



Agenda
October 21, 2016
7:00 a.m.

EOTEC Event Center
1705 E. Airport Road
Hermiston, OR 97838

1. Call Meeting To Order - 7:00 a.m.

2. Action Items
 - a. Review and possible approval of September 30th Board minutes.
 - b. Review and possible approval of employee retirement plan changes.
 - c. Discussion and possible waiver of requirements on rodeo arena contract.
 - d. Review and possible approval of barn building bids.
 - e. Review and possible approval of a lease for the Mercantile area to the Farm-City Pro Rodeo.

3. Reports
 - a. Budget and Fiscal
 - b. Fundraising
 - c. Hoteliers/Marketing
 - d. Facilities
 - i. Knerr Construction Report
 - ii. Hendon Construction Rodeo Report
 - e. Governance
 - f. Operations

4. Public Comment

5. Next Meeting – October 28, 2016 @7:00am @ EOTEC.

6. Adjourn

*****AMERICANS WITH DISABILITIES ACT NOTICE*****

Please contact Hermiston City Hall, 180 NE 2nd St, Hermiston, OR 97838 (Phone No. 541-567-5521) at least 48 hours prior to the scheduled meeting time if you need an accommodation.
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Meeting Minutes
September 30th, 2016

EOTEC
1705 E. Airport Rd

Board Members – Chairman Byron Smith, Vice Chairman Dan Dorran, Secretary/Treasurer Larry Givens, Board members Ed Brookshier, Vijay Patel, Kim Puzey and Don Miller.

Present were Board Members Byron Smith (via phone), Dan Dorran, Ed Brookshier, Vijay Patel, Kim Puzey, and Larry Givens. Don Miller was excused. Also present were Amy Palmer, Cynthia Driscoll, Heather Cannell, Lilly Alarcon-Strong, Jade McDowell of the East Oregonian (arrived at 7:03 am), and members of the public.

Vice Chairman Dan Dorran called the meeting to order at 7:00 am.

Meeting Minutes

Ed moved and Vijay seconded to approve the meeting minutes from September 2nd and September 12th. Motion carried unanimously.

Northwest Corner Storage

Dan presented the Board with a map indicating a space of 180 x 300 sq ft at the Northwest corner of EOTEC that would allow storage for the County Fair. Larry moved and Ed seconded to approve the storage area as presented. Motion carried unanimously.

Hermiston Horse Sale Extravaganza Grant

Ed moved and Vijay seconded to approve a \$2,000.00 grant to Randy for the Hermiston Horse Sale Extravaganza that will be held next week, with the condition that Randy return the Grant Application that was given to him on Wednesday. Motion carried unanimously.

Monthly Financial Report

Ed moved and Larry seconded to approve the disbursement request as presented by Finance Director Amy Palmer. Motion carried unanimously. Larry moved and Ed seconded to approve the Finance Report as presented by Finance Director Amy Palmer. Motion carried unanimously.

Barn Report

John Eckhardt with Knerr Construction stated they have been working on advertisement for bids that should be completed by October 4th, with a bid date of October 18th. A special meeting for the metal building should be held on October 21st. Knerr Construction has been working with LRS to slightly reduce the size of the barns to bring down the costs. Fencing and landscaping bids will also be ready by October 11th. Other items such as mechanical, electrical, etc will be worked on as more items get done. John stated Knerr Construction has also been aggressively working with Hendon Construction to make sure the site plan works cohesively together.

Rodeo Report

Zeno Marvin with Hendon Construction stated they plan to attend all EOTEC meetings to ensure good communication with Hendon Construction and the Board. And, although, they are new to the project, they will work hard to make sure the Rodeo is completed on time.

Mike Kay stated he is confident in the ability of both local contractors.

Board Work Session

Dan stated the Board would speak about governance and operations at the Work Session on Friday, October 28th.

Comments

Tom Roberts thanked the Board for including the MGT 335 Event Security Planning information in the EOTEC Agenda Packet and stated he is excited that the event will be held at EOTEC. Tom encouraged those that are interested to register as the training is free.

Next meeting –The next regular meeting will be Friday, October 14th, 2016 @ 7:00 am at EOTEC located at 1705 E. Airport Road, Hermiston.

Adjourned- at 7:25 am.

STAFF REPORT

For Meeting of October 21, 2016

EOTEC Board

**SUBJECT:
Retirement Plan**

Subject

Retirement Plan for future EOTEC Employees.

Summary and Background

Since the EOTEC Authority provides a Simple IRA in which employees may participate, we are required each year by the IRS to make certain notifications to the employees about the plan. These include:

1. The opportunity to make or change a salary reduction choice under the plan;
2. The Board's decision to make matching or non-elective contributions; and
3. A summary description of the plan.

The notifications need to be made by November 2, 2016. This is also a good time for the Board to review the current plan and decide whether they would like to make any changes. The current plan allows any employee who is expected to earn \$5,000 during the current year to join the plan. The plan also provides for a matching contribution by the employer equal to 100% of the employee's salary deferral elections up to 3% of their annual compensation.

These parameters are subject to change at the Board's discretion. The \$5,000 parameter can be set anywhere between \$0.00 and \$5,000. The matching contribution can be set anywhere between 1% and 3% of the employee's compensation. Instead of the matching contribution, the employer can also choose to contribute 2% of the employee's compensation up to a maximum compensation of \$265,000.

Fiscal Information

Currently the EOTEC has one employee participating in the plan with a second employee eligible to participate beginning January 1, 2017. The EOTEC's contribution for the first employee is \$1,525 per year and the contribution for the second employee will be \$864 per year based on 2016 salary levels.

Alternatives and Recommendation

Alternatives

1. Make no changes to the plan.
2. Change the time frame for when new employees become eligible.
3. Change the amount of the matching contribution.
4. Change the time frame and the amount of the matching contribution.

Recommendation

Alternative number 2.

Requested Action/Motion

Change the time frame for when new employees become eligible so that new employees are required to have earned \$5,000 in the previous year and are expected to earn \$5,000 during the current year to join the plan. This will provide a waiting period in which to determine whether the employee will be remaining with the organization and reduce administrative and other costs for employees that may not remain long-term.

Reviewed by:

Department Head:



STAFF REPORT

For Meeting of October 21, 2016

EOTEC Board

SUBJECT:

Hendon Contract
Waivers

Subject

Recommended waivers of contract provisions for Hendon Contract on rodeo arena construction.

Summary and Background

When our contracted legal counsel prepared the bid documents we have used, there were some standard provisions that were left in that were not needed in this specific project. As provisions of the contract with Hendon Construction were reviewed prior to signing these provisions were discovered. These technically need to be waived by the Board. These two provisions are as follows:

1. Item (B)(ii)(10): This item is for a residential project and should not have been required in the contract.;
2. Professional Liability coverage was to be required of Hendon. This coverage is only applicable to a design-build project. Since this is not a design build this requirement does not apply.

I have already executed the contract with Hendon under board approval and legal advice. We were advised to have the Board waive these requirements after the fact just to make sure the details were satisfied.

Fiscal Information

These provisions were not pursued by Hendon so they did not make an impact on price of the bid.

Alternatives and Recommendation

Alternatives

1. Don't waive any requirements.
2. Waive requirements as advised.
3. Waive one or the other requirement.

Recommendation

Waive the requirements as recommended by legal/professional advisers.

Requested Action/Motion

Motion to waive above requirements.



**LEASE
Mercantile Area**

Effective Date: _____, 2016

Between: Eastern Oregon Trade and Events Center Authority, pursuant to
an Intergovernmental Agreement between Umatilla County and
the City of Hermiston, Oregon
1705 E. Airport Road
Hermiston, Oregon 97838 (“EOTEC”)

And: Farm-City Pro Rodeo Company, an Oregon Non-Profit Corporation
495 E. Main
Hermiston, Oregon 97838 (“Farm-City”)

Recitals:

A. EOTEC owns certain real property in Hermiston, Umatilla County, Oregon, described at **Exhibit A**, which property measures approximately 410’ by 120’ (the “Premises”). Upon said real property, Farm-City will construct certain permanent and temporary improvements. The Premises and preliminary depictions of improvements that might be constructed thereon are depicted at **Exhibit B**.

B. Farm-City desires to use the Premises for purposes of holding events related to an annual rodeo and EOTEC desires that Farm-City have the use of the Premises for the same. Therefore, EOTEC hereby leases the Premises to Farm-City on the terms and conditions stated below.

Agreement:

Section 1. Occupancy and Improvements

1.1 Term. The term of this Lease shall be for a period of fifty (50) full lease years (six hundred (600) calendar months), beginning on January 1, 2017 (the "**Commencement Date**"). Notwithstanding the provisions of this paragraph, the parties acknowledge that they are bound to each other in accordance with the terms of this Lease from and after the date of mutual execution of this Lease, subject to the conditions set forth in this Lease.

1.1.1 Extension of the Lease. During the last two years of the lease the parties shall negotiate in good faith to extend the lease for an additional 25 years. The terms of the lease shall be the same as in this agreement, as hereafter amended, except as the parties may otherwise agree in writing.

1.2 Purpose of Occupancy. Farm-City’s tenancy shall be for the purpose of holding rodeo-related and other activities, including, but not limited to, office and other management activities, hospitality or other “VIP” events, a beer garden, dances, concerts and concessions. Any attempted or requested change to such permitted use or other material change to the marketing orientation or quality of operation of the business within the Property (whether by Farm-City or by any proposed sub-lessee) is subject to the advance written approval of EOTEC

which shall not be unreasonably withheld.

1.2.1 Concessions. Regardless of whether EOTEC or the Umatilla County Fair have entered into agreements with any food, beverage or other concessions supplier, Farm-City shall have absolutely no limitations on its ability to contract with any concessions supplier for any concessions products. By way of example, if Coors is the exclusive provider of alcoholic beverages for the Umatilla County Fair in a given year, Farm-City shall not be obligated to serve Coors products but may instead serve Budweiser products or another brand. By way of further example, if the Umatilla County Fair contracts with a particular concessions supplier for food products, Farm-City shall not be obligated to contract with that supplier.

1.3 Tenant's Work. Farm-City shall develop the Property in accordance with this Lease, and as depicted in Exhibit B. Farm-City shall cause all of Farm-City's work to be performed in conformance with a valid permit, diligently to completion, and in a good and workmanlike manner.

1.4 Initial Improvement Review and Approval. With signing of the lease EOTEC accepts and approves development of the Property as depicted in Exhibit B.

1.5 Alterations. Farm-City shall make no alterations in excess of thirty thousand dollars (\$30,000) to the Property without EOTEC's prior written consent. All alterations shall be made in a good and workmanlike manner. Any alterations and fixtures installed by Farm-City shall become part of the Property and belong to EOTEC on expiration or termination of this Lease, except as EOTEC may otherwise approve in writing.

1.6 Acceptance of Property. Farm-City accepts the land and all other aspects of the Property in its present condition, AS IS. EOTEC shall not be required to perform any work to ready the Property for Farm-City's occupancy. Power, water and sewer are included in the property.

Section 2. Rents, Utilities, and Other Charges

2.1 Basic Rent. At the commencement of this lease Farm-City shall pay to EOTEC a one-time payment of fifty dollars (\$50) as rent when EOTEC invoices Farm-City.

2.1.1 Ticket Sales, Revenues. Farm-City shall keep all ticket sales, concessions revenues, merchandise sales, vendor fees, or other revenue generated by Farm-City from the use of the Premises under this Lease and EOTEC shall have no share of the same.

2.2 Utilities and Taxes. Farm-City will be responsible for any and all property taxes (personal or real) assessed by Umatilla County against the Premises. Farm-City will be responsible for and pay the cost of all utilities related to the Premises, including electricity, natural gas, water, sewage, garbage collection and disposal, and telephone, during the lease term.

Section 3. Improvements

3.1 Lien-Free Construction. Farm-City will pay as due all claims for work done on the Premises and for services rendered or material furnished to the Premises, and will keep the Premises free from any liens caused by Farm-City's failure to meet Farm-City's obligations.

3.2 At Lease End. All Improvements that Farm-City may construct on the Property

2 – Lease – EOTEC to Farm-City Pro Rodeo – Mercantile Area

will be the property of Farm-City during the term of this Lease and any such Improvements remaining on the Property at the expiration or earlier termination of this Lease (if any) will become a part of the realty and will be the property of EOTEC. EOTEC will also have the right to require Farm-City to demolish and remove any Improvements. Should EOTEC so elect, it will provide written notice to Farm-City to remove the Improvements at least thirty (30) days before the end of the lease term or early termination of the Lease by EOTEC. Upon receipt of such notice, Farm-City shall demolish and remove any Improvements, fill any excavation, and restore all damage caused by such removal within a period not to exceed ninety (90) days. If Farm-City fails to do so, this shall be an abandonment of the Improvements and EOTEC may retain the Improvements and all rights of Farm-City with respect to it shall cease or, by notice in writing given to Farm-City within twenty (20) days after removal was required, EOTEC may elect to hold Farm-City to its obligation of removal. If EOTEC elects to require Farm-City to remove, EOTEC may effect a removal and place any personal property in public storage for Farm-City's account. Farm-City shall be liable to EOTEC for the cost of removal, restoration, transportation to storage, and storage, with interest on all such expenses.

3.3 Fixtures. Upon expiration of the lease term or earlier termination on account of default or other event, Farm-City shall remove all of its furnishings, furniture, and trade fixtures that remain the property of Farm-City and restore all damage caused by such removal.

Section 4. Repairs and Maintenance and Coordination

4.1 EOTEC's Responsibilities. EOTEC will be responsible for the following maintenance and repairs related to the Premises and improvements thereon: all repairs and maintenance needs caused by EOTEC or one of its tenants of the Rodeo Grounds. EOTEC will be responsible to coordinate any events outside of the Fair/Rodeo week with Farm-City so as not to create conflicts.

4.2 Farm City' Responsibilities. Except for EOTEC's duties set forth at section 4.1, above, Farm-City will be responsible for all maintenance and repairs to the Premises and improvements thereon and will keep the same in a neat and clean appearance and in good working order. Farm-City will be responsible to coordinate any events outside of the Fair/Rodeo week with EOTEC so as not to create conflicts.

4.3 EOTEC's Right of Access. EOTEC will have the reasonable right to enter the Premises and Farm-City's improvements thereon to make necessary inspections, make necessary or agreed repairs or carry out maintenance activities, supply necessary or agreed services, or otherwise to carry out EOTEC's obligations under this Lease. Farm-City will not unreasonably withhold consent for EOTEC or EOTEC's authorized agents to enter upon the Premises for purposes set forth in this section.

4.4 EOTEC's Ability to Use. EOTEC will have the ability to utilize the Property to host events with consent from Farm-City at a rate to be negotiated.

Section 5. EOTEC's Funding

The parties recognize that the revenue needed by EOTEC related to this Lease must be approved by legally established budget procedures. All obligations and expenditures by EOTEC



herein are contingent upon sources of revenue, and, where applicable, voter budget levy approval. In the event EOTEC is unable to obtain revenue to meet its obligations hereunder, then all provisions of this Lease relating to the loss of revenue shall be subject to good faith renegotiation between the parties upon request made by EOTEC.

Section 6. Insurance

6.1 Farm-City. During the term of this Lease, Farm-City shall maintain public liability and property damage insurance with limits of not less than \$1,000,000.00 for injury to persons and property. EOTEC shall be named as an additional insured. Such insurance shall cover all risks arising directly or indirectly out of Farm-City's activities in or on the Premises during the term of this Lease; shall protect Farm-City against the claims of EOTEC on account of obligations assumed by Farm-City under section 7.1, and shall protect EOTEC and Farm-City against claims of third persons. Such policies shall be written in such form with such terms and such insurance companies reasonably acceptable to EOTEC. Farm-City shall deliver to EOTEC certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of ten days written notice to EOTEC. Proof of insurance shall be provided to EOTEC annually or by EOTEC's other reasonable demand. Failure to provide proof of insurance will constitute grounds for termination of the Lease by EOTEC.

6.2 EOTEC. During the term of the Lease, EOTEC shall maintain public liability and property damage insurance with limits of not less than \$1,000,000.00 for injury to persons and property. Such insurance shall cover all risks arising directly or indirectly out of EOTEC's activities in or on the Premises; shall protect EOTEC against the claims of Farm-City on account of obligations assumed by EOTEC under section 7.2, and shall protect EOTEC and Farm-City against claims of third persons. Such policies shall be written in such form, with such terms and such insurance companies reasonably acceptable to Farm-City. EOTEC shall deliver to Farm-City certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of ten days written notice to Farm-City. Proof of insurance shall be provided to Farm-City annually or by Farm-City's other reasonable demand. Failure to provide proof of insurance will constitute grounds for termination of the Lease by Farm-City.

Section 7. Indemnity

7.1 Farm-City. Farm-City shall forever defend, indemnify and hold EOTEC harmless from any claim, loss or liability arising out of or in any way connected with Farm-City's possession or use of the Premises or Farm-City's conduct with respect to the Premises. In the event of any litigation or proceeding brought against EOTEC and arising out of or in any way connected with any of the above events, or claims, against which Farm-City agrees to defend EOTEC, Farm-City shall upon agreement by the EOTEC vigorously resist and defend such actions or proceedings through legal counsel.

7.2 EOTEC. To extent allowed and limited by the Oregon Constitution and the Oregon Tort Claims Act, EOTEC shall forever defend, indemnify and hold Farm-City harmless from any claim, loss or liability arising out of or in any way connected with EOTEC's possession or use of the Premises or EOTEC's conduct with respect to the Premises. In the event of any litigation or proceeding brought against Farm-City and arising out of or in any way connected with any of the above events, or claims, against which EOTEC agrees to defend Farm-City, EOTEC shall upon

agreement by Farm-City vigorously resist and defend such actions or proceedings through legal counsel.

Section 8. Destruction

If the Premises or the improvements thereon are destroyed or damaged such that the cost of repair exceeds 40 percent of their value before the damage, Farm-City may elect to terminate the Lease as of the date of the damage or destruction by notice given to EOTEC in writing not later than 45 days following the date of damage. In such event, all rights and obligations of the parties shall cease as of the date of termination and Farm-City shall be entitled to the reimbursement of any prepaid amounts paid by Farm-City and attributable to the anticipated term. If Farm-City does not elect to terminate, EOTEC shall proceed to restore the Premises and Farm-City shall proceed to restore the improvements to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall proceed without interruption except for work stoppages on account of labor disputes and matters not under control of the rebuilding party.

Section 9. Eminent Domain

If a condemning authority takes all of the Premises or a portion sufficient to render the remaining Premises reasonably unsuitable for Farm-City's use, the Lease will terminate as of the earlier of the date that title or possession is taken by the condemning authority. EOTEC will be entitled to all of the proceeds of condemnation, except that Farm-City shall be entitled to all proceeds arising out of Farm-City's leasehold interest and improvements, and Farm-City will have no claim against EOTEC as a result of the condemnation.

Section 10. Quiet Enjoyment

EOTEC warrants that EOTEC is the owner of the Premises, that EOTEC has the right to lease them, and that Farm-City will be entitled to quiet enjoyment of them during the term of the Lease. Farm-City shall not interfere with the quiet enjoyment by EOTEC of EOTEC's other real property, nor with the quiet enjoyment of any of EOTEC's other tenants or invitees.

Section 11. Assignment and Sublease

Farm-City may sublease any part of the Premises without the prior consent of EOTEC but with notification. Farm-City may not assign this Lease, in whole or in part.

Section 12. Default; Remedies

12.1 Default. The following will be events of default: (1) Failure by Farm-City to pay any rent or other amount required to be paid by Farm-City to EOTEC under this Lease within 10 days after the giving of written notice of such nonpayment by EOTEC to Farm-City; (2) Failure by Farm-City to secure or maintain any insurance or provide evidence of insurance as required by this Lease and the continuation of such failure for more than 10 days after notice by EOTEC; (3) Farm-City abandons the Property which means a failure to use or occupy the Property for one or more of the purposes permitted under this Lease for a total of six (6) months or more during the lease term; or (4) Failure of Farm-City to comply with any term or condition or fulfill any obligation of this Lease within 30 days after written notice by EOTEC specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 30-day period, this provision will be complied with if

Farm-City begins correction of the default within the 30-day period and thereafter proceeds with reasonable diligence and in good faith to affect the remedy.

12.2 Remedies on Default. If Farm-City defaults, this Lease may be terminated at the option of EOTEC by written notice to Farm-City. Whether or not this Lease is terminated by the election of EOTEC or otherwise, EOTEC will be entitled to recover damages from Farm-City for the default, and EOTEC may reenter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender. Following reentry, EOTEC will use reasonable efforts to relet the Premises. The foregoing remedies will be in addition to and will not exclude any other remedy available to EOTEC under applicable law.

Section 13. Miscellaneous

13.1 Nonwaiver. Waiver by either party of strict performance of any provision of this Lease, including acceptance by EOTEC of late payment of rent, will not waive or prejudice the party's right to require strict performance of the same provision in the future or of any other provisions.

13.2 Attorney Fees and Costs. If suit or action is instituted in connection with any controversy arising out of this Lease, each party will pay its own attorney fees and costs.

13.3 Notices. Any notice permitted or required hereunder shall be in writing and shall be deemed given on the date deposited in the U.S. mail as certified or registered mail, postage prepaid and addressed to the parties at their addresses shown above. Such addresses may be changed by either party, by ten days' written notice to the other party.

13.4 Succession. Subject to the provisions of section 11, this Lease will be binding on and inure to the benefit of the parties and their respective successors and permitted assigns.

13.5 No Appurtenances. This Lease does not create any rights to light and air, any rights, any view rights, or any other rights, easements or licenses, by implication or otherwise, except as expressly set forth in this Lease or its exhibits. This Lease is an unsubordinated lease covering the Property, and any financing by Farm-City will encumber only Farm-City's leasehold interest. EOTEC will not subordinate the fee title or EOTEC's interest to any mortgage or other lien securing any financing by Farm-City. Farm-City will have access to parking facilities during events.

13.6 Number, Gender, and Captions. As used in this Lease, the singular includes the plural, and the plural the singular. The masculine and neuter each include the masculine, feminine, and neuter, as the context requires. All captions used in this Lease are intended solely for convenience of reference and in no way limit any of the provisions of this Lease agreement.

13.7 Prior Agreements. This document is the entire, final, and complete agreement of the parties pertaining to the Lease and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the Lease or the Premises are concerned (save and except for the application, if any, recited in this Lease).

13.8 Modification. No modification of this Lease will be valid unless in writing and signed by the parties hereto.

The parties have executed this Lease effective as of the date first written above.

<p>EOTEC:</p> <p>By: _____ _____ Print</p> <p>Name: _____</p> <p>Its: _____</p> <p>Dated: _____, 2016</p>	<p>FARM-CITY:</p> <p>By: _____ _____ Print</p> <p>Name: _____</p> <p>Its: _____</p> <p>Dated: _____, 2016</p>
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