



**SHERMAN COUNTY PUBLIC / SCHOOL LIBRARY  
OREGON SOLUTIONS PROJECT  
Report and Action Plan from May 23 meeting  
Sherman County Junior / Senior High School**

Attending (team members):

- Gary Thompson, Sherman County Judge, 541-565-3416 - [scjudge@ucesd.k12.or.us](mailto:scjudge@ucesd.k12.or.us)
- Sherry Kaseberg, Sherman County commissioner-representative to Sherman County Library Board, 541-442-5514 – [sherryk@gorge.net](mailto:sherryk@gorge.net)
- Lowell Smith, chair, Sherman County Library Board, 541-333-2297 — [less2297@yahoo.com](mailto:less2297@yahoo.com)
- Larry Hctor, Sherman County Library Board member, 541- 565-3273 - [hctor@embarqmail.com](mailto:hctor@embarqmail.com)
- Paul Lindberg, grant writer for Sherman County Library Board, 541-490-2340 - [plindberg@gorge.net](mailto:plindberg@gorge.net)
- Arla Melzer, Sherman County School Librarian, 541-565-3279 - [amelzer@sherman.k12.or.us](mailto:amelzer@sherman.k12.or.us)
- Jeanney McArthur, Sherman County Library Board staff, 541-442-5421 - [jmcarthur@sherman.k12.or.us](mailto:jmcarthur@sherman.k12.or.us)
- Ken Melzer, Sherman County School Board chair - 541-565-3573 - [melzmania@yahoo.com](mailto:melzmania@yahoo.com)
- Melva Thomas, Sherman Development League coordinator, administrative assistant to Sherman County Court, 541-442-5488 - [melvath@hughes.net](mailto:melvath@hughes.net)
- George Koffler, CEO & president, Bank of Eastern Oregon, 541-676-9125 - [gkoffler@beobank.com](mailto:gkoffler@beobank.com)
- Bill Hubble, vice-president / loan officer at Moro branch of Bank of Eastern Oregon, 541-565-3712 — [whubble@beobank.com](mailto:whubble@beobank.com)
- Dale Coles, outgoing Sherman County schools superintendent, 541-957-5574 - [dcoles@sherman.k12.or.us](mailto:dcoles@sherman.k12.or.us)
- Wes Owens, Sherman County Junior / Senior High School principal, 541-565-3500 – [wowens@sherman.k12.or.us](mailto:wowens@sherman.k12.or.us)
- Barbara Weedman, teacher at high school, ranch owner, h-541-565-3548 / w-541-565-3500 — [bweedman@sherman.k12.or.us](mailto:bweedman@sherman.k12.or.us)

- Cassie Strege, city clerk for Wasco Common Council, 541-442-5515 — [wascocity@earthlink.net](mailto:wascocity@earthlink.net)
- Danee Rankin, volunteer library director, Wasco City Library, h- 541-442-5834 / city hall – 541-442-5515 — [wascocity@earthlink.net](mailto:wascocity@earthlink.net)
- Len Rankin, husband of Danee Rankin.
- Aletha Bonebrake, convenor, outgoing director, Baker County Library System, w-541-523-6419 / c-541-379-2124 / h-541-523-6025 – [alethab@my180.net](mailto:alethab@my180.net)
- Stu Watson, OS project manager, 541-386-8860 – [stu@watsonx2.com](mailto:stu@watsonx2.com)

Invited but not attending:

- Link Shadley, Mid-Columbia Economic Development District, w-541-296-2266 / c-541-340-9545; [link@mcedd.org](mailto:link@mcedd.org)
- Carolyn Sanco, Business Development Officer, Oregon Economic & Community Development Department, - 503.353.4411 - [carolyn.sanco@state.or.us](mailto:carolyn.sanco@state.or.us)
- Jim Scheppke, state librarian, 503-378-4243 - [jim.b.scheppke@state.or.us](mailto:jim.b.scheppke@state.or.us)
- Janet Suter, USDA/ Pendleton, - 541-278-8049 x 132 - [janet.suter@or.usda.gov](mailto:janet.suter@or.usda.gov)
- Janet Brown, Regional Coordinator, Economic Revitalization Team - 541-475-0557 - [janet.l.brown@das.state.or.us](mailto:janet.l.brown@das.state.or.us)
- Fred Gast, contract architect, Sherman County Library project, 503-223-0222 - [fcgastjrfaia@aol.com](mailto:fcgastjrfaia@aol.com)
- Milt Ketchum, project manager, Sherman County Library project, 541-565-3406 / c- 541-980-4025 - [miltk@gorge.net](mailto:miltk@gorge.net)
- Erling Jacobsen, OSU experiment station, [erlingj@earthlink.net](mailto:erlingj@earthlink.net)

1. As planned, meeting convened in the School / County Library room at 4 p.m. After introductions, convenor Aletha Bonebrake introduced the Oregon Solutions process, noting that it is not a source of project funding, but a catalyst to bring community and other resources to bear on solving a community project or problem.
2. Librarian Arla Melzer provided a verbal report on development of the joint school-county library to date. An intergovernmental agreement between the county and school district led to creation of a library board and development of a county library inside the library space at the Junior / Senior High School. It opened in July 1997, funded in large part by a \$150,000 grant from the State

Library, \$88,000 of which went toward purchase of books for a countywide, all-ages readership.

With consulting help from the State Library in 2000, the board began planning for a new and separate library building, next to the high school and accessible to both students and the public. Architect Fred Gast was hired to prepare a feasibility study, and delivered a schematic design to the school and library boards in 2002. An initial capital campaign was conducted in 2004. Discussion included the possibility of incorporating the independent Wasco City Library as a branch of the county library, but action on that relationship was postponed until a later date.

Library board chair Lowell Smith noted an original cost estimate of around \$1.2 million, but subsequent cost escalation left the board currently with what are considered only estimates – ranging from \$1.5 million to \$2 million for a facility of 7,100 square feet. He noted that architect Gast is scheduled to provide a cost estimate by Aug. 22, 2007, and design documents by October 2007. Design documents will cost \$125,000. Grant writer Paul Lindberg noted that that cost would come out of approximately \$260,000 in grant and local support raised so far.

### 3. Discussion of project funding followed.

George Koffler, president of the Bank of Eastern Oregon, noted that the cost per square foot for the library, at around \$281, seemed high. He also noted that the bank just got bids of about \$275 a square foot for a new building. He asked about how much the library board envisioned funding with term debt. Lindberg noted that the board projected raising about \$150,000 locally, and generating the rest of the project funding from other sources – debt or grants. He also noted that foundations are disinclined to fund debt repayment. Koffler asked and was told that there is no library taxing district in Sherman County.

### 4. Identification of achievements and obstacles to date

#### Obstacles

- Money – combination of financing to fund \$2 million project
- Timing – getting it all together to avoid further inflation, and engage limited pool of construction contractors.
- Determining who is the borrowing entity

#### Achievements:

- Community support without any identifiable political opposition.
- Donations from approximately 200 county residents that have raised \$38,000 toward project, from a county with a population of 1,749 (2005 federal estimate).
- School district has agreed to lease the ground to the library board for the new facility at \$1 per year. Once the library is built, the library board would lease the ground back to the school district, which would become owner of the building. The lease term would be for 50 years. (Smith, Coles).
- Library seen as path to fostering economic development (Larry Hactor)

## 5. Identification of potential resources

**George Koffler** said the Bank of Eastern Oregon is interested in providing a low-interest 6-12-month construction loan at about 4.95% or 4.75% for an extended term. He said the bank has no interest, at that interest rate, in an extended repayment period; it would prefer repayment in 3-7 years. A government entity would be required to borrow the funds (school district, county).

**Gary Thompson**, Judge (chair) of the Sherman County Court, explained the negotiation process that he, county counsel Wil Carey, wind consultant Paul Wooden, and local farmer-economist Tom Martin have undertaken with developers of several wind projects in Sherman County – PPM (Pacific Power Marketing, PGE and British Petroleum. Negotiations are taking place under the state’s Strategic Investment Program, whereby (in rural areas) value of qualified developments above the first \$25 million is exempt from property taxes for 15 years. Local entities can negotiate “in lieu” payments – also called a community service fee – equal to 25 percent of exempt taxes, up to \$500,000 per year in rural areas.

Thompson said that negotiations completed with PPM will provide for annual taxes of about \$425,000, plus another \$750,000 per year. An escalator clause adds 4.5% in payments per year for the 15 years. He said he asked PGE at the outset of negotiations for \$1.5 million to fund the library directly. He said he also asked PGE to fund classes in renewable energy technology at high schools in Sherman, Gilliam and Wheeler counties, plus three sets of solar panels and a Bergey wind turbine to serve high schools in each county. He expects those negotiations to conclude by July. Talks haven’t begun with BP.

**Paul Lindberg** noted that if the Library Board could get a commitment of funding from the county (as local support), it would provide him what he needs to file grant applications with major target regional foundations: Collins Foundation, Ford Family Foundation, Meyer Memorial Trust, Paul Allen Foundation. He projects securing about \$400,000 to \$500,000 in grants. Sherman Development League, a 501 (c)(3)

## 6. Timeline

Based on discussion, Aletha focused the Team on creation of a timeline essential to prepare for and begin construction on the Library:

- July – completion of negotiations between county and PGE under SIP for taxes and in-lieu payments to county.
- August – Agreement signed between PGE and county under SIP.
- August – Commitment letter provided by PGE to Sherman Development League, as funds administrator.
- Aug. 22 – Estimated project costs from architect Fred Gast.
- Fall – Paul Lindberg begins submitting grant applications.
- Fall – Based on above projections, Bank of Eastern Oregon prepares loan documents.
- October 25 – Design & Documentation specs completed by Fred Gast (required to put project out for bid).
- Nov. 15 – Bid request solicited.
- January 2008 – Bids opened, reviewed, accepted / denied.
- June 30, 2008 – Bid price locked in at amount less than \$2 million.
- Summer 2008 (after school lets out) — Construction begins.

## 7. Task List ... before next meeting

- **Gary Thompson** – Complete SIP agreement with PGE and provide consolidated county funding estimate (one-time and loan repayment) to Library Board / OS team by July 17 OS Team meeting.
- **Milt Ketchum** – research process to submit project plans for bid ... including advertising requirements, publications, time for response, etc.
- **George Koffler and Bill Hubble** – Explore and clarify for Library Board / OS Team the applicable type of loan, who must be the borrowing entity, whether or not a mortgage is required (and if so, how secured), before July 17 meeting.

- **Dale Coles** -- Check with Bureau of Labor and Industries to determine whether or not this project can or could be exempt from provisions of Davis-Bacon Act, to reduce labor costs.
- **Paul Lindberg, Library Board** – Second fund-raising push, with focus on one-on-one requests for major donations from well-heeled residents of Sherman County.

8. Next meeting:

- 4 p.m. Tuesday, July 17, Home Economics Room 11, Sherman Junior / Senior High School.