



**DOUGLAS COUNTY  
INDUSTRIAL DEVELOPMENT BOARD**

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

**Minutes**

**January 17, 2017**

**10:30-11:30**

**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 – November 15, 2016 Meeting**

Dave Sabala motioned to approve the minutes of the November 15, 2016 meeting as presented. Stephen Mountainspring seconded. The motion carried.

**III. New Business:**

**A. Appointments/Reappointments – Brandi Whelchel**

Brandi Whelchel specified there were no board appointments or reappointments at this time.

Alex Palm explained on January 27, 2017 the Orientation Committee will be meeting to recommend DCIDB governance. The Orientation Committee, along with Wayne Patterson, will also be reviewing the IDB application for any changes to be made.

**B. Boutique Hotel Funding Request \$20K – Wayne Patterson**

Wayne Patterson gave an update on the feasibility study done by Leland Consulting Group for the Boutique Hotel. He stated two studies had been done back to back and upon development of a pro forma, the pro forma struggled to show the rack rates needed in the beds to be able to support an investment from an outside investor to come in and build a hotel. Wayne affirms The Partnership wants to go back to the investors, to whom the project was originally presented, with the project re-packaged. The total proposal will have a \$42K budget. The request for this proposal to the IDB is \$20K. An inquiry of the remaining \$20K for the proposal will be presented to the City Council and the Economic Development Commission at a date to be determined. The dollars asked for Leland Consulting Group will be to continue building the pro forma, doing the due diligence that is required, developing an incentive package, and presented to investors whom they have already approached.

Discussion ensued.

Dave Sabala motioned to recommend \$20K funds request for the Boutique Hotel. Melony Marsh seconded. The motion passed unanimously.

**C. Reustle/SOMM Funding Request \$7,500 – Wayne Patterson**

Wayne Patterson presented the May 2017 SOMM Camp in Roseburg. The program is part of a 1.5 year long project to promote national and international awareness to Roseburg and Douglas County wine. SOMM Journal, with 75,000 readers, will narrate SOMM Camp and feature Roseburg and Douglas County as a wine and travel destination in their publication - minimum 6 page article. Wayne Patterson maintains this project is to fund \$7,500 of SOMM Camp Roseburg to diminish travel impediments for out of state SOMM participants. Also, it will furnish attendants with take home

materials highlighting Roseburg and Douglas County as a wine and tourism destination. Local participating wineries and other sponsors are contributing nearly \$25K for SOMM Camp's remaining expenses. This campaign is financially and logistically sustained by numerous wineries throughout Douglas County, SOWI, and other Douglas County businesses.

Earl Jones gave a brief historical description of Oregon wine markets and wine in the Umpqua Valley. He says with the good press the Big 3 wineries of Douglas County received has propelled this idea with SOMM Journal. He believes the publicity they will receive from the SOMM Camp will continue to help build the wine industry in Roseburg and the Umpqua Valley.

Dave Sabala asked Earl Jones who the Big 3 wineries are.

Earl Jones said they are Abacela, Brandborg, and Reustle Prayer Rock. They are the Big 3 because they receive more publicity recognizing the quality of their wines in the Umpqua Valley.

Discussion ensued.

Stephen Mountainspring asked if the local media in Douglas County will be a component of the SOMM Camp.

Earl Jones stated bringing 20 sommeliers to the region is an expensive task and SOMM will want the value of the event written into their journal first. Local press will be notified as well.

Wayne Patterson remarked that he has been in contact with the News Review and the Verve. The local media is taking a step back, out of respect to SOMM, because it is their event. He says the question will be how they will interface with the event and with SOMM.

Discussion Ensued.

Alex Palm motioned to recommend that the Board of Commissioners grant Reustle/SOMM Camp Roseburg the \$7,500 to alleviate travel expenses. Dave Sabala seconded. The motion passed unanimously.

#### **D. Backside Brewing Match Funds Request \$10K – Wayne Patterson**

Wayne Patterson introduced Backside Brewing's project to build a walk-in cooler and start the bottling process. He went over the initial IDB proposal for \$40K that was later pulled by Backside Brewing due to concerns about meeting future hiring requirements as part of the original proposal. Backside Brewing decided to re-apply for the funds request. The new proposal is for a \$10K match fund which will allow the expansion of the bottling operation, purchase of a walk-in cooler, delivery of products, and add 2 new employees in the next 24 months. Backside Brewing will be matching \$20K.

Stephen Mountainspring asked if Backside will continue coming back for more funds after this project is over.

Wayne Patterson said his hope for small businesses is to help them grow.

Backside Brewing Representative Ben Mork acknowledged bottling has already begun and Backside Brewing will be introducing 2 new styles of beer to bottle in the near future. The winter weather is keeping the warehouse cool for the time being, but as the warmer weather approaches, they will need the walk-in cooler for bottle storage. The walk-in cooler will be built in the warehouse and be accessible by forklift or pallet jack. The cost of the walk-in cooler will be about \$30K and they are asking for \$10K and that Backside Brewing will be matching \$20K.

Dave Sabala motioned to grant \$10K match funds to Backside Brewing. Melony Marsh seconded. The motion passed unanimously.

**IV. Reports/Old Business:**

**A. Sutherlin Airport – Drag Races UPDATE – Alex Palm/Paul Meyer**

Alex Palm gave an update on the proposed Sutherlin Airport Drag Races. The Sutherlin Blackberry Festival came to the IDB looking for permission to use the Sutherlin Industrial Park, which is the old airport, for drag racing to help raise money for the local food bank. The property is owned by Douglas County and the general consensus of the board and commissioners was to make it possible for the Festival. After going through the counties risk assessment people, the board was told Douglas County requires a \$5 million dollar insurance policy for this type of event on county property. The cost of this insurance policy outweighs the revenue which would be gained for the food bank. The county site will not be used for this project.

**V. Open Discussion**

Dave Sabala asked the status of the sale of the Oak Creek property.

Loran Waldron indicated the property has been re-delineated and was submitted to DSL. He does not believe it was approved. They are supposed to take another look at the wetlands that are tied to the property.

Alex Palm said there will be an official update on the Oak Creek property at the next IDB meeting.

Lauren Young questioned why there may be speakers at the wine tasting dinners from businesses that have left Roseburg and Douglas County.

Wayne Patterson asserted that none of the speakers are set in stone and the agenda for the wine dinners is only a proposal.

Earl Jones expressed that we should be attracting businesses that would be dependent on being in the Umpqua Valley, such as the wine and timber industry.

**VI. Adjourn DCIDB Business Meeting**

Respectfully submitted,

Douglas County Industrial Development Board

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Brandi Whelchel, Staff

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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, Alex Palm, Melony Marsh, Lauren Young, and Steve Mountainspring.

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

Lance Colley, Sean Negherbon, and Kristi Gilbert.

### **County Representatives:**

Paul Meyer, County Counsel.

### **Staff:**

Wayne Patterson, The Partnership for Economic Development; Shawn Clark, The Partnership for Economic Development; Eileen Ophus, CCD Staff; Brandi Whelchel, CCD Staff; and Cale Morgan, CCD Staff.

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

Melony Marsh, Alex Palm, and Lauren Young.

### **Guests:**

Ben Mork, Backside Brewing; Loran Waldron, Land and Water Environmental Services, Inc.; Earl Jones, UVWA; Jean Kurtz, UVWA; and Mike Luttrell, Douglas County.