



Executive Committee Meeting
Wednesday, June 3, 2020
4:00 P.M.

Zoom video conference (access information on next page)

AGENDA

<u>Topic</u>	<u>Estimated Time</u>	<u>Item</u>
Call to Order, Introductions		
Executive Committee Minutes <i>May 2020</i>	5 minutes	Approval
Grant Applications Approval	10 minutes	Decision
Staffing Updates	10 minutes	Information
Four Rivers Expenses	10 minutes	Decision
Senior Project Manager Report	10 minutes	Information
Executive Director Report	10 minutes	Decision
<i>Executive Session per ORS 192.660 (f) (Exempt Documents)</i> <i>Regular Session Reconvened</i>		
Other New Business; Committee Members Updates		
Adjourn		

The meeting location is accessible to persons with disabilities. If you have a disability that requires any special materials, services, or assistance, please contact the MCEDD office at 541-296-2266 (TTY 711) at least 48 hours before the meeting.

MCEDD is inviting you to a scheduled Zoom meeting.

Topic: MCEDD Executive Committee Meeting

Time: Jun 3, 2020 04:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

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Meeting ID: 961 7266 8366

Password: 675202

One tap mobile

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Dial by your location

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MCEDD is an equal opportunity lender, employer and provider.

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING
WEDNESDAY, MAY 6, 2020
4:00 PM
ZOOM TELECONFERENCE

ATTENDANCE

Attending: Bob Hamlin, Dana Peck, Ken Bailey, Eric Proffitt, Bill Schmitt, Joe Dabulskis, Steve Kramer

Staff: Jessica Metta (Executive Director), Lauren Hernandez (Office Administrator)

CALL TO ORDER

Bill Schmitt called the meeting to order at 4:00 p.m. A quorum was present.

EXECUTIVE COMMITTEE MINUTES

Ken Bailey motioned to approve the April 2020 Executive Committee meeting minutes as presented. Dana Peck seconded the motion. Motion carried unanimously.

FINANCIAL REPORT

Jessica Metta presented financials as of March 31, 2020, highlighting:

- On a Fiscal Year basis, 63.4% of revenue has been recognized and 58.8% of the expense budget has been spent.

Joe Dabulskis joined the meeting.

- Anticipated Federal, State, and Farebox revenue for Transportation Operations is expected to decrease April – June 2020, due to decreased services, as the majority of funding for Transportation is based on reimbursable grants through ODOT.
- Although personnel have been laid off, Personnel Expenses is expected to continue as a steady expense. As a reimbursing employer who reaps the benefits of a very low Unemployment Insurance tax rate, MCEDD will be reimbursing the State for benefits paid to employees.
- Capital Purchase continues to increase as the Bus Barn project moves forward.

Bob Hamlin motioned to approve the financial report as presented. Eric Proffitt seconded the motion. Motion carried unanimously.

PERSONNEL POLICY ADJUSTMENT FOR STEP INCREASES

Jessica Metta explained the current language in the personnel policy regarding the timing of step increases and employee performance reviews creates confusion that can lead to missed step increase opportunities for employees. Past practice has been to have evaluations at 3 months, 6 months, 12 months and then every 12 months thereafter. Step increases come at 6 months, 18 months and then every 12 months thereafter. This mid-year consideration for step increases that is not tied to a concurrent performance evaluation has been missed by supervisors in the past. Aligning step increases with evaluations, depending on performance, will eliminate this confusion.

Discussion: Eric Proffitt asked if step increases are merit based or criteria based. Jessica replied they are merit based. Eric asked if it is difficult to fairly recommend step increases to some and not others if employees do not know why they are receiving them. Jessica clarified that the specific

criteria for job performance are discussed in the evaluation, so recommendations to give or not give raises become clear to the employee during this process. Ken Bailey agreed step increases should be tied to evaluations, as evaluations are the appropriate time to discuss if an employee is eligible for an increase and the criteria is clear at that time.

Ken Bailey motioned to recommend updates to the Employment Compensation section of the personnel policy as recommended by staff to the MCEDD Board for approval. Eric Proffitt seconded the motion. Motion passed unanimously.

INTERIM FINANCE MANAGER OPTIONS

Jessica Metta reported Siri Olson has accepted another position, and her last day with MCEDD will be May 15th. The Finance and Operations Manager position has been posted with first round consideration closing May 11th. There will be a gap between finance managers. Lauren Hernandez processes accounts payable, accounts receivable, and is being trained to process payroll. Jessica stated she would like to hire interim staff to support finances until a new finance manager is hired. She received proposals from two consultants and anticipates hiring support for approximately 60 hours a month. The support person would handle end-of-the-month close out, oversight of payroll, and anything else that comes up. The hope is to hire a finance manager before the next round of quarterly reporting begins. Jessica explained she is leaning towards Summer Sears based on good references and governmental experience.

Discussion: Ken Bailey stated he thinks it is wise to hire someone to help with finances, as this is an area MCEDD does not want to get behind in. He noted it is wise of Jessica to acknowledge that given her brief time in the position and the fluctuation of MCEDD's finances, she needs additional support in this area. Ken stated Jessica should hire the consultant she believes is best. Dana Peck asked if MCEDD is still in discussion about transitioning accounting systems. Jessica replied this process will begin next fiscal year, and she wants to wait until the new staff person is on board before moving forward. Eric Proffitt noted there will be a steep learning curve for the interim finance person, and 60 hours per month does not seem to be enough time. He stated a full-time person does finances now, and a full-time interim person should continue them. Jessica stated finances will move forward at the bare minimum, and staff will complete low-level requirements, if possible. Ken stated Jessica will be training a new Deputy Director, and she should not overwhelm herself while also learning her own new position. The Executive Committee agreed. Jessica stated MCEDD has the money in the budget, but she was focused on being cost-effective. The Executive Committee supported Jessica hiring the number of hours needed to get the job done without overtaxing the rest of MCEDD's staff.

EXECUTIVE DIRECTOR REPORT

Jessica Metta, Executive Director, highlighted the following:

- MCEDD received a \$50,000 Oregon Community Foundation grant. This will be used to support current loan clients. Jessica asked if the grant should support only MCEDD loan clients or both MCEDD and OIB.

Discussion: Eric Proffitt asked if OIB has any concerns with using the grant money to support loan clients. Jessica stated there will be an OIB meeting next week and it will be discussed. Ken Bailey stated it will ultimately be an OIB decision, but it is right to make the offer.

- The Wasco County Fair Board adopted the strategic plan.

- Google reached out to MCEDD and offered funds for MCEDD to disburse as small grants to businesses in The Dalles. The total is \$35,000, and 20 businesses would receive \$1,500 grants after going through an application process.
Discussion: Ken Bailey asked if the grant would cover staff time or if the time would be donated. Jessica stated it would likely not cover staff time. Ken noted MCEDD is hiring two positions, will have an interim finance staff person, and has limited staff capacity. The potential grant application process was discussed. Jessica stated she asked Google if the money could be used to give grants to MCEDD loan clients instead of an open grant process. Google responded they would like an open application process. Given Executive Committee discussion, Jessica suggested asking The Dalles Chamber of Commerce to take on the grant. The Executive Committee agreed.
- EDA will announce how it will roll out the CARES Act money it received. The EDA representative for Oregon will set up a call to review and answer questions. There is likely specific money for economic development districts, and funds could address concerns around the loan program as well as address IT infrastructure to support remote work.
- The Loan Administration Board approved a modification request for C&E, LLC and a new loan for Lost Lake Resort, Inc. for \$75,000. C&E hopes to have their new 7-unit apartments complete in May.
- Through the CARES program fund for public transportation, MCEDD was able to apply for almost \$130,000 of funding to support operations, backdated into January. There was no match requirement for these funds. The FTA/ ODOT have also lowered the match rate to 0% for one of the operating grants funding dial-a-ride services. These funds will cover the additional cleaning materials, PPE, cleaning time and other COVID-related expenses.

OTHER NEW BUSINESS

No other new business was presented.

ADJOURN

Meeting adjourned at 4:43 p.m.

Respectfully submitted, Lauren Hernandez, Office Administrator

MEMORANDUM

To: MCEDD Executive Committee
From: Jessica Metta, Executive Director
Date: May 27, 2020
Re: COVID-19 Related Grant Approvals

There are several COVID-19 related grant opportunities open to MCEDD that would benefit the region as we respond to this pandemic. We are seeking approval from the Executive Committee to apply for or accept the funds as noted below:

Business Oregon

Business Oregon released a Request for Proposals for \$5 million in funding open only for proposals from Community Development Financial Institutions and Economic Development Districts. The funds would flow to MCEDD to in turn issue grants to small businesses with fewer than 25 employees. The program also encourages efforts to provide access to sole proprietors and historically disadvantaged businesses.

To fill gaps not reached by other programs, these state funds are directed to adversely affected businesses that have been unable to receive federal CARES Act funding, including the Small Business Administration's Paycheck Protection Program, Economic Injury Disaster Loan Emergency Advance program, or other federal programs for emergency pandemic funding. Businesses may use the proceeds for any business-related operating expenses, including helping businesses work to reopen in line with state guidance.

We are developing an application for \$250,000 that would support our three Oregon counties. There is no match requirement but there is also no administrative support included. We believe our work could fit under several of our current contracts and are seeking additional support from partners in Hood River County. I will have additional information at the Executive Committee. The RFP was released on May 22 and is due June 1. Given the quick timing, we will submit the application and ***I request Executive Committee approval to accept the Business Oregon grant if awarded.***

EDA CARES Act Planning Grant

As part of EDA's CARES Act Recovery Assistance, EDA is inviting certain institutional grantees, including Economic Development Districts (EDDs) that currently receive partnership planning grants, to apply for supplemental awards to help respond to the unusual and compelling urgency of the coronavirus pandemic. We have been invited to apply for a \$400,000 non-competitive award for work over 24-months. There is no match requirement.

The scope of work would include hiring a project manager to serve as our regional disaster economic recovery coordinator for a two-year period to serve the communities and local governments across the geographic region. This new staff role would help build out our resiliency portion of our CEDS, work with our communities to recover, and possibly offer grant writing assistance for community projects. We are also planning to subcontract for small business technical assistance to support areas of the region that currently lack these services.

I request Executive Committee approval to apply for the EDA CARES Act Planning Grant opportunity.

EDA CARES Act Revolving Loan Fund

As part of EDA's CARES Act Recovery Assistance, EDA is inviting certain current recipients of existing EDA-funded Revolving Loan Fund (RLF) awards to apply for a supplemental RLF award to help respond to the unusual and compelling urgency of the coronavirus pandemic. We have been invited to apply for a non-competitive award of \$770,000 for a new RLF plus \$77,000 administrative support for work over 24-months. There is no match requirement.

For the administrative support, I am proposing to hire a full-time support position that would be dedicated 50% to support of the loan program and the rest to other functions at MCEDD. We would also upgrade Portfol, our loan database software to a cloud version.

I request Executive Committee approval to apply for the EDA CARES Act RLF opportunity.

MEMORANDUM

To: MCEDD Executive Committee

From: Jessica Metta, Executive Director

Date: May 27, 2020

Re: MCEDD Staffing Updates

This update is provided on the staffing changes at MCEDD. First, I am happy to announce we have hired Brad Houghton for the **Deputy Director** position with a July 6 start date. He grew up in The Dalles/ Dufur but has spent most of his life away, first with the Army and most recently as a civilian for the Defense Intelligence Agency. He brings a lot of experience that will be valuable for MCEDD and seems like a good fit for our team. We had about 15 applications for this position.

For the **Finance and Operations Manager** position, we had to extend the application deadline to gain some additional applications. As of this report, we have received six applications and will be interviewing the week of June 1. For the interim, Summer Sears has been digging into her tasks. There was delay in getting her fully integrated over IT to access our Quickbooks. That delay, coupled with the timing of Siri's departure and Summer coming on, means the Executive Committee does not have April financials to review for this meeting. We should have them in time for the Full Board meeting on June 18, as well as a FY20 supplemental budget and the FY21 budget. Summer is also assisting in completing the Q3 reporting for the loan and transportation programs.

We are also currently hiring to replace a full-time **dispatcher/ scheduler** position due to Alli Morris leaving for another opportunity.

The grant memo in your packet notes other upcoming hiring that could be coming due to COVID-19 response grants (Project Manager, support position). We also anticipate the need to hire two additional full-time drivers to implement a grant that we have been told we received to significantly expand the deviated fixed route in The Dalles. These hires are likely to push MCEDD to 25 or more employees where we would need to meet the requirements of the Oregon Family Leave Act with some additional tracking and paperwork. I believe these grant programs are good reason to do so. Executive Committee feedback is always welcome.

MEMORANDUM

To: MCEDD Executive Committee

From: Jessica Metta, Executive Director

Date: May 27, 2020

Re: Four Rivers Expenses

The Board of Four Rivers Community Corporation met in May to consider how to cover its annual expenses of about \$2700, including general liability insurance, fees associated with Secretary of State and filing the annual CT-12 and Form 990, and general supplies. While the entity came from MCCOG with a balance, this balance has been depleted from these annual expenses and there is not enough to cover the upcoming insurance payment in July 2020.

The Four Rivers Board suggested I discuss covering expenses with Wasco County Cultural Coalition, or insurance options with our insurance agent. I have confirmed this is the lowest cost option for our insurance and Wasco County Cultural Coalition might look for a different nonprofit to work with if given much admin expenses as they have not had them in the past. The Board also discussed taking an admin fee from future donations, but it may not be enough to cover the expenses as the entity has low usage at present.

I believe it is in MCEDD's best interest to have access to this flexible 501(c)3 to accept donations and grants of different kinds. I would suggest MCEDD consider covering these annual expenses if there is not enough in the Four Rivers account. I would need to work with Summer to determine the best source of funds, but ***request direction and approval from the Executive Committee.***



Mid-Columbia Economic Development District

Senior Project Manager's Report Prepared for the June 2020 Executive Committee Meeting

County Economic Development

- Staff have been working with several organizations in Sherman County to support business planning efforts. With the Little Wheats Daycare Board, staff is providing technical assistance so that this non-profit can apply for Ford Family Foundation funding to hire an expert to work with them on a business plan and board development. Staff is also working closely with the Sherman County Fair Board to support drafting a business plan for their proposed covered arena facility.
- Staff is working with partners to identify business assistance resources related to mitigating COVID-19 impacts. This includes working closely with the City of The Dalles, the Dalles Area Chamber of Commerce, and the CGCC SBDC to support a proposal for Business Oregon's upcoming RFP focused on business assistance grants. We anticipate issuing of this RFP early in June. Northern Wasco PUD also approached staff about providing some technical assistance for a small business relief program based on Klickitat PUD's efforts to reduce operating expenses for small businesses as they begin to reopen. The PUD Board will determine if the program moves forward next Tuesday.
- Staff completed an IGA with the SBDC to support implementation of the Rural Opportunity Initiative grant scope of work. This will focus on business resilience training, preparing for accessing capital, and additional WebWorks type trainings.

Industry Clusters

- The GTA elected new officers at their June Board meeting, replacing Suzanne Burd as Secretary with Lori Nelson. The other officers, President Erica Bogard (SIGMADESIGN), Vice President Greg Davis (Overwatch Imaging), and Treasurer Christy Christopher (Gorge STEM Hub), remain the same.
- The GTA also agreed to provide a grant to the Gorge MakerSpace to support their robotics program. And, was awarded a grant from SOAR Oregon to support implementation of their annual workplan.
- Staff has been working closely with the agricultural sector to support preparations for harvest during COVID-19. After many conversations with local representatives and the State, PPE and sanitation supplies were distributed by ODA to growers throughout the State. Next steps for the coordinating group focus on ensuring adequate housing is available as well as exploring business trainings around best practices for packing houses to ensure local businesses have clear strategies to support employee safety.

Energy

- Staff has begun discussions with CREA and Sherman County about interest in developing a Sherman County Energy Assessment.

- Staff arranged a Community Solar financial summary meeting with Port of Hood River staff and volunteer committee members to review findings from financial analysis of a potential community solar project in Hood River County. Participants agreed to reinvestigate community solar at the Jensen building in Hood River when the Port pursues reroofing, likely in fiscal year 2022.
- Staff is planning a CGBREZ meeting focused on Pacific Corps Renewable Energy and Storage RFP (to be released in July) and relevant legislation related to energy and storage in COVID response efforts, which special focus on effects on pumped storage

Grant Management

- The City of Antelope has completed construction on the new reservoirs and water system. The contractor and engineering will be doing a final review/correction of punch list items in the next few weeks. Staff will spend time over the next several months in supporting the City in completing project closeout requirements.
- Biggs Service District issued an invitation for bids for construction of the well as part of their water system project. Bids will be opened on June 10 and contractor selection and award is expected shortly thereafter. Concurrently, the engineer will ensure final approvals of the remainder of the water system design and prep bid documentation for advertisement later this summer.
- Crystal Springs Water District has requested final approval of the design documents for Phase 2 of the Westside/Mid Valley project and is working with the County on right-of-way permits. They anticipate going to bid by the end of June.



**Executive Director's Report
Prepared for the June 2020 Executive Committee Meeting**

Business Assistance

- The Loan Administration Board approved a modification request for C&E, LLC and a new loan for Riverhood Rentals for \$20,000 that would pay off their current MCEDD loan and offer COVID-19 relief.
- MCEDD received a payoff from Terra Cotta increasing our available to loan amounts.
- We closed the Oregon Investment Board COVID-19 relief loan for Romul's West, LLC and are close to closing for Lucy's Informal Flowers, both for \$35,000.
- We are still working through processing almost 40 deferral requests from MCEDD and OIB loan clients.
- After discussions with the LAB and OIB on use of the \$50,000 grant we received from the Oregon Community Foundation Business Stabilization Fund, we are using these funds to allow one additional month of payment deferrals for the MCEDD loan clients. This aligns both programs with the same three month deferral and six months of interest-only payments. The funds will otherwise go to support our administrative costs for the loan program and are in the FY21 budget.
- Mary MacArthur will be retiring in September from ColPac. As the administrator for Mount Hood Economic Alliance (MHEA) loan program, there is interest from MHEA to consider contracting with MCEDD to administer their small program going forward given our overlapping territory and many similar loan clients. I will be working to develop a proposal.

Transportation Division

- The Link continues to operate at our COVID-19 response levels and providing free rides. We are intending to move back to regular operations with Phase 2 in Wasco County, tentatively June 8.
- We have been requested to loan a vehicle to North Central Public Health District for transport of COVID-19 patients from medical facilities to quarantine locations. We confirmed our best course of action from the standpoint of our insurance agent and ODOT rep, but North Central Public Health District has not yet responded to our draft MOU.
- We have been told we were successful in our two grant applications for a significantly expanded deviated fixed route in The Dalles and to replace four of our vehicles, but have not yet seen the draft contracts. This would be exciting news!
- Our three new passenger bus shelters have arrived and are being stored as we work through siting approvals with the City of The Dalles and property owners.
- Kathy assisted the Port of Klickitat in applying for a grant for a bus shelter, is presenting information for the Wasco County Coordinated Transportation Plan survey research and assisting Sherman County in their Coordinated Transportation Plan update. Her work bringing the transportation providers together for information sharing and relationship building has been invaluable during this pandemic.

Project Management

- See update from Carrie Pipinch.

COVID-19 Response

- Our weekly meetings with the Mid-Columbia Economic Resiliency Team continue to be well attended and positively received. We were pleased to welcome Senator Merkley in May as well as a high staff liaison from Governor Inslee's office. The weekly digests of information are continue and we keep

mcedd.org/ready up to date. We are also having weekly leadership team meetings and focused meetings on the reopening frameworks, ag support, broadband access, and other topics as needed. Staff is engaging with the unified command structure for Wasco, Sherman, and Gilliam Counties to support information sharing around resources for businesses and employees and beginning the process to plan for longer term recovery.

- The team pulled together a well-received Business Adaptation Training with about 300 attendees to share resources for businesses as they reopen and to dig into the Oregon sector guidance. Washington businesses participated as well. I gave the opening remarks and Carrie and Tatiana assisted with planning and implementation for some of the breakouts. It was truly a team effort to pull this together and I am proud of how well everyone is working together.

Operations and Facilities

- Jacque Schei, Siri Olson and myself developed guidelines for staff to use to clarify our procurement rules. These have been sent out.
- We are developing policies and procedures for COVID protections for our staff, based on Governor Brown's guidelines for employers.
- Bus barn construction is on track with only some electrical pieces left. Take a look at the picture!
- The Budget Committee meeting on May 21 ended with a recommendation of approval to the Full Board at its June 18 meeting. **Thanks to Eric Proffitt and Ken Bailey** for participating in that meeting!

Other Items

- We have been requested to comment to the Gorge Commission as they finalize the update of the Management Plan by August. After checking with Bill and Ken, I felt comfortable signing on a letter to the Commission and to Governor Brown asking them to slow the process down due to late changes in the language they have proposed, especially for Urban Areas. Another letter was sent from regional partners with specific language on the Urban Area rules that I did not feel I had the ability to comment on without your approval. The letter was submitted (see attached) but we could still comment in the public comment period on the final rules. ***Executive Committee feedback is requested.***



May 22, 2020

VIA EMAIL

Columbia River Gorge Commission
c/o connie.acker@gorgecommission.org

Re: Joint Comments on Gorge 2020 Urban Area Boundary Revisions

Dear Chair Liberty and Commissioners:

The signatories to this letter provide these joint comments on the draft Gorge 2020 Urban Area Boundary Revisions presented to the Columbia River Gorge Commission (“Commission”) for its work session on May 12, 2020. We each have commented or participated in some capacity in the May 12, 2020 work session, and in anticipation of the upcoming CRGC work session on May 26, 2020, we wish to provide the Commission with these additional, collective comments and suggestions.

Defer any amendment to the Urban Area Boundary Revision policies.

We all believe the Commission should stop work on the proposed amendments to the urban area boundary revisions language in the Columbia Gorge Management Plan (“Plan”) and defer that boundary revision language until after the Commission finalizes and implements the updated Plan. The redline language as presented to the Commission at the May 12 work session may touch on the policy topics that the Commission has discussed over the course of Gorge 2020 review cycle, but the proposed language would effectively punt key policy decisions to rulemaking and *ad hoc*, case-by-case considerations. This approach has raised significant concerns among a range of stakeholders, from Friends of the Gorge to each of the signatories of this letter (as expressed during the May 12 work session or in written comments).

The Commission seems to be operating on its own agenda, now pushing forward incomplete urban area policy on what appears to be an artificial timeline based on commissioner terms and the U.S. Forest Service deadlines when the Commission is already years late on its periodic review. Taking more time for policy making on urban area boundaries is the responsible path, as the Commission’s work will have permanent ramifications on the future of the Gorge’s human communities and natural environments. In the end, not all stakeholders may agree on the adopted language -- but at a minimum, any amendment should give stakeholders and the public clear policy direction and definitive guidance for future growth of Gorge communities. The Commission needs to coordinate with state agencies now, rather than defer these key conversations until down the road, as is currently contemplated by draft policy 7.

It has been expressed many times through the Gorge 2020 process, that there is a shared objective of any amendment to the urban area boundary section of the Plan was to provide greater clarity for future applications. Unfortunately, the May 12 work session redline does not meet this shared objective. Instead, we feel that the May 12 redline would worsen the situation. We recognize and appreciate the considerable amount of work and thought has already gone into the May 12 redline, but we respectfully request that the Commission table this provision for now as it continues the remainder of the Gorge 2020 work.

Revise the May 12 redline to reflect clear policy direction and definitive positions on future growth of the Gorge’s urban areas.

If the Commission opts to proceed on amending the urban area boundary policies, we request that the Commission revise the May 12 work session redline before sending it out for formal public comment in June. In its May 12, 2020 comment letter to the Commission, the Port of The Dalles (“Port”) proposed specific redline revisions. We support these proposed redlines, and in this letter we wish to further illustrate why the Port’s proposed language reflects clear policy direction that would reduce uncertainty for our respective communities and public agencies.

Generally, the language in the May 12 redline gave the impression that the Commission was asserting its authority and foreshadowing that it may opt to not process any request for an urban boundary revision. For example, draft policy 1 indicated that the Commission could opt not to accept any request because “it doesn’t have to” under the Act. Draft policy 5 then implies that the Commission could block a request because “it doesn’t have any money” within its budget. The Commission cannot impose procedural hurdles to render the language of the Act meaningless. The Act contemplates growth in urban areas and reflects specific congressional intent to protect the economy of the Gorge’s urban areas. It imposed high hurdles in the form of the 4(f) criteria to ensure that such growth was not done to the detriment of the SNCRs. The Commission does not need to impose procedural hurdles when robust substantive hurdles already exist in the form of the 4(f) criteria.

With this framework in mind, we propose revised language.

Blue bold = proposed language and red strikeout = deleted language.

Introduction

We propose revisions based on policy language currently contained in the Introduction of the Management Plan and consistent with the expressed vision.

~~The National Scenic Area Act authorizes the Gorge Commission to make minor revisions to the boundaries of any **of the 13 cities and towns identified as “urban areas” in the Act.** Urban Area, subject to the criteria and procedural requirements in section 4(f) of the Act. In doing so, the Act **calls for enables the Gorge Commission to recognize human presence and the desire for prosperous cities and towns in the Gorge amidst a spectacular landscape with remarkable resources. It is the Commission’s obligation to strike the delicate balance of resource protection and sustainable growth of urban areas, consistent with both purposes of the Act. to protect and enhance for the scenic, natural, cultural, and recreation resources; agricultural land, forest land, and open space of the Columbia River Gorge, while supporting and serving the needs of the thirteen Urban Areas.** The following policies describe principles for how the Commission interprets and will apply the criteria in section 4(f) of the Act.~~

Proposed Policy 1

As drafted, policy 1 extrapolates one interpretation of the Act into an unnecessary and unsupported statement about the Commission’s supposed authority to ignore requests from its stakeholders and communities. To avoid this unnecessarily combative stance, we simply suggest language that reframes how a county may submit a request to the Commission for consideration.

~~1. The National Scenic Area Act does not require the Gorge Commission to consider requests to revise Urban Area boundaries. The Act does not entitle a county or any person or entity to have the Gorge Commission consider a request to revise an Urban Area boundary.~~

- 1. A county may apply to the Gorge Commission for a minor urban area boundary revision upon providing the Gorge Commission at least six months’ notice of its intent to file an application. The county shall include in the notice a proposed timeline for Commission review of the application and a summary of the boundary revision including approximate geographic location, acreage, and future uses within the revised area.**

Proposed Policy 2

The proposed revision to policy 2 would include language referencing Appendix C (containing the urban area legal boundaries) and noting that the rule may be amended from time to time (e.g., upon approval of an urban area boundary revision the rule would need to be amended to reflect the amended boundary).

- ~~2. The legal boundary descriptions in Appendix C of Commission Rule 350-10 (as amended through December 31, 2018 and may be amended from time to time) are the Urban Area boundaries and acreage calculations that counties must use in applications to revise Urban Area boundaries.~~

Proposed Policy 3

The language should track the authorization in 544(c) of the Act governing revisions to SMA boundaries, rather than setting forth a new interpretation of federal law.

3. ~~The Gorge Commission can only approve applications to revise a boundary of an Urban Area adjacent to the General Management Area. Revisions to a boundary between an Urban Area and a Special Management Area require Forest Service coordination, consultation and approval under section 4(c) of the Act in addition to Gorge Commission approval under section 4(f)(2)(A)-(D).~~ **The Gorge Commission has authority to review and approve applications to revise a boundary of an Urban Area adjacent to the General Management Area. Revisions to a boundary between an Urban Area and a Special Management Area are subject to review and approval by the Secretary in consultation with the Commission.**

Proposed Policy 4 and Policy 5

As drafted, policy 4 and 5 present procedural hurdles that could bar applications. To avoid unnecessary debate about what the Commission can and cannot do, we suggest revised language that addresses the Commission's concerns about money and funding.

4. ~~The Gorge Commission shall seek funding in its biennial budget to support any Urban Area boundary revision application after receiving a county's intent to submit an application. If funding is not available either because of a budget shortage or because it was not included in the biennial budget given the budget cycle, the Gorge Commission shall enter into a cost reimbursement agreement with the applicant to cover the costs of processing an application until the funding is obtained through the biennial budget process. Counties shall inform the Gorge Commission of their intent to seek an Urban Area boundary revision in time for the Gorge Commission to seek sufficient funding in its biennial budget for reviewing the boundary revision application.~~ **The Gorge Commission shall seek funding in its biennial budget to support any Urban Area boundary revision application after receiving a county's intent to submit an application. If funding is not available either because of a budget shortage or because it was not included in the biennial budget given the budget cycle, the Gorge Commission shall enter into a cost reimbursement agreement with the applicant to cover the costs of processing an application until the funding is obtained through the biennial budget process.**
5. ~~At the beginning of each biennial budget, the Gorge Commission will determine whether its funding is sufficient to allow it to analyze one or more Urban Area boundary adjustment applications during that biennium and communicate its determination to the counties.~~

Proposed Policy 6

Again, proposed policy 6 presents a procedural hurdle that could potentially bar applications to the Commission from its constituent communities. Rather than arguing about what the Commission may require, we suggest letting an applicant decide the timing of an application,

subject to the requirements in policy 1 (notice) and policy 4 (budget). Depending on agency consultation and other considerations, an applicant may seek to file an application with the Commission prior to filing with the state, concurrent, or subsequent to obtaining state approval.

6. An applicant for an urban area boundary revision may elect when to file an application with the Gorge Commission. An application to the Commission may precede an application to the state, be concurrent with an application to the state, or be subsequent to an application with the state for corresponding state approval of the urban boundary revision. The Commission shall condition the effectiveness of the Commission's approval for any urban area boundary revision on the applicant receiving the corresponding state approval. ~~The Gorge Commission will only consider applications to revise Urban Area boundaries in conjunction with state-required periodic plan updates or other times expressly specified in state law for revising urban growth or urban area.~~

Proposed Policy 7

We request that the Commission address this coordination issue before adopting any amendments to the urban area boundary policies. In the most recent draft, proposed policy 7 improperly defers a policy choice about how the Commission will coordinate with state law. The Commission must make this choice, not kick the can.

Proposed Policy 8

As the Commissioners know, the meaning of “minor” in the Act has been a decades old debate. However, if Congress had intended ‘minor’ to amount to some acreage threshold, then that intent would be shown in the language of the statute or in the legislative record. Instead, the Commission is empowered to appropriately limit urban expansion through the Act through the substantive criteria set forth by Congress in 4(f). We support the idea of having a safe harbor – an acreage or size threshold that the Commission will always consider minor. However, an acreage threshold cannot be the only pathway for qualifying as ‘minor.’ We know the Commissioners would not intend to commodify the remarkable lands under its jurisdiction. Unfortunately, this proposed one-size-fits-all acreage threshold effectively treats every acre as the same and interchangeable, contradicting both the commissioners’ stated goals and the purposes of the Act as a whole. We maintain that the Act can be read, based on a plain language, that “minor” in (f)(1) is met if the applicant demonstrates compliance with 4(f)(2) criteria. Nevertheless, given what is an apparent, ongoing controversy over such a reading, we encourage the Commission to look to its existing guidance for providing an alternative to the safe harbor.

Please note that the below-proposed use of “shall” versus “may” is intentional, with the effect of providing two possible pathways for demonstrating “minor” – a safe-harbor pathway and a discretionary pathway.

~~8. The Gorge Commission will determine whether a proposed Urban Area boundary revision is minor pursuant to section 4(f) of the National Scenic Area Act on a case-by-case basis.~~

~~A. Generally, a~~ **A revision to an Urban Area boundary shall may be considered minor if (a) the revision involves an expansion of 20 acres or 1 percent of the total area within the Urban Area, whichever is less, (b)**

~~i. the revision involves no net change in the total area of the Urban Area, or (c), or~~

~~ii. if the revision is cumulatively 20 acres or 1% of the total area of the Urban Area, whichever is less, or~~

~~iii. if the revision involves transferring Urban Area acreage between two Urban Areas, provided that the transfer results in no net loss of the total National Scenic Area-wide acreage in the General Management Area.] THE COMMISSION DID NOT COMPLETE ITS DISCUSSION WHETHER TO INCLUDE THIS CONCEPT OF “MINOR.”~~

In addition, the Commission may consider a revision to an Urban Area boundary minor if the revision does not result in a substantial expansion of an Urban Area or have a significant effect on surrounding lands outside of the Urban Area.

~~B. The Gorge Commission will consider revisions that differ from this general guidance on a case-by-case basis.~~

Proposed Policy 9

We have no comments

Proposed Policy 10

We have serious concerns about the Commission’s ability to require one urban area to consider the buildable lands of another, particularly if the analysis requires consideration of land in a different state. This raises considerable legal questions. We encourage the Commission to take a different direction on proposed policy 10, as suggested below leaving the specifics of a “needs” determination to a later day in rulemaking.

~~10. Compliance with section 4(f)(2)(A), demonstrating need to accommodate for long-range urban population growth requirements or economic needs may be satisfied using either Oregon or Washington’s requirements for determining need for state-level applications to expand an applicant’s urban area boundary. The consistent with the management plan within an Urban Area, will be determined case-by-case.~~

~~A. Oregon’s and Washington’s processes for determining need require similar analyses of residential and economic land need based on population growth and employment forecasts, identification of development opportunities and constraints, and provisions to evaluate need for public lands to support residential and economic uses. For all Urban Areas, in both Oregon and Washington, the~~

~~Gorge Commission will generally follow the processes and ranges specified in Oregon Administrative Rule 660-038, which may be refined by rule. By rule, the Gorge Commission may revise specific Oregon factors and add specific National Scenic Area factors.~~

~~B. Urban Areas that adjoin or are near to one of the three Columbia River bridges in the National Scenic Area must, at a minimum, consider land supply and need of the other Urban Areas that adjoin or are near to that bridge and other nearby Urban Areas.~~

~~C. For all applications, the analysis used and the Commission’s review must incorporate the proposed service and labor market areas.~~

Proposed Policy 12

As drafted, proposed policy 12 simply defers policy choices to a later rulemaking or application review process. To correct this, we proposes the following revisions:

~~12. Compliance with section 4(f)(2)(B), consistency with the standards and purposes in the Act may be satisfied by direct findings demonstrating that the proposed revision~~

is consistent with the standards and purposes when considered collectively. Findings of compliance with each standard are not required to demonstrate compliance with section 4(f)(2)(B). ~~used to develop the Management Plan and the purposes of the Act, will be determined on a case-by-case basis. The Commission recognizes that the application of the standards and purposes of the Act in the Management Plan may not be appropriate for determining compliance with section 4(f)(2)(B). The Commission may use the procedures and requirements in the Management Plan for guidance but is not bound to the procedures and requirements in the Management Plan for Urban Area boundary applications. By rule, the Commission may specify requirements to comply with section 4(f)(2)(B).~~

Proposed Policy 13

Like proposed policy 12, proposed policy 13 defers policy choices that the Commission should be making now. To correct this, the language should provide specific considerations for satisfying (4)(f)(2)(C):

13. Compliance with section 4(f)(2)(C), demonstrating that the proposed revisions would result in maximum efficiency of land uses within and on the fringe of existing Urban Areas, may be satisfied by providing information on the proposed zoning requirements for the expanded area like minimum parcel size, lot coverage, minimum density, floor area ratios, and other development standards along with draft plans for transportation and public utility service to be finalized and implemented upon the Commission's approval of the urban area boundary revision. ~~will be determined on a case-by-case basis. The Gorge Commission may require a local government to adopt enforceable conditions of approval to ensure land added to an Urban Area satisfies section 4(f)(2)(C). By rule, the Commission may establish factors to evaluate whether proposed revisions to the boundary of an Urban Area result in the maximum efficiency of land uses.~~

Proposed Policy 14

Again, like proposed policy 12 and 13, proposed policy 14 defers policy choices the Commission should be making now. To correct this, the language should provide specific considerations for satisfying 4(f)(2)(D):

14. ~~To achieve e~~Compliance with section 4(f)(2)(D), demonstrating that applications to revise the revisions to boundaries of an Urban Area shall not result in the significant reduction of agricultural lands, forest lands, or open spaces may be satisfied by demonstrating that the agricultural, forest or open space removed

from the General Management Area has low resource value, is underutilized, lacks resources protected by 544a(1), or has qualities or characteristics that are better suited for urban area uses. shall prioritize revisions in areas where there would be no reduction of land used, suitable, or designated for agriculture, forest, and open space. The Commission by rule may establish a priority of lands to be considered for revising into Urban Areas.

We realize the Commission has a difficult task before it. Making policy is challenging, and completely satisfying all interested parties is never possible. However, by sharing this letter with you, we wish to express our earnest belief that with further consideration, the draft language could become more workable for many more interested constituents, stakeholders and communities at large. We maintain that the Commission can reach a balanced approach on urban area policy, protecting our region's resources and its economy, just as contemplated in Congress' adoption of the Act and our states' adoptions of the Compact.

Thank you for your consideration.

Very truly yours,

Mayor Rich Mays
City of The Dalles



Andrea Klaas
Executive Director
Port of The Dalles



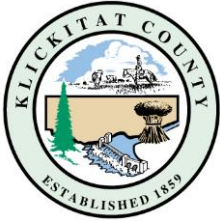
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Angie Brewer
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Wasco County



Interim Chair Jim Sizemore
Board of County Commissioners
Klickitat County



Mo-chi Lindblad
Planning Director
Klickitat County



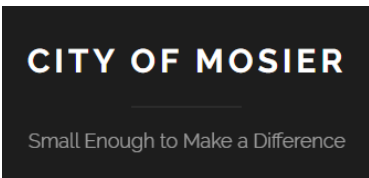
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