

BOARD OF COMMISSIONERS

MINUTES OF THE BOARD SESSION – Regular Session

Wednesday, August 20, 2014
9:00 a.m.

Senator Hearing Room
555 Court Street NE
Salem, OR 97301

PRESENT: Commissioner Sam Brentano and Commissioner Kevin Cameron. Also present were John Lattimer as chief administrative officer, Gloria Roy as county counsel and Kim Hulett as recorder.

Absent: Commissioner Janet Carlson.

Commissioner Brentano called the meeting to order at 9:00 a.m.

PRESENTATIONS

Video Time (00:02:30)

SEDCOR 2013-2014 4th Quarter Report – Chad Freeman, Nick Harville, Angelo Foscoli

Summary of Presentation:

- o SEDCOR 2013-2014 4th Quarter Report (Attachment A)

Video Time (00:26:20)

Public Water System Inspections – Rick Sherman, Pam Hutchinson

Summary of Presentation:

- The Marion County Environmental Health Program has responsibility for 190 public water systems, the Oregon Department of Agriculture is responsible for 20, and the Oregon Health Authority is responsible for 16:
 - o Public water systems provide drinking water to cities, parks, places of employment, restaurants, and other public facilities and small water systems (4 or greater homes using a single well);
 - o Private water systems serving 1-3 homes are not regulated.
- The most common drinking water issues in Marion County:
 - o Bacterial (coliform) contamination;
 - o Arsenic;
 - o Lead and copper; and
 - o Monitoring and reporting violations.
- Public water systems are regularly tested for bacteria, chemicals, and minerals:
 - o When a water system exceeds a contaminant level the system operator must inform their users; and

- Data on each water system's testing can be found on-line at: www.yourwater.oregon.gov.
- Private wells are not regulated, but testing is recommended by a certified water lab:
 - Coliform bacteria testing recommended every year;
 - Nitrates testing recommended every three-to-five years; and
 - Arsenic testing is recommended at least once.

Board discussion:

- County does not provide financial assistance for contaminated wells:
 - Low interest revolving loans are available for cleanup of public water systems.
- Water is acidic by nature and leaches lead and copper out of pipes;
 - Plumbing can be replaced and many times takes care of problem; and
 - Cities and towns usually use ash to bring up the PH level.
- Arsenic is naturally occurring and extraction technology seems to work for one to two years;
 - Options are to connect to a larger water source or additional wells to dilute the arsenic.
- Drinking water program is funded by the Environmental Protection Agency (EPA).
- When selling a home the well must be tested for arsenic and bacteria.

PUBLIC COMMENT

None.

CONSENT

BUSINESS SERVICES

Approve amendment #4 to add \$209,250 to the Master Professional Services Contract for amending Project #3, Project #6 and adding Project #7 Engineering Design/Construction Administration Services.

COMMUNITY SERVICES

Approve amendment #2 to the Contract for Services with Family Building Blocks for \$621,512 for the Healthy Start-Healthy Families Program and extend the contract until June 30, 2015.

FINANCE

Approve the proposed list of tax foreclosed real property to be sold at public auction and set the date and time for the public auction.

HEALTH

Approve contract for services with Willamette Cross Cultural Psychiatric Services for \$499,200 to provide skilled medical assessment and supervision of consumers at the Health Department's Children Behavioral Health Program.

PUBLIC WORKS

Approve an intergovernmental agreement with the Oregon Department of Transportation for exchange of \$2,000,000 in Federal Surface Transportation Program Funds for up to \$1,880,000 in state funds.

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

ACTION

None.

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

None.

Commissioner Brentano read the weekly calendar.

Commissioner Brentano adjourned the meeting at 9:45 a.m.

Attachments: (A) SEDCOR 2013-2014 4th Quarter Report

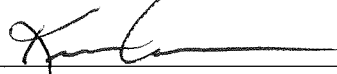
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CHAIR

Not Present at meeting

COMMISSIONER



COMMISSIONER



STRATEGIC ECONOMIC
DEVELOPMENT CORPORATION

SEDCOR

Linking industry with our communities.

August 15, 2014

Mayor and City Council
City of Salem
555 Liberty Street SE
Salem, OR 97301

Commissioners
Marion County
P.O. Box 14500
Salem, OR 97309

Commissioners
Polk County
850 Main Street
Dallas, OR 97338

RE: SEDCOR 4th Quarter 2013 – 2014 Activity Report

Executive Summary:

As we end our 2014 fiscal year for 2014, we are seeing continuing growth in business investment and hiring in our region. In the last year we saw almost \$40 m in new investment as well as ongoing projects that are underway. Projects that have announced that they were going forward in 2013 are moving ahead, and we continue to see local companies looking for ways to expand their business and grow in our region.

In addition to the new investments we are focusing on, we continue to spend significant amounts of time working on projects that have been announced, but are working on construction. This includes projects such as NORPAC/Henningsen Cold Storage and their recently finished expansion, as well as GK Machine and the expansion of Inventure/Willamette Valley Fruit. This quarter brought the Grand Opening of the Norpac/ Henningsen project in Salem. This project is expected to help both of these firms as well as growers throughout the valley. In the region other firms who are working on projects include Garmin, Willamette Valley Fruit, Don Pancho, Hanard Machine, Wilson Construction, Pacific Building Systems, Air Systems, and NW Fruit.

Projects which were started in 2014 continue to be led by local firms. We saw investment announcements from a many companies including, Wandering Angus, Turner Lumber, Diana Foods, West Salem Machine, Fed-Ex, Fiber-Fab, Kettle Foods, and Truitt Family Foods. The cumulative impact of these firms investment in the last year saw more than \$39 million in new investment in our region from these traded sector companies. This brings the total activity we have seen in the last two years to over \$100 million dollars and over 1,300 new and retained jobs in our valley.

We expect to see local firms continue to lead our economic growth. Our portfolio of recruitment and retention projects is experiencing steady growth. At this time we have 17 active expansion projects impacting an estimated 745 jobs in the region. A more detailed breakdown of these numbers is illustrated in the table below. It is important to note that while the breakdown of the numbers listed below includes an estimated \$141m in recruitment projects and \$86m in retention projects, each of these are long-term projects. We have found that the likelihood of a project being completed is significantly higher with retention and expansion projects than with recruitment projects.

We have been continuing our work on the Make it in America Grant. In partnership with the Mid-Willamette Valley Council Of Governments, we were among only 10 recipients nationwide to receive a Make It In America grant. This is federal grant to help manufacturers invest and grow jobs in the U.S. We are working with the MWVCOG to do an in depth supply chain analysis, looking at all manufacturing firms in the region and where they buy their materials and how we can help them grow. We have been sitting down with local manufacturers on a one on one basis to determine their needs and opportunities, and there

is an in-depth quantitative research on this as well. We have received additional support for this project from Marion County, Yamhill County, PGE and Pacific Corp.

Retention/ Expansion Efforts:

While some of the interest has been from recruitment activities, we are seeing continued interest in local company expansion and retention efforts. As of June 30 we are working on over 17 active retention and expansion projects, representing a potential of more than \$86m in investment and an estimated 736 in new or retained jobs. The majority of these projects can be identified as being in either the advanced manufacturing or food processing categories. At this time we are seeing an increase in recruitment projects; however, our experience demonstrates that the retention work has a much higher probability of success in bringing jobs to the region. These local companies are pursuing opportunities to grow their business through careful investment and hiring. It is important to note that many of these are long-term projects.

	Retained & New Jobs	Total Cap Ex
Recruit	1105	\$154,500,000
Retain/ Expand	746	\$85,200,000
	1851	\$239,700,000
Announced	514	\$39,927,950
TOTAL	2365	\$279,627,950
RFI	2013 Total RFI	YTD RFI
	30	56

Recruitment Efforts:

Recruitment activity has been steadily increasing after the 2013-14 year. Since July of 2013, we have received 56 RFP's from firms interested in our region. This was almost double the amount we saw in the entire 2012/ 2013 year. We continue to see a steady and increasing interest in the region for companies looking to grow in the area. To do this, we are working in partnership with the private sector, with Business Oregon and through regional efforts to understand and market the opportunities we have. We currently have a recruitment portfolio of approximately \$154 m in investment, representing 1,005 potential new jobs to the region.

One new project was the announcement of KP Harvest who have begun their move to Mt. Angel. This company sited their new mill in Mt. Angel and will be making products out of hazelnut shells. Their products include Wally Cat Litter, Wally Roots and Wally Slug and Snail which all incorporate hazelnut shells into their final product.

An area that may be of concern is that we see a limited amount of space in existing buildings for these companies to move into. This will impact both our recruitment as well as our expansion projects in the near term.

Strategic Initiatives:

- 1) Large Lot Recruitment Project- Working with owners and representative of large lot (over 50 acres) industrial land to find out the industries and companies who need this size of parcel for their next expansion, as well as learning what these firms need to be successful. This project has helped give nationwide exposure to Mill Creek Corporate Center, as well as to help identify our role in the larger regional market.
- 3) Forest Resource Pavilion- Oregon Forest Resource Pavilion hosted a groundbreaking ceremony in May as this new building was being built. This project has been a public/private collaboration to help support the forest industry by building a new building at the Oregon Gardens. The SEDCOR Construction Alliance has led work in this project and includes a coalition of construction companies and skilled trades people.
- 4) Workforce Efforts- At SEDCOR we continue to work with the IMOM program, helping companies document the skill sets of their aging workforce. Also, using this skills intelligence to work with local school districts, private schools, trade schools and community college to provide industry-driven skill development in the future workforce. We are seeing an increased demand in the interest and support for workforce efforts.
- 5) Business Retention and Expansion (BR&E) – SEDCOR is leading the development of a two county BR&E project that will benefit communities as a whole by helping community members conduct interviews with businesses. SEDCOR has been working directly with the communities of Stayton, Sublimity and Aumsville, who are taking the first step in the compiling a task force to help with this project. The County has been a great support on this project and we look forward to working with the county as well as their new RARE intern to help this program in the county. The intention of the BR&E projects such as these is to help communities address issues businesses have, builds networks and community capacity, educates and informs the community about local business, while bringing communities together and demonstrating that a community cares about local business.

During the fourth quarter of 2014 we have seen ongoing interest in our region from local companies, as well as potential new investment into the region. With your assistance and guidance we will continue to improve the economy of the Mid-Willamette Valley, one project at a time. We thank you once again for your continued support.

Sincerely,

Chad Freeman, President
SEDCOR