

Malheur County Development Corporation Board Meeting Minutes

Tuesday, April 26, 2022
10:00 am (Mountain Time)
Conference Call Number: 541-896-1824
Meeting held via telephone

Members Present:

- Grant Kitamura, Board President
- Greg Smith
- Jason Pearson
- Corey Maag

Guests:

- Brad Baird, Anderson Perry
- Pat Caldwell, Malheur Enterprise
- Les Zaitz, Malheur Enterprise
- Taylor Rembowski
- ***-***-2425 joined at 10:12

Staff:

- Ryan Bailey

Regular Board Meeting Call to Order and Acceptance of Minutes:

Board President Grant Kitamura called the meeting to order at 10:02am. Kitamura referenced minutes of the April 12th board meeting. Jason Pearson moved to accept the meeting minutes as presented and Corey Maag offered a second. Minutes for the board meeting held April 12th were accepted unanimously.

Kitamura asked Greg Smith for an update. Items discussed were:

- Bills continued to be paid as agreed.
- In May, Wheatland Insurance will be coming out to view the project.
- Continuing conversations on the cost of the building, Mr. Baird will go into detail.

Kitamura then asked Brad Baird, President of Anderson Perry, for an update. Items discussed were:

- Earthwork contractor is working on finalizing work to allow for rail contractor to get on the site.
- Track A is pretty much wrapped up on the North and South ends of the site.
- Track B is getting close to crossing the slough and will be completed soon.
- Building site has compacted well and is ready for construction.
- The road is ready for subgrade materials.
- Doing several things to save money-

- Track C has still not been awarded for either contract 1 or 2. Smith added that we are exploring delaying this item for 36 months.
- Geogrid being used on sections of the rail, which significantly cuts costs.
- Considering not paving the roads. The price of asphalt has risen significantly, so this could cut costs more.
- With these changes, estimated around \$4-5 million savings.
- Additional resources are being sought at the state level.
- Americold has been made aware of the budget challenges, and further discussions will be held to discuss potential assistance.
- Conditions continue to improve on the site.
- Clarification regarding the previously discussed “buried onions”. Nearby property owner confirmed that it was “buried organics” that have decayed over time.

Kitamura asked the board for any questions regarding Baird’s report.

Kitamura asked where the geogrid material was being sourced from. Baird responded that he does not have it on hand but will track it down. Later in the meeting it was noted that the source is Hilltop Rock.

Corey Maag asked about the status of the building contract. Baird responded that the contractor is meeting with Anderson Perry this week to get into the details of the bid. Maag suggested that we go back out to bid if significant reductions are not found.

Kitamura commented that this project has undoubtedly been victimized by increased prices and inflation. Kitamura added that he does not believe this is a result of planning or management. He also added that the funds are not taxpayer dollars, rather lottery dollars. Lastly, we have been working on this facility for so long, the purpose has been lost with some. This facility will not eliminate each individual shipper’s terminal market shipments, rather substitute truck traffic coming out of Malheur County. This facility is more needed than ever with the currently situation with trucking availability, as well as fuel prices.

Grant Kitamura asks for questions from the public.

- Les Zaitz asked Brad when the building bid needs to be decided.
 - Baird responds that the contract allows 60 days for an award.
- Zaitz asked if the building bid included the \$1,000,000 in assets from Americold.
 - Baird responded that yes, the plans included items to meet Americold’s specifications for buildings that they operate.
- Zaitz asked if Track C costs \$2.7 million.
 - Baird responded that it is approximately \$2.5 million.
- Zaitz asked how long Track C is being delayed.
 - Smith responded that we are anticipating 36 months.
- Zaitz asked about the engineering costs of \$500,000 in the latest budget, considering that Anderson Perry’s invoices for the life of the project are over \$700,000
 - Baird responded that the budget accounts for previous expenditures in a lump sum, which includes the \$700,000.
- Zaitz asked where the costs for the Froerer road are in the budget.

- Smith responded that we will track it down.
- Zaitz asked about a memo sent to by the board and the sewer line mentioned.
 - Smith responded that we will not be building a sewer line, rather installing a septic system to accommodate our building.
- Zaitz commented that in the last meeting, steps were outlined to locate funds. He proceeded to ask what has been done to apply for the Special Public Works Fund?
 - Smith said that the SPWF is just an option, and will be pursued if needed.
- Zaitz asks if there has been any response to Senator Findley and Rep Owens letter.
 - Smith responded that they have changed their figure to \$3 million
- Zaitz asked if we have approached ODOT regarding the budget.
 - Smith responded, confirming that a conversation occurred.
- Zaitz asked Corey if he has been reviewing invoices.
 - Maag responded that he has.
- Zaitz asked if Corey has reviewed Anderson Perry's contract
 - Maag responded that he has not.
 - Smith added that there are two parts to Anderson Perry's contract.
 - Baird added that the engineering is not over budget. The initial contract covered all the work prior to construction, which was UNDER the budgeted amount. We do need to amend the contract, but again the engineering is UNDER budget.

With no further discussion, Grant Kitamura adjourned the meeting at 10:51 am.

Respectfully Submitted,
Greg Smith, Officer to the Board