

# MINUTES

## Lane Economic Committee

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

September 27, 2004 – 11:30 A.M.

**PRESENT:** John Tamulonis, Chair; Tim Black, Mike Blommé, DeAnn Cherbas, Anna Morrison, Glenda Poling, Rob Scoggin, Ellen Teninty (for Charles Spencer), John Sullivan, Mike Sullivan, Mitch Wilkinson, Lynnette Wikstrom, members; Randy Derrik, Jack Roberts, Howard Schesser, alternate members.

Steve Dignam (LCOG); Peter Thurston (Lane County); Bob Warren (Oregon Economic & Community Development Department).

**ABSENT:** Chuck Forster, Jim Ramseyer, Hal Reed, members; Jay Bozievich, Philip Hudspeth, Deb Schmidt, Kari Westlund, *ex officio* members;

**GUESTS:** Dave Jacob, Dennis Lloyd, Janice Mackey.

In order to encourage interest rate reductions by Alan Greenspan, Mr. Tamulonis was on time and 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. He determined there was no one present wishing to adjust the agenda or to submit relevant public comment.

### 1. Comments from the Chair and Staff

Mr. Tamulonis reported that a \$500,000 grant had been received from the federal Economic Development Agency for the LCOG-administered Revolving Small Business Loan Program. He said required matching funds were contributed by Lane County, LCOG and the Regional Investment Board, with \$33,000 still to be determined, making \$833,000 additional available for the program.

Mr. Tamulonis reported that member Charles Spencer had reported that he would be unable to attend LEC meetings for the balance of his term and that Ms. Teninty would represent him.

Mr. Dignam presented another of his occasional reports on personal insights into government agency operations.

### 2. Approval of Minutes

Ms. Morrison requested that Paragraph 2 on Page 1 of the minutes of the July 19 meeting be changed, as follows:

Mr. Tamulonis expressed **appreciation** to the State of Oregon for reconstructing the I-5 Franklin Avenue Bridge to enable his on-time arrival at LEC meetings.

Mr. Tamulonis determined there was no objection to the request and the minutes were amended.

*Ms. Morrison moved, seconded by Mr. Schesser, to accept the minutes of the July 19, 2004, meeting, as amended. The motion was adopted unanimously, 12:0.*

### **3. Small Business Administration Programs**

U.S. Small Business Administration (SBA) Loan Officer David Lloyd described loan and loan guarantee programs available through his agency. He said the 7-A Guarantee Program served startup business and those which were in operation three years or less. He said the 504 Loan Program operated in partnership with private financial institutions, was mostly used for large capital expenditures, and emphasized job creation as an important approval criteria.

Mr. Lloyd said LCOG staff cooperation was essential to the work of his office. He said it generated approximately 50 percent of all loan applications it processed. He said a disproportionately low number of loan applications were submitted for businesses in Lane County.

Mr. Lloyd reviewed recent examples of projects SBA loans and guarantees supported. He described changes in SBA operations – consolidating programs, downsizing regional offices, and increasing reliance on banks to publicize programs.

Mr. John Sullivan asked why there was a comparatively low use of SBA programs in Lane County. Mr. Lloyd replied that participation was controlled by policies of banking institutions. He said locally owned banks appeared to be more willing to participate than those with corporate offices elsewhere. Mr. Dignam added that most banks were interested in government guaranteed loan programs, but that many larger institutions were unable to make decisions about participating locally. He said he regularly made presentations to bank loan officers regarding the programs, but that he believed executive and management contacts should also be made.

Mr. Tamulonis asked Mr. Dignam to make a report to the LEC on how participation in SBA loan programs could be increased.

### **4. Lane County Project Ranking**

Mr. Tamulonis distributed copies of a September 24 memorandum from Kari Westlund containing a summary of recommendations prepared by an LEC Subcommittee for ranking of projects submitted for funding to the Lane Economic Development Standing Committee.

Mr. Thurston explained that the Subcommittee had been asked to make recommendations for consideration by the LEC regarding \$200,000 designated in video lottery funds for “projects.” He said seven applications had been received, but that one had been judged incomplete.

Ms. Cherbas stated that the Subcommittee had found the process easier than in previous years. She said three applications were recommended for approval, as follows:

- Lane Microbusiness Training and Business Development Program – \$60,000 – twenty will be assisted in starting or growing their businesses – business development grant.
- Eugene Chamber of Commerce CONTACT and International Trade Programs – \$30,600 – business development grant.
- Eagle’s Pride McKenzie River Greenhouse and Landscaping Project – \$15,500 – school district and Chamber of Commerce proposal – three full-time summer and fall jobs and part-time for the rest of the year – workforce readiness grant.

Mr. Tamulonis asked how the unallocated balance of funds would be distributed. Mr. Thurston replied that the allocation would be at the discretion of the Board of County Commissioners. He said it would be appropriate for the LEC to comment upon it.

Mr. Tamulonis asked if a recommendation regarding holding a balance of previously unallocated program funds in reserve for use on “opportunistic” projects had been approved. Mr. Thurston replied that approximately \$400,000 was currently in the reserve.

Ms. Cherbas asked if division of funding between business and workforce development would continue. Mr. Thurston replied that decisions regarding such a division were made by the Board of County Commissioners.

Ms. Morrison asked if entrepreneurs to be assisted in the Lane Microbusiness Training and Business Development had been identified. Mr. Thurston replied that they had not, but that performance measures for receiving the assistance had been established.

Ms. Morrison said she hoped having a business plan was included in the requirements. She said no business assisted by the Lane Microbusiness program since it began in the 1990s continued to operate.

Mr. Tamulonis stated that reporting to the Board of County Commissioners was a special requirement of the program.

Mr. Mike Sullivan said the City of Eugene had experienced difficulties working with the Lane Microbusiness program. He said only carryover funds were currently being used for it and that it was anticipated that staff changes at the O.U.R. Credit Union would improve its record keeping.

Ms. Morrison said she supported the CONTACT proposal, but was concerned about details of the Eagle’s Pride proposal. Mr. John Sullivan stated that he was aware that the original version of the proposal had been prepared by a private contractor and had been negatively affected by it.

Mr. Mike Sullivan asked if there was a process for application for program funds held in reserve. Mr. Thurston replied that, without an emergency, the funds would not be available until the next fiscal year because of budget restrictions set in the 2003 Legislative Session.

Mr. Dignam asked if the Subcommittee had reviewed the several proposals that were not recommended for approval by Lane County staff. Ms. Cherbas stated that the other proposals had not ranked high enough in job creation criteria to be considered. She said they included proposals from the Lane Metro Partnership Outreach Project, Oregon Crafters, and a Lane Management Division project for an east county area. Mr. Thurston added that the LEC was not required to consider all proposals and could create its own recommendation criteria.

Mr. Mike Sullivan determined that the Subcommittee had been asked to limit its recommendations to three but that there was no such stipulation in instructions it had been given. He pointed out that if four recommendations were made, there would approximately be enough revenue to fund the Metro Partnership project proposal.

***Mr. Mike Sullivan moved, seconded by Ms. Cherbas, to approve the report of the Subcommittee; to recommend to the Board of County Commissioners that the proposals of the Lane Microbusiness Training and Business Development Program, Eugene Chamber of Commerce CONTACT and International Trade Program, and Eagle's Pride Program be funded; and to recommend that the balance of the available funds be allocated to the Lane Metro Partnership Outreach Project.***

Mr. Roberts described the Lane Metro Partnership Outreach Project as a marketing project to encourage the location of businesses in Lane County. He said he would report to the Board of County Commissioners that funding the project would be appreciated, but that he would prefer to have the funds available in an unrestricted status.

***The motion was approved unanimously, 11:0:1, with Mr. Wilkinson abstaining from voting.***

## **5. Industrial Site Options in Lane County**

Mr. Roberts distributed copies of a chart and statistics of available industrial land in Lane County. He reviewed Oregon land use planning statutes and said Urban Growth Boundaries were required to include a 20-year supply of land available for industrial use. He said economic conditions of the 1970s and 1980s had resulted in adequate, but not ideal designated supplies.

Mr. Roberts reviewed the distributed material and explained constraints on most designated areas. He described the difficulty of determining the requirement for industrial land in the future – much traditional manufacturing is being transferred to overseas locations, new technology is reducing the need for workers, providing public services draws on limited funds, and the availability of transportation infrastructure is a prime concern.

Ms. Morrison asked if Junction City was pursuing federal funding to explore alternative development of property previously identified for the location of a state prison. Mr. Roberts said investigations were being carried out, but that it would need to be market-driven for the option to be successful.

Ms. Teninty asked if unincorporated Lane County land was available for industrial development. Mr. Roberts replied that additional study needed to be made of such possibilities. He said industrial development could only take place within an Urban Growth Boundary that was annexed by a city.

Mr. Tamulonis reported that consideration was being given to creating an Urban Renewal district in the Glenwood area. He said doing so would increase its potential for development.

Mr. Dignam said the next LEC meeting was scheduled for October 18 and that it would be conducted in a "seminar style."

The meeting adjourned at 1:00 p.m.

*(Recorded by Dan Lindstrom)*

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