

Agenda item #8

DRAFT

To: Lane County Economic Development Standing Committee

From: Lane Economic Committee

Subject: Recommended Proposal Evaluation Criteria

October 29, 2003

Background

The Lane County Economic Development Standing Committee asked the Lane Economic Committee (LEC) on September 22, 2003 to comment on the Lane County document titled "A Vision for Lane County Job Creation – 2003 to 2010." The LEC has tried to address one specific component of this vision: *How should we measure and evaluate economic development proposals?*

Summary

Lane County should focus a significant portion of its scarce economic development resources on those proposals which have the greatest potential short term economic impact. These high impact proposals will generally lead to specific and measurable job creation or retention.

Other valuable projects could include the following: 1) Workforce training, 2) Technical assistance and capacity building, and 3) Tourism related projects. These type of projects are critical to the long term economic success of the region. However, these projects are beyond the scope of this analysis.

The LEC believes it is uniquely qualified to evaluate these economic development job creation proposals due to its diverse geographic and business sector representation. The LEC would be pleased to assume a greater role in the evaluation and ranking of these proposals.

Proposal Evaluation Recommendations

Economic Development proposals should create or retain a minimum of 1 job for every _____ of Lane County funding.

The following factors can be used to evaluate competing projects:

- Number of direct jobs to be created/retained within two years
- Potential for longer term job creation
- Number of higher-than-average wage jobs to be created
- Amount of private investment leveraged

- Amount of other leverage (i.e. other public investment)
- Likelihood of success for the proposal
- Financial strength of the beneficiary
- Track record of the beneficiary
- Level of economic distress in the beneficiary's local community

Proposal Measurement

Actual job creation / retention should be measured versus that claimed by the applicant after two years has elapsed. This is consistent with many state and federal programs and allows sufficient time for the County investment to have its full impact

Project applicants are expected to certify in writing that they will create or retain the anticipated number of jobs. Applicants will be expected to achieve their anticipated results. However, outcomes may vary from anticipated results due to unforeseen consequences including economic conditions, demographic issues and specific industry variables. Therefore, a recipient should not be penalized if results vary. However, the recipient's track record will be considered in future grant solicitations.