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AGENDA COVER MEMORANDUM

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AGENDA DATE: June 8, 2005

TO: LANE COUNTY BOARD OF COMMISSIONERS

PRESENTED BY: Peter Thurston, Community and Economic Development Coordinator

AGENDA ITEM: ORDER/IN THE MATTER OF APPROVING A THREE-YEAR INTERGOVERNMENTAL AGREEMENT AND CONTRACT FOR SUPPORT OF LANE METRO PARTNERSHIP

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I. MOTION

IT IS MOVED THAT THE ORDER BE ADOPTED /IN THE MATTER OF APPROVING A THREE-YEAR INTERGOVERNMENTAL AGREEMENT AND CONTRACT FOR SUPPORT OF LANE METRO PARTNERSHIP

II. ISSUE OR PROBLEM

Shall Lane County enter into an intergovernmental agreement with the cities of Springfield and Eugene to support the Lane Metro Partnership economic development activities, and sign an agreement with Lane Metro Partnership (LMP) to implement Lane County's part in the work plan?

III. DISCUSSION

- A. Background. Lane County and the cities of Eugene and Springfield have supported the Lane Metro Partnership (formally the Eugene/Springfield Metropolitan Partnership) since the mid-1980s to facilitate the objectives of business development, expansion, and creation of a broad-based regional economy that provides family-wage job opportunities. The current intergovernmental agreement in support of this program for improving the local economy expires on June 30, 2005.

The Lane County Economic Development Standing Committee to the Board of County Commissioners (EDSC) reviewed an updated draft of the intergovernmental agreement (IGA) and discussed it with the LMP executive director. A clause was added to the IGA stating that the LMP will endeavor to match the amount of public funds with private funds (paragraph 5). The EDSC recommends the IGA for approval by the Board of County Commissioners, in conjunction with approval and signing by the other public partners.

A services contract is referenced in the IGA as the method for establishing the scope of services to be delivered by LMP for each public agency. The LMP draft contract was updated and amended to reflect current programs for the coming three-year period. A provision was added specifying that the services contract may be terminated if video lottery economic development funds are insufficient to meet contract requirements (para 13.4). The services contract describes the scope of services, condition, and payment schedule over the three-year term of the agreement.

B. Analysis. The economic development video lottery budget for FY 05-06 includes a distribution in the amount of \$100,000 for LMP dues. Current expectations are that the video lottery economic development distributions will continue in FY 2005-06 at a similar level as recent years.

C. Alternatives/Options

The Board may:

- 1) Approve the ORDER directing the county administrator to sign the intergovernmental agreement and services contract with LMP, or
- 2) Request more information, or
- 3) Decide not to authorize the IGA and contract at this time.

D. Recommendations

Number 1 is recommended, to sign the intergovernmental agreement and services contract with LMP.

E. Timing. The IGA between Lane County, Eugene, and Springfield in support of Lane Metro Partnership expires on June 30, 2005.

IV. IMPLEMENTATION/FOLLOW-UP

Upon approval of the Board, the IGA will be circulated for signatures by the municipal parties, and the services contract will be executed with Lane Metro Partnership.

ATTACHMENTS

ORDER

A – Intergovernmental Agreement

B – Services Contract and work plan

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

**ORDER NO.**                                ) **IN THE MATTER OF APPROVING A THREE-YEAR**  
   ) **INTERGOVERNMENTAL AGREEMENT AND**  
   ) **CONTRACT FOR SUPPORT OF LANE METRO**  
   ) **PARTNERSHIP**

WHEREAS, Lane County, the City of Eugene, and the City of Springfield have supported the Lane Metro Partnership for many three years in their programs to promote business development, expansion of local businesses, and the development of a diversified economy that supports family-wage job opportunities, and

WHEREAS, it is essential to continue coordination of business and workforce development to most effectively and efficiently achieve the shared public economic development goals for the region, and

WHEREAS, the Board of County Commissioners has considered the recommendation of the Economic Development Standing Committee to the Board of Commissioners to approve the intergovernmental agreement and contract to facilitate the above economic development goals, NOW, THEREFORE IT IS HEREBY:

- 1) ORDERED that the intergovernmental agreement between the cities of Springfield and Eugene, and Lane County is hereby approved.
- 2) FURTHER ORDERED that and Services Contract between Lane County and Lane Metro Partnership is hereby approved.
- 3) FURTHER ORDERED that the County Administrator is authorized to sign the above agreements after review by County Counsel and in substantial conformance with the contract documents reviewed by the Board of Commissioners.

Signed this 8<sup>th</sup> day of June, 2005.

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Anna Morrison, Chair  
LANE COUNTY BOARD OF COMMISSIONERS

## **Intergovernmental Agreement for Delivery of Economic Development Services under ORS Chapter 190**

THIS AGREEMENT is entered into by and between Lane County, a political subdivision of the State of Oregon, the City of Eugene, an Oregon Municipal Corporation, and the City of Springfield, an Oregon Municipal Corporation, hereinafter referred to as LANE, EUGENE and SPRINGFIELD, respectively, and collectively as the Parties.

The purpose of this agreement is the joint development and execution of a specific program of economic development services benefiting the citizens of Lane County through support of the Lane Metro Partnership.

This agreement replaces and supercedes similar intergovernmental agreements entered into January 1, 1985 and 2002 by these Parties, and extends the mutual support of the Parties for the Lane Metro Partnership to engage the private-sector, facilitate job creation and promote business development in Lane County.

### **RECITALS**

THIS AGREEMENT is entered into with reference to the following facts:

1. The parties recognized in 1985 the value of a regional approach to economic development in entering into an intergovernmental agreement to jointly pursue economic development on a regional and countywide basis. That agreement anticipated a partnership effort between the public and private sectors to support economic development on an approximate proportional basis.
2. In 1989, with the passage of the video lottery by the Oregon State Legislature, counties have become the leading local government economic development agents because of a dedicated funding source from video lottery dollars that are constitutionally restricted to funding economic development. Lane County government has dedicated these funds to economic development purposes, with the emphasis on creation of jobs, reduce reliance on government services, train people for higher paying jobs, and generally improve the economy of the region.
3. The Oregon State Legislature has further placed Oregon counties in a leadership role for economic development by providing them a role in prioritizing funds from the Regional Investment Program.
4. Lane County has further demonstrated its leadership in economic development by establishing and facilitating a process for developing and managing facilities that support tourism throughout the county and by committing room tax receipts toward development of a visitor and tourism promotion program, coordinated through the not-for-profit Convention and Visitor Association of Lane County, Inc., These efforts bring visitors and dollars to Lane County and has the additional value of presenting the region to business travelers for consideration as a future business expansion location.
5. Lane County has additionally aided economic development of the region by committing a portion of its road funds for road purposes that enhance the ability of communities to provide business sites for industrial expansion.
6. The cities and Lane County have recognized the need for economic development to both provide jobs for their residents and promote property valuation growth to support and/or replace lost tax valuations by various means, including, but not limited to, development of industrial sites, making industrial sites shovel-ready at no or low costs, and expediting permitting and making available

property tax abatements. Each city within Lane County has implemented different strategies based upon the needs and desires of their citizens and governing officials. It is the right of each jurisdiction to develop its own economic development strategies and incentives within a coordinated development structure that benefits from oversight of development opportunities by an agency that works well with the private-sector.

7. It is recognized that in 1995, through the passage of Ballot Measure 50, Oregon has become a property tax rate state and as such the ability of local governments to increase revenues to support local government services is reliant on their ability to grow their property tax base.
8. From a business perspective, Lane County is viewed as a single regional economic and labor marketplace - economic and business practices do not recognize political boundaries.
9. Through joint participation in social service efforts, government officials have learned that Lane County suffers from a lack of higher-paying job opportunities that result in a higher demand for subsidized housing and a broad range of subsidized social services. It is understood that for many of those in need, the best social service is a high-wage job and career paths for upward mobility.
10. Lane County's economy has diversified significantly since the 1980's. The area, however, still suffers from the loss of high-wage wood products manufacturing jobs and economic growth has largely been in the service and retail sectors that are dependent on manufacturing distribution and professional services to bring new dollars into the regional economy
11. "Best Practices" in economic development have shown that economic development services are received and utilized most effectively by the business community when delivered through a public-private partnership via a dedicated private not-for-profit corporation. Such operations are viewed as a method of delivering broad community support through a single contact point for companies looking to locate or expand business operations, and offers the best opportunity for efficient operations.
12. "Best Practices" in economic development have shown that the most successful efforts are those that are targeted in nature, have effective management, and are adequately funded by all participants.

## AGREEMENTS

In consideration of the terms and conditions set forth herein, the parties agree as follows:

1. **PARTIES TO THE AGREEMENT:** The parties to this agreement are LANE, EUGENE and SPRINGFIELD. It is understood that the parties will work in partnership with the Eugene and Springfield Chambers of Commerce and Lane Metro Partnership to coordinate and implement the economic development services described herein within the metropolitan area and Lane County.
2. **PURPOSE:** The purpose of this agreement is to provide an organization for expanding and developing business and job opportunities by recruiting, locating, and assisting businesses to grow throughout Lane County. Through these activities that promote an "open for business" environment, job opportunities will be created for Lane County residents and additional tax revenues generated from increases in the tax base to be used by local governments to stabilize, support and increase public services. This purpose shall not be construed to require the duplication of economic development efforts performed by other public or private organizations unless such duplication is necessary to the successful accomplishment of the Scope of Work, as described below and will be reported on annually by the operating board of the Lane Metro Partnership.

3. SCOPE OF WORK: Subject to each party complying with applicable public contracting laws, each agrees to contract with Lane Metro Partnership, (LMP) to provide services such as the following:

- a. Obtain, maintain and provide site and building information on properties throughout Lane County to qualified prospects that wish to expand existing business operations or locate new business operations in Lane County, and present recommendations to the Parties about the needs for sites and facilities that will support the development and expansion of business opportunities in the future.
- b. Obtain, maintain and provide cost information, labor information, regulatory information and other information of use to qualified prospects that wish to locate new or expand existing business operations in Lane County, and present recommendations to the Parties about ways to coordinate such information for more effective results in the future.
- c. Obtain, prepare, maintain and provide community information and other marketing materials to be provided to qualified prospects and other persons, organizations or entities that wish to locate or expand business operations in Lane County or may be engaged or retained to assist other qualified businesses and investors who wish to locate or expand business operations in Lane County. These materials may be provided through media determined appropriate by LMP.
- d. Identify and target industries and industry clusters that provide high-wage jobs, in collaboration with each local community, that provide good benefits and working conditions, and that are compatible with our communities' values, needs and aspirations. Direct efforts to these targeted industries to persuade them to locate business operations in Lane County.
- e. Coordinate site visits for qualified prospects
- f. Establish and maintain a referral network to assist qualified prospects to locate or expand business operations in Lane County. Such referral network may include, but not be limited to sources of leads such as the Oregon Economic and Community Development Department and other private and public sources.
- g. Report periodically, as specified in the contracts, on operations and future plans.

4. CONTRACTOR: Each of the parties hereto shall enter into a contract for services with, and make the cash payments described in the next paragraph to LMP. LMP shall be solely responsible for structuring its board, however a director position shall be provided to an elected member of each of the parties to this agreement. The chief administrative officer of each party to this agreement shall be provided non-voting positions on the board. LMP shall adhere at all times to sound business practices and annually provide financial statements.

5. CONTRACT AMOUNTS: Subject to annual budget approval, the parties agree to annually contract for services with LMP in amounts not less than as follows:

LANE COUNTY	\$100,000
CITY OF EUGENE	\$ 50,000
CITY OF SPRINGFIELD	\$ 50,000

It is expected that LMP will raise additional funding from the private and public sector that will be supplemental to the foregoing amounts of public funds paid for services; and that LMP will endeavor to match the amount contributed by the public sector with contributions received from the private sector.

6. ADDITIONAL SERVICES: The parties to this agreement may, at their option, request additional services from LMP. Such additional services shall be fully funded from sources provided by the requesting party and be additional to, and not interfere with, LMP's mission.

7. DURATION: This agreement shall be for three years beginning on July 1, 2005 and continuing up to and including June 30, 2008. This agreement shall be reviewed annually and may be extended with the mutual consent of the parties hereto.

8. AMENDMENTS: This agreement may be amended or modified in full or in part by the consent of all of the Parties. The agreement or modifications shall be in writing and be signed and dated by all of the Parties.

9. TERMINATION: Any Party may withdraw from this agreement with or without cause upon the giving of not less than six months' written notice to the other Parties of this agreement. This notice may be waived upon the consent of all of the parties to this agreement.

10. THIRD PARTY BENEFICIARIES. No party, specifically including, but not limited to LMP, shall be deemed a third party beneficiary of this Agreement.

#### LANE COUNTY

By: \_\_\_\_\_  
William A. VanVactor  
Its Administrator

Date: \_\_\_\_\_

#### CITY OF EUGENE

By: \_\_\_\_\_  
Its City Manager

Date: \_\_\_\_\_

#### CITY OF SPRINGFIELD

By: \_\_\_\_\_  
Michael A. Kelly  
Its City Manager

Date: \_\_\_\_\_

## **CONTRACT FOR SERVICES**

This agreement is entered into between the **LANE METRO PARTNERSHIP**, an Oregon nonprofit corporation (Partnership), and **LANE COUNTY** (County), a political subdivision of the State of Oregon, for the purpose of providing assistance to Lane County businesses and related economic development services.

### **RECITALS:**

1. County has determined that it is in the public's interest to promote and expend public funds on the economic development, particularly through business development, job creation and work force development. Such efforts, to be successful, must coordinate private and public sector efforts.
2. Partnership, as a broad-based community organization formed for the purpose of promoting economic development, has special and unique expertise in assisting businesses in Lane County to develop, locate, expand and improve family-wage job opportunities.
3. Because of the use of public funds by Partnership as payments for services to County, special reporting and accountability provisions are needed in this agreement.
4. Accountability for the expenditure and use of public funds paid for services is promoted further through the use of representatives of public agencies on the Board of Directors and Operating Board of Partnership.

### **AGREEMENTS:**

1. Obligations of Partnership. Partnership shall:
  - 1.1. Perform economic development and business assistance services, as described in Attachment A, in a manner reasonably satisfactory to County;
  - 1.2. Provide County with quarterly written activity reports within 30 days of the close of the quarter detailing performance of the work plan as described in Attachment A;
  - 1.3. Provide County, on or before the 20<sup>th</sup> day of each month, with a balance sheet, which may be unaudited, showing current assets, liabilities, equity accounts, and a statement of revenues and expenditures;
  - 1.4. Provide an annual Audit Report, including opinion and financial statements, prepared by a Certified Public Accountant consistent with generally accepted auditing standards. The Audit Report shall be provided to County within 90 days after completion of Partnership's fiscal year; and
  - 1.5. Acquire insurance coverage for all reasonably insurable risks. Such insurance policies shall name County as an additional insured, and the insurance proposal shall be submitted to County for review prior to its purchase.
2. Obligation of County. In consideration of the services outlined in Paragraph 1, and subject to the availability of funds, as provided for in paragraph 13.4, below, County shall pay to the Partnership the sum of **\$100,000.00** in each of the subsequent fiscal years: FY 2005-06, FY 2006-07, and FY 2007-08, payable in four equal installments each year on: **August 1, November 1, February 1, and May 1.**



- 3 Limitation on Use of Funds. No money paid to Partnership by County under this agreement may be used for obtaining any direct and personal financial advantage or pecuniary benefit by any officer, director, member of the Operating Board or employee of Partnership as a result of use or his or her association with Partnership, a direct, personal pecuniary benefit shall not be interpreted to mean business contracts made with new businesses recruited by Partnership unless such contract directly results from use of confidential information obtained by an officer or director of Partnership as part of his or her activities on behalf of Partnership.
- 4 Conflict of Interest. No officer or member of the Board or Operating Board of the Partnership shall cast a vote or participate in any decision in which that member has a direct economic interest. A member or officer shall declare any potential conflict of interest prior to voting on any matter.
- 5 Procurement. All contracts shall be awarded pursuant to competitive procurement procedures adopted by the Operating Board.
- 6 Term. This contract shall begin on July 1, 2005, and continue, unless terminated pursuant to Paragraph 12, below, to and including June 30, 2008.
- 7 Inspection of Records. All written records of the Partnership shall be available for inspection by County or any member of the public with the following exceptions: records relating to personnel matters, litigation or litigation reasonably likely to occur, property transactions, business recruitment activities and prospects, and fundraising activities.
- 8 Open Meetings. All meetings of the Partnership's Board of Directors and Operating Board shall be open to the public with the following exceptions; Meetings pertaining to personnel matters, litigation or litigation reasonably likely to occur, property transactions, business recruitment activities and prospects, and fundraising activities.
- 9 Hold Harmless. The Partnership agrees to indemnify, hold harmless and defend County, its officers, employees and agents, from and against all claims, suits, actions, damages, costs, losses and expense in any manner resulting from, arising out of, or connected with any act or omission of the Partnership. The applicable provisions of Lane Manual setting forth standard provisions for public contracts (LM 21.130) are hereby incorporated by reference as if fully set forth herein.
- 10 Contractor Status. The Partnership, in receiving money from County and in providing services to County shall, at all times, be deemed an independent contractor. The parties acknowledge that any contract entered into between the Partnership and third parties is not an obligation of County. The Partnership will not represent that it has power or authority to contractually obligate County.
- 11 Nondiscrimination. The Partnership will not discriminate in providing its services on the basis of race, religion, color national origin, sex, marital status, age, sexual orientation, or mental or physical handicap.

- 12 Modification. Changes in this contract may only be made by further written agreement of the parties.
- 13 Termination.
- 13.1 Either party may terminate this contract without cause upon giving not less than six months' written notice of the date selected for termination. This six-month notice may be waived by mutual consent. Each party shall continue to perform the agreement during the period after giving the notice and prior to the effective date of termination.
- 13.2 Either party may terminate this contract for cause if the other party has failed to comply with any term, condition or obligation under this agreement after giving 30 days written notice of such default to the other party if the other party has not taken substantial steps to correct the default.
- 13.3 County shall not be liable for any financial payment for which it is obligated under Paragraph 15. for the period of time after termination. Any payment by County may be reduced accordingly.
- 13.4 County may terminate this contract after giving 30-days written notice that funding from video lottery economic development funds is insufficient to meet the terms of the agreement.
- 14 Prior Agreements. This agreement supersedes and replaces all prior agreements between the parties.
- 15 Non-waiver. Any party's failure to require strict performance of any provision of this agreement shall not be a waiver of or prejudice that party's right to require strict performance of the same provision in the future or any other provision.

Dated in Lane County, Oregon, this \_\_\_\_ day of June, 2005.

LANE COUNTY

LANE METRO PARTERSHIP

By: \_\_\_\_\_

Bill VanVactor  
County Administrator

By: \_\_\_\_\_

John D. Lively,  
President

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**Attachment A**  
**2005/2008 Work Plan**

- **Provide cost information / analysis / regulatory information for new and expanding businesses.**
  - 1) Assist with permitting processes, including environmental permits.
  - 2) Coordinate with governments and utilities on infrastructure requirements.
  - 3) Provide cost comparisons for locating a business anywhere in Lane County.
  - 4) Update utility rate information for prospective sites.
  - 5) Provide information on loan pools, industrial revenue bonds, and other financing programs that offer flexibility and competitive rates.
- **Prepare and provide site and building information related to business recruitment, retention and expansion.**
  - 1) Collect and manage data of all site and buildings in Lane County including mapping of properties and site photos.
  - 2) Prepare individualized site and building analyses and cost comparisons.
- **Prepare and provide community information & marketing materials related to business recruitment, retention and expansion.**
  - 1) Maintain current listings of major employers and industries in Lane County.
  - 2) Provide referrals to local and statewide business assistance services
  - 3) Compile up-to-date fact sheets on population, demographics, taxes, schools, climate, social services, housing, arts and culture, recreation, and economy. To be provided by hard copy and web site.
- **Identify and target businesses & industries that provide jobs with high-wages and benefits.**
  - 1) Collaborate with the State of Oregon Franchise Program to targeted industries.
  - 2) Retain and grow relationship with siting consultants around the US.
  - 3) Keep current property listings / photos / maps etc. on State Web site.
- **Work closely with local partners and State of Oregon to enhance marketing efforts for business parks, and all other County-wide efforts undertaken as a result of regional strategies programs and the Oregon Business Plan.**
- **Provide information to local governments on issues that enable businesses to make timely decisions regarding expansion and relocation to the Lane County area.**
- **Prepare periodic reporting with respect to Partnership activity and performance. Prepare annual report for all public partners and private sector supporters.**
- **Prepare annual budget each year for approval by the board of directors at the May board meeting. Work with selected accounting firm to complete annual audit and supply results to the board of directors and partners within 90 days after the end of the fiscal year.**
- **Plan for and conduct monthly operating board meetings; and, as required, nominating, finance, review and other committees as designated by the board.**