

Lower John Day Development Partnership

*Strategic Plan
2007 – 2013*



Gilliam, Sherman and Wheeler Counties
Oregon

November 2007
Mid-Columbia Economic Development District

As submitted December 11, 2007 to OECD with pages 37 to 44 added at the request of OECD

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Executive Summary

Since the City of Ur appeared in the third millennium BC, food, raw materials, natural resources, labor, clean water and clean air has been flowing from the rural areas to support large cities and urban areas. Wealth grew in these urban centers due to trade and packaging that added value. Rural areas share only a small fraction of this economic activity.

Gilliam, Sherman and Wheeler Counties of Oregon have supplied raw materials to the trade centers in Portland and the Willamette Valley for 160 years but have profited little from the successful Oregon economy. The classic example is the wheat farmer who receives 4 cents of a \$1.69 loaf of bread.¹

Small cities in these rural areas are hard pressed to cope with basic needs. The 'value' of Gilliam, Sherman and Wheeler Counties lies outside the city limits yet communities must meet the basic needs of their citizens which are often mandated by state and federal regulations. This inequity results in small towns being unable to provide infrastructure needs which are the foundation for economic growth and survival.

This six year strategic plan focuses on the positive steps each community, county and the region as a whole can take to improve their economies, provide for the basic needs of their citizens and ensure survival. Plan development included meetings with County Courts, County Planners, the Lower John Day Development Partnership, cities of Rufus, Wasco, Moro, Grass Valley, Arlington, Condon, Lonerock, Fossil, Mitchell and Spray, Port of Arlington and special districts in the three counties. Meetings were held with the Soil and Water Conservation Districts and Watershed Councils, landowners, farmers and the Small Business Development Center at Columbia Gorge Community College. Meetings with County Social Service staff provided an opportunity for input representing minority populations (there is no formal minority organizations in the LJDDP).

Membership of the Lower John Day Development Partnership (LJDDP) includes:

Mayor Cliff Jet, Rufus, Chair

Judge Pat Shaw, Gilliam County

Judge Jeanne Burch, Wheeler County

Judge Gary Thompson, Sherman County

Marj Sharp, Wheeler County, Treasurer
(vacant), Port of Arlington

_____, Private Industry – Painted Hills Beef

John Spovieri, Private Industry - Auscrete

Economic conditions in Sherman and Gilliam Counties are beginning to improve due to wind farm activity. The challenge is to 'bank' this new resource for the benefit of

¹ <http://www.prairiepublic.org/features/changing/farmershare.htm>

citizens far into the future. Wheeler County has no such wind farm activity however tourism, particularly paleo-tourism, and recreational activity is increasing. Small cities are beginning to see their population stabilize and even increase slightly, reversing an 80 year trend of dwindling census figures.²

New growth provides an opportunity and a challenge to meet infrastructure needs and prepare communities to benefit from this trend.

Lower John Day Development Partnership members' economic development priorities include:

- Slow and managed growth in housing, jobs and business.
- Invest new wind farm revenue for long term sustainability.
- Prepare cities and districts to welcome new residents filling wind farm and support business jobs.
- Prepare cities and districts to welcome wind farm support businesses, attract new business and expand existing business activity.
- Assist existing businesses and farms to increase the percentage of product value that remains in the county.
- Welcome tourists and recreational visitors while respecting private property rights and preserving the ecology of the region.
- Promote workforce housing within the urban growth boundary to encourage new workers to reside within the region.
- Encourage younger families to locate within the region to save the schools by providing affordable housing and reasonable tax, energy, water and sewer rates.
- Provide for the needs of aging residents including improved local medical services, emergency service response, independent and assisted living facilities, transportation, communication and activities.
- Ensure affordable rates and fees for infrastructure projects.
- Provide training and technical assistance to volunteer city councils and staff to manage positive change.
- Promote renewable energy businesses, construction and community owned projects.
- Communicate with state legislators and agencies to ensure regulations are compatible with and support local economic development projects.

LJDDP strategies to achieve these goals and strategies include utilizing the remarkable ability of local citizens to come together and support a shared vision, leveraging state and federal economic development funding to return a percentage of the raw material values back to the region, investing wind farm revenue wisely and supporting cities to plan for long term sustainability.

² <http://quickfacts.census.gov/qfd/states/41/41055.html>

Major projects over the next six years will focus on infrastructure that will support and encourage workforce housing, expand business activity to add value to local products and resources to capture a greater share of economic activity in the region, attract new business, provide for the needs of both new residents and an aging resident population, promote tourism and recreation while preserving private property rights and ecology, and communicate the unique needs of this rural region to law and policy makers.

Specific projects include:

- Wastewater systems for Grass Valley, Spray, Mitchell
- Wastewater expansion for Fossil, Moro
- Water system repair and expansion in Spray, Fossil, Mitchell, Lonerock and Condon
- Cell phone coverage in Wheeler, Gilliam and South Sherman Counties
- New independent living facilities
- Airport expansion/relocation in Mitchell, Wasco
- Waterfront development in Rufus
- Completion of Port facility in Arlington
- Shutler Station Industrial Park compliance for certification
- Improved emergency services
- Education resources for adult learners

Other projects are listed in the Infrastructure Inventory.

Oregon Economic and Community Development Department is a critical element of this plan to provide funding opportunities and technical assistance. Close liaison will be maintained with field staff and the LJDDP plans to be more involved as administrative rules and programs are formulated to ensure they meet rural needs.

LJDDP coordinates and cooperates with surrounding Counties and Regional Partnerships. There are constant challenges created because the Economic Development Districts include different Counties than Regional Partnerships but personal relationships and liaisons allow us to support each other.

LJDDP will use this plan to evaluate each project presented to the Board and will review the plan on an annual basis to assess how each objective and goal has been, or is being met, and adjust the plan as economic conditions and needs change in future years.

Needs examination and resource analysis

Historic business activity has been wheat, cattle and forestry in the LJDDP region. Forestry is long gone with the exception of some salvage logging and a potential for a limited juniper removal project to enhance grazing lands and the watershed.

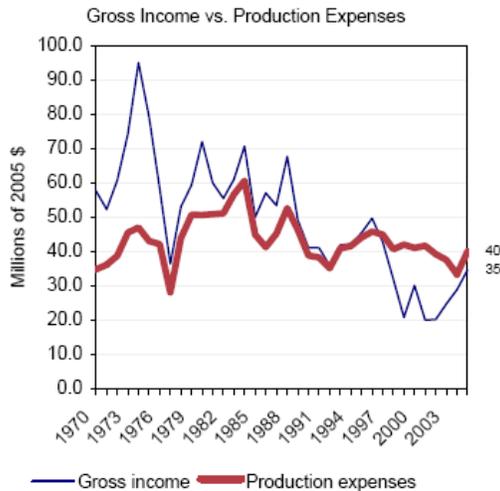
Sherman County's primary industry is wheat. Gilliam County industries are wheat, cattle, waste management and hay production. Both counties have a new and dramatically increasing wind farm renewable energy industry.

Wheeler County has substantial cattle production and an opportunity for greatly increased tourism, recreation and paleo-tourism industries.

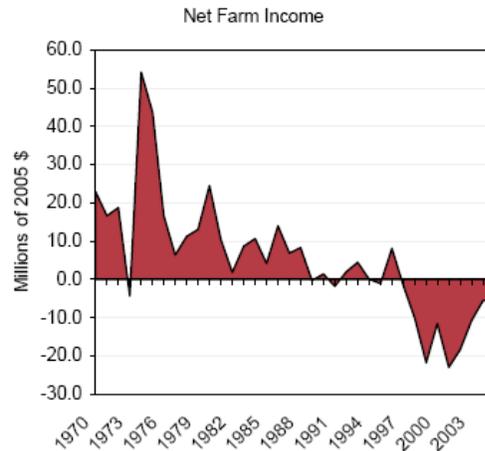
Farm income analysis from Headwaters Economics:³

Gilliam County

Gross Income vs. Production Expenses



Net Farm Income

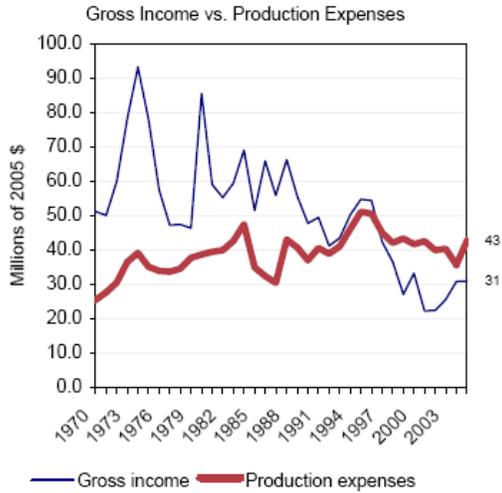


Source: BEA REIS 2005 CD Table CA45

³ <http://www.headwaterseconomics.org/profiles/oregon.html>

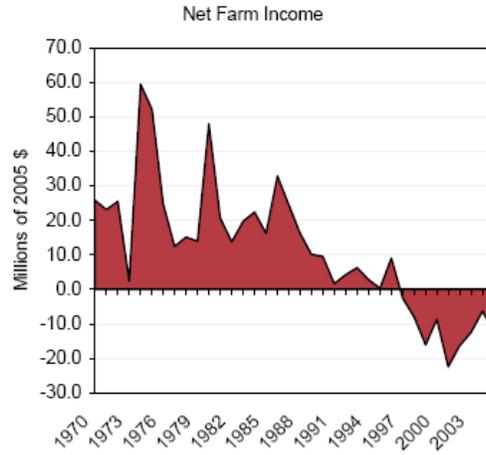
Sherman County

Gross Income vs. Production Expenses



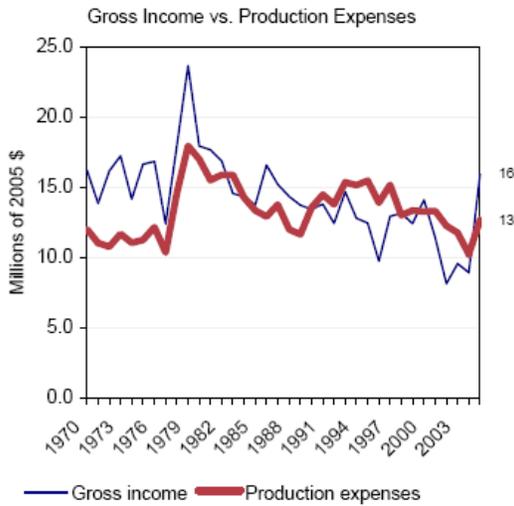
Source: BEA REIS 2005 CD Table CA45

Net Farm Income



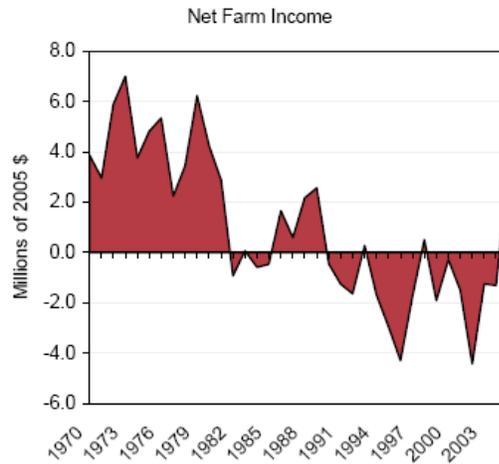
Wheeler County

Gross Income vs. Production Expenses



Source: BEA REIS 2005 CD Table CA45

Net Farm Income



US Census Bureau, 2005 County Business Patterns numbers are for “private, non-farm employment.” The LJDDP economic snapshot looks like:

	Employees	Payroll	Primary Industry	Establishments
Gilliam ⁴	600	\$16 million	Waste mgmt	67
Sherman ⁵	343	\$5 million	Retail & Food	44
Wheeler ⁶	123	\$2 million	Retail & health/social	36
Total	1066	\$23 million		147

Oregon Employment Department OLMIS⁷ for August of 2007 shows a very different picture when total employment is considered, however this does not include self-employed:

	Employees
Gilliam	1060
Sherman	859
Wheeler	598
Total	2517

US Bureau of Economic Analysis⁸ seems to have the most accurate data on total employment including business, farm and government as of 2005:

	Employees	Total Personal Income	Average Income
Gilliam	1390	\$48 million	\$34,532
Sherman	1278	\$40 million	\$31,298
Wheeler	824	\$37 million	\$44,902
Total	3492	\$125 million	\$35,796

⁴ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

⁵ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

⁶ <http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>

⁷ <http://www.qualityinfo.org/olmisj/labforce?x%20=1&amp;y%20=1>

⁸ <http://www.bea.gov/bea/regional/reis/default.cfm?catabe=CA04>

Line	Data from 2005 ⁹	Gilliam	Sherman	Wheeler	Total
0010	☐ Total employment	1,390	1278	824	3492
0020	☐ Wage and salary employment	895	790	378	2063
0040	☐ Proprietors employment	495	488	446	1429
0050	☐ Farm proprietors employment	207	223	182	612
0060	☐ Nonfarm proprietors employment 2/	288	265	264	817
0070	☐ Farm employment	319	298	271	888
0080	☐ Nonfarm employment	1,071	980	553	2604
0090	☐ Private employment	859	705	421	1985
0100	☐ Forestry, fishing, related activities, and other	(D)	(D)	(D)	
0200	☐ Mining	(L)	(L)	(D)	
0300	☐ Utilities	11	(D)	0	11
0400	☐ Construction	(D)	(D)	42	42
0500	☐ Manufacturing	12	(D)	12	24
0600	☐ Wholesale trade	(D)	60	(D)	60
0700	☐ Retail trade	89	146	50	285
0800	☐ Transportation and warehousing	(D)	(D)	(D)	
0900	☐ Information	(D)	(L)	(D)	
1000	☐ Finance and insurance	(D)	(D)	(D)	
1100	☐ Real estate and rental and leasing	(D)	19	(D)	19
1200	☐ Professional and technical services	(D)	(D)	29	29
1300	☐ Management of companies and enterprises	(D)	0	0	
1400	☐ Administrative and waste services	(D)	(D)	(D)	
1500	☐ Educational services	(L)	(L)	(D)	
1600	☐ Health care and social assistance	93	(D)	(D)	93
1700	☐ Arts, entertainment, and recreation	(D)	27	(D)	27
1800	☐ Accommodation and food services	(D)	(D)	(D)	
1900	☐ Other services, except public administration	(D)	52	(D)	52
2000	☐ Government and government enterprises	212	275	132	619
2001	☐ Federal, civilian	11	99	(L)	99
2002	☐ Military	(L)	(L)	(L)	
2010	☐ State and local	196	171	121	488
2011	☐ State government	19	34	(D)	53
2012	☐ Local government	177	137	(D)	314

(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals. (L) Less than 10 jobs, but the estimates for this item are included in the totals.

⁹ <http://www.bea.gov/bea/regional/reis/default.cfm?catabe=CA25>

Proprietorships¹⁰	Non-farm	Farm	Total
Gilliam	288	207	495
Sherman	265	223	488
Wheeler	264	182	446
Total	817	612	1429

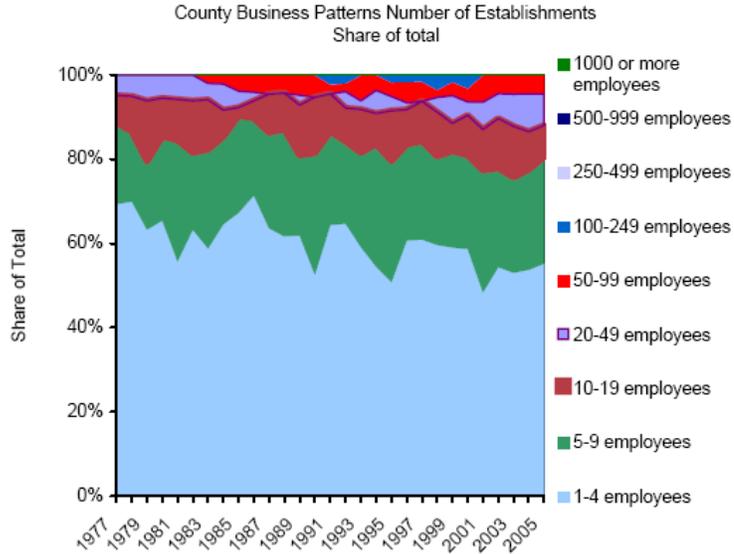
¹⁰ <http://www.bea.gov/region/reis/default.cfm?catable=CA30>

Gilliam County, Oregon

Firms by Size

Firms by Size

- The size category that grew the most was 1-4 employees.
- As a share of total, the size category that gained the most was 1-4 employees.
- In 2004, 88% of firms had fewer than 20 employees.

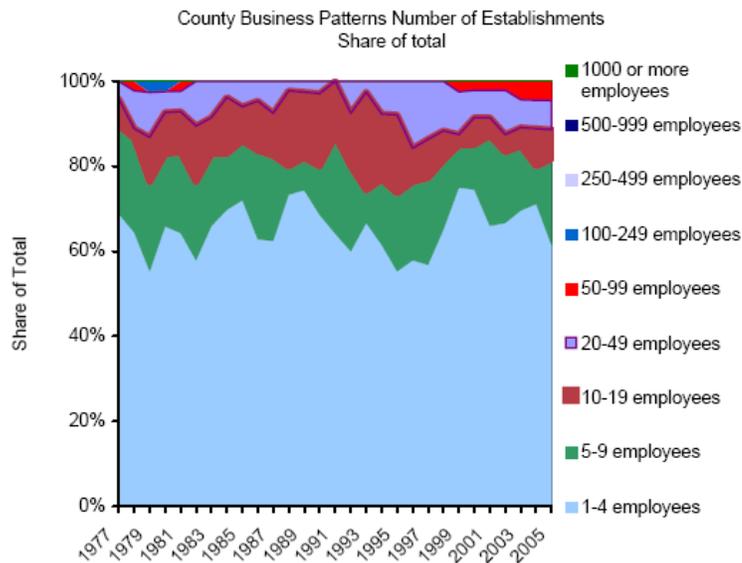


Sherman County, Oregon

Firms by Size

Firms by Size

- The size category that grew the most was 1-4 employees.
- As a share of total, the size category that gained the most was 1-4 employees.
- In 2004, 89% of firms had fewer than 20 employees.

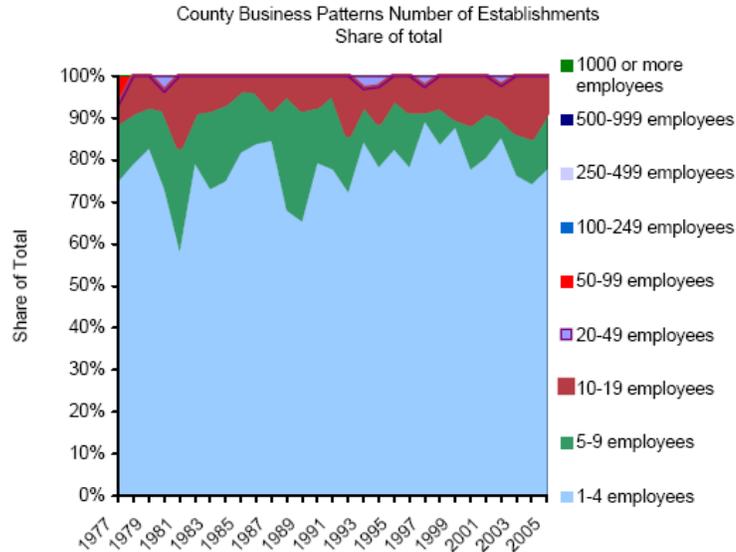


Wheeler County, Oregon

Firms by Size

Firms by Size

- The size category that grew the most was 10-19 employees.
- As a share of total, the size category that gained the most was 10-19 employees.
- In 2004, 100% of firms had fewer than 20 employees.



Conclusions drawn from these data sets show that 41% of employment is proprietorships, i.e. small business (23%) and farm (18%). This compares to 17% in Multnomah County. 25% of all employment is farm, and 18% of employment is government related. Retail comes in third with 8%. Small businesses with 1 to 4 employees comprise about 70% of the firms.

Emergence of wind farms will dramatically alter the 2005 economic information detailed above. Industry estimates there will be 700 megawatts installed and operating by the end of 2008 with 7 to 10 jobs per 100 megawatts. This means about 50 to 70 new jobs in the Mid-Columbia area with most on the Oregon side of the Columbia River. Projects that are approved, or going through the permit process total another 3150 megawatts for a total of 220 to 315 new jobs.¹²

Renewable energy projects will not displace agriculture as the footprint for each windmill is small and farming continues between the towers.

¹¹ <http://www.headwaterseconomics.org/profiles/oregon.html>

¹² Paul Woodin, Community Renewable Energy Association 2007

- The Mid Columbia Region of Washington and Oregon is undergoing a dramatic growth in commercial scale wind farms in the next 5 years.
 - The growth has started already with approx 350 MW installed currently.
 - An additional 3500 MW is currently under permitting and construction with over 700 MW due by the end of next year.
- Each 100 MW will require approx 7-10 full time technicians per project
- Community Renewable Energy Association Paul R. Woodin
pwoodin@communityrenewables.org 509.261.0219

Unemployment rates are not high, indicating most of these new jobs will be filled by people outside the region who either commute or decide to reside in the LJDDP region. An opportunity exists for non-reporting unemployed and underemployed residents of the LJDDP region.

Unemployment¹³	August 2007	August 2006
Gilliam	4.4%	4.9%
Sherman	5.2%	5.3%
Wheeler	4.9%	6.1%

However, unemployment numbers may be misleading and show only those current job seekers, not those who have given up or those who are, "...cobbling together various jobs to survive..."¹⁴

These new jobs will have both a positive and negative impact on Sherman and Gilliam Counties. On the positive side, some new employees will choose to reside in the LJDDP region to increase the tax base, improve attendance in schools and support local businesses. On the negative side, there are few homes for sale in the area so new construction will be needed placing an additional burden on aging wastewater and water systems. The City of Grass Valley, for example, will be left out of this economic opportunity unless they can quickly install their first wastewater system to replace septic tanks.

There is adequate zoned and vacant land within the urban growth boundaries of the incorporated cities and districts to accommodate this new growth in both workforce residential and small business expansion. Electric and telecommunications utilities are in place. Wastewater treatment and water systems are the largest obstacle to growth.

¹³ <http://www.qualityinfo.org/olmisj/AllRates>

¹⁴ LJDDP 2005-07 Regional and Rural Investment Strategy

Cities and districts impacted by wind farm activity include Biggs, Rufus, Wasco, Moro, Grass Valley, Kent, Condon, Lonerock and Arlington.

Wheeler County has an economic opportunity in the expanding Paleo Lands Institute¹⁵ which includes jobs at the institute and the positive impact on motel, restaurant, guide service and other small businesses. Cities include Fossil, Spray and Mitchell.

“Trips including cultural and heritage activities comprise one of the most popular and significant segments of the travel industry, accounting for 23.7% of all domestic trips. On average, this group spends more, stays longer and is more likely to use hotels, motels, and resorts than travelers who do not participate in historic and cultural activities.”¹⁶

Books such as the new “Cruisin' the Fossil Freeway: An Epoch Tale of a Scientist and an Artist on the Ultimate 5,000-Mile Paleo Road Trip, *Author: [Kirk Johnson](#)* *Illustrator: [Ray Troll](#)*” will bring a new wave of paleo-tourists.¹⁷

The John Day River and tributaries are a major asset for Wheeler County and can be leveraged and promoted to attract rafters, fishermen and hikers provided the support infrastructure is in place.

Wheeler County cities of Spray and Mitchell are facing wastewater, storm water and water issues as they grow in response to increased tourism, recreation and paleo land activities.

Gilliam County borders the Lower John Day and Columbia Rivers, Sherman County borders the Lower John Day, Deschutes and Columbia Rivers. Fishing, rafting and sightseeing opportunities can be promoted for increased tourist and guide industry dollars. Two excellent State Parks are on the north boundaries of the counties.

The recent “navigability” finding for the John Day River by the Division of State Lands is of major concern to private landowners who border the river. What historically had been property lines that went to the center of the river, now stop at the high water mark. This seems like a “taking” to the citizens. It also opens up the banks of the river to public foot and vehicle traffic and the corresponding hazards from fire and waste. The Division of State Lands and all state and federal agencies need to quickly begin working with local citizens and local governments to mitigate this negative impact on citizens.

Schools within the LJDDP region have received exceptional and strong ratings on the Oregon Department of Education District Report Card for 2007.

¹⁵ <http://www.paleolands.org>

¹⁶ http://industry.traveloregon.com/upload/OTC/Resources/2007-09_Strategic_Plan_Final.pdf

¹⁷ <http://www.fulcrum-books.com/productdetails.cfm?PC=5917>

Sherman School District “Exceptional” and “Strong” report card.¹⁸
Wheeler County schools “Exceptional” and “Strong” report card.¹⁹
Condon Schools “Exceptional” and “Strong” report card.²⁰

Schools have managed to survive a dwindling population and provide an excellent K-12 education system. There are some challenges with state regulations. For instance, the state requires ‘certified’ teachers for art and music and because the districts could not afford these ‘certified’ positions, their excellent art and music programs provided by local staff have been dropped in many schools.

The LJDDP area is not part of a community college district.

Poverty rate in Sherman is 14.6%, Gilliam is 9.1%, and Wheeler County is 15.6%.²¹

Poverty ²²	Individuals	Families
Gilliam	173	37
Sherman	280	68
Wheeler	239	56
Total	692	161

The majority of families living below the poverty line are single head of households. These adults could improve their economic situation and the economy of the region as a whole by having access to education and positioning themselves to move up to better jobs developing in the region.

The immediate challenge for the LJDDP is to take advantage of the looming economic turnaround by providing adequate housing for new employees, the necessary infrastructure and enticements to attract small businesses and capitalize on the wind farm expansions in Gilliam and Sherman Counties and the recreational opportunities in Wheeler County, while enhancing the quality of life for residents and protecting their land, culture and ecology.

¹⁸ <http://www.ode.state.or.us/data/reportcard/RCpdfs/08/08-ReportCard-2195.pdf>

¹⁹ <http://www.ode.state.or.us/data/reportcard/RCpdfs/08/08-ReportCard-2248.pdf>

²⁰ <http://www.ode.state.or.us/data/reportcard/RCpdfs/08/08-ReportCard-2006.pdf>

²¹ <http://www.oregon.gov/DAS/OEA/profiles.shtml>

²² http://factfinder.census.gov/servlet/SAFFPopulation?_submenuId=population_0&_sse=on

Identified priorities long-term and short-term

Workforce housing is the common short-term need across the LJDDP region due to the potential for rapid growth in jobs from wind farm and recreation development. The challenge is to prepare for this influx by providing the basic infrastructures of wastewater, water, storm runoff and roads so that workforce housing can be quickly built within the urban growth boundaries of each city and district. Capturing these new workers and encouraging them to reside within the region is critical to the survival of the schools, businesses and the cities themselves.

Both the old wealth of the wheat and cattle industry, and the new wealth of wind farms and recreation lie outside of the urban growth boundaries, yet regulations dictate that residential expansion can only take place within those boundaries. The cities and districts face the dilemma of providing basic infrastructure needs before they can grow to accommodate this new workforce but local resources cannot begin to provide for this need. Bonded debt and fees have a serious impact on existing residents, many of whom are seniors on fixed incomes.

Seniors²³	% of population 65+
Gilliam	20%
Sherman	20%
Wheeler	25%
<i>Oregon as a whole</i>	13%

This first priority for workforce housing is the driving force behind a majority of the Infrastructure Inventory Needs identified including water and wastewater systems, storm runoff control, roads and bridges.

Industrial land for support industries and attracting new businesses is the second priority and the next step on the timeline.

The third priority is to support existing businesses to expand and prepare for this population increase and position themselves to add jobs and increase employee wages. Strategies will include coordinating with the Small Business Development Center at Columbia Gorge Community College for counseling and training, providing access to capital through the LJDDP, MCEDD and other revolving loan sources, coordinating employee training opportunities, and supporting a Chamber of Commerce or similar regional business development organization.

A fourth and concurrent priority is to provide training for unemployed and underemployed residents to take advantage of these new job opportunities. Strategies include coordinating with community colleges and universities, improving the

²³ <http://quickfacts.census.gov/qfd/index.html>

telecommunication infrastructure for distance learning, providing adequate child care, transportation and encouraging new businesses to 'hire local.'

Six-year investment strategy & implementation plan

Workforce housing, attracting new small businesses, expanding existing businesses, creating value added processing for the agricultural industry, enhancing the recreation and tourism industries, and improving workforce skills are the high level goals of the LJDDP.

Workforce housing

Immediate steps will focus on wastewater systems for Spray, Mitchell, Grass Valley and Kent, and expansion and repair in Moro which is under DEQ mandate. These systems need to be in place to allow developers and builders to provide workforce housing. The LJDDP will seek funding from state, federal and private sources and assist with coordination between these cities to reduce overall costs and speed implementation. USDA Rural Development funds have limited flexibility and while the LJDDP may not have the power to alter requirements, they may be able to influence the interpretation and application of rules to enable cities to quickly meet their wastewater needs especially in light of new technologies.

Water systems are in need of repair and expansion in Spray, Condon, Mitchell and Lonerock.

Build upon the successful Housing Summit held in January 2006 to encourage property owners, builders, developers, financial institutions and planners to look at the LJDDP region as a desirable place to construct workforce housing. Provide updates on job growth, infrastructure improvements and incentive programs on an ongoing basis. Invest in 'livability' projects that include senior services, public safety, community centers and related developments that are critical to attracting new residents to a small community.

Communicate housing opportunities to major employers and encourage them to provide information to employees with the goal of getting more employees to reside in the LJDDP region rather than commute.

Over the six year period of this plan, maintain continuous evaluation of wastewater and water needs of cities and districts and act to assist them with upgrades and expansions before needs become critical.

Attract new small businesses

Short term: Market available industrial sites, especially through large businesses to their suppliers and support contractors to encourage locating in the LJDDP region, and in partnership with OECDD marketing programs. Continue to invest in infrastructure needed to bring sites to 'shovel ready' and certified status including Shutler Station

Industrial Park in Gilliam County. Support cluster development of renewable energy and value added agriculture industries.

Evaluate expansion and/or relocation of airports in Wasco and Mitchell to accommodate increased business travel and air freight.

Long term: Identify additional land that is zoned, or may be rezoned, to accommodate industrial and commercial businesses. Invest in the infrastructure needed to certify industrial sites and attract business development and market industrial sites in partnership with OECDD. The LJDDP will work with DLCD on zoning and UGB expansion to accommodate new and expanded businesses.

Over the life of this plan, the LJDDP will invest and leverage investments in new businesses which create jobs within the region.

Expand existing businesses

The LJDDP region includes 817 non-farm and 612 farm related proprietorships for a total of 1429 businesses, the vast majority providing one to three jobs. Farm related jobs will probably continue a slow decrease due to consolidation and advances in machinery and technology. An opportunity lies in the 817 non-farm businesses, plus the concept of introducing more value added processing for agricultural products within the region before raw goods are shipped out. Short-term actions will focus on providing the infrastructure necessary for businesses to expand, opportunities for counseling and training, and improving employee skills.

Longer term strategies include investing in value added businesses who will utilize local crops and livestock and process, package and market to capture more of the crop value and keep it within the region. Examples include the specialty bakery recently supported by the LJDDP and could include specialized marketing techniques such as the 'Salmon Safe' label.

'Value added' can apply to the recreation and tourism industry and the LJDDP will support guide services, interpreters, lodging, hospitality and related businesses that enhance a visitor's experience and encourage a larger share of revenue be kept within the region.

Wheat, cattle and hay ranchers are likely to state that the best way to help them is to simply leave them alone. The LJDDP will assist these industries by supporting invasive weed control caused by seeds blown from county, state and federal land. The LJDDP will work with state agencies, particularly the Division of State Lands, to mitigate the impact of the John Day River Navigability declaration on citizens. Several environmental organizations are working within the John Day Basin to improve the

watershed and fishery and the LJDDP will play a role to ensure that activities and projects are compatible with local agricultural and cultural practices.

Enhancing recreation and tourism industries

The John Day River is the second longest undammed river in the US and the paleo lands are unique in the world. Huge opportunities exist to leverage these natural resources to expand recreation and tourism, while preserving the ecology for future generations. The LJDDP will focus both short-term and long-term resources on supporting and expanding businesses that bring in additional visitors, encourage visitors to stay longer, capture a larger share of the tourism and recreation dollar and market the region to the world. Investments include providing the necessary infrastructures of wastewater and water systems, telecommunications and cell phone service and assisting with marketing materials and programs. The John Day River is being adopted by the North American Salmon Stronghold Partnership for special focus by federal and state agencies which will bring additional resources.

Workforce skills

New residents moving to the area for employment will have the skills needed for particular jobs or they wouldn't have been hired in the first place. Existing residents have an opportunity to fill some of these jobs if their skills match the needs. Census data shows 692 individuals living below the poverty line in the LJDDP region. It is difficult to estimate how many of these people are unemployed and underemployed, but some percentage, perhaps a majority, could prepare themselves for better jobs if the resources were available.

Several anecdotes indicate a few local citizens have made heroic efforts to improve their lives by commuting long distances to community colleges in The Dalles or Pendleton and driving several miles to the neighbor and borrowing their Internet connection for transmitting distance education homework. The LJDDP will focus on improving adult education opportunities in the region over the next six years to ensure their citizens have the best possible opportunity at improving their lives and economic status.

Global competitiveness and Export sales

In some ways, export is part of the problem, not the solution, in the LJDDP region. Wheat is the primary export and as mechanization improves and farms consolidate, jobs are lost. The LJDDP will support existing farming and marketing practices. Emphasis will be on job creation which requires a look toward value added agriculture and includes additional processing, packaged food products and customized processing

for both the export and the domestic market. From 1993 to 2004 Oregon gained 11,740 jobs in exporting, but lost 25,393 for a net loss of jobs due to exporting of 13,653.²⁴

²⁴ Economic Policy Institute “NAFTA’s Cautionary Tale”, July 20, 2005, Issue Brief #214
<http://www.epinet.org/content.cfm/ib214>

Rural action plan and rural set aside

“Rural” is an understatement to describe the LJDDP area where population ranges from 2.3 to less than one person per square mile and the largest city is Condon with a population of 770 and the smallest is Lonerock with 20.²⁵

The LJDDP is comprised of the three least populated counties in Oregon.

Rank*	City ²⁶	Change‡	2006	2005	2000	1990	1980	1970
189	Arlington	11.6%	585	570	524	425	521	375
173	Condon	1.4%	770	770	459	635	783	973
194	Fossil	-1.9%	460	460	459	399	535	511
226	Grass Valley	-0.6%	170	170	171	160	164	153
239	Lonerock	-16.7%	20	20	24	11	26	12
227	Mitchell	0%	170	170	170	163	183	196
203	Moro	3.9%	350	320	337	292	336	290
212	Rufus	0.7%	270	270	268	295	352	317
230	Spray	14.3%	160	140	140	149	155	161
201	Wasco	5.0%	400	398	381	374	415	412
Rank*	County ²⁷	Change‡	2006	2005	2000	1990	1980	1970
34	Gilliam	-1.6%	1885	1890	1915	1717	2057	2342
35	Sherman	-3.6%	1865	1880	1934	1918	2172	2139
36	Wheeler	1.2%	1565	1550	1547	1396	1513	1849

*Rank out of 241 cities and 36 counties in Oregon based upon population

‡Change between 2000 and 2006

Economic stimulation in the three most rural counties of Oregon is a challenge. However, projects that might be miniscule in a metropolitan area can be huge to a town with a population of 160. The costs of those projects can also be huge by comparison. The City of Spray is in serious need of a wastewater system. Estimates are \$3.1 million for a city with 160 residents and 75 homes. Even with USDA Rural Development grants, they are still facing a \$1 million local cost or \$14,000 per home and a mandated rate of \$43 per month where more than 25% of the population are seniors.

Workforce housing is the greatest need and wastewater and water supply infrastructure is the greatest barrier to residential expansion. The LJDDP will work to seek additional funding to fill in the gap between USDA Rural Development support and the actual cost and assist cities to explore alternative treatment systems which may be funded in part

²⁵ <http://bluebook.state.or.us/local/populations/populations.htm>

²⁶ <http://bluebook.state.or.us/local/populations/populations.htm>

²⁷ <http://bluebook.state.or.us/local/populations/populations.htm>

by conservation groups seeking to increase water flow in steelhead and salmon spawning waterways.²⁸

Specifically, LJDDP will support wastewater projects in Moro, Spray, Mitchell, Grass Valley and Kent, and water expansion projects in Mitchell, Condon and Lonerock.

The LJDDP will look for opportunities to encourage workforce housing and coordinate with cities and districts to identify and mitigate any impediments.

Investment by the LJDDP in small business recruitment will focus on the renewable energy, value added agriculture and tourism/recreation industries. LJDDP will invest resources to ensure sites are available and ready and coordinate with the large wind farms to encourage supply and support firms to locate in the region. Investment may also be made to explore business clusters in the renewable energy, value added agriculture and tourism/recreation.

Support for existing small businesses will be provided by coordination between the LJDDP and the Small Business Development Center at Columbia Gorge Community College. The SBDC currently has a staff person in the area at least once per quarter plus responds to any business inquiry. Minor investment in travel costs would allow a more frequent schedule. Local businesses will be encouraged by the LJDDP to take advantage of the SBDC and other services to upgrade their skills. This may take the form of scholarships for training, hosting training in the local area, bringing in outside trainers and cluster developers, and supporting some type of business network for the region.

Workforce training is a challenge in this very rural region and it is difficult to get a group of adults together on a regular basis. The LJDDP will explore methods with Columbia Gorge Community College to establish a distance education program in workforce skills that can serve their citizens, especially those below the poverty line who could benefit by preparing themselves for this new wave of jobs. A 'cohort' model similar to that used by OSU may work in the region. Investment in this activity may also include improved telecommunications to allow for a distance education model. The LJDDP region has one of the best wireless Internet backbones in the country (Frontier Learning Network) but it does not reach to all corners of the area.

²⁸ MCEDD is working on a Lower John Day Watershed list of projects put forth by local citizens, landowners, farmers and local government which is being presented to a working group of conservation organizations for support. There is some interest in supporting wastewater systems with advanced treatment technology that provide potable water which can be put into streams to increase water flow.

Barriers to implementation

Understanding there is some risk of offending the very agency from which we desperately need support, the LJDDP respectfully suggests that economic development services should be delivered by a local service delivery agency. There seems to be a consistent disconnect between local rural government and state agencies. Everyone aspires to the same goal, which is to improve the economy of rural Oregon and enhance the lives of rural citizens. Somewhere between the legislature who approves funding and the small city or business seeking help, an intimidating bundle of rules and hoops develop that make the actual 'on-the-ground' assistance difficult and taxes the Capacity Builder in each County. Rules and laws are not 'place based' and frequently do not allow for the unique needs and constraints found in rural Oregon. One example is the rule that volunteer firefighters must meet state standards for training which includes training for a 5 story building fire. There is nothing close to this size structure in the LJDDP region and it puts an extra burden on volunteers and discourages participation to the detriment of fire protection which impacts insurance rates which negatively impacts economic development.

Federal support has similar barriers. The City of Spray recently received a USDA Rural Development Grant for their planned wastewater system. New technology made available between the time planning started and the grant was awarded could reduce the cost of the system to 50% or less. They have been told by the feds that they cannot change plans at this point or they will lose the grant.

Other barriers to implementation include distance. A trip from Fossil to Salem is 4 hours, one way, so even for a short meeting, a full day is lost. More emphasis needs to be placed on using technology to replace face to face meetings and travel and more authority given to field staff of state agencies that can be on-the-ground in the region.

Distance is a challenge within our own three county region. It is a two hour drive from one corner of the region to the other in good weather. Services for businesses and citizens must be delivered locally and the benefit crafted to warrant their time. Special attention will be paid to minority and disadvantaged populations due to the difficulty and expense of transportation – services must be delivered at the local level.

The major barrier to implementation is the lack of financial resources. Land, agricultural and tourism resources are the 'wealth' of the counties and this wealth is outside the urban growth boundaries of the small communities. Residential expansion is constrained to the communities yet they lack the financial resources to install water, sewer, street and other resources needed to meet the needs of potential employees whose businesses may not site in the area due to the lack of housing. The proverbial Catch 22. This barrier is a threat to three of our five investment strategies: workforce housing, attract new small businesses and expand existing businesses. It is also a

threat to enhancing recreation and tourism industries who cannot expand or site due to limited city infrastructure.

Lack of telecommunications in both cellular telephone and broadband service providers is a serious threat to enhancing workforce skills and negatively impacts all strategies – a business making a tour through south Gilliam and Sherman Counties and most anywhere in Wheeler County would be alarmed by the lack of cell phone coverage.

Plan for involvement of disadvantaged and minority groups

Four groups within the region require special attention. Seniors, disabled, Hispanics and citizens living below the poverty line may not be able to benefit from typical economic development activity and in fact, could be harmed by infrastructure projects that raise water, wastewater or other basic costs of living.

Population²⁹	Gilliam		Sherman		Wheeler		Total	
Total	1915		1934		1547		5396	
Senior 65+	365	19%	353	18%	360	23%	1078	20%
Disabled	362	19%	309	17%	282	19%	953	18%
Hispanic	35	2%	94	5%	79	5%	208	4%
Poverty	173	9%	280	15%	239	16%	692	13%

Seniors have fairly good transportation options due to the ODOT Special Transportation Fund providing local bus service in the three counties. LJDDP will include senior independent and assisted living facility expansion as part of the workforce housing focus. Some families seeking to relocate to the region will have senior or soon to be senior parents, and they will be looking for nearby facilities. Seniors and others on fixed incomes must be considered when any infrastructure project includes an ongoing fee or cost.

Disabled citizens have similar needs, particularly for specialized transportation options.

The LJDDP will serve the Hispanic population by ensuring documents and important information is presented in a bilingual format.

Citizens below the poverty level will be served by the LJDDP's focus on workforce training to improve their skills and employability, and ensure childcare and other social services are available to allow these citizens to enter the workforce at a living wage.

²⁹ http://factfinder.census.gov/servlet/ACSSAFFacts?_submenuId=factsheet_1&_sse=on

Special uses of funds

Tourism and Industrial Marketing

The LJDDP will coordinate all tourism and recreation marketing material with the Travel Oregon program. Kristin Dahl, formerly of RDI, recently joined the Travel Oregon staff and is familiar with our region and will be an asset in coordinating activities. Recreation and tourism industries will be enhanced by supporting guide services, interpreters, lodging, hospitality and related businesses that enhance a visitor's experience and encourage a larger share of revenue be kept within the region.

Industrial land marketing and recruitment will be coordinated with Ted Werth, National Business Development Coordinator, and others at OECDD.

These activities meet Strategic Goal #1 ("Promote a favorable investment climate to strengthen businesses, create jobs and raise real wages") and #3 ("Assist Oregon communities to build capacity to retain, expand, and attract businesses").

Management plan

Establishment of Regional Board: The Board shall consist of nine (9) members. Each County in the Region shall appoint one (1) person to the Board to serve along with the County Judge. In appointing members of the Board, each County shall give due consideration to representation of the various local interests in the Region, including but not limited to, cities, counties, ports, special districts, and the private economic sector. Regular private business participation has been difficult because of the number of very small businesses and sole proprietorships in the region. Private business people have and will continue to be brought in to assist the Board on a project by project basis.

LJDDP Board members wear many different hats and a particular Board member may be a County Judge, wheat farmer, small business owner, mayor or a deputy sheriff. This brings a representation of the region which is not apparent from a simple list of Board members.

Wheeler County shall serve as the Administrative and Fiscal Agent for the Regional Board.

The Regional Investment Board will assess the appropriateness and give due consideration to the following types of criteria in reviewing projects for funding. An application form will be used to review the merits activities (projects and programs) requesting funding from the Board. Funds distribution for all projects, including those to provide county capacity builders, shall be made only after a contract has been executed between the Administrative Agent for the Region and the respective county governing body. The Board will ensure:

- Alignment with SB 350, OECD Strategic Goals and the LJDDP Strategies;
- Adequacy of costs/budget for undertaking project or activity;
- Suitable commitment of funds, in-kind resources, etc. from other sources and/or from the project's proponents;
- Assurance that no funds are used to substitute other private/ public sources of funds or financing;
- Equity return to private owners that are unreasonably high;
- Payments/awards made proportionally with the expenditure of other funds;
- Clear time-lines and strategies for exiting projects, while building self-sustaining activity and/or capacity for regional economic and community development; and
- Prioritizing loans and grants, and then awarding grants only as necessary for project/activity to proceed.

If any type of investments or revolving loan funds are part of an implementation strategy, policies will be enacted by the Board to consider such issues as borrowers' ability to repay; collateral; personal/corporate guarantees and commitment; balance sheets and managerial experience and character. Interest rate, loan terms, deferred payments, interest subsidies, principle forgiveness, and co-lending, will be among the financial structuring options considered to the extent that each project's financial plan merits.

Wheeler County

Wheeler County has been designated by Intergovernmental Agreement dated March 1, 2006, among Wheeler, Gilliam and Sherman Counties as the Administrative and Fiscal Agent for the Regional Investment Board of the Lower John Day Development Partnership. Wheeler County operates under the guidance and direction of the Regional Investment Board.

As the fiscal agent, Wheeler County will:

- Record and document the expenditures of the Regional Investment fund moneys;
- Allocate funds under the review and approval of the Regional Investment Board;
- Track the progress of projects, with the assistance of the county capacity builders, disburse funds, and enforce terms and conditions related to projects;
- Provide all reporting documents and periodic performance reports to the appropriate entities, and
- Provide the necessary documentation for "close-out" of projects and programs in cooperation with the funded entities.

LJDDP Bylaws and MOU – Attachment A

Administration of Loans & Grants

Procedures for Fund Allocations

Strategic activities for Capacity Builders and immediate job creation and dollar leveraging will be the critical criteria for fund allocation. The Partnership will take into consideration the merits of each investment and consider the sustainability of the project and its impact on the long-term economic viability of the investment.

Guidelines for Revitalization Grant and Loan Fund

In those cases where the Partnership elects to become engaged in loan and grant activities the following guidelines may be considered in transaction with the borrower.

Grants

Grants will be used to achieve the priorities of the LJDDP. Grants may also be used for the continuation of capacity builder positions in each of the counties.

Loans

If a revolving loan fund is established, the LJDDP will contract with an Economic Development District or other organization that will provide professional loan evaluation and loan management services.

Loan guidelines include:

- 10% cash equity from sources other than loans required for all projects;
- Lender or other debt/equity sources to cover remaining project costs;
- Borrower responsible for all legal cost at closing;
- Prime rate minus 2% fixed at commitment for the life of the loan (rate not to exceed 8% or below 4%);
- Terms will be variable based on useful life of asset; and
- Adequate collateral will be sought to fully cover the amount of loan whenever possible.
- Loan criteria may be amended at the discretion of the Board.

Eligibility Criteria (ORS 285B.260, OAR 123–057–0210, and OAR 123–055–0230)

The criteria used by the board to determine eligibility shall include the following:

The project clearly implements an identifiable activity in the Strategy's Implementation Plan or Rural Action Plan.

The results of the project are consistent with the board's performance measures.

The funds will not be used to retire any debt except where refinancing of high interest startup funding will improve cash flow and viability of a small business and when recommended by the Small Business Development Center.

The funds will not reimburse any expenditures made or expenses incurred before final approval of the Strategy (except preparation of the Strategy as allowed by OAR).

The funds will not substitute for available budgeted resources in supporting ongoing public services or infrastructure that already exist, but rather support only new or enhanced services.

The funds will not maintain existing staff of a public or private entity, except staff time dedicated to: the administrative needs of the Strategy or the board; or redirected or augmented efforts consistent with the Strategy, such as new technical assistance for enhancing regional coordination or local economic development activities/capacity.

The funds will not be used to fulfill objectives or activities of the Strategy as initiated in a previous biennium.

The funds will not be used to assist in any way with the relocation of a business facility within this state from one labor market to another, unless the job losses in the originating labor market area are less than or equal to 0.1 percent of the most recently available estimate for the civilian workforce therein; or the relocation entails an improvement to the quality and a significant increase in the size of the business's total in-state employment, without being detrimental to any rural area, subject to determinations of OECDD.

If the funds will be used to assist individual private businesses in acquiring assets such as land, buildings, machinery and equipment, or to recapitalize a revolving loan fund which would provide such assistance to individual private businesses, the project meets the terms and conditions for such loans or grants as set forth in the Strategy.

Additional criteria that should be considered:

Readiness of a project to proceed;

Capability of project proponent to manage the project and funds and to comply with the contract provisions,

Reasonableness of costs/budget for undertaking the project or activity;

Suitable commitment of funds from other sources, including the project's proponent;

Amount of leverage and match;

Awarding funds for gap financing;

The project is not replacing an otherwise available source of funds (public or private).

The Regional Board of the Lower John Day Regional Development Partnership shall evaluate the results and outcomes of its Implementation Strategy for the Region against the Regional Performance Measures as contained in this document.

Evaluation plan

The Board of Directors for the Lower John Day Development Partnership Region understand the directive to specify the potential short/long term job creation and wage level on the use of the funds as required by the Oregon Economic and Community Development Department and the Legislature. However, there is a reality that must be noted in this document and considered in reviewing the agreement between the Partnership and the Department on the use of these funds.

Remote rural areas of Oregon, including the Lower John Day Development Partnership Region of Sherman, Gilliam and Wheeler counties are struggling to survive and struggling to stem the outflow of both population and financial resources.

Efforts to reverse this reality include:

Building the necessary physical infrastructures to compete in state and national markets for viable economic opportunities;

Building the basic infrastructure in cities and districts to allow new construction and rehabilitation of workforce housing to reverse the declining population;

Attracting capital to high risk ventures in rural areas;

Transitioning the economy from exporting bulk commodities to building value added enterprises;

Capitalizing on the natural resources of the area including its scenic beauty and potential for increased tourism and recreation and supporting businesses that cater to this industry;

Capitalizing on the rapidly expanding renewable energy industries and resulting new jobs in the region;

Enacting state wide community and economic development policies that build on the entirety of what Oregon has to offer; and,

By collaborative leadership that is engaged in the challenges of all of Oregon.

All this will take time, resources, and leadership at all levels and the will, through public policies, to witness results.

For this reason the Partnership is reluctant to use specific numbers based on a state wide formula that includes urban areas with vast infrastructures at their disposal.

Rather, the Partnership believes the use of the Regional Investment funds in remote rural areas should be critiqued on the strategic nature of the investment and their impact on affecting long term economic growth and stability in the region.

Oregon Employment Department's OLMIS system reports a net gain of 135 jobs in the LJDDP region for the first 9 months of 2007. The LJDDP Regional Investment Strategy for Economic Development 2005-2007 showed a goal of creating 49 jobs. It would be easy, but disingenuous, to claim credit. The LJDDP cannot control the wind any more that it can control the scenic beauty or paleo sites of the area (although it can aid in protecting and promoting them). Yet the public policies and strategic investments by the LJDDP have and will continue to encourage development of these industries and their related job growth.

The challenge now is to capitalize upon this growth for the benefit of all three counties, and because Wheeler County has limited wind farm potential, assist them to fully leverage other natural assets.

Each of the three Counties employ a Capacity Builder whose work focuses on job creation, job retention, community social capacity building, non-profit assistance and liaison with SBDC, MCEDD, GEODC, OECDD and other state and federal agencies. These Capacity Builders have a direct and positive influence on leveraging the resources in the region to create long term jobs and build the population base.

Gilliam County Nonfarm Employment

	Aug 2007	Jul 2007	Aug 2006	Change -month-	Change -year-
<u>Total nonfarm employment</u>	875	830	785	45	90
<u>Total private</u>	630	610	550	20	80
<u>Trade, transportation, and utilities</u>	155	150	160	5	-5
<u>Professional and business services</u>	155	135	140	20	15
<u>Educational and health services</u>	70	70	65	0	5
<u>Leisure and hospitality</u>	65	70	70	-5	-5
<u>Government</u>	245	220	235	25	10
<u>Federal government</u>	15	10	15	5	0
<u>State government</u>	35	30	30	5	5
<u>Local government</u>	195	180	190	15	5

Sherman County Nonfarm Employment

	Aug 2007	Jul 2007	Aug 2006	Change -month-	Change -year-
<u>Total nonfarm employment</u>	680	675	630	5	50
<u>Total private</u>	415	410	360	5	55
<u>Trade, transportation, and utilities</u>	195	200	185	-5	10
<u>Retail trade</u>	100	100	95	0	5
<u>Leisure and hospitality</u>	145	140	130	5	15
<u>Government</u>	265	265	270	0	-5
<u>Federal government</u>	100	100	100	0	0
<u>State government</u>	35	40	45	-5	-10
<u>Local government</u>	130	125	125	5	5

Wheeler County Nonfarm Employment

	Aug 2007	Jul 2007	Aug 2006	Change -month-	Change -year-
<u>Total nonfarm employment</u>	275	280	280	-5	-5
<u>Total private</u>	155	155	150	0	5
<u>Trade, transportation, and utilities</u>	30	25	30	5	0
<u>Leisure and hospitality</u>	30	35	40	-5	-10
<u>Government</u>	120	125	130	-5	-10
<u>Federal government</u>	5	5	5	0	0
<u>State government</u>	10	10	15	0	-5
<u>Local government</u>	105	110	110	-5	-5

There is some question about whether these figures are accurate because much of the work being done on wind farms is by contractors and sub-contractors whose headquarters are located outside of the region and may not be included in the County figures.

“Link, construction employment isn't always reflected in the county where the work is performed. If a company has a major project that exceeds 12-months we request job site information and hopefully the firm will complete a multiple worksite report. But the basic rule is to use the firm's home office as its physical location. Firms are not required by law to break out employment for each job site.

“We have confidentiality issues in small counties that don't allow us to publish very much industry detail - construction is a good example.

“Gilliam County does show a significant seasonal rise in total non-farm employment in both 2006 and 2007 - and wind farm construction was the reason. Although the Biglow project spans more than one county, that doesn't mean that employment will be reported in each county - more likely the primary contractor will keep reporting employment out of Gilliam County... no matter which side of the road the construction is occurring on, the workers are being dispatched from one location.”³⁰

The LJDDP fully realizes the need to be fully accountable to the legislature, OECDD and the citizens of Oregon. State funds coming to the LJDDP are very limited and we can only do a few projects each year. We feel the best way to report and be accountable is to track each project or action and provide a report that includes:

- Project description or activity
- How the project relates to and matches Key Performance Measurers #1 through #9 of OECDD's legislatively approved KPMs.
- Investment and source of funds
- Anticipated outcome
- Actual outcome reported on an annual basis that includes
 - Additional investments from other sources (leveraging)
 - Jobs created, retained and wage information
 - Value of facilities or construction
 - Economic activity created
 - Value realized outside the region*
 - Benchmark or economic goal realized

*Some investments create economic value outside the LJDDP region. For instance, a facility to separate and ship organic wheat might provide a limited benefit in the LJDDP region, but stimulate substantial economic gain for a natural food processor in the Portland metro area.

³⁰ Email 10/17/07 from Dallas Fridley, Regional Economist

Benchmarks

[Original text adopted 11-28-07 by LJDDP has been moved to Attachment C and replaced with information and tables provided by OECDD utilizing similar data in different format.]

Benchmark Development

Regional Benchmarks and Performance Measures, along with biennial targets, have been developed for the Lower John Day Development Partnership (LJDDP) and incorporated into the Evaluation Plan.

Increased employment is at the core of the regional benchmarks. The board will strive to create and retain jobs in both the short-term and the long-term. The goals include a focus on jobs that pay at or above the average county wages, incorporate women- and minority-owned businesses, and help to diversify the regional economy. Benchmarks that have long-term implications include an increase in local capacity, an increase in workforce skills and development of marketable industrial lands. The LJDDP has established a goal of five to one for leveraging of long-term investments in projects that lead to job creation, as well as maximizing moneys leveraged with short-term investments that create or retain jobs.

Definitions

Throughout this Strategy, the definitions, sources of data, and methodology and timeframes for collecting data used are consistent with those found in *Elements of a Regional Investment Strategy*. The following is a synopsis of those terms.

Job

Definition: One full-time equivalent (FTE) job equals 1820 hours worked per year.

Projected long-term job creation and retention

Definition: The number of FTE jobs projected to be created or retained within six years after completion of the assisted project

Source of data: OECDD studies of infrastructure projects and/or other state or local data sources; Consultation with OECDD Regional Coordinator

Method and schedule to obtain data: Agreed upon at project start

Projected short-term job creation

Definition: The number of FTE jobs projected to be created within two years after completion of the assisted project

Source of data: Application from the business

Method and schedule to obtain data: Agreed upon at the time of award

Projected short-term job retention

Definition: The number of FTE jobs the business indicates would no longer exist in Oregon if the project is not completed

Source of data: Application from business including the previous 4 quarters' Oregon Employment Department's Oregon Quarterly Reports and Form 132 (for Unemployment Insurance Tax)

Method and schedule to obtain data: Obtained from the application; base FTE will be the four calendar quarters preceding the application, or pro-rated, if necessary

Number of jobs created

Definition: Base FTE subtracted from current FTE; fund recipients are required to submit Oregon Quarterly Reports and Form 132 to Southeast Regional Alliance staff

Source of data: Oregon Quarterly Reports and Form 132

Method and schedule to obtain data: Base FTE obtained from application; each quarter, recipient submits Oregon Quarterly Reports and Form 132 to establish current FTE.

Wage level of the jobs created

Definition: Average wage is calculated by dividing total wages paid for the year by total FTE in the year.

Source of data: Oregon Quarterly Reports and Form 132

Method and schedule to obtain data: Base average wage obtained from application; current average wage will be calculated using Oregon Quarterly Reports and Form 132

Number of jobs retained

Definition: Jobs that would have been lost had the project not been completed, but were retained over at least a one-year period.

Source of data: Oregon Quarterly Reports and Form 132

Method and schedule to obtain data: Base FTE obtained from application; applicant will identify the number of existing FTE jobs that will no longer exist in Oregon if the project is not completed; recipient submits Oregon Quarterly Reports and Form 132 to establish current FTE; if the current FTE is greater than or equal to the projected job retention, the number of jobs retained is the proposed job retention number. If the current FTE is less than the actual number of FTE Jobs Retained is equal to the current FTE Jobs or the FTE Job Retention - Proposed, whichever is less.

Wage level of the jobs retained

Definition: Average wage is calculated by dividing total wages paid for the year by total FTE in the year; to be done at the beginning of project using Base FTE information, and for the year covering the required retention period.

Source of data: Oregon Quarterly Reports and Form 132

Method and schedule to obtain data: Base average wage obtained from application; average wage for the retention period will be calculated using Oregon Quarterly Reports and Form 132

Personal income tax

Definition: Amount of estimated state personal income tax generated by job creation and retention projects

Source of data: Oregon Quarterly Reports and Form 132 and effective tax rate published by the Department of Revenue

Method and schedule to obtain data: Base obtained from application; Calculation performed annually using (average wage) x (number of jobs) x (effective tax rate).

Long-term investment leveraged by the Board's activity

Definition: The amount of money projected to be invested in the region within six years as a direct result of the Board's investment and which, as determined by the recipient, would not have occurred without the Board's investment

Source of data: OECD studies of infrastructure projects and/or other state or local data sources; consultation with OECD Regional Coordinator

Method and schedule to obtain data: Certification by recipient; consultation with Regional Coordinator

Short-term investment leveraged by the board's activity

Definition: The amount of money invested in the region within one year after completion of the project, as a direct result of the board's investment and which, as determined by the recipient, would not have occurred without the board's investment.

Source of data: Recipient of Regional Investment Funds

Method and schedule to obtain data: A final report will be required to be submitted by the recipient after completion of the project. The final report will include the amount of money invested in the region as a direct result of the Regional Investment Funds and also will include a statement from the recipient as to whether the investment would have occurred without the Regional Investment Funds.

Regional Benchmarks and Performance Measures

The performance measures shown on the following pages will be used in an attempt to quantify and evaluate progress toward accomplishment of the region's identified short-term and long-term priorities. The LJDDP board has established a timeline to assess the movement of the performance measures as they relate to ongoing implementation of the Regional Investment Strategy. The schedule to obtain current data will vary somewhat depending upon the benchmark, but it will be done on no less than an annual basis. On a biennial basis, the Strategy will be reviewed, the data analyzed, and adjustments made as necessary.

All information found on the following chart, including the job creation and/or retention projections, are based on a biennial legislative allocation of \$392,226, an amount equal to that appropriated to the region in the 2005-2007 biennium. Should additional funds be made available to the region, the targets will be adjusted upward. If there is no funding in the Regional Investment Program during any or all of the 2009-2013 period, the LJDDP would anticipate that all program goals for unfunded biennia would be reduced to zero.

Regional Benchmarks and Performance Measurements

BENCHMARKS	PERFORMANCE MEASURES	TARGETS			SCHEDULE FOR UPDATES
		2007-09	2009-11	2011-13	
<p>EMPLOYMENT: Projected Jobs <i>Attract New Small Businesses</i> <i>Expand Existing Businesses</i> Data Measured: <i>Employment by County and Region</i> Source: <i>Oregon Employment Department Oregon Quarterly Form 132</i></p> <p>NOTE: Targets reflect a goal of \$5,000 of Regional Investment Funds for each job created or retained</p>	<i>Projected jobs to be created (short term / direct)</i>	30	30	30	Obtain Data: At Contract Analyze Data: Annually Adjust Strategy: Biennial
	<i>Projected jobs to be created (long term / indirect)</i>	20	20	20	
	<i>Projected jobs to be retained (short term / direct)</i>	23	23	23	
	<i>Projected jobs to be retained (long term/indirect)</i>	10	10	10	
<p>EMPLOYMENT: Increase in Jobs in Region <i>Attract New Small Businesses</i> <i>Expand Existing Businesses</i> Data Measured: <i>Employment by County and Region</i> Source: <i>Oregon Employment Department Oregon Quarterly Form 132</i></p> <p>NOTE: Targets reflect a goal of \$5,000 of Regional Investment Fund for each job created or retained</p>	<i>Number of jobs created (short term / direct)</i>	30	30	30	Obtain Data: Quarterly Analyze Data: Annually Adjust Strategy: Biennial
	<i>Number of jobs created (long term / indirect)</i>	20	20	20	
	<i>Number of jobs retained (short term / direct)</i>	23	23	23	
	<i>Number of jobs retained (long term / indirect)</i>	10	10	10	
<p>ECONOMIC DIVERSIFICATION: Increase in Job Diversity <i>New Small Businesses; Expand Existing Businesses;</i></p>	<i>Number of total jobs created and retained that are outside the traditional resource-based industries</i>	10	10	10	Obtain Data: Quarterly Analyze Data: Annually

<p><i>Workforce Skills; Enhancing recreation and tourism; Global Competitiveness</i></p> <p><i>Data Measured: Employment by Industry by County and Region</i></p> <p><i>Source: Oregon Employment Department</i></p>	<p><i>Number of jobs created or retained that add value to the traditional resource-based industries</i></p>	10	10	10	Adjust Strategy: Biennial
	<p><i>Number of jobs created or retained in retail and service</i></p>	15	15	15	
<p>WAGE LEVELS: Increase in Jobs Paying Above County Average Wages <i>Attract New Small Businesses; Expand Existing Businesses</i></p> <p><i>Data Measured: Wage levels of jobs created or retained</i></p> <p><i>Source: Oregon Employment Department Oregon Quarterly Form 132</i></p>	<p><i>Number of jobs created above county average wage</i></p>	30	30	30	<p>Obtain Data: Quarterly</p> <p>Analyze Data: Annually</p> <p>Adjust Strategy: Biennial</p>
	<p><i>Number of jobs retained above county average wage</i></p>	25	25	25	
<p>INCOME TAX: Increase in estimated state personal income tax generated by assisted projects</p> <p><i>Data Measured: (Average wage) x (jobs) x (effective tax rate)</i></p> <p><i>Source: Oregon Employment Department Oregon Quarterly Form 132 and Department of Revenue</i></p>	<p><i>Change in estimated state personal income tax generated by job creation and retention projects</i></p>	Increase	Increase	Increase	<p>Obtain Data: Quarterly</p> <p>Analyze Data: Annually</p> <p>Adjust Strategy: Biennial</p>

<p>MAXIMIZING GLOBAL COMPETITIVENESS – EXPORT SALES New Export Sales of assisted Businesses. <i>Global Competitiveness and Export Sales Data Measured: New Export Sales attributed to Board investment</i> <i>Source: Financial Reports of Assisted Business</i></p>	<p><i>Change in Assisted Businesses financial reports for the year assisted and for the preceding year to establish a base level of sales.</i></p>	<p>2</p>	<p>2</p>	<p>2</p>	<p>Obtain Data: Quarterly Analyze Data: Annually Adjust Strategy: Biennial</p>
<p>LEVERAGING LONG-TERM INVESTMENTS: Utilization of outside investments to optimize Regional Investment Funds <i>Workforce Housing; Workforce Skills; Recreation and Tourism; Global Competitiveness</i> <i>Data Measured: Amount of NON-Regional Investment Funds invested in projects that lead to long-term, indirect job creation or retention</i> <i>Source: Employer Certification</i></p>	<p><i>Ratio of other funds to Regional Investment dollars invested</i></p>	<p>5:1</p>	<p>5:1</p>	<p>5:1</p>	<p>Obtain Data: At Contract Analyze Data: Annually Adjust Strategy: Biennial</p>

<p>MAXIMIZING MONEYS LEVERAGED WITH SHORT-TERM INVESTMENTS</p> <p><i>Attract New Small Businesses; Expand Existing Businesses;</i></p> <p><i>Data Measured: Amount of NON-Regional Investment Funds invested in projects that directly create or retain jobs in the short term</i></p> <p><i>Source: Employer Certification</i></p>	<p><i>Ratio of other funds to Regional Investment dollars invested</i></p>	<p>5:1</p>	<p>5:1</p>	<p>5:1</p>	<p>Obtain Data: At Contract</p> <p>Analyze Data: Annually</p> <p>Adjust Strategy: Biennial</p>
<p>CAPACITY FOR ECONOMIC AND COMMUNITY DEVELOPMENT: Increase in Local Capacity to Address Economic and Community Development Opportunities</p> <p><i>Data Measured: Economic Development staff in region</i></p> <p><i>Source: County Government Certification</i></p>	<p><i>Number of communities with economic or community development staff support</i></p>	<p>3</p>	<p>3</p>	<p>3</p>	<p>Obtain Data: Ongoing</p> <p>Analyze Data: Annually</p> <p>Adjust Strategy: Biennial</p>
<p>PROJECT-READY INDUSTRIAL LAND: Increase in Number of, and Acreage of, State Certified Industrial Sites</p> <p><i>Data Measured: Number of sites and acreage in OECDD's Industrial Database</i></p> <p><i>Source: OECDD</i></p>	<p><i>Number of sites assisted in meeting state guidelines for the Industrial Site Certification program or other state industrial land identification programs</i></p>	<p>2</p>	<p>1</p>	<p>1</p>	<p>Obtain Data: At Contract</p> <p>Analyze Data: Annually</p> <p>Adjust Strategy: Biennial</p>

<p>COMMUNITY CAPITAL PROJECTS— CONSTRUCTION: On going evaluation of Regional Wastewater and Water needs</p> <p><i>Workforce Housing</i> <i>Data Measured: Number of community projects assisted with construction</i></p> <p><i>Source: Community certification and OECDD</i></p>	<p><i>Number of community capital construction projects that receive assistance</i></p>	<p>1</p>	<p>1</p>	<p>1</p>	<p>Obtain Data: At Contract</p> <p>Analyze Data: Annually</p> <p>Adjust Strategy: Biennial</p>
<p>COMMUNITY CAPITAL PROJECTS PLANNING:</p> <p><i>Workforce Housing;</i> <i>Data Measured: Number of community projects assisted with planning</i></p> <p><i>Source: Community certification and OECDD</i></p>	<p><i>Number of community capital planning projects that receive assistance</i></p>	<p>1</p>	<p>1</p>	<p>1</p>	<p>Obtain Data: At Contract</p> <p>Analyze Data: Annually</p> <p>Adjust Strategy: Biennial</p>

LJDDP Strategic Plan Schedule

Draft development – From September 7, 2007 to October 5, 2007, interview local government, special districts, landowners, farmers, small businesses, organizations and concerned citizens.

Write draft Strategic Plan – October 6, 2007 through October 14, 2007

Review by County Judges and LJDDP staff – October 15, 2007 through October 17, 2007

Prepare final draft for submission – October 18, 2007

Submit final draft to OECDD – October 19, 2007

LJDDP meeting October 25, 2007 to prepare presentation

Meet with OECDD Commission October 26, 2007 (Portland)

Eastern Oregon Rural Alliance meeting October 29, 2007 (Pendleton)

Review and revise October 30-31, 2007

County Court public hearing and adoption November 1, 2007 through November 21, 2007

LJDDP holds public meeting and adopts Strategic Plan November 26 – 29, 2007

LJDDP submits final Strategic Plan to Regional Coordinators and public November 30, 2007

Prepare for February 2008 legislative session

Infrastructure Inventory (concurrent)

Develop list from local government, special districts and others September 7, 2007 through October 31, 2007

Enter lists into state web site November 1, 2007 through November 15, 2007

LJDDP adopts Infrastructure Inventory list November 26 – 29, 2007

LJDDP submits adopted Infrastructure Inventory report – November 30, 2007

Attachment A

LJDDP Intergovernmental Agreement

Intergovernmental Agreement

This Agreement is made and entered into under the authority of ORS 190.010, August 24, 2007, by and between Gilliam County, Sherman County, and Wheeler County.

1. Purpose

In accordance with ORS 285B.242(1), the Counties hereby establish the Lower John Day Development Partnership (the “Board”) as the regional board for the counties of Gilliam, Sherman and Wheeler (the “Region”); and

In accordance with OAR 123-055-0240(3), the Counties hereby designate Wheeler County (the “Contractor”) as the fiscal and administrative entity that will act for the Board created pursuant to Section 2 hereof.

2. Establishment of Regional Board

A. Establishment of Regional Board. The Board shall consist of nine (9) members. Each County in the Region shall appoint two (2) members to the Board to serve along with the County Judge. In appointing members of the Board, each County shall give due consideration to representation of the various local interests in the Region, including but not limited to, cities, counties, ports and special districts. Each county will appoint at least one member from the private economic sector.

B. Board Member Term of Office. Appointees to the Board shall serve a minimum of one year. Thereafter, each member’s term shall last two (2) years. In the event of a vacancy on the Board, the appointing County shall fill the vacancy within sixty (60) days.

C. Board Member Removal and Resignation. A Board member may resign at any time effective upon written notice to the appointing County or effective on such later date as may be specified in the notice. All Board members serve at the pleasure of the appointing County and the appointing County may remove its’ Board members at any time effective upon written notice to the Board member at the members’ address set forth in the Boards’ records.

D. Board Officers. After each County has designated its’ representative to the Board, the Board shall meet and elect a Chair and Vice-chair. The Chair and Vice-chair shall serve for one (1) year and are eligible for re-election. The Chair shall have authority to call and preside over Board meeting. Each year the board

will have the opportunity to attend training on topics such as Public Meeting Laws, government contracting and economic development practices.

E. Quorum and Voting. Decisions of the Board shall be by majority vote of the Board at which a quorum is present. A quorum shall consist of a majority of the total members of the Board, at any meeting of which all Board members were provided written notice. Each Board member shall have one (1) vote.

F. Board Meetings.

- 1) Meetings of the Board shall be held at such place and time as may be designated from time to time by the Board or other person calling the meeting. The Board shall meet at least monthly.
- 2) Regular meetings of the Board may be fixed by resolution of the Board and no notice thereof to Board members other than the existence of such resolution is required.
- 3) Special meetings of the Board may be called at any time by the Chair, Vice-chair or any member. Notice of the time and place of special meetings shall be provided to each Board member not less than 24 hours prior to the commencement of the meeting.
- 4) The notice provisions of this section are not intended to alter or modify any additional or more restrictive notice requirements of the Oregon Public Meetings Law.

G. Waiver of Notice. Attendance of a Board member at a meeting shall constitute a waiver of notice of such meeting as required by Sections F (1) to F (3) above except where a member attends for the express purpose of objecting to the transaction of any business because the meeting is not properly convened. Notice of any meeting of the Board as required by Sections F (1) to F (3) may be waived, whether before or after the meeting, by any member by a written instrument signed by the member and filed within the Boards' records.

H. Power and Authority of the Board.

The Board may:

- 4) In accordance with the ORS 285B.230 to 285B.269 (together with the administrative rules adopted by the Oregon Economic and Community Development Department thereunder, the ("Act")), develop and modify, if necessary, a proposed regional investment strategy (the "Regional Investment Strategy") for the Region and update the Regional Investment Strategy as necessary to include a biennial implementation strategy.

- 5) In accordance with the Act, update the Regional Investment Strategy as necessary to include a rural action plan.
- 3) Implement the Regional Investment Strategy after it has been approved by the Counties and the Governor or a regional partnership in accordance with ORS 285B.242.
- 4) Adopt policies for expenditure of monies received by the Region or the Board from the Oregon Economic and Community Development Department
- 5) Approve expenditure of Moneys, including but not limited to, expenditure of Regional Investment Fund, Community Development Fund and all other moneys on projects or activities.
- 6) Provide direction to and oversight of the entity designated by the Counties to provide administrative and fiscal support for the Board. Such direction and oversight must be consistent within the contract between the Counties and the designated entity.
- 7) Adopt bylaws to govern the conduct of the Board. Bylaws must be consistent with the Act and this Agreement.
- 8) Exercise such other powers as may be vested in the Board by the Act, this Agreement, or as are necessary or appropriate for the conduct of the Boards' business as described in this Agreement.

3. **Fiscal and Administrative Services**

A. Fiscal and Administrative Services. In accordance with the terms and conditions of this Agreement and subject to the direction and oversight of the Board, Contractor shall provide the fiscal and administrative services described herein to the Board. Without limiting the generality of the immediately preceding sentence. Counties hereby appoint Contractor to receive, hold and disburse moneys to be paid to the Region and the Board by the Department for the purposes of and in accordance with the Act. Contractors' duty of performance hereunder is owed to each of the Counties.

B. Staff Support for the Board. Contractor shall provide all necessary or appropriate staff support for the Board in the conduct of the Boards' business. Specifically, and without limiting the generality of the immediately preceding sentence, Contractor shall:

- 1) Notify Board members and the public of all meetings of the Board as required by the Intergovernmental Agreement and the Oregon Public Meetings Law.
- 2) Prepare and distribute agenda and other Board meeting materials
- 3) Take minutes of all Board meetings as required by the Oregon Public Meetings Law.
- 4) Maintain minutes of Board meetings and other records of the Board in accordance with the Oregon Public Records Law and the administrative rules of the Oregon State Archives.

C. Preparation of Regional Investment Strategy. Consistent with the Act and the Regions' economic and community development priorities as identified by the Board, Regional Capacity Builder shall prepare a proposed regional investment strategy, including a rural action plan as appropriate, for review and approval by the Board and assist the Board in obtaining the Counties' and the Governors' or a Regional Partnerships' approval, as appropriate, of the Regional Investment Strategy (when so approved, the "Approved Regional Investment Strategy"). Regional Capacity Builder shall revise the Regional Investment Strategy as necessary to address comments of the Counties or the Economic and Community Development Commission and update the Regional Investment Strategy as necessary to include biennial implementation plans.

D. Receipt and Administration of Funds.

Contractor shall:

- 4) Enter into a contract with the Department for receipt and administration of regional investment fund, Community Development, and any other funds made available by the Department to the Region and the Board. These funds will be received and distributed in accordance with Oregon laws.
- 5) Perform and discharge all of its obligations under the contract with the Department and otherwise comply with the terms and conditions of the contract. Contractor agrees and acknowledges that the Regional Investment Funds, or any other funds, are public funds of the Counties and that Contractor has no proprietary right or interest therein.
- 6) Act as a custodian of the Regional Investment funds and agrees that this Agreement places it in a fiduciary relationship with the Counties.
- 4) Place all Regional Investment Grant money and interest earned thereon in a separate account shall not commingle the Region Investment Grant monies in that account with other moneys, and shall

maintain discrete accounting records for expenditures and cash balances.

- 5) Use and maintain accounting policies, practices, and procedures which are consistent with generally accepted accounting principles, and in accordance with applicable statutes and regulations.
- 6) Hold all Regional Investment Grant moneys in trust for the purposes specified in this Agreement, shall expend, transfer or disburse the Regional Investment Grant moneys only as provided in this Agreement and such moneys shall not be subject to levy or attachment or lien by or for the benefit of any creditor of Contractor.

E. Implementation of Regional Investment Strategy. Upon amendment of the contact with the Department to include the Approved Regional Investment Strategy, Contractor shall implement the Approved Regional Investment Strategy. Specifically, and without limiting the generality of the immediately preceding sentence, Contractor shall:

- 4) Assist the Board in developing a budget for expenditure of the Region/Rural Funds consistent with the Approved Regional Investment Strategy.
- 4) Develop application materials and procedures to permit individuals and entities to apply to the Board for Regional Investment Funds for proposed projects or activities implementing the Approved Regional Investment Strategy.
- 4) Receive and review all applications for Regional Investment Funds and make recommendations to the Board on approval or denial of the applications.
- 4) Upon approval of an application, enter into appropriate contracts (“Financial Assistance Contracts”) with the applicant (“Recipient”).
- 5) Administer all Financial Assistance Contracts in accordance with their terms (including by not limited to, the filing and recording of all documents as necessary or appropriate).
- 6) Monitor each Recipients’ compliance with the terms and conditions of the Financial Assistance Contracts and recommend appropriate action to the Board in the event of a Recipients’ non-compliance.
- 7) In the event of a Recipients’ non-compliance with the terms and conditions of the Financial Assistance contract take all enforcement action authorized by the Board.

- 8) Deposit and administer in accordance with section D, any financial assistance repaid to Contractor under a Financial Assistance Contract (whether such repayment is pursuant to the terms and conditions of a loan, or otherwise). If, as a result of a Financial Assistance or Contractors' exercise of its rights thereunder, Contractor comes into possession or ownership of any real or person property other than money ("Resulting Property"), Contractor shall hold such Resulting Property solely for the benefit of the Counties. Contractor agrees and acknowledges that it has no proprietary right or interest in any Resulting Property and will indicate on all deeds, certificates of title and other instruments or documents evidencing any ownership interest in or right to any resulting Property that Contractor is holding the Resulting Property in trust for the benefit of the Counties. Resulting Property shall not be subject to levy or attachment or lien by or for the benefit of any creditor of Contractor.

F. Evaluation of Performance of Approved Regional Investment Strategy.

Contractor shall assist the Board in evaluating the performance of the Approved Regional Investment Strategy against the benchmarks included in the Approved Regional Investment Strategy in accordance with ORS 285B.239 and the interim indicators of performance agreed to by the Board and the Economic and Community Development Commission. Contractor shall prepare periodic reports on the performance of the Approved Regional Investment Strategy as required by ORS 285B.239(7) and, upon the Boards' approval of the reports, submit the reports to the Counties, the Commission, the Governor and the Legislative Assembly.

G. Compensation. With prior approval of the Board, Contractor may withdraw amounts from the account containing the Regional Investment Funds as follows:

- 4) Compensation not to exceed \$4,000.00 per month (or a pro-rata portion thereof if services are rendered for only part of a month);
- 5) Hourly rate for staff computed at \$30 per hour, including the cost of benefits;
- 3) Mileage reimbursement at the rate of \$.30 per mile; and
- 4) Expenses to be reimbursed upon submission and approval by the Board of appropriated documentation

H. Subcontracts, Assignment and Successors and Assigns. Contractor shall not enter into any subcontracts for the performance or discharge of any of Contractors' obligations hereunder or assign or transfer any of its interest in this Agreement without the prior written consent of each of the Counties. The

Counties' consent to any subcontract shall not relieve Contractor of any of its duties or obligations under this Contract. This Agreement shall be binding upon and shall inure to the benefit of the Counties, and their respective successors and permitted assigns, if any.

4. Term and Termination

This Agreement shall be in full force and effect from the Effective Date until terminated by a County in accordance with this section:

- 4) The Region may terminate this Agreement if all the Counties determine that the Contractor is not performing its functions under this Agreement. In this case the Region shall provide the Contractor with thirty (30) days written notice of termination.
- 6) The Contractor may terminate this Agreement upon thirty (30) days written notice to the Region.
- 3) Immediately upon termination of this Agreement, the Contractor shall return all funds to that entity designated by the Region.

5. Dispute Resolution

A. Any dispute between the parties arising from the terms or implementation of this Agreement, or any claim by any party for breach or enforcement of this Agreement, shall be submitted first to mediation and then, if unresolved, to binding arbitration.

B. In the event of a demand for arbitration, the parties shall agree upon an arbitrator or, if no agreement is reached within ten (10) days of the demand, each party shall select any arbitrator and the two (2) arbitrators shall select a third. Each party shall be responsible for the costs of its arbitrator and one-half (1/2) the costs of the third arbitrator. The arbitrators, by majority vote, shall have full authority to establish procedures, rule on evidence and objections and render an enforceable decision, and shall be subject to the terms of ORS 36.325.

6. Amendment

This Agreement may be amended from time to time by agreement in writing by the parties. Such written modification will be made a part of this Agreement, and subject all other provisions of this Agreement.

7. Notice

Any notice required to be given under this Agreement shall be given in writing by person delivery, facsimile, or mailing the same, postage prepaid, to a party at the address set

forth below. Any notice so addressed and mailed shall be deemed to be given five days after mailing. Any notice delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. Any notice by personal delivery shall be deemed actually delivered. A party may change its address for notices hereunder by notifying each other party in accordance with this section.

Honorable Pat Shaw, Judge
P. O. Box 427
Condon, Oregon 97823

Honorable Gary Thompson, Judge
P. O. Box 365
Moro, Oregon 97039

Honorable Jeanne Burch, Judge
P. O. Box 447
Fossil, Oregon 97830

8. Compliance with Applicable Law

Each party shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to this Agreement and the performance of each party hereunder.

9. Severability

If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular term or provisions held to be invalid.

10. Counterparts

This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

11. Integration and Amendment

This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof. There are no promises, terms, conditions, obligations, or warranties other than those contained in this Agreement. This Agreement supersedes all prior communications, representations, or agreements, verbal or written, among the parties

relating to the subject matter hereof. This Agreement may not be amended except in writing executed by each of the parties.

12. Waiver

No provision of this Agreement shall be deemed to have been waived unless such waiver is in writing signed by the waiving party. No failure by any party to insist upon the strict performance of any provision of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach, of such provisions or any other provisions. No waiver of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or a waiver of such provision with respect to any subsequent breach, unless expressly provided in writing.

13. Governing Law, Venue and Consent to Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law.

INWITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first set forth above:

Gilliam County

Sherman County

Pat Shaw, Judge

Gary Thompson, Judge

Wheeler County

Jeanne Burch, Judge
Chair Lower John Day Regional Development Partnership

H. John Asher, Commissioner

William Wyatt, Commissioner

Audit (Attachment B)

Original Benchmarks (Attachment C)

[Original text from plan adopted 11-28-07 by LJDDP – replaced by new Benchmark section at request of OECD 12-10-07]

Regional Benchmarks

OECD Goal 1	Definition & source	Result (# & wages)	Measure³¹
KPM 1 Projected short term job creation within two years	Wind farm construction & support – combined construction and permanent jobs from 4 projects	50 @ \$48,000	OLMIS and application from the business
	Paleo Land & Tourism	10 @ \$38,000	OLMIS and application from the business
	Residential construction due to increased wind farm and tourism jobs	20 @ \$35,000	OLMIS and application from the business
	Other construction (water, sewer, airport) to support increased jobs from wind farm and tourism.	10 @ \$35,000	OLMIS and application from the business
	Value added agriculture	10 @ \$40,000	OLMIS and application from the business

³¹ See Footnote 29, email from Dallas Fridley, Regional Economist, regarding inaccuracy of employment reporting. The LJDDP may assist a wind turbine maintenance company to site in the region rather than haul turbine heads to Portland or Vancouver, yet the company headquarters that report to the Employment Department will not show those jobs as being in the LJDDP region. We will report as required, and submit other data showing actual jobs in the region.

KPM 1 Projected long term job creation within six years	Wind farm construction & support – combined construction and permanent jobs from 6 projects (4 started, 2 new)	100 @ \$48,000	OLMIS and Employment Dept.
	Paleo Land and Tourism	30 @ \$38,000	OLMIS and Employment Dept.
	Value added agriculture	40 @ \$40,000	OLMIS and Employment Dept.
	Residential and business construction	45 @ \$38,000	

OECD Goal 3	Source	Result	Measure
KPM 8 Long-term investment leveraged by the board's activity – six year period	Wind farm construction & support – combined construction and permanent support businesses from 6 projects (4 started, 2 new)	\$4,500,000	OECD studies and actual results
	Paleo Land & Tourism	\$2,500,000	OECD studies and actual results
	Residential construction due to increased wind farm and tourism jobs	\$5,000,000	OECD studies and actual results
	Other construction (water, sewer, airport)	\$4,000,000	OECD studies and actual results
	Value Added Agriculture	\$3,000,000	OECD studies and actual results
	Workforce Education		OECD studies and actual results

KPM 8 Short-term investment leveraged by the board's activity – two year period	Wind farm construction and related support businesses from 4 projects	\$1,500,000	OECD studies and actual results
	Paleo Land & Tourism	\$500,000	OECD studies and actual results
	Residential construction	\$1,000,000	OECD studies and actual results
	Other construction (water, sewer, airport)	\$2,000,000	OECD studies and actual results
	Value added agriculture	\$150,000	OECD studies and actual results
	Workforce education	0	OECD studies and actual results

OECD Goal 3	Activity	Result	Measure
KPM 7 Industrial site certification	Continue certification process of 2 industrial sites	2 certified sites	Certification

OECD Goal 3	Activity	Result	Measure
KPM 9 Community capital project planning	Support planning for additional infrastructure to accommodate workforce housing and expanded businesses	Plans for adequate water, wastewater & other infrastructure systems in at least 2 communities	Completion of planning and prepare to secure funding

Adoption of Lower John Day Development Partnership Strategic Plan 2007 - 2013

Adopted by the Gilliam County Court

Pat Shaw, Judge

Date

Adopted by the Sherman County Court

Gary Thompson, Judge

Date

Adopted by the Wheeler County Court

Jeanne Burch, Judge

Date

Adopted by the Lower John Day Development Partnership Board

Cliff Jet, Chair

Date