

Umatilla County Board of Commissioners
Joint Meeting with Hermiston City Council
1/22/18, 6:00 pm, EOTEC, Hermiston

Commissioners Present: Chair George Murdock; Vice-Chair Bill Elfering; and Commissioner Larry Givens.
County Counsel: Doug Olsen
Hermiston City Council and Staff Present: Mayor Dave Drotzmann; Councilors John Kirwan, Jackie Myers, Lori Davis, Rod Hardin, Doug Primmer, Douglas Smith and Manuel Gutierrez; City Manager Byron Smith, and City Office Assistant Lilly Alarcon-Strong.

Mayor Drotzmann called the meeting to order at 6 p.m. Chair Murdock called the Commissioners' meeting to order and declared a quorum.

Mayor Drotzmann noted an agenda change: Emergency action requested by the County; to be added after the flag salute. Chair Murdock asked to have brief moment of silence for John Brenne who died that morning. He was a 40-year Pendleton City Council member.

Emergency resolution for action by Board of Commissioners. **Motion was made by Commissioner Givens for adoption of a resolution to transfer jurisdiction from Umatilla County to the City of Umatilla, Order No. RD2018-01. Seconded by Commissioner Elfering.** Commissioner Givens noted this is in regard to economic development for Umatilla to move forward with their need for further development. **Passed unanimously.**

Chair Murdock presented to the City Council a proposal regarding EOTEC for greater control; the proposal focuses on making that happen. Copies of the proposal were distributed to the Council as well as to the public who requested it. He read the proposal in its entirety (copy attached).

Discussion: Mayor Drotzmann felt Hermiston and the County are great partners that accomplished a monumental task. It has been an historic event. The proposal is an opportunity to get budget nailed down and it appears to be a win for both parties. He appreciated the perspective of the County and asked for councilor comments.

Mr. Kirwan: noted similar discussion about 9 months ago. First, he thanked the boards of EOTEC, Fair and the Farm City Pro Rodeo. Whatever the decision, that commitment was great and in the best interest of all for it to be successful. Over last 6 months has been a more realistic idea of operations, costs and needs for three years ahead to be profitable or to break-even. The County's proposed agreement to match funding is good; there will still be collaboration between the County and the City. The harsh reality is the event center must work 52 weeks/year unlike the fair and rodeo. It takes an estimated \$1,000/day just to open EOTEC's doors. We have to change what we've been doing.

Jackie Myers: Now all must turn the attention to the facility – all want it to thrive.

Mayor Drotzmann didn't feel the County has stepped away – they understand needs moving forward with a new facility. The County acknowledged this and realized the need to help Hermiston for EOTEC to have the best chance for success. He appreciated that recognition by the County. All want success to happen over the next five years.

Regarding transfer (of ownership), if it is 30 days, that would be 3/1/18. Byron Smith suggested the County would designate some people to work out final details of the agreement and the City would do the same to come up with a joint agreement over the next 5-6 weeks. He suggested going over terms laid out in the

County proposal. He agreed with the County's suggested proposal. Over five years with annual payments of \$75,000 as previously agreed. Fair lease payments would be \$100,000 vs. \$10,000 (previously) to address the fact the County is not a co-owner. At the end of five years, the amount of rent will be renegotiated.

Other terms: full ownership in the spring. County Fair storage and office space needs to be addressed; looking to update that in the lease. In addition, the County would transfer ownership and maintenance of Ott Road and East Airport Road to Hermiston. Mayor Drotzmann asked if they would vote to dissolve tonight or for what authority? Mr. Smith advised oversight (by the EOTEC Board) would continue for six weeks. There was a question as to the EOTEC Board – would it still be in place? Mr. Smith advised technically, yes.

Lori Davis asked what is VenuWorks' part in this? Mr. Smith advised the agreement would be with the successor, City of Hermiston. He also noted VenuWorks would play a part.

Mr. Hardin asked if 3/1/18 take-over is too soon – will it work? Mr. Smith responded that was a question at the last City Council meeting – what is EOTEC's long range plan? He wants to use VenuWorks for the strategic planning process involving stakeholders to put a plan in place for authority in seeking funds and making decisions. Mr. Hardin asked what about the EOTEC Board? Mr. Smith proposes if the City takes over, EOTEC would be an advisory board with similar make up like other city committees.

Mayor Drotzmann added the oversight authority would be the City Council with recommendations by an advisory committee (EOTEC). Mr. Smith would be staff support, but not acting as a board member.

Commissioner Givens spoke about layers of governance -- getting rid of four layers is a good thing. Roads need to be in the jurisdiction of whoever operates the EOTEC facility. Going forward, this plan would give Hermiston the governing authority of EOTEC. VenuWorks is a professional management company nationwide and would provide great opportunities for successful operation.

Chair Murdock talked about road money. \$1 million is earmarked in the State Transportation Package for improvements to Ott and East Airport Roads. Mr. Smith added that is committed, but there would be more needed more conversations about that are needed.

Ms. Myers: back to the 3/1 deadline, is that doable? Mr. Smith felt it is possible in working together with the County. Chair Murdock agreed that 30 days is doable; many terms are already vetted in the County proposal. A timeline is in place and things to get on the fast track. Mayor Drotzmann agreed it is a must to move quickly. With EOTEC costing \$1,000 per day to be open, things need to be handled strategically and the process needs to get started sooner than later. One hang-up he sees at this time is the EOTEC Board. He asked Mr. Smith: if the vote is to dissolve, is their (EOTEC Board) purpose done? Is that the direction? Commissioner Elfering asked if the IGA created the EOTEC Board and if it is dissolved, wouldn't the EOTEC Board be dissolved? EOTEC would be the authority. Mr. Smith responded, for tonight, he felt the IGA needs to be reviewed and perhaps maybe direct the EOTEC Board would have limited scope.

Rod Hardin asked if the Rodeo is included with the Fair. Commissioner Givens noted the Rodeo has its own separate agreement with EOTEC.

Mayor Drotzmann asked Nate Rivera, prior Interim EOTEC Director, to give perspective on ownership. What should be looked for? Mr. Rivera advised since being at EOTEC for six months, he wanted the City to consider what is the vision for success? Strategic planning and vision is a necessity -- how do you define success? There are different priorities and different needs. The 3-year window is to determine if VenuWorks works and there is a 5-year commitment by the County. The timeline he feels can work. Second, regarding the definition of success, do you continue with the EOTEC Board authority? Do you refine that vision?

There can be exposure of going against those who put in time to get it off the ground. Thirdly, at five years, EOTEC is owned. The priority is to work efficiently and effectively.

Doug Primmer regarding transfer of roads, how much of Ott Road -- all of it? The section that is used? Commissioner Givens responded it would be that portion to Hwy 395. However, the road piece still needs to be discussed. And, it also may involve the City expanding the airport. Mayor Drotzmann reminded all the proposal is the County's.

Mayor Drotzmann then asked public for comments and noted a light timer will be set for five minutes.

Chris Wayne, Hermiston Airport Road, as a representative of those neighbors and on behalf of taxpayers in the County. Expressed concerns about return on investment. Is the County bowing out too soon? Also what is the math on total loss to county taxpayers. He feels 3/1/18 is too soon and also there is more road discussion to be had. There as a lot of complicated things to discuss and weigh in on. Regarding agreement, Ott Road still appears to have traffic issues and dust abatement over the last year was not addressed very well. He also noted the importance of culture, way of life, small town and wants things to slow down.

Dan Dorran, Hermiston, expressed concerns with talk about failure. That is not the only option out there regarding ownership. What about private ownership? Could EOTEC be sold? Is it a savings? He wants a facility to be proud of. He noted contracts were put in place at the beginning of the process.

Kim Puzey, Hermiston, and he is also on the EOTEC Board. He agreed with the move of the Fair out of downtown to save Hermiston money to not have to build a second high school. He hopes the City can grasp the County's opportunity with commitment in the proposal.

Mike Kay, Hermiston. He thanked the County and City for all the hard work for this huge project. He also serves on the Rodeo Board, but was speaking as a community member. He is very proud to partner with all involved -- great people and great vision. He feels one government entity to have authority is a good move for the future. He advised the Rodeo is committed and encourages the proposal regarding EOTEC.

Bob Barton, Gillespie Lane, Hermiston. He was served on the Facilities Site Committee for the EOTEC Board. There was a lot of time and effort to get the facility where it is now -- quite an accomplishment. Hats off to the EOTEC Board as well as contractors, volunteer boards and individuals. He is a lifelong resident of Hermiston and grew up with the Fair; it was outstanding last year at the new place. He wants EOTEC to move forward with vision. He feels the EOTEC Board should be left in place as interim committee until 3/1. Again, he thanked the County. Also, he felt it was well said by Nate Rivera to take advantage of the opportunity. In addition, he wants the bricks of recognition to be put in place out front as soon as possible.

George Anderson, Hermiston. He is proud of all in the room; it took 35 years to come to this place. A \$17 million facility has been built without bonded debt. State money contributions, hoteliers with room tax, and the County took money from the dilapidated old location. He is proud of what is going forward and things do have to change -- it may not be what was expected. And, that is what the County is proposing and offering. There is uncertainty, but this facility is awesome although there are more costs involved. He is so proud of all who had a vision and want to make it happen.

Gay Newman, Hermiston. He is a member of the Fair Board, but he is speaking individually. He feels waters would be unclouded if the proposal is agreed upon. He feels it will be a success; this facility is premiere in Oregon and Washington. There is a chance to make this area a huge boost to the Fair. He also agreed with and supports one governing body of EOTEC.

Mayor Drotzmann thanked the community and those who spoke tonight. Public process is important to all. He felt six weeks is good amount of time to consider the different perspectives. He agrees this community has a “can do” attitude. This is major accomplishment and very proud for all involved. He also talked about the Fair move allowing the high school to expand mainly, and also to have the new fantastic facility with parking on site vs. the prior downtown location. This is an opportunity for Hermiston who has the greatest benefit and the west end will receive most of the revenue. He agrees Hermiston should have control of the facility’s destiny; he encouraged a yes vote. **John Kirwan moved to negotiate the terms of the proposal and dissolve the IGA. Seconded by Jackie Myers.** Mr. Gutierrez asked to speak (although he missed some earlier discussion). He wants to work together for success – there were too many hours put in to not carefully consider next steps. Volunteers are so important and he also didn’t want action to eliminate the EOTEC Board involvement. Mayor Drotzmann noted there will be an oversight committee serving to the City in an advisory capacity; he anticipates stakeholders will be involved in the process with a voice. Roll was called. **The motion passed unanimously.**

Mayor Drotzmann then turned over the meeting to the County for action. Chair Murdock read Order No. BCC2018-006, a resolution regarding the EOTEC IGA to be terminated and the City and County to draft required documents within the next 30 days. **Commissioner Elfering moved to approve Order No. BCC2018-006. Seconded by Commissioner Givens. Unanimously carried, 3-0.** Commissioner Givens commented this action was difficult tonight; he has been involved for many years in the Fair and then with EOTEC and being a Commissioner for over 10 years. Commissioner Elfering commented the idea was to have a new, better fairgrounds. It is here. And, the lease is here and successful.

Mayor Drotzmann added both parties have agreed and all will work hard over the next 4-6 weeks to come to agreement by 3/1. He thanked the Commissioners and Councilors during the challenging process. He feels partnership has worked well.

As a matter of process, Mayor Drotzmann adjourned the Council meeting for the County to leave and then he would reconvene the Council meeting

Commissioners’ meeting adjourned at 7:18 p.m.

Notes by Melinda Slatt, Executive Secretary to the Board of Commissioners

(recorded in folder C, #802 0241)