

## MINUTES

### Lane Economic Committee

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

January 25, 2010 – 11:30 A.M.

PRESENT: Rob Scoggin, Chair; Pat Albright, DeAnn Cherbas, Mike Galvin, Phillip Hudspeth, Jacque Morgan, John Tamulonis, Ellen Teninty, *members*; Jay Bozievich, Deb Schmidt, *ex officio members*; Lawrence Brice, Mike McKenzie-Bahr, Barry Miller, Howard Schesser, Mike Sullivan, *alternate members*.

ABSENT: John Sullivan, Vice Chair; Tim Black, Mike Blommé, Denny Braud, Bill Fleenor, Chuck Forster, Greg Rikhoff, Lynette Wikstrom, *members*; Ric Ingham, Jack Roberts, Warren Weathers, *alternate members*.

STAFF: Steve Dignam (LCOG).

GUESTS: Steve Lamb (Far West Neighborhood Association).

#### 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 11:36 a.m. He noted that a quorum was present at that time. Mr. Scoggin invited those present to introduce themselves.

#### 2. PUBLIC COMMENT

None.

#### 3. COMMENTS FROM THE CHAIR

None.

#### 4. STAFF COMMENTS

None.

#### 5. MINUTES OF 10/19/09 MEETING

Mr. Scoggin referred members to the minutes of the November 16, 2009 LEC meeting.

*DeAnn Cherbas moved, seconded by Pat Albright, to accept the minutes of the November 16, 2009 LEC meeting as written. The motion was adopted unanimously, 11:0.*

## **6. LEC MEMBERSHIPS**

Mr. Dignam explained that the terms of office for four LEC members expired at the end of last year and that their positions needed to be filled. Those affected are Pat Albright, Phillip Hudspeth, Denny Braud and Tim Black. The Membership Committee recommended that Mike Sullivan and Greg Rikhoff, currently alternates for Denny Braud and Tim Black, respectively, be nominated; and Pat Albright and Phillip Hudspeth be re-appointed. The LCOG Executive Committee at its January 14, 2010, meeting approved the LEC nominations.

## **7. 2010 LANE ECONOMIC COMMITTEE OFFICERS**

DeAnn Cherbas announced that the LEC needed to select a Chair and Vice-Chair for 2010. Nominations for Chair were opened and Mr. Scoggin was the only person nominated and agreed to serve.

*Mike Galvin moved, seconded by John Tamulonis, to elect Rob Scoggin as LEC Chair for 2010. The motion carried unanimously, 11:0.*

Nominations for Vice Chair were open and John Sullivan was the only person nominated and has agreed to serve.

*Mike Galvin moved, seconded by Mike McKenzie-Bahr, to elect John Sullivan as LEC Vice Chair for 2010. The motion carried unanimously, 11:0.*

## **8. LCOG BUSINESS LOAN PROGRAM**

Mr. Dignam provided a review of LCOG's Business Loan Program to the group. He stated that the program is to help small business customers who are seeking loans for real estate (acquisition or construction) or for equipment with the goal of saving and/or creating jobs.

He explained that the lending ratio used in the loan process is 50:40:10 where a bank provides 50 percent of the loan amount and takes first lien position on the note, the business loan program provides 40 percent of the loan amount and takes the second lien position, and 10 percent of the money coming from the small business itself.

Mr. Dignam stated that the advantages to this formula are that there is a higher loan-to-value (90 percent); the rate on government piece is lower than market, and the rate on SBA is fixed 20-year at 6 percent; and it improves small business access to capital. Mr. Dignam explained that there has been a significant up-tick in interest in our loan programs and cited the reasons as being a pent-up demand from the last one-and-a-half years; a good rate environment (6 percent); and increased interest from banks to participate.

Mr. Dignam said that some business borrowers are currently having cash flow problems and that there are not many buyers for commercial property. He stated that on the positive side, Congress has implemented the ARRA plan where most SBA loan fees are waived. Another piece of legislation is anticipated to change SBA requirements in order to allow refinance as an eligible SBA loan purpose.

Mr. Dignam defined a small business as one with borrowing needs from \$50,000 to \$5 million. He listed recent successes of customers using SBA loans: Oregon's Only Organics, Coastal Fitness

(Florence, expansion of 10,000 square feet and 6 new jobs); Ninkasi Beer (expansion to double its size)

## **9. REGIONAL PROSPERITY SUMMIT**

Mike Sullivan handed out and referred to the summary of the recent Regional Prosperity Summit entitled, “Building our Next Economy”. Mr. Sullivan highlighted the summit’s history, goals, and outcomes. Discussion included the ongoing need to educate public officials on economic development to produce sound strategies.

## **10. LEC PURPOSE AND FUNCTIONS**

Steve referred to handout material entitled, “Bylaws of the Lane Economic Committee, Article II: Purpose and Functions.” The group discussed the article’s relevancy.

## **11. LEC WORKPLAN**

Steve provided the next steps of the LEC Workplan would include: participating in the development of CEDS, developing strategies using results of Prosperity Summit, and providing greater input and support to LCOG’s business loan program.

Discussion was held among members regarding the importance of communication between economic development committees and extending the information to the rural communities. The group discussed letters of support, the LCOG Board’s authority to advocate, inviting economically successful communities to talk with LEC and possibly incorporate best-practices from other areas.

The next LEC meeting will be February 22, 2010.

The meeting adjourned at 1:04 p.m.

*(Recorded by Ann Mortenson)*