

BOARD OF COMMISSIONERS

MINUTES OF THE BOARD SESSION – Regular Session

Wednesday, October 29, 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 John Lattimer as chief administrative officer, 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 of the Strategic Economic Development Corporation (SEDCOR) presented the first quarterly report of FY 2008-2009 for SEDCOR (**Attachment A**). Mr. Burstedt commented on the recessionary trends that are affecting the Willamette Valley along with the rest of the nation. He said the Oregon labor market has weakened significantly, losing over 7,000 jobs in August. Building permits are down 45 percent as well. In Marion County, there are some positive signs. The county is fortunate to have a large portion of its economy involved in the food processing industries since this is an essential economic sector that remains strong. Access to credit and stricter credit terms have become problematic issues for some industries. He said that Salem’s housing market is number two in the nation for house values remaining steady.

Mr. Burstedt said SEDCOR has received the final go-ahead for the project they are doing with Sanyo Solar of Oregon, LLC. They have begun construction on their site at Gaffin Road and they are very excited about this. The project has led to some other opportunities with Sanyo as the anchor tenant for an industrial park. Several supplier companies are interested in relocating in the area near Sanyo.

The new FedEx facility at Mill Creek Corporate Center is another SEDCOR-related project that started in June 2006. After some difficulties getting through the land purchasing process they now have their own facility that opened last week. This is a 50,000 square foot warehouse distribution facility and will employ up to 90 people. SEDCOR’s marketing strategy continues to be to work with the Mill Creek Corporate Center, Capstone Partners, Cushman Wakefield, and others who are working to develop that property. SEDCOR also works closely with real estate professionals concerning Fairview Industrial

Park, Cascadia Canyon North and South, the TTM properties in Dallas, and other industrial lands in Salem, Dallas, Independence, Monmouth, Stayton, Turner, Woodburn, and Donald.

SEDCOR is experiencing some loss of membership from long-term members who are unable to pay their fees this year. They are working on a program to get these members in at a lower membership rate until the economy turns around. Mr. Burstedt said Mr. Harville has picked up many new members from rural Marion County.

Mr. Harville reported that the national economic climate has had mixed results in Marion County. Some companies have laid people off while others have been expanding. Fuel and transportation costs are affecting businesses in the area. They are working with a company in Woodburn that manufactures commuter buses and is putting together a new product line. SEDCOR is helping this company put together a group of suppliers locally to supply some of the components so they do not have to get them elsewhere. They have continued to work with several communities on infrastructure needs, for financial resources, and to help with strategic economic development planning. They are working on recruitment with some companies, including two companies that will be moving into Hubbard. Their new facilities in Hubbard will eventually free up some prime retail space in Woodburn. They are hoping the expansions can be carried out in the next few years. The heavy manufacturers have experienced some orders being put on hold. Oregon is taking a while to catch up with the rest of the country. \

Mr. Harville said SEDCOR has been working on creating networks of companies in order to do together what they cannot do alone. This includes joint purchasing, joint production, and joint marketing. They started out with a manufacturing network three months ago. This network meets monthly and has already grown from four companies to ten and they are now looking at joint purchasing of steel with the help of a steel broker from Seattle. They are planning on setting up similar networks for construction and agriculture companies. Mr. Harville said he has been doing these kinds of network projects for 16 years and they work through helping companies to leverage their resources. Many companies locally have been told by their banks that their lines of credit will be held steady but increases in credit limits are out of the question and the credit renewal process is likelier to be more stringent than in the past. This is true even for companies that have longstanding relationships with financial institutions. They continue to work with the Center for Business and Industry and Chemeketa Community College to bring their resources to companies around Marion and Polk Counties. They continue to work with the Oregon Manufacturing Extension Partnership (OMEP) on Lean Manufacturing, and they have introduced a new program administered by OMEP called Eureka Winning Ways, which is designed to get people to see new market opportunities. They continue to work with the Enterprise for Employment and Education (E3) and consortia for training and workforce development.

Mr. Harville said SEDCOR continues to work with several communities on recruitment. He has been working with the City of Silverton on a recent corporate relocation and to try to remedy some of their local issues such as wastewater treatment and distance from I-5. He has been working with some smaller companies that are interested in relocating in Silverton.

Mr. Harville said exports continue to be strong for some companies in Marion County, particularly with the dollar being devalued against the euro. It is now cheaper to build things here and ship them to the Middle East. There are some food processors that are coming up with new products and processes to

reach new markets domestically and internationally. They broker business between their members daily. He gave the example of the new trash cans for the City of Silverton. SEDCOR was contacted about finding a local supplier for these trash cans and GK Machine in Donald manufactured these for them.

Commissioner Milne commented that in light of the current nationwide economic times, today's presentation exemplifies the importance of what SEDCOR does. She appreciated the creative efforts to help local businesses contact and work with each other. Regarding housing in Salem, she said there is some cause for concern because Portland's housing market is shown as being down 7.6 percent in valuation according to the most recent reports, so the figures for Salem may be heading in the same direction next quarter. Mr. Burstedt said Marion County may have less appreciation in real estate values, but he did not believe there would be a major decline in values as there has been in some areas. She also voiced concern about the lack of available credit, particularly for small businesses. She said it was important for communities to be better prepared for recruiting by having shovel-ready sites for industrial relocation.

Mr. Burstedt said the State-Certified Site Program is a must for attracting new industry into the area. SEDCOR markets shovel-ready sites to industries to get the process started as quickly as possible. He said they are working to encourage some of the smaller communities to get involved in this. He said there is a window of 18 months to two years, particularly for renewable energy manufacturing facilities, as Oregon will not be at the forefront in this area forever as they are right now. Oregon is well positioned in this area right now with measures such as the Business Energy Tax Credit. He said SEDCOR's top clients he is working with right now are from Abu Dhabi, Germany, Spain, Canada, and two from Japan. Because of the low dollar, these companies can get the best out of their capital in the United States, at least for the next 18 months to two years.

Commissioner Carlson thanked Mr. Burstedt and Mr. Harville for coming and said everyone is very eager to hear about current developments in the economy. She commented on the recent survey that the Economic Development Advisory Board sent out. She said SEDCOR is involved with this survey and asked what information they were hoping to collect from the survey. Commissioner Milne said the survey would provide information for EDAB regarding what challenges and needs businesses are facing on a daily basis in Marion County. She said it would be helpful for strategic planning at budget time. She said it is easier to get information about large companies but the needs and concerns of smaller companies are more difficult to extract.

Commissioner Carlson said she is interested in finding out information from the survey regarding what government can do to help the local economy. Mr. Burstedt said the consortia they have put together are critical because they bring various local businesses together regularly to talk about their current problems and challenges. Mr. Harville said he has been encouraging companies to fill out their surveys and turn them in. He said he has been working with the smaller companies to look at programs like the Business Energy Tax Credits that can help them reduce their costs in energy and other areas. He said he spends considerable time pointing businesses to the right resources and helping them with the paperwork for these programs. Commissioner Milne said that if they find out from the survey that this is an area of interest to many local companies, they might want to step up their effort in this area to help local companies cut costs in a difficult time.

Mr. Burstedt and Mr. Harville discussed an upcoming industrial site tour SEDCOR will be doing at Columbia Helicopter and Metal Innovations at the Aurora Airport. These tours are an excellent opportunity for networking for the approximately 80 participants and allow them to bring various suppliers and other companies together to help each other.

Mr. Burstedt mentioned the upcoming SEDCOR lunch at the Salem Convention Center where Peggy Fowler will be giving a presentation on PGE's commitment to renewable energy. They are expecting about 200 people to attend and he invited the commissioners to participate as well.

CONSENT

BUSINESS SERVICES – HUMAN RESOURCES

Approve recommendation to adjust salary range for human services trainee classification.

Approve recommendation to amend Personnel Findings and Recommendation Report received by the Board of Commissioners on October 1, 2008, which adopts and establishes the classification of drug treatment case manager, Health Department.

BUSINESS SERVICES – RISK MANAGEMENT

Approve amendments to the Court Facilities Security policy adopted in November 1998.

PUBLIC WORKS

Approve an order to transfer jurisdiction of a portion of Schmidt Lane NE from Marion County to City of Hubbard, Clerk's File #2101R.

Approve an order to transfer jurisdiction of a portion of the Old Alignment of Shaw Highway from Marion County to City of Aumsville, Clerk's File #2102R

PUBLIC WORKS - PLANNING

Receive hearings officer's recommendation denying zone change/comprehensive plan amendment and approving property line adjustment, case # ZC/CP/PLA 08-01, Lovrien Trust, Clerk's File #5598; schedule public hearing for November 19, 2008.

SHERIFF

Approve receipt of a \$355,414 grant from the US Department of Justice COPS Office for methamphetamine eradication for fiscal year 2008-09.

Approve renewal of an intergovernmental agreement to receive \$129,523 for providing school resource officer services for the Salem-Keizer School District 24J.

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

ACTION

SHERIFF

1. Consider approval of a contract for \$103,200 with St. Vincent DePaul Society to provide the Center for Family Success Program funded through the Kids First Initiative. – Commander Troy Clausen, Lt. Jeffrey Wood, Kimberly Allain

Commander Troy Clausen reported that a federal earmark grant for \$380,000 has been received by the county through the Office of Juvenile Justice and Delinquency Programs. That money will be used in several different projects throughout the county. The Sheriff's Office will be using \$103,200 of that money to help staff and provide services to offenders in the community through the Center for Family Success. The center is a Sheriff's Office partnership with the St. Vincent DePaul Society, which operates the center. The center provides various services to ex-offenders in Marion County. These services focus on employment skills, job skills training, job coaching, mentoring, substance abuse support, motivational programs, cognitive behavioral programs and a life skills program. The center has been a great addition to the community over the last year.

Commander Clausen said this grant would be used to provide services to 60 offenders who are transitioning back into the community from the Department of Corrections. Of the 60 offenders, 40 will participate in employment-related training, 27 will hopefully be placed in meaningful jobs, and 40 individuals will receive training to increase their numeric and literacy skills. Many offenders in the correctional system are lacking educational skills and will be able to use the center's services for GED programs or other educational programs. Forty offenders and their families will be provided with cognitive skills, motivation classes and life skills classes. The target population consists of ex-offenders who have been referred to the center by their parole officers or through the intake process. The \$103,200 will fund the director at the Center for Family Success, a case manager, materials and services for parenting support classes, and other miscellaneous items. Their one-year program outcomes include serving 60 individuals. This program is the front end of the COPS program grant from the U.S. Department of Justice. This is all part of the Kids First initiative, with the Center for Family Success providing the education and treatment components and the COPS grant providing residential programs. This will be a well-rounded approach to providing services for offenders and preventing recidivism. In a 2006 study done at the University of Cincinnati, it was found that comprehensive programs applied to offenders provide a six to nine percent reduction in recidivism. He said these intensive programs reduce the number of repeat offenders.

Commissioner Carlson said it is very exciting that the county is getting earmarked money for this program. She said the Center for Family Success project started about a year ago with a United States Department of Labor grant, so there is a strong emphasis on connecting ex-offenders with jobs. They have a strong partnership with Chemeketa Community College but there are more than 20 different partner organizations involved in the project. The center helps bridge all the different support services in the community. There is also a connection with the Children of Incarcerated Parents initiative, which provides parenting classes, and the Health Department, which assists with mental health and substance abuse issues. She said the jail surveys in 2005 and 2007 demonstrate the importance of

intergenerational issues in preventing crime and recidivism. They found in both surveys that 73 percent of the people in jail are parents, although the general public does not often perceive them this way. In the first year, the Center for Family Success has been doing all its work with just the director using the Department of Labor grant. This earmarked money will allow them to continue with the director position and also add a case manager. Commissioner Carlson said there are 700 to 800 offenders reentering the community every year, with more than 4,000 offenders under supervision. There are still only two people staffing the Center for Family Success, which is a great project, but will require further support and possible expansion in the future.

Commander Clausen said there are actually 4,400 to 4,500 offenders on supervision in Marion County. The Center for Family Success is a good start, but needs further support. He said there are many excellent partnerships involved. It is crucial to build mentorships and social supports for the ex-offenders who are trying to change their lives.

Commissioner Milne commented on the number of people in the system. She said that with over 4,000 offenders under supervision, sixty participants going through the program seemed like only a beginning. She said it is important to target people who are really ready to change their lives so the money is spent wisely.

Commander Clausen thanked the board members for educating themselves on these issues. He said they have worked carefully to assess motivations and make sure the individuals who enter the program are motivated to change, since they cannot afford to waste the limited resources in this area.

MOTION: Commissioner Milne moved approval of a contract for \$103,200 with St. Vincent DePaul Society to provide the Center for Family Success Program funded through the Kids First Initiative. Seconded by Commissioner Carlson; motion carried. A voice vote was unanimous.

Commissioner Brentano called a 5-minute recess at 9:55 a.m.
Commissioner Brentano reconvened the meeting at 10:00 a.m.

PUBLIC HEARINGS 9:30 A.M.

PUBLIC WORKS - PLANNING

A. Public hearing to consider amendments to the Marion County Rural Zoning Ordinance. – Sterling Anderson

Sterling Anderson, planning director, said that periodically the Land Conservation and Development Commission changes their administrative rules and the legislature changes state statutes relating to land use planning and zoning. The last significant update to the rural zone code was in 2002. Since this last update there have been two legislative sessions and a number of changes to the administrative rules that should be incorporated into the county's rural zone code.

On November 7, 2007, the board adopted resolution #07-28R initiating consideration of these amendments to the rural code and instructed staff to draft amendments and bring them to the board for a work session.

On August 14, 2008, the board held a work session and reviewed the changes and instructed staff to make several additional changes and raised several questions. Staff made the additional amendments as directed and on October 20, 2008, during a management update meeting staff responded to the questions and reviewed with the board several final amendments requested by the board or recommended by staff.

The changes to the code fall into several categories that include the following: amendments to update the code to match new statutes and administrative rules; updates to definitions and other miscellaneous changes; amendments to include past board interpretations; removal of unused or unnecessary provisions and chapters; general procedural and regulation clarifications; reference corrections, and amendments requested by Public Works engineering and traffic sections.

Mr. Anderson said the draft chapters are designed with deletions shown by strikeout and additions by underlining and bolding. The vast majority of these changes are to implement new rules and statutes or involve clarifications or general house cleaning. Mr. Anderson said the board had several options on how to proceed. He said the board could instruct staff to bring the amendments back as an ordinance for adoption at the close of the hearing. The board could hold the public hearing and instruct staff to prepare additional amendments and then bring the amendments back at a work session or as an ordinance for adoption. The board could also decide to refer the amendments back to staff for additional review.

Mr. Anderson said that staff recommends that the board receive comments, close the public hearing and instruct staff to bring the amendments back as an ordinance for adoption.

Commissioner Brentano asked Sterling about some new information that had been added regarding aggregate resource site applications. He wanted to know if there was anything the board should know about this, as it has been the topic of some discussion in the county in the past, particularly in relation to vineyards. Mr. Anderson said that the proposed amendment is a final restructuring of two sections in the aggregate and mineral resource chapter. The chapter was adopted in the mid 1990s and there have been many changes at the state level. In a final review, they found that a few more changes needed to be made. These mostly had to do with the application requirements and the criteria used to review applications. Mr. Anderson said with these changes, they now match more closely with the state administrative rules, which delineate three basic categories of aggregate operations: those that are in resource zones, which require the most detailed process for an aggregate site; the "aggregate light" provision recently added by the state, which is a somewhat simpler process, and a third category for those that are not in an agricultural zone. This last category does not have to go through the process of being put into the comprehensive plan as an aggregate site, while the first two categories have to be on the comprehensive plan. The last category would merely require a conditional use. Mr. Anderson said this is the way they currently handle these cases, so they are just changing the plan to reflect this situation.

Commissioner Brentano referred to section 120.450(B), Review Criteria, which requires a permit for mining of aggregate on farmland to be on a site that is included on an inventory in an acknowledged comprehensive plan. He asked what would happen if someone discovered an aggregate resource they would like to develop and whether they would have to get a comprehensive plan amendment in order to mine that resource. Mr. Anderson explained that since the comprehensive plan was originally developed, there were always a list of aggregate sites based on the State Mine Land Reclamation Division list of existing sites in the county. These sites were put on an inventory and mapped. The inventory had to be adjusted when the legislature adopted a statute requiring that in a farm zone, all new aggregate mining sites had to meet a higher standard. These sites are what are known as “significant” sites, and they are required to get onto the list as “significant” sites. This process involves providing considerable information regarding the total resource, amount of resource, how they will operate, amount of traffic, and the impact the site will have. There are several major aggregate sites such as River Bend south of Turner and Windsor Island, which expanded a few years ago and had to get their expansion area onto the site.

In a farm zone that has lesser soil quality, applicants can go through the “aggregate light’ process, which requires much less documentation. If the site is not in a farm zone, the process simply requires conditional use.

Mr. Anderson mentioned the issue Commissioner Brentano brought up regarding batching mineral, aggregate and asphalt within two miles of a vineyard. He said this provision was already present in the plan, but they have made it more specific to the exact language in the statute. Apparently asphalt-batching plants give off certain fumes that affect grapes adversely, so the legislature adopted this provision to try and eliminate this conflict.

Commissioner Carlson asked about section 111.030(C) regarding the notice of a quasi-judicial public hearing, which is 20 days prior to the first evidentiary hearing and ten days prior to the date of any subsequent hearings. She said the board had discussed whether ten days would be enough and she wanted to insure the board agreed that it would be enough time for notice considering possible mail delays and other issues. Mr. Anderson said that in the one case he knew of where the notice was received late, it was the notice of the decision as opposed to notice of a hearing. He said that the notice of decision has been expanded to 15 days from the former 12 days. Mr. Anderson said that after the initial hearing is carried out with 20 days notice, the board is allowed to give ten days of notice before the matter comes to them as an appeal or comprehensive plan amendment. He said this would allow the board to hold their hearing more quickly. He said the board can choose to give 20 days of notice in these cases and they generally try to do this when possible, but if the board needed to move forward more quickly, they would be able to do this.

Commissioner Carlson said she was still unsure whether ten days of notice would be enough. Commissioner Milne said she was aware of the possible problems of mail delays, but she felt the ten days of notice would work as a minimum amount of notice. It would not be the default option, but would only happen in circumstances where everyone was in agreement that the process needed to move ahead more quickly. Mr. Anderson agreed and said that they would try to follow the practice of giving 20 days notice in most cases. Commissioner Carlson said that if the general practice was 20 days and then 10-day notice was only for exceptions, she would probably find this acceptable. Mr. Anderson said

this would allow them to have more flexibility while still meeting the requirement for state statutes for notification. He said they always try to give 20 days of notice whenever they can and the 10-day notice is just an option.

MOTION: Commissioner Carlson moved to close the public hearing and direct staff to bring back the revised Rural Zoning Ordinance for adoption. Seconded by Commissioner Milne; motion carried. A voice vote was unanimous.

Commissioner Brentano read the calendar.
Commissioner Brentano adjourned the meeting at 10:00 a.m.

Attachments: A – SEDCOR Quarterly Report

ABOVE MINUTES APPROVED

CHAIR

COMMISSIONER

COMMISSIONER

If you require interpreter assistance, an assistive listening device, large print material or other accommodations, call 503-588-5212 at least 48 hours in advance of the meeting. TTY 503-588-5168

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