agriculture for additional support for the Cider Society. She noted that this year's proposal focused further into education of cider consumers, continued industry association development, and further marketing efforts.
- Amanda reported that the EDG came together in February to prioritize projects to be submitted to the CEDS process. She noted that staff presented these priorities to the Hood River County Board of Commissioners for their input and approval. The EDG also discussed input opportunities for the Oregon Governor's Transportation Visioning Forum. Amanda also reported that the EDG group has also moved toward a structure that

incorporates a rotating chair from the member organizations. The City of Hood River's City Manager Steve Wheeler has agreed to serve in this role for 2016.

NEW BUSINESS

Bob Benton noted that the Oregon state mandated minimum wage increase will have a major impact on agriculture.

ADJOURNMENT: Meeting adjourned at 5:45 p.m.

*Respectfully submitted,
Sherry Bohn, Office Administrator*