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**FERNALD COMMUNITY REUSE ORGANIZATION AGENDA, HANDOUTS,
OVERHEADS, AND ROSTER FROM NOVEMBER 19, 1996 MEETING**

11/19/96

**CRO
14
AGENDA**

CRO

Fernald Community Reuse Organization**November 19, 1996, 7:00 p.m. to 9:00 p.m.****Ross High School****3425 Hamilton-Cleves Road**

Meeting Agenda

- 7:00 p.m. Chair's Opening Remarks and Housekeeping Items
 --Facilities and Exits
 --CRO Address and Phone Number:

 P.O. Box 38
 Ross, OH 45061
 648-4168

 --Communications
- 7:10 p.m. Approve October 8, 1996, Meeting Minutes
- 7:15 p.m. Report on Application of Sunshine Law to CRO
- 7:35 p.m. Report on Contractual and Legal Issues Regarding Start-up Grant
- 7:55 p.m. Discussion of CUED Report on Fernald and Implications for CRO
- 8:30 p.m. Statement of Work and Charter
- 8:45 p.m. December Meeting
- 8:55 p.m. Meeting Feedback
- 9:00 p.m. Adjourn

United States Government

Department of Energy

Fernald Area Office

memorandum

NOV 19 1996

DATE: DOE-0166-97

REPLY TO
ATTN OF: FEMP:Bogart/Hoffman

SUBJECT: RESPONSE TO COMMUNITY REUSE ORGANIZATION QUESTIONS

TO: Jack R. Craig, Director, DOE-FEMP

The following answers are in response to the DOE-FEMP memorandum J. Craig to M. Detmer/E. Osheim "Community Reuse Organization", dated October 25, 1996.

1) Does the Sunshine Law apply to the CRO?

Response: No, The CRO does not appear to be an "agency" within the meaning of the Federal Sunshine Act (5 U.S.C. 552b¹). Advisory committees reporting to departments within the executive branch are generally held not to be "agencies" within the meaning of section 552(e)(and hence the Sunshine Act), when they do not have substantial independent authority to exercise specific functions or make decisions on behalf of the agency. The CRO does not appear to be a "public body" within the meaning of the Ohio Sunshine Law (ORC 121.22²) because it is not a body of a state agency or political subdivision thereof.

Therefore, neither the Federal Sunshine Act nor the Ohio Sunshine Law appears to apply to CRO activities. The CRO's meetings, however, must be open to the public and advertised, consistent with the procedures for Federal Advisory Committees.

¹552b.(1) the term "agency" means any agency, as defined in section 552(e) of this title, headed by a collegial body composed of two or more individual members, a majority of whom are appointed to such position by the President with the advice and consent of the Senate, and any subdivision thereof authorized to act on behalf of the agency.

²121.22 (B)(1) "Public Body" means either of the following: (a) any board, commission, or similar decision-making body of a state agency, institution, or authority, and any legislative authority or board, commission, committee, agency, authority, or similar decision-making body of any county, township, municipal corporation, school district, or other political subdivision or local public institution; (b) any committee or subcommittee of a body described in division (B)(1)(a) of this section.

2) How will the grant money be dispensed to the CRO?

Response: Due to the fact that the CRO is a newly formed group and has no systems in place at this time, the potential award of grant money would be with certain restrictions, one of those being in the financial management area. As provided by 10 CFR 600.109 (Attachment 1), "grantees and subgrantees shall have financial management standards which meet the minimum standards" set forth in the afore mentioned subsection of the CFR. In the case of the CRO, it is our understanding that those minimum standards are not in place at this time, therefore the preferred method of payment of grant funds to the CRO is reimbursement. For reimbursement, the CRO would request payments on the forms specified in 10 CFR 600.116 (Attachment 1). Further information concerning grant payment can be found in 10 CFR 600.112 (Attachment 1) and in OMB Circular A-122 (Attachment 2), "Cost Principles Applicable to Grants, Contracts and Other Agreements with Nonprofit Organizations" (45 FR 46022, July 8, 1980 as amended by 49 FR 18276, April 27, 1984).

3) Will DOE provide assistance in administering the grant or will the CRO actually handle and dispense funds?

Response: DOE/FEMP will be administering the grant between the DOE and the CRO; however, the CRO is responsible for dispensing any funds granted within their financial management system as outlined in 10 CFR 600.109 (Attachment 1).

4) If the Sunshine Law applies to the CRO, how will this impact the grant process?

Response: See answer to #1

5) Who will execute the contract between the CRO and the consultant?

Response: The CRO will execute any agreement made under the basic grant award (i.e., a contract or a subgrant between CRO and the consultant). Contract and subgrant guidance is provided in OMB Circular A-110 (Attachment 3), Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations (41 FR 32016, July 30, 1976).

6) Will the consultant be required to sign an ethics agreement?

Response: No, not by the Department of Energy.

7) What kind of legal resources are available to the CRO prior to entering into an agreement for consultant services?

Response: The United States Government and Fluor Daniel, Fernald will not provide legal advice to the CRO. OMB Circular A-122 (Attachment 2) establishes

principles to be applied in determining the allowability of costs of work performed by nonprofit organizations under grants. Attachment 1, No. 35, provides guidance on the allowability of professional services, including legal services. Please note, however, that Attachment 1, No. 27 provides that attorney fees incurred in connection with establishment of an organization are unallowable without prior approval of the awarding agency.

If you have any questions, or require additional information, please contact either Stephanie Bogart at (513) 648-3133 or Terri Hoffman at (513) 648-3112.

Sincerely,


Loretta E. Parsons
Contracting Officer

Attachments: As Stated

cc: S. Bogart, DOE-FEMP
M. Detmer, DOE-OS
T. Hoffman, DOE-FEMP
M. Kepler, DOE-OS
G. Stegner, DOE-FEMP

Fernald Report

Executive Summary

A. Background

- The Fernald site is located 18 miles northeast of Cincinnati in a rural area with some nearby industry. The site straddles two counties: Hamilton on the south and Butler to the north. There are three unincorporated townships surrounding the site: Ross, Morgan and Crosby.
- The Fernald Community Reuse Organization (CRO) was established to help the local community mitigate the adverse economic effects of the downsizing of the Fernald Environmental Management Project, formally a nuclear materials production facility.
- The National Council of Urban Economic Development (CUED) is providing advisory services to the Fernald CRO. The CRO was recently established; therefore, it needs advice on planning and organizational development. In October, 1996 CUED staff and consultant representatives visited Fernald and met with local stakeholders. This report summarizes CUED's findings and recommendations.

B. Findings

- The 1050 acre Fernald site offers little or no development potential over the next ten years. After that there may be an opportunity to develop 700 to 800 acres. Shorter term, there may be opportunities to use on site facilities such as the sewer plant or resources such as the fire department.
- As of August 1996 there were about 2800 contract employees, subcontractors, and DOE personal at the Fernald site. Most of these jobs are expected to be phased out over the next ten years as cleanup is completed. The Fernald facility employees are mostly skilled labor, technicians and professionals. Their pay scales are higher than those typically found in comparable jobs in the local economy.
- The Cincinnati metropolitan area economy is strong. Unemployment is low and businesses are experiencing difficulty finding qualified employees.
- The Fernald area economy is growing slowly, but unemployment remains low because many of its residents work in other, more rapidly growing parts of the Cincinnati metropolitan area. The Fernald area serves as a bedroom community to Cincinnati. The local area is not experiencing the high level of growth that is taking place some of the other Cincinnati bedroom communities because it has limited water and sewer utilities and lacks direct interstate access.

- The Cincinnati region has a talented pool of economic development professionals and organizations. They can provide economic development expertise to the Fernald CRO. The region has many of the strengths that stimulate economic development including: vocational and other training schools, business assistance and lending programs, incubator facilities, and programs for technology transfer. The DOE provides education programs on the Fernald site.

C. Recommendations

1. Define the stakeholder region for the CRO. The CRO should define the local community that it wishes to serve. Typically, this definition is based on the location of facility employee residences since their communities will likely experience the greatest economic loss when employees are laid off or relocated. For example, the Savannah River CRO defines the stakeholder region as jurisdictions in which a minimum of 5% of the DOE facility employees reside.
2. Determine composition and operating procedures of the board. The board should represent stakeholders interested in the economic vitality of the community and the goals of the strategic plan. There should be a process to remove inactive board members.

A system of subcommittees should help the board govern effectively. There should be a personal committee comprised of CRO board members only. There should be a planning committee to oversee the strategic planning process. Once the strategic plan is complete, subcommittees are needed to look at economic development issues (retention/expansion, workforce transition, infrastructure, site reuse, etc.) They should include more than CRO board members; however, there should be at least one CRO board member per subcommittee.

3. Determine composition and operating procedures of the staff. The CRO should choose a temporary staff person to open and operate an office. After the strategic planning process is complete, the CRO should hire permanent staff, matching staff skills with the goals and objectives of the strategic plan. The CRO office should be located outside of the DOE Fernald site. The CRO and its staff should establish, with the DOE, one DOE representative that will serve as the key contact for the CRO.
4. Select a legal status. Most CRO's register as a 501(c)3, a nonprofit corporation.
5. Develop a Strategic Plan. The strategic plan defines the goals and objectives of the CRO. To provide a context for the strategic plan, there should be an analysis of local area strengths, weaknesses, opportunities, and threats (SWOT analysis). From the SWOT analysis, develop a mission statement and list of goals and objectives and then prioritize those objectives.

Prior to the SWOT analysis, determine data needs and refinement. Consultants are often retained to compile and refine data, conduct the SWOT analysis and assist in the planning process.

Key issues to consider in the strategic planning process:

1. Level of CRO involvement in site reuse
2. Extent to which CRO wishes to be involved in growth management issues
3. Short and long term economic development strategies
4. Relationships with other economic development agencies
5. Workforce transition focus, given existing DOE efforts
6. Sources of DOE, state and other financing
7. CRO role in economic development programs
8. Performance criteria to evaluate programs

D. Potential CRO Program Areas

CRO programs should reflect the goals and objectives of the strategic plan and complement existing regional programs. The CRO can initiate programs itself or contract with other economic organizations to implement them. Potential program areas include:

- A. Business Start Up Assistance
- B. Business Expansion Assistance
- C. Business Retention

Tools to implement the programs above include equity or debt funding, mentoring or technical advice, and specific programs for small business. Although the above program areas are conducted in the Cincinnati region, resources are thin. There appears to be a need for greater efforts in the Fernald area. Other possible CRO initiatives include:

D. Infrastructure Development — There are needs for water and sewer utilities. However, the provision of utilities often involve complicated engineering, cost, and ownership issues which may be better left to the local governments.

E. Workforce Skills Assessment and Development — The DOE has workforce training programs but there may be additional needs. At a minimum, the CRO could conduct a workforce skills assessment. A workforce skills assessment requires three steps: 1) profile industries, 2) estimate skill needs, and 3) identify existing gaps and training needs.

F. Recruitment — It is likely that other economic development organizations, rather than the CRO, are better able to conduct activities to recruit new businesses.

G. Site reuse — The CRO may wish to participate in the reuse of site assets and resources. We suggest that the site reuse efforts be a secondary role for the CRO. There appears to be limited short and medium term opportunities to reuse the site; therefore, CRO efforts are likely to be more productive in other areas. For efforts regarding the site reuse, we suggest the following:

1. Have the DOE provide and inventory of site assets
2. Identify potential equipment or resources
3. Evaluate transfer options (privatization or community use)
 - a. Feasibility and capacity as is
 - b. Feasibility and capacity of upgrade
4. Possible site resources
 - a. Fire station
 - b. Water plant
 - c. Laundry services
 - d. Sewage plant

CUEDD RECOMMENDATIONS

1. Define stakeholder region/local community CRO wishes to serve.
 - ▶ Typically, this is based on where site employees live
2. Determine composition and operating procedures *of the board*.
 - ▶ Use subcommittees to help board govern effectively.
3. Determine composition and operating procedures *of the staff*.
 - ▶ Hire permanent staff after strategic planning process is complete

CUED RECOMMENDATIONS (cont'd)

4. **Select a legal status.**
 - ▶ **Most CROs register as a 501(c)3 non-profit corporation.**
5. **Develop a strategic plan.**
 - ▶ **Analyze strengths, weaknesses, opportunities, threats (SWOT)**

STRATEGIC PLANNING PROCESS KEY ISSUES

Consider:

1. CRO involvement in site reuse
2. CRO involvement in growth management issues
3. Short and long-term economic development strategies
4. Relationships with other economic development agencies
5. Workforce transition focus, given existing DOE efforts
6. DOE, State and other financing sources
7. CRO role in economic development programs
8. Performance criteria to evaluate programs

POTENTIAL CRO PROGRAM AREAS

- A. Business Start-up Assistance**
- B. Business Expansion Assistance**
- C. Business Retention**
 - ▶ **For each (A., B., and C.), there is a need for greater efforts in the Fernald area**
- D. Infrastructure Development**
- E. Workforce Skills Assessment and Development**
- F. Recruitment**
- G. Site Reuse**

FERNALD COMMUNITY REUSE ORGANIZATION ATTENDANCE ROSTER

November 19, 1996, Ross High School Media Center, 7 p.m. to

MEMBER

ATTENDANCE

Bob Copeland	Yes	<input checked="" type="checkbox"/>	No
Sharon Cornwell	Yes	<input checked="" type="checkbox"/>	No
Lisa Crawford	Yes	<input checked="" type="checkbox"/>	No
Lou Doll	Yes	<input checked="" type="checkbox"/>	No
Ralph Hennard	Yes	<input checked="" type="checkbox"/>	No
Bill Hinkle	Yes	<input checked="" type="checkbox"/>	No
Maury Hornbach	Yes	<input checked="" type="checkbox"/>	No
Darryl Huff	Yes	<input checked="" type="checkbox"/>	No
Linda Krekeler	Yes	<input checked="" type="checkbox"/>	No
Dan Lawler	Yes	<input checked="" type="checkbox"/>	No
David McWilliams	Yes	<input checked="" type="checkbox"/>	No
Ken Moore	Yes	<input checked="" type="checkbox"/>	No
Tom Renck	Yes	<input checked="" type="checkbox"/>	No
Alisa Rhodes	Yes	<input type="checkbox"/>	No
Gary Storer	Yes	<input checked="" type="checkbox"/>	No
Bob Tabor	Yes	<input checked="" type="checkbox"/>	No
Don Thiem	Yes	<input type="checkbox"/>	No
Larry Thinnes	Yes	<input checked="" type="checkbox"/>	No
Joe Neyer	Yes	<input checked="" type="checkbox"/>	No

FERNALD COMMUNITY REUSE ORGANIZATION

SIGN-IN SHEET

November 19, 1996, Ross High School Media Center, 7 p.m. to 9 p.m.

<u>NAME</u>	<u>ADDRESS/PHONE</u>	<u>PLEASE ADD MY NAME TO CRO MAILING LIST</u>
LAURA HAFER	Ohio EPA	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
LINDSEY HARRIS	FDF [REDACTED]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Rick Maslin	FDF [REDACTED]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Elizabeth Brown Institute of Advanced Mfg Sciences	[REDACTED]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Michele Gray Butter CO. Econ Dev	[REDACTED]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
RANDY WELKER HAMILTON COUNTY DEVELOPMENT	[REDACTED]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
JAM DUNN RESIDENT; F.R.E.S.H.; TASK FORCE	[REDACTED]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
CAROL SCHROER RESIDENT -	[REDACTED]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
LARRY STEBBINS FEMP EMPLOYEE & RESIDENT	[REDACTED]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
_____		Yes _____ No _____
_____		Yes _____ No _____
_____		Yes _____ No _____