

# Process Details

## Timing

The RIB will hold funds in an Opportunity Fund. This will enable the RIB to respond quickly with funding commitments to projects.

Timing for implementation of this process will be controlled by the availability of State funding.

## General Maximum

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 full RIB.

## Role of Partners

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 and not-for-profit sectors, county commissioners, business development centers, port districts, and State and local economic development entities.

## Application Steps

The application process will follow the following steps:

- 1) An application will be available on the RIB's website. A copy of this application may be put forward by any of the economic development partners mentioned above.
- 2) RIB staff will review each application for completeness and obtain a credit check, as necessary for business proposals.
- 3) The application, staff review, and credit check information will be forwarded to the RIB Projects Committee. The RIB Projects Committee will review each project application and make a recommendation to the full RIB concerning project approval and appropriate funding level.
- 4) The full RIB will review each project it receives from the RIB Projects Committee and form a recommendation for consideration by the counties.
- 5) Projects that the full RIB recommends will be forwarded to the Board of Commissioners in each of the four counties for final approval.

## Process Oversight and Adjustment

The RIB will review the project funding process to ascertain that a sufficient number of projects are being received and that funding is being committed in an expeditious manner during each quarterly RIB meeting. After this review, the RIB retains the right to make changes to the program in order to meet the performance targets. If the review shows that the funding process has been successful in achieving the targets, the RIB may implement an amended funding process that would attempt to seek projects with a more long-term focus on job creation/retention.

## Final Review

Within six months of final project award decision by the Counties, each project will be reviewed to determine whether it has met all contracting requirements and is moving forward. Any projects that have not met all contracting requirements could be liable for loss of funding.

## Flexibility

The RIB reserves the right to propose partial funding for any project or to propose challenge grants for a project. The RIB also retains the right to request projects that support a specific outcome or outcomes.

## Project Review Criteria

The job creation/retention focus of the BL3 RIB will essentially continue to operate as it has for the past two biennia to achieve the "Initiative for Immediate Job Creation/Retention". The BL3 RIB has incorporated a new "Long-Range Strategic Initiatives" category with different review criteria to meet the State's six-year strategic requirements to its program.

### Review of Initiatives for Immediate Job Creation/Retention

**Base Requirements:** There are three basic evaluation criteria for projects submitted under the "Immediate Job Creation/Retention Initiative":

- ♦ **Job Creation/Retention** - The project creates or retains one job for every \$3,000 of Regional Investment Funds committed.
- ♦ **Leverage** - The project leverages \$5 in matching funds for every \$1 of Regional Investment Funds committed.
- ♦ **Readiness to Proceed** - The project will have all matching resources in place within six months of commitment of Regional Investment Funds.

In addition to the criteria and limitations listed above, the following factors will be considered during the selection of projects to be funded. These considerations are not meant to act as a limitation to project proponents. A project does not have to meet all of these considerations. These considerations are all reviewed equally and as a whole; no weight is given to any particular consideration.

- ♦ Compensation package for jobs created or retained, taking into consideration:
  - Percent of jobs at or above family wage (the most recent county average annual wage) of the county where the project is located
  - Percent of jobs near minimum wage
  - Percent of jobs in which the total compensation package (wages plus benefits) meets or exceeds 150% of the most recent county average annual wage rate of the county where the project is located
- ♦ Growth potential of business and industry
- ♦ Diversification of local economy
- ♦ Project start and completion dates
- ♦ Other funding sources contacted and their response
- ♦ Funding gap which the Regional Investment Funds will address
- ♦ Partnerships and/or collaborations that support the project
- ♦ Extent to which this project serves the needs of minorities and the disadvantaged
- ♦ Capability of organization (ability of the organization to undertake a project of this type and administer the grant)
- ♦ Geographic dispersion of Regional Investment funding, location of the project, and its sphere of influence

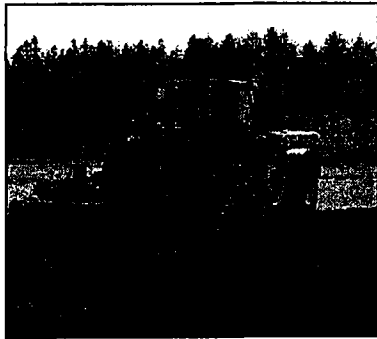
## Review of Long-Range Strategic Initiatives

Base Requirements: Projects submitted for funding consideration under the “Long-Range Strategic Initiatives” must meet the following base requirements:

- ♦ **Legality:** Form of assistance requested must be allowable under the State of Oregon’s regulations for this funding.
- ♦ **Strategic Approach:**
  - When completed, the project will be consistent with the regional vision.
  - The project addresses at least one regional goal (includes an evaluation of how directly the project addresses goal(s)).
  - The project fits within at least one of the identified strategic initiative areas (includes an evaluation of how directly the project matches the strategic approach(es)).

Evaluation Considerations: The following considerations are used to evaluate proposed long-range strategic projects. These considerations are not intended to be a limitation to project proponents - a project does not have to meet all these. These considerations are all reviewed equally and as a whole with no weight given to any particular consideration.

- **Job Creation/Retention:** Does the project directly lead to the creation or retention of jobs?
  - If so, how many and over what period of time?
  - If so, what are the wage levels of jobs (including consideration of County average wage, amount above minimum wage, and benefit packages)?
- ♦ **Leverage:**
  - Are other funds pledged as match? If so, what is the leverage rate?
  - Are other matching resources secure?
- ♦ **Economic Impact:**
  - What is the growth potential of any businesses or industries linked to the project?
  - Will the project diversify the local economy? If so, to what extent?
  - Will the project diversify the regional economy? If so, to what extent?
  - What impact will the project have, if any, on common economic indicators (employment, investment, diversification, etc.)?
  - Does the project build on a recognized economic development asset/opportunity or address a recognized economic development barrier/issue?
- ♦ **Readiness:**
  - Is the project ready to begin?
  - Can the project reasonably be completed within the timeframe proposed?
- ♦ **Funding Gap:**
  - Have other potential/probable funding sources been contacted and what was their response?
  - Is there a clear funding gap that requires the RIB investment?
- ♦ **Partnerships:** Are there partnerships and/or collaborations that support the project?
- ♦ **Special Needs:** What is the extent to which this project serves the needs of minorities and the disadvantaged?
- ♦ **Capability:** Is the sponsoring organization able to undertake a project of this type and administer the grant?
- ♦ **Geographic Dispersion:** What is the location of the project and what is its sphere of influence within the region?

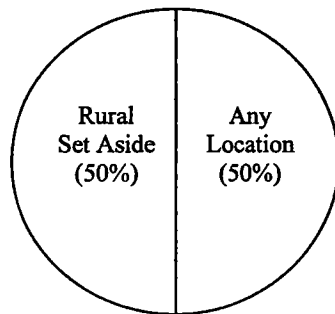


## SECTION V

# Rural Action Plan & Rural Set-Aside

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All of the BL3 regional investment initiatives for the six-year planning period are intended to serve the unique needs of the region's rural areas. If project funding is provided to implement the BL3 Regional Investment Strategy, at least 50% of project funding will be made available for rural projects and programs (these will not include Albany, Corvallis, Eugene, or Springfield projects or programs).





## SECTION VI

# Implementation Barriers & Regional Assets

### Top Barriers to Economic Development

#### BARRIER 1

**Description of Issue:**

Need for increased and stable funding of economic development activities including Regional Investment Strategies funding, technical assistance, incentives, and infrastructure.

**Current actions taking place to address the issue:**

Under direction from the 2003 and 2005 Legislatures, the BL3 RIB supported projects that have created 1,300 jobs. Previous to the 2003-05 biennium, when more funding was available, the BL3 RIB provided funding to a variety of job creation, local technical assistance, and infrastructure planning. The BL3 RIB was also able to partner with community colleges in a wide variety of new programs, outreach and delivery efforts to rural communities, and curriculum development for new degree programs.

**Suggested actions for the future:**

Bring funding back to \$20 million level state-wide and let regions support continued job creation/retention efforts and also fund the wide range of efforts needed to move local and regional economies forward through collaborative efforts.

#### BARRIER 2

**Description of Issue:**

Unmet infrastructure needs, including capacity, maintenance, water, wastewater, water rights uncertainty, transportation inadequacies impeding movement of freight and tourists, rail, technological, and the added technical assistance needs of rural areas.

**Current actions taking place to address the issue:**

With the Legislative focus on job creation/retention mandated in the two prior biennia, the BL3 RIB has focused all its limited resources on direct job creation and has not had the resources available to support longer-range infrastructure planning.

**Suggested actions for the future:**

Increase funding level for Regional Investment program and support the regions ability to once again fill the gaps in planning efforts for infrastructure projects.

#### BARRIER 3

**Description of Issue:**

Limited inventory of viable, available, shovel-ready industrial land including wetland constraints, and infrastructure design and development funding.

**Current actions taking place to address the issue:**

OECD has taken the first step toward expanding the inventory of and information about "shovel-ready" industrial sites with the Industrial Site Certification program. Again, with the focus on quantifiable job creation, the BL3 RIB has focused its efforts on direct support to businesses for projects that will create jobs in the short-term and not funded any industrial site projects during the last four years.

**Suggested actions for the future:**

Increased funding for industrial site development must be combined with the knowledge that immediate job creation may not be a result, but that future job creation will be limited if we do not make an investment in preparing industrial sites in the present.

## **Top Regional Assets For a Stronger Economic Future**

The BL3 Regional Investment Board identified (October 2007) the top assets and opportunities on which the region could build a stronger economy as:

- ◆ An educated, motivated, and trained workforce in comparison to other geographic areas of Oregon and the U.S.
- ◆ Strength of education systems at all levels:
  - Two universities are located in the region: Oregon State University and University of Oregon
  - Quality programs at three community colleges: Lane, Linn-Benton, and Oregon Coast
  - Higher education concentration leads to the unique research orientation of the region
  - This strength contributes to an environment where creativity, livability, and education are valued
- ◆ Research institutions (public and private) and extension/outreach services:
  - Consistent economic drivers
  - Encourage an entrepreneurial focus
  - Attract outside talent (e.g., researchers, conference attendees)
- ◆ An actual high quality of life (as indicated by number of people who want to stay here)
- ◆ A truly diverse economy built from traditional natural resource base through to high tech and emerging research

# Comprehensive View of Challenges and Opportunities

## Developing a Regional Context

The challenges and opportunities presented below were developed from comments made during discussions with private sector parties and during the 2007 Regional Economic Development Forum. These 2007 comments build on and update the perspectives gathered in 2005 during the preparation of the joint Regional Investment Strategy and Comprehensive Economic Development Strategy. Information presented for consideration and discussion was gathered from:

- ◆ CONTACT survey of ninety Lane County businesses (2004)
- ◆ Discussions with twenty Benton, Lincoln, and Linn County businesses (2005) by Cascades West COG with assistance of the Albany-Millersburg Economic Development Corporation, Economic Development Alliance of Lincoln County, and Corvallis-Benton Economic Development Partnership
- ◆ Interviews with the city manager/administrator/recorder of each city in the region
- ◆ Interviews with Port managers of Alsea, Toledo, and Newport
- ◆ Discussions with community and economic development partners including the Oregon Employment Division, Linn-Benton Community College, Oregon Coast Community College, Linn Benton Housing Authority, and the Community Services Consortium
- ◆ Employment, population, and income data and projections from multiple State and federal sources

## Arrangement of Findings

While there is some crossover, these challenges and opportunities are organized under four topic areas (which coordinate with prior sections of this strategy document):

- ◆ Health of Our Economy
- ◆ Health of Individuals and Families
- ◆ Health of Our Communities
- ◆ Health of Our Natural Systems

Although many of the following comments could have been included under more than one of the four major headings (Economy, Individuals and Families, Communities, Natural Systems), each appears only once. Because these comments were not screened for factual accuracy, they should be viewed as indicators of regional concerns and issues that might help us better understand what we need to address as a region. Personal perspectives shared at the 2005 forum and during Regional Investment Board and Cascades West Economic Development District discussions are highlighted in boxed italicized text.

# Health of Our Economy

## 2007 Regional Economic Forum - Update to 2005-07 CEDS/RIS

- ◆ **Economic diversification continues**, especially in the more urban areas of the region.
- ◆ Employment changes at Hewlett-Packard's Corvallis campus (where employment is estimated to be at least 1,000 fewer jobs two years ago) are fueling **spin-off business** activity as well as new non-technically related **business start-ups**.
- ◆ There are emerging business clusters in **renewable energy- and sustainability-related** businesses.
- ◆ **Generations X and Y** are highly mobile and flexible in how they participate in the workforce. Through a focused evaluation of this segment we might uncover emerging economic trends (such as an increase in home-based businesses or lone-eagle-type consulting businesses) and detect new business and workforce service delivery needs. Community amenities that provide a high quality of life appear to be very important to this population.
- ◆ There are **shortages of skilled workers** in several expanding economic sectors. Health care professionals, welders, electricians, and advanced technology professionals are some of the professions where demand exceeds supply. **Technical training** at the high school level is becoming a higher priority due to these shortages, but we continue to lose this level of training.
- ◆ **Increasing certification** and education requirements for entering some professions are reducing entry-level worker interest in pursuing those professions. This is especially true in the health care field.
- ◆ Small businesses in the Valley are expecting **workforce adjustments and issues** as their existing workers are attracted to the wages and benefits available at the new Lowe's distribution center. They are concerned that the remaining workers will have to be trained, and that new workers are more likely to have drug use or other issues that have prevented them from previously being a part of the workforce.
- ◆ The need for **workforce succession planning** is becoming more apparent as the baby boomer segment of the workforce vacates typically higher-skilled positions for retirement
- ◆ Future **immigration policies** may force adjustments in the regional workforce, as there could be a reduced supply of willing workers for lower-skill and entry-level positions
- ◆ Rising **health care premium costs** are limiting job growth.
- ◆ **Benefit packages** are changing rapidly, with reduced or eliminated retirement benefits required to balance rising health care costs.
- ◆ Oregon's **pay scale for university professors** is below the national norm. This pay inequity is impacting the nation-wide recruitment of sought-after researchers and educators.
- ◆ Retaining money in the area economy through **"Buy Local"** efforts needs to be encouraged.
- ◆ The State's **industrial site certification** process created a standard, uniform set of criteria on which site preparedness can be tested. Few sites in the region have been able to reach the certification level.
- ◆ The **inventory of unconstrained lands** is limited, which impacts **land prices**. Rising land costs are impacting who is purchasing and developing land in the region, with increased development interest and activity from outside of the region. The higher cost of urban-area land is leading to **increasing pressure to develop rural areas**.



## 2005 Perspectives - 2005-07 RIS/CEDS Preparation

### Employment and Economic Diversification

- ◆ In 2004, the region had an increase in the number of jobs for the first time in five years. However, the region still had almost 2,000 fewer jobs than in 2000.
- ◆ Monthly and annual average unemployment rates in all BL3 counties remain above national unemployment rates and at or above State rates.
- ◆ Although high, unemployment rates remain fairly stable, especially when compared to the peak-trough cycles of past decades.
- ◆ Almost 20,000 individuals were unemployed in June 2005. This does not include those who have given up looking for work or who have accepted under-employment.
- ◆ The economy is diversifying toward non-manufacturing.
- ◆ There has been minor job growth in manufacturing compared with much stronger growth in service and trade.
- ◆ The Oregon Employment Department projects that these trends will continue for the next decade.
- ◆ Hewlett Packard is in the process of a major reorganization that is reducing the workforce at their Corvallis facility. The implications of the restructuring and reductions are not yet fully known; however, there are likely to be ramifications in the local economy as some workers leave the area and as other former HP employees start business ventures of their own.

- ◆ *Jobs and growth are basic to quality of life as their taxes support desired public services.*
- ◆ *Balancing efforts between short- and long-term job creation is needed to solve problems needing a longer-term approach.*

### Overall Business Perspectives

- ◆ Most of the businesses contacted said that the best thing about doing business here is the area's high quality of life. Several explained their business remains here despite market, labor cost, and other locational factors because they enjoy the lifestyle of the region. Several also noted that a high quality of life was important to attract and retain quality employees.
- ◆ Lane County businesses most frequently cited the economy as the top issue impacting their operation. Several noted that they plan to expand operations if the economy improves.
- ◆ The top issues most frequently identified as impacting the businesses contacted in the region were societal in nature, with many noting:
  - Entry workers seem to have poorer work ethics (absenteeism, improper attire, tardiness, unwillingness to work as a team member) than in the past and need basic soft skills training prior to entering the workforce, and
  - Instability in the K-12 funding hampers attracting/retaining technical and highly skilled professional workers.
- ◆ Benton, Lincoln and Linn resource-dependent businesses contacted noted that shifting public policies (Measure 37, harvest decisions) impact their investment and expansion decisions. All expressed that a better public understanding of the connection between a stable healthy environment and a stable healthy economy is needed.

- ◆ *Agriculture and fisheries sectors are important to regional economy.*
- ◆ *Economic growth could be encouraged by studying and developing emerging clusters.*
- ◆ *Opportunity to develop/support energy-related businesses and to encourage energy efficiency within businesses we assist.*
- ◆ *Using technology transfer from our universities we can attract, create, and expand businesses.*
- ◆ *Uncertainty of funding and poor national perception of Oregon education system can affect recruitment efforts.*
- ◆ *Education system needs to be viewed as K-20.*
- ◆ *Lack of discipline in schools contributes to poor work ethic.*

### Workforce

- ◆ Uncompetitive costs (related to globalization).
- ◆ Need for soft skills/work ethic training.
- ◆ Continued inability of many workers to meet basic math and/or reading requirements.
- ◆ Need for technical training.
- ◆ Unprepared entry workers.
- ◆ Higher-skilled and professional workers are unavailable and sometimes unwilling to relocate.

Globalization issues were reported widely, impacting workforce issues and related matters:

- ◆ Almost all manufacturers contacted highlighted how increased global competition impacted their businesses.
- ◆ Several manufacturers noted that they were preparing to outsource part/all of a labor-intensive production line to China where trained laborers are \$.25-.28/hour.
- ◆ The region is a major exporter of goods in the Oregon economy, nearly all of which must travel outside the region before actual shipment overseas.
- ◆ Movement of goods, especially to and from global markets, is made more difficult by the limitations on rail use and the lack of an inter-modal transit site.

### Physical Environment

- ◆ Transportation issues noted by businesses contacted included:
- ◆ Moving workers and goods along the I-5 corridor is becoming increasingly difficult due to congestion.
- ◆ Rail use is challenged by limited availability of rail cars and deferred line maintenance.
- ◆ Trains blocking major roadways (e.g., Albany's Queen Avenue) impact business operations.
- ◆ Air connections are needed by Lincoln County businesses.

- ◆ *Soft skills issues and poor work ethics are also an issue for Lane County businesses.*
  - ◆ *The gap in soft skills being reported across the U.S. is said to be linked to the generation entering the workforce.*
  - ◆ *Health costs are rising faster in Oregon than other states.*
  - ◆ *Work ethics were addressed in high school professional-technical classes, which are the first classes eliminated.*
  - ◆ *Physical education classes that prepared students for more strenuous, physically demanding jobs are being cut back.*
  - ◆ *Professional and technical classes are important to economic dev.*
  - ◆ *Median employment age on the Coast is higher than elsewhere (Lincoln County average age is 50 years) and is already making it difficult to refill positions.*
  - ◆ *We are increasingly encountering issues that are part of globalization and the bigger world picture.*
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- ◆ *Water, sewer, etc. infrastructure limitations are a significant concern of manufacturing business.*
  - ◆ *Physical space for business development (e.g., incubators) is important to grow jobs.*
  - ◆ *Industrial sites that meet the needs of new and expanding manufacturers are not available.*
  - ◆ *Highway 20 improvements will have an effect on Coast/Valley relationships and coastal tourism.*

# Health of Individuals and Families

## 2007 Regional Economic Forum - Update to 2005-07 CEDS/RIS

- ◆ The **baby boomer** segment of our population is expected to increase as retirees are attracted to the lifestyle amenities and lower cost of living found in our region.
- ◆ The **working poor** are a growing segment of our population. We might curb this trend by focusing on **improving the skill set** (skill-up) of this part of our workforce.
- ◆ Rising health insurance costs continue to impact **personal health, benefit packages and lifestyles**. The number of people seen in emergency room and clinic settings continues to rise, as does the severity of what is treated in these settings.

## 2005 Perspectives - 2005-07 RIS/CEDS Preparation

### Income and Poverty

- ◆ While the average payrolls of BL3 counties have increased (1997-2002 after inflation), they remain at/below the average payroll in Oregon.
- ◆ There is growing economic disparity between the haves and have-nots influenced in part by industrial sector dominance. For example, the average annual wage in Oregon's Leisure and Hospitality sector is \$14,000 compared to \$50,000 in the Information sector.
- ◆ This have/have-not divide is apparent among the BL3 counties where the average 2004 household income in Lincoln County was \$24,150 compared with \$33,700 in Benton County.
- ◆ Improving poverty rates between 1990 and 2000 indicate that overall the region seems to be doing better financially. However, population growth masks a 9% growth in the number of people in poverty during the same time period.
- ◆ There are 73,790 people in poverty in the BL3 region, of which almost 30% (19,975) are children.

◆ *The region is losing ground on personal income levels compared to U.S. levels.*

◆ *Employment Department is providing classes for seniors re-entering the workforce, because of concerns that retirement income will not cover cost of living.*

### Regulation and Taxation

- ◆ Many of the businesses interviewed in Lane County expressed concern that a vocal minority negatively impacts regulatory policy.
- ◆ While many Lane County businesses noted that government regulations were a hindrance, few businesses contacted in the Benton-Lincoln-Linn survey expressed regulatory concerns.
- ◆ Many of the businesses contacted in Benton-Lincoln-Linn (especially in Lincoln) expressed concern that the quality of life that they valued was threatened negatively by the State tax structure, especially as it impacted the quality of education.

◆ *Government regulations impact businesses, especially natural resource businesses, more than noted in the business interviews.*

### Those in Need

While public funding for many assistance programs has been reduced, needs remain high:

- ◆ 6% of Oregonians have a serious mental health disorder. The State has moved most previously institutionalized individuals into communities.
- ◆ Overnight shelters in the region housed 1,695 people on the State's 2005 one-night count.
- ◆ The Oregon Food Bank reports that the number of food basket requests met in the region increases dramatically each year.
- ◆ Both Lincoln and Linn-Benton Housing Authorities relay their waiting list for HUD Section 8 housing subsidies remain well above the number of available vouchers.

◆ *The number of those in need is increasing, but it is difficult to capture the actual number in need because social service providers are turning away potentially eligible recipients due to funding constraints.*

- ◆ 50% of students in Lincoln County qualify for free/reduced fee lunches compared with 43% in Linn, 37% in Lane, and 24% in Benton.
- ◆ In Oregon 23% of the population receives DHS services compared with 43% in Lincoln, 27% in Linn, 25% in Lane, and 16% in Benton. (2003 data).

### Health Care

- ◆ Health care businesses relate that the increased cost of health care coverage is especially impacting the least fortunate, as reflected by a three-fold increase in the number of charity requests.
- ◆ An increase in the severity of cases received at the hospital level indicates that individuals are increasingly deferring physician visits until a health crisis arises.
- ◆ Charity requests are lowest in Linn County, perhaps because insurance remains more stable due to union contracts.

- ◆ *There is a growing need for individuals to take responsibility for basic preventative care.*
- ◆ *Health care needs more recognition as a growing sector of the economy and as a significant economic force.*

### Education

- ◆ Businesses, especially those in Lincoln County, were concerned about a threat to education quality and most city contacts noted concern about school instability.
- ◆ Measures typically show educational performance in the region's K-12 school between 1997-2003 has improved and that the region exceeds State norms:
  - 3rd grade reading & math scores, except reading scores in Lincoln County, have improved and exceed State scores;
  - 8th grade reading & math scores, except Benton's reading score which is lower than their 1997 score (one of the highest in the State) and Lincoln County's scores are lower than the State average.
  - Latest scores in Lincoln County have dropped.
- ◆ High School dropout rates have improved over time, but the dropout rates in Lincoln and Linn Counties remain above statewide dropout rate.

- ◆ *By comparing ourselves to ourselves academically we don't get a true picture of whether the region is moving forward.*
- ◆ *While numbers may not be readily available, college-entry students who need remedial classes or assistance and the placement of college graduates may be better indicators of educational success.*
- ◆ *The difference between education measures and perceptions could be that those tested have not yet reached the workforce.*
- ◆ *Educational perceptions are based on interaction with students and graduates, not on how those individuals tested scholastically. One perception is that even high achievers do not communicate or carry themselves as well as their counterparts did ten years ago. An alternative view is that business people anticipate a certain quality that when not met under a limited encounter shapes their reality.*
- ◆ *Average income of the families of college students is increasing, perhaps due to increases in tuition.*
- ◆ *High school dropout rate does not take into account students who choose to receive a GED so that they are able to move more quickly onto an academic or career track. The GED-track is challenging and shouldn't be discounted.*
- ◆ *Financial difference for obtaining a college education is widening. College graduates are projected to earn \$1 million more in their life than those with only a high school diploma.*
- ◆ *Classes are being cut for jobs that can't be exported (plumbers, electricians, mechanics).*

## Health of Our Communities

### 2007 Regional Economic Forum - Update to 2005-07 CEDS/RIS

- ◆ **Urban encroachment** through the growing number of homes located outside of urban areas is impacting our land use system. Implications include expectations that city water and sewer services will be provided to these areas and impacts to our transportation system.
- ◆ Although housing **development on the Coast is escalating** (for instance, the number of homes in Waldport has doubled), **housing availability and affordability** factors continue to impact the ability of the coastal areas to attract workers, especially those at the professional level.
- ◆ A rising **anti-growth and anti-change sentiment on the Coast** may be attributable, at least in part, to the retiree population that was originally attracted to the Coast's more rural lifestyle.
- ◆ There is a growing **financial imbalance between the demand for public services** and the funding available to local governments to provide these services.
- ◆ **Reductions in State and federal infrastructure funding** have increasingly shifted improvement costs to the local level. This has created financial burdens on local governments and lower-income households. It has also created heightened competition among communities for these limited resources.
- ◆ **Rising costs of energy and other utilities** impact the economic competitiveness of the region as well as the poorest segments of our population.
- ◆ Adequate **funding for a stable education system** remains a top priority issue. Oregon's business community sent a clear message to the Legislature that we must adequately fund education at all levels. Recent Legislative dialogue and editorial support across the State indicate the **value of postsecondary education** and its significant impact on Oregon's economy. Funding of K-12 and community college programs needs to be addressed at the State level.
- ◆ The financial issues related to inadequate school funding (above) indicate that **Oregon's tax system** needs to be revised.
- ◆ County governments will need to be adjusted to operate on less due to loss of federal **Rural Schools Act** funding.
- ◆ There are significant **telecommunications gaps** in our region. Areas that need to be addressed include smaller cities, areas outside cities (rural), and urban upgrades (e.g., Benton County cities).
- ◆ **Road development and road repair** continue to be major issues for the future of the region. They directly impact the movement and finances of businesses, communities, and households.
- ◆ **Public transportation**, especially to and within the smaller cities, needs to be improved to link the underemployed with employment centers.
- ◆ **Transportation linkages** need to be improved between Corvallis-Portland-Eugene. The highway system within this area of the region is increasingly congested, impacting access to airports and movement of goods and people.
- ◆ **Health providers** are increasingly regionally integrated.

## 2005 Perspectives - 2005-07 RIS/CEDS Preparation

### Growth

- ◆ The population of the region grew at a slower pace (3.1%) than Oregon (4.7%) from 2000 to 2004.
- ◆ The region is increasingly more urbanized, with 70% of the population living in incorporated cities in 2000 versus 64% in 1990.
- ◆ The population of the region is becoming increasingly more concentrated.
- ◆ The four largest cities of Albany, Corvallis, Eugene and Springfield drove the region's growth in 2000-2004 with a combined growth rate of 5.6% versus .6% for the remainder of the region.

### Economic Development

- ◆ Several cities noted that they gained significant ground building a common community vision by involving the various stakeholders of their community.
- ◆ Community priorities appear to have broadened:
  - Smaller cities spoke less about replacing manufacturing jobs than in the past.
  - Larger cities spoke of working on common economic development agendas with other economic development players.
  - Several communities noted that they were working on strategies to create destination developments and build tourism.
- ◆ Cities discussed their concern about having an insufficient supply of buildable industrial sites, many noting that they were working to move sites to a shovel-ready state.
- ◆ Downtown revitalization and redevelopment was a priority noted by all cities.

### Infrastructure

- ◆ Cities noted that transportation issues challenge their ability to accomplish their economic development priorities.
- ◆ Cities report that they are making progress in addressing infrastructure problems, although they forecast ongoing infrastructure challenges:
  - Maintenance and improvement needs are continuous;
  - Solutions are often complex and/or costly;
  - Repair and expansion funding is inadequate; and
  - Limited local resources strain the ability of cities, especially smaller ones, to balance multiple needs.

- ◆ "Management" of growth may be less of a priority today.
- ◆ State tax policies do not reward communities for economic dev.
- ◆ Costs of infrastructure expansions and service increases needed by new development are often borne by the existing community. Springfield will not recoup infrastructure funding from an industrial development project for six years.
- ◆ The cost of housing and limited affordable units impact the ability of middle-income earners to accept jobs in smaller communities: Nurses are unable to afford Coastal housing. Lowell lacks entry-level homes for teachers.
- ◆ Lincoln City feels geographically constrained as the ocean and hills limit their ability to meet growth pressures.

- ◆ There is a lack of industrial lands in all communities, making the task of matching expanding/new businesses with an appropriate site very difficult.
- ◆ Programs have been making investments (e.g., Community College Centers) in smaller communities to better connect with community needs.
- ◆ As the State Needs and Issues process changes it will be the responsibility of communities to update the database themselves.
- ◆ Small cities need to have access to collective/cooperative approaches to addressing infrastructure, school, labor skills, etc. needs because they are not able to adequately address these by themselves.

- ◆ The infrastructure challenges of ports and special districts are affected by financial shifts from tax base supported to fee supported, and from grants to loans offered by the state. However, as fee supported, they lack debt capacity to carry a loan.
- ◆ Cost of transportation will begin to bear on commuting and where people and jobs locate.
- ◆ Rail as freight alternative will grow and require significant investment.

### Education and Schools

- ◆ Some cities noted recent efforts to retain a sense of community given closures of local schools that had been primary community gathering spaces and provided a common sense of identity.
- ◆ There was widespread concern among cities about school funding; especially how it will impact education quality and workforce preparedness. Those interviewed relayed that school funding needs to be stabilized for economic growth.
- ◆ Overall comments from the cities about the Oregon's community and economic development programs were positive, although there was widespread concern about the future availability of State and federal funding for community priorities.

◆ *When public school closures in Lincoln County (Eddyville, Siletz) threatened these key parts of community identity, community members stepped forward to establish a charter school. Toledo is now having the same discussion.*

◆ *The delay of school budget data from the State impacts the ability of local schools to plan.*

### Public Safety

- ◆ Public safety was not a major topic raised in the community interviews.
- ◆ The impact of methamphetamine use on community resources was mentioned by several businesses interviewed. It is perceived as the most significant public safety problem and is directly related to most other public safety problems.
- ◆ Forum participants felt that it was a significant issue (see comments, right).

◆ *Public safety challenges are heavily tied to methamphetamine use.*

◆ *Methamphetamine use has broad social impacts on children, on social service demands, etc.*

◆ *There are significant public safety issues in Lane County, where violent crimes have resulted in decreased attention to property crimes.*

◆ *Safety and the perception of safety impact quality of life especially heavily in rural/smaller communities.*

◆ *Public safety issues threaten the quality of life of the region.*

◆ *98% of the businesses in the Lane CONTACT survey identified public safety as a concern to their business.*

# Health of Our Natural Systems

## 2007 Regional Economic Forum - Update to 2005-07 CEDS/RIS

- ◆ Location of a **Marine Mammal Institute** at the Hatfield Marine Science Center helps secure the region's position as a world-class marine biology research center.
- ◆ The delayed response in providing federal funding to address the **salmon fishing disaster** has meant the continued pressure on and decline of the coastal fishing fleet.
- ◆ There are increasing pressures for local governments and businesses to **address environmental issues**. However, financial assistance to undertake improvements needed is often minimal or not available.
- ◆ **Environmental regulations** on energy production, industrial siting, etc. continue to increase the cost of doing business.
- ◆ There is a need to address how an **orderly timber harvest** off of public lands might be provided.

## 2005 Perspectives - 2005-07 RIS/CEDS Preparation

### Resource-Based Businesses

- ◆ Natural resource-based businesses expressed that continued shifts in public policy related to harvesting and land use make business investment and expansion decisions difficult.
- ◆ Resource-based firms contacted all put a high priority on the public understanding connectivity between environment and economy.

### Water Quality and Quantity

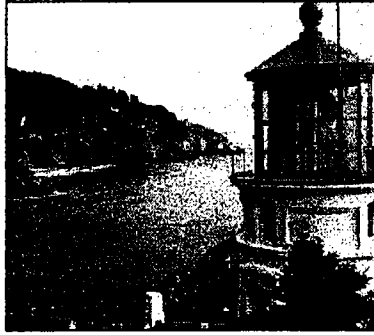
- ◆ Water quality and quantity issues, outside of concern over infrastructure capacity, were not major issues raised in the business or community interviews or the Lane business survey.
- ◆ Forum participants were asked about their perceptions of water quality and quantity issues (see text boxes).

### Natural Hazards and Land Conditions

- ◆ Risk of natural hazard and land conditions were not major topics of the business or community interviews or the Lane business survey.
- ◆ Forum participants were asked about their perception of issues associated with slides, flooding, earthquakes, tsunamis, wetlands, Brownfields and Superfund sites, landfills

<ul style="list-style-type: none"> <li>◆ <i>Our oceans present a unique research opportunity.</i></li> <li>◆ <i>The fisheries industry is in competition with other ocean uses (aquaculture, wind/wave power generation, mining, oil production) all of which need to be balanced.</i></li> </ul>
<ul style="list-style-type: none"> <li>◆ <i>Monitoring or local enforcement of groundwater limits will be required of communities, especially the more urban ones, in the near future.</i></li> <li>◆ <i>Springfield imposed groundwater protection to reduce/alleviate the need to invest in the future.</i></li> <li>◆ <i>Balancing water needs is becoming increasingly complex because uses often compete for flow versus retention at the dams (fish, recreation, drinking water, economic development, irrigation).</i></li> <li>◆ <i>The question of water rights will increasingly come into play as growth consumes existing rights.</i></li> <li>◆ <i>Water discharge temperatures have been a big issue at the legislative level this year and are expected to be an increasing concern of industrial and municipal dischargers.</i></li> </ul>
<ul style="list-style-type: none"> <li>◆ <i>Wetlands identification and remediation is a big, often overlooked, issue to moving industrial sites into use.</i></li> <li>◆ <i>Tsunami preparedness assistance and funding will be a high priority need for the Coast over the next several years.</i></li> <li>◆ <i>There are additional recycle and pre-cycle opportunities associated with our landfills</i></li> </ul>





## **SECTION VII**

# **Plan for Involvement of Disadvantaged & Minority Groups**

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The District and the RIB recognize the importance of devising and implementing a Strategy that involves and addresses the needs of minority and disadvantaged persons. Details on regional demographics, which include minority and income characteristics, are provided in Section II-2 (Our People).

### **Outreach and Inclusion in Policy Development**

The Confederated Tribes of Siletz Indians and the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw were invited by the County Commissioners of Benton, Lane, Lincoln, and Linn Counties to appoint a member to serve on the RIB. A representative appointed by the Council of the Siletz Tribal Council was added to the RIB membership in 2001.

### **Addressing Special Needs**

- ◆ The goals developed as a part of this Strategy are all applicable to the needs of the minority, disabled, and economically disadvantaged populations in the BL3 region.
- ◆ The work of the Workforce Investment Boards of Region 4 (Benton-Lincoln-Linn Counties) and Lane County in the areas of dislocated and disadvantaged workers has been integrated into this Plan.
- ◆ The project application process requires all applicants to provide information regarding how minorities and economically disadvantaged will be served by the proposed project.
- ◆ All project contracts will include a first-source hiring agreement, as delineated in the project eligibility sub-section



## SECTION VIII

# Special Uses of Funds

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### Loan Programs Allowed

The BL3 RIB may support loan programs to private businesses. Any and all loan programs must meet the following terms and conditions (ORS 285B.263(4)):

- ♦ Job creation or retention
- ♦ Private sector participation
- ♦ Correlation between the nature of the project and the collateral required and the terms of the loan (length of loan and interest rate)
- ♦ Collateral is required for all loans (except for a venture capital/equity purchase loan program)

To be eligible as an operator of a loan program supported by the BL3 RIB, an entity must:

- ♦ Have underwriting capacity to analyze a borrower's ability to repay, to offer collateral, and to make personal or corporate guarantees/commitments.
- ♦ Have a strong knowledge of balance sheets, cash flow, private sector managerial experience, and other standards and principles for private business lending.

As with other project proposals, the RIB will determine if the proponent of a loan program meets these requirements. Historically, the RIB has capably provided the evaluation of multiple regional loan proposals. RIB membership includes lending expertise from the private sector as well as past and current members of the Board of Directors of Cascades West Financial Services, Inc. (the primary public lending body in the region).

### Business Grants Allowed

First Source Hiring Agreement Requirement: Any grants or loans made by the Benton-Lane-Lincoln-Linn RIB to a private business will include a first-source hiring agreement. The first-source hiring agreement requires "a good faith effort to hire and retain as employees low-income individuals who have received job training assistance from publicly funded job training providers." (OAR 461.740(1))

Asset Acquisition: The Benton-Lane-Lincoln-Linn RIB may support direct grants to private businesses for asset acquisition. Any and all grants must address the following terms and conditions (ORS 285B.263(4)):

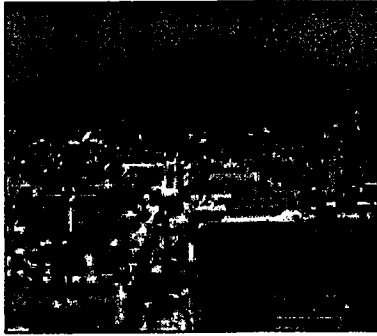
- ♦ Create or retain one job for each \$3,000 of investment
- ♦ At least \$5 of non-RIB funding per \$1 of RIB funding
- ♦ RIB Grant would be the final source of funding
- ♦ A commitment for all other funding for the total project must be in place before RIB funds would be released

### Tourism and Industrial Marketing Allowed

The BL3 RIB may support tourism and industrial marketing programs. If any tourism or industrial marketing projects are funded, they will complement and will not conflict with statewide marketing campaigns and efforts aimed at travelers/tourists or at industrial investors as they exist at the time the project is funded.

### **Access to SRIOF Funding Allowed**

The BL3 RIB, in order to participate in the State's Strategic Regional Investment Opportunity Fund (SRIOF), nominates the chair and vice-chair of the Projects Committee to act as the BL3 RIB representative on the required approval body for any projects from the BL3 Region attempting to access SRIOF funding.



## SECTION IX

# Management Plan

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## Management Framework

### Organizational Structure and RIB Membership

Benton, Lane, Lincoln, and Linn Counties have entered into an Intergovernmental Agreement (IGA) establishing the BL3 Regional Investment Board (RIB) to oversee the State's Regional Investment Program in the four counties. The responsibilities of the RIB, its membership, and its operational guidelines are specified in the IGA and in the RIB Bylaws. The RIB receives and reviews performance and expenditure reports on a quarterly basis.

The RIB consists of 21 members. Each of the four Counties appoints five members, plus there is one representative appointed by the Tribal Council of the Confederated Tribes of Siletz Indians. These RIB members represent the broad community and economic development interests of the region and include representatives from cities, counties, ports, special districts, and Native American tribes as well as significant representation from the private economic sector and rural interests.

Newly appointed members of the RIB are provided with essential background information (Strategy document, Intergovernmental Agreements, Bylaws, recent minutes, etc.) that relate how the RIB conducts business. The Chair of the Board and/or lead staff review the RIB's legal status, function, and operational norms with new members.

RIB members pre-authorized and directed by the full RIB or the RIB Executive Committee to attend a RIB-related event in the performance of official duties may be compensated for mileage at the current IRS fiscal year standard rate and on the basis of reasonable actual expenses for subsistence and/or overnight stay. To be eligible for reimbursement, a statement for compensation must be submitted to CWCOG lead staff that identifies the date on which expense was incurred, number of miles actually traveled, subsistence expense actually incurred with receipt(s) that document subsistence expense.

### Committees of the Regional Investment Board

The RIB established three on-going committees:

- ♦ **Executive Committee** holds the responsibility of guiding the policy and process for the Strategy and providing oversight of the counties' Strategy contract with the Cascades West Economic Development District.
- ♦ **Projects Committee** provides review and recommendations on project applications and determines whether a project provides any possibility for coordination of efforts with other regions.
- ♦ **Planning Committee** reviews the existing Strategy document and recommends changes necessary to meet new statutes and rules as developed by the Legislature.

The chair and vice-chair of the RIB serve as the BL3 representatives on the required approval body for any projects from the BL3 region attempting to access State Strategic Reserve Fund assistance. Other

ad hoc committees may be appointed as necessary to assist with specific tasks (such as budget development).

The RIB Chair appoints committees. All committees include membership from each county. Committees meet as often as necessary to review, refine, and recommend action to the RIB.

### **Public Meeting Law**

All RIB and RIB committee meetings conform to Oregon's public meeting requirements. Meetings are noticed and open to the public, although closed Executive Sessions may be held on occasion as allowed under State public meetings law.

### **Staffing**

Benton, Lane, Lincoln, and Linn Counties are parties to an Intergovernmental Agreement with Cascades West Economic Development District (CWEDD) for administrative management of the BL3 Regional Investment Program. The RIB Executive Committee holds responsibility for overseeing the management contract.

As the staff of the CWEDD, Oregon Cascades West Council of Governments (CWCOG) and Lane Council of Governments provide staff support to the RIB. The Community Development Director of CWCOG coordinates services provided to the RIB.

### **Fiscal Administration and Controls**

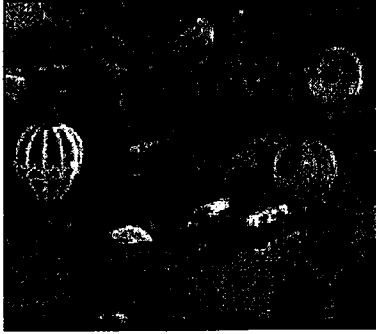
Benton, Lane, Lincoln, and Linn Counties are parties to an Intergovernmental Agreement with Cascades West Economic Development District (CWEDD) for fiscal management of the four-county Regional Investment and Rural Investment Programs. The responsibilities of the District are described in detail in the Intergovernmental Agreement.

CWEDD was the fiscal agent for the BL3 Regional Strategies Board, the predecessor of the RIB that served the four counties from 1993 through 1999. CWEDD has been the fiscal agent for the RIB since the initiation of this Regional Investment Strategies Program in 1999.

Requirements for disbursement of project funds is established by the RIB and approved by the Counties in each project contract. Funds may be disbursed as first-in funding, only on a reimbursement basis, or in any other manner that has been deemed appropriate when the project contract was authorized.

### **Documentation**

Please see attachments, which document the BL3 RIB's management policies, compliance with regulations, and fiduciary controls.



## SECTION X

# Evaluation Plan

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The performance measures for the performance of the BL3 Regional Investment Program will include:

- ◆ Create or retain **1 immediate job** for every \$3,000 invested.
- ◆ **Projected long-range job** creation/retention. No specific targets for long-range jobs are in place at this time.
- ◆ **Leverage** \$5 of other funds (cash or in-kind) for every \$1 of Regional/Rural Investment funds committed. Leverage for long-range job creation/retention projects is not targeted at this point.
- ◆ 25 percent of all jobs created or retained will be at or above average county **wage** for the county where the project is focused.

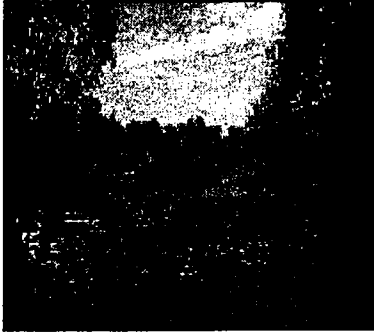
As the RIB focuses its investments, the following additional evaluation criteria will be reported.

- ◆ Amount of estimated **personal income tax generated** by the Board's investment in jobs.
- ◆ Number of **industrial sites/acres** certified as "project ready".
- ◆ Number of **community capital projects assisted for construction** (infrastructure and community development).
- ◆ Number of **community capital projects assisted for planning** (infrastructure, community and organizational development).

This information will be gathered quarterly from project sponsors to meet State-reporting requirements.

Regional benchmarks will be used to track change within the region:

- ◆ **Job growth** by industrial sector
- ◆ Average **wage** by industrial sector



**SECTION XI**  
**First Source Hiring**  
**Agreement**

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The program will require a first source hiring agreement of any businesses that benefit from the program.

## **ATTACHMENTS**

### **2007-13 BL3 Regional Investment Strategy**

- ♦ BL3 Regional Investment Board Members
- ♦ 2007 Economic Development Forum Attendees
- ♦ BL3 RIB Bylaws
- ♦ BL3 Formation Intergovernmental Agreement
- ♦ BL3 Management Intergovernmental Agreement
- ♦ Financial Documentation



**BL<sup>3</sup> REGIONAL INVESTMENT BOARD MEMBERS**  
*Prepared October 2007*

**BENTON COUNTY APPOINTEES**

Linda Modrell  
Benton County Commissioner

*Alternate*

Jay Dixon  
Benton County Commissioner

Randy Kugler  
City of Philomath Manager

Dave Eveland  
Solar Summit \*

Vacant - Benton County Appointee

Mary Zimmerman  
Consumers Power, Inc. \*

**LINCOLN COUNTY APPOINTEES**

Bill Hall  
Lincoln County Commissioner

*Alternate*

Don Lindly  
Lincoln County Commissioner

Herman Welch

Don Mann  
Port of Newport Manager

Vacant - Lincoln County appointee

Doug Hunt  
Umpqua Bank \*

**CONFEDERATED TRIBES OF SILETZ INDIANS**

Vacant  
Siletz Tribal Council

**LANE COUNTY APPOINTEES**

Faye Stewart  
Lane County Commissioner

*Alternate*

Vacant  
Lane County Commissioner

Don Hampton  
City of Oakridge Mayor

Mike Galvin  
Retired \*

Vacant - Lane County Appointee

Hal Reed  
Retired \*

**LINN COUNTY APPOINTEES**

John Lindsey  
Linn County Commissioner

*Alternate*

Cliff Wooten  
Linn County Commissioner \*

Craig Martin  
City of Sweet Home Manager

Thomas Scrivner  
White's Electronics \*

Greg Morse  
Retired \*

John Pascone  
Albany-Millersburg EDC

**EX-OFFICIO NON-VOTING RIB MEMBERS**

Bob Warren, State of Oregon Economic and Community Development Department  
Misty Rusk, Corvallis Benton Chamber Coalition  
Chris Chandler-DiTorricce, Economic Development Alliance of Lincoln County  
Glenda Poling, Lane Metro Partnership

\* Private sector linkages

## **CULTIVATING THE SEEDS OF ECONOMIC PROSPERITY**

**2007 Economic Development Forum  
for the Benton, Lane, Lincoln & Linn Counties Region  
Thursday, May 31<sup>st</sup> 10:00 AM - 3:00 PM  
Valley River Inn - Eugene**

### Attendees

Paul Alexander, Citizens Bank  
Erik Andersson, Governor's Office  
Steve Bekofsky, LBL Workforce Investment  
Nancy Bell, Samaritan Health Services  
Tim Black, University of Oregon  
Larry Brice, Lane Economic Committee  
Dan Campbell, Lane Workforce Partnership  
Darrell Carman, Veneta City Council  
DeAnn Cherbas, Citizens Bank  
Lou Christian, Lane Economic Committee  
Rebecca Conrad, Pinnacle HealthCare  
Tim Craig, Lane Community College  
Jay Dixon, Benton County Commissioner  
Chuck Forster, Lane Workforce Partnership  
Jim Fortmann, Barrett Business Services  
John Fox, Alvord-Taylor Independent Living Svcs  
Bill Hall, Lincoln County Commissioner  
Wes Hare, City of Albany  
Thomas Hogue, DLCD  
Doug Hunt, Umpqua Bank  
Doris Johnston, Pacific Power  
Marie Jones, Community Services Consortium  
Jenette Kane, Lane Community College  
Maureen Keeler, Port of Newport  
Robert Kline, Ipsenault  
Randy Kugler, City of Philomath  
Patrick Lanning, Eugene Water & Electric Board  
Don Lindsey, MLS Inc.  
Martha Lyon, Community Services Consortium  
George McAdams, Benton County  
Mike McKenzie-Bahr, Lane Community &  
Economic Development  
Keith Miller, Linn County Business Development  
Mia Mohr, No Santiam Canyon Eco Dev Corp  
Eric Nill, Guaranty RV, Junction City  
Robin Onaclea, Lane Workforce Partnership

Douglas Parker, City of Lebanon  
John Pascone, Albany/Millersburg Eco Dev Corp  
Caprice Plaep, Community Services Consortium  
Glenda Poling, Lane Metro Partnership  
Gary Price, Linn-Benton Community College  
Joe Raia, Lebanon Area Chamber of Commerce  
James Ramseyer, Consumers Power, Inc.  
Annie Sakaguchi, Lane Workforce Partnership  
Robert Scoggins, Homestead Furniture  
John Sechrest, Corvallis-Benton Chamber  
Coalition  
Naomi Shadwick, Confederated Tribe Siletz  
Indians  
Barbara Sloan, Business Enterprise Center  
Mary Spilde, Lane Community College  
John Sullivan, Lane Economic Committee  
William Summers, Oregon Employment Dept  
Ellen Teninty, Lane County Labor Council  
Robert Warren, OECDD  
Herman Welch, City of Waldport  
Gary Williams, Cottage Grove  
Curtis Wright, Corvallis-Benton Co EVP  
Gordon Zimmerman, City of Oakridge  
Mary Zimmerman, Consumers Power

### STAFF:

Steve Dignam, Lane COG  
Drew Foster, Oregon Cascades West COG  
George Kloeppel, Lane COG  
Brenda Mainord, Oregon Cascades West COG  
Milo Mecham, Lane COG  
Pam Silbernagel, Oregon Cascades West COG  
Cynthia Solie, Oregon Cascades West COG  
Bill Wagner, Oregon Cascades West COG

# **OPERATIONAL BYLAWS**

## **BL<sup>3</sup> Regional Investment Board**

*The following operational guidelines are bylaws developed and approved by the Regional Investment Board and by the four BL3 Counties.*

### **I. MEMBER TERM LIMITS AND MEMBER REMOVAL**

- A. A member may serve more than one term.
- B. The Executive Committee may request the appointing County to remove and replace a member who misses more than two consecutive meetings.
- C. A member of the Executive Committee may be removed upon the vote of two-thirds of the entire membership of the Regional Investment Board.

### **II. EX-OFFICIO MEMBERS**

The RIB may appoint ex-officio members to the RIB. Ex-officio members may participate in discussions of the RIB and its committees, but shall not vote.

### **III. ORGANIZATIONAL PROCEDURES**

- A. Unless otherwise specified, Roberts Rules of Order Revised shall govern the proceedings of the meetings of the Regional Investment Board.
- B. At least one (1) week notice shall be given to the membership for a regular meeting. Regular meetings shall be held in Benton, Lane, Lincoln and Linn Counties. Nothing in these bylaws shall be construed as restricting the ability of the RIB or its committees to conduct meetings electronically, so long as the meetings comply with the Public Meetings Law.

### **IV. CONFLICTS OF INTEREST**

Members shall declare any actual or potential conflicts of interest. Members shall not take any action that would constitute a conflict of interest pursuant to ORS Chapter 244.

## V. EXECUTIVE COMMITTEE AND OFFICERS

- A. **Executive Committee:** Each county shall have representation on the Executive Committee. The Executive Committee of the Regional Investment Board shall consist of the RIB Chair, Vice-Chair, Past Chair, and one member elected from among the membership of the Regional Investment Board. Generally, the officer positions shall rotate through the county representatives. The members of the Executive Committee shall each serve a term as specified in the intergovernmental agreement. A quorum of the Executive Committee is three members. The Executive Committee may:
1. Take needed timely action on issues within the context of decisions or positions previously taken by the RIB. However, the Executive Committee shall refrain from action on items that can wait for a regular RIB meeting, and refrain from making decisions regarding project priorities.
  2. Assist staff with routine housekeeping duties, such as determining the content of agendas.
- B. **Duties of Officers:** The Chair is the sole official spokesperson of the Regional Investment Board on all matters of policy and position, unless this responsibility is delegated in writing to another member of the Board. Requests by RIB members for staff work shall be directed through the Chair. In the absence of the Chair, the Vice-Chair shall execute all powers of the Chair. A vacancy in the office of Chair shall be filled by the Vice-Chair for the unexpired term. In such event, a new Vice-Chair shall be elected at the next regular or special meeting of the RIB, and shall serve the balance of their term of office.
- C. **Election of Officers:** The officers and the members of the Executive Committee shall be elected from the membership of the RIB at its first meeting after July 1 of each year. Nominations shall be accepted from the floor. Candidates receiving a vote pursuant to the requirements of the intergovernmental agreement shall be declared elected.

## VI. OTHER COMMITTEES

In order to carry out the work of the RIB, the RIB may create committees by a vote pursuant to the requirements of the intergovernmental agreement. The purpose and scope of each committee shall be outlined in writing. The Chair may appoint committee chairs and members. The Committee Chair shall be a RIB member. Committee members need not be members of the RIB.

*This IGA incorporates language from the First, Second, Third, Fourth, and Fifth Amendments as previously approved by the Counties.*

## INTERGOVERNMENTAL AGREEMENT

among  
Benton County  
Lane County  
Lincoln County  
Linn County

### FOR THE CREATION OF THE BL3 REGIONAL INVESTMENT BOARD

This agreement, effective 01-01-00, is made and entered into among the Counties of Benton, Lane, Lincoln and Linn (hereinafter "Counties.").

I. Pursuant to ORS 285B.230 to 285B.269, it is the purpose of this agreement to create the BL3 Regional Investment Board (hereinafter "RIB") which will act in an advisory capacity to the Counties for the purposes of preparing and recommending to the Counties a Regional Investment Plan, including its elements as described below; receiving, distributing and managing regional investment funds and rural investment funds; and preparing all required reports regarding the regional investment program and rural investment program. The RIB may receive, distribute, and manage funds and execute duties related to the solicitation, gathering, compilation and submission of a regional infrastructure inventory and issues list.

#### II. Structure of the RIB

- A. *Membership.* The RIB will be comprised of twenty-one (21) members who represent various local interests including cities, counties, ports, special districts and Indian tribes, and significant representation from the private economic sector. The RIB will include members who are representatives of rural interests, including local government.
- B. *Appointments.* Each County has nominated one (1) County Commissioner representative, one (1) city representative and one (1) private economic sector representative. For the purpose of appointing the remaining initial RIB members, each County has also offered a slate of individuals who met the representation requirements of ORS 285.242. The four (4) commissioner members met and selected eight (8) candidates for appointment, two (2) from each County. The four Counties are jointly appointing the initial twenty (20) members to serve on the RIB. The Counties shall also select one candidate from the interested Indian tribes when such candidate is proposed by the tribes or tribe, if only one tribe participates in the program. The appointments shall be for an initial term, beginning March 1, 2000 and ending, December 31, 2001. Each RIB member serves at the pleasure of the County which offered the member's nomination.
- C. *Vacancies.* In the event of a vacancy or removal of a RIB member during the term, the initial selecting County shall appoint a replacement within sixty (60) days. Beginning at least three (3) months before the end of the term of RIB appointments, the Counties shall engage in a process for appointments to RIB for two (2) year terms.

- D. *Elections.* After the appointments have been made by the Counties, the RIB shall meet and elect an executive committee of four members; all four counties shall be represented. The Executive Committee shall consist of a Chair, a Vice-chair, and a Past Chair, plus one additional member. The initial chair and vice-chair shall serve beginning upon election and ending June 30, 2001; subsequent officers shall serve for one year. The chair shall have the authority to call and preside over the RIB meetings and shall be the sole official spokes person of the Regional Investment Board on all matters. County Commissioners are eligible to serve as officers for the RIB.
  
- E. *Meetings.* The RIB shall meet regularly as determined by the RIB, but not less often than quarterly. Special and emergency meetings and executive sessions may be called, upon notice as provided in the Public Meetings Law, by the chair, by 3 of the 4 County Commissioner members, by a majority of the Executive Committee (assuming the creation of an Executive Committee in the bylaws) or by a majority of the full membership of the RIB.
  
- F. *Quorum.* A quorum is defined as a majority of the total members of the RIB, or eleven people. A majority vote of the total members of the RIB is required to make decisions. Each member shall have one vote. If an appointed County Commissioner representative is unable to attend a RIB meeting, another Commissioner from the same County may attend in the appointee's place and shall exercise the same authority as the appointed representative.
  
- G. *Bylaws.* The RIB shall adopt bylaws (and amendments thereto as necessary) for any additional operational rules and procedures, subject to the approval of the Counties. The bylaws, and any amendments to the bylaws, shall be approved upon a majority vote of the total members of the RIB. The bylaws may designate a committee that can act on behalf of the RIB between meetings. The actions of any committees shall be subject to ratification by the RIB, except when those actions have been previously authorized by the RIB. Under no circumstances may committees reverse a decision of the RIB.
  
- H. *Applicable Laws.* The RIB shall be responsible for complying with all federal, state, and local laws, ordinances and regulations applicable to this agreement. This agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Specifically, the RIB shall be subject to and shall comply with the requirements of the Public Meetings Law, Public Records Law, Public Contract Laws, and Oregon Government Standards and Practices Laws of the State of Oregon.

III. Powers, Duties, and Responsibilities of RIB

- A. *Planning and Implementation.* The RIB may undertake those activities necessary for the operation, management, and reporting of the use of regional investment and rural investment funds, and for the development and use of infrastructure inventory and issues list. The RIB shall be responsible for developing and updating as necessary a Regional Investment Plan containing the elements required by the State and described in ORS 285B.230 through ORS 285B.263, and shall recommend the Plan and its elements to the Counties for approval. These responsibilities include, but are not limited to:

1. Developing, updating and recommending a Regional Investment Plan and its component elements and recommending a two-year implementation plan element to the Counties.
2. Updating and recommending to the Counties a rural action plan element as a component of the Regional Investment Plan, which is consistent with the purpose and objectives of the Rural Investment Fund.
3. Developing and recommending to the Counties as part of the Regional Investment Plan an element plan for the involvement of disadvantaged and minority groups in the Counties, pursuant to ORS 285B.239(6).
4. Developing and recommending to the Counties as part of the Regional Investment Plan an evaluation plan element with appropriate performance measures that address regional benchmarks and interim indicators, which the RIB will use to measure and monitor plan performance.
5. Developing and recommending to Counties as part of the Regional Investment Plan an overall strategy management and project implementation plan element.
6. In developing the prioritized list of projects and/or activities to be undertaken or funded through the two-year implementation plan element, consulting with the groups and industries set out in ORS 285B.242(4).
7. Holding a public hearing in each County prior to a vote by each Board of County Commissioners on the adoption of the Regional Investment Plan to be submitted to the Governor for approval.
8. Periodically proposing amendments to the above actions, as deemed necessary by the RIB.

B. *Operations and Oversight.* The RIB shall be responsible for policy oversight of the regional investment and rural investment programs. In addition, the RIB shall:

1. Conduct a competitive selection process, which complies with the Public Contract Law to arrive at a list of contractors to recommend to the Counties for award of funds to implement the prioritized projects and activities list. The Counties shall make the final award decisions.
2. Regularly review periodic performance reports (at least semiannually), utilizing the standards and measures in the evaluation plan element, and submit those reports to the Counties, and the State as required.
3. Regularly review periodic expenditure reports (at least semiannually) indicating the success of the programs and projects funded with Regional or Rural Investment Funds and submit those reports to the Counties, and the State as required.

#### IV. Funding

##### A. *Regional and Rural Investment Funding.*

1. Acting through the Fiscal Agent to be selected by the Counties, the RIB shall receive Regional Investment and Rural Investment Funds from the State. The RIB shall recommend for funding only those projects or expenses that are eligible through the regional investment and rural investment programs as described in ORS 285B.257 and ORS 285B.263. Notwithstanding this prohibition, the RIB may recommend projects that encompass other or multiple funding sources. The expenses may include RIB operations, staff support, and projects and activities to implement the Regional Investment Plan and the rural action plan element. In no instance may the RIB recommend expenditures that are greater than the funds available to the Counties for the regional investment and rural investment programs.
2. All revenues received by the RIB are to be utilized for the operation and implementation of the regional investment and rural investment programs.
3. Any revenues, which are not utilized for this purpose, shall be returned to the State of Oregon. The RIB shall recommend to the Counties for approval what it believes are appropriate portions of the Regional Investment Funds and the Rural Investment Funds to be used for technical assistance and staff support for the Fiscal Agent.

- B. *Other Funds.* Acting through the Fiscal Agent, the RIB may receive funds from the State of Oregon to carryout other activities. Acting through the Fiscal Agent, the RIB may also accept and utilize other funds for the implementation of the Regional Investment Plan and other activities authorized by the Counties

#### V. Duties and Responsibilities of Counties

- A. *Fiscal Agent.* The Counties shall select a Fiscal Agent to provide the necessary level of staff support and technical assistance for the RIB, to provide the administration of the Counties' Regional Investment Plan and the two year implementation plan element, and to provide a prudent level of administration of the regional investment and rural investment programs on behalf of and for the benefit of the Counties and to undertake other activities for the fulfilment of the RIB's responsibilities as specified in and consistent with this Agreement.

##### B. *Planning and Implementation*

1. Each County, after receiving the Regional Investment Plan and its elements from the RIB, shall review, adopt, and, through the fiscal agent, submit the Plan to the Governor. If a County finds portions of the Plan unacceptable, it shall submit comments back to the RIB for further study and review. After RIB has evaluated the concerns and made any changes it deems appropriate, it shall resubmit the revised Plan to the Counties for review and adoption. The revised Plan shall be submitted to the Governor when three (3) of the four (4) Counties have approved it or as otherwise required by the State.



implementation plan element unacceptable, it shall submit comments back to the RIB for further study and review. After RIB has evaluated the concerns and made any changes it deems appropriate, it shall resubmit the revised implementation plan element to the Counties for review and adoption.

3. The Counties shall award funds for the projects and activities consistent with the approved Plan and implementation plan elements, to be funded by the Regional Investment Funds and the Rural Investment Funds received by the RIB through the Fiscal Agent. The contracts shall be executed and administered by the Fiscal Agent.
  4. The Counties shall receive and review the performance and expenditure reports submitted by the RIB, and provide such direction as is mutually agreed upon by the Counties to the RIB and/or the Fiscal Agent.
- C. *Indemnity.* To the extent permitted by the Oregon Constitution and the Oregon Tort Claims Act, each County agrees to indemnify, defend and hold harmless each of its nominated members to the RIB from all claims, lawsuits and actions of whatever nature brought against those parties which arise from activities undertaken pursuant to the performance of this agreement.
- D. *Insurance.* Each County shall ensure that each of its nominated members to the RIB are covered by either its self-insurance program, or is listed as an additional insured on the public liability and property damage insurance policies issued for that County.
- E. *Legal Counsel.* Each County shall provide appropriate legal counsel regarding any legal issues or legal proceedings taken against any individual RIB member appointed by that County related to activities undertaken pursuant to the performance of this agreement. Legal advice shall be provided to the RIB as an ongoing part of the Fiscal Agent services. To the extent there is any additional need for legal counsel for legal proceedings pertaining to the entire RIB and related to activities undertaken in performance of this agreement, the four (4) Counties shall agree as to the provision of such counsel, and the costs for such shall be shared equally among the four (4) Counties.

#### VI. Severability

The parties agree that if any term or provision of this agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain the particular term or provision held to be invalid.

#### VII. Termination

- A. *Duration.* This agreement shall terminate, June 30, 2009 unless extended by amendment in accordance with this Section VIII of this agreement.
- B. *Mutual Consent.* This agreement may be terminated by written mutual consent of all parties to the agreement. The written termination shall specify the termination date of the agreement.

- C. *Debts, Liabilities and Obligations.* Upon termination, any debts, liabilities and obligations relating to this agreement shall inure to the Fiscal Agent.
- D. *Assets.* Upon termination, any assets shall be disposed of as follows:
1. Any non-cash assets acquired as a result of the foreclosure of the Fiscal Agent's interests in accordance with contracts shall be liquidated within 90 days of termination and returned pursuant to state statute, administrative rule and contractual obligation.
  2. Any other cash in possession of the Fiscal Agent for the RIB shall be handled in the same manner as non-cash assets, in that it will be returned pursuant to state statute, administrative rule and contractual obligation.

VIII. Amendments

No amendment to this agreement shall be effective unless made in writing and signed by all parties. There are no understandings, agreements or representations, oral or written, regarding this agreement except as specified or referenced herein.

IX. Dispute Resolution

Other than appointment or removal disputes covered by Section III above and plan adoption disputes covered by Section VI above, any dispute among the parties arising from the terms or implementation of this agreement, or any claim by any party for breach or enforcement of this agreement, may be submitted upon agreement by all parties, first to mediation and then, if unresolved, to binding arbitration.

X. Execution

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which shall constitute but one and the same agreement. The Fiscal Agent shall provide each County with a set of all executed counterparts. By the signature of their authorized representatives below, the parties to this agreement acknowledge that they have read this agreement, understand it, and agree to be bound by its terms and conditions.

Approved by Benton County

By: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Lane County

By: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Lincoln County

By: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Linn County

By: \_\_\_\_\_

Date: \_\_\_\_\_

*This IGA incorporates language from the First, Second, Third, Fourth, Fifth and Sixth Amendments as approved by the Counties.*

**INTERGOVERNMENTAL AGREEMENT**  
**Between**  
**Cascades West Economic Development District**  
**and**  
**Benton County**  
**Lane County**  
**Lincoln County**  
**Linn County**

This Agreement is made and entered into under the authority of ORS 190.010, effective, 01-01-00 by and between the Counties of Benton, Lane, Lincoln and Linn (hereinafter "Counties") and Cascades West Economic Development District (hereinafter, "Fiscal Agent"), formed pursuant to ORS 190 on May 20, 1985 by and between Oregon District 4 Council of Governments (now Oregon Cascades West Council of Governments) and Lane Council of Governments.

**I. Purpose**

It is the purpose of this Agreement to designate the Cascades West Economic Development District as the Fiscal Agent and administrative agent for the Counties to aid them in performing their responsibilities pursuant to state statute and administrative rule for the regional investment program and the rural investment program, and to provide the necessary level of staff support and technical assistance to the Regional Investment Board (hereinafter "RIB") to enable it to perform its duties under the Intergovernmental Agreement dated 01-01-00 among the Counties. As Fiscal Agent, Cascades West Economic Development District shall also provide administration of the Counties' Regional Investment Plan (hereinafter, "Plan") including its two year implementation plan element, and provide a prudent level of administration of the regional investment and rural investment programs and an infrastructure inventory and issues list program on behalf of the Counties.

**II. Term of Agreement**

This Agreement shall begin on the date as set out above and shall expire on June 30, 2009.

**III. Attachments**

The following attachments by reference are hereby incorporated into and made a part of this Agreement:

Exhibit A - Intergovernmental Agreement among Counties for the Creation of the BL3 Regional Investment Board, dated January 2000 (hereinafter "IGA".)

Exhibit B - Budget/Compensation Schedule

**IV. Powers and Responsibilities of Fiscal Agent**

The Fiscal Agent shall have the following powers, duties and responsibilities:

- A. To provide, consistent with the budget, all necessary support and technical assistance to the RIB to enable it to perform the duties and responsibilities described in the IGA,

including but not limited to:

1. **Preparing and updating as necessary community and economic assessments, trend analyses, summaries of community needs and priorities of the Counties, and any other analyses or assessments needed to enable the RIB to perform its work or as required by the State or as described in ORS 285B.230- 285B.263, OAR 123-044-0000 through 12344-0090, OAR 123-045-0000 through 123-045-0060 or the applicable administrative rules.**
2. **Preparing and revising as necessary a draft Regional Investment Plan and its component elements for submittal to the RIB which include at a minimum:**
  - a) **an element prioritizing short-term and long-term regional economic and community development needs;**
  - b) **an element to implement the Regional Investment Plan including necessary actions by local governments, the private sector, State government, and Federal government;**
  - c) **an analysis element of the unique and significant resources available in the Counties and of the barriers to the implementation of the Regional Investment Plan and an identification of the means to overcome those barriers;**
  - d) **a two-year implementation plan element with a prioritized list of projects and/or activities to be undertaken or funded by the State through Regional Investment Funds or Rural Investment Funds;**
  - e) **a plan element for involvement of disadvantaged and minority groups in the Counties;**
  - f) **an evaluation plan element for measuring and monitoring Regional Investment Plan performance including regional benchmarks and interim indicators of performance;**
  - g) **an overall strategy management and project implementation plan element and**
  - h) **any other elements required by the State to be incorporated into a Regional Investment Plan.**
3. **Preparing and revising as necessary a draft Rural Action Plan as a component of the Plan for submittal to the RIB which includes at a minimum:**
  - a) **a description of how the Rural Investment funds will be used to meet the needs of rural areas consistent with the objectives of the Rural Investment funds and in cooperation with local development and planning efforts;**
  - b) **an identification of the objectives Rural Investment funds use will further;**
  - c) **a description of the process to be used by the RIB to solicit input and participation of rural areas;**
  - d) **a plan for how the economic and community development projects and**

activities will be selected for funding;

- e) any other elements required by the State to be incorporated into a Rural Action Plan.
4. In developing the prioritized list of projects and/or activities for the two-year implementation plan element, facilitating the consultation by the RIB of the groups and industries described in ORS 285B.242(4).
  5. Staffing and facilitating the RIB public hearings in each County.
  6. Presenting to the Counties the Plan, including its elements, as developed by the RIB, facilitating each County's adoption process and arranging for submittal of the Plan and its elements to the State.
  7. Drafting and making revisions to any of the Plan, plan documents and reports as requested by the RIB or the Counties or as required by the State.
  8. Preparing at least semiannual performance reports and expenditure reports as described in the IGA, and submitting them to the RIB. Upon approval by the RIB, submitting the reports to the Counties, and as necessary to the State.
  9. Developing an infrastructure inventory and issues list as well as working with the State for successful implementation of the infrastructure inventory and issues list process and the RIB's other responsibilities.
- B. On behalf of the RIB, to receive all Regional Investment and Rural Investment Funds from the State and any other funds made available to regional investment boards for the development of an infrastructure inventory and issues list or the development of reports or the methodology for reporting on RIB activities. In connection with the management of those funds, the Fiscal Agent shall:
1. Adopt a budget in accordance with ORS 294.900-294.930 for utilization of those funds which is consistent with the Plan and its two-year implementation plan element.
  2. Maintain separate accounts or segregated funds for all revenues, and maintain discrete accounting records for expenditures, revenues and cash balances as required by the State and in accordance with any contract between the State and the Fiscal agent, and in accordance with the IGA. Maintain accounting policies, practices and procedures that are consistent with generally accepted accounting principles and in accordance with applicable statutes and regulations.
  3. Recommend to the RIB and Counties only those expenditures which are consistent with applicable statutes, the adopted Plan and the IGA, and which are necessary for the operation and implementation of the Regional Investment and Rural Investment programs.
  4. Recommend to the RIB and Counties for inclusion in the Plan or the appropriate plan element reasonable levels of expenses for technical assistance and support staff for administration and for expenses of the RIB operations, including but not limited to the RIB member expenses for training, travel and any necessary facility rentals for hearings and meetings.
  5. Consistent with the applicable State law and the agreement with the State, disburse the Regional Investment Funds and the Rural Investment Funds and any

other funds to contract recipients in accordance with their contracts after fund award by the Counties pursuant to Section V (D) below.

- C. To prepare and facilitate a competitive selection process which complies with the Public Contract Law in order to present a list of potential contractors for consideration by the RIB to implement the prioritized projects and activities and facilitate the fund award process for the Counties. After the funds have been awarded by the Counties, the Fiscal Agent shall:
  - 1. Prepare and execute all appropriate documents to implement the awards, including providing appropriate legal review.
  - 2. Monitor the contracts for compliance and inform the RIB and the Counties on actions taken with respect to events of default. Take all appropriate actions to remedy the defaults.
- D. To act as staff for the RIB for its meetings, including arranging facilities, providing appropriate notice under the Public Meetings law, preparing agendas and other supplemental meeting materials, and recording the minutes of all public meetings. Also to coordinate with Counties' staff and comply with the individual County requirements for preparation of their agenda with regard to presentation of the RIB Plan and elements and recommendations to the Counties.
- E. To comply with all applicable laws and regulations, including but not limited to: DRS 285B.230~285B.269, OAR 123~044~0000 through 123-44-0090, OAR 123~045~0000 through 123-045-0060, the Public Contract Law, the Public Meetings Law, the Public Records Law, and the Government Standards and Practices laws. The Fiscal Agent shall also comply with all terms and conditions established in any contract with the State regarding the Regional Investment Funds and the Rural Investment Funds. The Fiscal Agent shall provide appropriate advice to the RIB regarding these laws, regulations, terms and conditions.
- F. To enter into contracts for the fiscal, professional and other services necessary to carry out the duties described in this agreement, including but not limited to contracts to implement the Counties' awards of funds and a contract with the State to receive the Regional Investment Funds and the Rural Investment Funds and any other funds on behalf of the RIB.
- G. To hire necessary employees and purchase necessary equipment and supplies to undertake the activities described in this Agreement. The Fiscal Agent shall pay and be responsible for any and all taxes, social security, unemployment compensation and any other benefits for its officers, employees and agents who may perform work under this agreement.
- H. To file, retain, dispose of, or allow inspection of public records as required by State of Oregon Public Records Law.
- I. To obtain and at all times during the duration of this Agreement keep in effect comprehensive liability insurance and property damage insurance covering the contracted activities. Said insurance shall, at a minimum, provide for:
  - 1. Coverage at the Oregon Tort Claims Act limits;
  - 2. \$50,000 to any claimant for any number of claims for damage to or destruction of property including consequential damages, arising out of a single accident or

occurrence;

3. \$100,000 to any claimant as general and special damages for all other claims arising out of a single accident or occurrence, unless those damages exceed \$100,000, in which case the claimant may recover additional special damages, but in no event shall the total award of special damages exceed \$100,000;
  4. \$500,000 for any number of claims arising out of a single accident or occurrence.
- J. To provide Certificates of Insurance to the Counties upon request. These Certificates shall contain a provision that coverages afforded under the policies cannot be canceled and restrictive modifications cannot be made until at least thirty (30) days prior written notice has been given to the Counties.
- K. To secure legal counsel regarding any legal issues or legal proceedings taken against the Fiscal Agent or any employees of the Fiscal Agent relating to their activities pursuant to the performance of this Agreement.

V. Duties and Responsibilities of the Counties.

The four Counties shall have the following duties and responsibilities:

- A. To make timely appointments to the RIB, consistent with the applicable statutes.
- B. To review and consider for approval the Plan, including its elements as required by the State and recommended for approval by the RIB. The Counties shall resolve disputes regarding the Plan pursuant to the IGA.
- C. To review and consider for approval revisions to the planning documents required by the Oregon Economic and Community Development Department, upon receipt of recommendations from the RIB.
- D. To review and consider the award of funds to implement prioritized projects and activities described in the two-year implementation plan element, based upon a lawful competitive selection process and the recommendation of the RIB and the Fiscal Agent. The award decision shall be made by a majority of the Counties, with each County having one vote.
- E. To receive and timely review the performance and expenditure reports submitted by the RIB and to collectively provide such comments and directions to the RIB and/or Fiscal Agent.
- F. To comply with all Regional Investment Fund and Rural Investment Fund administrative rules, and all applicable Oregon laws.

VI. Compensation

- A. These administration services shall be funded solely through the Regional Investment Funds and the Rural Investment Funds received from the State on behalf of the RIB, pursuant to a contract with the State. The specific level of compensation shall be as described in Exhibit B.
- B. Unless otherwise permitted by the State, the Fiscal Agent shall not incur any expenses under this agreement until after the effective date of the contract between the Fiscal Agent and the State, nor shall the Fiscal Agent be obligated to perform any services until such contract is executed.



- C. The amount of compensation shall be on a reimbursement basis as specified in Exhibit B, drawn on a monthly basis over the period specified, beginning upon execution of this agreement, or the date of the contract between the State and the Fiscal Agent, whichever is later. In the event that the Fiscal Agent incurs expenses permitted by the State and prior to the effective date of the contract between the Fiscal Agent and the State, the Fiscal Agent shall be entitled to payment upon execution of the contract with the State and approval by the Counties, so long as the expenses are consistent with Exhibit B.
1. The Fiscal Agent is authorized to expend up to \$121,000 to complete tasks outlined in items I, II, III, IV and V of Exhibit A (05-07 biennium) and as otherwise shown in Exhibit A (05-07 Biennium).
  2. The Fiscal Agent shall obtain RIB Executive Committee approval prior to accessing dollars set aside in the Contingency or Board Expense line items.
  3. Following RIB and County decisions about projects to be funded through the Regional Investment and Rural Investment Programs, the RIB Executive Committee shall be responsible for working with the Fiscal Agent to determine compensation to the Fiscal Agent for Project Contract Development and Management.
- D. The compensation amounts specified in Exhibit B are based upon the statutory requirements for the Regional Investment and Rural Investment Fund programs. Any additional requirements defined by the State through administrative rule may result in a renegotiation of the Fiscal Agent's compensation for administration services.

## VII. Termination

- A. This Agreement may be terminated by written mutual consent of all parties, which specifies the termination date. If this Agreement is terminated prior to the end of the Agreement period, the Fiscal Agent shall be reimbursed on a pro-rated basis.
- B. This Agreement may be terminated by the Counties or by the Fiscal Agent with 30 days written notice to all parties in the event that the State fails to provide funding for the Regional Investment and Rural Investment Fund programs.
- C. This agreement shall otherwise terminate on June 30, 2009, unless extended by written mutual consent of all parties.
- D. Upon termination, any debts, liabilities and obligations relating to this agreement shall inure to the Fiscal Agent.
- E. Upon termination, any assets shall be disposed of as follows:
1. Any non-cash assets acquired as a result of the foreclosure of the Fiscal Agent's interests in accordance with contracts shall be liquidated within 90 days of termination and returned pursuant to state statute, administrative rule and contractual obligation.
  2. Any other cash or funds in possession of the Fiscal Agent shall be handled in the same manner as non-cash assets, in that it will be returned pursuant to state statute, administrative rule and contractual obligation.

VIII. Dispute Resolution

Unless otherwise provided in this Agreement, all claims, counterclaims, disputes and other matters in questions between the Counties and the Fiscal Agent arising out of, or relating to this Agreement or the breach of it will be decided, if the parties mutually agree, by mediation, or if they fail to agree, by arbitration.

IX. Workers Compensation

The Fiscal Agent, each of the Counties, and their subcontractors, if any, are subject employers under the Oregon Worker's Compensation Law and shall comply with DRS 656.017, which requires them to provide Worker's Compensation coverage for all their subject workers.

X. Indemnity

The Fiscal Agent shall hold harmless, indemnify and defend the Counties up to the limits of the Oregon Tort Claims Act, from any and all liability, actions, claims, losses, damages, or other costs including attorney's fees and witness costs (at both trial and appeal level, whether or not a trial or appeal ever takes place) that may be asserted by any person or entity' arising from, during, or in connection with the performance of its duties described in this agreement, except liability arising out of the sole negligence of the Counties. If any aspect of this indemnification shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the indemnification.

XI. Amendments

No amendment to this agreement shall be *effective* unless made in writing and signed by all parties. There are no understandings, agreements or representations, oral or written, regarding this agreement except as specified or referenced herein.

XII. Severability

If any provisions of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

XIII. Entire Agreement

This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

XIV. Execution

This Agreement may be executed in *several* counterparts, each of which shall be deemed to be an original, and all of which shall constitute but one and the same agreement. The Fiscal Agent shall provide each County with a set of all executed counterparts. By the signature of their authorized representatives below, the parties to this agreement acknowledge that they *have* read this agreement, understand it, and agree to be bound by its terms and conditions.

**Benton County**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Cascades West Economic  
Development District**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Lane County**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Lincoln County**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Linn County**

By: \_\_\_\_\_

Date: \_\_\_\_\_



**Koontz & Perdue, P.C.**  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Oregon Cascades West Council of Governments  
Albany, Oregon 97322

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Oregon Cascades West Council of Governments, Albany, Oregon as of and for the year ended June 30, 2006 which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Oregon Cascades West Council of Governments as of June 30, 2006 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2006 on our consideration of Oregon Cascades West Council of Governments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Oregon Cascades West Council of Governments' basic financial statements. The other financial schedules are presented for additional analysis and are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Koontz & Perdue, P.C.

By: 

Albany, Oregon  
August 23, 2006

## **BANK ACCOUNTS**

### **Policy**

Funds of the Agency are deposited in an operating account at a local bank which is collateralized in an amount deemed adequate to cover current balances (not less than \$200,000). Additional accounts are opened as necessary.

### **Authority**

The Board authorizes bank accounts and check signers.

### **Procedures**

**Operating Account.** An operating account is established at one or more local bank(s) by the Finance Director as authorized by the Board.

**Oregon Investment Pool.** Investment accounts for the operating account(s) and the revolving loan fund are established with the Oregon Treasury as authorized by the Board.

**Senior Meals.** When a Senior Meal site is located in an area that requires a bank different than the operating bank, a separate account is established as authorized by the Board.

**Designated Check Signers.** The Board authorizes check signers. The Executive Director recommends to the Board positions authorized to sign checks. Two authorized signatures are required on each check. (See Check signing under Accounts Payable).

**Executive Director Facsimile Signature Stamp.** The Board authorized the use of a facsimile signature stamp by the Executive Director on July 20, 1995 (Resolution 96-7-2).

The Executive Director authorizes the use of the facsimile signature for any routine check as defined in the Accounts Payable section of this manual.

The custodian of the stamp shall not be the preparer of the accounts payable checks.

The custodian of the stamp shall not be an alternate signer.

The facsimile signature stamp will be locked in a secure place when not in use.

## **BANKING PROCEDURES**

### **Policy**

The operating account is an earning account. In times when the interest rate is high enough to cover the costs of a sweep account, the operating account will be combined with a sweep account.

When combined with a sweep account, the funds are swept into commercial paper daily. The balance in the operating account will be enough to cover current outstanding checks. The balance of the operating account and the sweep account will not exceed the collateral.

### **Authority**

The Finance Director establishes banking procedures to maximize earnings on the funds deposited in the Agency accounts.

### **Procedures**

Operating funds, special funds and revolving loan funds are deposited in the operating account. Special funds and operating funds not required to be used immediately are transferred to the Oregon Investment Pool. Revolving loan funds are transferred to the Oregon Investment Pool Revolving Loan Fund.

Each day the meal sites are in operation Meal Site Managers deposit funds in the local bank account established for the meal site. Money deposited into these accounts is transferred to the operating account on a monthly basis. A check is written by the Finance Director for the balance of the bank account (-\$30.00) and deposited into the operating account.

The Senior Meals Program has a written procedure for counting, recording and depositing funds at the meal site. Copies of the deposit slips are forwarded to accounting. Duplicate deposit slips are prepared for all moneys received.

All bank accounts are reconciled to the bank statement and the financial statement monthly.