

W.S.B.2.

Memorandum Date: July 14, 2010
Order Date: July 28, 2009

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

AGENDA ITEM TITLE: ORDER IN THE MATTER OF ACCEPTING A \$155,689 COMMUNITY TRADE ADJUSTMENT ASSISTANCE GRANT AND AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN THE GRANT AGREEMENT DOCUMENTS

I. MOTION

Move to accept the \$155,689 Community Trade Adjustment Assistance grant and authorize the County Administrator to sign all grant agreement documents.

II. AGENDA ITEM SUMMARY

Lane County has been awarded a \$155,689 Community Trade Adjustment Assistance (CTAA) grant by the U.S. Economic Development Administration. Working with our project partners - eDev, Lane Community College Small Business Development Center and the Lane Workforce Partnership - Lane County Community and Economic Development program will use the funds to implement a small business and rural community economic development strategy that will serve 14 rural communities and an estimated 480 entrepreneurs in Lane County.

The goal of the project is to create and retain good jobs that are greater than or equal to the average wage in the county. This project will meet the Board's goal to "Develop Lane County's economic engine" and the JEO Economic Development Strategy goals to: a) Support Growth and Development of Existing Businesses; b) Accelerate the Development of Entrepreneurs; c) Train, attract and maintain a competitive workforce; and d) Continue the development and growth in successful and emerging industries.

The one-year scope of work consists of three business development and job creation activities: Economic Gardening program, Business Development/

Mentoring program, and Strategies of Success program. Each of the activities will feature in-depth business information, education and training for local entrepreneurs and small businesses all to lead to business expansion and creation of new jobs.

Project partners estimate the project will result in 52 new businesses, 50 retained jobs and 52 new jobs.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Background / Analysis

The Community Trade Adjustment Assistance (CTAA) program was created by the American Recovery and Reinvestment Act of 2009 and is aimed at helping to create and retain jobs by providing project grants to communities that have experienced, or are threatened by, job loss resulting from international trade impacts.

On January 15, 2010 Lane County was notified of it's designation as an eligible County in Oregon to apply for CTAA funds established through the American Recovery and Reinvestment Act. The designation was given to Lane County because of the Hynix layoffs. That announcement stated that CTAA program funds could be used in rural communities to create jobs and generate private sector investment by promoting comprehensive, entrepreneurial, and innovation-based economic development efforts.

Lane County Community & Economic Development, working with its rural economic development partners, completed and submitted a grant application on April 19, 2010.

Applications were competitively evaluated by U.S. EDA in "order to maximize the economic revitalization impact of the program" based on the extent to which applications address the following six criteria:

- Supporting small and medium-sized communities
- Assisting the most severely impacted communities
- Delivering a high return on investment
- Supporting regionalism, innovation, and entrepreneurship
- Supporting global trade and competitiveness
- Growing the "green economy"

On July 7, 2010, Lane County was formally notified that the partners were awarded \$155,689 in funding for the Community Economic Development Implementation Strategy project that will serve 14 rural communities in Lane County.

By accepting these funds, we will be able to double the number of small business entrepreneurs that will be served by eDev and LCC SBDC. In addition, the grant funds ensure that eDev and LCC SBDC will also be able to remain at full staffing this year even though it appears that their budgets will be cut by the State of Oregon and the Federal government. (These budget cuts are aimed at all of the Small Business Development Centers nationwide and all microenterprise programs in Oregon).

In our Economic Gardening program, Lane County, eDev, the Emerald Valley High Performance Enterprise Consortium, the LCC Green Job Training group – including Lane Workforce Partnership – and other business experts, will provide to entrepreneurs 30-workshops featuring in-depth business information, education and training regarding identified economic opportunities in each of the seven targeted business development areas in the JEO Economic Development Strategy:

- Transportation/manufacturing
- Wood manufacturing
- Health care/health/wellness/biomedical
- Construction
- Advanced manufacturing (electronics, solar, etc.)
- Cleantech
- Software

The Oregon Employment Department has identified the above business sectors as those where local job growth will occur in the next six years and the average wage of those jobs will meet or exceed the current county average wage of \$35,369.

We estimate the Economic Gardening workshops will serve at least 180 participants and we will hold at least 100 one-on-one technical assistance meetings with participating entrepreneurs.

In the Business Development/ Mentoring Program, the staff of e-Dev will provide 32 skills and business development/growth workshops serving at least 192 entrepreneurs, with at least 96 one-on-one technical assistance meetings.

In the Strategies of Success program, the staff of the LCC Small Business Development Center will provide at least 36 general business training classes to existing and new business owners. These monthly classes will be held in each section of Lane County: Cottage Grove in the south; Junction City in the north; Florence in the West and Springfield covering the center and east. The estimated 66 participants will also get monthly one-to-one business counseling.

Overall, it is estimated that the CTAA grant funded program will serve 480 people, which will lead to business success, at least 52 new jobs, 50 retained jobs and 52 new businesses.

B. Policy Issues

The Board has the following policy issue to consider:

Should the Board of Commissioners accept CTAA funds, and allocate staff time, in order to undertake this project?

C. Board Goals

The accepting of CTAA funds and undertaking the community economic development implementation strategies for Lane County project will meet the following Board goals:

1. Develop Lane County's economic engine
2. Provide outstanding customer/constituent service
3. Build public trust through intensive communication and engagement

D. Financial and/or Resource Considerations

The CTAA grant is in the amount of \$155,689. An in-kind match was required and has been established at \$155,689. Lane County's match will be staff time and \$25,000 in video lottery grants to participant businesses.

E. Analysis

The CTAA program was created by the American Recovery and Reinvestment Act of 2009 and is aimed at helping to create and retain jobs by in rural communities by providing project grants to communities that have experienced, or are threatened by, job loss resulting from international trade impacts. Lane County has been designated by the EDA as the eligible entity to apply for the grant funds in Lane County. Lane County made that application and was successfully awarded funds.

The proposal as developed by the project partners will create and retain good jobs for the community that are greater than or equal to the average wage in the county. This project meets BCC and JEO goals.

This proposal meets the EDA requirements of the funds and gives Lane County the opportunity to serve entrepreneurs and small business owners in 14 rural Lane County communities.

Per APM, Chapter 1, Section 2a, when an item relates to approval of a grant or any project or proposal with limited duration funding, a series of questions needs to be addressed in the Agenda Cover Memo, under the Analysis.

1. What is the match requirement, if any, and how is that to be covered for the duration of the grant?

An in-kind match was required and has been established at \$155,689. Lane County's match will be \$55,689 in already budgeted staff time and \$25,000 in video lottery grants to participant businesses. The businesses will have to compete for those funds as they are awarded on a competitive basis.

The remaining match is as follows:

eDev/BDC/LCC - space	\$5,000
eDev Springfield	\$15,000
EDev Microloan	\$30,000
Loan program (Junction City)	\$25,000

2. Will the grant require expenditures for Material and Services or capital not fully paid for by the grant?

No

3. Will the grant funds be fully expended before county funds need to be spent?

No, the grant funds and match will be spent in a coordinated manner.

4. How will the administrative work of the grant be covered if the grant funds don't cover it?

The administrative duties of the grant will be performed by already budgeted County staff and the staff of eDev and LCC SBDC.

5. Have grant stakeholders been informed of the grant sunset policy so there is no misunderstanding when the funding ends? Describe plan for service if funding does not continue.

All grant partners are aware that the grant funds are for a one-year project. The grant partners are currently seeking funds for a year 2 of the project.

6. What accounting, auditing and evaluation obligations are imposed by the grant conditions?

The conditions are the typical federal grant conditions in which we must track all grant expenditures and provide records for all project expenditures.

7. How will the department cover the accounting, auditing and evaluation obligations? How are the costs for these obligations covered, regardless whether they are in the department submitting the grant or a support service department? Does the department acknowledge that the county will need to cover these costs and it is an appropriate cost incurred by support service departments?

We will be cover these requirements with some grant funds and from our existing approved budget.

8. Are there any restrictions against applying the county full cost indirect charge?

No

9. Are there unique or unusual conditions that trigger additional county work effort, or liability, i.e., maintenance of effort requirements or supplanting prohibitions or indemnity obligations?

No

F. Alternatives/Options

The Board of Commissioners may:

- 1) Approve the ORDER accepting the grant funds;
- 2) Delay approving the ORDER if the Board needs additional information that could not be provided at the Board meeting;
- 3) Do not approve the ORDER and do not accept the grant.

IV. TIMING/IMPLEMENTATION

Upon Board approval of the ORDER, grant acceptance documents will be given to the County Administrator to sign. Those will then be submitted to EDA, which will result in EDA issuing a grant contract to the County. That contract will be sent through County Counsel review process and prepared for signing by the County Administrator. Upon signing of the contract, the project will begin.

V. RECOMMENDATION

The Lane County Community and Economic Development Coordinator recommends the Board of Commissioners approve the motion to accept the CTAA grant.

VI. FOLLOW-UP

County staff will keep the Board updated on the project. Any issues needing Board attention will be brought to the Board in a timely manner.

VII. ATTACHMENTS

1. Board Order
2. CTAA Award Letter

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.) IN THE MATTER OF ACCEPTING A
) \$155,689 COMMUNITY TRADE
) ADJUSTMENT ASSISTANCE GRANT
) AND AUTHORIZING THE COUNTY
ADMINSTRATOR TO SIGN THE GRANT
AGREEMENT DOCUMENTS

WHEREAS, the U.S. Economic Development Administration created the Community Trade Adjustment Assistance Grant Fund to help create and retain jobs by providing project grants to rural communities that have experienced, or are threatened by, job loss resulting from international trade impacts and

WHEREAS, the U.S. EDA has determined Lane County to be eligible based on suffering significant impacts due to trade adjustment, specifically the closure of Hynix, and

WHEREAS, Lane County, and it's partners, eDev, Lane Community College Small Business Development Center, and the Lane Workforce Partnership, applied for Community Trade Adjustment Assistance funding, and

WHEREAS, on July 6, 2010 the Economic Development Administration awarded a \$155,689 Community Trade Adjustment Assistance Grant funding to Lane County for the Community Economic Development Strategies for Lane County project; and

WHEREAS, the Board of County Commissioners may appropriate dedicated grant funds as per ORS 294.326(3);

NOW THEREFORE, IT IS HEREBY ORDERED THAT: the Lane County Board of Commissioners approves accepting a \$155,689 Community Trade Adjustment Assistance Grant from the Economic Development Administration and authorizes the County Administrator to sign the grant agreement documents; and

FURTHER ORDERED the revenues and expenses in the amount of \$155,689 be appropriated for the FY2010-2011 in General Fund Dept ID 5770080.

Adopted this 28th day of July, 2010.

Bill Fleenor, Chair
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 7-15-10 lane county


OFFICE OF LEGAL COUNSEL



U. S. DEPARTMENT OF COMMERCE

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JUL 6 2010

Ms. Liane Richardson
County Counsel
Lane County
125 East 8th Avenue, 2nd Floor
Eugene, Oregon 97401

Re: Economic Development Administration (EDA) Investment Assistance Grant Application
'Community Economic Development Strategies for Lane County Implementation Plan'

Dear Ms. Richardson:

The Economic Development Administration (EDA) is pleased to inform Lane County that its application has been recommended for award of an investment assistance grant under statutory and regulatory provisions governing the EDA. Lane County may request investment assistance not to exceed \$155,689, provided that it contributes matching funds of, at least, \$155,689 toward overall project costs.

Copies of the forms required to complete your application are enclosed with this correspondence. Please, submit any that were not included with the original application or provide updates to the following items: Standard Form LLL and letters of commitment from non-EDA sources to contribute resources to project costs.

Your Economic Development Representative is David Porter; the Grant Specialist is Brian Parker. If you have project specific questions, please, contact Mr. Porter by telephone at (503) 326-3078, or by e-mail at DPorter@eda.doc.gov. Brian Parker can be called at (206) 220-7675. His e-mail address is BParker@eda.doc.gov.

This non-binding commitment to award an investment assistance grant is, by no means, an indication that EDA will approve the request. Such approval is contingent upon many factors, including, but not limited to, the availability of funding for Fiscal Year 2010, as well as the fulfillment of all applicable statutory, regulatory, and policy requirements. Furthermore, the application will remain in competition with others that merit similar consideration, and financial commitments that could be reimbursed by grant funds should not be made until notification of the issuance of a Financial Assistance Award is offered.

On behalf of EDA, I look forward to the prospect of working with you.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Leonard Smith".

A. Leonard Smith
Regional Director

Enclosures

cc: David Porter, Economic Development Representative