



Mid-Columbia Economic Development District

District Expansion Task Force Meeting

Friday, January 21, 2022

1:00 P.M.

REMOTE ONLY

<https://us06web.zoom.us/j/82945379385?pwd=WWszRUNiYW9Iak92V1ZERERPeGNnQT09>

or call 253-215-8782, Meeting ID: 829 4537 9385, Passcode: 151437

AGENDA

<u>Topic</u>	<u>Estimated Time</u>	<u>Item</u>
Call to Order/Introductions	2 minutes	Information
Approval of December Minutes	2 minutes	Approval
Review of Additional Research	30 minutes	Information
Next Steps	15 minutes	Discussion
Adjournment		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services, or assistance, please contact the MCEDD office at 541-296-2266 (TTY 711) at least 48 hours before the meeting.

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**District Expansion Task Force Meeting Minutes
Friday, December 17, 2021
1:00 P.M. via Zoom**

Committee Attendance:

Bob Hamlin, Ken Bailey, Leana Kinley, Eric Proffitt, Scott Clements, David Griffith

MCEDD Staff:

Jessica Metta, Jill Brandt

Guests:

Les Ruark (Gillam County resident), Tonya Brumley (MCEDD Board)

Call to Order/ Introductions

A general round of introductions took place.

Review of Modification Process and Prior Discussions

Jessica Metta started the conversation with some general thoughts around this process that were discussed in the 2015 round of consideration for adding Gilliam and Wheeler Counties to MCEDD. She noted that it takes time to get approval from all of the concerned entities – the two EDDs, the counties, both Governors, the EDA. We would have to prove there has there been a change to justify the shift in boundaries. She felt that the process in 2015 that outlined the concerns and how to address them was well done. At that time the Board moved forward with accepting both counties on a trial basis for a year and then add as hybrid, with private sector positions added on the Washington side to balance out the Board representation. The process stalled out when GEODC declined to move forward with the change.

Ken Bailey recalled in 2015 the process determined that moving forward was agreeable to everyone at that time, and he endorsed the hybrid model as the proper way to move forward.

Scott Clements stated that the gorilla in the room appeared to him to be the issue of Oregon representation versus Washington representation. He noted that the 2015 analysis offered ways to balance that out. He asked how much of an issue equality of representation is on the two sides.

Jessica responded that there is certainly some sensitivity among staff. Staff are very aware that the way Economic Development in the two states is set up means MCEDD currently provides more service to our Oregon counties than to our Washington counties.

Bob Hamlin added there is more economic activity in general on the Oregon side of the Gorge. The municipalities are larger and there are also differences in legal structures that have impacted this balance. He added that it made sense for these Oregon counties to join MCEDD. Their current EDD is so far away. He also pointed out that these counties identify economically and culturally with Wasco and Sherman counties, so this request makes sense.

Scott Clements referred to the 2015 memo that discussed the voting issue. Scott wanted clarification on the memo's statement that cities and ports don't vote. He was confused because these Board members do vote. He then added that our region has a lot in common with Gilliam County in particular, whose main economic interests are identical with Sherman County. Scott wanted to clarify if adding this county is about strengthening Economic Development for our region or is this discussion more concerned with votes and structure.

Leana Kinley stated that one feeds into another. If you have votes, then you craft policies for MCEDD and how economic development is shaped. Skamania County is not agriculture focused. Adding more agricultural representation moves away from representing Skamania County's economic interest. She voiced concern that the Board will not become unbalanced. She stated that she was not talking about the number of votes, but rather what services MCEDD provides for each community. Leana noted that Oregon and Washington have different structures. MCEDD provides more to Oregon directly. However, when the EDCs on the Washington side are added into the services structure, perhaps the Washington counties do get the same level of service, but it is covered through these alternate organizations.

Leana also pointed out that legislation in Oregon was talked about at the last board meeting. She wanted to know if MCEDD is familiar and works with Washington legislation to the same extent. From her perspective, she definitely sees greater reliance and use of MCEDD on the Oregon side.

Ken Bailey agreed, also focusing on the fact that the major portion of population in MCEDD's region is in Oregon. He also recognized the organization's ties with Business Oregon. He asked if MCEDD should be trying to develop ties with Washington's Department of Commerce. He explained that the connections that MCEDD has through Business Oregon gives access to grants and funding for the region from the State of Oregon. The counties and also MCEDD as a region has relied successfully on this connection instead of seeking to gain more influence in Washington. Ken endorsed doing more to develop contacts with Washington but stated that he was unsure of what is appropriate.

Eric Proffitt asked if this committee was looking at both Wheeler and Gilliam Counties, or just Gilliam. Jessica responded that Wheeler County has not yet entered into the conversation. Eric added that he definitely sees Gilliam County as like-minded and fairly close, whereas Wheeler County deviates away from our economy and outlook. He asked the Washington reps on the committee if they felt that MCEDD had missed opportunities, or if they have felt their counties have been slighted with regards to services provided by MCEDD.

Bob Hamlin said he sees Cascade Locks has a much closer relationship with Salem than Skamania and Klickitat have with Olympia. He also outlined the different sections of Skamania County that each align to different economies outside of the county. He explained that the Western part of the county identifies with Clark County, the Central part of the county is economically tied to Cascade Locks, and the Eastern part (Underwood) is meshed in with White Salmon and Bingen in Klickitat County. He said Skamania has been shifted into the Clark County economic district. Bob supported Ken's idea to retain balance by assessing if and where the Washington counties are not getting good coverage representation with MCEDD.

Ken added that Gilliam County is economically the same as Sherman County, and Wheeler County is different from everyone on all sides. He emphasized the need to contact Wheeler County immediately about this proposed change to see if they are interested in joining the discussion. He added that if they come in late, it will be disruptive and the boundary-changing process is complicated enough that the Board will only undertake it one time.

Jessica Metta stated that she is certainly interested in building MCEDD's connections in Washington. In Oregon, Governor Brown's Regional Solutions office gives a strong connection between the state legislature and Economic Development Districts that Washington does not have an equivalent for. She has signed up for the Commerce Department newsletters and will pursue closer ties with the Washington legislators for MCEDD's counties.

Eric added that his office is actively trying to bridge the gap with Washington WorkSource resources in Klickitat and Skamania Counties. He acknowledges that the region's workers are in both states. There is interest in trying to find ways to get WorkSource services for Oregon workers that their Washington residency disqualifies them from.

Scott Clements agreed with Ken that Wheeler County has to decide if they wish to participate in this boundary change. Ken added that the Board does not want to go through this process again for at least 5 years. It is a complicated process to change boundaries and MCEDD's organization.

Leana suggested setting up a spreadsheet to list all of the services on each side of the river. Right now there are more Oregon agencies represented on the Board than Washington agencies. By laying out the services provided on each side of river we can see the discrepancies. It will also clarify if the services that MCEDD provides for Oregon are provided in Washington through another agency. Having some sort of state equity measure will allow us to ensure that MCEDD's services and representation don't get unbalanced when we add in another county.

Eric pointed out that if we do nothing, nothing changes. This may not be bad.

Jessica updated the committee on the time and action spent on this topic to date. She explained that there hasn't been much more than what the full Board has seen at this point. She had one chat with Judge Ferrar that started the conversation, some brief emails with GEODC to ascertain that they are willing to consider the change and an email with the EDA confirming what the process would be.

Bob Hamlin asked if staffing and capacity to take on additional work is still an issue. Jessica responded that MCEDD is flexible. Through COVID-19 and CARES Act funds, MCEDD's staff and work priorities have grown and changed to match what our communities need. Flexibility is required and will extend to our staffing capacity with these changes.

Bob noted that transit is a big priority in MCEDD. He asked if transit will expand into these new counties. Jessica replied that the Translink Alliance is currently the five counties of MCEDD. Gilliam and Wheeler both have county transit services equivalent to what Sherman County has and could easily join the Translink. The lead for public transportation in Gilliam County has participated in the Translink group in the past.

Scott asked if the motivation for Gilliam's desire to become part of MCEDD is that GEODC doesn't provide services, being so far away. Jessica responded that this request was not tied to any lack of services from GEODC. In her talks with Gilliam, it has been clear that the services the county receives from other state agencies and the services that their communities need comes from our direction, not the east. Their economy is connected to our part of state. Ken agreed that Gilliam's business ties are to the west with Sherman County. He stated that their agriculture is much more similar to Sherman than Morrow County, and that Gilliam's economic and agricultural interests are swallowed up in the big ag of Morrow and Umatilla counties. They feel more comfortable with Sherman County.

Jessica asked for any other options or thoughts from the group. Ken stated that with or without a merger with Gilliam, MCEDD ought to take more stock in how it operates in each county of the district and to build better relations with the State of Washington. He urged the group to continue to move this piece of the discussion forward regardless of the outcome of this annexation issue. He suggested that the Washington Board members need to speak up more, ending his comment by stating that this has provided the impetus to look at how MCEDD operates and to define the services provided to ensure equality among all of the counties in the District.

Leana noted that part of the disparity of services is a function of each county's connection to its own state legislature. She explained that Hood River County is noticed more from the Oregon legislature and state agencies as a suburb of Portland. In Washington the big city is Seattle, which is much more disconnected from the towns in Skamania and Klickitat Counties.

Bob agreed with Leana that MCEDD's Washington counties do not have the presence and clout in Olympia and Puget sound that Hood River, Cascade Locks and The Dalles have in Portland and Salem. He stated that Oregon is the dominant force (social, political, and economic) in the region.

Scott asked if the 2015 idea to change the Board representation was viable. Jessica responded that if these counties come in, the suggestion had been to add one board member from the commission of the new county(s). The seat for Oregon Ports would expand to include the Port of Arlington. For the Cities there will not be an additional rep. To balance two new county seats, it was proposed to add two private sector Washington seats. Eric and Scott both agreed this was fair. Scott asked for assurance that nobody will be dismissed that is currently on the board. Jessica concurred.

The question of how the new counties will fit into the current representation structure of ports and chambers was explored. Currently, the District's Oregon Chambers of Commerce include Hood River, The Dalles and the city of Maupin. Jessica noted that Maupin's Chamber is getting stronger. Adding Gilliam County will add the Condon Chamber and Condon would have a vote in who the Oregon Chambers rep would be, and would enter into the rotation to be the appointed rep.

Ken agreed that all of the Chambers, Cities and Ports should be able to have a turn in the rotation of who is selected as the representative. He suggested that the new and smaller chambers, cities and ports may not get a turn as often as the larger counties.

Scott asked if the Board's current size was a determining factor. Jessica replied that MCEDD already has a large board- and it would get larger. Ken stated that MCEDD's Board is already past the point where this factor doesn't really matter. Once the number is over 15, it might as well get up to 30.

Scott asked if trimming the Board would make this more workable. Jessica replied that trimming has not been considered. She was not sure if the current Board would support it, adding that she did not want to lose any of the current Board members or positions.

Ken suggested that the quorum size might have to be less than 50% if the board gets bigger. He also did not think anyone should be cut off the board because good representation is vital. The Board's current size determined the existing structure of a strong Executive Committee that meets often and only quarterly Full Board meetings. He stated his opinion that adding two more would not make much difference. Eric pointed out that adding more might make attendance an issue of accountability. Leana offered her organization's consequence for not attending as payment of a fine.

Jessica noted that board attendance has been good for her tenure as Executive Director. She admitted that all meetings have been over zoom. The question of Exec Committee attendance in the future might change once in-person meetings return. Zoom definitely makes attendance better and hybrid meetings may be the best choice. Ken suggested that members from distant areas need zoom – that it is impossible for them to attend regularly in person. Eric felt that one meeting per year in person is adequate. Otherwise zoom is good. He commented that travelling from Condon to Hood River in the dark is too much to ask. Jessica agreed that one annual in person meeting with all others in the zoom format is a good model that will ensure good attendance.

Identify Additional Information Needed and Next Steps

Jessica then summed up the action items from the discussion.

- Reach out to Wheeler County.
- Leana's suggestion to lay out services in both sides and look at services offered.
- Building Washington connections.

For equal representation, Jessica suggested that one new rep from the new county will be partnered with adding one private sector rep chosen for the Washington side. Leana asked which private sector would be chosen, and Jessica responded that the Board should specify which private sector. She suggested the possibility of a forestry rep for the Washington side to balance the additional interests in Oregon side Agriculture that adding Gilliam County would create.

Bob Hamlin pointed out that this discussion has not made any different decisions from what was laid out in the 2015 discussion. He was unclear if this meeting made any progress. Leana replied that this committee is exploring what information needs to be laid out to present to all of the agencies who need to make this decision. This committee is proposing to look at all of the District's sectors and services and how they will be impacted. This groundwork to gather the information and compile a report of what this committee sees and recommends is crucial to continue to move forward with the process to adding the new county.

Eric asked if the committee wants to reconvene in one month. Jessica responded that she will need a full month's time to gather the information, and scheduling another committee meeting in one month will give time for one more conversation before reporting at the next Full Board meeting.

Scott asked if it is the plan that this committee will have a recommendation to take to the Board. Ken responded affirmatively. Jessica explained that the March Full Board agenda will be very full with the

Audit, the CEDS project list and the five-year CEDS document. She cautioned that adding this topic will make the meeting go longer. Eric pointed out that this topic will likely not be ready for any Board action in March because the process involves a lot of legislative action before it can come to the MCEDD Board for adoption.

Jessica stated that the Board will need to decide which way to go before resolutions from Gillam and Wheeler County can move forward. The resolutions will go to GEODC and MCEDD at same time. Ken suggested that the full Board needs to be informed in March so they can decide if the process will continue. They will decide to allow this group to go ahead and bring the topic to the July meeting.

Jessica noted that MCEDD works well and we aren't doing this to fix MCEDD. Will it make us stronger? Does it help our neighbors? As long as it doesn't hurt MCEDD, these are the questions to consider in any decision to move forward with this change.

Adjournment

Jessica adjourned the meeting at 1:50 pm.

Respectfully submitted by Jill Brandt, Administrative Assistant

Memorandum

To: MCEDD Expansion Task Force
From: Jessica Metta, Executive Director
Date: January 13, 2022
Re: Additional Research on Gilliam County Addition

Overview

At the December meeting of the MCEDD Expansion Task Force, the Committee asked for several items of additional information for consideration of expanding the MCEDD boundary. This memo summarizes staff research over the last month.

Wheeler County Interest

Staff spoke with Wheeler County Judge Morley about their interest in joining the MCEDD region. He stated the Court talked about it a few months ago and did not have interest anymore.

Gilliam County Expectations

Staff spoke with Gilliam County Judge Farrar to clarify expectations and how they would benefit from joining MCEDD. Some of this was expressed in 2015 but has been updated with the more recent discussion.

Expectations/Reasoning:

- Alignment with other economic development partners is the key concern, especially with Regional Solutions, but also with the Area Commission on Transportation and workforce. Gilliam County is also interested in leveraging regional strength along the river for all Ports.
- They want to be involved in an economic strategy and conversations around regional economic development that more closely align with their own county's issues, which are similar in particular with Sherman County.
- Overall, they stated low expectations, other than being a part of the conversation.
- Revolving Loan Funds were discussed. Gilliam County has its own loan program using fees from Waste Management. The program is currently dormant, but the County could consider asking MCEDD to operate it on a fee-for-service basis, similar to what we provide to Mount Hood Economic Alliance. There are other Gilliam County entities that could also be considered for this, so it does not have to be MCEDD. Staff is researching how boundaries for the existing EDA and USDA revolving loan programs at MCEDD and GEODC would change and will likely have information for the meeting.

Board:

- Board positions are not a sticking point. They are flexible. General expectations are that a voting position for a county member would be available. This person would also cover the cities and a separate city seat is not expected. Cities would receive meeting information and be able to attend meetings, but they do not need to be an official member.
- Staff informed the Judge that the Committee thought Gilliam County's port and chamber should be eligible to be in the Oregon rotation for those positions, and she was in favor of that. Private sector seats are open to all MCEDD counties, so these could also possibly be occupied by Gilliam County residents, as selected by the Board.

Staff / Resources:

- Gilliam County has its own in-house economic development staff, and the Condon Chamber supports tourism. They would propose leveraging that staff to minimize MCEDD impact. MCEDD would be available for fee-for-service contracts as we do for all of our region and as we have capacity.
- Gilliam County currently participates in CGBREZ and has done so at an equal financial rate as other members for the services they use. They have been a net asset and added additional strength to the group.

Benefits to MCEDD

- The option to support additional partners with fee-for-service projects like Grant Management could help stabilize positions expanded through CARES funds.
- MCEDD possibly would receive a slightly larger EDA Planning Grant. Whether we did or did not, we would collect local assessments that could be used as local match for other grants.
- The Port of Arlington and the Condon Chamber have been strong partners in economic development projects in the past. The Chamber has some new grants that would align with MCEDD's work and we could be stronger working together.
- Alignment with Regional Solutions would be a benefit.
- Opportunity to implement projects with a greater impact that benefit both Sherman and Gilliam Counties.
- Addition of another private sector seat (possibly for forestry) to balance a Gilliam County seat strengthens our work through new perspectives. (The Board could choose to do this even if they do not move forward with adding Gilliam County.)
- Opportunity to work on transit services through the Translink Alliance across a larger portion of the I-84 corridor.

MCEDD Services

The discussion in December also included differences in services between Oregon and Washington as provided by MCEDD and requested an outline of how those differ or are provided by others. This is outlined below. Most differences are due to others contracting with MCEDD or how Washington state funds Economic Development.

- Business Assistance Services:
 - MCEDD provides small business gap financing in OR and WA. MCEDD manages more funds in Oregon (OIB and MHEA through separate contracts, Attainable Housing through a grant from the Oregon Regional Solutions office). The OIB is duplicated in WA by the WIB (managed through a contract with Skamania County Economic Development Council (EDC)). There is not a WA replica for the Attainable Housing funds.
 - Business training grants have mostly come from Business Oregon so we have requirements for an Oregon focus, but offer opportunities to the WA side as well. We are currently exploring applying for a WA USDA Rural Business Development Grant that would help us provide the training on the ground in WA.
 - MCEDD operated a COVID-19 business grant program only on OR side, duplicated on WA by Skamania County EDC and Klickitat County EDA.

- Grant Management Services: MCEDD provides grant management by contract, but more OR partners have asked to contract with us than WA partners. Last year we started increased outreach on the WA side to remind partners of our services in this area. Recent examples:
 - WA contracts:
 - EDA funded: Regional Airport Flex Hangar
 - USDA and CDBG: Dallesport Water District Water System Upgrades; Wastewater system planning project
 - OR contracts:
 - USDA: Biggs Water System
 - USDA with interim funding through Clean Water State Revolving Fund (DEQ): Cascade Locks Wastewater System Improvements
 - CDBG: Antelope Water System Improvements
 - Safe Drinking Water Revolving Loan Fund (Business Oregon): City of The Dalles - Dog River, three Crystal Springs projects
 - Business Oregon Water/Wastewater Program - City of Hood River Stormwater (along with Clean Water SRF and ARPA funds)
- Industry Support: All MCEDD industry support covers OR and WA (Gorge Tech Alliance, CGBREZ, other industry sectors in the past). MCEDD's work with the Hood River Energy Council is a contract project as a result of Hood River County's interest.
- County Economic Development Services: These services are available in any of our counties -or any partners- for contract but are only under contract at present in Sherman and Wasco Counties, and to a small extent Hood River County. We also have a small contract to support the Enterprise Zone in Hood River County. County-level economic development is provided on the WA side through Skamania County EDC and Klickitat County Economic Development Administration (EDA).
- Economic Development Planning Services: Our EDA Planning Grant and the scope it includes covers both OR and WA. This includes the CEDS process and implementation, EDA connections and support, broadband planning coordination, and other activities. Our county-level economic development contracts in Oregon mean we have more capacity to apply for grants in those counties. Our EDA CARES Planning Grant has allowed us to provide greater technical assistance on the WA side than we can usually do with just regular planning grant. This grant ends June 30.
- Transportation: MCEDD's work with the Gorge Translink Alliance serves both OR and WA. We have some additional active transportation contracts on the OR side. We operate The Link only in Wasco County.
- State-Level Connections: OR benefits from a regional Governor's rep and Business Oregon rep, which is not mirrored on the WA side. OR also has a strong network of economic development districts statewide that work closely together. Skamania EDC and Klickitat EDA are the designated Associated Development Organizations which receive funding from the WA Dept. of Commerce and have a specific relationship with Commerce that MCEDD cannot have since we are not the ADO. Staff has reached out to the Washington Economic Development Association to get more connected, but again that organization works closely with the ADOs.

Impacts to MCEDD Services

If Gilliam County joins the MCEDD region, the above services would be impacted as follows:

- Staff assumes that our EDA Planning Grant would be slightly increased to cover Economic Development Planning Services in Gilliam County. This would mean MCEDD's existing counties would not be impacted (e.g. they would not receive less service since the work covers more territory), except as related to staff capacity. This is likely small given the small size of the county.
- If EDA and USDA allow our existing loan funds to also cover Gilliam County, it would mean our loan funds have to stretch to cover more territory and would reduce what is available for the existing counties. Currently, we have a surplus of loan funds available, and more territory would be helpful. Also, given the small size of Gilliam County, we likely would not have many loan requests there (we receive few from Sherman County and have no open loans there at present).
- There would be more Oregon partners possibly looking to contract for services (e.g. Gilliam County, Condon, Arlington), which would lessen our staff capacity for our existing counties. We currently do have staff capacity to add more contracts.