

W. G. C.

AGENDA COVER MEMO

DATE: March 31, 2004 (Date of Memo)
April 7, 2004 (Date of Meeting)

TO: Board of County Commissioners

FROM: LCOG, Milo Mecham, Principal Planner

TITLE: Order No. 04-_____ IN THE MATTER OF ORDERING THE
ACCEPTANCE OF AMENDMENTS TO THE 2003-05 BENTON, LANE,
LINCOLN, LINN REGIONAL INVESTMENT STRATEGY

I. MOTION

MOVE TO ADOPT ORDER NO. 042-_____ IN THE MATTER OF
ORDERING THE ACCEPTANCE OF AMENDMENTS TO THE 2003-05
BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT
STRATEGY

II. ISSUE OR PROBLEM

The BL3 Regional Investment Board responded to requirements of the State of Oregon to amend the Regional Investment Strategy to include a target related to the type of jobs that the BL3 RIB will target for project funding. After discussion, including suggestions from the OECDD representative that there was a great deal of flexibility in what the target was set at, the BL3 RIB adopted the attached amendments, setting a target of at least 25 percent of all jobs created or retained will be at or above the Average County Wage for the county where the project is located.

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 approximately \$867,000. The BL3 board developed a strategy, approved by Lane county and the other members of the BL3 RIB, related to the criteria for funding projects this biennium. The criteria emphasize immediate job creation with a maximum amount of leverage for

the use of BL3 funds. The BL3 wants to fund projects that will be ready to go in six months or less, will use at least five dollars (\$5) for each dollar of RIB money and will spend no more than \$3000 of RIB money for each job created.

The BL3 RIB staff delivered the Strategy to OECDD. While comments were favorable, the OECDD introduced at that time the suggestion that the Strategy must include a target for wage levels of the jobs to be created, measured against the applicable County's Average Wage.

The BL3 RIB debated the issue of what target to set. The concerns were that if the target was set too high, then many acceptable jobs created by new enterprises would not be eligible. Responding to that concern, the BL3 RIB set the target at 25 percent.

The proposed changes are attached. (Attachment 2), along with a brief memo from Drew Foster of Cascades West COG.

B. Analysis

The proposed target is just a target, apparently there will be no real adverse consequences if it is not met.

Of the projects approved for this biennium, not all propose wages at or above the County Average Wage. The BL3 RIB discussed setting the target at 50 percent, but decided against that because the recommended projects did not all meet that standard. The BL3 Rib decided to set the target a little lower, but try to meet a standard higher than the target.

C. Alternatives/Options

The options before the Board are as follows:

1. The Board may take no action. This would result in the Plan not being amended. OECDD would likely not approve the Plan, and funding would be delayed.
2. The Board may choose to approve the BL3 RIB recommendations. After the final contract discussions are finalized with the State, CWCOG would negotiate contracts with the pending project applicants, then begin to release funds to support the projects.

3. The Board may choose to reject the proposed amendments to the Strategy.

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, CWCOC, and the fiscal agent will make the changes to the Strategy and inform OECDD of the change.

V. ATTACHMENTS

1. Board Order No. 04-_____ in the Matter of Ordering the Acceptance of the Amendments to the 2003-05 Benton, Lane, Lincoln, Linn Regional Investment Strategy
2. Pages from the BL3 Strategy where amendments are proposed.
3. Memorandum to Lane County Board of Commissioners from Drew Foster concerning the BL3 RIB Regional Strategy Amendments.

Memo

March 31, 2004

March 31, 2004

TO: Boards of Commissioners of Benton, Lane, Linn, and Lincoln Counties

FROM: Drew Foster, Regional Investment Program Coordinator
CWCOG Community and Economic Development Program

SUBJECT: **Amendment of the 2003-05 Regional Investment Strategy to set
performance measure targets for wage levels of jobs created or retained**

RECOMMENDATION:

The BL³ Regional Investment Board met on March 29th, 2004 and unanimously voted to recommend the following target for wage levels for the 2003-05 Benton-Lane-Linn-Linn (BL³) Regional Investment Strategy: 25 percent of all jobs created or retained will be at or above Average County Wage for the county wherein the project is focused.

The Strategy will need to be edited in two places. Necessary changes would occur on pages 1-2 and 5-2 (see attached pages). Changes are shown in italics and underlined.

BACKGROUND:

The BL³ Regional Investment Strategy currently states that wage levels will be considered during the selection of projects: "taking into consideration County Average Wage, amount above minimum wage, and benefit packages." The State's legal review of the BL³ Regional Investment Strategy has determined that in addition to setting targets for number of jobs created or retained (1 job per \$3,000 of RIB funding) and for leverage (\$5 of matching funds per \$1 of RIB funds), the BL³ Region must establish a quantifiable target for wage levels of jobs created and retained.

Each County Board of Commissioners must approve the targets and the language changes recommended by the Regional Investment board in order for the Regional Investment Strategy to be updated to meet the legal review of the state and to allow the Region's contract with the state to be completed.

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY OREGON

ORDER No.

) **IN THE MATTER OF ORDERING**
) **THE ACCEPTANCE OF THE**
) **AMENDMENTS TO THE 2003-05**
) **BENTON, LANE, LINCOLN,**
) **LINN REGIONAL INVESTMENT**
) **STRATEGY**
)

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 established criteria for project funding as set forth in the Regional Investment Strategy 2003-2005, reviewed and approved by the Lane County Board of Commissioners, and

WHEREAS, the Regional Investment Board has made recommendations concerning the setting a target for wage levels of jobs created or retained in the 2003-05 Strategy, and

WHEREAS, the target level shall be 25 percent of all jobs created or retained will be at or above Average County Wage for the county wherein the project is focused, and

WHEREAS, the Regional Investment Board has made recommendations for specific language changes in the Strategy, in order to put those targets into effect, and

WHEREAS, these targets will fulfill the legal requirements for the Benton-Lane-Lincoln-Linn Regional Investment Strategy

NOW THEREFORE IT IS HEREBY RESOLVED that the Lane County Board of Commissioners does hereby approve of the proposed amendments to the BL3 Regional Investment Strategy

DATED this 7th day of April, 2004

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM
Date 4/1/04 Linn County
James G. Smith
OFFICE OF LEGAL COUNSEL

PERFORMANCE MEASURES AND TARGETS

- **Capacity Development** – opportunities that address the economic development needs of a community. This would include technical assistance to various partners who can demonstrate specific and definable needs.

The BL³ RIB has set performance measures and targets for the two primary criteria of job creation/retention and leverage, and also for wage levels:

- Create or retain 289 jobs (1 job for every \$3,000 invested).
- For every \$1 of Regional/Rural Investment (R/RI) funds committed, the program will leverage \$5 of other funds-cash or in-kind (\$4,335,000 match for \$866,904 in R/RI funds).
- 25 percent of all jobs created or retained will be at or above Average County Wage for the county wherein the project is focused.

The program activities will consider funding projects in any of the four categories listed above. However, the RIB is looking for projects that meet the Legislature's focus on job creation/retention and leverage, with a strong initial focus on short-term job creation/retention. For this program, short-term is defined as in place by the end of the 2003-2005 biennium. Over the course of the biennium, the RIB will monitor progress toward these targets and, if the targets are reached before all funds are expended, may shift the focus to projects that have potential for substantial longer-term results.

PROJECT FUNDING PROCESS

The Regional Investment Board will hold all funds in an Opportunity Fund, in order to be able to respond quickly with funding commitments to projects that will provide short-term job creation/retention. Generally, only proposals of up to \$100,000 will be considered for funding

. Proposals over \$100,000 may be considered at the discretion of the Projects Committee. The RIB will rely on economic development partners within the Region to identify projects and refer project proponents to the program. The partners include existing business lending entities in the public, not-for-profit sector, county commissioners, business development centers, port districts, and state and local economic development entities.

A one-page pre-application will be available on the RIB's website (www.bl3rib.org). A copy of this pre-application may be put forward by any of the economic development partners mentioned above. RIB staff will review the pre-application for completeness and forward it to the Projects Committee of the RIB.

If after initial review of the pre-application, the Projects Committee believes that the project substantially meets the Evaluation Criteria, they will recommend that the project receive a review by the full Regional Investment Board. Projects receiving a Projects Committee recommendation will be asked to submit a complete application for review by the RIB. The Regional Investment Board will decide which projects will then be sent to each of the four counties for final approval by the Boards of Commissioners.

Regional Benchmarks

The Regional Investment Board and the Cascades West Economic Development District (CWEDD) have identified the following regional benchmarks.

- Improved quality of air and watersheds
- Increased public involvement in natural resource issues
- Increase in value-added manufacturing
- Increase in diversity of business categories
- Increase in acres of serviced industrial land
- Increase in communities with key facilities
- Increase in family-wage jobs

Monitoring these benchmarks will give indications of whether the Region is moving toward the vision that guides the Strategy. The Board will track information related to these benchmarks, report this information to the State, and incorporate the information in biennial updates of this Strategy.

The 2003-2005 Regional Investment Strategy will target investments that are related to the latter six (6) benchmarks. Future updates of the Strategy may target investments to a different mix of these benchmarks.

The Benton, Lane, Lincoln, and Linn Regional Investment Board will monitor and evaluate the performance of the Regional Investment Strategy using several intermediate outcomes and output measures. Projects funded through the Regional and Rural Investment Fund programs will report project outcomes in terms of the Region's intermediate outcomes and output measures. Additional performance measures may be developed for each project as part of the application and contracting process.

Program Outcomes

The Board has identified seven (7) program outcomes that will be used to evaluate the success of the Region's Strategy. The Board will target its initial efforts in this biennium on the first two outcomes (these outcomes are highlighted on the chart on page 5-4):

- Increase in jobs created or retained (will also be tracked specifically for rural areas)-Target-289 jobs
- Leverage of other funding sources for both long-term and short-term investments-Target-\$5 match for every \$1 RIB funding
- Wage of jobs created or retained compared to county average wage-Target-25 percent of jobs created or retained will be at or above Average County Wage for the county wherein the project is focused.
- Increase in funding for infrastructure to support business development
- The number of successful priority projects in rural communities
- The number of people trained who gain employment or improve wages
- The number of people utilizing distance-learning opportunities