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Memorandum Date: June 27, 2011

Board Order Date: July 13, 2011

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**TO:** Board of County Commissioners

**DEPARTMENT:** CAO/Community & Economic Development

**PRESENTED BY:** Glenda Poling, Interim Community and Economic Development Coordinator

**AGENDA ITEM TITLE:** ORDER IN THE MATTER OF APPROVING A TRANSFER OF \$150,000 FROM THE OVERNIGHT STAY DEVELOPMENT LOAN FUND TO ECONOMIC DEVELOPMENT PROJECTS OPERATIONS CONTINGENCY.

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**I. MOTION**

Move to approve a transfer of funds in the amount of \$150,000 from the Overnight Stay Development Loan Fund to the Economic Development Projects Operational Contingency fund.

**II. AGENDA ITEM SUMMARY**

This action authorizes the transfer of funds from the Overnight Stay Development Loan Fund to the Economic Development Projects – Video Lottery Operational Contingency fund. The Board of Commissioners established the Overnight Stay Development Loan Fund specifically for the purposes on assisting municipalities and private businesses in creating economic development projects. A portion of the money used to create the Overnight Stay Development Loan Fund came from the Economic Development Strategic Investment Program (Video Lottery). In order to replenish funds in the Economic Development Strategic Investment Program, staff is asking the Board to transfer \$150,000 to the Economic Development Strategic Investment Program (Video Lottery) from the Overnight Stay Development Loan Fund. This money will be placed in operational contingency and can only be used at the recommendation of the Economic Development Standing Committee and the approval of the Board of Commissioners.

**III. BACKGROUND/IMPLICATIONS OF ACTION**

**Board Action and Other History**

The Board of Commissioners established the Economic Development Strategic Investment Program (Video Lottery) to fund activities which support economic development in Lane County and is meant to encourage partnerships between the County, communities within the County, non-profit organizations, private parties, and others directly involved in economic development activities. Funding for this program comes from Video Lottery proceeds (see Lane Manual 4.100).

In April 2010, the Board of Commissioners created the Overnight Stay Development Loan fund using \$100,000 from the Rural Tourism Marketing Program reserve (funding comes from Transient Room Tax) and \$150,000 from the Economic Development Strategic Investment Program (Video Lottery) (see Board Order 10-4-7-5) for a total of \$250,000.

The Overnight Stay Development Loan fund is not a grant program, rather a loan program for economic development related projects that can also generate additional overnight stays within the County. The current request is to transfer the \$150,000 that was originally taken from the Economic Development Strategic Investment Program (Video Lottery) to replenish reserves within the Economic Development Strategic Investment Program (Video Lottery). Reserves are used only at the recommendation of the Economic Development Standing Committee and the approval of the Board of Commissioners.

The Overnight Stay Development Loan fund will have a remaining \$25,000 balance. Additionally, this fund has recently loaned \$75,000 to a local business.

**A. Policy Issues**

Shall the Board transfer funds from the Overnight Stay Development Loan Fund to the Economic Development Strategic Investment Program?

**Board Goals**

The transfer of funds will help to meet the Board goal: "Develop Lane County's economic engine."

**B. Financial and/or Resource Considerations**

The Overnight Stay Loan Fund currently has the money available to make the \$150,000 transfer. No other resource is needed.

**C. Analysis**

The requested transfer meets the goals of the Overnight Stay Development Loan Fund by making the money available to projects that will provide economic

benefit to Lane County.

**F. Alternatives/Options**

1. The Board can allocate the requested funding to the Economic Development Strategic Investment Program.
2. The Board can request more information and allocate funding at a later date.
3. The Board can elect against transferring these funds at this time.

**IV. TIMING/IMPLEMENTATION**

If the Board approves the attached Board Order, funding will be allocated as outlined within the Board Order.

**V. RECOMMENDATION**

Lane County Community & Economic Development recommends that the Board transfer \$150,000 from the Overnight Stay Development Loan Program to the Economic Development Strategic Investment Program.

**VI. FOLLOW UP**

Upon Board approval, any allocation of the \$150,000 will be at the Boards discretion following a recommendation from the Economic Development Standing Committee.

**IN THE BOARD OF COUNTY COMMISSIONERS,  
LANE COUNTY, OREGON**

**ORDER NO.           ) IN THE MATTER OF APPROVING A TRANSFER OF  
                          ) \$150,000 FROM THE OVERNIGHT STAY DEVELOPMENT  
                          ) LOAN FUND TO ECONOMIC DEVELOPMENT PROJECTS  
                          ) OPERATIONAL CONTINGENCY.**

WHEREAS, the Lane County Board of Commissioners established the Overnight Stay Development Loan Fund (Board Order 10-4-7-5) with \$150,000 from the Economic Development Strategic Investment Program – Video Lottery (Operational Contingency) and \$100,000 from the Rural Tourism Marketing Program (Operational Contingency) to total \$250,000, and

WHEREAS, the Lane County Board of Commissioners loaned \$75,000 on a tourism-related project deemed eligible for the Overnight Stay Development Loan Fund (which will be repaid within five years), and

WHEREAS, the Lane County Board of Commissioners currently desires to replenish the Economic Development Strategic Investment Program – Video Lottery Operational Contingency Fund in the amount of \$150,000 and leave a balance of \$25,000 in the Overnight Stay Development Loan Fund, and

WHEREAS, funds placed in the Economic Development Projects Operational Contingency Fund will be used at the recommendation of the Economic Development Standing Committee and the discretion of the Board of Commissioners for economic development projects in Lane County,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT: \$150,000 of Overnight Stay Development Loan Fund funds is transferred to the Economic Development Projects Operational Contingency fund.

Signed this \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_ 2011.

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Faye Stewart, Chair  
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM  
Date 7-5-11  
Lane County

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*[Handwritten Signature]*