

W. 3. B. 3.

AGENDA COVER MEMO

DATE: August 29, 2007 (Date of Memo)
September 12, 2007 (Date of Meeting)

TO: Board of County Commissioners

FROM: LCOG, Milo Mecham, Principal Planner

TITLE: Order No. 07_____ IN THE MATTER OF ORDERING ACCEPTANCE
OF THE RECOMMENDATIONS OF THE BENTON, LANE, LINCOLN,
LINN REGIONAL INVESTMENT BOARD REGARDING FUNDING
PROJECTS FOR THE FY 2005-2007 BIENNIUM

I. MOTION

MOVE TO ADOPT ORDER NO. 07-_____ IN THE MATTER OF
ORDERING ACCEPTANCE OF THE RECOMMENDATIONS OF THE
BENTON, LANE, LINCOLN, LINN REGIONAL INVESTMENT BOARD
REGARDING FUNDING PROJECTS FOR THE FY 2005-2007 BIENNIUM

II. ISSUE OR PROBLEM

The Benton, Lane, Lincoln, Linn Regional Investment Board received just over \$866,000 during the last biennium. The BL3 RIB has established criteria for distribution of the funds that emphasizes promoting job creation and maximizing the leverage of the money available. The RIB has approved several projects, some of which have already been completed and have started increasing the number of jobs in the four county area. (One local example is the expansion of the Bow Tech facilities on Highway 99.) The RIB will, with these projects, use all of the funds awarded in the biennium. The County Boards of Commissioners must approve the projects before contracts can be signed and the projects initiated.

III. DISCUSSION

A. Background

The RIB funds are to be used to support projects that have an immediate prospect of job creation and meet the other eligibility requirements. The basic eligibility requirements are that the project have an overall investment of five dollars (\$5) for each

dollar of RIB money and will spend no more than \$3000 of RIB money for each job created. The program also aims to support as many jobs above the average County wage level as possible.

The RIB has reviewed and approved the two projects listed on Attachment 2. The proposed amounts of funding and the scoring on the important criteria are set forth on Attachment 2.

The Lincoln County Job Creation program is actually a collection of smaller projects. It includes assisting a marine related manufacturing company coming to Newport, assisting an alternative energy company to create seven new jobs, and assisting the development of a program at the Hatfield Marine Science center that will create 10 jobs. All together the Lincoln County project is expected to create 33 jobs.

The Precision Plant Systems project would develop development and manufacturing of agricultural sensing products. This is a technical spin-off of the OSU Agricultural program. If it was fully funded it would create 13 new jobs. The RIB did not have enough to fully fund this project, but it appeared to the RIB that it could still proceed with partial funding. Any additional funds from interest or other earnings will be given to this project.

There were several other projects that the RIB did not fund. The primary reason was because the RIB lacked the funds. The two projects approved by the RIB meet the job creation and fiscal balance requirements for funding at the recommended levels.

B. Analysis

The proposed projects fit the program criteria and goals set by the RIB and approved by the Commissioners.

Approval of these proposals will exhaust the RIB funds for the past biennium. The legislature chose not to fund the RIB's job creation activities in the last session. The legislature will be using the RIBs to collect information about infrastructure needs assessments.

C. Alternatives/Options

The options before the Board are as follows:

1. The Board may take no action. This would result in at least a delay in disbursal of funds to these or other projects.

2. The Board may choose to approve the BL3 RIB recommendations. When the other counties have done the same thing, the RIB staff will work out contracts reflecting the RIB requirements and the projects can get under way.
3. The Board may choose to reject the proposed projects.

D. Recommendation

Staff recommends that the Board adopt the proposed Order.

IV. IMPLEMENTATION/FOLLOW-UP

If the Board adopts the proposed Order, staff will communicate that action to the fiscal agent, CWCOG, and the fiscal agent will initiate contract discussions with the applicants.

V. ATTACHMENTS

1. Board Order No. 07-_____ in the Matter of Ordering Acceptance of the Second Round of Recommendations of the Benton, Lane, Lincoln, Linn Regional Investment Board Regarding Funding Projects For The Fy 2005-2007 Biennium
2. Brief Description of Regional Investment Board Projects Recommended for Funding

ORDER No.)	IN THE MATTER OF ORDERING
)	ACCEPTANCE OF THE
)	RECOMMENDATIONS
)	OF THE BENTON, LANE,
)	LINCOLN, LINN REGIONAL
)	INVESTMENT BOARD
)	REGARDING FUNDING
)	PROJECTS FOR THE FY 2005-2007
)	BIENNIUM

APPROVED AS TO FORM
Date 9/4/07 _____
Teresa J. Hild
OFFICE OF LEGAL COUNSEL

ATTACHMENT 2
REGIONAL INVESTMENT BOARD - PROJECT FUNDING RECOMMENDATION

REGIONAL INVESTMENT BOARD – Applications reviewed June 25, 2007

Projects	Project Total Cost	Funds Requested	Matching Funds	RIB Recommendation	Matching Funds/ RIB Request	Jobs Created	Jobs Created/ RIB Funding	County Average Wage	Project Average Wage
Lincoln Co. Job Creation-3	\$1,531,000	\$100,000	\$1,431,000	\$85,800	\$14.31/\$1	33	\$3,030	\$26,814	\$34,566-\$47,172
Hydration Membrane Line	\$2,300,000	\$100,000	\$2,200,000		\$22/\$1	60	\$1,667	\$31,905	\$27,733
Oregon Software Solutions	\$742,804	\$72,009	\$670,795		\$9.32/\$1	27	\$2,667	\$39,279	\$61,451
Toby's Family Foods	\$297,500	\$25,000	\$272,500		\$10.90/\$1	5	\$10,000*	\$32,302	\$33,280
Precision Plant Systems	\$549,500	\$48,000	\$501,500	\$21,500+	\$10.45	13	\$3,692	\$39,279	\$64,800
Business Enterprise Center	\$298,000	\$45,000	\$253,000		\$5.62	15	\$3,000	\$39,279	\$38,400
Total	\$5,718,804	\$390,009	\$5,328,795	\$107,300+					

+ Precision Plant Systems will receive any additional funds accumulated through interest