



REGIONAL SOLUTIONS OFFICE
GOVERNOR KATE BROWN

Regional Solutions Advisory Committee: Mid-Valley

Meeting Minutes - DRAFT

Friday, December 4, 2015

8:30 – 10:30 a.m.

Fresh n' Local

4070 Fairview Industrial Drive SE

Salem, OR 97302

Regional Solutions Advisory Committee members present: Senator Jackie Winters, Mayor Kathryn Figley, Chad Freeman, Steve Powers, Commissioner Craig Pope, Commissioner Kevin Cameron, Mayor John McArdle, Jody Christensen and Julie Huckestein. ***Not in attendance:*** Chane Griggs, Commissioner Allen Springer and Toby McClary

Welcome, Introductions and Logistics

The Regional Solutions Advisory Committee (RAC) started the meeting with brief self-introductions and then received a short overview of Fresh n' Local by its Founder and CEO, Evann Remington. The additional meeting participants also introduced themselves, including the Regional Solutions Team (RS Team) and members of the public.

Sen. Winters presented the minutes from the RAC's October 2, 2015 meeting. She made a motion to approve the minutes as presented, and Commissioner Pope seconded the motion. The RAC unanimously approved the minutes.

Mr. LaBar informed the group about two RAC membership changes in development. Chane Griggs will be stepping down, and the committee will need to find another qualified philanthropic representative. The RAC discussed the needed qualifications and recommended that Ms. Griggs provide recommendations. Mr. LaBar also informed the RAC that he recently met with the Grand Ronde, and they will be identifying a replacement for Toby McClary in early 2016.

- ***Action Item:*** Mr. LaBar will follow-up with Ms. Griggs and the Grand Ronde about the two membership opportunities prior to the next RAC meeting.

The 18% Delta Challenge: 2015 Project Funding Discussion and Decision

Mr. LaBar gave a brief overview of the funding delta between the requested (\$2 million) and awarded (\$1.64 million; 18% delta; \$360,000) amounts regarding the projects that were put

forth by the Mid-Valley RAC. He laid out the parameters of the RAC's decision with the help of several handouts, including a spreadsheet with the projects' requested amounts, total awarded funds and insights from other Regional Solutions areas as well as a project updates submitted in November 2015 and original project proposals from June 2015.

Each project proponent then gave 5-7 minute presentations about their projects with an emphasis on the information submitted in November. Below are summaries of their presentations, including the question and answer period for each project. The RAC's questions varied, but each project was asked a series of similar questions:

- How have you planned for funding contingencies?
- How can project phasing and/or other funding resources help with mitigating a funding shortage?
- How does the timing of the new funding amounts relate to your projects' business plans?

Career Technical Education Center (CTEC): Chuck Lee presented a summary of where the project is to date. CTEC had their dedication in October 2015 where over 200 people attended including industry professionals. The building is 150,000 sq. ft. in Northeast Salem that will serve the Salem-Keizer School District, provide regional workforce development opportunities and contribute to agri-business innovation in the Mid-Valley region. Mr. Lee talked about how their total capital budget and the need to secure the requested \$900,000 from the RAC, plus an additional \$1 million by mid-2016 to be competitive for New Market Tax Credits. If the project were to receive less than the requested \$900,000, Mr. Lee talked about seeking additional funds from the private sector, donors and foundations to make up the difference. He did mention that the project secured an additional \$1 million from the State Capital Construction Budget since submitting the project in June. Mr. Lee concluded his CTEC update with a conversation about teaching students "professional skills" (aka "soft skills") and instilling a greater sense of hope. The RAC thanked him for his update.

Crestview Drive: Doug Rux presented an overview of Newberg's Crestview Drive project with an emphasis on how the road improvements will benefit the region's transportation system and economic development plans. Mr. Rux talked about the relationship between A-dec, one of the region's largest employers, and the project. The improved road would provide an alternative route for more than 1000 A-dec employees and, more importantly, the company's freight movement. The improved road also would improve access and/or open more than 80 acres of land for commercial, retail and industrial development. The project also would provide increased access to vineyards and wineries north of Newberg and the Allison Inn & Spa, which is Oregon's only five-star hotel. Doug discussed the involvement of the private sector and Newberg's system development charges as

it relates to contingency funds if the RAC were to award less than the requested \$900,000. The RAC thanked him for his update.

Food Hub: Shawn Irvine presented a summary about the food hub project with a key item being it's new, ideal location. The City of Independence expects to regain possession of the old city hall building in January 2016, which will provide a centralized location for the business. Mr. Irvine referenced Ecotrust's recent analysis about the "Ag of the middle" and the need to better serve this important piece of the agricultural spectrum. The food hub facility would offer aggregation for marketing, assembling and selling of the "Ag of the middle" products. It also would provide an agricultural anchor for wholesale, retail and educational opportunities that currently do not exist in or near Independence. Mr. Irvine reminded the RAC of their need for \$200,000, which would provide \$75,000 for a large cold storage freezer and \$75,000 for a commercial kitchen and processing area. The remaining \$50,000 would go towards general building improvements and upgrades. He also talked about the city's \$20,000 investment in the project towards an emerging business and operations plan. David Clyne also referenced the \$380,000 of value in the old city hall building that the project will be able to leverage. Mr. Irvine referenced a recent food hub study by the Mid-Willamette Valley Council of Governments that will facilitate the development of a more thorough business plan. The RAC thanked him for his update.

After the three project presentations and question/answer sessions, Sen. Winters then asked the public if they had any comments on the projects or funding amounts. There were no comments submitted. The RAC then took a brief recess for coffee and food.

During the break, Mr. LaBar distributed a spreadsheet with a range of funding scenarios to help structure the RAC's decision-making process of resolving the 18% funding delta. Mr. LaBar explained the guiding document and answered the committee's questions about each scenario. The RAC then had a robust conversation about each of the projects and how they fit with the regional priorities as well as comparing private sector contributions, business plans, regional impacts and project updates. The committee then discussed the funding scenarios and proposed new funding scenarios related to their project preferences. The RAC then winnowed the project funding scenarios based upon their discussion until there was one scenario with a majority of support. Commissioner Cameron made a motion to approve Scenario 3 (see below) as the Mid-Valley RAC's funding scenario for projects in 2015. The motion was seconded by Mayor Kathy Figley. The RAC unanimously approved the motion.

Scenario	<u>CTEC</u>	<u>Crestview</u>	<u>Food Hub</u>	Total
3	\$900,000	\$740,000	\$0	\$1,640,000

Project Updates and Venue Introduction

City of Carlton Water Improvement Project: Chad Olson gave an update on their downtown water system projects and the investments they made with a previous round of Regional Solutions funding (\$500,000). Project construction is almost complete and will open up development opportunities in their downtown and further north to other commercial properties. He graciously thanked the RAC for their investment. Mr. Olson concluded his update by identifying future water projects and their desire to come back to the RAC and RS Team to request funds for these projects.

Transportation Related Activities:

Sen. Winters talked about her role on the Governor's Transportation Visioning Committee and how it relates to the RAC's priorities and Mid-Valley economy.

Sen. Winters and Mr. LaBar provided the RAC an update about recent activities regarding state and regional transportation issues. Sen. Winters summarized a recent meeting with Senators Johnson and Beyer (both Regional Solutions conveners from two other regions), Oregon Department of Transportation (ODOT), Department of Agriculture and Business Oregon about thoroughly exploring the idea of an inland port in the Mid-Valley. Mr. LaBar shared some insights from the last Trade and Logistics Initiative meeting and the related activities of RS Team members Jae Pudewell and Terry Fasel regarding the meeting. Mr. LaBar also talked about the pros and cons of an inland port in the Mid-Valley. Mr. Pudewell added additional insights into ODOT's criteria and methodology moving forward. Sen. Winters requested that the same presentation given at the referenced meeting be given at the next RAC meeting.

***Action Item:** Mr. LaBar and RS Team will work with Jae Pudewell and Terry Fasel to prepare their presentation for the next RAC meeting.*

Mid-Valley Regional Solutions: Mr. LaBar provided an update about the RS Team's activities, which included an outreach meeting with the City of Carlton, McMinnville Water and Light and City of Lafayette; 2016 calendar; snapshot of projects from October 2015 and draft Mid-Valley Regional Solutions process model/program. The RAC asked a few questions about funding processes going forward, and Mr. LaBar talked about the importance of not having stand-alone, separate processes for different funds and using all current and future funds to incent all private and public entities to work through the Regional Solutions Program in the Mid-Valley.

***Action Item:** Mr. LaBar will be meeting with RAC members individually to thoroughly discuss the Regional Solutions Program in the Mid-Valley.*

Venue Introduction - Fresh n' Local: Evann Remington, Founder and CEO of Fresh n' Local Foods, gave an overview of the business. She said it is a locally owned and operated. Ms. Remington stated its

mission is to make locally-sourced, nutritious and quality foods for schools. The company now serves Boys and Girls Clubs, Head Start Programs, School Districts, Relief Nurseries, Private Schools, Charter Schools, After-Care Programs, Day Treatment Facilities, Hospitals, Retirement Homes, Food Service Delis, Café's and Caterers all over Oregon. She also informed the group that they just opened a facility in Washington, outside of Seattle. Their business model is based upon providing frozen entrees for an entire week, which are then heated on locale cutting down on transportation and logistics costs incurred from traditional business models that drive meals to locations every day just prior to meal times. This model allows them to offer meals at the same cost as traditional programs do, but with locally-sourced and higher quality ingredients. RAC members, RS Team members and public members asked Ms. Remington a series of questions about the business and facility. After the meeting adjourned, she led a tour of the facility.

Public Comment and Adjournment

There was no Public Comment. Sen. Winters adjourned the meeting.

Next Meeting: TBD