



**DOUGLAS COUNTY
INDUSTRIAL DEVELOPMENT BOARD**

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Roseburg, Oregon 97470
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**Minutes
November 12, 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.

Dave said there will be a presentation from the UCC Foundation and declared a conflict of interest as he and Alex Palm serve on the Foundation Board.

II. Approval of Minutes – March 17, 2015 meeting

Alex Palm made a motion to approve the minutes with no changes. Melony Marsh seconded. The motion carried.

III. New Business:

A. Term Expirations and Officer Elections for 2016

Tania explained IDB members; Kelly Morgan, Cindy Kent, Lauren Young, Dave Sabala, and Stephen Mountainspring have terms expiring January 31, 2016. She said she contacted them on October 15 requesting they let her know their interest in continuing service on the IDB. She said Kelly Morgan has indicated continuing interest in service and Cindy Kent will be stepping off the Board at the end of her term. She stated she had not received a response from Dave, Stephen or Lauren and will follow up with them.

Dave Sabala expressed interest in continuing service.

She explained the County will advertise the position and all applications will be forwarded to the Orientation Committee for review and recommendation. She said the recommendation for appointment/reappointment will be forwarded to the Commissioners and the Commissioners will make the final determination on appointments. She stated everyone's applications need to be in by the January meeting to work through the process and have everyone appointed by the February meeting. Tania asked if there were any questions. None were forthcoming. She stated if you are here and interested in continuing service, she brought applications.

Tania said in January or February the next order of business will be Officer Elections. She explained in the past the IDB has moved the Vice President up into the President position and a new Vice President is elected, however; nominations will be open for all interested members for those positions. She said the IDB should start considering who the IDB would like to see as the President and Vice President and begin the process considering who to nominate.

III. Reports

B. Sutherlin Spec Building – Alex Campbell

Dave Sabala introduced guests Lee Paterson, Dennis O'Neil and Perry Murray. Dave explained he and Alex Palm were invited by the City of Sutherlin and UCC to attend a meeting about the Industrial Park in Sutherlin. UCC has expressed an interest in placing an Industrial Arts building on the virtual Spec Building site. He stated after the meeting he and Alex felt it was worthy of consideration and also let the County Liaison, Commissioner Chris Boice know. Commissioner Boice concurred. Dave welcomed the UCC Foundation and turned the floor over to them.

Dennis O'Neil stated they were invited by Jerry Gilham with the City of Sutherlin to look at property on the corner of Taylor and Paige. He stated that they like what they saw and brought a larger party with them the following week. Dave and Alex Palm came with them. Dennis stated are continuing to pursue that site. He stated there was a meeting yesterday with Alex Campbell, Loran Waldron, with Land and Water Environmental Services, Inc., Perry Murray and Robb Paul. They are pursuing conversations about the site and hope to bring the IDB a formal request in December or January.

Dennis explained there is some limitation in respect to what is happening at the College and the recent announcement from Rita stating there will be a second interim. He said that will go through the period of January through June 30, 2016. He said sometime in the spring they will go through the process of hiring a permanent President. He said through that transition they see no problem as a Foundation of continuing to pursue acquisition of the property and working with the DCIDB and County to do what is necessary to acquire the property.

A. UCC New Building Update – Lee Paterson & Dennis O'Neil

Lee Paterson thanked the IDB for having them here today as the owner/representative for the construction of the Nursing, Health and Sciences building at UCC. He stated he is here to bring the IDB up to speed on what has happened so far and how your investment in our project is paying off. Lee explained Opsis is the architecture firm out of Portland and Andersen Construction Company with offices all throughout the northwest are the contractors. Lee said they are on schedule and under budget.

Lee explained they negotiated a guaranteed maximum price (GMP) with Andersen Construction Company of \$13.84M and of a \$17M budget that leaves \$1.5M for the design team and \$1.5M for the management team.

Lee provided handouts showing the contracts awarded to local and nonlocal bidders/contractors. He explained \$6.7M has been spent to date for subcontracting. He stated they are very grateful to the IDB and the County for their investment of \$250K. He said there has been a concerted effort to expend construction dollars locally as a workforce investment opportunity. He said they have not been as successful in doing that as they were with the Lang Center which was in the depth of the recession, spending \$.87 of every dollar locally. He stated they are achieving closer to 50% on this project. He says this concerns him as there hasn't been much interest or bids from local contractors. He said in some cases there were no local service providers for things like elevator and major steel projects and not many local companies can handle the scale of the project which explains some of the opportunities being subcontracted to companies outside of the area.

Lee went over the handout and he said he'd like to point out some of the noteworthy local contract awards in excess of \$100K: Knife River-Excavation U/G Utilities - \$600K, Ludwick Songer, Woodgrains in Sutherlin-Wood - \$350K, Umpqua Roofing-Roofing - \$330K, and North Umpqua Plumbing-Plumbing \$1.5M. He said in addition to the contract amounts that have been awarded to local construction companies and contractors, supplies, equipment and labor have been supplied locally. He said for all the subcontracts they held two open houses and invited any subcontractors locally to come out and visit with the design team, ask questions and maybe do a little pre-bidding. He said the invitations very purposely went out to all the local subcontractors they could identify. He stated they take some pride in that and thank our partners for taking our local intention to heart.

He said the actual to-date local awards totaled \$3,313,378 and the actual to-date awards to nonlocal subcontractors totaled \$3,366,749. He said the balance is slightly in favor of outside subcontractors but considers it to be \$.50 of every dollar spent locally.

Lee gave thanks to the IDB for their support to help put people to work and enhance the community. He asked the IDB if there were any questions. None were forthcoming.

B. Sutherlin Spec Building – *Continued Discussion*

Dave Sabala stated the location for the interest of the UCC Industrial Arts building is on property the IDB has been preparing for the Sutherlin Spec Building. He gave the floor to Alex Campbell.

Alex Campbell stated he would say a few words about it before handing it over to Dennis O'Neil. He said the college has been seeking a location for the Industrial Arts Campus for a number of months. They've been looking at different locations in the Sutherlin area. He said there are some challenges to some of the sites they had been looking at in terms of distance to infrastructure and challenges in developing the site. The Sutherlin Industrial Park was mentioned and they have taken some preliminary looks at it. Alex stated UCC is interested in learning the IDB's interest in having the Industrial Arts Building at the Sutherlin Airport. Alex gave the floor to Dennis O'Neil.

Dennis O'Neil stated he's been learning a lot about the site and is optimistic we can work together to solve the problems. He said the timing is interesting and stated this is a building they have an \$8M matching grant from the State of Oregon, which is also the last Matching Grant left in the Community College system. The time frame on this is to conduct a capital campaign to raise the money or have a bond levy, possibly both. He said, in other words, have the money to put on the table for the State of Oregon on February 1, 2017. He said they would probably begin construction in the early spring, 2017. He said the building has to be finished completely per State regulation, State law, by June 30, 2019.

He said conversations they've had regarding wetland issues, agreements/approvals/permitting processes do not seem too formidable to them at this stage. He said they are optimistic and he feels they can achieve all that within the time frame they have.

He said the wild card is the interim president and if there will be a delay. He said those are conversations being had by Rita Cavin and the College. He stated, as a Foundation, they do not see that having a lot to do with working through the agreements, what we need to do to acquire the land and potentially work into the project the building Perry Murray had shown them. He said it may be possible to work together on the site.

Dennis stated they are talking about three phases of construction; Phase I, Advanced Technology Center; Phase II & Phase III Diesel Mechanic Program and considering Auto Body Paint and other Manufacturing programs. He explained they need student housing which is a permitted function for this site, it is near a vocational school. He said they type of student housing they would require would be for students who are going to be in and out of classes in a more frequent cycle. He said they would be people from outside the County, perhaps outside the State.

Dave stated for the Spec Building they've been working with Land and Water Environmental Services, Inc. for wetland permitting. Alex Campbell said Loran is prepared to submit the permit application very soon but has put his work on hold for a couple weeks to see how the moving parts of this project will come together. Alex said Perry Murray asked if it was possible this site could accommodate both projects; UCC's Industrial Arts Building and the Spec Building. Alex said the college has engaged an engineering firm to assist them with the site layout and it would be useful for the IDB to give some feedback as to their interest in the project as a whole. He said the project fits within the goals of the Industrial Development Board and stated they would like feedback from IDB members regarding this use of the property and whether to continue with detailed discussions and

make sure there is a way for the college to make use of the site while preserving that corner of the property for the Spec Building.

Perry Murray stated the IDB ought to look at this like a preliminary thing; this is conceptual now as opposed to showing up later and asking for a decision. He said this gives a little time to think about it. He said this project blends itself well with the intent of that property; it's an industrial based project and would attract light industrial manufacturers into the surrounding property. He said not only does it create additional jobs from the college, it will retain existing jobs. Perry said this is a great opportunity to attract smaller manufacturing and to see the Sutherlin Industrial park full, as intended.

Jerry Gillham stated he would like the County to consider the City of Sutherlin's opinion and position on this quite heavily. He stated the City is strongly supportive of this idea.

Alex Palm explained three County Industrial Parks are inundated with wetlands. He said the rules and regulations with wetlands change all the time and as that property sits there unoccupied, the wetlands keep growing. He said the longer that site sits there undeveloped the harder it's going to become to develop.

Dave Sabala asked Dennis O'Neil if the Spec Building is being considered with the current site plan. Dennis responded there is a call into the Engineer to arrange a meeting to sit down and talk about the issues. He said they are trying to bring the Engineer up to speed on the challenges with the site and the incorporation of the Spec Building. Dave asked if the UCC Board still needs to weigh in on whether they want to pursue this. Dennis replied, they do. He said we are not there yet but they are genuinely excited about this site.

Lee Paterson asked where we have to be in the development of this project to understand clearly what our expectations are for wetlands mitigation. Loran Waldron responded the main thing they need is a firm footprint, a relatively solid design and site plan so they can determine where the impacts are and what it's going to take to mitigate those impacts. Loran said that footprint and design is what the permit will be based on. He said the mitigation requirements come down to the amount and type of wetlands being impacted and that would all go into the mitigation plan. He said it becomes a fairly significant piece of the whole package depending on what your wetland impacts are.

Dennis O'Neil stated the point of those two conversations is they do not see any obstacles in being able to get in, get started and use the property.

Dave Sabala asked Loran when it is required to go through delineation on that property. Loran explained the current wetlands delineation is approved through 2018.

Dave Sabala asked the non-conflicted IDB members for feedback, issues and areas of concern. Stephen Mountainspring said it was a great idea and likes the reversibility of the project. Lauren Young had no comment. Melony Marsh stated there is a shortage of industrial buildings and this is a good move considering time is not on our side with the wetlands. Charmaine Vitek had no comment. Dave Sabala and Alex Palm abstained from comment.

Public Comment: Dave Kaiser said most of his career has been spent in automotive repair and highly encouraged the Board to consider technical training.

C. Debt Payoff Update – Tania Korpi

Tania explained Jessica Pence and Paul Meyer have been working on the payoff for the Tri-City Notes and the Green Sanitary Loan. She said they have verified there are no restrictions preventing payoffs and there will be no additional costs or requirements. She said the County has received the payoff instructions from all three loans from the State.

Tania explained amendments to the IGA with Green Sanitary and Tri-City Sanitary have been drafted, reviewed and forwarded to the appropriate entities. She said signed agreements have been returned to Management & Finance.

Tania said Jessica presented the signed agreements to the Commissioners in a special meeting yesterday and checks will be issued for receipt by Business Oregon on November 20th.

D. Wilbur Industrial Park/Stella Jones Sale Update – Alex Campbell

Alex Campbell explained the County and Stella Jones, the current owners of the pole plant, have been in negotiations for 8-10 months for the agreement and sale of the property in the Wilbur Industrial park with the reservations of accepting the right of way for future roadway the County has as part of their Roadway Master Plan. He said there's an agreement on principle in place for \$2,000 per acre. He said it was reviewed and the Land Committee provided comment to the County. Alex said the County was prepared to execute the sale about one month ago and there was a recommendation for lot adjustments that needed to be made. He explained there is some additional processes that need to be completed but they should be able to complete the sale within the next few months.

E. Non-ferrous Welding Program – Alex Campbell

Alex Campbell said he provided a short memo in the meeting packet regarding the IDB's contribution for new welding equipment at Roseburg High School. He said the County contributed \$10K, City of Roseburg contributed \$5K and the Partnership contributed approximately \$7K. He said the new equipment was to expand the ability to train students in non-ferrous aluminum welding. He said this is primarily in response to North River Boats and there is a real need for that kind of training and ability within the County. Alex said they also talked with other employers such as; FAB Form, who constructs trailers and also felt that would be a great value.

Alex said the equipment was purchased and went in to use January of this year. He said they are integrating it in both intermediate and advanced classes and will have dedicated units for aluminum welding. He said there are 65 students in their intermediate and advanced classes and the program is growing. Alex stated the County's investment is very appreciated by both the school and the students.

F. Status of Alpha Leisure Property – Dave Sabala

Dave Sabala stated the Alpha Leisure property is back in County ownership as of a few weeks ago. He stated this in the most unencumbered in regards to wetlands that the County owns.

Robb Paul explained they finalized the paperwork for ODOT for the one acre piece in front.

IV. Unfinished Business/Reports

V. Open Discussion

VII. Adjourn DCIDB Business Meeting

Respectfully submitted,

Douglas County Industrial Development Board

Copy with signatures on file

Copy with signatures on file

Brandi Whelchel, Staff

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, Lauren Young, Alex Palm, Melony Marsh, Charmaine Vitek and Steve Mountainspring

The following DCIDB Ex-officio members attended the meeting:

Brian Davis, Sean Negherbon, Robb Paul, Carl Patenode, Jerry Gilham and Kristi Gilbert

County Representatives:

None

Staff:

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

Ad Hoc Committee Members:

Lauren Young, Alex Palm, Dave Sabala and Melony Marsh

Guests:

Loran Waldron, Land and Water Environmental Services, Inc.; Lee Paterson, UCC Foundation; Perry Murray, UCC Foundation; Dennis O'Neill, UCC Foundation; Dave Kaiser