



**DOUGLAS COUNTY
INDUSTRIAL DEVELOPMENT BOARD**

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**Minutes
July 18, 2017
10:30-11:30
Room 310**

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

I. Welcome & Introductions

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

The following DCIDB members attended the meeting:

Dave Sabala, Lauren Young, Ron Doan, Alex Palm, Melony Marsh, Charmaine Vitek and Steve Mountainspring.

The following DCIDB Ex-officio members attended the meeting:

Sean Negherbon, Lance Colley, Mike Baker and Kristi Gilbert.

County Representatives:

Commissioner Chris Boice; Paul Meyer, County Counsel; Stephen Zier, Asst. County Counsel.

Staff:

Wayne Patterson, The Partnership for Economic Development; and Brandi Whelchel, CCD Staff

Ad Hoc Committee Members:

Melony Marsh, Dave Sabala, Lauren Young, and Alex Palm.

Guests:

Heather Coffel, Douglas County Assessor's Office; Loran Waldron, Land and Water; Stewart Cowie, City of Roseburg.

Paul Meyer introduced Stephen Zier, Assistant County Counsel to the IDB who has been with the County a couple of weeks and will be helping him with various types of contracting projects.

II. Approval of Minutes – June 20, 2017, Meeting

Stephen Mountainspring motioned to approve the minutes of the June 20, 2017, meeting as presented. Dave Sabala seconded. The motion carried.

III. New Business:

A. Back 9 Infrastructure Funding – Alex Palm

Alex Palm stated for the record he is not representing the DCIDB with this conversation and he will abstain from any voting that may take place for this, as he is representing the project, the property, and jobs for Douglas County. Alex pointed out two exhibits of large scale maps

that are hung with the project property noted. Alex explained the property is the Back 9 parcel located off exit 129. It is 142 acres of prime industrial ground in Douglas County with direct rail access and direct access from a brand new intersection off I-5.

Alex explained it has not been developed because there is no sewer system and no internal road system to access it. He explained it does have a water system, an Umpqua Basin water system runs through it and provides access to it and has a clean bill of health with no wetlands, for the wetlands have been mitigated out of it.

Alex said this project first came to the IDB about a year ago focused on two State grants: a Special Public Works Fund grant (SPWF) for the sewer design and construction and an Immediate Opportunity Fund (IOF) grant for the road. He explained in working on the SPWF grant with OBDD and Alex Campbell he believed that there was full approval for both the design and construction of the sewer system. The IDB recommended the 15% match funds needed for the SPWF grant and RUSA engaged CH2M Hill to design and engineer the system to serve the whole industrial property. CH2M Hill took that to 100% and there is a fully designed sewer system to serve this parcel. About 2 months ago he found out that they only ever obtained the grant for the design and the grant to construct the project was no longer available.

Alex explained they worked with Business Oregon on the IOF grant for the road and that also presented a few problems. It would have to be publicly bid and awarded, pushing the time line to 2018 which won't work for either of the big clients. Another unintended consequence of that grant is it would have to be a public road, placing the burden of maintenance on the County public works. There has been a tug of war between the City and County public works departments on what the design standards for that road are. Another issue was the IOF grant was not guaranteed and they were never able to get the hard numbers on the job requirements for that grant. What initially seemed like free money quickly turned into a lot of constraints and the grant was never applied for based on those reasons.

Alex explained CH2M Hill's design was looked at and value engineered. A mock bid was done and the estimated construction cost was \$1.3M. With a few changes to the location of the lift station the cost is now estimated at \$925K. The proposed plan is to have the developer develop the road privately. That would eliminate the need for public bid and award, the burden for an additional mile of road for the County to maintain, and eliminate the tug of war between the City and County.

Alex said what they are looking at is asking the DCIDB for \$925K to fund the construction of the sewer system. The developer's skin in the game is significant and includes: (completed) \$497K in the water system, significant expenses in mitigating the wetlands, and over \$100K in mass grading where the Coke and Terra-Firma sites will be with storm water drainage pipes included. The costs they will still have even after the sewer system are: Power, gas, internet, telephone, cable, etc. All the utilities still need to be installed which cost will be close to \$500K and the plat subdivision is estimated to cost another \$25K and there are planning and survey fees of over \$5K.

Alex said what is known in regards to job creation is that the Coke plant is estimated to create an additional 48 jobs and, Terra Firma an additional 24 jobs with wages above the Douglas County standard. He stated the Coke site is 6 acres and the Terra Firma site is 4 acres, there would still be 132 additional acres of areas that would be available for development.

Discussion ensued.

Melony Marsh asked what kind of commitment has been made by Coke and Terra Firma. Wayne Patterson responded Bruce Hanna has a handshake agreement with the property owners. It is difficult for Bruce to commit to buy the land until he knows the sewer will be built and the infrastructure is in place and the plats are subdivided.

Melony Marsh stated the property owner, Rick Mathews, is present and asked if he had anything to add. He declined. Wayne asked Rick if his understanding of the situation is correct. Rick responded he has an agreement with both parties and there is no conceivable way to finalize it until it is subdivided and utilities can be provided. Work is being done with Pacific Power, gas is available up to the property, and the pieces are being put together.

Discussion ensued. It was a consensus of the IDB they are supportive of this project.

Ron Doan made a motion to recommend the BOC to grant \$925k for the construction of the Back 9 Sewer System contingent on ensuring the Coca-Cola plant will move forward with this project.

Discussion ensued regarding how the contingency would work and the potential pit falls.

Commissioner Chris Boice stated what the County sometimes does to protect the County's investment is in the terms of the grant agreement. It would be structured as a forgivable loan based on job creation over a period of time or is repayable at the time of sale of the property if there are no jobs created.

Stephen Mountainspring seconded the motion. Melony asked for further discussion. None was forthcoming. Melony called the vote. Alex Palm abstained. The motion carried with 6 Ayes; Dave Sabala, Lauren Young, Ron Doan, Melony Marsh, Charmaine Vitek, and Stephen Mountainspring, and 1 abstention; Alex Palm.

IV. Reports/Old Business:

Melony Marsh gave an update on the DCIDB funding application that is available on the IDB website. She explained Commissioner Boice had given the ok to upload the latest version of the new application that was drafted and distributed to the IDB.

Wayne Patterson gave an update on the success of 4th of July Food Truck Competition.

Wayne stated he would have an update regarding the Medical Education College at the next meeting.

V. Open Discussion:

VI. Adjourn DCIDB Business Meeting

Respectfully submitted,

Douglas County Industrial
Development Board

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 97470.