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AGENDA COVER MEMO

DATE: August 30, 2006 (Date of Memo)
September 13, 2006 (Date of Meeting)

TO: Board of County Commissioners

FROM: LCOG, Milo Mecham, Principal Planner

TITLE: Order No. 06_____ IN THE MATTER OF ORDERING ACCEPTANCE OF THE SECOND ROUND OF RECOMMENDATIONS OF THE BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT BOARD REGARDING FUNDING PROJECTS FOR THE FY 2005-2007 BIENNIUM

I. MOTION

MOVE TO ADOPT ORDER NO. 06-_____ IN THE MATTER OF ORDERING ACCEPTANCE OF THE SECOND ROUND OF RECOMMENDATIONS OF THE BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT BOARD REGARDING FUNDING PROJECTS FOR THE FY 2005-2007 BIENNIUM

II. ISSUE OR PROBLEM

The Benton, Lane, Lincoln, Linn Regional Investment Board will receive just over \$866,000 during this biennium. The BL3 RIB has established criteria for distribution of the funds that emphasizes promoting job creation and seeks to maximize the leverage of the money available. The program funds became available earlier this year, when all the required agreements with the State were in place. The RIB has begun to receive and process applications for funding. The RIB has reviewed and approved an additional four project proposals. The County Boards of Commissioners must approve the projects before contracts can be signed and the projects initiated.

III. DISCUSSION

A. Background

The RIB funds are to be used to support projects that have an immediate prospect of job creation and meet the other eligibility requirements. 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 program also aims to support as many jobs above the average County wage level as possible.

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

The Rainbow Valley Design Project is a proposal by the Lane County company to help fund the purchase of an existing industrial building in West Eugene. The purchase of a new facility will enable Rainbow Valley to expand and add at least 12 new jobs over the next two years. Rainbow Valley has operated from a leased facility in Eugene since 1988. The facility is no longer sufficient for its needs and it has limited further growth opportunities for the company.

The Siletz Aeroteam proposal involves the creation of a new manufacturer in Lincoln County. The Siletz Tribe has a partnership with an airplane parts manufacturer in the Midwest. This partnership would allow them to start manufacturing parts for airplane engines. The arrangement also gives them a certain market for all the parts manufactured. The RIB funds would go for expenses related to setting up the business. The tribe projects that once the project was started it would grow to employ at least 35 manufacturing workers.

The Cape Air project will bring a new regional air carrier to Lincoln County. Cape Air is an established carrier that is willing to start service. The funds would help pay the air carrier's costs to establish the service. The employees would be employees of the new carrier.

The Lincoln County job creation proposal is similar to a proposal approved last biennium. The funds would go into a pool account for the Lincoln County Economic Development agency to parcel out to small businesses seeking an opportunity to start or expand in Lincoln County. Last biennium there were several proposals ready for funding and two additional projects were funded. This time there are not the same number of proposals ready to go, but it is anticipated that the opportunities will develop during the remainder of the biennium. Each of the proposals that are expected to develop would have to meet the job creation criteria. If sufficient proposals do not arise to create ten jobs, the unused funds will be returned to the RIB for reallocation.

B. Analysis

The proposed projects fit the program criteria and goals set by the RIB and the Commissioners. The program is designed to meet the goals on an overall average basis. This allows some projects to occasionally move above one or other of the criteria, because other projects will be equally under the threshold.

Approval of these proposals will essentially exhaust the RIB funds for this biennium. If all these projects succeed, there will be only a little more than \$20,000 left in the RIB budget for projects. While it does use the funds up fairly quickly, it also does put the money to work right away, creating a significant number of new jobs in the four County area.

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. 06-_____ in the Matter of Ordering Acceptance of the Second Round of Recommendations of the Benton,

**Lane, Lincoln, Linn Regional Investment Board Regarding Funding
Projects For The Fy 2005-2007 Biennium**

- 2. Brief Description of Regional Investment Board Projects
Recommended for Funding**

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY OREGON

ORDER No.)))))))))))	IN THE MATTER OF ORDERING ACCEPTANCE OF THE SECOND ROUND OF RECOMMENDATIONS OF THE BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT BOARD REGARDING FUNDING PROJECTS FOR THE FY 2005-2007 BIENNIUM
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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 four 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 AND ORDERED that the Lane County Board of Commissioners does hereby approve the recommendations made by the Benton-Lane-Lincoln-Linn Regional Investment Board as shown in Attachment 2 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 13TH day of September, 2006

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 9/11/06 Lane County

Terence J. [Signature]

OFFICE OF LEGAL COUNSEL

**ATTACHMENT 2
REGIONAL INVESTMENT BOARD - PROJECTS FUNDING RECOMMENDATIONS**

REGIONAL INVESTMENT BOARD - New Applications

Projects	Project #	Project Total Cost	Funds Requested	Matching Funds	RIB Recommendation	Matching Funds/ RIB Request	Jobs Created	Jobs Created/ RIB Funding	County Average Wage	Project Average Wage
Rainbow Valley Design Lane County		\$1,796,000	\$30,000	\$1,766,000	\$30,000	\$58.87	12	\$2,500	\$32,302 \$15.53	\$21,084 5 above ACW, 7 unknown
Siletz Aeroteam Lincoln County		\$2,300,000	\$105,000	\$2,195,000	\$105,000	\$20.90	35	\$3,000	\$26,814 \$12.89	\$18,720-31,200 Unknown
Cape Air Lincoln County		\$1,148,000	\$48,000	\$1,100,000	\$48,000	\$22.92	16	\$3,000	\$26,814 \$12.89	\$34,887 14 above ACW, 2 probable
Lincoln County Job Creation-2		\$180,000	\$30,000	\$150,000	\$30,000	\$5.00	10	\$3,000	\$26,814 \$12.89	\$25,962 Unknown
Total		\$180,000.00	\$30,000.00	\$150,000.00	\$30,000.00	\$24.46	73	\$2,918		