

MALHEUR COUNTY COURT MINUTES

December 9, 2020

The regularly scheduled meeting of the County Court was called to order by Judge Dan Joyce at 9:00 a.m. in the County Court Office of the Malheur County Courthouse with Commissioner Don Hodge and Commissioner Larry Wilson present. Staff present was Administrative Officer Lorinda DuBois and Commissioner-elect Ron Jacobs. Various members of the public, media and staff were present electronically. Notice of the meeting was posted on the County website and emailed to the Argus Observer, Malheur Enterprise, and those persons who have requested notice. The meeting was audio recorded. The agenda is recorded as instrument # 2020-4716

PUBLIC HEARING - SUPPLEMENTAL BUDGET

Judge Joyce opened the public hearing for consideration of supplemental budget Resolution R20-45. Notice of the hearing was published in the Argus Observer. A public hearing was required as the supplemental budget will adjust the current budget fund by 10% or more of the expenditures of that fund. No public comments were received. The hearing was closed. Commissioner Hodge moved to approve Resolution R20-45: In the Matter of Fiscal Year 2020/2021 Supplemental Budget by Resolution Under Local Budget Law ORS 294.471. Commissioner Wilson seconded and the motion passed unanimously. The purpose of the supplemental budget is to allocate Office of State Fire Marshall Grant funds in the Emergency Management funds that were not anticipated when the adopted budget was prepared - the funds are to be used for projects already approved by the State of Oregon through the Department of State Police; and to allocate ODOT (Oregon Department of Transportation) STIF (State Transportation Improvement Fund) Discretionary Grant funds in the Special Transportation Fund that were not anticipated when the adopted budget was prepared - the funds are to be used for projects already approved by ODOT. See instrument #2020-4718

ROAD VACATION ORDER; ROAD ACCEPTANCES

Surveyor/Engineer Tom Edwards met with the Court and presented the Road Vacation Order for a portion of NW 9th Street (the proposed vacation was reviewed with the Court on October 14, 2020). Commissioner Wilson moved to approve Order No. GO-12-20: In the Matter of the Vacation of a Portion of NW 9th Street, Ontario, Oregon. Commissioner Hodge seconded and the motion passed unanimously. See instrument #2020-4706

Mr. Edwards also presented a partition plat for the Court's consideration. Commissioner Wilson moved to accept road re-dedication of NW 9th Street, and portions of Malheur Drive and A Place on Tammy Stone's Partition Plat #20-14. Commissioner Hodge seconded and the motion passed unanimously. See instrument #2020-4709

COURT MINUTES

Commissioner Wilson moved to approve Court Minutes of December 2, 2020 as written. Commissioner Hodge seconded and the motion passed unanimously.

EMPLOYMENT AGREEMENT

Commissioner Hodge moved to approve Accounting Technician - employment of PERS (Public Employees Retirement System) retiree Employment Agreement with Judy Bond. Commissioner Wilson seconded and the motion passed unanimously. The agreement expires September 30, 2021. See instrument # 2020-4719

CARES BUSINESS RELIEF GRANT APPLICATION

The Court was updated on the County CARES (Coronavirus Aid, Relief and Economic Security) Business Relief Grant application process; 40 applications have currently been received - 20 are particular to the Hospitality industry. Total funding requested from the 40 applications is approximately \$920,00. The deadline for applications to be submitted is December 23, 2020.

RELOAD FACILITY PROJECT UPDATE

Greg Smith updated the Court on the Treasure Valley Reload Center project. The industrial tract agreement between MCDC (Malheur County Development Corporation) and UP (Union Pacific Railroad) is 98% ready to move forward; there are a handful of small outstanding items including:

- An agreement with Nutrien to demolish the rendering plant on Gem Avenue (adjacent to the project) has been reached; the facility sits in the Union Pacific right of way and the removal agreement is currently under review by the real estate division of UP. Once the agreement is finalized the facility can be demolished.
- Union Pacific has notified Froerer's that the Gem Avenue private rail crossing is to be closed (this crossing is used to access Froerer farm property). A meeting is scheduled with Froerer's for December 15 to attempt to develop a plan to assist Froerer's with their access problem to their property (due to UP closing the private rail crossing) and provide Froerer's access to their property possibly via an access road north to the Gem Avenue private crossing.
- A State of Oregon ODOT Rail Division Railroad-Highway Public Crossing Safety Application has been prepared for certain improvements of the Gamble Island rail crossing including: enhanced signage, appropriate placement of the signage, crossing arms, and concrete bumpers in the roadway. The County will be the Applicant and Public Authority. Judge Joyce will sign the finalized application.
- The draft drainage report will be completed and ready for review later today; the report will be submitted to UP when finalized.

After the above items are completed, the final industrial tract agreement will be submitted to UP. Within the industrial tract agreement is a section relating to the rail switches and the cost to construct them. Only Union Pacific personnel can construct the rail switches (per an agreement between UP and their employee's union). Union Pacific requires the cost of the rail switches upfront; ODOT will not release funding for rail construction until the industrial tract agreement is signed. UP will not sign the industrial tract agreement until the funding is received. A meeting is scheduled with Union Pacific, RailPros, and ODOT to determine how best to resolve this matter.

Once the industrial tract agreement is executed authorization will be received to begin construction on the rail.

For the last year and a half or so work has taken place with Union Pacific and Americold to establish the market opportunity. EcoNorthwest previously analyzed the market, county economic and demographic information. The local onion shippers have created a cooperative - Treasure Valley Onion Shippers and 14 of the registered onion shippers have joined the Treasure Valley Onion Shippers LLC (currently there are 19 registered onion shippers). The primary reason of the 5 that did not join the LLC was that rail is not a tool that they would utilize in their business or they did not have the volume within their business to utilize the facility. The 14 that have joined the LLC represent approximately 80% of all onions that are produced and shipped out of Malheur county. The East Coast (the area of New York, New Jersey, Pennsylvania, Boston) is a key market area that the onions go to; the second area is the Midwest (Chicago, Indianapolis, etc.); and the third area is to the southern section of the Country without rail (Atlanta, Georgia, Florida etc). The Shippers have negotiated with Americold and Union Pacific for their commodities to go via rail to the Midwest, East Coast, and that southern section of the Country. Rail car availability will be negotiated between Americold and Union Pacific rather than single shippers. The provisions of a joint agreement between the Shippers and Americold are being considered.

The reload facility will accommodate all agricultural commodities that are capable of running through a facility of this nature - it will not be limited to onions. It will not be a cold storage facility; it will be a reload facility.

The County bought 290 acres; the reload facility will encompass three acres and the rest of the designated 65 acres is for road and other necessary infrastructure. It is hoped to assemble a public advisory committee comprised of a diverse team of community business leaders to negotiate an acceptable ownership structure between MCDC (Malheur County Development Corporation) and Americold. Additionally, it is hoped to include leaders of several highly successful port authorities in the negotiations with Americold on the ownership and operation of the reload facility. The end goal is to create a win for Malheur County, a win for MCDC, a win for agricultural shippers, and a win for Americold.

The civil engineering is as complete as can be accomplished as of now; compaction studies, soil studies, archeological and cultural studies, and wetland delineation studies have been completed. An audit of the MCDC financials is being completed by the County auditor. Financials are monitored by the MCDC board, CPA (Certified Public Accountant) Lonnie Hytrek, and ODOT. Every invoice that is paid is reviewed by Mr. Smith, reviewed by MCDC Chair Grant Kitamura, and then reviewed by CPA Lonnie Hytrek. MCDC board member and financial committee chair Randy Svaty also reviews all invoices. The County can also review the invoices. The invoices are then submitted to ODOT who reviews for compliance with the work schedule and budget and releases funding as appropriate.

A Board liability insurance policy has been purchased; it is for \$2 million dollars per incident. An additional \$5-7 million-dollar policy will need to be added as it relates to the rail infrastructure; this is a requirement of Union Pacific. There are also additional insurance requirements in order to accommodate hazardous substances commodities, such as fertilizer, pesticides, etc. and that issue is being worked on.

The Malheur County Development Corporation (MCDC) board meets electronically every two weeks; this is a public meeting and is open to the public, media, and anyone who wants to join and stay updated on the reload facility project.

Mr. Smith answered various questions from the Court members throughout the presentation.

COURT ADJOURNMENT

The meeting was adjourned.