

Malheur County Development Corporation Board Meeting Minutes

Tuesday, December 8, 2020

10:00 am (Mountain Time)

Conference Call Number: 541-896-1824

Meeting held via telephone

Members Present:

- Grant Kitamura, Board President
- Kay Riley
- Greg Smith
- Corey Maag

Guests:

- Brad Baird, Anderson Perry
- Larry Meyer, Argus Observer
- Bruce Cruickshank
- Mike Walker

Staff

- Ryan Bailey
- Julee Hicks

Regular Board Meeting Call to Order and Approval of Minutes:

Board President Grant Kitamura called the meeting to order at 10:03 am. Kitamura referenced minutes of the November 17th board meeting. Kay Riley moved to accept the board meeting minutes as presented. Corey Maag offered a second. Minutes for the board meeting held November 17th were accepted unanimously.

Kitamura asked Greg Smith, MCDC Officer to the Board, to present an update on the Treasure Valley Reload Center.

Smith said the Industrial Track Agreement has been completed and will be submitted for Union Pacific's signature shortly. He noted reviews by Brian DiFonzo and Stephanie Williams, which resulted in small modifications, including the note to change a confidentiality clause to account for the Malheur County Development Corporation being a public entity. Also, the property and rail spur at some point in the future may handle hazardous substances, ie, fertilizer and like materials. Once a clean copy of the agreement is received back, an immediate board meeting will be arranged to review, vote and have Board Chair Grant Kitamaru sign the document.

Smith continued, saying one area of the agreement will not be complete, where language indicates a rail switch be fully funded. The issue addresses funds from the grant will not yet be released. Union Pacific has agreed to write a letter saying they are prepared to finalize and sign upon receipt of funds to construct the switch. Essentially, ODOT will not realize the track agreement until signed, and Union Pacific will not sign until funding is received.

The agreement between Nutrien and MCDC has been negotiated and agreed upon. Presently, the issue is with Union Pacific to offer final authorization. Once received, the buildings will be dozed.

Smith noted the shippers have been meeting with the potential operator to determine the appropriate pricing and service arrangements. Both sides are working to reach a common understanding. Smith added that per the grant language, the relationship is a 20-year commitment for the TVRC to be operated as a reload center.

Kay Riley added that the shippers are refining their points regarding the operating agreement and the group is making good progress.

Smith said the Malheur County Development Corporation is reaching out to three area business individuals to join the negotiation conversations. Additionally, an experienced port manager will be part of the discussions along with Brian DiFonzo, Stephanie Williams, a representative from MCDC, and a representative from the shippers group to review the long term operating understanding.

Lastly, Smith noted:

- A \$5 million insurance policy for the facility is nearing finalization
- The Argus Observer will include a news insert in their December 20th issue, covering the TVRC

Brad Baird, civil engineer and president of Anderson Perry said design information is currently being submitted to ODOT.

He also noted a meeting on the Tuesday, December 15th to meet with Froerers and discuss the Gem Avenue rail crossing closure.

It was determined an executive session was not needed. Kitamura asked for public comment. Mike Walker asked if the project would be completed for accommodating the 2022 harvest season. Baird said a cushion had been included in scheduling, but additional delays will not be welcome.

With no further discussion, Grant Kitamura adjourned the meeting at 10:33 am.

Respectfully Submitted,
Greg Smith, Officer to the Board