

**MINUTES**  
**BUDGET COMMITTEE WORK SESSION**

**June 1, 2012** 1:30 p.m.

Commissioners' Office Conference Room

**PRESENT:** Budget Committee members Leslie Lewis, Kathy George, Mary P. Stern, Michael Green, Chris McLaran, and Shelley Halleman.

**Staff:** Laura Tschabold and Chuck Vesper.

**Guests:** Jodi Christensen and Amy Jauron, McMinnville Economic Development Partnership (MEDP).

**Topic:** Project: Grow Yamhill Valley

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Leslie called the meeting to order at 1:30 p.m.

Chris McLaran reviewed the economic development timeline that he'd handed out at the April 3 meeting, along with the matrix of options presented to the Budget Committee members. He said that the committee had chosen to establish a public/private non-profit partnership to identify a structure for delivering resources, with a focus on retention and expansion of existing businesses. He said that Jody Christensen and MEDP's Board of Directors were able to come up with a strategy to pursue this goal and get the best return on investment.

Jody presented a proposal for "Project: Grow Yamhill Valley" (see attachment). She said that the Board of Directors has decades of experience in economic development and would commit to deliver a series of projects with clearly-defined outcomes. She reviewed the four key deliverables and the proposed budget, stating that she would provide quarterly reports and keep in touch with the Board of Commissioners every step of the way. She said that the county-wide work group would be educated to understand that final decisions would be made by the commissioners. She added that she envisions the strategic plan as a living document that would be reviewed every two years.

Mike Green stated that he would like the first deliverable to be completed sooner than next June, and he would like to add a fifth deliverable that MEDP come up with at least two projects to recommend for funding. He said that he would also like MEDP to determine whether or not the county could use the revolving loan and, if so, with what terms. Jody said that his suggestions were very reasonable.

Mike stated that if MEDP demonstrates the success that is anticipated over the next year, it would be disappointing to see MEDP go back to doing only what it did before. He said that Grow Yamhill Valley or another named organization should carry on as MEDP's successor. Mary agreed that the organization could not be MEDP if the county is contributing a substantial

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1:30 p.m.

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portion of its funding. Jody stated that MEDP's initial investors are in McMinnville and the Board of Directors has not discussed the idea of becoming a county-wide organization, but there would likely be an evaluation of the next steps in six months. She assured the group that the Board of Directors is 100% committed to this project and is very open to seeing what happens as it goes forward.

Leslie noted that the Board had decided to go ahead with the Transportation Enhancement Grant application for the Rails with Trails project, and video lottery dollars are about the only source of funds available for the 10.25% match requirement. She said that the county would have the option to borrow the match funds from another fund and pay them back over five years from the Economic Development Fund. She said that it would be important to get a sense early on of what the ongoing annual costs might be for Grow Yamhill Valley, because the Board really needs to reserve some funds for these kinds of opportunities, and is already committing at least \$100,000 of video lottery money to other things.

Jody stated that MEDP could build a five-year pro forma budget. She said that after the first year, the county would have the key deliverables in hand and could go forward and decide how to allocate the funds. Mary pointed out that the Budget Committee was looking for a strategic plan, and Chris has recommended that MEDP provide that. She said that it isn't fair to ask him to come up with the strategic plan himself. Mike added that without the deliverables that MEDP has offered to provide, the county won't know whether or not this is the best direction to take, and this is probably the most effective way to get tangible deliverables by knowledgeable people in a reasonable amount of time.

Mike stated that the county has financial resources independent of video lottery money to fund what the commissioners feel is essential. He said that if video lottery money went away, the commissioners would find a way to fund Marine Patrol, the fair, etc., if they felt those functions were critical. Leslie respectfully disagreed.

Shelley Halleman stated that it is critical for the county to update its strategic plan, and that would get accomplished as part of this proposal. She expressed concern about MEDP's ability to accurately track funds and show how they were used for the county when some activities benefit both Yamhill County and the City of McMinnville. Jody assured her that it is possible, and said that she has experience doing that. She said that she would be asking for the county's guidance in the first quarterly report to make sure the reporting is accurate. She estimated that she and Amy Jauron would be spending a total of about ten hours per week during the first couple of months to get the project up and running.

Kathy expressed concern that the strategic vision might be weighted heavily by who shows up at the visioning meeting, and might not truly represent the vision of the county. Jody explained that she would have groups identified in certain sectors and would make sure their views are represented. She said that she would emphasize that primary traded-sector jobs are key, but the county also supports other industries like tourism and wants to create a structure that

helps make the best use of grant dollars. Kathy stated that her view of economic development is not doling out little bits of money as grants, but determining the hindrances to economic development and working on removing those. Chris agreed. Mike added that the structure should act as a filtering agent and point businesses in the right direction to find grant money for themselves from other sources.

The consensus of the lay committee members was to go forward with the Grow Yamhill Valley proposal.

Mary stated that, based on projected gas tax revenues, the county may need to dip into the Economic Development Fund for its commitment to the Newberg-Dundee Bypass because the bypass is important to economic development, but this is a good opportunity to get a plan in place and move forward.

The meeting adjourned at 3:08 p.m.

Prepared by Anne Britt

YAMHILL COUNTY BUDGET COMMITTEE

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Shelley Halleman, Secretary

## Project: Grow Yamhill Valley

### Proposal:

On behalf of the Yamhill County Board of Commissioners and Yamhill County Budget Committee, a special work group was formed in 2011 to explore various options for generating the highest return on investment for the uses of the Yamhill County Economic Development Video Lottery Fund. The group includes Chris McLaran (Yamhill County Budget Committee), David Beam (City of Newberg), Denny Elmer (small business representative), Jody Christensen (McMinnville Economic Development Partnership), and Steve Patterson (Oregon Mutual Insurance Secretary-Treasurer, Vice President & Legal Counsel). Over the last few months, this group has developed a preliminary vision and mission statements, a list of guiding principles, draft actions, identified potential resources, created structure options, and assembled a pro-forma budget. As part of this process, it became apparent that a startup organization would take up to 24 months or longer to become established and begin yielding results. In addition, the effort would be costly and depend on an extraordinary commitment by a cadre of volunteers.

Based on a request by Chris McLaran and extensive deliberation among board members, the McMinnville Economic Development Partnership (MEDP) Board of Directors would like to ask the Commissioners to consider the following option: The McMinnville Economic Development Partnership team would provide the professional services needed to establish an economic development initiative for Yamhill County. By June of 2013, the MEDP team would provide the four (4) deliverables outlined below. As part of the plan, the MEDP team would report as needed, but not less than quarterly, to the Yamhill County Board of Commissioners and the Yamhill County Budget Committee.

To achieve these goals, the McMinnville Economic Development Partnership asks the Commissioners to provide \$107,000 of the program year of July 1, 2012-June 30, 2013.

### Deliverables:

**MEDP** would execute the following four (4) key deliverables over the next 12 months (July 1, 2012-June 30, 2013):

- 1) Establish an ad hoc county-wide work group with representatives from various industries, cities, community organizations and the County;
- 2) Develop a county-wide strategic vision and framework for economic development which could include, but not limited to a mission statement, vision statement, guiding principles, organizational structure, and a recommended process for the Strategic Investment Grants Fund. MEDP and the work group will present this strategic vision and seek approval from the Yamhill County Board of Commissioners;
- 3) Execute a *phase one* web presence for this Yamhill County economic development project which will include, but will not be limited to maps, contact information, and property profile registration with links to [www.expandinoregon.com](http://www.expandinoregon.com) (formerly Oregon Prospector);
- 4) Submit site selector recruitment proposals for Yamhill County sites that meet minimum criteria as outlined by the State of Oregon's national and international recruitment officers. MEDP will provide recruitment contacts, realtor and site selector hosting services and follow up on projects that become active. MEDP will work with local jurisdictions on all matters in their respective communities.

In conclusion, MEDP has a seasoned structure and organization that allows us to deliver services in a timely and professional manner. Our executive director has been working for the organization since 2006 and we have recently added a marketing specialist to the team. Our Board of Directors has decades of professional, governmental and private industry expertise. MEDP is recognized as a valued resource partner - locally, regionally and by the state. MEDP brings a network of resources, partners, and agency connections to this project.

The McMinnville Economic Development Partnership Board of Directors respectfully requests for the Project: Grow Yamhill Valley be included in the 2012-2013 Yamhill County Budget with a final decision by July 1, 2012 so that our team can execute this project.

Thank you for your consideration.

McMinnville Economic Development Partnership Board of Directors

Kelly McDonald, Small Business representative

Carol Granger, McMinnville Industrial Promotion

Phil Hutchinson, McMinnville Area of Chamber of Commerce

Doug Montgomery, Planning Department – City of McMinnville

Kem Carr, McMinnville Water & Light

Jody Christensen, Executive Director, MEDP

Amy Jauron, Marketing Specialist, MEDP

Project: Grow Yamhill Valley  
MEDP Services

July 2012 -  
June 2013

**Proposed Income**

Pro-Forma

Video Lottery Fund - committed  
Private Investments  
Resource Partnership Investments  
Grant

\$ 107,000

**Total Income**

\$ 107,000

**Proposed Expenses**

**Grants, Loans, Seed Funding (50% of total - \$109,615)**

Strategic Investment Seed Grants-Community  
Strategic Investment Project Grants (SIPG)  
Strategic Investment Business Grants (SIBG)  
Strategic Investment Retention, Expansion, Recruitment (SIRER)

**Marketing/Advertising**

\$20,000

Property Site Marketing  
Branding  
Web Development  
Technical Support

**Tradeshows - TEAM Oregon**

\$ 7,000

**Association Memberships**

OEDA (MEDP membership-year one)

**Mileage**

\$ 3,000

**Miscellaneous**

\$ 1,000

**Office Rent & DSL: MEDP**

**Office Supplies - dedicated cell/phone**

\$ 1,000

**Administration - MEDP**

\$ 32,000

**Contract Services**

Project  
Bookkeeping (4 hrs /\$50 per/a month)

\$ 25,000

\$ 2,400

**Postage**

\$ 100

**Office Printing (in and out of house)**

\$ 1,000

**Research & Projects**

\$ 10,000

Strategic Plan- Year One  
Stakeholder Facilitation  
Community/Project Outreach

**Phone**

\$ 1,500

**Web Updates**

\$ 1,500

**Web Hosting**

\$ 1,500

**Total Expenses**

\$ 107,000

**Annual Net**

**Reserve**