

W. 7. b.

Memorandum Date: November 30, 2005
Order Date: Same

TO: Board of County Commissioners

DEPARTMENT: CAO/C&ED

PRESENTED BY: Peter Thurston, Community and Economic Dev. Coordinator

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF AMENDING THE VIDEO ALLOCATION POLICY OF CHAPTER 4 OF THE LANE MANUAL TO REVISE THE DEFINITION OF ECONOMIC DEVELOPMENT (LM 4.100-4.110)

- I. **MOTION:** IT IS MOVED THAT THE ORDER BE ADOPTED IN THE MATTER OF AMENDING THE VIDEO ALLOCATION POLICY OF CHAPTER 4 OF THE LANE MANUAL TO REVISE THE DEFINITION OF ECONOMIC DEVELOPMENT (LM 4.100-4.110)

II. **AGENDA ITEM SUMMARY**

Shall Lane Manual Chapter 4 be amended to focus economic development activities on business development/job creation and workforce development/training, as recommended by the Economic Development Standing Committee?

III. **BACKGROUND/IMPLICATIONS OF ACTION**

A. **Board Action and Other History**

The current description of economic development was first codified in Lane Manual in 2002 at the recommendation of a citizen advisory panel and has provided guidance for the past three years for allocation of video lottery economic development funds. The current definition of economic development is based on best practices including general and specific activities and strategies in the areas of: organization development, community development, business development, and workforce development. The Economic Development Standing Committee (EDSC) to the Board of County Commissioners recognizes in the proposed amendment that all of these types of activity are important to successful economic development, however, limited resources need to be focused through two principal activities: business development that directly increases jobs and employment opportunities and workforce development through training that increases upward mobility and increased family wages.

B. Policy Issues

This is an adjustment of the existing policy to emphasize business development and workforce development. Procedures for implementing the video lottery allocation policy are unchanged and General Allocation projects will continue to be eligible for funding under these focused criteria.

C. Board Goals

The Board of Commissioner's goals over the past three years have focused on job creation and training that increases family wage jobs. Strategic Plan goals include: "Work for a strong regional economy to expand the number of family-wage jobs available in Lane County. . . . Contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development".

D. Financial and/or Resource Considerations

Lane Manual Chapter 4 policy is directed to the allocation of video lottery economic development funds. The amendment clarifies the priority uses and expected outcomes from these funds. Current funding of Strategic and General Allocation projects is not affected by this amendment.

E. Analysis

Infrastructure development and improvement of organizational capacity are recognized as important components in the current definition of economic development. These types of economic development activities remain in the proposed definition (LM 4.105) while the emphasis provided by the amended language is on: Business Development and Workforce Development. The objective of all activities is to increase the number of higher paying jobs that have upward mobility and increase training that provides employees with family wages above median household income for Lane County. The 2000 Census median household income for Lane County is \$36,942.

The change in definition will focus attention and funding on projects and activities that create more higher paying jobs and provide training that moves employees toward higher paying jobs. The next request for proposals may be released in mid-2006, depending on funding availability, and will include the new Lane Manual provisions. These guidelines will take effect immediately and will be applied to any proposals for funding from video lottery economic development funds.

F. Alternatives/Options

The Board may: 1) adopt the Order as recommended by EDSC in the form recommended by County Counsel, 2) amend the proposed wording and approve the Lane Manual amendment, 3) choose not to amend Lane Manual Chapter 4 at this time.

IV. TIMING/IMPLEMENTATION

If the changes are approved, they will go into effect immediately and continue until such time as the Board of Commissioners elects to amend this Chapter of Lane Manual.

V. RECOMMENDATION

Staff recommends the Number 1 alternative, above, to implement the policies recommended by the Economic Development Standing Committee.

VI. FOLLOW-UP

Upon approval, the Order will be signed and the official Lane Manual documents will be updated accordingly.

VII. ATTACHMENTS

- ORDER and amended Lane Manual, Chapter 4
- Legislative format of LM Chapter 4

\\BCC LM chap 4 amend 11-05.doc

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AMENDING THE VIDEO AL-
LOCATION POLICY OF CHAPTER 4 OF THE LANE
MANUAL TO REVISE THE DEFINITION OF ECO-
NOMIC DEVELOPMENT (LM 4.100-4.110)

The Board of County Commissioners of Lane County orders as follows:

Lane Manual Chapter 4 is hereby amended by deleting, substituting, and adding the follow-
ing section:

DELETE THIS SECTION

4.100 through 4.110
as located on pages 4-7 through 4-8
(a total of 2 pages)

INSERT THIS SECTION

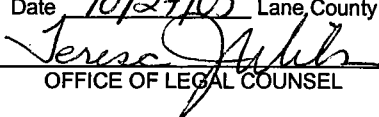
4.100 through 4.110
as located on pages 4-7 through 4-8
(a total of 2 pages)

Said section is attached hereto and incorporated herein by reference. The purpose of this
substitution and addition is to amend the Video Allocation Policy to revise the definition of eco-
nomic development (LM 4.100-4.110).

Adopted this _____ day of _____ 2005.

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM
Date 10/27/05 Lane County


OFFICE OF LEGAL COUNSEL

VIDEO LOTTERY ALLOCATION POLICY

4.100 Purpose.

The Video Lottery Allocation Policy reaffirms 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 for the benefit of Lane County citizens, and is meant to encourage partnerships between the County, communities within the county, non-profit organizations, private parties, and others directly involved in economic development activities, which meet one or more of the economic development objectives or categories listed in paragraph 4.105 below. *(Revised by Order No. 01-2-21-2; Effective 5.1.02)*

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, enhance employment opportunities, increase family wage income, and provide a stable tax base. Creation of new high paying jobs and improvement of worker's wages are the principal outcomes anticipated from this economic development policy. Outcomes may also include community development investments in infrastructure, commercial and business parks, other public/private partnerships, organization capacity development, and strategies that leverage funds and resources to accomplish the following:

(1) Business Development. Programs that encourage business growth and investment that create new employment opportunities, attract and expand business, increase tourism, and facilitate start-up and emerging businesses.

(2) Workforce Development. Partnerships between business, education and government that build the skills of the local workforce and increase opportunities for families to meet or exceed the median household income for Lane County. *(Revised by Order No. 01-2-21-2; Effective 5.1.02)*

4.110 Allocation.

Within the above definition, the revenues derived from the State's 2.5% video lottery distribution for economic development 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. *(Revised by Order No. 01-2-21-2; Effective 5.1.02)*

VIDEO LOTTERY ALLOCATION POLICY

4.100 Purpose.

The Video Lottery Allocation ~~p~~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 **for the benefit of Lane County citizens, and is meant.** ~~The intent of the policies is to encourage partnerships between the County, communities within the county, non-profit organizations, private parties, and others parties directly involved in economic development activities, which meet one or more of the four economic development objectives or categories listed in paragraph 4.105 below defined below for Lane County citizens. (Revised by Order No. 01-2-21-2; Effective 5.1.02)~~

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, **enhance employment opportunities, increase family wage income, and provide a stable tax base.** Creation of new high paying jobs and improvement of worker's wages are the principal outcomes anticipated from this economic development policy. Outcomes may also include community development investments in infrastructure, commercial and business parks, other public/private partnerships, organization capacity development, and strategies that leverage funds and resources to accomplish the following: ~~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.~~

~~(31) Business Development. Programs that encourage business growth and investment that create new employment opportunities, attract and expand such as business attraction, increase retention and expansion, tourism, and facilitate start-up and emerging businesses.~~

~~(42) Workforce Development. Partnerships between business, education and government that build the skills of the local workforce and increase opportunities for families to meet or exceed the median household income for Lane County. (Revised by Order No. 01-2-21-2; Effective 5.1.02)~~

4.110 Allocation.

Within the above definition, the revenues derived from the State's 2.5% video lottery distribution **for economic development** 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.

| At right margin indicates changes

Bold indicates material being added

~~Strikethrough~~ indicates material being deleted

4.110

Lane Manual

LEGISLATIVE

FORMAT

4.110

(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. *(Revised by Order No. 01-2-21-2; Effective 5.1.02)*