

MINUTES

Lane Economic Committee

Lane Council of Governments – 4th Floor Large Conference Room
99 E. Broadway, Suite 400 – Eugene

April 18, 2005 – 11:30 A.M.

PRESENT: John Tamulonis, Chair; Tim Black, Mike Blommé, DeAnn Cherbas, Anna Morrison, Glenda Poling, Rob Scoggin, John Sullivan, Mike Sullivan, Ellen Teninty, Mitch Wilkinson, Lynnette Wikstrom, members; Jay Bozievich, Philip Hudspeth, Deb Schmidt, *ex officio* members; Mike Galvin (for Hal Reed), Robin Onaclea (for Chuck Forster), alternate members.

Steve Dignam (LCOG); Bob Warren (Oregon Economic & Community Development Department).

ABSENT: Dave D’Avanzo, Chuck Forster, Jim Ramseyer, Hal Reed, members; Kari Westlund, *ex officio* member.

GUESTS: Tim Duy, Carol Heinkel, Tom Kartrude, Terry McDonald.

Mr. Tamulonis called the meeting of the Lane Economic Committee (LEC) to order at 11:35 a.m. He invited those who were present to introduce themselves.

1. Public Comment

Bob Warren reviewed the scenario of activities that led to the public announcement that Monaco Coach was transferring 400 jobs from its Bend, Oregon, plant to Coburg. He described how the four weeks from the initial contact about the possibility to the media announcement of it on April 16 were filled with collaborative work on Coburg sewer system, workforce development, and Interstate Highway interchange upgrade issues. He noted that US Senators Smith and Wyden, Representative DeFazio, Governor Kulongoski, Lane County Commissioners Dwyer and Steward, and area City mayors and members of their staffs participated. He expressed appreciation for those involved and said it was a significant Oregon economic development success.

Mr. Tamulonis stated that he had no comments as Chairperson.

2. Staff Comments

Mr. Dignam described the annual “Contact Survey” of Lane County businesses and explained that the Cascades West Economic Development District had used this survey instrument to develop one to be used in its own study of its territory, which includes Lane County. He said representatives of the Eugene Area Chamber of Commerce, sponsor of the Contact Survey, had indicated they were open to sharing data with the EDD, if appropriate.

Mr. Tamulonis said it was his understanding that the Contact Survey had produced data almost identical to that sought by Cascades West and it had used a much larger research base than suggested by Cascades West.

Mr. Warren suggested that the Cascades West survey might produce data from segments of Lane County businesses not included in the Contact Survey. Mr. Tamulonis said the Contact Survey changed the businesses included each year and that it intentionally encompassed businesses from outside the Eugene/Springfield metropolitan area. Mr. Mike Sullivan added that the Contact Survey had the extra value of being produced by a non-governmental agency.

In response to a question from Ms. Morrison, Mr. Dignam reported that representatives of Cascades West had indicated a willingness to use the data produced by the Contact Survey in place of data it might develop on its own in Lane County but that the EDD preference seemed to be a separate survey.

Ms. Morrison said avoiding the expense of duplicate surveying was a positive outcome of sharing the data. She said organizations such as Regional Investment Boards should seek similar savings.

Ms. Poling said avoiding duplicate surveying of businesses would also be positive. She received assurance from Mr. Dignam that revisions of the Contact Survey instrument made by Cascades West had been insignificant.

Mr. Tamulonis determined there was consensus to encourage the sharing of data from the most recent Contact Survey of Lane County with organizers of the similar study conducted by the Cascades West Economic Development District.

3. Approval of Minutes

Mr. Mike Sullivan and Ms. Cherbas said the draft minutes of the March 14 meeting did not indicate their status of being absent. Mr. Tamulonis determined there was no objection to a change being made to indicate their non-presence, and the minutes were amended.

Mr. Scoggins moved, seconded by Ms. Poling, to accept the minutes of the March 14, 2005, meeting, as amended. The motion was adopted unanimously, 12:0.

4. Local Economic Development Project Updates

A. St. Vincent dePaul's Society of Lane County

Lane County St. Vincent dePaul's Society Executive Director Terry McDonald reported on its small business development activities. He described sustainable recycling ventures involving imported furniture from England, Czechoslovakia and other European countries; exported recycled glass products; mattress rebuilding; scrap metal and plastic commodity trading; and used book recovery/selling.

In response to a question from Ms. Morrison, Mr. McDonald explained that the biggest problem faced by St. Vincent businesses was the high expense of multi-modal transportation. Mr. Mike Sullivan reported that the City of Eugene was seeking development of an intra-modal transfer center in the area of the abandoned railroad switching yard.

Mr. Black asked if progress was being made in the development of markets for recycled electronic equipment. Mr. McDonald replied that the high cost of safely removing lead from video display screens currently prevented the feasibility of such a project. He said illegal export of that type of equipment to developing Asian countries occurred and that it was recycled in ecologically damaging processes that were dangerous to workers.

Mr. Warren observed that Mr. McDonald and his Society were responsible for a significant portion of the affordable housing developed in Lane County. He said their program for training of appliance technicians was also important and called Mr. McDonald a “True Community Asset.”

B. Port of Siuslaw

Port of Siuslaw Director Tom Kartrude distributed copies of a document entitled “Port of Siuslaw Mission – Create quality jobs and businesses through the development and application of Port facilities, resources and unique capabilities.” He noted that it contained strategies for goals in support of the mission.

Mr. Kartrude referred to a posted area map and described the area of the Port District as the entire watershed of the Siuslaw River. He commented on projects of the Port contained in the draft 2005 Needs and Issues Inventory Local Priority List included in the distributed document. He explained how current development work of the Port focused on recreation, use of the Waterfront, and a critical information/industrial site.

5. Region 2050 Economic Evaluation

University of Oregon Adjunct Assistant Professor of Economics Timothy Duy referred to his report entitled “Economic Impact of Region 2050 Growth Scenarios” distributed with the agenda of the meeting. He said its conclusions had been reviewed and commented upon by the Oregon Economic Forum, a joint project of the University’s College of Arts and Sciences and its Department of Economics.

Mr. Duy said literature in urban and regional economics was extensive, but did not answer questions raised in the Region 2050 process. He said case studies of Metropolitan Services Areas (MSA) were applicable and provided insights, as follows:

- Cities have a positive effect on production. Firms in cities pay higher wages.
- The impact of cities on consumption is ambiguous – more congestion/crime and higher rents, but residents earn more and have greater access to education and cultural amenities.
- Cities provide critical conveniences:
 - o Variety of consumer goods, deep marriage market
 - o Physical setting, climate, aesthetics
 - o Quality public services
 - o Speed of transit
- The role of information technology can be over emphasized in cities

Mr. Duy reviewed the assumptions of his report. He summarized his conclusions about the economic impacts of Region 2050 Growth Scenarios, as follows:

- (1) The Compact Urban Growth scenario best matches the preferences of existing and new populations.
- (2) The Satellite Community Growth scenario poses risks for economic vitality. There is no evidence that firms have a desire to locate away from city cores. Attempting to force them to outlying locations could lead to their avoiding an area entirely. Satellite cities do not usually grow large enough to diversity and run the risk of becoming single industry towns. Small towns and outlying areas run the risk of not being attractive to high end workers.
- (3) The Rural Growth scenario is least consistent with existing patterns of growth. The tradeoff of industrial/commercial land to support rural housing is not an adequately intensive use of agricultural land. It creates heavy demands for infrastructure expansion and expensive housing. It is least likely to attract high end workers.
- (4) Growth patterns should match preferences. Forcing persons to live in outlying areas could create negative welfare impacts. Conflict could result from new and existing residents. Negative welfare impacts will fall disproportionately on low income groups.
- (5) The choice between Compact and Satellite growth may be a false one. A natural pattern of growth will likely result in some outlying cities becoming bedroom communities while others become job-exporters.

Mr. Tamulonis invited members to discuss the report of Mr. Duy.

Mr. Black asked if the economic analysis negated the relevance of development planning. Mr. Duy replied that such planning was important, but that it needed to take into account economic factors such as those raised in his report.

Ms. Morrison said she was concerned about some of the conclusions of the report and questioned some of its assumptions. She suggested that renaissance of a self-sufficient rural area economy was possible. She requested that copies of an article from the April 17 Sacramento Bee headlined "On the Global Road – Valley must upgrade transportation lines to embrace world market" be distributed to members.

Mr. Tamulonis requested that further discussion of the report be placed on the agenda of a future meeting of the committee.

Mr. Dignam stated that the next LEC meeting was scheduled for May 16.

The meeting adjourned at 1:10 p.m.

(Recorded by Dan Lindstrom)

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