

W-9.B.1.

AGENDA COVER MEMORANDUM

AGENDA DATE: February 16, 2005

TO: LANE COUNTY BOARD OF COMMISSIONERS

FROM: LANE COUNTY ECONOMIC DEVELOPMENT STANDING COMMITTEE

PRESENTED BY: Peter Thurston, Community and Economic Development Coordinator,
Weston Bigelow, C&ED program intern

AGENDA ITEM: ORDER/IN THE MATTER OF LANE COUNTY SUPPORTING
PARTICIPATION IN A REGIONAL MICROENTERPRISE ASSISTANCE PROGRAM
WITH COTTAGE GROVE AS LEAD APPLICANT.

I. MOTION

IT IS MOVED THAT THE ORDER BE ADOPTED IN THE MATTER OF LANE COUNTY
SUPPORTING PARTICIPATION IN A REGIONAL MICROENTERPRISE ASSISTANCE
PROGRAM WITH COTTAGE GROVE AS LEAD APPLICANT.

II. ISSUE OR PROBLEM

Shall Lane County support the creation of a regional micro enterprise assistance program with
Cottage Grove as lead applicant for the purpose of receiving Community Development Block
Grant Economic Development Funds for the support of micro enterprise development
programs in Lane County's rural cities and unincorporated communities?

III. DISCUSSION

- A. Background- The Oregon Economic and Community Development Department has
made micro enterprise assistance part of its economic development strategy through
its Community Development Block Grant Economic Development Funds (CDBG)
beginning in October 2003.

In order to participate in the program a self defined regional partnership called a
regional micro enterprise assistance program must be formed. It consists of a
minimum of three municipal entities (counties or cities) who have resolved to
support micro enterprise as an economic development strategy. This "regional micro
enterprise assistance program" must have a formal written agreement among the
parties that designates one of the municipalities as the lead applicant.

The lead applicant assumes full responsibility for compliance with all state and
federal CDBG requirements and final accountability for all CDBG funds. The lead
applicant must enter into an agreement with a local or statewide micro enterprise
support organization that will carry out the assistance program. The funds will be
directed to low and moderate income micro enterprise clients with a maximum cap
of \$2,500 of support for each client. The complete program description can be found
at http://www.econ.state.or.us/2004CDBGguide_p2.pdf.

Cottage Grove is moving towards becoming the lead applicant, and recently
approved the micro enterprise application. Lane MicroBusiness has agreed to be the
micro enterprise support organization. Oakridge and Lane County would be the
supporting partners. The Oregon Micro enterprise Network (OMEN) would act as
the project administrator providing support with data aggregation, technical

assistance, and contract compliance to federal and state requirements. The amount requested would be \$60,000.

On January 27, 2005 the Economic Development Standing Committee approved the Order and recommended it for adoption by the BCC.

B. Analysis

OMEN is currently acting as project administrator for five similar projects in Oregon. One in Lane County includes Creswell, Westfir, and Oakridge. Others involve the Lincoln and Jackson county and city governments. Some results of the existing programs' 246 participants to date include (in a twelve month follow up of 78 clients):

- The average cost per participant was \$2,482 per person
- 49 jobs were created or maintained at a cost of \$4,003 per job
- 63% of those who have participated have started or maintained a business
- 71% of enrollees experienced improved financial health.
- The median improvement to financial health was a 44% increase in family income.

The risk to Lane County in participating in this partnership is minimal. Cottage Grove will be the lead applicant and take full responsibility along with Lane MicroBusiness in meeting the program's obligations. Improvement in family incomes will be substantial if past results can be replicated. The program has clearly enhanced both economic diversity and viability in Oregon by promoting micro enterprise. Lane County will not be required to sign a contract or process any funds.

Time is of the essence as the funds are distributed on a first-come-first-serve basis. Lane MicroBusiness is looking for an application from Lane County as soon as possible.

C. Alternatives/Options

The Board may:

- 1) Approve the ORDER directing Lane County to support participation in a regional micro enterprise assistance program, or
- 2) Choose not to take action

D. Recommendations

It is recommended that Option 1 be approved in support of Cottage Grove, Oakridge and Lane County gaining access to economic assistance for micro enterprise development program.

E. Timing

While there is no deadline for application, the funds are available on a first come first serve basis. Therefore it is recommended that the BCC approve the Order at this time.

IV. IMPLEMENTATION/FOLLOW-UP

Upon approval the municipalities of Cottage Grove and Oakridge, and Lane MicroBusiness will be informed of the Board's decision and a copy of the order sent to each. This will provide the basis for completing the application.

ATTACHMENT

ORDER

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) IN THE MATTER OF LANE COUNTY SUPPORTING
) PARTICIPATION IN A REGIONAL MICROENTERPRISE
) ASSISTANCE PROGRAM WITH COTTAGE GROVE AS
) LEAD APPLICANT

WHEREAS, the Oregon Economic & Community Development Department has announced guidelines for its 2005 Method of Distribution for Community Development Block Grants (CDBG) for Micro enterprise Assistance; and

WHEREAS, Lane MicroBusiness in collaboration with the Oregon Micro enterprise Network (OMEN) has prepared a project proposal to request such a grant; and

WHEREAS, Lane County, as a public agency supports the development of micro enterprise businesses commonly defined as a business with fewer than five employees and with capital needs of under \$35,000; and

WHEREAS, the City of Cottage Grove is forming a regional micro enterprise assistance program with the City of Oakridge to support economic development through micro enterprise services, and a third participating eligible CDBG applicant is needed to complete the application; and

WHEREAS, Lane County recognizes that the City of Cottage Grove is the lead applicant for this proposal and will act on the regional program's behalf as lead applicant,

NOW, THEREFORE, IT IS HEREBY

ORDERED that Lane County supports the formation of a regional micro enterprise assistance program with Cottage Grove as lead applicant.

FURTHER ORDERED that Lane County declares its support of Lane MicroBusiness's grant application for micro enterprise development services throughout the area of the regional program.

Signed this 16th day of February, 2005.

Anna Morrison, Chair
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM
Date 2/17/05 Lane County
Teresa J. H. H. H.
OFFICE OF LEGAL COUNSEL