

MINUTES

Lane Economic Committee

Lane Council of Governments – 4th Floor Large Conference Room
99 E. Broadway, Suite 400 – Eugene

May 20, 2002 – 11:30 A.M.

PRESENT: Alex Pawlowski, Chair; Tim Black (for Michael Redding), Barbara Britt, Liz Ca-wood, Larry Phipps, Glenda Poling, Hal Reed, Charles Spencer, John Tamulonis, Cindy Weeldreyer, Lynnette Wikstrom-Smith, members; Dennis Shine, Kari Westlund, *ex officio* members; Howard Schesser, alternate member.

Steve Dignam, Milo Mecham, Christine Puetz (LCOG staff)

ABSENT: Chuck Forster, Tom Lininger, Jim Ramseyer, Deb Schmidt, Rob Scoggin

GUESTS: Kathy Baker, Bryce Krehbiel, Peter Thurston (Lane County); Bob Warren (Oregon Economic & Community Development Department); Diane Wiley (University of Oregon).

Mr. Pawlowski called the meeting of the Lane Economic Committee (LEC) to order at 11:35 a.m. He invited those who were present to introduce themselves.

1. Public Comment

Mr. Thurston reported that details of a Request for Proposals related to the Lane County Strategic Plan for the allocation of Video Lottery funds were available in printed or electronic form. He said training for preparation of performance measures for applicants would be available.

2. Approval of Minutes

Mr. Pawlowski noted that the minutes of the March 25 LEC meeting distributed with the agenda of the meeting did not include even numbered pages. He distributed copies of a complete version.

Mr. Pawlowski determined there was consensus to postpone approval of the minutes of the March 25 meeting until the June meeting.

3. University of Oregon Incubator Project

Ms. Wiley reported on the status of a Business Incubator Project begun at the University of Oregon. She said the Project had begun during discussions between representatives of Eugene and Springfield regarding local economic conditions. She identified current partners in the Project – University of Oregon, City of Eugene, City of Springfield, Eugene Chamber of Commerce, Springfield Chamber of Commerce, Lane Community College, Neighborhood Economic Development Community Organization (NEDCO), Institute for Sustainable Ethics and Economics, and several private businesses.

Ms. Wiley said the Project was intended to support the growth of start-up and early stage businesses by providing opportunities for interaction with other start-up companies, access to capital resources, flexible and competitive rental space, proper business environment, shared administrative and reception services, equipment, conference rooms, and training, access to mentors and business and technical advisors, and personalized consultation on marketing, sales, pricing and packaging.

Ms. Wiley described a feasibility study to be undertaken for a Lane County Incubator Project. She said an application for a funding grant from the Regional Investment Board had not been successful, but that it was now likely to be underwritten by collaborating partners.

Ms. Wiley described the experience of the University of Oregon in providing incubator support for 14 startup companies related to University technical programs. She said it was not a formalized program, but could serve as the base for expansion into the community.

Ms. Cawood suggested that a Project with several foci would meet existing local needs. She said some University-based help would be valuable for technology businesses, but that there were other opportunities for economic development in the area. Ms. Wiley added that Eugene City Councilor David Kelly had also proposed the need for more than one focus in a Business Incubator Project.

Mr. Shine suggested that the Project might be integrated with current efforts to renovate Downtown Springfield. He said discussion with Mr. Don Eggleston about the use of the Booth Kelly Building for such a purpose might be productive. Mr. Pawlowski said he was familiar with the building and that it was a large space available at low cost.

Mr. Shine asked if services to non-metropolitan areas such as Oakridge would be part of the proposed Business Incubator Project. Ms. Wiley said services to such places could be provided through a “virtual center” using the Internet.

Mr. Spencer suggested that the Incubator Project feasibility study include consideration of issues such as the relationship of wages provided by jobs created in new businesses to the cost of housing in Lane County. He said new jobs would need to contribute to improving the average income of area residents.

Ms. Weeldreyer reported that she had visited Business Incubator Projects in Portland and Bend. She said she had been positively impressed and recommended that others make such visits.

Mr. Reed asked why a feasibility study was needed if Business Incubator Projects were successful in other areas. Ms. Wiley replied that the study would focus the development on realistic options for Lane County – identifying knowledge and expertise needed and available – and doing concrete financial planning.

Mr. Pawlowski thanked Ms. Wiley for her presentation.

4. Lane County Strategic Allocation Schedule

Ms. Weeldreyer reported on the incorporation of a Video Lottery Allocation Policy into the Lane County Manual. She explained that the Strategic Investment Allocation process contained in the Policy required that LEC review and comment on the allocation of resources. She said observations about the Committee's discussion of the process at its March 25 meeting had been reported in a draft memorandum to the Board of County Commissioner distributed with the agenda of the meeting. She suggested the comments be the basis for further Committee comment.

Mr. Thurston explained that the Strategic Investment Allocation Budget for the use of Lane County Video Lottery funds had been presented at the last LEC meeting. He said \$678,000 of the resources would be distributed through the Request for Proposals process he had announced previously in the meeting. He reviewed the summary of Committee discussion on March 25 included in the draft memorandum, as follows:

- Business development services are a high priority. A single point of contact for business development is important to the regional economy.
- Springfield and Eugene have committed \$50,000 each and Lane County committed \$100,000 for Metropolitan Partnership operations.
- The Request for Proposals process in the Strategic Investment Allocation process is an opportunity for Metropolitan Partnership or a similar organization to apply for funds to complete part of the business development scope of activities.
- Business development services are needed and recent actions by the Metropolitan Partnership executive committee suggesting it might disband make it unclear whether it will continue to operate.

Mr. Thurston asked if LEC members agreed with the summary or wished other comments to be added.

Ms. Westlund said she believed concern about evaluation of return on investment should also be recorded in the memorandum and that implementation of the criteria for distribution of the resources not overlook such a consideration. She said it would be important to identify outcome measures for programs supported.

Mr. Spencer said he agreed with Ms. Westlund and suggested that benchmarks or performance measures be developed for the programs.

Ms. Weeldreyer reported that Lane County was sponsoring a workshop presented by the Oregon Progress Board regarding the use of Lottery resources. She said it would include training in the development of such measures and stress the importance of collaboration. Mr. Thurston added that the workshop was scheduled for 1:30 p.m. on May 22 at the Downtown Athletic Club.

Ms. Cawood suggested that the most important measurements of the success of a supported program were jobs created and wage levels established.

Mr. Shine asked how the allocations for support of Metropolitan Partnership had been determined. Ms. Weeldreyer replied that the amounts contributed by the cities and county were set as Metropolitan Partnership membership fees to support economic development. She said Lane County had agreed to increase its contribution because of recent reductions in contributions from the private sector.

Ms. Westlund said she believed it could be an error to judge the success of supported programs by wage rates. She said the “over all returns” of a program were broader than jobs and wages.

Ms. Weeldreyer said the Board of County Commissioners’ Economic Development Strategy Committee had dedicated Video Lottery revenue exclusively to economic development, instead of using it to “back fill” other under-funded programs, as has been done in recent years.

Mr. Thurston read criteria established for awarding grants in the Request for Proposals process to use Video Lottery revenue.

Ms. Cawood said she believed better paying jobs were needed to support area economic development. She said jobs currently being created were not generating enough wealth for re-investment in the community.

Mr. Reed said he agreed and that good jobs produced a flourishing economy.

Mr. Spencer said it was possible to show that more resources were circulated in the local area through jobs and personal income than through investment.

Mr. Phipps said that, as a service business operator, he agreed that good-wage jobs were needed and that high-paying jobs created a need for low-wage jobs. He suggested that the concept of “living wage jobs” be the focus of economic development.

Mr. Thurston said he would collect the comments made by committee members for presentation to the Board of County Commissioners. He suggested that the July LEC meeting include time for consideration of feedback from Commissioners.

Mr. Pawlowski asked why the LEC was being asked to “discuss and comment” on proposals for funding, not make recommendations about them, as it had in the past. Ms. Weeldreyer replied that the change had taken place since LEC was a committee of Lane Council of Governments and that the organization no longer had staff resources to conduct an evaluation and recommendation process.

Mr. Pawlowski said he believed the LEC should be given a more prominent role in developing recommendations about the distribution of resources since it was the group which best represented all areas of the County and had more representatives of the business community than any other group advising the Board of County Commissioners.

Mr. Dignam said that the review and comment role for the LEC on this project was very important and that LCOG would certainly devote whatever reasonable staff resources are necessary in order to make sure that the LEC can provide meaningful feedback to Lane County.

Mr. Dignam suggested that “efficiency” needed to be added to criteria used to determine awards and that duplication of services be avoided, wherever possible.

Ms. Westlund said she wanted to ensure that her earlier comments were not interpreted to mean she supported creation of low wage jobs, but that it was important to bring new money into the county economy through businesses such as those related to tourism, which were often supported by low wage jobs.

Ms. Puetz stated that she hoped developing responses to the Request for Proposals would be a catalyst for development of partnerships. She said it would be important for collaborative proposals to include services in all wage-levels.

5. Member Reports

Mr. Schesser reported that construction of a new hospital would soon begin in Cottage Grove, that a new high school was already under construction, and that new interest was being shown in the area’s Industrial Park.

Ms. Westlund reported that tourism, as measured by the Convention and Visitors Association of Lane County Oregon, was stable. She said room tax revenues were up 6.8%; occupancy down slightly, due to a shift in the available inventory; and there was a small net loss of jobs in the industry. She said issues being monitored by her association included McKenzie River turbidity, West Eugene Parkway development, Springfield Convention Center, Downtown Rail Transfer Station Upgrade, and airport funding.

Ms. Wikstrom-Smith reported that highway intersection re-construction had been completed in Florence. She said the Boardwalk project for the Port of Siuslaw appeared to be on track, the Western Lane Community Development Group was being revitalized, and a five-year business plan for the area had been completed which included re-development of several industrial sites.

Mr. Phipps reported that Oakridge had lost its largest private employer. He said a feasibility study for a Community Center had recently been completed with the assistance of Lane Council of Governments, and that tourism remained stable.

Ms. Poling reported that the Metro Partnership is still considering a motion to close operations. She said a meeting was scheduled to discuss future plans with the public partners.

Hal Reed reported on his work with the Regional Investment Board related to reviewing and developing recommendations regarding project applications.

Tim Black reported that State Budget Cuts continued to be a major concern for the University of Oregon. He said a new contract with the state was being proposed which would allow the University freedom to increase and use its non-state income. He said doing so would increase the level of income from the University to Lane County.

Barbara Britt reported that her personal business had experienced a 40% drop in revenues since September 11. She said the typical forest and geophysical study completed had changed from large projects lasting up to 60 days to small, single day efforts.

Mr. Spencer reported that he was an active member of the Lane County Labor Council and participated in economic development processes, especially work force development projects, even though he was Program Director of the Ecosystem Workforce Program. He distributed copies of information regarding the program and described its efforts.

Mr. Shine reported that Lane Community College would be able to re-instate some of its occupational training programs because of support for them provided by area businesses. He said negotiations had been successfully completed to establish a new work contract with school faculty and that the budget crisis faced by the school continued.

Mr. Tamulonis reported that business development in Springfield continued to be active. He described the number of companies which had transferred their operations there.

Mr. Pawlowski announced that the next LEC meeting was scheduled for June 17.

The meeting adjourned at 1:05 p.m.

(Recorded by Dan Lindstrom)

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