

MINUTES

Lane Economic Committee

Lane Council of Governments (LCOG), Fifth Floor Conference Room
859 Willamette Street -- Eugene

March 25, 2019
11:30 a.m.

PRESENT: Rob Scoggin, Dan Betschart, Mark Bodie, Paul Berger, Rick Wiemholt,
Ellen Teninty, Mike Eyster, Len Blackstone, Larry Brice, Austin Ramirez,
Kari Westlund

GUESTS: Howard Schussler, Faye Stewart, Gwen Jaspers

1. Welcome/Introductions/Changes to the Agenda

Rob Scoggin, Chair, convened the Lane Economic Committee (LEC) at 11:35 a.m. Those present introduced themselves.

2. Public Comment

There were no comments.

3. Comments from the Members, Chair & Staff

Paul Berger informed the group that 4J is doing a civics and social studies curriculum adoption. Mr. Berger is advocating for inclusion in the curriculum of field trips to groups such as the LEC.

4. Review minutes from January 28, 2019

Action item: Approve minutes

Mr. Berger moved, seconded by Mr. Eyster, to approve the January 28, 2019 minutes. The motion carried unanimously.

5. Cottage Grove Renaissance

Len Blackstone and Faye Stewart presented about changes and development in Cottage Grove.

Mr. Stewart passed around a map of downtown Cottage Grove. He began by explaining that downtown Cottage Grove has been designated a Historic Downtown District, and work has been going on there for over 20 years, with small improvements made over that time. Rob Scoggin was one of first people to renovate a historic building on Main Street, after which many other business owners began investing in downtown. Mr. Stewart walked through the map with numbered buildings, explaining what each building is and what is happening with regard to renovation and business investment in each building. Some are mixed residential and commercial buildings.

Mr. Stewart then shared that the following support organizations have been established:

Economic Business Improvement District, whose resources come from business operated in district and are reinvested in the district for projects such as benches, garbage cans, a park square, etc.

Community Development Corporation, which is focused on business development. They hold business challenges, enhance businesses downtown, support local businesses and help improve them.

Chamber of Commerce, which is involved in promoting downtown through monthly events, summer activities, and holiday-related events.

Mr. Stewart mentioned that the city will be issuing permits for a new brew pub in building #11 on the map, with food carts in the back

He continued by sharing some of the development programs for downtown: The vertical housing tax district, which offers a 25% tax credit for new apartments and mixed-use structures; the national rehabilitation tax district, which offers a 25% tax credit on historic buildings; a special abatement program, which freezes taxes for 10 years on improvements; a small facade restoration grant program, which helps owners on Main Street with improvements; a diamond in the rough program, which offers up to \$50,000 in grants for historic buildings.

Mr. Stewart then reported that in his own work for the City of Cottage Grove, he has tried to improve city programs, developing a full-service building permit program to help improve the city. They provide that service for Creswell and Veneta as well as for Cottage Grove. They try to have a 5-day turnover for permits for residential plans. Commercial permits are little slower, but they try for quick turnaround. Inspections start first thing in morning and are done by the end of day. In the planning department, there was previously one city planner, and now there are three. Engineering has also expanded from one to three people. They have been working on improving customer service in all ways.

Mr. Stewart shared that improvements in downtown Cottage Grove other than businesses and individual improvements include: The All-America Park; rebuilding the Main Street and Hwy 99 intersection through a state grant; building a welcome sign/arch into historic downtown; a river trailhead park, which starts 13-mile river trail; Bohemia Park, which includes an amphitheater, play structures, and space for events; the Main Street revitalization plan adopted by the city (resources still need to be generated for this), which will include new sidewalks, repaved streets downtown, and new infrastructure; and the city's purchase of an armory, which has been turned into an event center, with remodeling already started.

Regarding the future, Mr. Stewart said that the city is working with a company to generate resources for Main Street revitalization program and the downtown business/housing loan program, as well as resources to complete armory renovation.

Ms. Westlund asked how long the business park has been at the King Estate facility, and Mr. Scoggin responded that it has been there for almost 20 years. Ms. Westlund also asked about

new housing near Hwy 99, and Mr. Stewart said that 32 homes have been built there in the past year.

Mr. Berger inquired whether the Territorial Seed Company call center has brought in technology infrastructure. Mr. Stewart replied that the city moved forward with a fiber system that connects the call center to town, creating a fiber loop system through the whole town. Since their business is more online orders than call-in orders, they are trying to decide how to move forward, so they might want to locate all of their facilities on the east side of town.

Mr. Berger also wondered whether the subsidized financing for housing is tied to affordable housing and what the homelessness situation is like in Cottage Grove. Mr. Stewart reported that there are programs for low-income housing, including Nedco and other developers. Cottage Grove does have a homeless population, and the availability of rentals is virtually non-existent. They do have a tiny home project that recently received funding from the county, and they have submitted building plans for 12-13 units. Additionally, Homes for Good received a grant to build housing for low-income veterans close to downtown.

Mr. Eyster asked about population growth in Cottage Grove, and Mr. Stewart replied that in the last few years, 40-50 new homes have been built. It is growing at 1.1%. If more developments take place, the population will grow faster. Mr. Eyster also wondered who owns the fiber network, and Mr. Stewart responded that the city owns it, with a grant through the Regional Fiber Consortium.

Mr. Blackstone continued with the presentation. He shared that downtown Cottage Grove is the “living room” of the community, and it is therefore critical, but too many buildings currently sit vacant. The plan for improving downtown is two-fold: (1) to provide middle-income housing for people with disposable income; and (2) to provide an environment where business exists and family-wage jobs are present.

Mr. Blackstone showed a slide of the “Bank Building,” explaining the plan to renovate the building back to how it looked when it was first built in 1904. He also showed the inside floor plan for this building, which includes 6 apartments upstairs for middle-income people, which will help support businesses downstairs. The lower level will house a coffee shop, a grocery store, a Latino store, a barber shop, and offices (including both private and open workspace). This will be like a visitors’ center for downtown. Windermere real estate will also be located there. Since it is only a two-story building and a historic building, they will not be putting in an elevator due to excessive cost.

Mr. Berger asked what kind of market research has been done to make sure there is a need for shared office space.

Mr. Blackstone then shared his background. He moved to Cottage Grove in 1978, wanting to locate within 60 miles of Eugene so his wife could attend U of O. He started an ad agency, and in 2001 started consulting firm. His skill set includes identifying market opportunities, where products and businesses will be successful. He performed a lot of market research, and he hired himself to help with the Cottage Grove community. He hired a research firm, looked at vacancy

rates, and gathered data. He reached the conclusion that Cottage Grove needs family-wage jobs in the community, and jobs require businesses, which require buildings and land. To grow a business, one needs to get more customers or acquire another business. In order to raise up entrepreneurs, you need to attract them or train them. Mr. Blackstone obtained his real estate license and joined Windermere, so he can buy and sell property to earn money to support bringing in more businesses. He sold all the empty industrial lots for the city, and he and his wife bought the Bank Building.

Mr. Berger wondered who will be leasing the office spaces in the shared workspace. Mr. Blackstone responded that small office space is hard to find, and people are coming from all over, bringing knowledge and talent to the community to start new businesses, connect with the high school, etc.

Mr. Blackstone then posed the question, “What needs to change?” Rural America now contains the most troubled areas. Cottage Grove is rural. People need to look at what their gifts are and embrace those gifts. He himself is an entrepreneur, and he is trying to use those talents. He asserted that some perceptions that need to change:

- 1) Perspective is important and can change what you’re really seeing; we need to see from the customers’ perspective.
- 2) Perception IS the reality, but it is not the truth. Truth eventually comes out. Deal with truth, or business will fail.

Mr. Blackstone opined that Rural America has a lot to teach us about community. The goal of business is not to maximize shareholder value, but to build a community. Politics are not a war in which votes are viewed as bullets to kill enemy, but a collective of voices and instruments to create a symphony. At the core, we’ve lost these truths about business and politics. Mr. Blackstone shared that he believes in government because it builds roads for the good and barriers for the bad. Rural America is about community and raising kids and living a full life.

Ms. Westlund asked about the timeline for the Bank Building project, and Mr. Blackstone replied that the goal is to have it completed by May 2020.

6. 5G and Small Cell Clusters

Howard Schussler presented a brief overview on 5G and Small Cell Wireless: A Local Perspective.

Mr. Schussler began by explaining 5G and Small Cell are. There is overlap between the two, but also a conflict between interests. 5G is the 5th generation of cellular wireless technology, which involves faster speed, shorter response time (latency), and the ability to connect lots of things together all at the same time. Small Cell Nodes are small, low-powered antennas on city street lights, buildings, utility poles, etc., instead of large cell towers. There are already small cell grids that support 4G. Unlike a wireless node (used for Wi-Fi), small cell infrastructure allows individuals to connect to a specific network from wherever they are. You use your specific provider to connect to their network.

Mr. Schussler noted that this technology offers faster speeds at lower prices, more capacity (so calls don't drop in high capacity areas), and better service for people in rural communities who are historically underserved. Local government concerns regarding 5G and Small Cell technology include local control issues such as the permitting process, where the structures go, use of public infrastructure, franchise fees or user fees, and RF emissions.

The FCC rules prohibit local rules that unreasonably delay or prevent installation or maintenance and also prohibit unreasonable increases in costs (however, no one has defined unreasonable). They also limit RF emissions and have established emission standards. Ms. Westlund asked if the limit is arbitrary, and Mr. Schussler replied that some places have resources to check it, but some don't. The standards developed by the FCC and influenced by industry; smaller local governments do not have the ability to check it.

Mr. Schussler continued by stating that public interest in 5G includes the following:

- wanting faster speeds, pay less
- wanting greater capacity to do more and carry heavy traffic
- wanting to be connected everywhere at all times

Some public concerns include:

- a data gap in research on health risks
- FCC limits local government actions, which is a big deal in Eugene
- rural communities worry they will be overlooked and underserved again

Mr. Brice wondered if the larger communities such as Eugene have licensing leverage over smaller communities. Mr. Schussler responded that there are permitting requirements, but no licensing. Eugene cannot restrict it or demand money. The County has no leverage in Eugene to help smaller communities. County does not even have the right to regulate things such as right of way; that is up to the city. There is no return on investment for large companies to invest in 5G or Small Cell infrastructure in rural communities.

Mr. Schussler then described business interest in 5G:

- it takes billions of dollars to set up a 5G network per carrier, because it requires 10 times the amount of infrastructure already in place
- FCC is limiting local rule-making, and telecom providers are lobbying for even more limits on local authority
- businesses in general see the potential for the new technology to support their business interests

Mr. Schussler continued with local government interest in 5G:

- local governments need to recover costs for managing rights of way and are
- local governments are expected to represent the health, fiscal, aesthetic interests of their

residents but are limited in doing this

- local governments are interested in employing the new technology
- there are costs to local governments for anything using public infrastructure, and allowable fees may not cover costs

Ms. Westlund wondered what the time frame for 5G would be in this area, and Mr. Schussler replied that it is a couple of years. Mr. Ramirez added that they are laying the “dark fiber” (fiber that is not yet active) now that will serve 5G in urban areas. Mr. Schussler explained that the capacity of fiber is limited by what technology you put on either end of it. They are renegotiating now about using the fiber that is in place, and they are planning to replace the older fiber eventually.

Mr. Eyster wondered who is putting the dark fiber in, and Mr. Ramirez answered that it is a variety of providers. County Commissioner Buch is meeting with Comcast to talk about rural broadband. Most larger companies do not have to do anything because numbers don’t play out. Smaller providers are making a better effort. Mr. Eyster asked if the county can impose standards, and Mr. Ramirez replied that it can impose very few; it can check boxes on the right of way application. Mr. Ramirez also clarified that “dark fiber” is fiber that is not yet being used. Lately, it has been reserved for 5G.

Mr. Blackstone shared anecdotes about an electrician he knows who has worked on a couple houses where there are no phone lines, only cable. It costs too much to bring CenturyLink in.

Mr. Eyster asked if fiber is all the same such that providers can talk to each other through fiber. Mr. Schussler responded that all fiber connects to a central location somewhere, such as the WIX located at LCOG. Mr. Scoggin mentioned that one more deal similar to LCOG’s WIX is being proposed right now. Mr. Schussler added that the second facility being proposed will be larger and will be more of a true internet exchange. Mr. Brice asked if any 5G providers have talked with them here, and Mr. Schussler responded that they are too small here. Individual networks will upgrade their own infrastructure. Rural communities have a better chance with government.

7. Set next meeting date: April 15, 2019

Mr. Scoggin announced that the next LEC meeting will be on April 15, 2019.

Mr. Scoggin adjourned the meeting at 12:56 pm.

(Recorded by Rachel Burstein)