

MINUTES

Lane Economic Committee

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

October 20, 2008 – 11:30 A.M.

PRESENT: Rob Scoggin, Chair; John Sullivan, Vice Chair; Pat Albright, DeAnn Cherbas, Philip Hudspeth, Mike McKenzie-Bahr, Faye Stewart, John Tamulonis, Ellen Teninty, Warren Weathers *members*; Jay Bozievich *ex officio member*; Lawrence Brice, Lou Christian, Howard Schesser, Mike Sullivan *alternate members*.

Steve Dignam (LCOG), Milo Meacham (LCOG), Mike McKenzie-Bahr (Lane County).

ABSENT: Tim Black, Mike Blommé, Denny Braud, Chuck Forster, Mike Galvin, Ric Ingham, Lynette Wikstrom, *members*; Deb Schmidt, Kari Westlund, *ex officio members*.

GUESTS: Jim Lindly, Jacque Morgan, David Oatman, Cristina Rosado

Chairperson Rob Scoggin called the meeting of the Lane Council of Governments (LCOG) Lane Economic Committee (LEC) to order at 11:31 a.m. He invited those who were present to introduce themselves.

1. PUBLIC COMMENT

None

2. COMMENTS FROM THE CHAIR

None

3. COMMENTS FROM STAFF

Steve Dignam announced that the next meeting of Lane Economic Committee would be on November 17 in LCOG's new offices in the Park Place Building.

4. MINUTES

John Tamulonis moved, seconded by Warren Weathers, to accept the minutes of the June 16, 2008 meeting. The motion was adopted unanimously.

5. LANE COMMUNITY COLLEGE BUSINESS DEVELOPMENT CENTER

Jim Lindly, Director of the LCC Business Development Center (BDC), provided the committee with a review of the BDC's history, funding, and services. The BDC's Lane Micro-Business Program works with very small businesses, those employing 0-2 employees. These are often low-income businesses located in rural areas and operated by self-employed artisans, women, veterans, or minorities. The program provides assistance to about 100 such businesses each year. The Business Development Center itself provides training and services to small businesses, usually those with 25 or fewer employees. The BDC is certified by the federal Small Business Administration and offers participating businesses a 9-month model management program that includes direct instruction, peer to peer group discussions, and individual coaching and mentoring. About 500 businesses take part in BDC programs each year. The other major program offered by the BDC is employee training for incumbent businesses that are usually expanding operations or opening new facilities. The BDC works with each business, and sometimes with government agencies, to provide training in entry level skills, advanced skills, management skills, process improvement, and regulatory compliance. LCC's Business Development Center is one of 17 around the state, but it is the largest and has been in operation for almost 25 years.

Phillip Hudspeth mentioned that the BDC is a big help for the Lane Metro Partnership.

Mike Sullivan and Jay Bozievich asked Mr. Lindly what he saw as the most pressing local small business development issues/roadblocks, because the LEC is interested in fostering business growth. Mr. Lindly suggested that cash flow, planning, and the ability to network with other small businesses were key needs for area small businesses.

6. STRATEGIC RESERVE PROGRAM FUNDING RECOMMENDATIONS

Mike McKenzie-Bahr explained that the Strategic Reserve Program (SRP) is funded by the State of Oregon from video lottery proceeds, which provides Lane County with about \$200,000 twice a year to distribute locally for business development purposes. Applicants' proposals are reviewed and rated by the county's Economic Development Standing Committee (EDSC) and the Lane Economic Committee (LEC). These two groups' recommendations are then presented to the Board of Commissioners, which makes the final determination on how to distribute the funds. The current funding cycle will result in awards that will be effective in January 2009.

John Tamulonis reported on the recommendations made by a sub-committee for the full Lane Economic Committee's consideration. Those recommendations are contained in a document entitled "Lane County Strategic Investment Program". The sub-committee included Mr. Tamulonis, Pat Albright, DeAnn Cherbas, Rob Scoggin, Ellen Teninty, and Mr. Dignam. Mr. Tamulonis said the sub-committee used the following criteria in making its recommendations: economic impact, quality of jobs, impact on Lane County, likelihood of success, availability of other funding, and importance to the community.

In summary, the sub-committee recommended: Arma International, Inc. - \$20,000; Café Yumm - \$63,272.33; Wise Woman Herbals - \$45,300; Oakridge UpBeat - \$31,000; Emerald Valley High Performance Enterprise Consortium, Inc. - \$40,000; Alliance Housing – no funding; and Feeney Wireless, LLC – no funding.

Faye Stewart and John Sullivan raised concerns about the review process, which currently has the EDSC and LEC making separate, independent reviews of the funding proposals and using different

criteria to rate them. They were both interested in promoting greater coordination between the two groups.

Mr. McKenzie-Bahr reported on the EDSC's review process and conclusions. The EDSC recommends that Café Yumm receive \$63,272.33; Wise Woman Herbals - \$45,300; and Emerald Valley High Performance Enterprise Consortium, Inc. - \$50,000. The EDSC suggested that the Arma International, Inc. proposal be funded in the next funding cycle and that no funding go to Oakridge UpBeat until questions are resolved about whether SRP monies can be used to fund government positions. The EDSC concluded that the Alliance Housing and Feeney Wireless, LLC proposals did not merit funding.

Members then discussed the sub-committee's funding recommendations. Most attention was focused on two issues - whether to recommend funding the Arma International, Inc. proposal in the current award cycle or push it back into the next cycle and whether to recommend funding the Emerald Valley High Performance Enterprise Consortium, Inc. (EVHPEC) proposal at the \$40,000 or \$50,000 level. David Oatman from EVHPEC explained that each of the consortium's member companies is contributing \$10,000 directly to training costs, in addition to its membership dues.

Mike Sullivan moved, seconded by Warren Weathers, that the Lane Economic Committee adopt the SRP funding recommendations of its sub-committee with one modification, that the EVHPEC be funded at the \$50,000 level, and forward them to the Board of Commissioners. These final recommendations are: Arma International, Inc. - \$20,000; Café Yumm - \$63,272.33; Wise Woman Herbals - \$45,300; Oakridge UpBeat - \$31,000; Emerald Valley High Performance Enterprise Consortium, Inc. - \$50,000; Alliance Housing - no funding; and Feeney Wireless, LLC - no funding. The motion was adopted unanimously with Mr. Hudspeth abstaining due to his involvement in the Arma International, Inc. proposal.

Mr. Dignam clarified that the Board of Commissioners will receive the full report from the sub-committee, including its comments on the merits of the proposals. However, the last sentence of its comments about the EVHPEC proposal will be deleted, because of the Lane Economic Committee's decision to recommend funding at the \$50,000 level.

7. ECONOMIC DEVELOPMENT TOOLBOX

A. Eugene Land Use Development Code Update

Mike Sullivan reported that the Eugene City Council adopted 80% of the recommended changes in the downtown development code. These changes included reducing the core density ratio in an area near downtown and eliminating the requirement in the C-2 area that the ground floor of housing units be reserved for commercial use. The City Council rejected the recommendation to expand parking requirements for new downtown development. Mr. Sullivan also reported there would be further discussions with the City Council in 2009 about expanding the city staff's ability to conduct adjustment reviews of proposed projects in the downtown core, rather than trying to refine the development code further, in order to address all potential situations.

B. Springfield Buildable Lands Assessment

Because of time constraints, Mr. Tamulonis offered to postpone his report until the next LEC meeting in November.

8. NORTHWEST YOUTH CORPS GRANT APPLICATION TO U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

Milo Meacham referred to agenda support material entitled “Northwest Youth Corps Small Business Kitchen Incubator Project” and described the project NYC is seeking grant funding for from the federal Economic Development Administration. He also distributed a draft letter from the Lane Economic Committee. Normally, the LEC would be making a recommendation to the LCOG Board of Directors about whether or not to support NYC’s request. However, since the grant application deadline is in November and the LCOG Board of Directors will not be meeting until December, Mr. Meacham is asking for a letter from the LEC that does not rise to the level of advocacy.

Mr. Meacham answered several members’ questions about how the kitchen incubator would operate and the potential demand for using it.

Mike Sullivan moved, seconded by Ellen Teninty, that the Lane Economic Committee authorize its Chairperson to sign a letter, like the one drafted by Mr. Meacham, for the Northwest Youth Corps’ grant application to the U.S. Economic Development Administration. The motion was adopted unanimously.

Chairperson Scoggin reminded members that the next LEC meeting is scheduled for November 17, 2008 in LCOG’s new Park Place Building offices.

The meeting adjourned at 1:00 p.m.

(Recorded by Kurt Willcox)

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