



**DOUGLAS COUNTY
INDUSTRIAL DEVELOPMENT BOARD**

522 SE Washington Ave. Suite 111A
Roseburg, Oregon 97470
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Minutes

September 16, 2014

10:30-11:30

Room 310

Douglas County Courthouse

1036 SE Douglas

Roseburg, OR 97470

I. Welcome & introductions

Dave Sabala called the meeting to order. Attendees introduced themselves.

II. Approval of Minutes – May 20, 2014 and August 19, 2014 Meetings

Ron Doan made a motion to approve the minutes of the May 20, 2014 and August 19, 2014 meetings with no changes. Alex Palm seconded. The motion passed unanimously.

III. New Business:

A. UCC Capital Campaign/Health, Nursing & Science Building – Dennis O’Neill, Joe Olsen and Betty Tamm

Dave Sabala introduced Joe Olson, an ex-officio of the IDB and asked him to take 10 minutes to give their presentation.

Joe Olson explained the poster included in the Board packet shows the floor plan of the proposed Health, Nursing & Science Building and explained it is a two story, 36K square foot building with a total cost of approximately \$17M. He stated one of their goals is to raise \$8.5M locally and said they know they have \$8.5 sitting on the table from the State. He said this project goes back quite a few years, predating his time at UCC. Joe said Betty, Dennis and Jess Miller have worked on it since the beginning.

Joe said they are in the final phase of the design stage. He said representatives will be on site tomorrow to provide input to any modifications that may take place. Joe stated they are hoping for guidance and support from the IDB and a commitment that will help them towards their \$8.5M goal. Joe said he wanted to emphasize something Ann with The Ford Family Foundation said at a Rotary meeting last week; Ford Family Foundation has approved up to \$1.5M in match funds for this project and part of the message in approving their request is it is time for others to step up. Joe explained they were very intentional in the fact it was a matching grant. Joe stated both UCC and the Ford Family Foundation felt this is a giant step up for Douglas County and is one of the largest projects undertaken in Douglas County. He said it helps to upgrade the Health, Nursing and Science areas to what they feel it should be. Joe said it gives them the opportunity to meet the ever-changing needs in allied health professions and, along the way, will not only provide a work force for the allied health facilities, but when successful could provide up to \$50M in investment opportunity for Douglas County.

Betty Tamm stated she would like to emphasize the college has a history of hiring 90-93% local subs on the projects done and would do the same with this project. She stated they did scale it back from

a \$24M-\$28M project to a \$17M project which they think is right sized. She explained they've looked at reuse of existing buildings rather than just building new, effectively using buildings on campus and modernizing them but the high tech needs of Health, Nursing and Science would be in the new building, would move into the future and would replace the outdated technology in the existing buildings.

Betty explained that it's the right size, will create a lot of local jobs and will feed to projects that are being considered in our community by other health industry people. She said there's been a lot of talk of how the students would be ready to walk into higher-tech positions.

Dennis O'Neill stated they have a \$5.4M goal and at this stage for every dollar donated to the project, three dollars are leveraged in matching funds. He explained the matching funds are coming from the State, the Ford Family Foundation and a private donor. He explained they've risen in excess of \$3.2M.

Dave Sabala declared that he and Alex Palm sit on the UCC Foundation Board and wanted the IDB to be aware of that.

Dave stated the IDB has expended funds towards a medical education project and asked UCC how this project integrates with that one. Betty Tamm stated they'd met with Kelly Morgan from Mercy and asked him to help answer that. Betty said it could definitely be used as a feeder as students come out of their program they would then be ready for the level of training that the medical education program would offer. Kelly Morgan stated these are complimentary projects and if indeed they did proceed with the Med Ed, it is different training programs than UCC would have. He said they want to make sure they don't compete with them likewise. He said they would not offer any 100 or 200 classes; students would get their pre-requisitions at UCC and then transfer over. Kelly explained they see this as two compatible projects that will help the entire community not only with job training but also with job creation. Kelly announced from the Hospital's perspective, they are 100% behind what UCC wants to do and has pledged \$100K. Kelly stated UCC does a fantastic job of getting the students ready and a large percentage of their employees come from UCC. He said anything the IDB or community can do to help support them to expand on what they want to do, makes all the sense in the world. Get our workers to take care of our patients.

Dave Sabala asked if the programs would be compatible for the IDB to recommend support for UCC project to the Board of Commissioners. Kelly stated it would be.

Ron Doan stated there is a precedent where the IDB has supported a Capital Campaign for the College in the past; SOWI. He said he is personally very supportive of this effort and thinks the college has a huge impact on our area and we will have an economic future that is much stronger if they continue to grow the UCC Campus. He said he was unsure of what the County might have available in terms of funds but would like to see this project move forward if it can.

Lauren Young asked about the additional charges and fees to the students per credit and asked if that was a good thing as many students would not be enrolled in the medical education programs. Betty Tamm responded and said the building would house Sciences so virtually every student would be in that building for a class or two. She said they've been vetting to the students and are getting positive feedback from them. Betty explained the fee would not only help support the remainder of debt on this project but also help create a legacy fund to draw on for deferred and ongoing building maintenance for all the buildings and campus, so the fee would be multi-purpose. Lauren asked if the \$100/per credit was correct. Betty said no, the fee they're looking at is between 5 and 8 dollars per credit.

Kelly Morgan asked how many dollars are left in the reserve account for the IDB for this year or next year. Tania responded there is approximately \$1M not included in the budget which is the beginning balance for next year.

Dave Sabala stated, per Perry Murray's recommendation, a small group of the IDB; Ron Doan, Alex Palm, Alex Campbell and Dave Sabala met with the College to see if this was something to consider. He said based on that discussion they agreed to put it on the Agenda.

Dave said in the previous year's budget there was approximately \$980K budgeted for the Sutherlin Spec Building and in this year's budget it was moved to Industrial Park Contingencies. He said in the meeting with UCC that was the budgeted source. He said they knew they had enough capital due to what Tania had just said. Dave said the next topic was what would be appropriate to recommend to the Commissioners and what would a significant contribution be from the County. He said they arrived at \$200K.

Dave asked Dennis O'Neill to explain the flexibility the College has on funding commitments. Dennis explained the College will be assuming a 20 year loan for the building to cover the cost. He said they are initially getting it at a 2% interest rate and 4% the fourth or fifth year. He said most donations received are one and two year pledges but some go out three or four years. He said what they're asking contributors to consider is; what they can pledge over a short period of time and how can they get to the amount they've been asked for. He said there are naming opportunities based on contribution amounts are going quickly. He said contributors want to know how they're going to be recognized for their contribution and this is one way it's being done.

Dave Sabala said during the discussion the consensus was that \$200K was a good place to start. Dave asked Tania to address any funding/technical or logistical IDB issues that need researched more.

Tania said the IDB does not have \$200K budgeted for an Intergovernmental Agreement or a Grant Assistance Program for this fiscal year. She said they do have the funds but it is not included in the budget. She said what we do have is \$900K that is in an Industrial Park Capital Improvement budget. She explained because this is governmental accounting, you can't just take \$200K from there and move it to wherever you want it to be. She said there will be a process involved with this if done before June 30th of 2015.

Dennis O'Neill explained that on February 1, 2015 the funds raised must be in a place in which the State of Oregon recognizes to be acceptable.

Perry Murray explained the College is something dear to him and his family. He said everyone one here could tell a story of how the College has impacted their life. Perry said the IDB has a Finance Committee; himself, Lauren Young, Kelly Morgan, Cindy Kent and a couple Non-Board Members of the community. He stated normally the Committee would have worked things out and would inform the Board today how it would work; which pocket the money would come out of, etc. Perry said they did not get the chance to follow the process. Perry stated the Commissioners would probably not be interested in committing funds until the additional pledged funds are committed. The IDB agreed. Perry stated they would have had an opportunity to discuss:

- Does it meet our mission?
- Process
- Where does the money come from?
- Request reports and feedback; before during and after construction. Student updates, etc.
- Proof of additional commitments

Perry stated UCC has a gorgeous campus that has harmony. He said he would like to see the architect style remain the same and see them maintain the integrity of the look.

Joe Olson said they've challenged the architects to maintain but upgrade the design.

Jess Miller said an important thing to remember, the Master Plan talks about the inclusion of more windows along with stone and cedar siding and this will not be taking away from what they have. He said when you walk on campus you can see where the offices outline the interior of the campus and there isn't really any access unless you get into the breezeways. He said what they've talked about is taking those office areas and opening the center up and putting some glass in the middle. He said you'd still have the rock walls and windows on the side but would have an opportunity where you can enter into the building and have a space for students to interact from inside that area. He said what they are doing now is talking about how it fits in with the campus. He said the picture is representative of their stone but there won't be that much because he can't get that much. He explained they will be using stone; probably wrapping the corners like the rest of the campus has and integrating the roofing material much like the Jacoby Auditorium so it is representative of the campus. Jess said he's been there for 22 years and he absolutely, completely loves that campus.

Perry Murray said he was glad to hear that and thanked Jess.

Ron Doan stating he was hoping the Commissioners will support the level that the IDB is laying out. He said the level he is talking about is \$200K at the minimum. He stated he's concerned is if the number is laid out, whether or not there would be potential reasons or justification for the Commissioners to reduce it. Ron said he didn't know if they should go to a higher number or list a range the IDB thought is appropriate between \$200-250K. Ron said they recommended to the County to give SOWI was \$200K, which is a good number but is concerned it could be reduced. Ron stated the name of this Board is the Douglas County Industrial Development Board and said he's had a problem with that name for a long time. He said in his mind it should be called Douglas County Jobs Development Board because that's what we're all about, creating jobs. Ron explained he thinks this is a very important, worthwhile project and hopes the ways it's delivered to the County Commissioners would suggest that we are really looking for a minimum of a \$200K gift to the College if all other funds can be gathered.

Alex Palm said he would like to echo on what Ron said; the \$200K given to SOWI was for an \$8M project and this is a \$17M project. He said it's a much bigger project and personally he'd be fine with a larger donation than \$200K. He stated he agrees with Ron and the absolute minimum should be \$200K.

Ron Doan made a motion to recommend to the County Commissioners to support and contribute to the UCC Capital Campaign/Health, Nursing & Science Building in the amount of \$250K contingent upon matching and other funding goals being achieved as presented. Kelly Morgan seconded. The motion passed unanimously.

B. Proposed Non-Ferrous Welding Education Project

Alex Campbell explained the need for a non-ferrous welding program in Douglas County to support the needs of employers such North River Jet Boats. He explained that research had been done regarding coordinating with the UCC welding program, location of the program, cost of multiple set ups and best location for the initial classes.

Alex explained IDB members at the previous non-meeting expressed an interest in hearing more about potential program growth and expanding locations beyond Roseburg High School and possible financial contribution in partnership with other agencies. He said they will continue to work on that though no progress has been made over the past month.

Kelly Morgan made a motion to recommend to the County Commissioner to contribute \$10K to the Non-Ferrous Welding Education Project as presented. Alex Palm seconded. Kelly Morgan asked Alex Campbell what the time frame is to get the project up and going. Alex replied by Spring semester. The motion passed unanimously.

C. Request from Spec Industrial Developer – Alex Campbell

Alex explained he's had discussions with an Industrial Developer regarding a possible project involving industrial condos; 10,000 – 15,000 sq. ft. units with options to purchase for Industrial use/storage. Alex explained they've toured several of the Industrial Parks in the County and they are looking for 5 contiguous acres. Alex said he had spoken with Keith regarding zoning issues and was told if the ground is held as a whole by the condo they could certainly do condo-type ownership of the buildings. Alex said his question to the IDB is; should he give the developer encouragement about talking to the County about acquiring the northern 5 acres of the property they are currently working to get back from Alpha Leisure? He went over the potential benefits to the County.

Kelly Morgan stated if someone is interesting in creating jobs here, to pursue it instead of waiting.

It was said this developer is interested in more than one 5 acre spot, is willing to spread out and has a great product.

V. Unfinished Business/Reports

A. Truck Driving School Update (Susan Buell, UT&E)

Susan Buell provided handouts to the Board and gave an update on the Truck Driving School.

VI. Open Discussion

VII. Adjourn DCIDB Business Meeting

Respectfully submitted,

Douglas County Industrial Development Board

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Brandi Whelchel, Staff

Dave Sabala, President

Attachment A

A recording of the meeting is available at the CCD office, 522 SE Washington Suite 111A, Roseburg, Oregon.

The following DCIDB members attended the meeting:

Lauren Young, Ron Doan, Alex Palm, Perry Murray, Dave Sabala and Kelly Morgan

The following DCIDB Ex-officio members attended the meeting:

Lance Colley, Robb Paul, Charmaine Vitek, Sean Negherbon, Joe Olsen

County Representatives:

None

Staff:

Alex Campbell, The Partnership for Economic Development; Satania Korpi, CCD Staff; Tracy Loomis, CCD Staff; Brandi Whelchel, CCD Staff

Ad Hoc Committee Members:

Alex Campbell, Alex Palm, Barry Robinson

Guests:

Melony Marsh, G. Stiles Realty; Susan Buell, UT&E; Loran Waldron, Land & Water Environmental Services; Dennis O'Neill, UCC Foundation; Betty Tamm, UCC Board of Trustees; Jess Miller, Facilities Director UCC Community College; Chris Boice, Big O Tires/Candidate for Douglas County Commissioner; Cameron Fragwelly, Douglas Electric; Greg Henderson, Sutherlin Chamber of Commerce