

W. 3. B. 1.

Memorandum Date: February 27, 2008  
Board Order Date: March 12, 2008

---

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

**AGENDA ITEM TITLE:** IN THE MATTER OF AUTHORIZING THE USE OF \$25,000 OF VIDEO LOTTERY FUNDS TO DEFRAY THE COSTS OF COUNTY PERMITS FOR PUBLIC BENEFIT COMMUNITY PROJECTS.

---

**I. MOTION**

MOVE TO APPROPRIATE \$25,000 OF VIDEO LOTTERY FUNDS TO DEFRAY THE COSTS OF COUNTY PERMITS FOR PUBLIC BENEFIT COMMUNITY PROJECTS.

**II. AGENDA ITEM SUMMARY**

This item is being brought back to the Board following suggestions made at the February 20, 2009 Board meeting. This item incorporates those suggestions.

On October 17, 2007 staff was directed to return to the Board regarding identifying a funding source to defray the costs of County permits for public benefit projects.

The Lane County Economic Development Standing Committee has unanimously voted to recommend to the Board that \$25,000 of video lottery funds be used for to defray the costs of County permits for public benefit projects.

The decision by the EDSC was based on the fact that these type of projects often meet one of the County's goal for video lottery funds.

The action before the Board is to decide whether to establish such a permit fund, whether to allocated video lotteries to such a fund, whether to establish some criteria for the types of projects that could use the fund, and whether the amount of funds should be capped for any one project.

### **III. BACKGROUND/IMPLICATIONS OF ACTION**

#### **A. Board Action and Other History**

The Board has discussed setting up a fund to defray the costs of County permits for public benefit projects, several times. Most recently in October 2007 around the Handicapped Fishing Platform at the Tiernan Dock near Mapleton, Oregon. In that case, the Board contributed \$1,000 from the General Fund Operational Contingency to pay for Planning and Building Permit Fees.

At that meeting, the Board directed staff to return with suggested funding for a long-term approach to the issue so these permits could be dealt with at a staff level in the future as these types of projects arose.

The Lane County Economic Development Standing Committee discussed the item and unanimously agreed to recommend to the Board that \$25,000 of video lottery funds be used for this purpose. The decision by the EDSC was based on the fact that public benefit projects often meet the County's goal for the use of Video Lottery funds.

Lane Manual Chapter 4.100 is the Video Lottery Allocation Policy. It reads in part: "The Video Lottery Allocation Policy reaffirms that video lottery receipts must be applied to programs and activities which support economic development in Lane County."

LM 4.105 defines Economic Development as "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."

To help ensure that the specific projects funded through the permit fund would meet the goals of the Video Lottery funds, the EDSC suggested that an eligibility criteria for use of the permit funds be established. They suggested the Board may wish to consider only paying for permits required by either non-profits or public agencies for projects that support community projects and partnerships.

The EDSC also suggested the Board may wish to consider placing a cap on the amount of permit fees paid for any one project. The EDSC did not recommend what that amount should be.

At its February 20, 2008 Board meeting, Commissioners suggested several additions to incorporate into the program. One suggestion was to ensure that the money if not spent during a single fiscal year is rolled into the next year. The Board Order that sets up the fund now states "that money in the Permit Fund will be used for the purpose of the fund until the \$25,000 is expended."

Another suggestion was to ensure that any one project does not use up all the funds. Staff looked at several ways to do this and chose to put a limit on the overall project value at \$1,000,000 rather than a limit on the value of any given permit. The amount of \$1,000,000 was chosen as being the average cost of a small community water system.

Also the word "Facility" in the Board Order caused concern as it could be confused with one specific type of permit. That word has been removed from the Board Order.

**B. Policy Issues**

Should the Board of Commissioners establish a public permit fund?

Should the Board allocate video lottery funds for this purpose?

Should the Board establish some criteria for the types of projects that could use the fund? Should the criteria be based in part on the video lottery criteria contained in Lane Manual 4.105?

Should the amount of funds be capped for any one project?

Should the Board or the County Administrator make the fund award determinations?

Should the use of the funds be limited to non-profit and/or public agency sponsored projects?

**C. Board Goals**

Establishing a fund to defray the costs of County permits for public benefit community projects meets the following Board and County goals:

- Contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development.
- The project is related to the County Goal of Resource Planning and Allocation and Revenue Development in promoting tourism and tourism-related business in Lane County.

**D. Financial and/or Resource Considerations**

If the Board allocated \$25,000 from the video lottery fund, there will still be approximately \$1,000,000 in the fund.

**E. Analysis**

The expenditure of video lottery funds for County permits for public benefit projects meets Lane County's goal for the use of Video Lottery funds. In addition, having such a fund in place may allow some projects to move forward that were unable to without this assistance, further benefiting the community.

One evaluation used to determine eligibility of projects could be the video lottery project criteria contained in Lane Manual 4.105. But there should also be some flexibility in making the award decision. Award of these permit funds should not be construed as pre-approving a project for use of video lottery funds outside of the process that Lane County has adopted for the awarding of those funds. Nor would projects that received video lottery funding automatically qualify to receive these funds.

**F. Alternatives/Options**

1. The Board of Commissioners can adopt the order.
2. The Board of Commissioners could request more information and delay action until that information is provided.
3. The Board of Commissioners can reject the request to adopt the attached order.

**IV. TIMING/IMPLEMENTATION**

If the Order is approved by the Board of Commissioners, staff will set up the fund and design a one-page application form to request Permit funds.

**V. RECOMMENDATION**

The Lane County Economic Development Standing Committee voted 5-0 to recommend that the Board of Commissioners approve the use of video lottery funds for this purpose.

**VI. FOLLOW-UP**

The County Community and Economic Development Coordinator will keep the Board of Commissioners updated as this process moves forward.

**VII. ATTACHMENTS**

Board Order

**IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON**

ORDER NO. ) IN THE MATTER OF AUTHORIZING THE USE OF  
) \$25,000 OF VIDEO LOTTERY FUNDS TO DEFRAY  
) THE COSTS OF COUNTY PERMITS FOR PUBLIC  
BENEFIT COMMUNITY PROJECTS.

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 Lane County Board of Commissioners has assigned the Lane County Economic Development Standing Committee to review uses of video lottery economic development funds, and

WHEREAS, the Lane County Economic Development Standing Committee has recommended that establishing a Permit Fund would support economic development in Lane County, and

WHEREAS, the Lane County Board of Commissioners has found that such a Permit Fund would meet several economic development elements: develop community infrastructure, increase tourism, and event attract businesses as per the Video Lottery Allocation Policy;

NOW THEREFORE IT IS HEREBY ORDERED that \$25,000 be moved from Fund 260 - Economic Development Projects: Operational Contingency to Fund 260 - Economic Development Projects: Materials and Services - to be used to fund the Permit Fund, and

FURTHER ORDERED that guidelines for the fund are adopted to only pay for permits required by either non-profits or public agencies for projects valued at less than \$1,000,000 that support community projects and partnerships, and

FURTHER ORDERED that the County Administrator is designated as the person to make the final determination if a project is awarded money from the Permit Fund, and

FURTHER ORDERED that money in the Permit Fund will be used for the purpose of the fund until the \$25,000 is expended.

Signed this 12th day of March, 2008.

---

Faye Stewart, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM  
Date 3/14/08 Lane County  
J. Leidman  
OFFICE OF LEGAL COUNSEL