



**DOUGLAS COUNTY  
INDUSTRIAL DEVELOPMENT BOARD**

522 SE Washington Ave. Suite 111A  
Roseburg, Oregon 97470  
(541) 672-6728 Fax (541) 672-7011

**Minutes  
May 17, 2016  
10:30-12:00  
Room 310**

**Douglas County Courthouse  
1036 SE Douglas  
Roseburg, OR 97470**

**I. Welcome & Introductions**

Alex Palm called the meeting to order and announced a quorum was present. Attendees introduced themselves, see attachment A.

**II. Approval of Minutes – April 19, 2016 Meeting**

Stephen Mountainspring motioned to approve the minutes of the April 19, 2016 meeting as presented. Dave Sabala seconded. The motion carried.

Alex stated there are three presentations today that will take time. Merten Bangemann-Johnson, NeighborWorks Umpqua has an update for the IDB regarding the Senior Center funding request and instead of making him wait through the presentations the agenda item will be discussed first.

**III. Reports/Old Business:**

**A. Senior Center Funding Request/Proposal (\$25k) – Merten Bangemann-Johnson**

Merten explained they would like to be able to present a good product to the IDB, due diligence is being done and they are not where they want to be at this time. He asked the IDB for additional time to address their questions from April's meeting. The IDB agreed and thanked Merten.

*Item tabled until the June 14, 2016 meeting.*

**IV. New Business:**

**A. Run to Roseburg Marketing Campaign Request/Proposal (\$25k)– Wayne Patterson**

Wayne Patterson explained in efforts to rebrand Douglas County and recover from the negative image and response given when the president visited after the U.C.C. shooting, AHM, a Eugene-based marketing company working with Lance Colley and Wayne, volunteered to provide re-branding services pro-bono. The 1st phase of summary of surveys is complete. Wayne said in July there will be an Olympic event, the U.S. Olympic Team Trials – Track & Field, in Eugene. He said some of the information gathered from the surveys could be used short term to bring people down from that event to Douglas County. The City of Roseburg has contributed \$25k in match funding for a media campaign; bus wraps, banners, regular and digital billboards, posters, flyer hand-outs, photos for media-boosted distribution, located in airports, communities and along I-5 from Portland down, all marketing Douglas County. He asked the IDB for \$25k in match funds to help with the Marketing Campaign and promote this tourism effort.

Dave Sabala said when he and Alex Campbell met with site selectors; CH2M and Don Scheldahl out of Cleveland, Ohio, who is with one of the largest site selector firms in the nation, they indicated as a result of the negative response to the Presidential visit, from an industrial recruitment standpoint, Douglas County needed to work on their image. Dave explained these site selectors are often on the other side of the table when recruiting industrial development. Dave explained the Envision Umpqua

Campaign UEDP is working on is a long- term image building effort for our area and this media campaign is an effort to take advantage of the Olympic event occurring in Eugene in July.

Dave stated he recommends approving this request for the media campaign which has also been recommended by two top site selectors.

Lance Colley stated rarely does government have an opportunity to be nimble and take advantage of something on a short time frame. He said we have tourism dollars that are dedicated to tourism from the transient lodging tax. The Economic Development Commission held a special meeting due to the short time frame, the Olympic Trials take place in July and is a world spectacle. It brings people from across the Country and many of the folks will be from Oregon. The placement of the media will be such that anyone coming to Eugene and up and down I5 for any reason is going to see it. It is an opportunity to broaden our positive image;

Lance explained the company helping to put this together has done a ton of work with the Economic Development folks around Douglas County, trying to get the key elements of what Douglas County has to offer and what makes us different; the natural environment, the Umpqua River, the beach, Winchester Bay, Reedsport, the road to Crater Lake and Diamond Lake, Wildlife Safari, the best of what Douglas County has to offer.

Alex Palm said he had a chance to sit through the hour and a half long and very detailed presentation given to the City's Economic Development Commission. He said one thing that stuck out with the presentation and marketing campaign is it is titled "Run to Roseburg" but when you get into the website and advertising, it is very much a County-wide message and a lot of the things highlighted were not in Roseburg. He said it really is a marketing piece for all of Douglas County.

Ron Doan stated he supports this and asked if this request falls within the guidelines of the DCIDB Ordinance, using IDB funds. Alex answered yes, on the tourism side. Dave Sabala said image building for industrial development fits as well.

Alex Palm asked for further comments or discussion. Melony Marsh asked if this would be just a recommendation to the Board of Commissioners. Alex responded yes, the IDB is an advisory Board and votes to make recommendations to the Board of Commissioners.

Stephen Mountainspring motioned to recommend to the Board of Commissioners to grant the Partnership \$25k in match funds for the Run to Roseburg Marketing Campaign. He stated this is a deep developmental movement that will assist in Industrial Development. Bob Ragon seconded. The motion carried.

**B. Fred Wahl/City of Reedsport Rail Crossing Fix (\$100k) – Jonathan Wright and Jim Zimmer**  
Jonathan Wright with the City of Reedsport provided background information on the Port of Umpqua, the draft or depth capacity of the Port, and industry in the area. He said they've suffered as a community through the losses in the timber industry and are trying to re-invent themselves with a public/private partnership with Fred Wahl Marine. He explained they have the third largest estuary in the State.

Jim Zimmer with Fred Wahl Marine gave a presentation describing the capacity of Fred Wahl Marine, the current site and the need and expansion details of the overall project. He explained the request is for \$100k to help fund a permanent fix to the rail crossing on Bolon Island. He explained the rail crossing fix will enable the transport of heavy boats via travel lift over the crossing for maintenance and repair. The expansion adds 38 acres allowing repair activities to more than double, increasing capacity from 3 to 30 boats at a time, contains a railroad laydown yard for import and export of materials and commodities, allows instant access to water without having to coordinate bridge turning, and adds a minimum of 40 full time family wage employees. He said Coos Bay Rail Link requested a permanent fix versus a temporary fix to the crossing. Fred Wahl has a private

investment of \$8M into the project and expansion and currently has 85 full time family wage employees. Jim said they expect to be hauling boats by September.

Jonathan stated a handout has been provided going over the points identified in the presentation and relevant financial information including the breakdown of the funds necessary to complete the project. He said when they originally set out to do this the plan was to have a temporary fix to the rail crossing but Coos Bay Rail Link recently requested the fix be permanent which has front loaded the necessity to try to come up with the funds necessary to make it happen. This is a private company and unlike Cities that budget into the future for capital, they are more dependent on the revenues they have at the time. Getting this facility up and operational in a short amount of time is key. He explained this stands in the way of them being able to utilize the site. The travel lift will be there in July, the site will be operational in August and they will haul out their first boat in September. He said the funds would be needed immediately but they could potentially wait until fiscal year (FY) 2017. He explained those funds would then need to be expended in July as soon as the FY hits.

Larry Lynch, private citizen, asked if there would be a consistent need for 30 boats and if the work was seasonal. Jim Zimmer responded the work is not seasonal and the boats are fishing pretty much year-round. Jim said they currently turn away quite a bit of work because of capacity issues.

Ron Doan asked where that business goes, where the competition is. Jim explained there is very little competition on the Oregon Coast and if they can't haul out here a majority of them will go to Seattle.

Jim said with a facility that supports growth they are working on securing additional work and the Coast Guard is looking for contractors to work on their 87-150 foot long Patrol Boats. He said many ship yards have gone out of business in the last 20-30 years.

Jonathan said the ancillary effect of those ships coming into our port is huge for the community of Reedsport. He said those ships come in to be worked on with their crews and many of the contracts include a component for housing and food subsidies that will be provided. He said the crew stays for a few days, spends time in town, maybe buy a trinket for their sweetheart, buy a few meals and hopefully plan to come back for recreation at some point.

Melony Marsh said it would certainly put us on the map.

Bob Ragon asked how much has been invested in the site already. Jim responded without the railroad it will be right at \$8M invested.

Dave Sabala motioned to recommend to the Board of Commissioners to grant Fred Wahl Marine \$100k for the Rail Crossing Fix on Bolon Island. He stated this is right in our sweet spot for helping create family wage jobs and expansion of an existing business and industrial development. Ron Doan seconded. Ron asked if the IDB has funds to support this request. Alex responded yes. Ron stated he agreed with Dave and it is an excellent project.

Alex clarified for Jonathan and Jim that the IDB provides recommendations to the Board of Commissioners and the Board of Commissioners has the final say in approving the funding.

Alex asked for further discussion, comments or questions. None was forthcoming. Alex called the question. The motion carried.

**C. City of Winston Downtown Revitalization Project (\$424k) – Joe Laurance/Jennifer Mitchell**

Alex explained this is a unique request. He said Paul Meyer was asked and reviewed several hundred pages of documents and determined that this is a project the IDB can consider.

Joe Laurance and Jennifer Mitchell gave a presentation for the Winston Core Project; A project that was identified at Winston’s community’s annual goal-setting meeting. It includes acquisition and rehabilitation of a roughly two-acre piece of land, 4 parcels (6 tax lots), at the center of town. She described the project in detail and land negotiations in progress. They have negotiated land sales and financing for 3 of the 4 parcels.

The purpose of this funding request is to finance the purchase (\$225k) of and rehabilitation (\$200k) of the “Old West Building” property as a component of the project. Jennifer said they must know where the financing to purchase the property is coming from within 2-4 weeks to meet the deadlines of the other closing properties. She said all the negotiations have been designed to be contingent on the simultaneous closing of all the properties to protect the owners, investors and the Urban Renewal Agency. She said if they lose one property the project will unravel. They have not been able to get a bank loan and are looking for a private investor to loan them \$225k needed to secure that property. She explained the second part of the request is for \$200k to rehabilitate the building.

Discussion regarding job creation, loan terms, debt reserves, deadlines, contingency plan and worst-case/best-case scenarios ensued. The consensus of the IDB was supportive for the property purchase and further information was requested. Due to the project’s deadlines the IDB agreed to move the June meeting up to June 14th to obtain the additional information and consider their request.

*Item tabled until the June 14 meeting.*

**V. Reports/Old Business (Continued...)**

**B. Budget Update – Alex Palm**

Alex stated he presented the budget to the County yesterday. The budget was approved as presented.

**C. Oak Creek Industrial Property Sale Update – Alex Palm**

Alex gave an update on the Oak Creek Industrial Property Sale. He said the wetlands were initially re-delineated and what was a tenth of an acre of wetlands has grown to 1.38 acres. He said the buyer will most likely be coming back to the IDB with a reduced offer to offset the cost of all the additional wetland mitigation.

**VI. Open Discussion**

**VII. Adjourn DCIDB Business Meeting**

Respectfully submitted,

Copy with signatures on file

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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, Alex Palm, Bob Ragon, Melony Marsh, Charmaine Vitek and Steve Mountainspring

### **The following DCIDB Ex-officio members attended the meeting:**

Carl Patenode, Jonathan Wright and Kristi Gilbert

### **County Representatives:**

None

### **Staff:**

Wayne Patterson, The Partnership for Economic Development; Bryan Sykes, CCD Staff; and Brandi Wheelchel, CCD Staff

### **Ad Hoc Committee Members:**

Alex Palm, Dave Sabala and Melony Marsh

### **Guests:**

Loran Waldron, Land and Water Environmental Services, Inc.; Sharon Harrison, Mayor of City of Winston; Merten Johnson, NeighborWorks Umpqua; Jim Zimmer, Fred Wahl Marine; Larry Lynch, Private Citizen; Joe Laurance, Citizen of Winston and Bev Heyer, Citizen of Winston