



Economic Development Advisory Board

Wednesday February 8, 2017

3:30pm – 5:00pm

555 Court St NE Salem – Commissioners' Board Room

AGENDA

3:30	Welcome, Introductions, and Announcements	Angie Morris
3:35	January Meeting Minutes – Action	Angie Morris
3:40	FY17/18 Lottery Budget - Information	Sarah Cavazos
4:00	Economic Development Conference - Discussion	Sarah Cavazos
4:05	Grant Reviews - Action	Sarah Cavazos
4:55	New Business, Comments and Closing	Angie Morris

Future Meetings

- **March 15th @ 3:30-5:30**
- **April 12th *Note potential time change for CTEC Lunch/Tour 12:00-1:30**
- **May 10th @ 3:00-5:00** Business Grant reviews
- **June 7th @ 3:30-5:00** *Note date change for Community Project Grant reviews
- **July 12th *Note extended time TBD for Detroit Lake Tour**

Attachments & Handouts

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|----------------------------|--|
| • 2016/17 Meeting Schedule | • Lottery Budget |
| • January Minutes | • Community Project Grant Applications |

Executive Committee		Full Board	
July – No Meeting		July – No Meeting	
Monday, August 1, 2016 at 11:00 am Location: Travel Salem 181 High St NE, Salem		Wednesday, August 10, 2016 at 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	
Thursday, September 1, 2016 at 11:30 am Location: Travel Salem 181 High St NE, Salem		Wednesday, September 14, 2016 at 3:30pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	
Monday, October 3, 2016 at 11:00 am Location: Travel Salem 181 High St NE, Salem		Wednesday, October 12, 2016; 3:30 pm – 5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room <i>*Date change due to Community Projects Grant review</i>	
Monday, October 31, 2016 at 1:30 pm Location: Travel Salem 181 High St NE, Salem		Wednesday, November 9, 2016; 3:30pm - 5:00pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	
December – No Meeting		December – No Meeting	
Tuesday, January 3, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem		Wednesday, January 11, 2017; 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	
Monday, January 30, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem		Tuesday, February 8, 2017; 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	
Monday, February 27, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem		Wednesday, March 15, 2017; 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	
Monday, April 3, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem		Wednesday, April 12, 2017; 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	
Monday, May 1, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem		Wednesday, May 10, 2017; 3:00 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	
Monday June 5, 2017 at 11:00 am Location: Travel Salem 181 High St NE, Salem		Wednesday, June 14, 2017; 3:30 pm-5:00 pm Location: Courthouse Square - 555 Court Street NE, Salem – 5 th Floor, BOC Board Room	

Marion County Economic Development Advisory Board
January 11, 2017 Meeting Minutes
555 Court St NE, 5th Floor Salem, OR

Members Present: Nate Brown, Kevin Cameron, Lesa Goff, Bob Hill, Jay Kemble, Nate Levin, Allison McKenzie, A.J. Nash, Dave Tibbetts, Ian Tollsens and Renata Wakeley.

Staff and Guests Present: Sarah Cavazos, Tamra Goettsch, Danielle Gonzalez, Brandon Reich, Mark Christiansen, Nick Harville, James LaBar, and Barb Young.

Agenda Item: Welcome, Introductions & Announcements

Information/Discussion: Hill welcomed attendees, noted that Morris would be absent, and requested self-introductions. Members were asked to record their grant review scores on the sheet that was pasted around.

Action: None.

Agenda Item: November Minutes

Information/Discussion: Hill presented the minutes and called for comment; no discussion was held.

Action: *A motion was brought forth by Kemble to approve the November minutes; a second was made by Wakeley. The motion was voted on and approved unanimously.*

Agenda Item: Updates – Grow EDC Report

Information/Discussion: Item deferred to a future meeting.

Action: None

Agenda Item: Economic Development Conference

Information/Discussion: Cavazos shared that the conference planning was going well. There are six confirmed cash sponsors. The updated flyer was included in the packet. The committee will be asking for volunteer signups at the next EDAB meeting.

Action: None

Agenda Item: Legislative Update

Information/Discussion: Barb Young from the Marion County Board of Commissioners office presented a draft of the federal agenda of priorities. The agenda included these federal topics of interest: North Santiam Canyon Economic Distress Relief Plan, Salem River Crossing Project, protection of infrastructure spending investments, Economic Development Administration, EPA Brownfields, Community Development Block Grants (CDBG), Transportation Investing Generating Economic Recovery (TIGER), and the USDA Rural Development Community Facilities and Water Programs. Oregon Legislative updates will be shared as the Session begins February 1st. Hill requested further information of the U.S. Department of Labor rule status for exempt and non-exempt employees. Barb stated she will look into it further. EDAB members were encouraged to bring other topics of legislative concern for discussion to help promote a positive business and employment environment.

Action: None

Follow up: *Email the legislative agenda prior to the meeting if input from EDAB will be requested. Hill suggested that the state agenda be placed on the February meeting with time for additional discussion and input on the federal items as well.*

Agenda Item: 2017 EDAB Activities

Information/Discussion: Hill asked for input on things EDAB would be interested in doing or learning more about in 2017. A request was made to hold more business tours, Rigado and Kane's Marina were specified as places of interest to tour. Levin suggested working with SEDCOR to identify primary areas of concern in the Marion County job market and focus marketing of business grants to those audiences. Exploring workforce was also identified.

Action: None

Agenda Item: Grant Reviews

Information/Discussion: Members provided their grant scores based on independent review of the applications. The average score and notes of the discussion are listed below. Additional discussion was held regarding the requests exceeding the standard funding guidelines of \$5,000 per job created and \$2,500 per job retained; the amounts were typically based on full-time equivalency not number of jobs. This raised discussion regarding the amounts to recommend for funding. Brown noted the more direct public connection and capital investment. Nash noted that EDAB has a fiduciary responsibility and would like to see each business successful independent of each other.

Levin noted that the amount of the request is a low the ratio from a financing standpoint; they are well under 50% of the project costs. The applicant is not asking for the first dollar, they are asking for the gap after their own investment. Hill had concerns with going outside of guidelines and felt it might set precedence for future applicants. Geoff saw the criteria as guidelines and was comfortable funding the proposal. Brown noted that given the nature of the marina's the projects are quasi-public endeavor. They are a capital investment that will remain in the region permanently. Nash suggested the balance of the grant requests for the marinas, that extend beyond the standard guidelines, be funded through the community project grants given the "quasi-public" nature of the project. Cameron noted that community project grants could only be granted to cities or nonprofits and the marina's would not be eligible as a private sector business.

DETROIT LAKE MARINA 85.1

- + Number of jobs created and retained per 1,000 population
- + Economic impact has a regional effect
- + Creative solution to expand operating season and keep business operating
- + Impact is well thought out
- + Quasi-public benefit given the nature of the business
- + Project results in a long-term/permanent investment in the region
- + Applicant secured other funds and is making personal investment prior to asking for grant funds
- + Project includes diverse activities, not only investing in marina upgrades but is including an expansion of the store (diverse investments)
- + Application is well written
- Business was not profitable in the past four years

KANE'S MARINA 80.75

- + Number of jobs created and retained per 1,000 population
- + Economic impact has a regional effect
- + Creative solution to expand operating season and keep business operating
- + Impact is well thought out
- + Quasi-public benefit given the nature of the business
- + Project results in a long-term/permanent investment in the region
- + Applicant secured other funds and is making personal investment prior to asking for grant funds
- + Business has been able to maintain positive net earnings despite the shortened season
- Small number of new FTE

SANTIAM ICE COMPANY 85.75

- + Number of jobs created and retained per 1,000 population
- + Owner is willing to make an investment in the region and locate the business in Idanha
- + Application is well written
- Business staying in the area is contingent on the success of the Detroit Lake Marina; would prefer to see each business operating independent of the other.

Action: A motion was brought forth by Tollsend to approve the Detroit Lake Marina application for funding outside of the general funding guidelines at the requested amount of \$35,000 based on the quasi-public nature of the project and regional impacts on tourism and the economy in the region. A second was made by McKenzie. The motion was voted on and approved unanimously.

Action: A motion was brought forth by Brown to approve the Kane's Marina application for funding outside of the general funding guidelines at the requested amount of \$20,000 based on the quasi-public nature of the project and regional impacts on tourism and the economy in the region. A second was made by Tollsend. The motion was voted on and approved unanimously.

Action: A motion was brought forth by Nash to approve the Santiam Ice Company application at a reduced amount of \$27,500 to keep within the general funding guidelines. A second was made by Cameron. The motion was voted on and approved unanimously.

Agenda Item: New Business, Comments and Closing

Information/Discussion: None

Meeting adjourned: 5:00 PM

DRAFT

**MARION COUNTY ECONOMIC DEVELOPMENT
FY17/18 DRAFT BUDGET**

	FY16-17 BUDGET	FY17-18 BUDGET	Difference +/-
RESOURCES			
US Dept of Agriculture	50,000	25,000	-50.0%
Video Lottery	1,618,323	1,779,835	10.0%
Investment Earnings	12,749	12,749	0.0%
Settlements	200,000	120,000	-40.0%
Net Working Capital Unrestr	1,699,259	1,406,770	-17.2%
Resources Total	3,580,331	3,344,354	
REQUIREMENTS			
PERSONNEL			
Personnel Total	178,598	214,642	20.2%
MATERIALS & SERVICES			
Administrative Services			
Administrative Services Total	35,445	17,876	-49.6%
Other Contracted Services			
Community Project Grant FY17/18 Awards	100,000	100,000	0.0%
Community Project Grants Prior Awards	81,429	92,550	13.7%
Business Development Grants FY17/18 Awards	150,000	150,000	0.0%
Business Development Grants Prior Awards	168,250	136,875	-18.6%
Infrastructure Development Fund	300,000	350,000	16.7%
Board Designated - SEDCOR	160,000	160,000	0.0%
Board Designated - Travel Salem	100,000	100,000	0.0%
Board Designated - GROW EDC	60,000	60,000	0.0%
Board Designated - Oregon Garden Foundation	100,000	100,000	0.0%
Board Designated - Good Neighbor	20,000	20,000	0.0%
Business Recruitment Fund	125,000	200,000	60.0%
Business Investment Program	100,000	150,000	50.0%
Trade Skills Training	50,000	100,000	100.0%
Misc. Consultants & Contracts	344,000	272,300	-20.8%
Misc.	116,940	-	-100.0%
Other Contracted Services Total	1,975,619	1,991,725	0.8%
Materials & Services Total	2,011,064	2,009,601	-0.1%
DEBT SERVICE			
Principal Payments	522,968	271,091	-48.2%
Interest Payments	29,096	4,940	-83.0%
Debt Service Total	552,064	276,032	-50.0%
TRANSFERS			
Transfer to Land Use Planning	324,000	324,000	0.0%
Transfers Total	324,000	324,000	0.0%
CONTINGENCY			
Contingency	243,572	405,121	66.3%
Contingency Total	243,572	405,121	66.3%
FUND BALANCE			
Unapprop Ending Fund Balance	161,549	-	-100.0%
Fund Balance Total	161,549	-	-100.0%
ADMIN FEES			
Admin Fees	109,484	114,958	5.0%
Admin Fees Totals	109,484	114,958	5.0%
TOTAL	3,580,331	3,344,354	-6.6%
NET DIFFERENCE	-	0	

* Items in red font are subject to change based on final numbers provided by the Finance Department