

T. 5.a.

AGENDA COVER MEMORANDUM

AGENDA DATE: November 23, 2004

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: ORDER/IN THE MATTER OF COMMITTING \$150,000 FROM THE VIDEO LOTTERY ECONOMIC DEVELOPMENT OPERATIONAL RESERVE TO PROJECT FUNDS IN FY 04-05 FOR THE MOLECTULAR PROBES - LANE COUNTY EXPANSION & JOB CREATION PROJECT

I. MOTION

IT IS MOVED THAT THE ORDER BE ADOPTED IN THE MATTER OF COMMITTING \$150,000 FROM THE VIDEO LOTTERY ECONOMIC DEVELOPMENT OPERATIONAL RESERVE TO PROJECT FUNDS IN FY 04-05 FOR THE MOLECTULAR PROBES - LANE COUNTY EXPANSION & JOB CREATION PROJECT

II. ISSUE OR PROBLEM

Shall Lane County authorize a transfer of \$150,000 in budget authority from Video Lottery Economic Development Operational Reserves and provide contract authority to implement the Molecular Probes – Lane County Expansion & Job Creation project? Shall the Lane Metro Partnership be authorized to facilitate this project and finalize the job creation and training commitments that will be derived from the expenditure of these funds.

III. DISCUSSION

- A. Background. Lane Manual Chapter 4 – Video Lottery Allocation Policy (please see Attachment A) provides for the commitment of video lottery economic development funds for programs and activities which support economic development in Lane County. Each year the Economic Development Standing Committee (EDSC) recommends a video lottery economic development budget to the Board of Commissioners. The video lottery budget is authorized in two categories: General Allocation for Economic Development Program and Economic Development Strategic Investment Program. Each year the Strategic Investment fund has an operational reserve established for business development opportunities that are determined to require a substantial and timely commitment of funds. This budget line item in the current fiscal year is \$424,545.

On November 9, 2004 Lane Metro Partnership submitted an application to Lane County for use of \$150,000 in economic development funds for the Molecular Probes project that will create 100 new biotechnology jobs (please see Attachment B). The application includes the request that the commitment of funds be made in the first part of December, in order to complete the negotiations. There are State of Oregon training funds, federal training funds, and state funds for construction, and private sector commitments that combine to complete the project. Lane Metro Partnership is taking the administrative role in the project implementation and needs the commitment of local funds to match other commitments to the project

- B. Analysis. The Molecular Probes project creates 100 new high-tech jobs, involves commitment of over \$1 million in state funds and \$16 million in private sector funds. The average wage for these jobs is about \$52,000 per year. The project also retains 250 existing positions and develops a state-of-the-art laboratory and biotechnology facility. These objectives are directly in line with Lane County's goals to create high paying jobs in the high tech industry.

Upon receipt of the proposal, public notice was given, and the EDSC held a special meeting on November 10 to consider the proposal. The committee considered the size, urgency, impact, accountability, and importance of the project to Lane County's economy. Providing accountability of the outcomes (100 new jobs) was given heavy consideration. The committee considered impact on the current request for proposal (RFP) process and the over all availability of video lottery economic development funds in the reserve. The consensus of the committee was to recommend that the Board of County Commissioners: 1) award \$150,000 for the project to be moved from video lottery economic development operational reserves to project funds for the Molecular Probes – Lane County Expansion & Job Creation project, 2) keep the current RFP Open Proposal Cycle in place, 3) expedite the Board of Commissioners consideration of the proposal and set the objective of moving the funds in the December 2004 supplemental budget process, and 4) provide for pay back of funds if project outcomes are not met.

The above recommendation is consistent with the purposes for which the operational reserve is maintained. This project is of significant size and nature that it is essential to send a clear message that Lane County supports this type of investment in the economy. The recommendation is consistent with the commitments of state agencies including the Governor's office and the state university system goals for development of biotechnology. Time is of the essence in providing the negotiators with commitment of all project funds. The Lane Economic Committee heard a report on the project at their November 15 meeting and voted unanimously to recommend the Board of County Commissioners support the project from the opportunity reserve.

The Order directs that \$150,000 of reserve funds be moved in the next supplemental budget action to the economic development projects category for expenditure on the Molecular Probes project. The next supplemental budget action is scheduled for early December 2004. Lane Metro Partnership is identified in the Order as the

administrator who will negotiate to be sure the outputs and outcomes are listed in the recommended contract language. These outputs and outcomes will be based on the state's requirements for return of funds if outcomes are not met.

The regular request for proposal process will not be affected by the commitment of operational reserve funds. Upon approval of the Board, the current fiscal year operational reserve will stand at \$274,545.

C. Alternatives/Options

The Board may:

- 1) Approve the ORDER directing that funds be committed to the Molecular Probes project, or
- 2) Request more information, or
- 3) Decide not to transfer funds for the project.

D. Recommendations.

Number 1 is recommended, adopting the Order to commit video lottery economic development funds for the Molecular Probes project and authorize Lane Metro Partnership to negotiate the final details of the job creation and training commitments.

E. Timing. Time is of the essence in providing the commitment of funds. These funds complete the funding package presented by the state of Oregon and local government to enhance job development in the biotechnology business proposed by Molecular Probes. Once the commitment is made, there will be a period of negotiation and specification of the outcomes that will result when these and other leveraged funds are expended on the project. Accounting for specific outcomes for job creation and employment training will be included.

IV. IMPLEMENTATION/FOLLOW-UP

Upon approval of the Board, Lane Metro Partnership will continue the process of finalizing the project and present the specific outputs and outcomes to be included in the contract for distributing the funds. The project contract will then be prepared in substantial conformance with the proposal presented to the Board of County Commissioners.

ATTACHMENTS

ORDER

A – Lane Manual Chapter 4

B - Molecular Probes application for funding

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) IN THE MATTER OF COMMITTING \$150,000 FROM
) THE VIDEO LOTTERY ECONOMIC DEVELOPMENT
) OPERATIONAL RESERVE TO PROJECT FUNDS IN FY
) 04-05 FOR THE MOLECTULAR PROBES - LANE
) COUNTY EXPANSION & JOB CREATION PROJECT

WHEREAS, Lane County has goals and objectives to promote economic development through job creation and training of the workforce for better paying job opportunities, and

WHEREAS, The Board of County Commissioners has held in reserve video lottery economic development funds for opportunities that require immediate action in order to leverage jobs and training, and

WHEREAS, Lane County received a proposal from Lane Metro Partnership on behalf of Molecular Probes, supported by the Governor of the State of Oregon and a number of other state and federal agencies, and

WHEREAS, Economic Development Standing Committee (EDSC) has reviewed the proposal from Molecular Probes and recommends that this project be funded from the opportunity fund operational reserve, criteria for outcomes measurements be set similar to the state of Oregon's standards, and that the action be expedited, and

WHEREAS, Lane Economic Committee supports the use of video lottery economic development opportunity reserve funds for the project, and

WHEREAS, the Board of County Commissioners has reviewed the proposal and found that time is of the essence in supporting this proposal and it is in the public interest to provide funding for this project in a timely manner; now, therefore,

IT IS HEREBY ORDERED that the Molecular Probes project is awarded \$150,000 from the Strategic Economic Development Operational Reserve, as proposed for the purposes of supporting construction of new laboratory facilities, and as leverage from state and private organizations in support of the Molecular Probes Expansion and Job Creation project.

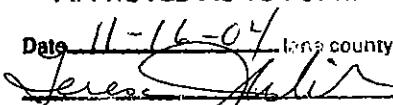
FURTHER ORDERED, that Lane Metropolitan Partnership is authorized to negotiate the uses of these funds for the outputs and outcomes listed in the application and recommend the specific terms of the contract when all matching funds are committed.

FURTHER ORDERED that county administration staff is directed to implement the transfer of funds for this project in the next supplemental budget.

Signed this 23th day of November, 2004.

APPROVED AS TO FORM

Date 11-16-04 Lane County


OFFICE OF LEGAL COUNSEL

Bobby Green Sr., Chair
LANE COUNTY BOARD OF COMMISSIONERS

Chapter 4

VIDEO LOTTERY ALLOCATION POLICY

4.100 Purpose. The Video Lottery Allocation policy reaffirms the philosophy that video lottery receipts must be applied to programs and activities

which support economic development in Lane County. Video lottery revenue is received from the State of Oregon as a transfer from the Oregon State Lottery Fund. The Oregon State Lottery Fund is governed by Oregon Constitution, Article XV Section 4. This policy defines economic development activities for Lane County and provides guidance for strategic allocation of video lottery funds to economic development programs and activities. This policy reaffirmation is the basis for all video lottery allocation decisions. The intent of the policies is to encourage partnerships between the County, communities within the county and other parties directly involved in activities, which meet one or more of the four development categories defined below for Lane County citizens.

4.105 Definition of Economic Development. Economic development is 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 and provide a stable tax base. In order to create an effective program that works to improve the local economy, the County will consider any one or all of the following categories of development, based on the geography, economy, and policies of local jurisdictions including unincorporated areas:

(1) Organizational Capacity Development. Develop capacity to address the economic development needs of the community. Enhance the ability to develop strategies, raise funds, and work in a more efficient manner with partners (e.g., committees, commissioners and forums).

(2) Community Development. Investments to include but not be limited to infrastructure, downtown areas, gateways, business parks, speculative buildings and/or public/private partnership opportunities.

(3) Business Development. Programs that encourage business growth and investment such as business attraction, retention and expansion, tourism, and start-up and emerging businesses.

(4) Workforce Development. Partnerships between business, education and government that build the skills of the local workforce.

4.110 Allocation. Within the above definition, the revenues derived from the State's 2.5% video lottery distribution shall be allocated between two

economic development categories. Through the annual budget process, the Board shall appropriate a maximum of 50% of the annual receipts to general allocation programs and the remainder (50% minimum) of the annual receipts for economic development strategic investment projects. All (100%) of unspent monies from previous years shall be appropriated for economic development strategic investment projects.

(1) Category 1 - General Allocation for Economic Development Program. Up to half (50%) of the County's annual receipts from video lottery revenue shall be allocated to the Category of General Allocation Economic Development Program. The purpose of the General Allocation is to pay for ongoing County programs and services which meet the adopted definition of economic development. The rationale is that citizens, tourists, employees and potential business owners shall benefit from a stable economic base, prepared and ready workforce, nurturing atmosphere for business growth and investment and consistent and knowledgeable development staff. Guidelines for the General Allocation for Economic Development Program shall be:

(a) The cost of administering the video lottery receipts shall be paid with video lottery funds from the General Allocation category.

(b) A working capital reserve for General Allocation programs may be maintained.

(c) The County may continue to participate in forums for exchanging ideas and addressing the economic development needs of the County.

(d) The County may contract with other agencies for the purpose of community/county promotion, marketing/recruitment, and other economic development support services, the sole purpose of which is to build capacity over time and increase and/or stabilize the economy of the County and its citizens.

(e) The County may maintain or hire County staff internally or contract with other agencies to provide economic development support services to the county and/or communities within the county.

(2) Category 2 - Economic Development Strategic Investment Program. The County shall establish the "Economic Development Strategic Investment Program." The purpose of this category is to assist communities to pro-actively leverage video lottery dollars through public-private partnerships that will make a measurable difference in the economic growth and stability of Lane County. This program shall be capitalized annually with a minimum of 50% of the new video lottery revenue received each year from the Oregon State Lottery Commission's transfer to counties for economic development activities. In addition, all revenue unspent in previous years will be added to this category. General guidelines for this category shall be:

(a) Any activity or project supported by this program must demonstrably and directly increase the chance of making a measurable difference to the economy of Lane County and its citizens.

(b) Projects are expected to have some financial support other than video lottery money.

(c) Allocations toward projects or facilities identified in a recognized capital improvement plan (e.g., the County, community within the county or economic development organization's capital improvement plan) shall receive priority consideration.

(d) Projects that require multi-year commitments may be funded.

(e) Allocations shall be made by the Board upon the advice of the Economic Development Standing Committee, after review and comment by the Lane Economic Committee.

(f) No obligation shall exist to recommend an annual expenditure from this category. Projects should only be recommended for funding if they substantially meet the general guidelines and can demonstrate a direct impact on economic development of the community. Some or all of the funds may be carried over in any year for larger allocations in a later year.

(g) The cost of administering the Economic Development Strategic Investment program shall be paid with video lottery funds from the economic development strategic investment category.

Lane County Economic Development Project
Section 1
Proposal Cover Page

Grant Amount Requested: \$150,000.00

For: Business Development, Retention, Expansion, Job Creation and Capacity Building.

Source: Lane County's Strategic Opportunity Reserve Account.

Match Amount Proposed: \$16,210,000.00

PROJECT TITLE: Molecular Probes – Lane County Expansion & Job Creation

Principal Project Organization: Lane Metro Partnership

Address 1401 Willamette Street – Second Floor
 Eugene, OR 97401

Project Contact Person: Glenda Poling

Phone: 541-686-2741 *Fax:* 541-686-2325

E-mail: Glenda@lanemetro.com

Person/Agency preparing fiscal reports _Kathy Baker

Title: ____ Financial Administrator

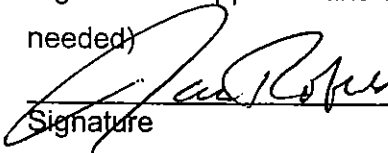
Address ____ 1401 Willamette Street Second Floor ____
 ____ Eugene, OR 97401 ____

Phone: ____ 541-686-2741 ____ *Fax:* ____ 541-686-2325 ____

E-mail: ____ Kathy@lanemetro.com ____

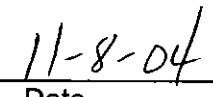
Our representative, _____, attended the pre-proposal conference on behalf of this project.

Signature of Applicant and each Partner included in Proposal (Copy and Use additional sheets as needed)



Signature

Jack Roberts
Executive Director



Date

Lane Metro Partnership
Applicant Organization

Lane County Economic Development Project
Section 2
Project Summary

The Molecular Probes – Lane County Business Expansion and Job Creation project is a vitally important business development and investment opportunity for the Lane County Community as it features one of the State of Oregon's and Lane County's most sought after targeted industries. The Molecular Probes \$16 million (+) expansion and capacity building project will make this area even more attractive to similar businesses and industries in the bio-tech / bio-medical research & development life technologies and health sciences field. The collaborative relationships that are forming between Molecular Probes, its local suppliers, the State of Oregon Economic & Community Development Department, its educational partners - the University of Oregon, the Riverfront Research Park and Oregon State University, Lane Workforce Partnership and the local jurisdictions, all serve to build the skills of the local workforce.

Molecular Probes was founded in 1975 in Minnesota by Drs. Richard and Rosaria Haugland as a life sciences and biomedical research & development company. Based in Eugene since 1982, the company was privately held until 2003, when it was purchased by Invitrogen Corporation. Molecular Probes is the largest biotechnology company in Oregon. More than half of their approximately 250 employees are technical staff, and 45 are Ph.D. chemists, biochemists, cell biologists and molecular biologists. As a result of consistent growth, the company has expansion plans that outsize their existing facilities which are currently situated on an eleven-acre campus. Molecular Probes strength in organic chemistry, combined with Invitrogen's leading capabilities in the bio-tech field favorably positions the Eugene campus for expansion as a world-wide center of excellence.

To ensure the Eugene campus remains competitive as a viable location for the expansion, and to build on the momentum already established by Molecular Probes, we are seeking \$150,000 from Lane County's strategic opportunity reserve account to assist with the Molecular Probes expansion project to replace some of their existing facilities and create a new state-of-the-art chemistry lab and training center.

The Molecular Probes/Invitrogen expansion project in Lane County will retain approximately 250 employees and create 100 new high wage jobs within a four year time frame. The State of Oregon has committed a total of \$1 million dollars from the Strategic Reserve Fund and the State-wide Employers Workforce Training Fund.

The average combined wage for the jobs that will be retained and created is \$26.00 /hr plus a fully loaded employee benefit package, results in an annual average wage of more than \$52,000 per year – approximately \$22,000 more than Lane County's average annual wage posted for all industries in 2003.

Lane County Economic Development Project

Section 3 Project Narrative

1) Project Focus and Scope:

a.) Business Development:

The Molecular Probes – Lane County Business Expansion and Job Creation project is a vitally important business development and investment opportunity for the Lane County Community as it features one of the State of Oregon's and Lane County's most sought after targeted industries. The Molecular Probes \$16 million (+) expansion and capacity building project encourages growth by making this area even more attractive to similar businesses and ancillary / supplier industry clusters in the bio-tech / bio-medical research & development life technologies and health sciences fields. This project embodies business development and facility expansion; it retains existing jobs and creates new permanent high wage jobs. The project includes workforce development components by replacing existing facilities and creating a state-of-the-art chemistry lab and training center for its employees.

Molecular Probes is the largest biotechnology company in Oregon. Its strength in organic chemistry, combined with Invitrogen's leading capabilities in the bio-tech field favorably positions the Eugene campus for expansion as a world-wide center of excellence. More than half of the approximately 250 employees are technical staff, and 45 are Ph.D. chemists, biochemists, cell biologists and molecular biologists.

With the Molecular Probes / Invitrogen expansion, Lane County is poised to become the next research triangle. The bio-medical research & development industry is growing, and its future is guaranteed as advances in bio-medical and life technologies are discovered. Communities that make an investment in the bio-medical research and development industry today will reap future benefits many times over.

The Lane Metro Partnership is in its 20th year of working hard to recruit and retain businesses that create high-wage permanent full time jobs. Once dependent on a mono-industry economy – the timber industry – the State of Oregon and local jurisdictions, along with the Lane Metro Partnership began working together to identify and target specific industries that would diversify the economy and stabilize our tax base. The bio-technology / health sciences industry is one of our most coveted industries to grow in this state for those reasons.

Every indication is that Molecular Probes will choose Lane County for their multi-million-dollar expansion and job retention / creation project. Molecular Probes with its renowned reputation as an industry leader has conducted a national search for the optimal location for this expansion project and several states have been courting them with large incentive packages. Today, after more than a year of fervent effort among partner organizations, we are the company's number one site.

A large part of Molecular Probes decision to place Lane County on top of its list of potential sites, is the community's proximity to two nationally acclaimed universities with well established research and tech-transfer programs. And, of added interest to Molecular Probes is our state-wide desire to target and grow this particular industry cluster.

The \$150,000 grant request will help Molecular Probes/Invitrogen replace some of their existing facilities and create a new state of the art chemistry lab and training center. The business development / expansion project will allow the company to retain approximately 250 existing employees and create 100 new permanent full time high wage jobs within a three year time frame.

The chemistry lab and training center will be used, in part, to train new employees and offer career-ladder advancement opportunities. The average combined wage for the jobs retained, and the new jobs created, is \$26.00 /hr plus a fully loaded employee benefit package. These high-wage permanent jobs will have an average annual wage of more than \$52,000 per year – approximately \$22,000 more than Lane County's average annual wage posted for all industries in 2003.

Lane County Economic Development Project

Section 3 Project Narrative

2) Project Goals, Performance Measures (outputs and outcomes)

OUTPUT	OUTCOME	COST	TIME LINE
Molecular Probes		\$16,360,000	
Expansion / Construction of Chemistry Lab and Training Center	249 Jobs Retained 100 Jobs Created	\$16,360,000	January 2005 – January 2008

Lane County Economic Development Project

Section 3 Project Narrative

3) Project Support Organizations

The University of Oregon and the Riverfront Research Park, the Lane Metro Partnership, the City of Eugene and Lane County have a long history with Molecular Probes / Invitrogen that goes back at least twelve years to 1992 when this team worked diligently to entice Invitrogen to this area. Representatives from each of the above named organizations have joined the Metro Partnership in recruitment missions to Invitrogen in San Diego. In the early 1990's Invitrogen did make a decision to grow and expand, but they stayed in Southern California.

The Lane Workforce Partnership has a commitment to Molecular Probes / Invitrogen for their workforce development and training issues now and into the future. Additionally the Lane Workforce Partnership, through the State of Oregon Workforce Training Funds, has agreed to be the administrative agent of \$500,000 which has been committed by the Governor to the Molecular Probes expansion project.

The connection between the University of Oregon and Oregon State University with Oregon's largest biotechnology firm, aids in biomedical research and development. This capacity building alliance is a collaboration that will grow the biosciences industry in Lane County and throughout Oregon. The Lane Metro Partnership and the Lane Workforce Partnership have chosen this industry as one of Lane County's most coveted and targeted industry clusters.

Molecular Probes strength in organic chemistry, combined with Invitrogen's leading capabilities in the bio-tech field favorably positions the Eugene campus as a world-wide center of excellence and growth. The above named organizations offer their support as shown by the attached letters.

Lane County Economic Development Project

Section 3 Project Narrative

4) New Opportunities, Capacity and Readiness

The Molecular Probes – Lane County Business Expansion and Job Creation project is a vitally important business development that brings new opportunities for capacity building and it positions the Lane County area to become a world wide center of excellence. This investment opportunity for the Lane County Community features one of the State of Oregon's and Lane County's most sought after targeted industries.

The Molecular Probes \$16 million (+) expansion project is ready to proceed and will make this area even more attractive to similar businesses and industries in the bio-tech / bio-medical research & development life technologies and health sciences field.

The Molecular Probes/Invitrogen expansion project in Lane County will retain approximately 250 employees and create 100 new high wage jobs within a three year time frame. The State of Oregon has committed a total of \$1 million dollars from the Strategic Reserve Fund and the State-wide Employers Workforce Training Fund.

The average combined wage for the jobs that will be retained and created is \$26.00 /hr plus a fully loaded employee benefit package, results in an annual average wage of more than \$52,000 per year – approximately \$22,000 more than Lane County's average annual wage posted for all industries in 2003.

Lane County Economic Development Standing Committee

Budget Proposal and Narrative

Project Title: Molecular Probes – Lane County Expansion & Job Creation

Section 4

Proposed Expenses. The following Form may be expanded to one full page to describe specific project budget items and subcategories.

Budget Item	Description	Grant Funds	Percent of Grant Funds	Total
Construction	Chemistry & Training Lab	\$150,000.00	100%	\$ 150,000.00
Administration*	In-Kind Lane Metro Partnership			10,000.00
Total Matching funds	Molecular Probes State & Local Grants			\$16,200,000.00
TOTALS				\$16,360,000.00

Revenue for the Project.

Source	Description	Cash	Non-cash	Total
Proposed Grant	Lane County Expansion & Job Creation	\$150,000		\$150,000.00
Partner	Lane Metro Partnership Contract Administration		\$10,000.00	\$ 10,000.00
Partner	State of Oregon SRF	\$500,000		\$500,000.00
Partner	State of Oregon Workforce Training Fund	\$500,000		\$500,000.00
Partner	Lane County Workforce Response Team	\$100,000		\$100,000.00
Partner	Regional Investment Board	\$100,000		\$100,000.00
Molecular Probes	Private Sector Funding	\$15,000,000		\$15,000,000
Total				\$16,360,000.00

Are other grants or funding sources being pursued for the same or similar proposal? If yes, please describe: Regional Investment Board \$100,000; State of Oregon SRF \$500,000; State of Oregon Workforce Training \$500,000; and Lane County Workforce Response Team \$100,000; Lane Metro Partnership In-Kind \$10,000.

Lane County Economic Development Standing Committee

Project Performance Measures and Targets

Project Title: Molecular Probes – Lane County Expansion & Job Creation

Section 5

What are your proposed outputs and outcomes that will be used to measure success in meeting or exceeding the goal to create or retain jobs? Please see Attachment B for description of sample outputs and outcomes, and Attachment C for suggestions on creating performance measures for your proposed program. Which Oregon Benchmark (Attachment C) does the output or outcome related to? What is the project target for each output or outcome and when will results be reported?

Outputs (amount or frequency of project activity)	Oregon Benchmark	Project Targets	Reporting Timeframe
Business Expansion / Construction Of Chemistry Lab and Training Center	1,4,6,7,11	Facility Construction And Expansion	100% by January 08

Outcomes (impacts and long-term results from the project)	Oregon Benchmark	Project Targets	Reporting Date
Retain existing high-wage jobs	1,4,6,7,11	249 Jobs Retained	January 2005
Create new high-wage jobs	1,4,6,7,11	100 Jobs Created	January 2005 to March 2008

Lane County Economic Development Standing Committee
Project Title: Molecular Probes – Lane County Expansion & Job Creation

Section 6
Statement of Assurances and Proposal

The undersigned attests that the information provided to determine eligibility is true and accurate to the best of his/her knowledge. The undersigned further attests that he/she has the authority and/or responsibility to represent his/her organization in all phases of this Request for Proposal process. Finally, the undersigned understands that any false or substantially incorrect statement may disqualify this proposal from further consideration or be cause for termination of any further contract.

If this proposal is selected for funding, the undersigned provides assurances on behalf of his/her organization that the organization will comply with the General Conditions and Special Conditions in its subcontract with Lane County. The organization will also comply with all applicable federal, state, county and local statues, rules and funding criteria governing service, facilities and operations. Finally, the organization will submit all required reports, documents and forms within the allotted time for their submission.

The undersigned, as applicant, declares that he/she has carefully examined the specifications and requirements of the Lane County Request for Proposal packet and that applicant agrees, if the proposal is accepted, that applicant will contract with Lane County to furnish the services as specified, in accordance with the proposal offered here.

The Applicant hereby certifies that he/she is a resident bidder as defined in ORS 279.029, of the state of _____.

By initialing this space _____ applicant hereby certifies that he/she has not discriminated against minority, women, or emerging small business enterprises in obtaining any required subcontracts. By initialing this space _____ applicant hereby certifies that to the best of applicant's knowledge, he/she is in compliance with all the Oregon tax laws described in ORS 305.380(4).

The applicant represents that the proposal is in all respects fair and without collusion.

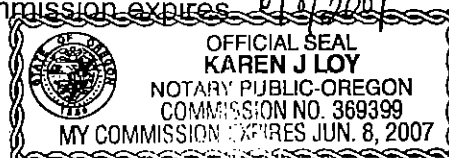
Signature _____
Jack Roberts, Executive Director
Printed or Typed Name and Title

11-8-04
Date
Lane Metro Partnership
Printed or Typed Agency Name

Subscribed and sworn to before me this 8, day of November, 2004.

By Karen J. Loy

Notary Public for the state of OR. My commission expires 6/8/2007



October 30, 2004

Glenda Poling
Lane Metro Partnership
1401 Willamette Street
Eugene, OR 97401



**Eugene Area
Chamber of
Commerce**

Dear Glenda,

On behalf of the Eugene Area Chamber of Commerce, I want to strongly endorse the application for \$150,000 from Lane County's strategic opportunity reserve fund to facilitate a proposed expansion of Molecular Probes / Invitrogen's here in Lane County.

Molecular Probes is the largest biotechnology company in Oregon. Its strength in organic chemistry, combined with Invitrogen's leading capabilities in the bio-tech field favorably positions the Eugene campus for expansion as a world-wide center of excellence.

Providing support from the Lane County Strategic Reserve Fund for the Molecular Probes / Invitrogen expansion will:

- Position our county as a center for bio-medical research & development: *The bio-medical research & development industry is growing, and its future is guaranteed as advances in bio-medical and life technologies are discovered. Communities that make an investment in the bio-medical research and development industry today will garner future benefits.*
- Facilitate the expansion of a company that has been an important part of Lane County for more than 20 years: *Throughout the past two decades Molecular Probes has a demonstrated history of responsible growth, community involvement and active partnerships with the University of Oregon.*
- Support quality jobs: *More than half of the approximately 250 Molecular Probes employees are technical staff, and 45 are Ph.D. chemists, biochemists, cell biologists and molecular biologists. The assistance from Lane County will retain 250 existing employees and create 100 new permanent full time high wage jobs within a three year time frame. The average combined wage for the jobs retained, and the new jobs created, is \$26.00 /hr plus a fully loaded employee benefit package.*

This is the right project and the right time to use Lane County economic development resources to secure an exciting, high quality job retention and expansion project. I strongly urge your support of the above mentioned request.

Best regards,


David Hauser CCE
President

1401 Willamette Street
P.O. Box 1107
Eugene OR 97440-1107
TEL: 541.484.1314
FAX: 541.484.4942



LANE WORKFORCE PARTNERSHIP
300 Country Club Road • Suite 120 • Eugene, OR 97401

October 27, 2004

Glenda Poling
Community Development Director
Lane Metro Partnership
1401 Willamette Street, Second Floor
Eugene, Oregon 97401

Dear Glenda:

I am pleased to submit this letter of support for the Lane Metro Partnership's request for \$150,000 of Lane County Economic Development funds to assist in the expansion of Molecular Probes' chemistry laboratory and training center.

Molecular Probes, Oregon's largest bio-technology employer, is nearing a decision to expand operations in Lane County. This decision comes after an extensive nationwide search placing Lane County in competition with locations offering significant incentive packages. Economic development and workforce partners, under the leadership of the Lane Metro Partnership, have worked diligently to make this local expansion possible.

The State Department of Community and Economic Development committed \$500,000 toward Molecular Probes' expansion. Governor Kulongoski has earmarked \$500,000 from his Strategic Workforce Development Fund to upgrade the skills of current employees. The Lane Workforce Partnership will serve as the fiscal agent for the Governor's funds. In addition, the local Workforce Response Team and the Employer Workforce Training Committee of the Lane Workforce Partnership have set aside \$100,000 for additional worker training if that becomes necessary.

The expansion of Molecular Probes continues the diversification of Lane County's economy and positions the area to be a critical player in the development of the state's bio-technology industry cluster. Importantly, Molecular Probes will retain 249 jobs and create close to a 100 new jobs. With an average annual wage of more \$52,000, these jobs will have the added effect of providing the catalyst for the creation of additional jobs for Lane County residents.

I strongly support the Lane Metro Partnership's request for \$150,000 and look forward to working with you to meet the workforce needs of Molecular Probes and the expanding bio-technology industry in Lane County.

Sincerely,

Chuck Forster
Executive Director
Lane Workforce Partnership



UNIVERSITY OF OREGON

October 27, 2004

Lane County Economic Development
125 East 8th Avenue
Eugene, OR 97401

Dear Lane County Economic Development Standing Committee:

On behalf of the University of Oregon, I am delighted to support the Lane Metro Partnership's request for a Strategic Opportunity Grant to assist Molecular Probes/Invitrogen. The grant would be of valuable assistance in helping MP/I expand its chemistry laboratories and associated training facilities to enhance Eugene's workforce. Molecular Probes is the largest biotechnology company in Oregon, and the company is destined to enlarge its Eugene-based operations since its acquisition by Invitrogen. Molecular Probes has vast research and development expertise in the area of organic chemistry, and Invitrogen plans to mould the Eugene operations into its worldwide center of excellence.

Molecular Probes/Invitrogen biosciences research expertise directly links to numerous UO centers, departments, and institutes, including the Monoclonal Antibodies Facility, Institute of Neuroscience, Institute of Molecular Biology, and the Chemistry and Biology Departments. More than half of the company's approximately 250 employees are technical staff, including 45 Ph.D. chemists, biochemists, cell biologists, and molecular biologists, many of whom are UO graduates. Selected UO faculty regularly consult with the company, and MP and the UO have a history of collaboration. Under license from the UO, the company sells an array of bioscience research tools, including green fluorescent proteins, monoclonal antibodies, and enzymes.

The growth of healthcare, agricultural, and biomedical applications are exploding, and it is exciting that Lane County has a company of this stature positioned to lead Oregon's biotechnology industry. The company is creating high-wage jobs for the knowledge economy and is aiding in the diversification of our local economic base. A relatively small investment from the strategic opportunity reserve will send an important message about the importance of this industry and company to all of us. I sincerely appreciate your thoughtful consideration of the Lane Metro Partnership's request.

Sincerely,

Richard Linton, Vice President
Research and Graduate Studies

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Extended Campus

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October 28, 2004

Jack Roberts
Executive Director
Lane Metro Partnership
1401 Willamette St.
Eugene, OR 97440

Dear Jack,

RE: Letter of Support for Grant Application to Lane County
For the Molecular Probes / Invitrogen Project

On behalf of the Extended Campus at OSU, I'm writing to provide support for the Partnership's grant application to Lane County for the Molecular Probes / Invitrogen Project. I believe that if this company chooses to locate its expansion in Oregon, it will be a positive economic boost for the southern Willamette Valley and the State. I can not emphasize enough the importance of knowledge-based job creation projects to the economic health and recovery of Oregon. Many have hoped that our employment rates in Oregon were better at this time, but the State is still hovering around 7.4% unemployment. This is still one of the highest rates in the nation. In the context of these times and this project, it needs to be noted that most new job creation in the State has been in low-wage industries (Oregon Labor Trends, October 2004 www.QualityInfo.org). If this company chooses to expand in Oregon, it will represent the type of investment that creates the knowledge-based high paying jobs that Oregon desires. I believe the economic incentives which attract and support these types of private investments and job expansion create benefits many times over for local communities.

Oregon State University has a long history of outreach to the state and local communities. One of the five main themes in the new OSU strategic Plan is:

"Optimizing enterprise, innovation and economic development"

Our plan also directly states:

"In today's high-technology global economy and fast changing world, we will be an engine for economic growth and social progress."

An anticipated impact of companies like this one expanding in Oregon is the creation of education / industry partnerships that will further benefit students and the workforce of this state. OSU has multiple resources supporting biotechnology, molecular and cellular biology, and other bio-resources. It is anticipated that the expansion of this company would support the creation of a research triangle in the southern Willamette Valley, which invariably would attract similar or supporting businesses of the industry. I believe this grant project would provide an effective incentive and create meaningful support for essential current workforce training. This contributes to positive economic development in the community and in the state.

Best Regards,

A handwritten signature in black ink, appearing to read "David Oatman", with a stylized, flowing script.

David Oatman

Director, Outreach Programs and Workforce Development