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Memorandum Date: October 23, 2007
Board Order Date: November 6, 2007

TO: Board of County Commissioners
DEPARTMENT: CAO/Economic Development Standing Committee
PRESENTED BY: Mike McKenzie-Bahr, Community and Economic Development Coordinator

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF allocating \$50,000 from the Strategic Opportunity Reserve Fund to be used for the development of conceptual plans for a potential new County fairground site and authorize the County Administrator to sign project contracts.

I. MOTION

It is moved that we approve using \$50,000 from the Strategic Opportunity Reserve Fund to be used for the development of conceptual plans for a potential new County fairground site and authorize the County Administrator to sign project contracts.

II. AGENDA ITEM SUMMARY

The Lane County Economic Development Standing Committee (EDSC) has recommended to the Board of County Commissioners that \$50,000 from Video Lottery funds be used for the development of conceptual plans for a potential new County fairground site.

Lane Manual 4.100 governs the use of Video Lottery Allocation and specifically includes using the funds for community development investments in infrastructure, and strategies that leverage funds to attract and expand business and increase tourism.

The total amount of video lottery funding currently available in the strategic opportunity reserve fund is \$1,200,00. (This total reflects a \$291,000 unallocated carry over to the Strategic Opportunity Reserve as part of the budget changes recommended in Supplemental 1 to be acted on by the Board on Dec 12, 2007).

If the Board approves the recommendation by the EDSC, \$50,000 will have to be moved by Board Order from the Strategic Opportunity Reserve Fund (General

Expense Operational Contingency) to the Strategic Investment Fund (Agency Payments) within the Special Revenue Fund Operational Contingency budget line so that the expenditure can be made. (This is standard procedure each time strategic opportunity reserve fund dollars are allocated).

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Lane County Economic Development Standing Committee (EDSC) has recommended to the Board of County Commissioners that \$50,000 from Video Lottery funds be used for the development of conceptual plans for a potential new County fairground site.

The action came at the September 27 meeting of the EDSC following a request from EDSC member Commissioner Bill Dwyer. The motion was approved unanimously. The EDSC is the advisory committee to the BCC, whose function is to consider recommendations for the use of video lottery funds.

B. Policy Issues

The Board has the following policy issues to consider:

- 1) Should video lottery funds be used to develop plans for a potential new fair grounds site.

C. Board Goals

The use of video lottery funds for this project would meet the following Board Goals:

- Contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development.
- Protect the public's assets by maintaining, replacing or upgrading the County's investments in systems and capital infrastructure.

D. Financial and/or Resource Considerations

The total amount of video lottery funding currently available from the strategic opportunity reserve fund is \$1,200,000.

In addition to this agenda item, the EDSC has recommend allocating \$50,000 from the strategic opportunity reserve fund for a project that will appear on the November 7 agenda.

If the Board of Commissioners chose to fund the each of the recommended projects, it would leave \$1,100,000 in the strategic opportunity reserve fund.

E. Analysis

Using video lottery funds for this project would meet the video lottery allocation guidelines under Lane Manual 4.105: Video Lottery Allocation Policy. "Outcomes may also include community development investments in infrastructure, commercial and business parks, other public/private partnerships, organization capacity development, and strategies that leverage funds and resources to accomplish the following: (1) Business Development. Programs that encourage business growth and investment that create new employment opportunities, attract and expand business, increase tourism, and facilitate start-up and emerging businesses."

In addition, it meets the rules under Lane Manual 4.110 Allocation: "...the revenues derived from the State's 2.5% video lottery distribution for economic development shall be allocated between two economic development categories. Through the annual budget process, the Board shall appropriate a maximum of 50% of the annual receipts to general allocation programs and the remainder (50% minimum) of the annual receipts for economic development strategic investment projects. All (100%) of unspent monies from previous years shall be appropriated for economic development strategic investment projects."

F. Alternatives/Options

The Board may:

- 1) Approve the Order awarding the grant as recommended by the EDSC, or
- 2) Decide not to award the grant as recommended at this time to seek additional information, or
- 3) Reject the proposed award.

IV. TIMING/IMPLEMENTATION

Upon Board approval of funding for projects, the funds will become available for the proposed use.

V. RECOMMENDATION

The EDSC recommends awarding funding for this project

VI. FOLLOW-UP

Staff will keep the BCC updated on all project elements. Any issues needing Board attention will be brought to the Board in a timely manner.

VII. ATTACHMENTS

A: Board Order

B: Lane Manual 4.100

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) **ORDER/IN THE MATTER OF allocating \$50,000**
) **from the Strategic Opportunity Reserve Fund to**
) **be used for the development of conceptual**
) **plans for a potential new County fairground site**
) **and authorize the County Administrator to sign**
) **project contracts.**

WHEREAS, the Lane County Board of Commissioners established a policy for distributing video lottery economic development funds that is adopted in Lane Manual Chapter 4, and

WHEREAS, the Economic Development Standing Committee has recommended that video lottery funds be used for the development of conceptual plans for a potential new County fairground site, and

WHEREAS, the Lane County Board of Commissioners has reviewed the recommendation and determined that it is in the public interest to fund, now, therefore,

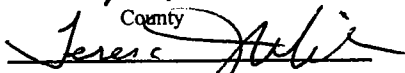
IT IS HEREBY ORDERED the \$50,000 from the Strategic Opportunity Reserve Fund is to be used for the development of conceptual plans for a potential new County fairground site, and

FURTHER ORDERED that \$50,000 is moved from the Strategic Opportunity Reserve Fund (General Expense Operational Contingency) to the Strategic Investment Fund (Agency Payments) within the Special Revenue Fund to be used for funding the above project, and

FURTHER ORDERED that the County Administrator is authorized to sign the contracts authorized under this Order.

Signed this 6th day of November, 2007.

APPROVED AS TO FORM
Date 10/30/07 Lane

County

OFFICE OF LEGAL COUNSEL

Faye Stewart, Chair
Lane County Board of Commissioners

Attachment B: Lane Manual Chapter 4.100-4.110

4.100

4.105

VIDEO LOTTERY ALLOCATION POLICY

4.100 Purpose.

The Video Lottery Allocation Policy reaffirms that video lottery receipts must be applied to programs and activities which support economic development in Lane County. Video lottery revenue is received from the State of Oregon as a transfer from the Oregon State Lottery Fund. The Oregon State Lottery Fund is governed by Oregon Constitution, Article XV Section 4. This policy defines economic development activities for Lane County and provides guidance for strategic allocation of video lottery funds to economic development programs and activities. This policy reaffirmation is the basis for all video lottery allocation decisions for the benefit of Lane County citizens, and is meant to encourage partnerships between the County, communities within the county, non-profit organizations, private parties, and others directly involved in economic development activities, which meet one or more of the economic development objectives or categories listed in paragraph 4.105 below. (Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)

4.105 Definition of Economic Development.

Economic development is a program, a group of policies, and/or activity that seeks to improve the economic well being and quality of life for a community. Ideally, it will create and retain jobs, enhance employment opportunities, increase family wage income, and provide a stable tax base. Creation of new high paying jobs and improvement of worker's wages are the principal outcomes anticipated from this economic development policy. Outcomes may also include community development investments in infrastructure, commercial and business parks, other public/private partnerships, organization capacity development, and strategies that leverage funds and resources to accomplish the following:

(1) Business Development. Programs that encourage business growth and investment that create new employment opportunities, attract and expand business, increase tourism, and facilitate start-up and emerging businesses.

(2) Workforce Development. Partnerships between business, education and government that build the skills of the local workforce and increase opportunities for families to meet or exceed the median household income for Lane County. (Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)

4.110 Allocation.

Within the above definition, the revenues derived from the State's 2.5% video lottery distribution for economic development shall be allocated between two economic development categories. Through the annual budget process, the Board shall appropriate a maximum of 50% of the annual receipts to general allocation programs and the remainder (50% minimum) of the annual receipts for economic development strategic investment projects. All (100%) of unspent monies from previous years shall be appropriated for economic development strategic investment projects.

(1) Category 1 - General Allocation for Economic Development Program. Up to half (50%) of the County's annual receipts from video lottery revenue shall be allocated to the Category of General Allocation Economic Development Program. The purpose of the General Allocation is to pay for ongoing County programs and services which meet the adopted definition of economic development. The rationale is that citizens, tourists, employees and potential business owners shall benefit from a stable economic base, prepared and ready workforce, nurturing atmosphere for business growth and investment and consistent and knowledgeable development staff.

Guidelines for the General Allocation for Economic Development Program shall be:

(a) The cost of administering the video lottery receipts shall be paid with video lottery funds from the General Allocation category.

(b) A working capital reserve for General Allocation programs may be maintained.

(c) The County may continue to participate in forums for exchanging ideas and addressing the economic development needs of the County.

(d) The County may contract with other agencies for the purpose of community/county promotion, marketing/recruitment, and other economic development support services, the sole purpose of which is to build capacity over time and increase and/or stabilize the economy of the County and its citizens.

(e) The County may maintain or hire County staff internally or contract with other agencies to provide economic development support services to the county and/or communities within the county.

(2) Category 2 - Economic Development Strategic Investment Program. The County shall establish the "Economic Development Strategic Investment Program." The purpose of this category is to assist communities to pro-actively leverage video lottery dollars through public-private partnerships that will make a measurable difference in the economic growth and stability of Lane County. This program shall be capitalized annually with a minimum of 50% of the new video lottery revenue received each year from the Oregon State Lottery Commission's transfer to counties for economic development activities. In addition, all revenue unspent in previous years will be added to this category. General guidelines for this category shall be:

(a) Any activity or project supported by this program must demonstrably and directly increase the chance of making a measurable difference to the economy of Lane County and its citizens.

(b) Projects are expected to have some financial support other than video lottery money.

(c) Allocations toward projects or facilities identified in a recognized capital improvement plan (e.g., the County, community within the county or economic development organization's capital improvement plan) shall receive priority consideration.

(d) Projects that require multi-year commitments may be funded.

(e) Allocations shall be made by the Board upon the advice of the Economic Development Standing Committee, after review and comment by the Lane Economic Committee.

(f) No obligation shall exist to recommend an annual expenditure from this category. Projects should only be recommended for funding if they substantially

meet the general guidelines and can demonstrate a direct impact on economic development of the community. Some or all of the funds may be carried over in any year for larger allocations in a later year.

(g) The cost of administering the Economic Development Strategic Investment program shall be paid with video lottery funds from the economic development strategic investment category. (Revised by Order No. 01-2-21-2; Effective 5.1.02; 05-11-30-3, 11.30.05)