

MINUTES

Lane Economic Committee

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

October 18, 2004 – 11:30 A.M.

PRESENT: Hal Reed, Acting Chair; Tim Black, Mike Blommé, Chuck Forster, Anna Morrison, Glenda Poling, Rob Scoggin, John Sullivan, Mike Sullivan, Lynnette Wikstrom, members; Jay Bozievich, Kari Westlund, *ex officio* members; Randy Derrik, Howard Schesser, Ellen Teninty, alternate members.

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

ABSENT: DeAnn Cherbas, Jim Ramseyer, John Tamulonis, Mitch Wilkinson, Charles Spencer, members; Philip Hudspeth, Deb Schmidt, *ex officio* members;

GUESTS: Pat McClatchey, Tim Shinabarger

Mr. Reed called the meeting of the Lane Economic Committee (LEC) to order at 11:30 a.m. He invited those who were present to introduce themselves. He determined there were no requests to change the agenda, or to make public comments.

1. Comments from the Chair and Staff

Mr. Reed reported on how old the other attendees appeared at a recent school reunion.

Mr. Dignam announced that the terms of five members ended December 31, 2004 – DeAnn Cherbas, Charles Spencer, John Sullivan, Lynnette Wikstrom, and Mitch Wilkinson. He said all but Mr. Spencer had applied for reappointment. He reported that announcement of vacancies had been posted and that applications would be considered by the LCOG Board in December. He asked for volunteers to serve on an *ad hoc* committee to review applications for appointment that are received.

Ms. Morrison, Ms. Poling, and Mr. Scoggin volunteered to serve. Mr. Reed asked Ms. Morrison to serve as convener/chair.

Mr. Dignam announced that a general membership meeting of the Southern Willamette Research Corridor (SWRC) was scheduled for October 20 and would include discussion with candidates for state and federal offices regarding regional technology-based economic development and other SWRC priorities. He said members were invited to attend.

2. Minutes Approval

Ms. Teninty requested that the spelling of her name be corrected on the first page of the minutes of the September 27 meeting.

Mr. Reed determined there was consensus to accept the minutes, as corrected.

3. Loan Administrative Committee Report

Chairperson of the Loan Administrative Committee Pat McClatchy referred to a document distributed with the agenda of the meeting that provided information regarding 11 loan applications approved during the year ending June 30. He noted that it also reported there were 40 loans totaling \$3.3 million outstanding, there had been no loan losses during the year, there was one delinquency, and there was \$600,000 cash available to lend.

Mr. McClatchy reported that a \$500,000 grant had been received from the federal Economic Development Agency for establishing a new Revolving Small Business Loan Program. He said required matching funds made a total of \$833,000 available for the program.

Mr. McClatchy said a Committee Work Plan for the next year had been completed and was ready to be submitted to the LCOG Board of Directors.

Mr. John Sullivan asked if funds for the Revolving Small Business Loan Program were included in the \$600,000 cash available. Mr. McClatchy replied that it was not. He explained that the \$600,000 was dedicated to projects in rural and small city areas, that the new fund would be available throughout the county, and that applications for loans from both programs would be administered by the committee.

Ms. Teninty asked if a number of jobs were required to be created for loans made through the programs. Mr. Dignam replied that Small Business Administration (SBA) loans required that one job be created for each \$50,000 borrowed, LCOG's existing rural loan program required one job per \$35,000 and the new EDA RLF would have a similar requirement.

Mr. Forster asked if there were wage targets for jobs created through the loan programs. Mr. Dignam replied that LCOG rural loans required that 30 percent of those hired by a supported project be workers earning below the federal poverty level.

Mr. Thurston reported that the Oregon Economic and Community Development Department (OECDD) required that one job be created for each \$5,000 borrowed. Mr. Reed explained that the Oregon Legislature had created the lower job creation ratio in reaction to suggestions that funds were not used effectively by rural economic development agencies. Mr. Warren added that OECDD job creation levels had been changed to one job for each \$25,000 borrowed and that other levels were required for special programs and for military reservists.

Mr. John Sullivan said the low failure rate of loans administered by LCOG made him surprised that local banks had a comparatively low SBA loan program use, as had been reported at the September LEC meeting. Mr. Dignam replied that LCOG that there was good evidence that area banks were more supportive of SBA programs than had been indicated at the September meeting. Mr. Mike Sul-

livan added that he also believed the appeal of SBA loan programs in comparison to others had been overstated at the September meeting.

Ms. Morrison moved, seconded by Mr. Mike Sullivan, to accept the report of the Loan Administrative Committee, and to recommend approval of its Work Plan to the LCOG Board of Directors. The motion was adopted unanimously, 12:0.

4. Recreational Vehicle Industry Cluster Meeting

Mr. Warren reported that the Recreation Vehicle manufacturing cluster was growing and vibrant in the Lane County Area. He said the OECDD had organized a round table discussion of how to enhance the industry to be held November 12. He said it was an opportunity for industry representatives to discuss ways of promoting its growth and to consider ways support could be encouraged by government and private business interests.

Mr. Warren described a Recreation Vehicle Trade Show that he and Lane Metro Partnership Outreach Project Director Jack Roberts would be attending for the purpose of discovering ways to encourage the location of industry service and part providers in the area. He said the businesses were a good match for outlying areas of Lane County.

Mr. Warren expressed appreciation that local companies were supportive and sponsoring their attendance at the Trade Show. Ms. Poling said she and Mr. Dignam would also be attending.

5. Economic Development Agency Profiles

Mr. Bozievich displayed a draft of information being developed regarding economic development agency services available in Lane County. He said an initial review suggested there was duplication of programs for infrastructure support. He said descriptions of the functions of individual and coordinating agencies still needed to be created. Mr. Derrick said his research work on the profiles would be completed by the next LEC meeting.

Ms. Morrison said she was pleased with the project and was willing to present it to groups preparing for the 2005 Oregon Legislative Session.

Mr. Mike Sullivan said he believed it was important to understand that some resources seeming to support similar projects did not operate at cross-purposes. He said funding sources were often not interchangeable and that it often was necessary for a community to determine what would be most useful among what was available. Mr. Derrick added that a purpose for compiling the information was to provide a single source for information about all programs.

Mr. Dignam said the project had begun from a directive of the LCOG Board of Directors to seek ways to avoid duplication between economic development programs. He invited members to discuss ways the information could be useful.

Ms. Poling suggested that local economic development coordinating agencies be invited to evaluate the information being collected.

Mr. Mike Sullivan suggested that a matrix of information collected be developed to facilitate its use. He also suggested that currently available, but underutilized information be identified.

Mr. John Sullivan said he was positively impressed with the information gathered. He said concern should be given to how the information would be regularly updated.

Mr. Reed suggested that Mr. Forster, Ms. Poling, and Ms. Westlund meet with Mr. Bozievich and Mr. Derrick to evaluate the ongoing work and make suggestions for its use. He asked Ms. Poling to serve as convener.

6. Region 2050 Project Committee Report

In the absence of LCOG staff Carol Heinkel, Mr. John Sullivan reported on efforts to provide feedback on the Region 2050 Project. He reminded members of the presentation of project Alternative Regional Growth Scenarios at the July LEC meeting. He said the differences between LEC rankings of how well the scenarios met criteria and those of the Region 2050 Regional Policy Advisory Board and Regional Technical Advisory Committee were the reason for the effort.

Mr. John Sullivan said he believed private business was uninterested in the Region 2050 Project and that without its involvement it was meaningless. He said no business was successful without long range planning and that the Region 2050 Project needed business involvement to be meaningful and to validate the funding it had received. He suggested that a prominent local business leader be recruited to participate in an evaluation of it.

Mr. John Sullivan said the LEC would benefit from additional study of the Urban Growth Boundary scenarios of the project.

Mr. Dignam invited members to discuss the relevance of the Region 2050 Project to the interests of the LEC. He asked if members believed the committee should seek to influence its progress or evaluation.

Ms. Poling asked, but was unable to determine a completion date for the project.

Ms. Morrison said she had never appreciated the Region 2050 Project because she believed the difference between the 20-year planning required in Periodic Review processes and the 50-year planning of the Project was immaterial. She said negative impacts on rural areas of each of the Regional Growth Scenarios developed in the project would be significant.

Ms. Morrison said she believed education interests were brought into the Region 2050 Project on the insistence of local leaders on the LCOG Board of Directors. She said Mr. John Sullivan was correct that area Chambers of Commerce refused to have anything to do with it. She said the United Front federal lobbying effort had been approached to seek funding for the project in its efforts, but that it had been refused.

Mr. Dignam said he was not well versed in the Region 2050 Project and that he believed staff responsible for it should be present during further LEC consideration of it.

Mr. Forster asked how outcomes of the Region 2050 Project would be used. Mr. Dignam replied that, as a project of LCOG, its use would be driven by participating members.

Mr. Scoggin said the purpose of the Region 2050 Project had appeared to change over time. He said regional long-range planning was permitted by the State of Oregon, if it was supported by local jurisdictions. He said he believed small city governments would never support the outcomes of the project.

Mr. Mike Sullivan said he believed the LCOG Board of Directors would welcome evaluation of the Region 2050 project from the LEC.

Mr. Reed encouraged continuing LEC consideration of the Region 2050 Project.

Mr. Scoggin said he believed it would be important to compare the economic development plans of communities in the area with that of the Region 2050 Project.

Mr. Black suggested that the most effective evaluation of the Region 2050 Project would be high level in nature and not include detailed analysis of impacts on individual communities.

Members engaged in a general discussion of the Region 2050 Project, leading to agreement to ask Mr. Dignam to work with its staff to develop the most beneficial LEC high-level involvement in evaluation of it.

7. Regional Investment Strategy

Mr. Dignam referred to an LCOG/Cascade West adopted Regional Investment Strategy. He said he believed it was need of updating and suggested that an *ad hoc* committee be formed to prepare proposals for change recommendations. Mr. Derrick, Mr. Forester, Ms. Poling, Mr. Reed, and Mr. John Sullivan, volunteered to serve.

Ms. Morrison said she believed recommendations for changes in the strategy needed to be approved by the Board of County Commissioners.

8. Other Business

Ms. Westlund asked if any recent development regarding proposed changes in area truck transportation routes. Ms. Morrison replied that the Board of County Commissioners had held a public hearing on the matter at its most recent meeting. She said there appeared to be general support for designation of the route between Veneta and Florence, but that support for designation of Highway 99 through Junction City seemed to have less support. She said she was unsure of whether the Board of County Commissioners would support any or all of the proposed routes.

Ms. Westlund said she did not believe the meaning of the designation was widely understood.

The meeting adjourned at 12:45 p.m.

(Recorded by Dan Lindstrom)