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## AGENDA COVER MEMORANDUM

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AGENDA DATE: 4/7/04

TO: LANE COUNTY BOARD OF COMMISSIONERS

FROM: Don Hampton, Chair Economic Development Standing Committee

PRESENTED BY: Peter Thurston, Community and Economic Development Coordinator

AGENDA ITEM: RESOLUTION/ORDER/IN THE MATTER OF ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS BY THE STATE OF OREGON TO GLORY BEE FOOD, INC.

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I. MOTION: IT IS MOVED THAT THE RESOLUTION/ ORDER BE ADOPTED IN THE MATTER OF ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS BY THE STATE OF OREGON TO GLORY BEE FOODS, Inc.

II. ISSUE OR PROBLEM Shall Lane County permit the issuance of industrial revenue bonds by the state of Oregon to Glory Bee Food, Inc.?

### III. DISCUSSION

#### A. Background.

GloryBee Food Inc. requested that Lane County confirm their project consistent with land use law and economic development plans. Glory Bee Foods began in 1975 and the business has grown into three different multifaceted divisions: Manufacturing, Distribution, and Mail Order. Industrial development bonds (IDB's) have been a part of the general class of municipal bonds issued by the State of Oregon. The Oregon Economic Development Commission is authorized by statute to issue industrial development bonds for qualified projects throughout Oregon. Authority for the day-to-day operation of the industrial development revenue bond program has been delegated to the Oregon Economic and Community Development Commission's Finance Committee.

#### *State Requirements:*

Generally, eligible activities include manufacturing, processing, warehousing, research and development, natural resource utilization, and certain tourism-related facilities. Before determining that a project is eligible for bond financing, the Finance Committee must find that the project is cost effective, considering both major expenses and major public benefit. The State also requires confirmation by the Board of Commissioners that the project complies with local zoning and comprehensive plan, and with statewide land use goals. Springfield Development Services Department provided a letter confirming that the proposed use and parcels are consistent with zoning.

#### B. Analysis.

GloryBee Foods, Inc, seeks to expand plant facilities to approximately 80,000 to 100,000 sq. feet. Over the last almost 29 years, GloryBee has buying and selling natural and organic foods and ingredients for natural craft supplies. The company is seeking the best way to finance this large expansion. The industrial bonds financing appears to be one way in which GloryBee Food Inc. can receive long term financing at a fixed rate which the banks can not and will not do. A larger facility would allow GloryBee to continue growing. GloryBee currently has seventy-five employees. A new facility would allow GloryBee to grow to 100 or more employees. It would also enable the business to carry more inventories and increase the

diversity of products. Growth has slowed because of limited capacities, and an expansion would address the businesses' needs, but it would also help the community by creating more jobs and continue to make its mark around the world as the Eugene/Springfield area is home to GloryBee Foods, Inc. New jobs is the number one goals of Lane County's Economic Development Program.

Glory Bee Foods is in compliance with the Springfield zoning code as the parcels of land that will be used are all within the boundary of the Springfield Enterprise Zone II and are planned and zoned Light Medium Industrial in the Wildish Industrial Park, and are zoned appropriately for food manufacturing and processing as outright permitted uses (See Exhibit A).

BCC approval will allow the State to continue the process by which GloryBee Foods, Inc. may receive the Industrial Revenue Bond to support their project

C. Alternatives/Options. The Board may:

- 1) Approve the ORDER authorizing the issuance of industrial development revenue bonds by the state of Oregon to Glory Bee Foods, INC.
- 2) Decline the Order; instruct staff how to proceed

D. Recommendations. Number 1 is recommended, authorizing the issuance of industrial development revenue bonds by the state of Oregon to Glory Bee Foods, INC.

E. Timing. This step allows the state to proceed with the Industrial Revenue Bond process.

IV. **IMPLEMENTATION/FOLLOW-UP** Upon approval of the Board, a copy of the RESOLUTION/ORDER will be supplied to GloryBee Foods, Inc., and the Oregon Economic Community Development Department.

#### ATTACHMENTS

RESOLUTION/ORDER

Exhibit A – Letter from City of Springfield Planning Department

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JAN 16 2004

SPRINGFIELD

# CITY OF SPRINGFIELD, OREGON

DEVELOPMENT SERVICES DEPARTMENT

225 FIFTH STREET  
SPRINGFIELD, OR 97477  
(541) 726-3753  
FAX (541) 726-3689  
[www.ci.springfield.or.us](http://www.ci.springfield.or.us)

January 13, 2004

Dick Turanski  
GloryBee Foods, Inc.  
P.O Box 2744  
Eugene, OR 97402

Dear Mr. Turanski:

This verifies that the three parcels of land on your map designated Sites A & B (Tax lots, 1803031101100, 1803031101200, and 1803031200700) west of Nugget Way and south of 19<sup>th</sup> Avenue in Glenwood are all within the boundary of the Springfield Enterprise Zone II and are planned and zoned Light Medium Industrial in the Wildish Industrial Park.

The land is zoned appropriately for food manufacturing and processing as outright permitted uses and based on the information we have your proposed uses are allowed. As you know there are additional development standards in the Springfield Development Code and state building code for the development sites and construction of buildings you are considering. Our staff will work with you in ensuring the process will work smoothly.

I hope the information is what you need to further your development and financing. If you have questions or need further information please call me at 541-726-3656. I'll try to improve on my turnaround times for your activities.

Sincerely,

*John Tamulonis*  
John Tamulonis *gc*  
Springfield Community & Economic  
Development Manager

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

**RESOLUTION/ORDER #     ) IN THE MATTER OF ISSUANCE OF INDUSTRIAL  
                                  ) DEVELOPMENT REVENUE BONDS BY THE STATE  
                                  ) OF OREGON TO GLORY BEE FOODS, INC.**

**WHEREAS**, Glory Bee Foods, Inc. has applied to the state of Oregon for Industrial Development Revenue Bonds to fund the Glory Bee Foods, Inc. project and,

**WHEREAS**, the Lane County Board of Commissioners finds that the development of the Glory Bee Foods project would foster the economic growth and legislative policy as set forth in ORS 285B.320, and

**WHEREAS**, the Board finds that the project complies with the provisions of Springfield Enterprise Zone, as documented in a letter from the Springfield Economic Development dated 1/13/04 and,

**WHEREAS**, the board has determined that the Glory Bee Foods, Inc. project is consistent with the comprehensive plan acknowledged by the Land Conservation and Development Commission pursuant to ORS chapter 197, and

**WHEREAS**, ORS 285B.332 requires, before the issuance of revenue bonds by the State of Oregon, that the governing body of the County endorse the project, and

**WHEREAS**, the Board finds that the completion of the Glory Bee Foods project in the Glenwood area of Lane County would be in the best interests of the citizens of Lane County, **IT IS HEREBY RESOLVED/AND ORDERED**

That Lane County requests the Oregon Economic & Community Development Commission and the State of Oregon to assist in the financing of the Glory Bee Food, Inc project within Glenwood in Lane County, through the issuance of revenue bonds as provided by ORS 285B.320 to ORS 285B.377.

Dated this \_\_\_\_\_ day of April 2004

\_\_\_\_\_  
Bobby Green Sr., Chair  
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM  
Date 3/29/04 Lane county  
Jesse Smith  
OFFICE OF LEGAL COUNSEL