



**DOUGLAS COUNTY
INDUSTRIAL DEVELOPMENT BOARD**

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

June 16, 2015

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 and announced a quorum is present. Attendees introduced themselves, see attachment A.

Eileen Ophus presented Dave Sabala with a Certificate of Appreciation for his service on the CCD Board of Directors.

II. Approval of Minutes – March 17, 2015 meeting

Steve Mountainspring made a motion to approve the minutes with no changes. Charmaine Vitek seconded. The motion carried.

III. New Business:

A. Mel Arts Mowing Contract

Tania explained Mel Arts was asked to take a look at the South Umpqua Valley Industrial Park and Oak Creek Industrial Park for mowing and Mel Arts is unable to mow those because he does not have the proper equipment. She stated Rob Paul is following up to see what can be done to take care of those properties. Tania explained Mel's contract this year only includes the Sutherlin Industrial Park at \$45 per hour and usually comes to \$2,600- \$2,700 by the time it is all done.

Ron Doan made a motion to approve the Mel Arts Mowing contract for another year with a limit of \$5,000 as presented. Cindy Kent seconded. The motion passed unanimously.

B. CCD Contract

Tania Korpi explained that this was a renewal of a contract with CCD for staffing services for the IDB, the cost of the services to be \$36,000 for one year and CCD has not asked for an increase in over ten years.

Ron Doan made a motion to renew CCD's contract for staffing services for the IDB at a cost of \$36,000 for one year. Cindy Kent seconded. The motion passed unanimously.

C. Interest in Oak Creek Industrial Park

Alex Campbell handed out maps to the IDB and explained there is a heavy transmission line construction firm interested purchasing five to six acres in the Oak Creek Industrial Park. He stated the Land Committee met last week and recommends the IDB give him direction to continue talking to these folks, primarily because of the nature of the wetlands on site. He said the wetlands on this site will have to be re-delineated next year.

Dave Sabala stated he recommends to the full IDB that Alex proceed in entering discussions with the construction firm.

Robb Paul asked Alex if he knew what the CCR's; covenants, conditions, and restrictions, would be. Alex replied he did not and would look into it.

Perry Murray asked if they'd looked into approaching this property the same as the Sutherlin Industrial Park, identifying a project and then mitigating the wetlands.

Chris Boice stated his plan was to get through the Sutherlin property first and then move onto this property.

Perry Murray stated getting something going is a great idea but creating two jobs didn't impress him much. He said with so little industrial land left that can be developed he does not think this is a good idea.

Dave Sabala said the tradeoff would be low jobs relative to fleeting wetlands since the delineation occurs next year.

Ron Doan asked if they are at risk of losing this land. Dave Sabala replied basically, that's the concern due to the wetlands. Ron said he agrees with Perry but at the same time if they could potentially lose the property all together, it would serve no purpose.

Chris Boice explained they wouldn't lose the property all together, it would always be there. He said the problem is in order to do anything with it in the future, the mitigation and expense of that devalues the land.

Ron Doan made a motion to direct Alex Campbell to enter into discussions with the construction firm regarding the 5-6 acre sale in the Oak Creek Industrial Park, starting at \$50K per acre. Charmaine Vitek seconded.

Discussion ensued.

Paul Meyer explained he would be who would prepare the deed and transfer documents. He said almost always, unless there's a really good reason not to, stipulations would be included requiring particular purposes; developing in a certain time frame, etc. along with provisions that say if they didn't meet the stipulations, the County could take the land back.

Tracy Loomis stated the property is located in the South Douglas Enterprise Zone and provides incentives for building and creating employment.

Perry asked if the construction firm asked about terms of the sale. Alex stated discussions have not gone that far. Alex said his impression is the County would not want to carry it given the primary purpose of the sale is to generate revenue.

Chris Boice asked if they would be obligated to give them tax incentives because of the Enterprise Zone. Tracy stated by law they would get three years just by locating there and anything over that is based on Zone Sponsor approval, employment and wages. Eileen Ophus stated the tax abatement would be for the building built on site and permanent equipment.

Stephen Mountainspring asked Alex if the developer has looked at other sites or came forward with a definite plan for improvements. Alex replied he has not. He said he's been holding off meeting them on site in order to first make sure there was interest on the County's side.

Dave Sabala asked if there was further discussion.

Alex Campbell said the firm is interested in 5 to 6 acres.

The IDB asked at what price. Alex stated in the past this property was marketing starting at \$50K per acre.

Ron Doan stated the Land Committee looked at this and made a recommendation to the IDB. He asked who the members of the Land Committee involved in this discussion were. Dave Sabala replied the members were; Chris Boice, Alex Palm, Alex Campbell, Dave Sabala, Melony Marsh and Perry Murray.

Ron Doan called the question. The motion carried with 5 yays: Dave Sabala, Ron Doan, Cindy Kent, Charmaine Vitek and Stephen Mountainspring, 1 Nay: Perry Murray.

Staff Direction:

Alex Campbell was directed to enter into discussions with the construction firm regarding the 5-6 acre sale in the Oak Creek Industrial Park, starting at \$50K per acre.

IV. Unfinished Business/Reports

A. Stella Jones Sale Update

Robb Paul gave an update on the sale and progress of the property behind the pole yard. Robb said they've been talking about buying the acreage behind the pole yard and think they might like to expand to the east and add some employees. Robb said there are 42 acres of property out there and an estimated 30 acres of that are wetlands. He said they are looking at the cost of mitigating those wetlands. Robb explained they might mitigate that property in increments of 5-10 acres at a time and expand as needed. He said they are talking about hiring 5-15 additional employees to further process the poles and do a little more prep work before they are shipped to Eugene for treatment.

Robb explained Orenco purchased the old Alcan and Bayliner properties and have talked about the issues of the train delays, mostly in the afternoons when they're building the trains to ship them north. He said they would like to look at possibly of completing the road they've talked about in the past. Robb stated they've talked to ODOT and Business Oregon about coming up with some money to do that. He said Orenco would donate the right-of-way and could possibly put in some money towards the project. Robb said they've talked to the City because it's in the Urban Growth Boundary and they would be building a basic two lane county road, no curbs or gutters at this time. He said if for some reason it ends up in the City, they would have to bring it up to City code.

Dave Sabala stated for comparison purposes the IDB was talking about the Oak Creek property for \$50K per acre and said the Stella Jones property are wetlands and they are buying them at just a couple thousand dollars per acre. He said that gives everyone an idea of the value loss because of wetlands. Robb Paul said Stella Jones would be doing all of their own mitigation and the County would not be involved with that. Robb explained Stella Jones is still looking into the cost of the mitigation and will get a report and then hopefully come back to the County with a proposal.

B. Don Schjeldahl, Site Selector Visit

Alex Campbell gave an update on the Site Selector visit and provided a hand out noting the key recommendations from Don Schjeldahl included in the Draft Action Plan completed. He explained Don provided a twenty page document with his impressions in terms of strengths and weaknesses in the areas noted on the hand out and many of the comments are suggestions in terms of opportunities for improvement.

Alex explained two areas that will require work are; 1) Economic strategy and targets for each area in the County and 2) Materials and information similar to what the Chabin report provided from

several years ago. He said The Partnership Board suggested in August or September of this year to do a strategic planning retreat, inviting some elements if not the entire IDB to participate in these discussions.

Alex stated the other areas the site selector is interested in are; workforce development and evaluating the skills of the labor pool. He said he attended a small conference in Pendleton where five or six site selectors emphasized workforce is the number one factor they start with and put a lot of value on having a labor market study done. Alex said Umpqua Training and Employment are already doing some work. He said there maybe some additional state dollars and in addition to the reorganization of the Workforce Investment Board they're going to be moving into some strategic planning this fall for Coos, Curry and Douglas counties. Alex explained there may be an opportunity to partner with those folks to improve the quality of our workforce information.

Alex stated the site selector visit was valuable for us and gave us a number of things we could do to improve the marketing information we have.

Dave Sabala said thanks to Don there is now a firm price from the owners on the back nine which was an issue prior to his visit.

Dave Sabala asked if there were any questions.

Perry Murray stated the Spec building is a no brainer.

Dave Sabala stated another thing was to clean up the industrial parks.

Discussion ensued.

C. County Budget

Alex Campbell gave an update on the progress of the County Budget process. He explained the budget committee accepted the budget as presented which included some funding for the initial steps towards the Spec building. He said they did go and present to the County Commission specifically on that question; would they give us approval to take the initial steps towards developing a virtual building. He said two of the three commissioners made clear statements they did not see this as a commitment to construct the Spec project but they were willing to approve the step of beginning the permitting process. Alex explained the next step would be to bring on a consultant to prepare a wetland removal/fill permit. He said there is a contractor who has an on-call relationship with the County we could use. Alex asked the IDB for feedback on if they thought that is a wise way to go.

Perry Murray asked Alex if he knew what the value of that would be. Alex responded he believed it to be about \$15K-\$20K worth of work.

Perry Murray asked Robb Paul if this is someone he's worked with before. Robb responded yes, Land and Water Environmental Services, Inc. He said they have a contract with them. Perry asked what the timeline would be. Alex responded mitigation would be complete and ready to go by the next construction season. He said the impacted wetlands would be less than half an acre.

Satania Korpi explained the budget was approved and hasn't been adopted yet. She said the County budget did include all the items requested by the IDB including the start of the Spec building and the debt retirement for three loans; two Tri-City loans and Green Sanitary. She said some dollars to clean up the industrial parks were also included. She stated tomorrow the budget should go through the adoption process.

Dave Sabala stated a letter has been prepared and signed asking the County to move forward with the pay-off of the loans.

Alex Campbell said another issue the IDB should be aware of is, at the request of the commissioners, a line item of \$60K was included for the fairgrounds.

V. Open Discussion

Paul Meyer gave an update on the Alpha-Leisure lawsuit.

Discussion regarding the IDB ordinance and control ensued.

Staff was directed to poll the IDB members individually to see if they are willing to fill out and submit the State of Oregon required Annual Verified Statement of Economic Interest and poll them again individually to see if they thought it was a good idea regardless of if they are willing to fill it out.

VII. Adjourn DCIDB Business Meeting

Respectfully submitted,

Copy with signatures on file

Brandi Whelchel, Staff

Douglas County Industrial Development Board

Copy with signatures on file

President/Vice 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:

Dave Sabala, Ron Doan, Cindy Kent, Perry Murray, Charmaine Vitek and Steve Mountainspring

The following DCIDB Ex-officio members attended the meeting:

Lance Colley, Robb Paul, Carl Patenode and Kristi Gilbert

County Representatives:

Chris Boice, County Commissioner, Paul Meyer, County Counsel

Staff:

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

Ad Hoc Committee Members:

Alex Campbell, Perry Murray and Cindy Kent

Guests:

Loran Waldron, Land and Water Environmental Services, Inc.