

SORED I BOARD OF DIRECTORS MEETING MINUTES

Tuesday, October 8, 2024, 3 - 5:00 pm

Lithia Motors – Medford, OR

	Director	Entity		Director	Entity
X	Anderson, Paul	Rogue Truck Body	X	Fischer, Tom	ReMax Platinum Commercial
X	Ayres, Jessica	City of Medford	X	Holmes, TJ	Travel Medford
	Bailey, Dr. Rick	Southern Oregon University		Johnson, Kelley	City of Central Point
X	Bautista, Victor	Avista Utilities	X	LeMay, Jessica	Hunter Communications
X	Bristol, Sara	City of Grants Pass		Long, Juliet	Rogue Community College (ALT)
X	Browning, Taneea	City of Central Point (ALT)	X	Marple, Daniel	Herb Pharm
X	Cubic, Aaron	City of Grants Pass	X	Mayers, Robb	Outlier Construction
	Doan, Ron	Cow Creek Tribe		Meyer, Alan	Pacific Power
X	Dotterrer, David	Jackson County		Miller, Kaycee	Rentec Direct
X	DuBose, Chris	First Interstate Bank		Newell, Matt	Providence Health & Services
X	Eagles, Breanne	Moss Adams		Sell, Kathy	City of Eagle Point
X	Elliott, David	Boise Cascade	X	Shillam, Dr. Casey	Southern Oregon University
X	Fahey, Nick	Southern Oregon Sanitation		Spansail, Sarah	City of Medford (ALT)
	Farm, Judy	Tribal One	X	Weber, Dr. Randy	Rogue Community College
X	Field, Rob	City of Medford		Williams, Claudia	Rogue Credit Union
Directors Present: 19			Directors Absent: 8		Director Vacancies: 1
	SORED I Staff			Guests	Entity
X	Padilla, Colleen - Executive Director		X	Monroe, Eric	Lithia/Driveway
X	Browne, Amy – Operations Manager		X	Tarantsey, Marta	Business Oregon
X	Roper, Terrill – Business Development Manager		X	Freeze, Kim	So. Or. Innovation Hub
X	Bohl, Carrie – Communications & Business Support Manager				

Call to Order, President's Remarks – Tom Fischer, President

President Fischer opened the meeting at 3:06pm with several items of note:

1. A reminder to use the clipboard to sign up for floor time at roundtable; Clipboard was not available at this meeting, Tom asked for raised hands or callouts at Roundtable time.
2. The Bowl-A-Rama promo video newly created by Nick Alexander Films was presented
3. Introduction of Rob Field, new City Manager for the City of Medford
4. Introduction of Eric Monroe, Senior Manager Real Estate, Lithia Motors Inc.

Lithia Motors Inc Presentation – Eric Monroe, Senior Manager Real Estate

The past couple of years Lithia has been building into this community. He has found that when the community is asked what Lithia Motors is, the perception is that there are a few dealerships here in Medford, some in Roseburg and a local body shop, but our impact on this region includes 466 locations in 3 countries. These dealerships are mostly in the USA and Canada with around 350 stores, the remaining are in the United Kingdom. That makes quite a footprint here regionally.

Lithia is regularly bringing in executives from the U.S. and the UK into this community which makes them excited about the new hotel coming in across the street.

Lithia also connects locally through the Southern Golf Tournament each year. This year there were over 200 individual vendors represented including executives from Toyota, banks, and the UK. \$670,000 was raised for SOU.

Thinking about how our communities work and play together, he is proud of Lithia's culture to contribute to the community. They will be bringing more and more executives to the corporate headquarters to have major meetings, utilizing local venues and accommodations.

Fischer asked if Lithia is the #1 dealer in the U.S. Monroe responded yes and that there are several factors considered in that ranking.

Daniel Marple asked when Lithia expanded to the UK. Monroe responded that it started about two years ago when they purchased the Jardin Group. Then again in February 2024 when they purchased the Pendragon group. Expanding like this branched us out to be more of a dealer management service, also buying stock in one of these kinds of software companies in the UK and looking at how to bring it back to the U.S.

Colleen Padilla asked Monroe to talk about the workplace and share with the directors what they talked about at their previous meeting. Monroe responded that Lithia is trying to bring back more executives to the headquarters. Their Portland office is indicative of the typical corporate office space. Up until a few months ago, they operated out of six different buildings around town in Medford and they were only at 25% occupancy because of many working remote. As a result, they looked at all the current lease terms as well as how to boost numbers back up at the main building. They found that employees who were used to working remotely adjusted to the noise of being back in the office. If employees don't need to physically be there, they give them the option of remote. If employees are there three days a week or more, they will receive a dedicated desk.

Dr. Randy Weber asked how the filling of Lithia jobs in Southern Oregon is influenced by the availability of housing. Monroe admitted that it's a struggle here regionally. For Lithia, there's a certain sector of the employee population for which it is a factor; sustainable, affordable housing to raise families in.

Aaron Cubic asked how Oregon compares to other states for a business climate and return on investment, and are they committed to staying here. Monroe suggested he is not the person to provide that answer, but it is Lithia's home, the family's home. Though Oregon typically is not considered business friendly, it's still Lithia's home.

Executive Committee Report – Breanne Eagles, Board Secretary/Treasurer in Kaycee Miller's Stead

1. Agency Updates

- a. Colleen shared with the EC key connections she is making while attending state-wide economic development events, like the SEDCOR Annual Meeting and The Greater Portland, Inc. meeting. Key connections included people from: Oregon Economic Network, Missing Middle Housing Fund, SEDCOR, and Energy Trust.
 - i. Greater Portland, Inc requested that all of the Oregon districts support their lobbying efforts. Colleen decided that SOREDI would not join this effort, which would require additional commitment on her part.
- b. SOREDI has been officially invited to be part of the "new" and reorganized PIER Advisory Committee. This advisory group will be led by OHCS.

2. Long-Term Growth and Strategies Committee (LTGS) &

- a. LTGS Committee has been filled with 12 members and 2 SOREDI staff. The first meeting is scheduled for Oct. 11th
- b. **EC recommendation to SOREDI staff:**
 - i. Prepare some goals as a directive to guide the LTGS discussion for the first meeting. These goals could include Communication strategy, Membership goals, financial stability, Mission/Vision, Community & Business Partners. These goals will also include consideration of membership structure, specifically for jurisdictions as prompted by the City of Medford contract.

3. Facilities Committee Progress

- a. The Facilities committee has been filled with 8 members and 2 SOREDI staff.
- b. The committee's first meeting will be planned for closer to November.

4. CEDS Committee - Purpose, Review, Planning

- a. This is the Comprehensive Economic Development Strategy committee, which will review and update the current CEDS, if needed, as a requirement by the EDA. The CEDS will be presented to the EDA for approval in May 2025.
- b. Colleen recommended that the committee be formed by January or February and is working on suggestions for committee members to present to the board.
- c. Colleen will be going through the CEDS with other districts and the EDA, learning what needs to be done now to complete it by May.

5. New Business

- a. One Rogue Valley Breakfast is scheduled for February 2025
 - i. NIC Industries will be the keynote with the theme of Innovate. SOREDI staff will present a simpler report and will be reintroducing the Prosper Awards for members. More information will be shared as planning continues.

Consent Agenda – ACTION – Breanne Eagles, Secretary/Treasurer

Eagles asked the Board if they would prefer paper copies to review draft minutes and the response was collectively no. **Weber** made a motion to approve the draft September 10, 2024, minutes. **Daniel Marple** seconded. All approved. Motion carried.

Loan Applicant Disclosure – ACTION – Robb Mayers, Board Director

Disclosure and written determination of no conflict of interest for a SOREDI business loan application. Action: Move loan application forward to the SOREDI Loan Committee for normal review and approval process.

Mayers – Outlier Construction started 9 years ago. Today they have 109 employees and \$70M in revenues per year. Being entrepreneurial, Mayers has several small businesses and looks for opportunities related to their core business, Outlier. In Southern Oregon, they empower good contractors and have found several structural steel businesses go out of business, and one is failing, so they saw an opportunity for a structural steel business. It's important to them to keep all the businesses separate. They have found that a structural steel business would be a help to Outlier costs and projects. There are several jobs already in place, so he went to **DuBose** to talk about a loan. He was referred to SOREDI and was glad to provide the loan interest as a benefit to SOREDI. However, if it makes the best sense, he is willing to go a different route for the loan and has multiple options.

DuBose noted that what's under discussion today is paragraph 5, section B in the provided Conflict of Interest Statement for the Loan Committee 2023-2024.

Jessica Ayres asked how many Board directors do we currently have with outstanding loans? None

Weber noted that he doesn't have a concern about lending the funds, but he does have a concern about the optics it would have. If we look for additional financial resources in the future, will this be a problem and lower standards in the eyes of funders?

Tanea Browning expressed concerns of conflict and suggested sending the document to legal counsel for review.

Dotterrer expressed concern that it may impact the integrity of SOREDI to lend to a board director.

Fischer – We need to look at the conflict-of-interest policy to make sure it's complete and serving the right purpose.

DuBose emphasized that the policy needs to contain the right verbiage and focus.

Weber noted that the language of the section in question are boiler plate language.

Dotterrer – Do we know that the benefit is not so substantial as to affect the decision process? Will this affect the decision process of the loan committee?

Marple – Optics is the main concern. What if a grant is denied because of this loan being approved?

Browning recommends that the Long-Term Growth & Strategy Committee review this form and then seek legal guidance to review. The results will be brought back to the Board for a vote. We don't want optics to affect future findings.

Amy Browne – This is a form that reflects the same language as the Board of Directors conflict of interest policy, which dates to 2014, and does not know if legal counsel was involved in the creation of it.

David Elliott asked if there are other board directors who have a service with Outlier, and should they be recused from voting? Boise Cascade would fall into that category and other directors acknowledged their connection to Outlier. SOREDI's integrity is largely validated from the outside and should be protected.

Weber agrees with Elliott and doesn't want to open a can of worms, especially if another option is available. We don't want to give any ammo for the future.

TJ Holmes agrees with optics being a priority for a board. If it is a close situation, it's most important to protect the Board from any bad optics and favor the better option. Though there aren't any current board directors with a SOREDI loan, have there ever been any? **Padilla** responded that there have not been any at the time of loan application. The only one she is aware of is Rogue Truck Body, which had been a long-standing client prior to Paul Anderson's appointment.

Fischer – summarized that it is apparent that a number of directors are conflicted with the policy and feel we should not move forward with this loan request by Outlier and not recommend it to the SOREDI Loan Committee.

Holmes noted that if there's a sliver of doubt, we need to protect ourselves and the organization from a negative perception.

Dotterrer summarized that the words are provided in the document to guide us, but we're concerned about the optics for the organization if we go forward. It's two sides of the same coin and with a different rationale. We don't know down the road if decisions for funding are affected.

Fischer concluded that looking forward to what needs to happen, we need to evaluate the policy and state that Board directors can or cannot receive a loan.

Sara Bristol noted that it does state in a) and d) that board directors are not eligible to receive a loan. We are a small community and that could be a problem. It's unfortunate.

Padilla noted for her that the word "unless" in (c) is confusing. Today, Mayers is offering public record as is noted in the policy. It was SOREDI's oversight and misstep that will be cleared up moving forward. She asked

Field if he has had experience with a situation like this having time with economic development. **Field** responded that it has been a while since operating an RLF (revolving loan fund) but it does cause concern because the City of Medford just awarded a contract to Outlier.

Fischer thanked the Board for the good conversation and asked each director to vote according to their conscience. It's a challenge to balance optics with one of our own board directors requesting assistance.

Dotterrer responded that it's difficult, yes, but since it's a gray area it's best to not move forward.

Mayers noted that the loan is queued up for Business Oregon so there is no need for a vote.

DuBose suggested an annual review by the Board of the policy at the beginning of each fiscal year.

Browning made a motion to have an annual review of the policy and acquire legal guidance to make sure we're operating within the intent of the charter and policy. **Marple** seconded.

Browning requested that the legal counsel also review documents already signed.

Dotterrer suggested that the LTGS Committee first review and then include legal counsel to minimize legal fees.

Browning voiced additional concerns of real estate conflicts pertinent to the Committee.

Fischer Real estate would also be a consideration for the Facilities Committee. Direction regarding identifying conflicts of interest should be given to all SOREDI committees, including the Board.

DuBose and Weber both noted that the process should include each committee member noting any possible conflicts, and then stating the risks.

Browning noted that there is still a motion on the floor.

DuBose asked if we still needed to do the motion and **Weber** responded yes, for down the road.

Dotterrer reiterated to give the COI form to the LTGS committee first before giving to legal counsel to minimize legal fees.

Browning rescinded her motion. Lack of motion, motion failed.

Padilla stated that DeRoo, as the new loan manager, has been doing a great job and is learning. He did ask her if a loan committee member could receive a SOREDI loan, and the answer she gave was “no”. She apologized to **Mayers** for the misstep.

Aaron Cubic acknowledged the thorough and healthy discussion. He recommended we know what we need to get legal guidance on before involving legal counsel. We need to get a shared vision on this topic and then get counsel.

Action Item - The LTGS committee will review the COI policy at the October 11 meeting, and then identify areas for legal counsel.

Committee Liaison Report – Tom Fischer

Business Recruitment & Retention Committee - Since the last Board meeting there have been two meetings. The committee is actively reaching out to companies and following up. There are new companies they are going out to see and members of the committee love telling the businesses about Southern Oregon’s offerings and how partners can help.

Innovation Hub – **Padilla** noted that Alan Meyer is not present today so we will hear the following presentation in relation to the Innovation Hub, from **Dr. Kim Freeze**.

Southern Oregon Innovation Hub – Dr. Kim Freeze, Innovation Ecosystem Steward

Introducing herself, **Freeze** has been an entrepreneur for 35 years. It is her heart and soul. She highly values education and learning, including being a professor of Psychology at RCC. She loves seeing ecosystems build and thrive, support systems grow providing collaboration and encouraging connection.

The Innovation Hub concept was created by Business Oregon and there are nine Hubs throughout Oregon who are each building this own ecosystem in their regions.

It’s not as easy of a task as she originally thought to bring this entrepreneurial ecosystem together. There are colleges, chambers, cities, partners and other ESOs to bring together to create a system that is navigable to entrepreneurs. The Hub is a facilitator and connector to resources. Freeze started her first company at 19 and had mentors and relationships with the city and SBDCs that helped her.

Dotterer asked what the difference is between an entrepreneur and an established business? The word “entrepreneur” is a French/Latin word representing mindset/resilience/confidence/persistence/critical thinking and can be applied in both places. In the innovation space, we are looking for those who are new. In the innovation business setting the things that are important are business succession planning, inspiring new businesses to Oregon, the new entrepreneurship movement.

Freeze thanked SOREDI for getting things up and running, handling HR, tech setup and initial supplies for startup.

Recent SOIH highlights include:

- Launched 1MC in Grants Pass September 11 with hopes to expand to Medford and then Ashland. 1MC is a national effort started by Ewing Marion Kauffman who came up with the idea while meeting with entrepreneurs over coffee (1 million cups of coffee) thinking that there are millions of people across the U.S. doing the same thing. 1MC creates a platform for entrepreneurs to gather in various cities every Wednesday morning to network and hear from mentors and other business owners. At The Hive every Wednesday 9:30-10:30am. Open to all and free.
- Business Oregon has launched the first ecosystem map and Freeze is currently working with them to get an overview of the ecosystem in Oregon for Jackson and Josephine Counties. It should be completed by June 30.
- There has been lots of outreach within our community and organizations to identify and locate entrepreneurs
- There is a mentorship program in the works.

- The Governance Committee hired the Ecosystem Steward (Freeze), Freeze then filled out the rest of the team with the Ecosystem Program Coordinator (Annie Jenkins), and Administrative Support (Abigail Skelton).

Many events have already been queued up for entrepreneurs and for ESO/Entrepreneur connections. **Freeze** encourages involvement in the Design & Build events when possible. The purpose is to create programming to foster innovation and support and local growth of entrepreneurs and businesses.

Next steps focus is to be strategic and quick so that there are places for entrepreneurs to go to if this program sunsets after June 30th. There is a timeline that pushes this program to get going quickly.

Fischer asked where to send someone to right now. Is there a website?

[Southern Oregon Innovation Hub](#)

Meaningful Business Connections – Colleen Padilla, Executive Director

Colleen Padilla noted that SOREDI has sent out 10 letters of support in the last few months, five of which have received funding. Support letters from ED districts are important because they leverage the local [CEDS](#) and result in new investments in the community. The total represented by the five awarded projects was over \$7.6 million.

Amy Browne – Circle of Influence

Browne noted that her topic is usually numbers and budgets, but today it's about meaningful connections. SOREDI is about building relationships, rapport, and connecting people. Recently **Browne** reached out to a friend and asked how business was going. That question spurred a thought by her friend about a new \$2,500 grant that had just come across on her desk that would be perfect for SOREDI. Of course, she applied and needed a letter from a bank as part of the application process. She connected with another banker friend to ask for the letter. That resulted in another grant application for a new grant they were offering - \$2,500. Relationships, connections, results. Are applications easy? No, but so worth it to receive an additional \$5,000 for SOREDI's efforts.

In that same conversation she was asked about someone who could make top quality cookies. **Browne** was able to refer this banker to a business that was put out of their brick and mortar during the pandemic and now strictly does out of their home. Any that attended our open house received one of Katie's Cupcake Creations cookies.

It's important to remember who's in our circle of influence and ask ourselves what relationships do I have? Who do I know? Every connection is the wonderful work we all do.

Carrie Bohl – Membership Stats June 30, 2024

- ✓ Total Active – 144 (14 jurisdictions, 57 traded-sector, 73 private, education, health & partnerships)
- ✓ Receivables to Goal – 87% @ \$323,634 (55% jurisdictions, 45% non-jurisdictions)
- ✓ Renewed (gone 1+ Years) (3 @ Champion)
- ✓ New (9 - 5@Underwriter & 4@Champion)
- ✓ Change of Membership Level – (3 to Underwriter from Champion, 1 to Champion from Underwriter)
- ✓ Did Not Renew – 17 (2 closed, 9 financial reasons, 1 change of guard, 4 reprioritizing funds)

Membership Highlights So Far This Year

- ✓ Renewed To Date– 66%
- ✓ Receivables to Goal – 61% of \$363,644.36
- ✓ New – 1 Champion
- ✓ Renewed (gone 1+ Years) – 1 Executive Underwriter

Terrill Roper

There is an increased interest from companies for rail connection when considering business expansion. There is a local business owner who has an existing rail spur right into his property and is currently in conversation with Genesee Wyoming Rail Company. They are looking at ways to best utilize the spur for ways to market it so other local businesses can explore the options for rail transportation and distribution.

Business expansion: Pacific Fiber, a former recruitment from 2016, is based in Washington. They have a facility in White City and found property they're looking to purchase that has rail access and has more acres than originally planned. They currently truck their products North and South into California and Washington. This property would give them the ability to utilize rail on site and cut out trucking expenses. The other properties they own in Oregon and Washington all have rail on site. They themselves currently own 60 rail cars.

Recently Roper met Brad Capener with SOESD, who has been tasked with developing a healthcare educational facility. Brad asked for connections within healthcare, commercial real estate, and city officials. Roper hosted a meeting at SOREDI with Mayor Sparacino and Councilor Ayres on October 8. Two other meetings were arranged with Brent Kell from Rouge Valey Immediate care and Chris Chamberlin from Merritt Commercial Real Estate. This facility would give high school students, primarily juniors and seniors, a high-level introduction to the many career opportunities that are in the healthcare industry. They have an investor who is willing to purchase a building for their operations.

An example of a Recruitment requests that SOREDI can't fulfill is Project ORIBI. They are looking for a 500,000 s/f building with the ability to grow to 1M+ s/f. There is no such facility here locally that could accommodate this project. There is not adequate power to support the massive load requested, Major infrastructure upgrades would be needed. They would consider properties that are under construction, but construction would need to be complete within 6 months and we do not have construction projects like this underway. There is no option here in Southern Oregon to fulfill that request.

In another project, A local developer approached Roper about building another large aircraft hangar to fulfill demand for aircraft storage space. A meeting was set up with Million Air to discuss the possibilities of a partnership to construct such a facility. Million Air has property in mind that currently has taxi way access and would be a great location. Million Air is very interested in having further conversations. Another meeting is being arranged with Million Air Corporate here in Medford to explore this possibility.

Final Committee Formation & Launch

- 1) *Long Term Growth & Strategy Committee – inaugural meeting October 11, 10:30-Noon at SOREDI*
- 2) *Facilities Committee – inaugural meeting November 6, 1-2:30pm at SOREDI*
- 3) *One Rogue Valley Strategy (CEDS) Committee – In formation stage*

Colleen encouraged directors to contact any of the Board leadership with questions.

Economic Development Updates/Needs

Marta Tarantsey just returned from the OEDA (Oregon Economic Development Association) conference in Klamath Falls. Tarantsey gave kudos to Jaymes and Ryan for representing SOREDI. Jaymes did a fantastic job presenting and answering questions at a primary session with over 100 attendees from communities both large and small, including Canby and Tigard. Communities represented had a variety of needs including those who had port needs, agriculture needs, and fire disaster needs. Tarantsey encouraged the Board to consider attending next year. Kudos to Grants Pass for having their economic development people there and would like to see increased participation moving forward. International economic development was also an interesting topic.

The Workforce conference is in Bend this year October 22-23 and will be working together with economic development efforts.

Fischer requested next year's date of the conference and wondered if it was open to the public. Tarantsey will send that date out and yes, anyone can go. Members get a reduced rate. Padilla noted that the conference has historically landed on a SOREDI Board meeting date. Hopefully it will go back to Medford again with the new conference areas being developed.

Dr. Randy Weber – RCC has a new bond on the ballot. Not promoting but informing the board of the bond's focus on workforce training. They have outgrown facilities and need to add space and capacity for existing programs such as science labs at White City. They would also like to modernize equipment.

Fischer adjourned the meeting at 4:51.

Upcoming SOREDI Board Meetings & Events

November 12 – RVCOG, Central Point

December – No meeting

January 14 – Ausland Group, Grants Pass

Our Vision: *To be the most business-friendly region on the west coast.*

Our Mission: *Advance business in Southern Oregon to foster economic vitality by helping companies and entrepreneurs launch, relocate, and prosper.*

(A new landing page has been created on soredi.org to house documents from this meeting, including presentations. Please click here to access [SOREDI Board of Directors Meetings - Follow-Up Documents - SOREDI](#))