

Economic Development Council of Tillamook County
Executive Board Meeting Minutes

November 19, 2013 12 noon
Room 215, TBCC Central Campus

Board Members Present

Doug Olson
Ray Sieler
Michele Bradley
Tony Enzler
Patrick Criteser
Suzanne Weber

Board Members Not Present

Mike St. Clair
Connie Green
Dale Stockton
Mark Labhart

Staff Members Present

Dan Biggs

Carla Lyman

Public In Attendance

David McCall
Angeline Pepper
Gus Meyer

David Yamamoto
Stephanie Hurliman
Merrienne Hoffman

Paul Daniels
Gene Tish
Betty Baumgart

Call to Order (agenda item 1)

The meeting was called to order at 12:02 pm by Vice Chair Doug Olson. Board and audience members were introduced

Presentation by University of Oregon's Dave Johnson (agenda item 2)

Mr. Johnson discussed economic development at UO and presented brochures. CAMCOR is available for statewide use. This facility gives access to data to help solve problems. Dave explained that all types of companies from Intel to water research companies in Umpqua use the facility. For example, Intel contacted them with a circuit that was not working, and the CAMCOR analyzed the circuit to show why it was not working.

Dave also explained that they have now launched a program to make students employable with is the Industrial Internship Program. Approximately 75 students yearly take a condensed series of classes and then work full time in companies. Over 6 years over 400 students who have completed the program have secured internships with the average salary of \$45,000. 90% of those people have received full offers from the company. They are always looking for new sectors of the economy. They would love to explore what industry segments might be in Tillamook County/North Oregon Coast where this might make sense. There are currently five tracks—semi-conductor processing, polymer science, organic synthesis, handling large data sets, optical materials and devices. UO works with OSU on the Center for Sustainable Materials. CAMCOR can help with the recruitment of companies to a specific area. CAMCOR began 10 years ago and has grown by 30 to 35% a year and is now self-sustaining.

Website information is on the literature.

Consent agenda (agenda item 3)

A motion to approve the consent agenda was made by Suzanne Weber and seconded by Michele Bradley. The motion carried.

New Business

Transfer of Funds (agenda item 4.A)

EDC has been notified by Carol Brown of TLC that accounts are in excess of the \$250,000 covered by their insurance.

A motion was made Michele Bradley, and seconded by Ray Sieler, to transfer the amount in excess of \$200,000 to Local Government Investment Pool (LGIP). If an account does not already exist, an LGIP account should be created. The motion carried.

Old Business

TLT (agenda item 5.A)

Doug Olson stated that the Board is aware of a number of issues that resulted from how this measure was crafted and there were difficult feelings that came out of the entire process. He hopes that the Board and the County can get past that because there is direction from the voters to "do it and do it right." Comments have been made that people do not necessarily trust the EDC Board, they are unhappy with the EDC Director, they are unhappy with the County Commission, and that needs to be put behind as EDC moves forward to find a way to make this fair, equitable, and workable.

Two documents were handed out to the Board and the audience. One--the ordinance for implementation; the second--an agenda for next steps. Doug asked that everyone please remember that this is a County tax which will ultimately go through the County Budget and go through the County Commission.

Doug quickly went through the draft plan. He noted that the first task for EDC is to explore options to manage the process this is not how to manage the distribution of funds. This is nothing more than how to manage ourselves. Getting through the next 90 days is what needs to be done now.

Doug pointed out that the language in the ordinance indicates the County "may contract with Tillamook County Economic Development Council". They may not and that is a decision for the Board of Commissioners. Whether they intend to contract with EDC needs to be verified and if they do, an IGA must be negotiated.

Ordinance 75 specifies how the County will take the TLT forward. It sets out the advisory committee, the makeup of which will need to be finalized in the next month or so.

Development of infrastructure and tourism related projects for the county is next on the to-do list.

Next Doug talked through the list of tasks for Tillamook County which includes making this system operational. The County has sent letters to lodging operators to register with the County they are in the process of creating the database. Most of this has been assigned to Community Development. Among the list of tasks for Tillamook County is a separate meeting with outsiders such as Travel Oregon on how to move this process forward.

The executive committee met with Connie Green to discuss how to get through the next 2 or 3 months—negotiate an agreement, restore some of the credibility that has been lost for any number of reasons. There are a number of options to consider for management of the process over the next 6 to 8 months which include:

- Use of existing Tillamook County Staff, i.e. Paul Levesque
- Use of existing EDC staff
- Use of a combination of County and EDC staff
- Expand the role of the EDC Board
- Retain an outside firm or individual on a contract basis. Doug has talked with at least one that would come in "at an arm's length" to facilitate. This could cost \$15,000 or \$20,000 over a period of months and could be advanced from the County. Doug Olson

pointed out that \$350,000 has been included in the County budget. If funds are needed, they can be taken from the general fund and then billed to the TLT. Bringing in someone from an outside source is very "do-able".

The collectors have been asked to file a report every quarter. I.e. first quarter returns and monies are due by April 30. It will be late summer before there is any serious money accumulated. By that time the process should have been developed for marketing etc.

Dan Biggs went through the history of this TLT process. He noted that every precinct supported this measure. He expects strong support for the strategic plan, business plan, and implementation. Dan explained that under Commissioner Labhart's request, a workshop is being organized between the EDC Board and the Board of Commissioners. It is tentatively set for Wednesday, December 11th at 1:30 pm at the Courthouse. The alternative date is December 12th at 4 pm. Scott Webster, chief strategic officer of Travel Oregon, will attend. Prior to that workshop, Dan will be interviewing key individuals at Travel Eugene, Travel Portland, Lincoln City tourism, etc. regarding their models. He will try to have all that information compiled for the EDC Board workshop prior to the meeting with the Commissioners. Dan feels the Board needs to set up the parameters of how the IGA is going to work. This workshop will explain to the Board how this will all work prior to negotiating with the County.

Board member comments

Suzanne Weber stated that she feels it is very important for the EDC to do a good job of this because "our credibility is being questioned by the rest of the County." She feels that bringing in an outside facilitator to see this happen is something important to consider. At the same time, EDC needs to remember all the other things that need to be accomplished.

Tony Enzler stated that philosophically he has a huge problem with the EDC being involved in this. He sees the risk as being too high and he feels that the EDC is heading for a failure. He believes the EDC's credibility is on the line, that the tasks being assigned to EDC don't fail within the strategic plan. EDC is not, and should not be the focus of the EDC. Tourism is a wonderful opportunity that he fully supports however EDC needs to be the entity that focuses on good family wage jobs. Tony went on to say that until he is fired from the EDC Board he will be opposed to signing any contract with the County and being directly involved in it (the TLT). He believe EDC should step away from this and concentrate on bringing solid jobs in manufacturing, industry and other area to Tillamook County.

Suzanne Weber said she agrees that this is not within EDC's purview for the long term, but that working to establish the process could be appropriate. Tony asks why the County can't establish the process, why must EDC do that. Tony could support a very limited involvement for not more than a year, with a specific exit strategy in place from the beginning but to take over control of it, he cannot support that.

Patrick Criteser agrees that EDC should not be involved long term. EDC can help flesh out the process but should not manage the TLT. Patrick suggests that the EDC Board pre-empt an IGA and instead get involved to establish the correct entity to manage/administer the TLT.

Ray Sieler stated that he didn't realize that the EDC credibility is at stake. He believes that while the TLT is a wonderful thing for the County, it is important that the EDC stay focused on

economic development. He feels EDC should not get bogged down in the tourism issue. He is in favor of the idea of outside facilitation.

Michele Bradley agrees with Tony Enzler that this is not where EDC should be. Someone who has done this before could do a much better job. She does not want this on "our shoulders."

Doug Olson stated that he does agree that this should not be managed totally by Dan Biggs or even the Board. He suggests that perhaps there is a director of tourism that reports to the Board or to Dan or perhaps someone else, who has a staff. But ultimately this is a County tax and will be decided on by the County. He does feel that it makes sense to take this over the next 3 to 6 months. It is a work in progress and we don't have to reinvent the wheel.

Public comment

Eugene Tish stated that he believes that this is 100% an economic development issue and that this is an EDC responsibility. He admonishes the Board to stick with it and get it going. He also states that it is not realistic to think in terms of 6 to 8 months but is more realistic to look at 2 to 3 years. He went on to suggest that there needs to be a director, as well as people to handle convention sales, electronic media and support. Eugene Tish also stated that he is surprised to hear that there is a confidence issue.

Merrienne Hoffman stated that she appreciates the comments of the Board members. She feels that there has always been a concern about putting this process in the hands of people who are not tourism professionals. She recommends creating our model based on what other successful programs have used. She urged the Board to approach this thoughtfully.

David Yamamoto says that he agrees with the thought that the EDC Board should not have long term commitment to manage the TLT however he thinks that longer than 1 year is needed. He acknowledged that there are hard feelings throughout the County. He does not feel that EDC Board should have to do day to day management or administration. David urges the Board to do everything in their power to keep administrative costs as low as possible. Do the research and then determine if this can be done professionally by a local community and what the cost would be. He recommends looking at a 3 to 5 year process for EDC involvement before handing it over to a separate entity.

Gus Meyer stated that county roads were one of the motivators on this entire TLT issue. He urged the Board to be careful about administrative costs and keep them to a minimum.

Doug Olson clarified that the 70/30 split is set by statute. Administrative costs do come out of the 30% but the County already has a ½ time person dealing with vacation rentals. If that is bumped up to full time, only ½ of the full time salary would come from the 30%. Cost for a TLT director would come off the top of the 70% before anything is spent for marketing, etc.

Justin Aufdermauer stated that the EDC does have a role in this but that role is to create the process. He believes that once the advisory committee is appointed by the County the EDC would only have a fiduciary responsibility.

Doug Olson stated that he has heard that this might not be the best thing for EDC to do long term but we need to make it happen over the short term. The meeting with the Commissioners is up next. Please clear your calendars for the commissioners meeting on 12/11/2013 at 1:30 at

the courthouse. Dan Biggs recommends that the Board meet before that meeting. Suzanne Weber believes that the Board needs more focus before the meeting with the Commissioners. Ray Sieler stated that he feels it is important that we have an EDC voice, not individual voices, at the meeting with the Commissioners. It is important to meet before meeting with the Commissioners to establish what that EDC voice will be.

Economic Initiative Update (agenda item 5.B)

Dan Biggs explained that there is a desire to expand the city's study to a county wide study. This is not the norm. A proposal will be prepared for the next funding cycle.

Local recycling Solutions Study Update (agenda item 5.C)

Dan Biggs stated that he will be meeting with David McCall regarding a funding strategy for the study on difficult to recycle items. David McCall stated that they have a funding commitment for 20% of the study of difficult to recycle items, what they are, who is producing them, and how to derive local benefit. This will be discussed further at the next regular Board meeting.

Director's Report (agenda item 6)

Dan Biggs stated that all items in the report have already been covered

Public Comment (agenda item 7)

Paul Daniels gave the Board a brief overview of the projects of the Port of Garibaldi.

Adjournment (agenda item 7)

The meeting was adjourned at 1:40 p.m.