

Agenda Item Number 9.A.

Follow-up to Goal Setting Session Strengthening the Region's Economy

Presenter: John Tamulonis, City of Springfield. Lane Economic Committee Chair

Action Recommended: Provide direction to staff

Issue Summary: Prepared by George Kloeppel

At the Board's July 24 Goal Setting Session, attention was given to the priority goal of strengthening the economy of the region—facilitating the retention and expansion of stable, high quality employment. Out of that discussion, six broad suggestions for LCOG's work program surfaced. At last month's meeting, the Board agreed to individually revisit those six items in an open discussion under this October agenda item. A possible outcome of this month's consideration would be direction to staff by which the work of the agency in support of regional economic development objectives could be affirmed or modified.

Background:

LCOG's current work in the economic development and business assistance arenas is set forth in the adopted work program.

Economic Development

LCOG provides staff support for the Southern Willamette Research Corridor (SWRC). This public-private partnership focuses on educational, workforce, transportation, and telecommunications issues in Linn, Benton, and Lane counties.

LCOG coordinates and provides staff support to the activities of the Lane Economic Committee, which represents both public and private sectors and the geographic regions of Lane County. The program is supported by LCOG dues, state contracts (OECDD), federal funds (EDA), and others. Staff manages Lane County's portion of the four-county Cascades West Economic Development District, which also includes Linn, Benton, and Lincoln counties. LCOG works jointly with Cascades West COG in Albany in the development of the annual updates of the Comprehensive Economic Development

Strategy, strategic planning, and special project development in Lane County cities with special emphasis on small communities. Staff provides coordination and an information resource for other economic development efforts in Lane County, including the State's Regional/Rural Investment programs and the cooperative Federal-State Needs and Issues Inventory Process for rural and urban community and economic development projects.

Funded by video lottery money provided by Lane County, LCOG will conduct Community Capacity Assessment projects including a: Work Force Analysis; Community Needs and Assets Review; Targeted Industries Study; Cluster/Regional Analysis; and Existing Business Expansion/Retention report. In addition, LCOG will provide support to Community Capacity Development but developing a: Commercial/Industrial Lands Inventory; 2002 Employment Data File; and a Brownfields Redevelopment study.

Business Finance

LCOG operates a public loan program to finance business facilities and community development projects in rural areas—communities under 25,000 population. In a contract with Cascades West COG, LCOG also provides public loan packaging services for a wide range of public finance programs throughout the county

In addition, LCOG's technical assistance to member agencies for infrastructure improvement is quite often focused upon expanding the capacity of local communities to successfully retain and expand their employment base. Finally, in the "Regional Technology Services" section of the agency's adopted Work Program, our telecommunications work specifically includes "development and coordination of a local and wide area fiber optic system for data communications" that is directed in large part toward enhancing the economic viability of rural communities.

The six suggested actions, or areas for increased emphasis, that emerged from the July Goal Setting Session were:

1. Assist local governments in meeting infrastructure needs—grantsmanship, technical assistance.
2. Maintain and make available objective information related to development, e.g. buildable lands surveys.
3. Support "needs and issues" process; Board should receive regular reports from Lane Economic Committee.

4. Avoid conflicting with the economic development efforts of others e.g. Lane Metro Partnership, Workforce Partnership, and CVALCO.
5. Facilitate area-wide long-term growth management planning, e.g. Region 2050; nurture unified vision for growth and development.
6. Expand business assistance—loan—program.

The Board is asked to consider each of these (as well as any additional suggested actions) and provide direction with respect LCOG's work in these areas.

Analysis:

While the relative priority given to economic development-related work at the regional level rises and falls counter-cyclically in response to community perceptions of economic well being, the fundamental objective of positioning this region for prosperity has always been a part of the council of government's mission. At the same time, there are many participants directing specialized efforts toward the same goal. In very broad-brush terms, our regional strategy for economic development can be seen as having four separate components:

Training—assuring the availability of a suitable work force. Obvious participants include K-12 education, Lane Community College, the University System, and the Workforce Partnership.

Infrastructure Development—assuring the availability of public services and amenities desired by private enterprise. Participants include general and special purpose units of local government, such as cities, the County and the Port District, often aided by technical assistance, grantsmanship or direct implementation work from LCOG.

Business Assistance—providing hands-on support to private business. Participants include LCOG's Business Loan Program, the State of Oregon's Community and Economic Development Department, certified development corporations (e.g. Cascades West Financial Services, Inc.), the City of Eugene and several of the non-metro cities with revolving loan portfolios, and the Lane Community College Small Business Development Center.

Recruitment—providing a mechanism to import new business and capital, as well as facilitate the expansion of existing business. Participants include

the Lane Metropolitan Partnership and the Convention and Visitors Association of Lane County and individual cities, often supported by technical assistance and data from LCOG.

There are undoubtedly other public sector players in this enterprise, but in each of the four areas the ones listed seem most obvious. Item 4 on the Board's list of economic development actions—avoiding duplication of effort—is significant, particularly in light of resource limitations. However, it is also true that there are specialized niches in this community's overall economic development effort. Each of the participants plays its own unique role. Just as the services required of government differ greatly depending upon client circumstance and jurisdiction, the service providers have divided the turf in a manner designed to meet those specialized requirements and to avoid duplication.

One final observation, as the Board explores this agency's role is promoting and facilitating economic development: The most substantial drivers of this and every community's prosperity are far beyond the reach of local units of government and their regional arms. Global and national events impact buy-sell decisions, which in turn have tremendous impacts on payrolls and dollars turning over in a local community. Add to that the fact that real economic development change is driven by private sector decision makers. Still, there are things that the public sector at the local and regional levels can do. Our challenge is to determine what actions hold the greatest promise and what mechanisms (organizations) should be employed to carry out those actions.