

Rainier Economic Development Council  
Rainier City Hall ~ Rainier, Oregon  
Regular Meeting  
February 7, 2011 ~ 6 p.m.

**Call to Order** – Mayor Jerry Cole called the meeting to order at 6:05 p.m.

**Pledge of Allegiance to the Flag**

**Roll Call -**

**Present** – Bill Vilardi, Mike Avent, Scott Cooper, Phil Butcher, David Langford, Jerry Cole

**Absent** – Sloan Nelson, Russ Moon

**New Business –**

- (1) Election of officers – David Langford made a motion to elect Mike Avent Chair, 2<sup>nd</sup> by Bill Vilardi, motion passed.  
Mike Avent took over as Chair for the remainder of the meeting.
- (2) Appoint council members to sign checks on the Bank of America checking account. Discussion followed on who should be signers. Rob Piercy suggested the council follow the REDCO By-Laws when electing and appointing council people.  
Bill Vilardi made a motion to appoint Russ Moon, Mike Avent and Sloan Nelson as signers on the REDCO checking account. Scott Cooper 2<sup>nd</sup> the motion. The motion passed.
- (3) Advisory Council - Jerry Cole will find members for the advisory council. He will contact the previous REDCO council to see if they would agree to participate. Jerry will be one of the members, Rob Piercy and Paul Rice agreed to also be part of the council since as prior REDCO Council members.
- (4) REDCO Staff Administrator – Cooper recommended keeping Terry Deaton as their staff person. Vilardi said we can see where this goes and what we need. Cole said until we see where we are going, I recommend keeping her on as staff person. We could contract with the City to take over the position as done in the past.

Phil Butcher requested a copy of the By-Laws to bring them up to speed. Cooper made a motion to table all this discussion until we see where we are all this is going. Avent said I would like to keep Terry until we get squared away.

Rob Piercy asked the REDCO Council if they would like his to fill them in on where REDCO stands at this time. He explained from the conception of REDCO in 1996, Measure 50, selection of Option 3, USG loan, IGA with other taxing districts and the current status on the litigation with REDCO professionals and USG. Since the City Council has now taken over the conscious of REDCO and the Urban Renewal District, Rob advised them to become familiar with ORS 457.095 laws that govern urban renewal agencies. He made the recommendation to change REDCO's name from Rainier Economic Development Council to Rainier Urban Renewal Council as the current name is misleading. REDCO does not do economic development rather its purpose is to administer the Rainier Waterfront Urban Renewal Plan. It is important the council understands the REDCO boundaries and what properties lie inside this area.

Piercy informed the new council that our previous attorney, Rob Sullivan, missed the appeal date on the IGA judgment by a week. REDCO made the decision to no longer retain Sullivan. REDCO then retained Lane Powell Attorney, Karen Williams, as their new urban renewal attorney. She determined REDCO had a valid claim against the attorneys Sullivan and Shannon and their consultant, Tashman, regarding their services with the USG promissory note and negotiations.

REDCO attorney filed with the court for a determination of the language in USG promissory note for repayment of the note. USG then began litigation against REDCO for payment of the loan and against the City of Rainier for the increase in water fees. Rob said raising the water fees triggered the counter lawsuit. Cole disagreed that the water fees had nothing to do with the suit. The case was placed before a federal court for mediation of the case. The language of the note will not be decided until the mediation is resolved or it goes to court. Rob told the council REDCO turned down the settlement offer reached with USG, City, County and REDCO because REDCO did not have enough funds the portion that was requested by City and County for REDCO to contribute to the settlement offer.

Avent asked how much REDCO has paid in attorney fees since this started. Deaton said in the last three years approximately \$165,000 has been spent. Piercy explained REDCO has only limited income: (1) frozen tax base (2) tax increment funds from the division of taxes with a \$300,000 annual cap (3) USG taxes \$1,4 million of which REDCO received \$118,000 the year REDCO reduced their payment to conform to the language of the note (3) special levy – unavailable since it can be referred to the voters and they will vote it down. The citizens were promised before the note was signed that they would not have to pay for USG. Every newspaper that covered the USG proposal hearings reported this fact.

Avent stated that REDCO was a victim of advice from their attorneys and staff. Cole said the attorneys now just want to keep on spending money.

Deaton suggested to the council, that regardless of what their feelings maybe, they should meet with the REDCO attorney and City attorneys to discuss the case, where they need to go and how to get there from this point. Unless they have complete information from all parties it will be hard to make an informed decision on how to move ahead. Langford said he felt the objective was to make an agreement on a new note.

Scott Cooper made a motion to have the REDCO attorneys and City attorneys appear at the next scheduled REDCO meeting on February 22, 2011 at 5 p.m. Butcher seconded the motion which passed.

REDCO Meeting  
Minutes - February 7, 2011

- (5) Elect officers – Langford made a motion to elect Sloan Nelson Secretary, 2<sup>nd</sup> by Cooper. The motion passed. Cooper made the motion to elect Russ Moon Treasurer, 2<sup>nd</sup> Langford. The motion passed. A motion was made to elect Vilardi Vice Chair, he withdrew. Motion failed. Avent made a motion to elect Dave Langford Vice Chair, Butcher 2<sup>nd</sup>, motion passed.

**Board Reports –**

Deaton said she would prepare all the documents requested for the REDCO Council by the next meeting.

Cooper thanked Rob and Terry for helping. He is happy this is finally getting settled.

**Accounts Payable –** Langford made a motion to pay the November and December accounts in the amount of \$6,530.78. Vilardi 2<sup>nd</sup>, the motion passed.

Cooper asked if the REDCO will be in City Hall. Cole said the monthly rent of \$50 is very reasonable. This can be taken up at the next meeting.

Langford made a motion to pay the January 2011 accounts in the amount of \$8,810.48, Butcher 2<sup>nd</sup>, motion passed.

Cole said he would like us not to pay the \$7,995.98 to the attorneys until they come to the REDCO meeting. Dave suggested authorizing payment and hold the check for them to pick up at the meeting.

Avent asked if they wanted to hold the check. Langford made a motion to hold the check to the attorneys for \$7,995.98 until the next meeting. Cooper 2<sup>nd</sup>. The motion passed 5 to 1. Aye: Avent, Langford, Cooper, Cole, Vilardi. Nay: Butcher

Cole said he would have the City Attorney, Steve Petersen, notify the Lane Powell attorney regarding the Feb. 22<sup>nd</sup> meeting so he could plan to attend. Cole would notify the previous REDCO council members.

Cooper asked Cole if he would be approaching the REDCO council about the advisory committee. He said he would contact them.

Chair, Mike Avent adjourned the meeting at 7:25 p.m.

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Mike Avent, Chair

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Terry Deaton, REDCO Staff Administrator

