

BOARD OF COMMISSIONERS

MINUTES OF THE BOARD SESSION – Regular Session

Wednesday, June 11, 2008
Marion County Courthouse Square

9:00 a.m. Board Session
Senator Hearing Room

PRESENT: Commissioner Sam Brentano, Commissioner Patti Milne and Commissioner Janet Carlson. Also present were Jo Stonecipher as legal counsel and Kim Hulett as recorder.

Commissioner Brentano called the meeting to order.

PUBLIC COMMENT

None.

PRESENTATION

SEDCOR Quarterly Report – Ray Burstedt, Nick Harville

Ray Burstedt and Nick Harville came forward to give their presentation on SEDCOR, the Strategic Economic Development Corporation. Mr. Burstedt introduced Nick Harville, who recently replaced Ray Clore at SEDCOR and has been handling retention and expansion duties.

The report covers the third quarter of fiscal year 2007-08 and represents the months of January, February, and March 2008. SEDCOR was involved in several projects during that period, and these projects required major time and effort for recruitment and retention/expansion projects. Mr. Burstedt said all their projects require team efforts that include their resource partners. He acknowledged the efforts of the Salem City Council and staff, Urban Development Department and staff, Marion County Board of Commissioners, Marion County Economic Development Advisory Board, the State of Oregon, the Oregon Economic and Community Development Department, the Oregon Department of Energy, and the Governor's Office, as well as the Enterprise for Employment and Education, Chemeketa Community College, the Mid-Willamette Valley Council of Governments and others who have worked on their projects.

Mr. Burstedt said the seasonally adjusted jobless rate increased slightly during the quarter to 5.8 percent, which is a slightly lower rate of increase than that of other communities and metro areas. Non-farm employment increased by nearly 400 jobs in this quarter, while the construction industry lost 600 jobs. SEDCOR continues to work closely with the Salem Chamber of Commerce workforce programs, Chemeketa Community College, and the Enterprise for Employment and Education (E3) to develop the Oregon workforce. Marion County's agricultural basis continues to insulate it somewhat compared to areas where the economy is based more on manufacturing and high-tech, but the effects of the recession are still felt in

virtually every part of the Marion County economy. The continued high price of fuel adds to the equation and is becoming a significant driver in the economy's ability to avoid the full effects of the recession.

Mr. Burstedt said SEDCOR has hired a new membership director. They operated from September through December of 2007 without anyone in this position until they were able to find the right person. Kim Leighty is their new membership director, and has been very proactive in recruiting new members and retaining existing members. They also hired Nick Harville last September to replace Ray Clore. Mr. Burstedt said Mr. Harville is doing an outstanding job in SEDCOR's economic development efforts. He said SEDCOR used to market heavily in trade publications but they are now doing more web-based advertising, which is bringing in better results. They are currently scheduled, along with representatives of the State of Oregon, to attend a Photovoltaic Conference in Spain in September. He said the state has been very active in recruiting renewable energy companies.

Enterprise zones are another important aspect of SEDCOR's work, and companies have now come to expect that they will be able to locate their companies in an enterprise zone. SEDCOR works closely with the Oregon Economic Development Association to help with legislation to make sure enterprise zones can remain an active part of their recruitment efforts. They have more urban renewal projects in the works including the Hollywood District, the Church and Trade Street Project, the Broadway Project, the Boise Cascade Project, and the Colson Project at Chemeketa and Liberty Streets (a \$55 million redevelopment project in downtown Salem). There are three condominium developments underway in Salem including the Front Street Condos, Meridian Condos and the Colson Project. These projects draw attention downtown from companies who like to see this sort of development.

Mr. Burstedt continues to be Chair of the Oregon Economic Development Association's Legislative Committee, and he works closely with legislators to provide information regarding areas of interest to SEDCOR and overall economic development advocacy. Their advertising revenue is up, and they continue to have an active ad program through their four quarterly magazines. Their ad revenue this year to date is \$50,000 with print costs of \$23,000. The net revenue on this project has been \$26,000. This is a major portion of their fundraising activities. The SEDCOR Express, which is their monthly newsletter, continues to go out and has had good readership. Web statistics showed 2,569 visits to their website in March and 58,000 hits. They have had some significant communication with companies that have visited their website. During the quarter they had three economic business forums. The first of these was a universal healthcare forum in January with Senator Ron Wyden. The second was "Going for the Gold: Connecting Oregon Businesses to the 2010 Winter Games," presented by Amy Keiter, Winter Games Strategist for the Oregon Economic & Community Development Department. The third, in March, was "Improving the Community's Health – Salem Hospital Facility Replacement Project," presented by Norm Gruber, President/CEO of Salem Health. They also had their annual gala event, which was attended by approximately 700 people. SEDCOR continues to appreciate the continued support of the Board of Commissioners.

Nick Harville, retention and expansion specialist, gave his report on retention and expansion. He said higher fuel prices have had an adverse effect on some companies in the manufacturing sector. Lower discretionary spending has helped other companies in Marion County, including some involved in home improvement, cabinet doors and things of that nature. The rising fuel prices have increased opportunities in some areas. Some companies are considering relocating their companies or parts of their operations to Marion County because of higher fuel

costs. Mr. Harville said that when he started working for SEDCOR, one of the things he was charged with doing was to reach out to the outlying communities such as Donald, Hubbard, Silverton, Gervais and Mt. Angel. He has been working on this for the last nine months, since these communities have a strong desire to grow economically but do not have the resources. SEDCOR's partnership with these communities has become important because SEDCOR brings in resources that can help them grow.

Mr. Harville said they continue to work with their partners such as E3, the State of Oregon, OECD, and their private sector partners in the Mid-Willamette Valley High Performance Consortium. He serves on the steering committee for this group, and they have over 80 companies that participate in the consortium, which focuses on lean manufacturing practices. They have helped several companies start on their journey to lean manufacturing. He said companies such as Blazer Manufacturing in Aumsville are well on their way with this. He said they have invested their partnership time with communities in the cases of plant closings, such as the recent closing of the Champion plant in Silverton. They have worked closely with the City of Silverton and the Chamber of Commerce, and he said he was confident that there would be another company in the Champion facility before the end of the year. He said they are working on workforce training projects with E3 and other partners to provide current employee training programs. He went on to describe their successes working with GK Machine and the USDA Energy Efficiency Program.

They have been working with local companies to develop markets. Tomorrow they will be having a daylong seminar on finding markets and exporting products. Over 24 companies will participate in this seminar, which is double the number from last year.

Commissioner Carlson mentioned workforce issues in the trades, such as welding and construction, and asked what SEDCOR is doing to address this. Mr. Burstedt said he would be meeting the Chamber of Commerce to discuss their "Ready to Learn, Ready to Work" program that they are trying to get into the school districts. He said education is the key to letting youth know about high-paying jobs in trade and manufacturing. They are trying to get the information to the students. He said Chemeketa is doing a good job in educating people for welding, but they are already working at maximum capacity, and many of the students they turn out are going away to higher-paying jobs in surrounding areas.

Mr. Harville said that students and adults often do not know what is in their own community if it falls outside their own daily life. He mentioned companies such as Supreme Northwest and Universal Forest Products, which are not always well known to the general public. He said Chemeketa Community College is doing a good job in training people, but they cannot handle the capacity, which is why GK Machine started its own school with some help from county lottery funds. This will save them money over the long run by providing people with the talents they need, but there is the constant danger of having these people hired away once they have been trained.

Commissioner Carlson said teachers need to be educated as well regarding the high-tech nature and creativity of many current jobs in manufacturing. She praised Karen Litvin of E3 for her work with the consortia on high-tech manufacturing. She asked about the re-entry initiative to get people with prison records back into the world of employment. Mr. Burstedt said it was a struggle at first to get companies interested in hiring these people, but the Barrier Busters program has made some significant advances over time. There are some companies that were unwilling at first but are now taking multiple employees from the program. They have

been working on dealing with some of the other barriers involved with the people in the program, such as lack of transportation and living quarters. He said that once they have an administrator chosen for this program, they are expecting even better results, and she thanked Commissioner Carlson for her work on the program.

Commissioner Milne thanked Mr. Burststed and Mr. Harville for their reports. She said that people tend to get involved in their own corners of the world and may not know enough about what else is going on in the community. She thanked SEDCOR and their partners for their efforts in helping business in these difficult economic times. She commented on the SEDCOR honors lunch, saying it was a wonderful event with a great turnout that shows how SEDCOR has expanded its reach over economic development from the Salem area into the tri-county area.

Dan Clem, Salem city councilor, was invited to speak by the commissioners. He said that he was present today for some meetings in the building. He said that as the Director of the State Department of Aviation, he wanted to thank the Marion County Commissioners for the ability to enter into an intergovernmental agreement to cooperate and coordinate in the areas of land use and airport planning. They have a signed agreement that solidifies their cooperation and coordination on important issues involving the Aurora State Airport and the community of Aurora and other nearby communities. He said Aurora is the busiest airport in Oregon in terms of general aviation. They had 93,500 operations at the Aurora airport according to their 2007 report. The mixture of helicopters, small aircraft, and corporate jets may lead them to change its name to the Aurora Commerce Airpark because it supports so much in terms of economic development and money in the northern end of Marion County. He said the pilot program authorized under Senate Bill 680 of the 2005 legislature (also known as the Through The Fence program) named Aurora State Airport as one of the three airports to be used to advance economic development. The other two are Scappoose Industrial Airpark and the Baker City Municipal Airport. He said they have been meeting every two to three months to see how this pilot project is going, and they will report back to the legislature in 2009. Their next Senate Bill 680 Working Group meeting will be September 22 in Baker City. They will be flying to the meeting, and he invited the commissioners to join them at this meeting.

Councilor Clem said that on June 19 and 20, the Oregon Transportation Commission will be doing its final vote on Connect Oregon II applications. He said Salem Airport and other important transportation projects in Marion County would be up for a vote at that time.

Councilor Clem thanked Commissioner Carlson for her work on behalf of the Marion County Fair in Polk County. He also thanked the commissioners for their support of the District Attorney's office and lowering crime. He said the neighborhood watch program in West Salem now has over 1,200 people involved.

Commissioner Milne thanked Mr. Clem for coming to today's meeting. She said the September 22 meeting sounded like an exciting opportunity to find out more about the issues of the airports. She thanked him for pointing out the importance of the Aurora Airport for the business community.

Councilor Clem said that Senate Bill 680 is a directive from the legislature for the formation of *ad hoc* partnerships with tenants, local land use jurisdictions, local economic development groups, and the Department of Land Conservation and Development. He said he was sorry they had not invited the board to their meetings sooner, and offered the invitation now for the

September 22 meeting. He said this would definitely fit within the board's partnership role in job creation.

Commissioner Milne said that Councilor Clem regularly attends the PAAM (Positive Aurora Airport Management) meetings. She also attends these meetings, and she said the knowledge and information he brings to these meetings have helped to improve the attendance and the level of interest and discussion.

CONSENT

HEALTH

Approve contract renewal for up to three years with Steven C. Tackett-Nelson, not to exceed a total of \$390,000, for direction and oversight of the Health Department's behavioral health system, medical operations and medical staff.

Approve contract renewal for up to three years with Lori Linton Nelson, not to exceed \$230,000, for psychiatric mental health nurse practitioner services.

Approve amendment #38 to the intergovernmental agreement for the financing of community mental health, developmental disability and addiction services in the amount of \$370,980.

Approve amendment #1 to a lease with LRT Village East Centre, LLC to add 6,120 square feet of office space to the existing lease for the Health Department's Lancaster offices and extend the term through December 31, 2018. – Rod Calkins

MOTION: Commissioner Carlson moved approval of the consent calendar.
Seconded by Commissioner Milne; motion carried. A voice vote was unanimous.

ACTION

PUBLIC WORKS – PLANNING

1. Consider hearings officer's recommendation approving vested rights determination VRD M06-019, Gianella, Clerk's File #5153. – Sterling Anderson

Sterling Anderson, planning manager, said the item before the board today was a request to determine whether the applicants have a common-law vested right to complete and continue the use granted to them under their state and county waivers under ORS 197.352 (Measure 37). The applicant's claims were approved by both the state and the county, and the applicant then made applications for four partitioning cases (P07-17, P07-18, P07-33 and P07-34) in order to divide their land and place dwellings on properties zoned EFU (Exclusive Farm Use) and located at 20342 Olmstead Road NE in Aurora. A public hearing was held on May 29, 2008, and the hearings officer recommended that the board grant the vested rights determination.

Mr. Anderson said that in this case there was a request yesterday (June 10, 2008) for another public hearing on this recommendation. The request argued that the hearings officer ignored certain facts in the case and that the hearings officer submitted her own evidence into the record and then said that evidence met the vesting test. This involved the findings that the hearings

officer issued in the recommendation regarding the development of dwellings on the property, the value of the dwellings, and the statement that they did meet the vesting rights test.

Mr. Anderson said the first question is whether the board wants to proceed with a hearing or not. If the board decided not to have a hearing, the question before the board would be whether or not to accept the hearings officer's recommendation.

Commissioner Milne said she was not interested in a public hearing reviewing the history of this case, since it has already gone through enough processes.

Commissioner Carlson said that there was a question about no evidence being provided of the cost to build homes in this case. She said that there was another case where there was a lot of evidence provided on this same question. The evidence consisted of estimates of the cost of homes within the area, and this was considered acceptable evidence of the 1:14 ratio required for vesting of rights. She said that she was confident that the same standard for evidence would apply in this case.

She asked Jo Stonecipher, legal counsel to speak about the Measure 49 adaptability factor argument, and said this argument appears to be a melding of Measure 37 with Measure 49 instead of looking at the vesting as a separate process. Ms. Stonecipher said there are two questions involved here, with the first one being whether the money that has been spent and the improvements that have been installed could be put into service for a use that would be allowed in the zone or would have been allowed without the Measure 37 approval. Ms. Stonecipher said this question arose because Measure 49 allows the construction of up to three dwellings on resource land under certain specified conditions. In most situations, the vesting process would nullify the Measure 37 approval. The board found in this case that the applicants have a common law vested right to complete and continue the use described in their Measure 37 waivers.

Ms. Stonecipher stated that the second issue is that this case involves the four partitions and twelve lots. The improvements installed included the widening of Olmstead Road, the construction of utility vaults, wells, and surveying for all the lots. Even when looking to see that this fits within the three-lot requirements of Measure 49, this would be consistent with the three lots but was done at a level intended to serve twelve lots. Ordinarily the widening of the road would not be required for a simple partitioning. She said this level of development appears to have been intended for 12 lots, and \$275,000 in development would not be consistent with only putting in three houses in an isolated area.

Commissioner Carlson said that the argument is an attempt to put the Measure 37 vesting under the requirements of the Measure 49 fast track and mixes the two together. She said the board has taken the position that the two are separate, and they determine vesting under the common-law vesting standards using the board's Measure 49 ordinance and the criteria put forward by the courts and by the Department of Land Conservation and Development. She said she was not convinced by this argument. She also felt that the method used to determine the estimate costs was acceptable.

Commissioner Carlson said she agreed with Commissioner Milne that there was no reason to conduct a second public hearing on this case. Commissioner Brentano said he also did not see the need for another hearing on the case.

Ms. Stonecipher said that what was actually being done today is consideration of the hearings officer's recommendation. She said their final determination, if it consists of accepting the hearings officer's recommendation, would not require a formal order rejecting an appeal, since this is not a land use case. They would simply be affirming the hearings officer's decision.

MOTION: Commissioner Milne moved approval of the hearings officer's recommendation approving VRD06-019, Gianella, Clerk's File #5153. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

**PUBLIC HEARINGS
9:30 A.M.**

None.

Commissioner Brentano read the calendar.
Commissioner Brentano adjourned the meeting at 9:55 a.m.

Attachments: Agenda

ABOVE MINUTES APPROVED

CHAIR

COMMISSIONER

COMMISSIONER

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