

W. G. B.

AGENDA COVER MEMO

DATE: February 4, 2005 (Date of Memo)
March 9, 2005 (Date of Meeting)

TO: Board of County Commissioners

FROM: LCOG, Milo Mecham, Principal Planner

TITLE: Order No. 05-_____ IN THE MATTER OF ORDERING THE ACCEPTANCE OF THE RECOMMENDATIONS OF THE BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT BOARD REGARDING FUNDING PROJECTS FOR THE FY 2003-2005 BIENNIUM

I. MOTION

MOVE TO ADOPT ORDER NO. 05-_____ IN THE MATTER OF ORDERING THE ACCEPTANCE OF THE RECOMMENDATIONS OF THE BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT BOARD REGARDING FUNDING PROJECTS FOR THE FY 2003-2005 BIENNIUM

II. ISSUE OR PROBLEM

The Benton, Lane, Lincoln, Linn Regional Investment Board continues to receive applications for project funding. The Board has reviewed and approved six additional projects for funding. In accordance with the Intergovernmental Agreement creating the BL3 RIB, approval of the proposed project funding becomes final only after approval by three County members of the RIB. The proposed projects are presented for the Commissioners review and proposed approval.

III. DISCUSSION

A. Background

The Oregon legislature allocated funds for regional and rural investment funding by the Regional Investment Boards around the state. This biennium the BL3 Region was allocated \$865,883. The BL3 board developed a strategy, approved by Lane County and the other members of the BL3 RIB, for disposition of these funds. The

funds are to be used to support projects that have an immediate prospect of job creation and meet the other eligibility requirements. Most of the project funds have been designated to support private business activity. The basic eligibility requirements are that the project have an overall investment of five dollars (\$5) for each dollar of RIB money and will spend no more than \$3000 of RIB money for each job created. The Commissioners have previously approved seven RIB projects.

The RIB has reviewed and approved additional projects. The proposed amounts of funding and the scoring on the important criteria are set forth on Attachment 2.

B. Analysis

The proposed projects nearly all fit the criteria set by the RIB and the Commissioners. The only partial exception is the Molecular Probes application, which would have a ratio of \$2.84 to \$1, as opposed to the \$5.00 to \$1 in the Strategy. This is a small application, it easily exceeds all the other criteria. Overall the RIB will easily meet its criteria for dispersal of funds.

This set of projects will nearly exhaust the funds available to RIB.

C. Alternatives/Options

The options before the Board are as follows:

1. The Board may take no action. This would result in at least a delay in disbursement of funds to these or other projects.
2. The Board may choose to approve the BL3 RIB recommendations. When the other counties have done the same thing, the RIB staff will work out contracts reflecting the RIB requirements and the projects can get under way.
3. The Board may choose to reject the proposed projects.

D. Recommendation

Staff recommends that the Board adopt the proposed Order.

IV. IMPLEMENTATION/FOLLOW-UP

If the Board adopts the proposed Order, staff will communicate that action to the fiscal agent, CWCOG, and the fiscal agent will initiate contract discussions with the applicants.

V. ATTACHMENTS

1. Board Order No. 05-_____ in the Matter of Ordering the Acceptance Of The Recommendations of the Benton, Lane, Lincoln, Linn Regional Investment Board Regarding Funding Projects For The Fy 2003-2005 Biennium
2. Brief Description of Regional Investment Board Projects Recommended for Funding
3. (Informational Only) Draft 2003-05 RIB Report

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY OREGON

ORDER No.) IN THE MATTER OF ORDERING
) THE ACCEPTANCE OF THE
) RECOMMENDATIONS OF THE
) BENTON, LANE, LINCOLN, LINN
) REGIONAL INVESTMENT BOARD
) REGARDING FUNDING
) PROJECTS FOR THE FY 2003-2005
) BIENNIUM

WHEREAS, the Lane County Board of Commissioners has formed a Regional Investment Board as a partnership between Lane County and Benton, Lincoln and Linn Counties, and

WHEREAS, the Regional Investment Board of Benton, Lane, Linn, Lincoln Counties (the BL3 RIB) has reviewed a number of project proposals focused on job creation and job retention; and

WHEREAS, after reviewing these project applications, the Regional Investment Board recommends six projects (see Attachment 2) for funding through the Regional and Rural Investment funds; and

WHEREAS, these recommended projects will advance the economic development objectives as defined in the Benton-Lane-Lincoln-Linn Regional Investment Strategy.

NOW THEREFORE IT IS HEREBY RESOLVED that the Lane County Board of Commissioners does hereby approve the recommendations made by the Benton-Lane-Lincoln-Linn Regional Investment Board and directs the fiscal agent for the Regional Investment Board, the Cascades West Economic Development District, to complete the necessary contracts to allow the projects to be carried out as planned.

DATED this 9th day of March, 2005

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM
Date 3/28/05 for county
Jessie J. Hill
OFFICE OF LEGAL COUNSEL

ATTACHMENT 2
REGIONAL INVESTMENT BOARD – PROJECTS FUNDING RECOMMENDATIONS

Projects Recommended:	Project Total Cost	Funds Requested	Matching Funds	Matching Funds/RIB Request	Jobs Created	RIB Funds per Jobs Created	Average Wage of Jobs Created
MusicStrands Company develops software to recommend personalized music choices.	\$410,000	\$30,000	\$380,000	\$12.67	10	\$3,000	\$22.50
ViewPlus Company developed a Braille printer. ViewPlus is preparing a wide range of applications for release over the next year.	\$662,900	\$24,000	\$638,900	\$26.62	16	\$1,500	\$12.06
Molecular Probes Biomedical company will expand its facility and create 100 new jobs.	\$16,310,000	\$100,000	\$16,210,000	\$26.18*	16.67*	\$6,250*	\$25.00
DSDI Drop-ship distribution company will develop a facility to expand its operations to Oregon.	\$270,000	\$45,000	\$225,000	\$5.00	15	\$3,000	\$10.96
Pacific Coast Boats Company will lease manufacturing space in Toledo to expand its production capabilities.	\$180,000	\$30,000	\$150,000	\$5.00	11	\$2,727	\$12.88
Bear Creek Home Medical Philomath company provides medical products and services in-home for elderly and disabled population.	\$71,500	\$11,900	\$59,600	\$5.01	4	\$2,975	\$12.00
TOTALS/ AVERAGES	\$17,904,400	\$240,900	\$17,663,500	\$13.41	72.67	\$3,316	\$17.23

* Molecular Probes will also receive \$500,000 from the Governor's Strategic Reserve Fund. Consequently, all leverage and job creation must be shared in proportion between the RIB funding and the SRF funding.



Benton, Lane, Lincoln, Linn Regional Investment Board 2003-05 Biennial Report

The Benton, Lane, Lincoln, Linn Regional Investment Board (BL3 RIB) has been an active partner in Oregon's program of locally driven economic development activities since Regional Investment Boards came into existence.

Serving Benton, Lane, Lincoln and Linn Counties, a combined population in excess of 550,000, the BL3 RIB works to assist development in all areas. Faced with challenges stretching from the coastal beaches to the Cascades, from the metropolitan areas of the Willamette Valley to the small rural communities scattered throughout, the BL3 RIB focuses on projects that will bring jobs, job training and employment opportunities to all sectors of the region.

The BL3 RIB has always used job creation and job training as a key evaluative criteria. Responding to direction from the Legislature and to Oregon's economic downturn, the BL3 2003-05 regional strategy placed job creation as the single most important criteria to guide the RIB's use of funds. The standards adopted by the BL3 RIB to evaluate applications for funding look for a minimum of one job for every \$3000 of RIB support, and a leverage of at least \$5 of outside funding for every \$1 of RIB support.

Increased employment in region.

1 job for \$3,000 spent; \$5 leverage for \$1 RIB support

433 jobs.

1 job for \$1,732 spent; \$34 leverage for \$1 RIB support

The BL3 RIB received \$865,883 in the 2003-05 biennium. Using this biennium's funds, the BL3 RIB supported 13 projects so far, with projects in all four counties. The average project supported has a ratio of one job created for each \$1,732 of RIB funds. This was only possible because of the very high ratio of outside support to RIB support. On average \$33.80 was committed to the project for each \$1 of RIB funds. Two of the BL3 RIB projects also received funding from the Governor's strategic funds, and one project received other funds from OECDD.

The 2003-05 biennium projects ranged in size from small start-up companies to two large new employers, each with 100 or more new employees. The projects included supporting business loan programs, call centers and new and expanded manufacturing. The BL3 RIB projects have already begun improving the region's economy, with over 170 new jobs in place by January 2005.

This biennium followed a successful previous biennium's work by the BL3 RIB. Using \$2,000,000 in regional, rural and multi-region

funds, the BL3 RIB supported loan programs, numerous training programs, business start-ups and many infrastructure development projects. Under the previous legislative guidelines that encouraged more long term investments in projects designed to build the infrastructure for job growth, the BL3 RIB funded projects developing industrial parks, bringing infrastructure such as water and sewer lines and improved buildings to communities around the region. Even under these previous guidelines the BL3 RIB created over 170 jobs, helped more than 30 workers enter the workforce, and trained more than 500 with skills ranging from health care to wood products development.

Projects	Project Total Cost	Funds Requested	Matching Funds	Matching Funds/ RIB Request	Projected Jobs Created	Projected Jobs Created/ RIB Request
Signal NW Call Center*	\$2,510,000	\$150,000	\$2,360,000	\$3.89	100 (300)	\$1,500
CWFSI Microloan	\$700,000	\$100,000	\$600,000	\$6.00	40	\$2,500
Lane COG EDA Revolving Loan Fund	\$1,666,000	\$100,000	\$1,566,000	\$15.66	50	\$2,000
Legacy Coach	\$3,921,035	\$150,000	\$3,771,035	\$25.14	160	\$938
Linn Co. Business Devel.	\$120,000	\$20,000	\$100,000	\$5.00	12	\$1,667
Radar Plumbing	\$200,000	\$12,000	\$188,000	\$15.67	4	\$3,000
Ideal Steel	\$15,685	\$4,080	\$11,605	\$2.84	10	\$408
Music Strands Startup	\$410,000	\$30,000	\$380,000	\$12.67	10	\$3,000
ViewPlus Technologies	\$662,900	\$24,000	\$638,900	\$26.62	16	\$1,500
Molecular Probes*	\$16,310,000	\$100,000	\$16,210,000	\$162.10	16.67 (50)	\$5,999
DSDI, Inc	\$270,000	\$45,000	\$225,000	\$5.00	15	\$3,000
Pacific Coast Boats	\$180,000	\$30,000	\$150,000	\$5.00	11	\$2,727
Bear Creek Home Medical	\$71,500	\$11,900	\$59,600	\$5.00	4	\$2,975
TOTAL	\$27,037,120	\$776,980	\$26,260,140	\$33.80	448.67	\$1,732

* Also received support from Governor's Strategic fund. Only the BL3 RIB portion of jobs counted. Number in parentheses represents total projected jobs for these projects.

Over 170 jobs already in place by January 1, 2005