

**MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT  
BOARD OF DIRECTORS MEETING  
Thursday, November 9, 2017  
3:00 P.M.**

**MCEDD Meeting Room  
515 East Second Street, The Dalles, Oregon**

**AGENDA**

<b><u>Topic</u></b>	<b><u>Estimated Time</u></b>	<b><u>Item</u></b>
Call to Order/Introductions	5 minutes	Information
Consent Agenda Approval of September 2017 Minutes	5 minutes	Approval
Service Expansion Committee Report	30 minutes	Discussion
Adoption of Resolution 2017-5 <i>Transfer of the LINK and Establishment of the Transportation Administration Board</i>	10 minutes	Decision
Authority to Transfer Assets/Agreements	5 minutes	Decision
Other New Business	10 minutes	Discussion
Adjournment		

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

*Public Comment: Individuals wishing to address the Board on items not already listed on the Agenda may do so in an orderly fashion throughout the meeting. Please wait for the current topic to conclude and raise your hand to be recognized by the Chair for direction. Speakers are asked to give their name and address and to limit comments to three minutes unless extended by the Chair.*

*Agenda Times: Times on the agenda are approximate. The Chair reserves the opportunity to change the order and time of agenda items if unforeseen circumstances arise.*

MCEDD is an equal opportunity employer, lender and provider.

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT  
BOARD OF DIRECTORS MEETING  
THURSDAY, SEPTEMBER 21, 2017  
WHITE SALMON COMMUNITY LIBRARY, SPRINT/BAKER GALLERY  
77 NE WAUNA, WHITE SALMON, WASHINGTON

**BOARD MEMBERS:** Ken Bailey, Jan Brending, Bob Benton, Tom Furey, Mary Kramer, Sue Knapp, Rod Runyon, Bill Schmitt, Gary Thompson, Mark Zanmiller, Dana Peck, Robert Kimmes, Gabriel Muro, Stephanie Hoppe, Bob Hamlin, Cassie Courtney, Humberto Calderon

**STAFF:** Amanda Hoey (Executive Director), Jessica Metta (Deputy Director), Sherry Wickert (Finance Manager), Eric Nerdin (Loan Fund Manager), Jacque Schei (Project Manager), Carrie Pipinich (Project Manager), Kathy Fitzpatrick (Mobility Manager), Carmen Frost (Office Administrator)

**GUESTS:** Brent Olsen (MCCOG/LINK), Theresa Conley (ODOT), Jeff Monson (Commute Options), Rudy Kellner (Pfriem)

**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 HIGHLIGHT – PFRIEM**

Jan Brending introduced Rudy Kellner of Pfriem. Rudy provided an overview of the company. Pfriem was started in 2012 and has been growing since the start. They project outgrowing the current location by 2018 and will be needing an additional facility by 2019. Their initial financing included \$100,000 from MCEDD. Rudy noted that having MCEDD as a partner has been crucial to Pfriem's success, and stated that he is committed to staying in Oregon and Washington.

*Discussion: Jan Brending asked about the new facility. The board asked about other brewers starting up in the gorge. Rudy replied there is definitely competition in the area, but noted that it is not just about selling beer; it also requires the ability to run a good business.*

**RECOGNITION OF OUTGOING MEMBERS AND OFFICERS**

Amanda Hoey recognized outgoing Board members Carol MacKenzie, Gabriel Muro, and Mary Kramer, and thanked them for their service to the MCEDD Board. She also provided appreciation for Jan Brending as an outgoing officer.

**CONSENT AGENDA:**

Approval of June 2017 MCEDD Minutes  
Approval of Public Records Policy

**Motion to approve** the consent agenda made by Bill Schmitt. Gary Thompson seconded the motion. Motion carried unanimously.

**FINANCIAL REPORT**

Sherry Wickert presented the finance report for the period ending July 2017. On the Balance Sheet, she noted that MCEDD's loan fund cash is higher than last year's due to repayments and early

payoffs, which are reflected in the lower Accrued Loan Interest balance. Sherry reported that the first Attainable Housing loan was made in July for \$250,000, which reduced cash. She highlighted IRP's Escrow Account which has a negative cash balance due to a bank fee, which was reversed in August and the account has since been closed.

Sherry also reported that July's Operations Budget vs. Actual report is the first month utilizing FY18's budget. The inclusion of the Actual Carryover Revenue is still pending audit completion. She noted that federal revenue is higher due to the carryover of a portion of the planning grant funds into FY18. Sherry noted that personnel costs are below budget due to staffing changes. She stated that most expenses are below projections, due to the timing of anticipated expenses, with the exception of Equipment and Communications. These expenses are slightly over budget due to the entry of prepaid expenses.

Sherry reported that the audit will begin October 9th, and informed the Board that she will be retiring in November.

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

#### **PRIVATE SECTOR APPOINTMENTS**

Jessica Metta explained that at the annual meeting, the MCEDD Board must ratify appointments of members to the private sector MCEDD Board positions. These are unpaid positions for one-year terms. She noted that the intention is to reflect a balance between Oregon and Washington and stated that the MCEDD Executive Committee requests the MCEDD Board ratify the following appointments:

- Ken Bailey (representing agriculture)
- Humberto Calderon (representing Latino businesses)
- Cassie Courtney (representing food and beverage)
- Tom Furey (representing high tech)
- Stephanie Hoppe (representing non-profit/higher education)
- Robb Kimmes (representing healthcare)
- Eric Proffitt (representing workforce)

**Motion to ratify** these appointments to the MCEDD Board was made by Dana Peck. Seconded by Mark Zanmiller. The motion carried unanimously.

#### **MCEDD LOAN ADMINISTRATION PRIVATE SECTOR APPOINTMENTS**

Jessica Metta explained that the MCEDD Loan Administration Board is an unpaid committee that meets bi-monthly to make loan policy and all major loan decisions including loan approvals and subsequent loan modifications and foreclosures. Jessica reported that the Loan Administration Board is composed of the five county representatives to the MCEDD Board and two private sector representatives. The terms for these private sector at-large representatives expire annually. The MCEDD Executive Committee recommends reappointment of Scott Clements, Dillon Borton, and AJ Tarnasky as alternate.

*Discussion: Mark Zanmiller asked how these committee members are working out. Eric Nerdin replied they have been very helpful as loan board members, attending meetings and making a contribution. Additionally, the lending background is very useful.*

**Motion to approve** the reappointment of Scott Clements and Dillon Borton to the private sector positions on the MCEDD Loan Administration Board, and AJ Tarnasky to the alternate private sector position was made by Bill Schmitt. Seconded by Tom Furey. Motion carried unanimously.

**NOMINATING COMMITTEE REPORT, ELECTIONS**

Dana Peck explained that the Nominating Committee met prior to the annual meeting to discuss a slate of officers for the MCEDD Board. The following is proposed by the MCEDD Nominating Committee:

<b>MCEDD Officers</b>	
<b>Position</b>	<b>Nomination</b>
Chair	Ken Bailey
Vice-Chair	Bill Schmitt
Secretary/Treasurer	Bob Benton

**Motion to approve** the nominated slate of officers as presented was made by Gary Thompson. Seconded by Bob Hamlin. Motion carried unanimously.

**Executive Committee Membership, Private Sector**

In addition to a slate of officers, the MCEDD Nominating Committee also discussed private sector membership on the MCEDD Executive Committee. The Executive Committee consists of the five County representatives and all officers, in addition to two to four private sector representatives. The private sector representatives serve one year terms. In proposing representatives, the Nominating Committee considered generally the same items as discussed for the MCEDD officers as well as expressions of interest submitted by private sector members. The committee proposed three private sector members to the board to preserve an odd number of committee members, given the proposed officer structure. Amanda explained that Ken Bailey is automatically a member of the Executive Committee, given his role as an officer, and Eric Proffitt is currently serving on the Executive Committee. The following private sector members are nominated to serve on the MCEDD Executive Committee:

<b>MCEDD Executive Committee, Private Sector Membership</b>	
<b>Position</b>	<b>Nomination</b>
Executive Committee, Private Sector <i>(officer-automatic appointment)</i>	Ken Bailey
Executive Committee, Private Sector	Eric Proffitt
Executive Committee, Private Sector	Dana Peck

**Motion to approve** the nominated private sector members to the Executive Committee as presented was made by Mary Kramer. Seconded by Gary Thompson. Motion carried unanimously.

**Signature Authorization Form**

Amanda Hoey explained with the election of new officers, the new signature authorization form requires approval. All officers have signing authority as does the Executive Director, Deputy Director and an Executive Committee member who is based locally.

**Motion to approve** the signature form made by Sue Knapp. Seconded by Gabriel Muro. Motion carried unanimously.

### **COMMUTE OPTIONS PRESENTATION**

Amanda Hoey introduced Jeff Monson with Commute Options and Theresa Conley with ODOT. Theresa explained her role as the regional transit coordinator for ODOT Region 4. Jeff explained he has been involved with Commute Options as Director since 2002. Jeff stated the organization is still expanding, and continues to educate and encourage alternatives to driving a single occupancy vehicle. The core programs focus on reducing driving, enhancing mobility, supporting rural and small urban transit, and statewide planning. Jeff noted that Commute Options partners with MCEDD for delivery of services in Wasco and Sherman counties.

*Humberto Calderon arrives.*

Amanda Hoey introduced new board member Humberto Calderon. Humberto explained he has worked in radio stations for the past 10 years and owns a store in Hood River. The board welcomed Humberto as a new Board member to MCEDD.

### **SERVICE EXPANSION OPTIONS**

Amanda Hoey provided an overview of the status of Mid-Columbia Council of Governments programs and MCCOG's determination to seek new administrative homes for existing programs. Amanda noted that MCEDD has been advancing regional transportation initiatives for more than 10 years with support for the Gorge TransLink Alliance and thus there is consideration to support the transition of the LINK public transportation service to MCEDD. She provided an overview of the financial, asset and employee considerations needed. She provided the framework for analysis which includes: a) fit to MCEDD's mission, b) assurance that other MCEDD programs would not be negatively impacted, and c) ability to effectively serve the program and clients.

Other services within MCEDD's mission could include financial services to other entities and support for the Community Renewable Energy Association. Amanda reported that the MCEDD Executive Committee recommends creation of a small working group for negotiations and analysis on the LINK.

*Discussion: Ken Bailey clarified that no decisions would be made until discussed with the Board and the small working group would only be advisory in nature. Mark Zanmiller expressed concerns with the management and expense when it was with MCCOG and noted that it took a great deal of the Board's time to address this one single entity. Amanda commented that a main concern is the brokerage pieces – whether or not the LINK can sustain itself without additional administration dollars- and the role of the committee will be to address the questions of viability and other concerns raised by the Board. Rod Runyon noted that he was happy with this direction that will allow for greater efficiencies, he felt confident in MCEDD's administration and he had confidence in MCEDD's new mobility manager. He noted some facilities and asset concerns that would need to be addressed by the committee. Bob Benton mentioned that time is of the essence. Amanda noted that special meetings of the board may be necessary to meet timelines. Bob Benton stated that the MCCOG board is excited to work with MCEDD. Dana Peck noted the transportation needs in Klickitat County, specifically for the eastern end of the County and growing industries. Amanda noted the technical assistance request MCEDD had submitted through our national association specifically to address those needs. Rod Runyon noted that the committee is just*

*a first step on the examination. Ken Bailey noted the opportunities to view it in the context of regional transportation needs.*

**Motion to authorize** the creation of a working group for analysis and continuation of negotiations made by Tom Furey. Seconded by Mark Zanmiller.

*Discussion: The Board discussed how the committee membership would be defined. The Board determined that membership will consist of board members. Amanda Hoey will solicit voluntary participation from Board members. Bob Benton stated he would be willing to serve on the committee.*

Motion carried unanimously.

### **EXECUTIVE DIRECTOR REPORT**

Amanda Hoey provided highlights from the written Executive Directors report. Amanda reported on MCEDD and OIB's strategy for utilizing current resources in response to business needs for the Eagle Creek fire. Amanda noted the opportunity for an EDA technical assistance application to address economic resiliency related not just this disaster, but other potential disasters, to help better prepare the region to respond. She asked for input from the Board on the application and scope.

*Discussion: Mark Zanmiller suggested the full district. Gary Thompson reported that it did affect Sherman County, specifically a drop in tourism in Rufus due to traffic not coming east on I-84. Amanda reported that MCEDD will move forward with a regional application.*

Amanda informed the Board of the upcoming Annual Economic Symposium November 2<sup>nd</sup> in Stevenson, WA. Jason Spadaro from SDS Lumber will be the keynote speaker. Washington and Oregon regional economists Scott Bailey and Dallas Fridley will present on local and regional data/demographic updates. Additionally, there will be a set of panelists with a focus on individuals representing many sides of the industry including manufacturing, secondary processing, timber management, innovation, and regulatory issues. Amanda stated her appreciation to Kari Fagerness of the Skamania EDC who has provided coordination support. She noted that tickets are now available through Eventbrite, with the link via MCEDD's homepage at mcedd.org. Tickets are set at only \$15 to cover minimal food/beverage at the event and there is a process for providing fee waivers for individuals for whom the ticket price would cause a financial hardship. Amanda noted that Jessica Metta will be taking the lead in symposium coordination from this point forward, with support from Jacque Schei.

Amanda provided a legislative update. The National Association of Development Organizations (NADO) has continued to provide regular updates on the status of the three core programs the MCEDD Board is monitoring. She also noted EDA's focus on support for forest-based economies and the specific citation of eligibility of projects converting rail corridors to bike/ped/transit.

*Discussion: Tom Furey requested a review in comparison to prior fiscal years, which Amanda provided.*

Amanda reported that the Columbia Gorge Bi-State Renewable Energy Zone's government affairs specialist continues his work and provided an update on activities at the September meeting. Part of his contract requires that he attend the funding counties' board meetings about every six months to provide a direct update to their commissioners. He is beginning that outreach in September and

October. Amanda attended the AWEA Regional Wind Energy Conference 2017 – Northwest, and participated as both moderator and panelist in a session about renewable energy in rural areas.

Amanda noted that local assessments are already 100% paid. Amanda gave a brief update on Mobility Management/Transportation activities and introduced two new employees: Kathy Fitzpatrick as MCEDD's new Mobility Manager, and Carmen Frost, Office Administrator.

### **EXECUTIVE COMMITTEE REPORT**

Jan Brending reported that the MCEDD Executive Committee met in August and September to address District business. She stated that the committee reviewed the annual report and final FY17 loan fund revenue and expense gap and discussed the FY18 budget and staffing changes. Additional topics included the SBA Community Advantage Lender program. The Committee recommended MCEDD staff monitor the activity of another district considering the program in order to leverage the research they conduct on program feasibility. The Committee also approved travel for Amanda Hoey to attend the National Association of Development Organizations conference in September. The travel is covered through scholarships from EDA- SRO and NADO. The Committee also provided recommendations for the Annual Economic Summit on November 2, 2017, identifying a focus on the forest/wood products sector for this year. Jan reported that the Committee analyzed changes with Mid-Columbia Council of Governments, specifically the LINK transportation program, and provided a recommendation to the MCEDD Board, to be presented at today's meeting. Lastly, Jan reported on the authorized submission of an application to Travel Oregon and applications for the Columbia Gorge Health Council community grants.

### **STAFF REPORTS**

#### **Jessica Metta highlighted the following:**

- For Sherman County she is helping to monitor the USDA loan application for Biggs water system and she noted that a spot in Wasco had been secured to install the tourist information kiosk she has been working on for the John Day River Territory.
- For the GTA, the GTA Board approved increasing contract for MCEDD starting October 1. Jessica is helping start a Gorge Women in STEM initiative. She needs volunteers for robotics tournaments in December. She also reported that the Tech Showcase was a great event to highlight the tech industry with 70 to 80 attendees. Jessica appreciated MCEDD Board Member Tom Furey participating for Sagetech.

#### **Carrie Pipinich highlighted the following:**

- She is working with the partners on the Maupin Fiber project to close the gap on funding and has supported development of two applications that are being submitted. Additionally, Carrie is working with Jessica and the cities in Sherman County to develop opportunities to utilize the long haul fiber developed to support additional community access.
- Washington State University has expressed interest around improving capacity for their distance learning students, extension offices, and other programs. Carrie will continue to work with Monica Babine at WSU Extension to explore opportunities for Klickitat and Skamania counties.
- For Wasco County economic development, Carrie noted that there has been some significant investment in the communities around Wasco County through the legislative session. The Health Clinic in Maupin received funds as did the joint Fire Hall/City Hall project in Mosier, and Dufur received funds to support pedestrian improvements through the transportation package. MCEDD staff met with Kim Curley from Commute Options and the Dufur School

and City of Dufur to discuss planning for this investment and identifying additional resources.

- Carrie noted that the Cider Society had just brought a consultant on board.
- MCEDD received word yesterday that the grant Carrie developed and submitted to the Travel Oregon Small Matching Grants program to support the Dufur Chamber in developing a community brand was successful. Carrie also supported the Winegrowers Association in an application for the Wine Country Plates Matching Grants program to develop a comprehensive brand for Gorge Wine Country and they anticipate hearing back next month.

**Jacque Schei highlighted the following:**

- MCEDD received 2017 National Association of Development Organizations award for the Gorge Night Sky project. Jacque expressed appreciation to Board member Dana Peck and volunteer Jonathan Lewis, in particular, for their work with her on this project.
- The project with Mid-Columbia Center for Living for the regional health facility made progress as the project is now out for bid.
- The Columbia Gorge Regional Airport project started construction on the flex building.

**Kathy Fitzpatrick introduced herself as the new MCEDD Mobility Manager coordinating regional transportation efforts, including for the Gorge TransLink Alliance. She highlighted the following:**

- MCEDD secured the additional dollars applied for through ODOT for mobility management. These funds support her position. The additional dollars will be used to analyze regional strategies in response to the new state transportation package dollars for public transit.
- Mount Adams Transportation Service was funded for two new cross river routes: one from Goldendale to The Dalles and one from Bingen/White Salmon to Hood River.
- Columbia Area Transit (CAT) is looking at a new fixed route as early as spring. Patty Fink is the new Director for CAT.
- MCEDD submitted an application for the “Everybody Rides” campaign. Kathy hopes to have the program funded and start the campaign next year.

**LOAN COMMITTEE REPORT**

Eric Nerdin provided the loan committee report, highlighting the following:

- There are more loan prospects in the pipeline.
- All of the funded loans are moving forward, including All Season Carpet Cleaning and Janitorial in The Dalles, the Honald Building which includes the first \$250,000 allocation from the Attainable Housing fund, and the investment to Root and Cane Vineyard Services. In addition, Dwinell LLC took their final disbursement of funds to complete the opening of their brewery in Goldendale.
- The \$130,000 loan to Seufert funded last week.
- The \$200,000 loan to the Renewal Workshop should close tomorrow.
- The delinquency report is showing improvement.

**REGIONAL UPDATES**

Ken Bailey reported on the status of cherry season. The first part went well with good prices, but by the end the price did not hold and not all fruit was picked. He noted a large crop on the Oregon side and in Washington State it was 15% bigger than ever but did not have the same quality as the year prior. He reported on the sale of Oregon Cherry Growers to a large cooperative out of California. He noted that 1/3 of the equity was paid in cash to growers and the rest of the payout will occur over a



ten year time horizon. He stated the most positive aspect may be in the facilities as the Cherry Growers have been operating out of older buildings and there is hope for capital investments to these properties. Ken noted that the wheat crop looked good, but struggled with prices. He stated that pear had a decent volume but also have price concerns. He noted the struggle with the fire and particularly for the health of workers in harvest.

Bill Schmitt reported on the status of Marine Drive and the issues with the 8 foot paved path the length of Marine Drive. He noted that the rest of the lots' dirt work is underway and they hope to be complete before the weather turns.

Bob Benton noted that the fire is the main current issue and he provided appreciation to Skamania County for their assistance in taking in displaced individuals at the fairgrounds. He stated that Hood River County's Emergency Center was effective during the fire. He noted that they hosted more than 1,000 people at the fairgrounds in Odell to help fight the fire.

Gary Thompson provided an update on the construction of the new court facility which is in process and will be completed by December of this year. Gary noted that the construction of the facility has been funded 100% by renewable energy payments, which is an impressive accomplishment for one of the smallest counties in the state.

Cassie Courtney stated that crush is beginning and there is some concerns with the potential for smoke taint, specifically for vineyards closer to fire. She noted the tourism impact of the fire, with wineries in Hood River reporting 60-70% decreases in sales. The industry has discussed means to pull together and encourage visitation with reduced tasting fees and eat/drink local campaigns. She noted the Winegrower's Alliance new Directors and new marketing person. She stated they are reworking the wine map to include vineyards.

Mary Kramer stated that Dr. Frank Toda will be retiring following 16 years with the College. She noted an interim has been appointed and there is a search committee for a new President. She highlighted opportunities for public engagement.

Dana Peck noted the effects from the fire on tourism. He stated that the Gorge Tourism Alliance is setting their new directions. He provided a copy of the Klickitat County points of interest touring map. He reported on the opening of Dwinell Ales in Goldendale and the Maryhill Loops events on October 7<sup>th</sup>.

Mark Zanmiller noted that Cascade Locks has pulled together in the wake of the fire. He noted that housing is still a primary focus for the City of Hood River and there are opportunities for discussion of housing in the downtown commercial core. He stated that Hops Fest's date was moved and noted that the Gorge Tech Alliance event went well last evening with a great turnout.

Robert Kimmes reported that MCMC has a new executive officer. He stated that Skyline Hospital is starting up a primary care clinic and emergency renovation project. He anticipates that the North Shore Medical Group will move in early November.

Tom Furey provided his appreciation for the Gorge Tech Alliance event last evening and bringing in outside talent. He noted that companies are looking at growth.

Sue Knapp noted that there was a great deal of preparation for the solar eclipse and businesses stocked up in anticipation of thousands of visitors, but there was not the attendance expected and there was no major influx of people. She noted that it was a big disappointment for businesses, but a good planning exercise. She stated that the Parks and Rec Commission approved the Shearers Falls scenic bikeway. She noted the Maupin We Care campaign seeks another \$1.5M to build upon the \$1M from the State legislature for the clinic.

Gabriel Muro reported that the Community Health Workers are in their third session and there is a full class. It is an 8 week long program on Wednesdays, Thursdays and Fridays. He noted that the fourth year of the business course will start in October and that the IDA program resources are increasing.

Humberto Calderon described his business ownership and community roles. He noted that Radio Tierra is receiving more and more calls from farmers over the last three years who do not have enough workers to pick fruit and do maintenance. He noted his concern as community economies rely on these people.

Stephanie Hoppe discussed the quarterly non-profits group meetings. She noted a focus for recruiting and developing board members and how to compose an effective board.

Rod Runyon explained the South Wasco County health clinic status. He highlighted the important in south Wasco County for broadband and expressed appreciation to Carrie Pipinich and MCEDD for working with broadband efforts in the area.

Bob Hamlin reviewed the fire impacts and the process for intake of fire evacuees in Skamania County. He noted the challenges experienced and stated that they learned a lot on the emergency management side, including how to accommodate the desires of people to help in the situation. He expressed appreciation to Pfriem for a great presentation and noted the challenges that the Skamania brewing industry is experiencing in relation to the wastewater concerns with the City of Stevenson. He noted potential developments in the Home Valley area.

Jan Brending highlighted the construction of a new facility for Everybody's Brewing and discussed the Bingen School Inn project with the City of Bingen approving the expansion breaking ground. Their goal is to be open next spring 2019. She stated that Pine Shed Ribs is now open in Bingen and provided an update on the Bingen Point Railroad crossing project. Access is being analyzed not just as an overpass, thus the name has been changed to reflect a wider set of solutions. Jan noted staffing changes in the City with Leana Johnson as the new City of Stevenson Administrator, Jan Brending as the Clerk/Treasurer for the City of White Salmon and the opening of the City of Bingen Administrator position. Jan noted that even with the change in her job, she will continue on as city representative for Klickitat County for the MCEDD board through the remainder of her term.

### **NEW BUSINESS**

No new business was presented.

**ADJOURNMENT:** Meeting adjourned at 6:08 p.m.

*Respectfully submitted by Amanda Hoey, Executive Director*

**Memorandum**

**Date:** November 1, 2017  
**To:** MCEDD Board of Directors  
**From:** Amanda Hoey, Executive Director  
**Re:** Service Expansion Recommendation

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**Request/Action**

The MCEDD Executive Committee recommends adoption of Resolution 2017-5 which would provide authorization to proceed with the transfer of the LINK transportation system and establish a Transportation Administration Board.

**Background**

Over the past two months, the MCEDD service expansion committee and MCEDD staff have conducted an in-depth analysis of the opportunity to transition the LINK transportation system to MCEDD. Currently operated under MCCOG, that entity will be concluding their services and is seeking new administrative homes for programs. The MCEDD service expansion committee has operated under the premise that any program would need to a) fit our mission b) have no adverse impact to other core MCEDD programs and c) be able to be operated effectively by MCEDD in serving the program's intent and clients.

**Committee**

The service expansion committee was comprised of Ken Bailey, Dana Peck, Bob Benton and Perry Thurston. The committee generally met weekly to address a variety of issues from assets to employees. Highlights include:

<b>Assets</b>	The committee conducted a full asset review which consists of a Transit Center in The Dalles, vehicles and miscellaneous software and equipment. <ul style="list-style-type: none"><li>• The primary concern was the need to ensure an appropriate lease could be negotiated with the largest call center partner, GOBHI, which takes up a significant portion of the facility. Those conversations have progressed nicely and we have confidence in that element being resolved. See attached letter from GOBHI.</li><li>• The secondary concern was an interfund loan transfer MCCOG made from its building codes program to cover a portion of the transit facility construction. That issue must be resolved prior to transfer of the program. Initially the loan was proposed to be paid via transit's beginning program balance which caused initial concern from the committee. The committee has made a request for MCCOG to address this debt without affecting the program's beginning balance. See attached letter.</li><li>• Staff has been meeting with ODOT staff who outlined the process for transfer with the various entities. Given the time sensitive nature of these requests, the attached resolution requests authority be granted to the Executive Committee to proceed.</li></ul>
<b>Agreements</b>	New agreements will be required that involve a number of entities: ODOT, FTA, Wasco County, MCEDD and MCCOG. ODOT anticipates providing a letter to the board outlining these requirements in advance of the meeting.

<b>Financial</b>	<p>MCEDD staff conducted a full financial analysis. See the high-level summary attached.</p> <ul style="list-style-type: none"> <li>• The main concern had been allocation of a few employees in the short term. After meeting with GOBHI we are again assured that will be resolved. See attached letter.</li> <li>• MCEDD anticipates that there will be less expense in the administrative overhead burden, even accounting for resource needs not already in place at MCEDD.</li> <li>• We have identified potential cost reduction opportunities and efficiencies. The intention for the first year is to operate as near to the existing system as possible to avoid any service disruption; noting that there is not a change in service, only a change in the administrative entity. That approach will provide an opportunity to analyze system efficiencies with LINK staff over the first year.</li> </ul>
<b>Internal</b>	<p>One of the concerns expressed by members of the MCEDD Board who were familiar with the system as it operated within MCCOG had been the time transportation for a single system took up on a board agenda. To address this concern, staff proposes creation of a committee, as allowed through the MCEDD Bylaws. The committee would not only cover the LINK, but also our regional transportation initiatives. The proposed “Transportation Administration Board” is designed in a manner to cover multiple purposes.</p>

**Attachments:**

- Resolution 2017-5
- GOBHI Letter
- MCEDD Service Expansion Committee letter to MCCOG
- High-Level Financial Summary



RESOLUTION 2017-5  
TRANSFER OF THE LINK TRANSPORTATION SYSTEM  
ESTABLISHMENT OF THE TRANSPORTATION ADMINISTRATION BOARD

WHEREAS Mid-Columbia Economic Development District (MCEDD) is a regional economic development entity in Oregon and Washington with a mission to promote the creation of family-wage jobs, the diversification of the economic base, and the growth, development and retention of business and industry within the five-county district; and

WHEREAS, in order to meet that mission MCEDD has an adopted regional strategy that recognizes the critical importance of regional public transportation; and

WHEREAS, MCEDD, as lead entity for the Gorge TransLink Alliance, supports coordination of regional public transportation initiatives; and

WHEREAS, the Mid-Columbia Council of Governments (MCCOG) will be ceasing to provide public transportation services through the LINK; and

WHEREAS, MCEDD is an eligible entity to take over operations of the LINK; and

WHEREAS, operating the LINK complements MCEDD's long-term vision to ensure continuity of public transportation options in the region;

NOW THEREFORE, BE IT RESOLVED that the MCEDD Board of Directors approves the transfer of the LINK transportation system from MCCOG to MCEDD and:

- Authorizes the MCEDD Executive Committee to act on behalf of the Board in transfer of assets; contracts with ODOT, FTA, Wasco County and other entities; negotiation with MCCOG or their representative(s); development and execution of a lease of the transit center with other party(ies) and other actions necessary to accommodate the transfer; and
- Directs the establishment of a Transportation Administration Board with authorities to operate MCEDD's regional transportation initiatives as well as the LINK transportation system under board-adopted policies and procedures after the transfer has taken place. The Committee membership shall consist of at least three (3) Board members and up to four (4) non-board transportation advocates.

ADOPTED THIS 9<sup>th</sup> DAY OF NOVEMBER, 2017.

ATTEST:

MID-COLUMBIA ECONOMIC  
DEVELOPMENT DISTRICT

\_\_\_\_\_  
Sherry Wickert, Finance/Operations

\_\_\_\_\_  
Ken Bailey, Chair



October 12, 2017

Ken Bailey, Chair of the Board of Directors  
Mid-Columbia Economic Development District  
515 East Second Street  
The Dalles, OR 97058

Dear Mr. Bailey:

Greater Oregon Behavioral Health, Inc. (GOBHI) is excited to work in partnership with Mid-Columbia Economic Development District (MCEDD) to enhance public transportation services in the Mid-Columbia region. Both organizations have a great opportunity to work together to provide the transportation services that will be relinquished by Mid-Columbia Council of Governments (MCCOG).

GOBHI is very interested in continuing to provide Non-Emergent Medical Transportation from the transportation building and to work with the Link public transportation service in Wasco County. We are committed to work with MCEDD to ensure the transition of services from MCCOG will be successful by sharing the cost of employees who work with NEMT, paying rent, and other opportunities as they come available.

If you have any questions, please feel free to contact me.

Sincerely,

Kevin M. Campbell, CEO



Mid-Columbia Council of Governments  
Board of Directors  
1113 Kelly Avenue  
The Dalles, OR 97058

Dear Chair Kramer,

The Mid-Columbia Economic Development District (MCEDD) service expansion committee has been tasked with analysis of the LINK public transportation system and opportunities for continuing those operations through MCEDD once MCCOG ceases to operate the service. As the committee moves forward with a recommendation to the MCEDD Board of Directors, a significant amount of conversation has taken place regarding short and long term financial viability of the LINK.

As we understand, there is an outstanding debt created through an interfund transfer to support construction of The Dalles Transit Center. In order to move forward with a firm proposal to the MCEDD Board of Directors to take on operations of the LINK, we respectfully request that this remaining debt not be burdened to the LINK but be paid by MCCOG. This action will better assure that there will not be cash difficulties in the first year of transition, reduce cash flow concerns and better stabilize the LINK. It may also help address some of the legal fees that will be necessary in completing the transfer. Retaining carryforward in the transportation general fund provides assurances that the system can continue to operate into the future.

We look forward to continuing the conversation with MCCOG in order to meet regional and local transportation needs.

Sincerely,



Ken Bailey  
MCEDD Board Chair

## High-Level Financial Summary

**Overall: Revenue and Expense, Excluding 6010 (Call Center)**

\*Excludes the facility construction/related match and beginning balances.

	2018	2017	2016	2015	2014	2013	2012
<b>Total Revenue</b>	\$489,185	\$490,814	\$449,001	\$453,945	\$427,792	\$481,360	\$433,117
<b>Total Expense</b>	\$482,498	\$485,767	\$420,244	\$398,525	\$365,168	\$433,129	\$400,771
<b>Difference</b>	\$6,687	\$5,047	\$28,757	\$55,420	\$62,624	\$48,231	\$32,346
<b>MCCOG Expenses (included in total)</b>	\$103,422	\$96,785	\$82,251	\$95,145	\$96,187	\$124,498	\$169,337

**Major Historical Changes**

- Coordinated Care Organizations and Call Center, with a shift of the transportation director from a shared contract service (professional services) to an employee.
- Ecolane software installation.
- New Transit Center construction, with a move in around June 2016.

**Potential Revenue Issues**

- FY18 revenue decrease in a core state fund which matches others (from \$80K to \$67K).
- Lack of local match (no taxing authority). Constraints capacity for seeking grants.

**Upcoming Potential Positive Changes**

- Oregon State Transportation Package includes an allocation for each transit agency. Funds likely first available in 2019 and anticipated at about \$500,000 annually. Rulemaking is still underway.
- Interest in expanded services to fixed route in City of The Dalles.