

MINUTES

Lane Economic Committee

Lane Council of Governments – 5th Floor Large Conference Room
859 Willamette, Suite 500 – Eugene

January 12, 2009 – 11:30 A.M.

PRESENT: Rob Scoggin, Chair; Pat Albright, Mike Blommé, DeAnn Cherbas, Mike Galvin, John Tamulonis, Ellen Teninty, *members*; Jay Bozievich, *ex officio member*; Lawrence Brice, Robin Onaclea, Howard Schesser, *alternate members*.

Steve Dignam (LCOG), Mike McKenzie-Bahr (Lane County), Milo Mecham (LCOG).

ABSENT: John Sullivan, Vice Chair; Tim Black, Denny Braud, Chuck Forster, Phillip Hudspeth, Ric Ingham, Faye Stewart, Lynette Wikstrom, *members*; Deb Schmidt, Kari Westlund, *ex officio members*; Betsy Boyd, Lou Christian, Scott English, Don Lindsey, Hal Reed, Jack Roberts, Mike Sullivan, Brett Yancey, *alternate members*.

GUESTS: Jacque Morgan.

1. WELCOME / INTRODUCTIONS / CHANGES TO THE AGENDA

Chairperson Rob Scoggin called the meeting of the Lane Council of Governments (LCOG) Lane Economic Committee (LEC) to order at 11:35 a.m. He invited those who were present to introduce themselves.

2. PUBLIC COMMENT

Mike Blommé spoke about the problems facing the RV industry. He said dealers can't afford to keep the inventory, but they also can't get loans for their buyers. They have way fewer customers than usual. At Monaco Coach, where Mike is employed, sales are down 45-50% from last year and the business will remain shut down on the production side through February 2. All they are doing now is shipping pre-ordered vehicles. In response to a question, Mike said he has no idea whether Congressman De Fazio's effort to get RV manufacturers included in the TARP funds being allocated to the automobile industry will be successful.

Jay Bozievich announced that he and his wife purchased "Needlepoint Now" magazine last week and would be moving production to Lane County.

3. COMMENTS FROM THE CHAIR

None

4. COMMENTS FROM STAFF

Steve Dignam mentioned that the LEC had received a thank you note from the Northwest Youth Corps for the letter LCOG sent to the U.S. Economic Development Administration on their behalf. He also announced that many of the small business borrowers he works with are just barely hanging on. This is the toughest market he has seen as a lender in 25 years and he expects to see a wave of small business foreclosures in the near future. In response, the Small Business Administration (SBA) has authorized deferments of up to 6 months for borrowers and the list of those requesting deferments from LCOG is growing. Mr. Dignam also noted that overall lending by the SBA is down 50% from this quarter a year ago. He suspects this is because many small businesses are simply hunkering down and hoping to ride out the storm.

5. MINUTES

Pat Albright moved, seconded by DeeAnn Cherbas, to accept the minutes of the November 17, 2008 meeting as presented. The motion was adopted unanimously, 11:0.

6. LEC MEMBERSHIP AND OFFICER ELECTIONS (Added to the Agenda by consent)

Mr. Dignam explained that the terms of office for four LEC members expired at the end of last year and that their positions need to be filled. Those affected are John Tamulonis, Mike Galvin, Mike Blommé, and Chuck Forster. The Membership Committee, consisting of DeeAnn Cherbas, Kari Westlund, John Sullivan, and Mike McKenzie-Bahr met and recommended re-appointment of all four. They also recommended that Jacque Morgan, Assistant City Manager in Florence, be appointed to the position currently held by Ric Ingham, City Manager of Veneta. Ms. Morgan has been attending LEC meetings recently and is interested in being appointed. Mr. Ingham supports this change, because he has found it difficult to attend, and has asked to be named an alternate member for this position.

Ellen Teninty moved, seconded by Mike Galvin, to re-appoint John Tamulonis, Mike Galvin, Mike Blommé, and Chuck Forster to the LEC, to appoint Jacque Morgan to the LEC in the position presently held by Ric Ingham, and to make Ric Ingham the alternate member for that position. The motion was adopted unanimously, 11:0.

Mr. Scoggin announced that the LEC also needs to select a Chair and Vice-Chair for the new year. Nominations for Chair were opened and Mr. Scoggin was the only person nominated. He agreed to serve in this capacity again.

Mr. Scoggin was elected Chair unanimously, 11:0.

Nominations for Vice-Chair were opened and Mr. Tamulonis was the only person nominated. He agreed to serve in this capacity again.

Mr. Tamulonis was elected Vice-Chair unanimously, 11:0.

7. FRAMEWORK FOR A 2009 “NEEDS & ISSUES” PROCESS

Mr. Dignam reminded LEC members they had agreed to develop a Needs & Issues list for 2009 early this year, in order to compete for funding for local projects under the much-anticipated economic stimulus plan being developed by the incoming Obama administration. As it turns out, events moved so quickly that LCOG staff had to submit a preliminary project list to the US Economic Department Administration (EDA) last week. Mr. Dignam distributed copies of that list and introduced Milo Mecham to explain its contents and how it was developed.

Mr. Mecham said LCOG was notified in December that there would be federal money available for infrastructure projects through state and local governments. LCOG offered to be a clearinghouse for potential economic stimulus projects and notified all the local governments. This produced a long list of projects that was passed on to the state and Oregon’s Congressional delegation.

In late December, the EDA notified the four-county Cascades West Economic Development District (CWEDD) that it wanted a list of ready-to-start projects within the District, in order to help define the scope of potential need for Congress, as it begins to shape the economic stimulus package. LCOG found out about this request in early January and went through the list that was developed in December to find projects that matched the EDA criteria. These included: a) applicant must be a government or non-profit employer; b) project must create quality jobs; c) applicant cannot be a single business; and d) applicant needs to put up 20-50% match money. Mr. Mecham reminded LEC members that EDA grants are reimbursements for funds already spent, not advance payments, but EDA does guarantee its grants. He explained that the resulting list is preliminary and can be modified and noted that placement on the list does not guarantee a project will be funded. It is unclear at this point how much money EDA will get to disburse or when that will occur. Mr. Mecham anticipates we will know more by mid-February.

Pat Albright asked if Lane Community College’s (LCC) downtown project would qualify for these EDA grants. Mr. Mecham said this was unlikely, even though this is a very worthwhile project, because EDA is looking at long-term jobs created, not just the immediate construction jobs, but he encouraged LCC to apply and find out. He offered several examples of the kinds of projects EDA is looking for. Mike McKenzie-Bahr said there will likely be Department of Education funds available for education projects involving workforce development, which might be a better source of funding for LCC to pursue.

Mr. Dignam said he would have preferred to distribute a list of potential projects for LEC members to review before submitting it to EDA, but the short timeline LCOG staff had required them to either develop the list themselves or submit nothing at all, so they chose to do the list and offer it now for LEC review. He praised Mr. Mecham for the speed and quality of his work in developing the list. He also noted that EDA has not been a major player in Lane County in recent years, but it appears this is about to change, which is certainly welcome.

Mr. Mecham said CWEDD wants LCOG and the other tri-county Economic Committee to review this list and be prepared to meet in February, as soon as the amount of EDA funding is known, and make final recommendations then to the CWEDD Board on what projects should be funded. The CWEDD Board will then meet, vote on a final prioritized list of projects, and submit that to EDA. Mr. Mecham noted, however, that EDA has also asked local jurisdictions to submit proposals directly to them, so the EDA will not necessarily be governed by the CWEDD’s recommendations.

After discussion, LEC members decided to form a sub-committee to review the project list LCOG staff put together, in order to make it easier for the full LEC to meet and agree on a final project list

once we receive official notice that EDA funds will be available. Sub-committee volunteers included DeeAnn Cherbas, John Tamulonis, Lawrence Brice, Mike Blommé, and Pat Albright. Mr. Dignam will coordinate sub-committee meeting arrangements.

Mr. McKenzie-Bahr spoke about the two Lane County projects on the list Mr. Mecham had compiled for the CWEDD – the Bio Fuels Energy Park and the Flexible Manufacturing Incubator Space. Mr. Mecham then reviewed all of the projects in Lane County on the CWEDD list. Mr. McKenzie-Bahr explained that, including the economic development projects on the CWEDD list, Lane County had submitted \$100 million worth of projects for potential funding to federal agencies, such as the Department of Transportation (DOT) and Health and Human Services (HHS). Mr. Mecham said that many local jurisdictions had done the same. Mr. McKenzie-Bahr stressed the importance of LCOG and local governments following up, as soon as notice is received about how much federal money will be available in Oregon, if we want our projects funded.

John Tamulonis moved, seconded by Mike Blommé, to concur with the preliminary list of potential economic development projects put together by Mr. Mecham on behalf of the LEC for CWEDD, in order to populate the funding needs of our area. The motion was adopted unanimously, 11:0.

Chairperson Scoggin asked LEC members what they wanted to do about their earlier decision to develop a 2009 Needs & Issues List. Mr. McKenzie-Bahr confirmed that the State of Oregon had stopped using Needs & Issues lists in its economic development planning process. Mr. Mecham and Mr. Tamulonis spoke to the value of developing such a local list. Mr. Bozievich asked if Mr. Dignam had drafted the letter and form that would be sent to local governments and used to develop this list. Mr. Dignam provided copies for members to review. Mr. Mecham mentioned that Bob Warren from the Lane Metro Partnership had recommended that the list be called something other than a Needs & Issues List. Chairperson Scoggin suggested the list be called an “Economic Priority List” and LEC members supported that wording. LEC members discussed the form Mr. Dignam had drafted and approved it. Mr. Dignam said the Economic Priority List would be sent right away to all LCOG member organizations, distributed at the LCOG Regional Managers meeting later this week, and handed out at the next LCOG Board meeting in late February.

8. LOCAL GOVERNMENT, SMALL BUSINESS, AND THE CURRENT RECESSION

Due to the length of the previous discussion, Chairperson Scoggin recommended that Mr. Tamulonis postpone his presentation on potential strategic action steps local governments could take to assist small businesses until the next LEC meeting. Mr. Tamulonis agreed. He said he had been involved with the Buy Oregon program in the 1980’s when the state funded efforts to connect small businesses with local suppliers as a way of boosting the Oregon economy. He indicated he would be offering suggestions on how LCOG and its member organizations could, with little cost, apply some of those principles to the current situation. He welcomed suggestions from LEC members on what local public agencies could do and where to focus their efforts.

The next LEC meeting will be February 9, 2009.

The meeting adjourned at 1:03 p.m.

(Recorded by Kurt Willcox)

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