

Lane County Evaluates Economic Development Contract Outcomes

April 1, 2005

Background. Lane County has a very specific process for implementing economic development projects with funds provided from the Oregon Video Lottery, dedicated for economic development purposes. The definition of economic development was formulated through a citizen advisory committee process in 2000 – 2001 and codified in Lane Manual on May 1, 2002 (attached). Economic development includes the following key components: business development, workforce development, organizational capacity development, and community development. The definition also includes consideration of: job creation/retention, partnerships, providing a stable tax base, economic well being, and quality of life for the Lane County community.

The Economic Development Standing Committee to the Board of Commissioners oversees the economic development budget and makes recommendations for project funding to the Board of Commissioners (BCC) and the Budget Committee. Strategic Investment projects are awarded through a request for proposal (RFP) process. The RFP is prepared each year for BCC approval and is usually released in July. The RFP provides for an initial proposal cycle, with an initial deadline within 30 to 60 days from release, and an open proposal cycle deadline, typically at the end of the calendar year. This way projects may come for consideration over a 6-month period instead of only once each year.

Program Focus. Each year for the past three years, the EDSC has significantly adjusted the criteria for selection and scope of eligible projects to focus on two principal outcomes: creation of family wage jobs and training of work force for higher paying jobs. The RFP focuses on business development and workforce development. The following rating and ranking criteria are applied to each project that meets threshold requirements: Addresses Lane County strategic plan economic development goal and Oregon economy benchmarks, Increases work readiness, Readiness to proceed, Opportunities for future development, Leverage of other funds, Partnerships, Budget presentation and audit adequacy. Proposals that only produce a plan, study, or report are not rated or ranked for funding. A project must receive 80-percent of the available points to be considered for funding.

The following table lists awards of strategic economic development projects in the past three fiscal years, under the above process and economic development guidelines. Provisions of the contracts include quarterly reporting of outputs and a review of outcomes one year after the contract scope of work is complete. Evaluation of the project outcomes from the first year (contracts from fiscal year 2002-03) have just been completed, and a process is in place for evaluation of contracts awarded in fiscal year 2003-04.

Economic Development Awards in 2002, 2003, and 2004

Contractor/Project Title	Award	Description of Goal
Cascade Foothills Library	\$40,000	Workforce Dev/Library Expansion
Eugene Area Chamber of Commerce - CONTACT	\$20,000	Business Retention/Expansion
Fiber South Consortium	\$135,000	Construct broadband connection – Eugene to Oakridge
Lane Business Education Compact	\$119,875	Rural work-based student business/learning experience
Lane Council of Governments	\$168,106	Increase industrial site locations
Lane Metro Partnership	\$170,000	Promote business location/expansion
Lane Workforce Partnership	\$127,824	Family wage jobs in health care
OUR CU – Lane MicroBusiness	\$70,388	Tech assist for small business develop
OUR CU – LifeLine Program	\$50,000	Financial services for low income residents
Springfield Renaissance Community Theater renovation	\$25,360	Performing arts center community development project
University of OR business incubator	\$60,000	Support local entrepreneurship and job creation
Lane Business Education Compact	120,143	Student-based business development with schools/ business support
Eugene Area Chamber of Commerce CONTACT	\$39,000	Support business retention, expansion, growth
Lane Council of Governments – Building Job Readiness	\$91,297	Support targeted business growth and creation of family-wage jobs
Lane Workforce Partnership – Health Career pathways	\$86,605	Job creation/retention in the health care industry
Eugene Area Chamber of Commerce – CONTACT	\$30,600	Assist creation and retention of family wage jobs by existing businesses
McKenzie River Chamber of Commerce – Eagles Pride	\$15,500	Jobs skills and business experience for youth in nursery/landscape business
Lane MicroBusiness – Entrepreneurial Training	\$60,000	Assist entrepreneurial small business start ups and business development
Molecular Probes	\$150,000	Employment expansion and training
BRING Recycling	\$100,000	Job creation and recycling business dev.
Lane County Electronic Permits	\$80,000	Purchase equipment to expedite permits

Evaluation Process Description. Once projects are awarded by the BCC they are attached to contract forms, including the specific outputs and outcomes that the contractor presented in the project proposal. The contractor then completes the work. All contracts have been awarded for a one-year term. One of the conditions written into each contract is that the contractor will provide information about the outcomes accomplished one year after the contract is complete. In the cases where job creation or business development are the outcomes, the contractor will be asked to confirm that the jobs or new businesses

are still in place after one year. Where training is the end result, the training outcomes are counted. The EDSC is now refining the evaluation criteria for the 2005-06 RFP to give more weight to training and job creation at higher levels of pay.

The following procedure will be used to complete the evaluation of contract outcomes: 1) facilitation of reporting by contractors, 2) summary of contractor results, 3) project outcomes analysis, 4) cost analysis, and 5) reporting of outcomes in the community and economic development budget performance measures format. Results from the first year (Fiscal year 2002-03) of economic development contract evaluations are shown on the attached table. Contracts awarded in 2003 will be evaluated later this year and will focus more attention on job creation and workforce training.

Additional funding of Internal Economic Development Projects. Lane County procedures (please see attached Lane Manual) for distributing video lottery economic development funds also include projects conducted by county departments of Youth Services, Land Management, and the Sheriff's Office. The EDSC considers proposals from departments early each calendar year (in the budget process) and recommends funding levels to the county budget committee, up to half of the total video lottery receipts each year. In 2005 the above outcome accounting process will be used to measure results from these projects.

Attachments

- Lane Manual Video Lottery Allocation Policy
- First year (FY 2002-03) outcome evaluation results

For more information contact: Peter Thurston, Lane County Community and Economic Development Coordinator – peter.thurston@co.lane.or.us 541-682-4062