

Economic Recovery Review Council

March 31, 2016

Salem, Oregon

Attendance

Members Present: Chris Harder, Director, OBDD; Jim Paul, Director, DSL; Matthew Garrett, Director, ODOT; Jim Rue, Director, DLCD; and Karen Tarnow, for Joni Hammond, Interim Director, DEQ.

Members Absent: Joni Hammond, Interim Director, DEQ.

Staff Present: Gary Van Huffel, OBDD; Tom Hogue, DLCD; Erik Havig, ODOT; Rob Hallyburton, DLCD; Melissa Drugge, OBDD (phone); Scott Fairley, Governor's Office RST (phone); and Connie Brautigam, OBDD.

Guests: Sharon and Paul Lawson, Lincoln County; Caroline Bauman, Lincoln County Economic Development; Kerry Kemp, City Manager, City of Waldport; Robb Corbett, City of Pendleton; Steve Chrisman, City of Pendleton; Tim Simons, City of Pendleton; and Bob Patterson, City of Pendleton.

Chair Harder called the meeting to order at 9:06 am.

Welcome/Introductions

Chair Harder welcomed attendees and introductions were made. Chair Harder announced a change in the agenda order whereas Lincoln County would be going first with their presentation, followed by Pendleton and Pilot Rock.

Review of Proposed Meeting Minutes

Action: Chair Harder called for a motion to approve the minutes from the January 28, 2015, meeting. The motion was moved by Director Rue and seconded by Director Garrett.

Vote: Motion passed; Minutes approved.

Administrator's Report

Gary Van Huffel reviewed the Administrator's Report and highlighted one item for discussion: The Repeal clause relating to the sunset of the Council under SB 766.

Under SB 766, Section 13– Sections 1 to 5 of this 2011 Act are repealed on January 2 of the first even-numbered year after the Employment Department notifies the Economic Recovery Review Council and the Office of the Legislative Counsel that the annual average unemployment rate for the most recent calendar year in Oregon is less than six percent.

Staff raised the question whether the ERRC would be abolished or allowed to continue; the department (OBDD) asked for further clarification from Legislative Counsel who provided the following conclusion:

Section 13 does not trigger abolishment of the Council on January 2 of the first even numbered year to occur after the annual average unemployment rate for Oregon drops to less than six percent. Section 13 requires the Employment Department to give notice of the annual

unemployment rate when it goes below 6% to two specific entities, the Economic Recovery Review Council and the Office of the Legislative Counsel. Counsel believes that this singling out of the Economic Recovery Review Council and the Office of Legislative Counsel for notice means that specific notice needs to be sent by the Economic Department to the Economic Recovery Review Council and the Office of Legislative Counsel in order to trigger the abolishment of the Council. Notice to the world at large through publication of the annual unemployment rate by the Employment Department is not sufficient.

Legislative Counsel also reviewed whether the ERRC could continue until formal notice had been received from the Employment Department—it was so determine. Legislative Counsel recommended the ERRC submit a request to the Employment Department requesting formal notice be given to the Chair of the ERRC and the Office of Legislative Counsel stating the unemployment rate for 2015. This would trigger the sunset of the program for January 2, 2018.

Discussion

Council concurred on requesting a formal notice from the Employment Department. In addition, Council would like to see an analysis completed to get an idea of what's working/what's not, if the program has delivered the type of outcome anticipated for communities, and what happens if the economic health of the state declines and the unemployment rate breaches the 6 percent.

Motion to Seek Formal Notice

Action: Chair Harder called for a motion on requesting formal notice.

Director Garrett made the motion that Council seek formal notice from the Oregon Employment Department that speaks to the issue of the unemployment—6% threshold, and where the Council stands. Director Rue seconded the motion.

Vote: Motion passed.

Gary concluded his report by noting the South Coast application received in January 2016 is back in the process (held up until an interpretation was determined on the termination of the program); work continues with local communities—OBDD has established a semi-annual schedule for accepting program intakes of RSIS and Site Certification in order to help identify regional priorities for industrial lands; and outreach continues with those communities who have approved RSIA sites to obtain information on their progress. Reporting will be conducted annually and an update presented to Council.

Lincoln County Nomination

Caroline Bauman and Kerry Kemp representing Lincoln County made the nomination presentation before the Council. Participation in the RSIA program is consistent with Lincoln County's goals to retain, expand and recruit businesses and industries, thereby diversifying the local economy while promoting economic growth. Benefits of the program include statewide prioritization of sites for industrial development, value as a planning and marketing tool for integrated industrial development, and the potential to create family wage jobs through development of industrial properties.

The nominated site is comprised of five properties (Eddyville Industrial Site, Avery Street Industrial Park, McLean Point Site, Toledo Industrial Park and Waldport Industrial Park), are

located within Lincoln County's Enterprise Zone and are zoned industrial, including light, medium and heavy designations. Lincoln County is a rural county, with the majority of its workers both living and working within the county. Newport is the county's largest city and its employment hub, with significant employment bases in Lincoln City and Toledo as well. In general, Lincoln County's workers commute throughout the county for employment. The range of properties offers relatively equitable opportunities for populations in the north, south, and eastern portions of the county. In addition, the Eddyville industrial site offers the additional benefit of being within reasonable commuting distance of the Corvallis metro area. Improvements to US Highway 20 will ensure a closer proximity to Corvallis labor, transportation, and customer markets for all sites, as of 2016.

Discussion

Gary outlined the strengths and weaknesses of the application contained in the Staff Analysis. In particular, he noted those weaknesses that would need to be addressed before being designated (i.e., some of the allowed uses for farm and forest, commercial in the I-P zone and conditionally approval for industrial uses, not being consistent with the RSIA site). Staff's recommendation is for Council to approve the application, conditioned on the applicant's restricting commercial uses and amending zone conditions on the nominated sites.

Public Comment

No public comment.

Motion to Approve Application

Action: Chair Harder called for a motion to approve the Regionally Significant Industrial Area Application for Lincoln County, with the following conditions:

- Applicant's restricting commercial uses and amending zone conditions on the nominated sites;
- Jurisdictions will prioritize assessments with DEQ and DSL, and coordinate closely with ODOT staff on transportation planning issues identified in the report; and
- Applicants continue to pursue certification of industrial sites included in the nomination.

Director Rue moved the motion to approve with conditions.

Director Garrett seconded the motion.

Further Discussion

Given the fact there are multiple jurisdictions involved, Council agreed to amend the previous motion to approve the application (with conditions) to include language that would allow those individuals sites, once they have met the conditions, to move forward.

Council raised the question, once the required information was received that the conditions have been met, would any action be required from them to move forward with rulemaking or is that a staff task. Council felt since they placed the conditions, they would like to see the applicant come back before the ERRC to show how the conditions had been met before final approval.

Motion to Amend Earlier Motion to Approve Application

Action: Chair Harder made a motion to amend the earlier Motion to approve the Regionally Significant Industrial Area Application for Lincoln County, with the following conditions:

- Applicant's restricting commercial uses and amending zone conditions on the nominated sites;
- Jurisdictions will prioritize assessments with DEQ and DSL, and coordinate closely with ODOT staff on transportation planning issues identified in the staff analysis;
- Applicants continue to pursue certification of industrial sites included in the nomination;
- **However**, it is at the discretion of the ERRC, that with multiple jurisdictions involved, those individual sites that have met the conditions outlined in the recommendation, would be allowed to move forward. In addition, the applicant would come back before the ERRC to show those conditions have been met before final approval.

Vote: Motion passed.

Pendleton and Pilot Rock Nomination

Rob Corbett, Steve Chrisman, Tim Simons and Bob Patterson from the City of Pendleton made the presentation before Council.

The nomination includes eight (8) sites, 6 in the City of Pendleton and 2 in the City of Pilot Rock, for a total of 1703 acres with 1635 acres developable. All properties are zoned industrial (M1 or M2) and the Unmanned Aerial Systems Park has an Aviation Overlay. The region both historically and currently supports agriculture production and processing, and forestry production/products. As an interstate transport hub the area has been considered for distribution centers, was designated as one of Oregon's UAS test sites, has existing rail to three of the sites, and has the largest airport in Eastern Oregon with scheduled service to Portland.

Discussion

The Council indicated there is still work to be done in the areas of land use (the threat of commercialization), transportation (impact analysis, major highway involved), and the threat of rail issues in Pendleton, but more so in Pilot Rock. Council would like to see declarative actions with both land use and transportation issues.

Public Comment

No public comment.

Motion to Approve Application

Action: Chair Harder called for a motion to approve the Regionally Significant Industrial Area Application for Pendleton and Pilot Rock, with the following conditions:

- Cities of Pendleton and Pilot Rock coordinate the adoption of a binding method of amending zoning code to limit non-industrial uses including overlay zones or conditional uses within the subject areas;
- Proof of the adoptive binding documentation will be provided directly to the ERRC by March 30, 2017, to be approved by the Director of DLCD in a letter stating conditional approval criteria has been met;

- Cities of Pendleton and Pilot Rock coordinate with DEQ on assessment reports; ODOT and local transportation authorities on transportation impact analyses to address potential access and safety issues; and, ODOT rail staff regarding potential options to serve properties and address rail crossing issues as identified in the Staff Analysis;
- Applicants continue to pursue certification of industrial sites included in the nomination; and
- Pilot Rock properties continue to qualify as Brownfield sites.

Director Paul moved the motion to approve the application.

Rob Hallyburton seconded the motion

Vote: Motion passed.

Chair Harder adjourned the meeting at 11:45 a.m.

Approved by:

Chris Harder, Chair
Economic Recovery Review Council

Date

DRAFT