

W. S. D.

AGENDA COVER MEMORANDUM

AGENDA DATE: June 29, 2005

TO: LANE COUNTY BOARD OF COMMISSIONERS

FROM: Tourism Infrastructure Working Group

PRESENTED BY: William Van Vactor, Task Force Chair and Peter Thurston, Lane County Community and Economic Development Coordinator

AGENDA ITEM: ORDER/ IN THE MATTER OF ESTABLISHING AN INTERGOVERNMENTAL AGREEMENT TO OVERSEE THE ANALYSIS, DEVELOPMENT, AND PLANNING FOR OPERATION OF TOURISM FACILITIES AND INFRASTRUCTURE IN LANE COUNTY

I. MOTION

IT IS MOVED THAT THE ORDER BE APPROVED IN THE MATTER OF ESTABLISHING AN INTERGOVERNMENTAL AGREEMENT TO OVERSEE THE ANALYSIS, DEVELOPMENT, AND PLANNING FOR OPERATION OF TOURISM FACILITIES AND INFRASTRUCTURE IN LANE COUNTY.

II. ISSUE OR PROBLEM

What organizational structure should be created by the Board of County Commissioners to analyze, develop, and plan for maintenance of tourism facilities in Lane County? Should the Lane Metro Partnership (LMP) be the "umbrella" agency for tourism infrastructure development? Should the Community and Economic Development work plan for the coming year be modified to focus attention on tourism infrastructure activities, and if so, to what degree?

III. DISCUSSION

A. Background

By Order 04-4-14-3 the Lane County Board of Commissioners established and appointed members to the Regional Tourism Infrastructure Strategy Task Force. The task force concluded that on-going facilitation and coordination of public/private tourism infrastructure projects is in the public interest.

The Task Force identified a problem that needs to be addressed through intergovernmental cooperation to improve infrastructure that supports the tourism industry in Lane County. A

main problem with the current situation is that no work is being done to plan and implement tourism infrastructure improvements that meet public and private objectives. There is currently no intergovernmental agreement dealing with tourism infrastructure in Lane County and each individual municipality is working on projects to benefit their own jurisdictional public needs, but is not addressing the needs for the County as a tourism region. There are unrealized opportunities for municipalities to leverage private investment for their communities and to work jointly with other municipalities to benefit the region as a whole.

In order to facilitate the Task Force process the Board of County Commissioners committed \$10,000 of Transient Room Tax funds paid back to the special projects program by the Fair Board. The Task Force completed a gap analysis on hotel rooms and meeting space, which came to the conclusion that Lane County is falling behind with regards to tourism infrastructure compared to other municipalities in the region.

One of the Task Force's recommendations included forming an interim working group to analyze and recommend a permanent inter-jurisdictional entity that would oversee development, operation, and maintenance of tourism facilities and infrastructure in Lane County. Organizational options include special districts, various public entities formed under the authority of Oregon Revised Statutes Chapter 190, and other options.

By Order 05-3-30-2, The Lane County Board of Commissioners appointed seven (7) members to an interim working group. The members included William Van Vactor and Warren Wong (Lane County), Dennis Taylor (Eugene), Mike Kelly (Springfield), Rodger Bennett (Florence), Bob Zagorin (Task Force Chair), Kari Westlund (CVALCO).

B. Analysis.

Given the charge to analyze organizational structures and cost to implement alternatives, the interim working group discussed and narrowed alternatives to four (4) organizational structures, as summarized in Attachment A. These include: 1) Use the existing IGA with LMP to address tourism infrastructure needs in Lane County; 2) Write an IGA, to be facilitated by shared staffing of Lane County, the cities, and tourism agencies; 3) Write an IGA that uses shared staff, and is lead by the Convention and Visitor Association of Lane County Oregon (CVALCO); and 4) Establish a Board of County Commissioners Tourism Commission.

In reviewing each option, the interim working group considered the following:

- 1) Use the existing IGA with LMP. This organizational structure would use an existing IGA and would be simple to setup and quickest to get started. The major problem with this structure is that Lane Metro Partnership is focused on industrial/commercial issues.
- 2) Write an IGA that shares staff. This option would place each municipality in a position to have an interest in the dealings of the group. It would not require the addition of any full-time staff positions.
- 3) Write an IGA under which CVALCO takes the lead. CVALCO has great knowledge around the area of Tourism Infrastructure and would be able to contribute great

knowledge to the entity created by the IGA. The major problem with such an entity is that the outcomes created may be viewed as suspicious (People may feel that CVALCO is making decision to benefit themselves). This structure also leads to the problem that municipalities will not be kept as informed and may not stay interested in the process.

- 4) Establish a Board of County Commissioners Tourism Commission. This structure is prescribed in Lane Manual and is a lengthy process to establish and is setup under the authority of the Board of County Commissioners. With this organizational structure the appointees could be from private enterprises and add knowledge on how to make a public/private partnership work. The members may also have special interests and the group will not be as equally representative as the other models.

The group concluded that by establishing a temporary group, the results of the group could be addressed in a few years and the organizational structure adjusted if needed.

In further analyzing the LMP option, the interim working group recognized that an intergovernmental group, under the “umbrella” of LMP could take one (1) to three (3) projects, work out public/private financing, and monitor whether the group is able to accomplish key tourism infrastructure objectives.

There was also a review of a list of projects explored as needs for Lane County by the Tourism Infrastructure Task Force. Two of the projects listed were a regional convention center and a regional sport field complex. Both projects require demand studies to analyze whether they are feasible projects and what their optimal size and scope should be. These projects also need expertise in the site location in order to maximize their needs. LMP is the organization that can best meet the needs for the development of tourism infrastructure in Lane County.

LMP’s mission, as a 501 (c) (6) organization, is to provide leadership for the economic development efforts in Eugene/Springfield and throughout Lane County, fostering business investment that creates job opportunities for our citizens and a more diverse and stable economy. LMP has worked on the industrial side of things, both helping in the site location of business as well as giving assistance to these businesses. One of the main benefits of LMP is that it is a neutral party that can analyze the demand assessment as well as selection of the best location for facilities.

Based on this analysis, the interim working group recommends the Intergovernmental Agreement with LMP as the organizational structure to create an inter-jurisdictional entity that will oversee development, operation, and maintenance of tourism facilities and infrastructure in Lane County.

Jack Roberts, executive director of LMP discussed this concept with the LMP board on May 19, 2005. The LMP board discussed the recommendations and options and voted to undertake the “umbrella” agency role for tourism infrastructure development, recognizing the following issues and factors: 1) the LMP is a logical choice for supporting development of important regional tourism infrastructure in all of Lane County; 2) the “umbrella” model combines resources of public and private agencies without creating a new legal entity; 3) the planning and development

process should be given 3 to 5 years to demonstrate results; 4) the facilitation role is based on commitment of shared staff by Lane County and the cities of Springfield and Eugene, and possibly other cities in the region; and 5) the Tourism Infrastructure Team that will operate under the intergovernmental agreement is charged to produce the following outcomes: a) a work plan, including projects recommended for immediate promotion and development, b) a Tourism Infrastructure Team budget, and c) measures for outputs and outcomes for a three to five year period, including and annual report on progress.

The LMP board discussed the proposal on June 16, 2005, and expressed concern about impacting the partnerships work plan. Jack Roberts and Bill Van Vactor assured them that, with the expertise coming from the committee staff tourism infrastructure team, a negative impact was not likely. With that understanding the Partnership Board is supportive and they will be prepared to take formal action acknowledging this assignment at their July meeting.

Following the LMP board action on May 19, 2005, Bill Van Vactor called a meeting of key members of the Interim Working Group and LMP to plan the next steps. The attached Order includes these recommended actions.

The costs involved in the LMP option, as detailed on Attachment B, include out of pocket direct costs and indirect costs, such as staffing support. The main cost area is a market demand study, costing around \$50,000. The IGA with LMP will also require shared staffing between participating entities. The time that these individuals will work on tourism infrastructure will require approximately \$2,000 a year. Once the market demand study has been completed and the alternatives analyzed, there may be a need for a consultant to work on making the plans for implementing the recommendation. The consultant services would be required to add expertise to the project being developed and would help minimize the costs for staff time from participating jurisdictions.

Any of the proposed organizational structures will require shared staffing between the municipalities. The interim working group suggests that key economic development staff, including Peter Thurston (Lane County), Mike Sullivan (City of Eugene), John Tamulonis (City of Springfield), Kari Westlund (CVALCO), meet regularly and support the entrepreneurial effort under LMP/IGA. This Tourism Infrastructure Team would be facilitated by LMP staff and would include other staff from Lane County rural areas, as appropriate. The Team's first task is to write the scope of work, timeline, and measures of outputs and outcomes. This would then become the basis for implementing the IGA and services contracts with LMP. Each of the jurisdictions will need to agree to participate at a certain level of staff support in order for the process to be successful.

Forming the Tourism Infrastructure Team will provide the means to be ready to respond to market conditions and opportunities for public/private development and maintenance of critical tourism infrastructure. Placing the issue of Tourism Infrastructure under LMP will allow more effective coordination and participation by local municipalities, as well as providing shared expertise.

The Order outlines recommended conditions to be written into the current IGA or contracts between Springfield/Eugene/Lane County and LMP. The Tourism Infrastructure Team scope of work may be enacted by amendment or an entirely different IGA, dealing only with tourism infrastructure. The latter, a new tourism infrastructure IGA, is recommended as a way to maintain the “umbrella” nature of this new scope of work.

C. Alternatives/Options.

- 1) Approve the Order with the action recommended by the interim working group to use the IGA and service contract process with Lane Metro Partnership to address the needs of tourism infrastructure planning and development in Lane County, or
- 2) Select one of the other organizational structures review the by the interim working group, or a modification of the structures, or
- 3) Take no action at this time.

D. Recommendations.

It is recommend that the Board of County Commissioners approve option number 1.

E. Timing.

The task force and interim working group processes concluded that the Lane County region is losing tourism market share in the region that may be mitigated through a coordinated intergovernmental effort. Delay of action assumes continued reduction of market share.

IV. IMPLEMENTATION/FOLLOW-UP:

Upon approval by the Board of County Commissioners a specific work plan and schedule of three- to five-years will be developed by the Tourism Infrastructure Team, including goals, objectives, and measures. This work plan will become the basis of an intergovernmental agreement between Lane County, Springfield, Eugene and implementing contracts with LMP.

V. ATTACHMENTS

ORDER

A- Organizational Matrix

B- Cost of Lane Metropolitan Partnership IGA

Tourism Organizational Structures May 2005

Type of Organization	Advantages	Disadvantages	Notes/Comments
Below is the Recommended Organizational Structure			
<p>Lane Metro Partnership- Uses the existing LMP Board and Springfield/Eugene/Lane County IGA as a means of implementing an on-going infrastructure process</p>	<ul style="list-style-type: none"> • Existing IGA • Existing Board under Federal Statute 501 (c)(6) • Modifies existing priority: Help existing 'business' (tourism) needing infrastructure <p>Gets started the quickest</p>	<ul style="list-style-type: none"> • Focus of LMP is on industrial development 	<p>Neutral party analyzes demand assessment and best location for success</p>
Below are Three IGAs That Are Favored But Were Not Selected			
<p>Write a new IGA among municipalities, CVALCO & Lane County to have staff share responsibilities as described in the IGA.</p>	<ul style="list-style-type: none"> • Municipalities have a greater interest in projects • No need to hire a new full-time staff member 	<ul style="list-style-type: none"> • Eugene economic development programs do not have a tourism focus • Tourism expertise would need to be secured through staff or consultant involvement. • Activity may lag if a partner lags 	
<p>Write an IGA that is staffed by CVALCO</p>	<p>CVALCO has knowledge of subject area to analyze issues Could share staff</p>	<ul style="list-style-type: none"> • Results may be questioned as self-serving interest • Municipalities may not be fully informed or involved 	
<p>BCC Tourism Commission- Established under the authority of the Lane County BCC</p>	<ul style="list-style-type: none"> • Easy to setup • Appointed by the Board of County Commissioners • Members could consist of private enterprise folks 	<ul style="list-style-type: none"> • No power to collect funds and construct projects • Might have special interests • Not as equally representative as other models 	

Below are Other Organizational Structures That Were Analyzed

<p>Organization along the line of The Metropolitan Exposition-Recreation Commission in Portland, Oregon (MERC)</p>	<ul style="list-style-type: none"> Funded through Enterprise Revenue and government contributions No Taxing Authority Can levy general obligation bonds Can contract, create IGAs and manage facilities 	<ul style="list-style-type: none"> Permanent Entity that would may need a large amount of public funding To complex for the task ahead 	
<p>Nonprofit/Private Corporation with a supporting IGA renewed every 3 years, like the IGA arrangement supporting Lane Metro Partnership</p>	<ul style="list-style-type: none"> Sole Purpose would be to develop Tourism Infrastructure in Lane County Works in conjunction with city, county, state agency but remains completely separate Separate Entity Completely Supported through Government agencies Can also be supported through investments 	<ul style="list-style-type: none"> Would take a long time to setup May not have public support and/or all municipalities support 	
<p>Organization along the lines of LCOG</p>	<ul style="list-style-type: none"> Voluntary Association of Local Governments Specific Goal to Achieve No Taxing Authority Receives Funds based on project Can levy taxes Quasi-Legislative body Not Recommended by Task Force 	<ul style="list-style-type: none"> Not directed for the goal of improving tourism Need a new entity 	
<p>Special District (i.e.: Port or other taxing entity)</p>		<ul style="list-style-type: none"> Do not want a entity that can levy taxes 	

Projected Cost of Tourism Infrastructure Using Lane Metropolitan Partnership

	Direct Cost	Indirect Cost
Year 1: Set Goals, Objectives, Complete a Market Demand Study		
Market Demand Study*	\$50,000	
Existing Staff Time**		\$2,000
Year 2: Evaluate Market Demand Study, Implement Schedule and Options		
Existing Staff Time**		\$2,000
Consultant***	\$10,000	
Year 3: Continue Working on Options		
Existing Staff**		\$2,000
Consultant***	\$20,000	
Total for 3 Years	\$80,000	\$6,000

* Market Demand Study: This study will analyze what the Lane County market can sustain and will help in developing a list of potential projects

** Existing Staff: Peter Thurston (Lane County), Mike Sullivan (City of Eugene), John Tamulonis (City of Springfield) and Kari Westlund (CVALCO) will participate in the analysis of potential options developed by the market demand study. They will also participate in the setting of goals and objectives of the group.

*** Consultant: The consultant will work only on a need basis. If there is a selected project that cannot be accomplished with existing staff, a consultant will be brought in to help develop plans for a project

Attachment B

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) IN THE MATTER OF IN THE MATTER OF ESTABLISHING
) AN INTERGOVERNMENTAL AGREEMENT TO OVERSEE
) THE ANALYSIS, DEVELOPMENT, AND PLANNING FOR
) OPERATION OF TOURISM FACILITIES AND
) INFRASTRUCTURE IN LANE COUNTY

WHEREAS, at the 2004 Lane County Tourism Summit, leaders of public and private tourism agencies recommended Lane County government lead tourism infrastructure development, and

WHEREAS, by Order 04-4-14-3 the Board of County Commissioners established the Regional Tourism Infrastructure Strategy Task Force with the charge of identifying, analyzing, and providing recommendations for developing a strategy to address deficiencies in tourism infrastructure throughout Lane County with the objective of creating Lane County as a destination point, and

WHEREAS, by Order 05-3-30-2 Lane County formed an interim working group to analyze and recommend a permanent inter-jurisdictional entity or organizational structure that would oversee the analysis of potential for, and the subsequent development, operation, and maintenance of tourism facilities in Lane County.

WHEREAS, the interim working group met and recommended utilizing the existing organizational structure of the Lane Metro Partnership as an “umbrella” to oversee the tourism infrastructure development in Lane County, **NOW, THEREFORE, IT IS HEREBY**

ORDERED that the recommendations of the Tourism Infrastructure Task Force and the Tourism Infrastructure Working Group are hereby received and incorporated in the following actions.

FURTHER ORDERED that a Tourism Infrastructure Team be created to support the entrepreneurial effort under Lane Metro Partnership/IGA consisting initially of Peter Thurston (Lane County), Mike Sullivan (City of Eugene), John Tamulonis (City of Springfield), and Kari Westlund (CVALCO). The Team will include other staff from Lane County rural areas, as deemed appropriate by the Team.

FURTHER ORDERED that Lane County shall enter into an intergovernmental agreement with the cities of Eugene, Springfield and other local municipalities to accomplish the following objectives through “umbrella” agency facilitation of the Tourism Infrastructure Team by Lane Metro Partnership, including: a) a work plan that includes projects recommended for immediate promotion and development, b) a Tourism Infrastructure Team budget, and c) measures for outputs and outcomes for a three to five year period, including an annual report on progress.

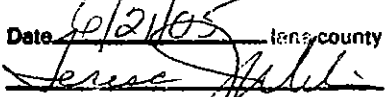
FURTHER ORDERED that Lane County shall enter into a services contract with Lane Metro Partnership to act as the umbrella agency facilitator of the Tourism Infrastructure Team, with the use of shared staff from the cities of Eugene and Springfield.

FURTHER ORDERED that the Tourism Infrastructure Team will return with a proposed budget and funding plan to support out-of-pocket-costs market analysis and consultant services that support the work plan.

FURTHER ORDERED that the County Administrator is authorized to sign the IGA and implementing service contracts with Lane Metro Partnership for the above actions.

Signed this 29th day of June, 2005.

Anna Morrison., Chair
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM
Date 6/21/05 Lane County

OFFICE OF LEGAL COUNSEL