

W. G. C.

Memorandum Date: June 2, 2010
Board Order Date: June 16, 2010

TO: Board of County Commissioners

DEPARTMENT: CAO/Economic Development Standing Committee

PRESENTED BY: Mike McKenzie-Bahr, Community and Economic Development Coordinator

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF AWARDING CONTRACTS FOR STRATEGIC INVESTMENT PROJECTS SELECTED THROUGH THE 2010 ECONOMIC DEVELOPMENT RFP INITIAL PROPOSAL CYCLE AND AUTHORIZING THE COUNTY ADMINSTRATOR TO SIGN PROJECT CONTRACTS

I. MOTION

Move to award video lottery grant contracts to the following projects, and authorize the County Administrator to sign project contracts when project conditions are met. The projects to be funded, the amount of funding, and the conditions are as follows:

Ninkasi Brewing Company, LLC: \$100,000. No conditions.

NextStep Recycling: \$59,423, with the following conditions: Location secured in 6 months; match funds as identified in the application are secured within 6 months, the project budget is updated to reflect all project costs and how they will be funded.

II. AGENDA ITEM SUMMARY

The Lane County Economic Development Standing Committee (EDSC) has completed reviewing and ranking proposals received in the 2010 Economic Development Request for Proposal Initial Proposal Cycle.

The EDSC has made the following recommendations regarding the spending of video lottery funds:

- 1) Allocate \$100,000 from economic development strategic investment funds to Ninkasi Brewing Company, LLC

- 2) Allocate \$59,423 from economic development strategic investment funds to NextStep Recycling

The total amount of video lottery funds recommended for award is \$159,423.

The total amount of video lottery funding currently available is \$1,020,000, comprised of \$263,000 in the strategic investment fund and \$757,000 in the strategic opportunity reserve fund.

Under the Initial Proposal Cycle RFP rules, the strategic investment funds are initially allocated in the following categories of development: Business Development and Workforce Development. This fiscal year a total of \$200,000 was allocated for awards in both the Initial Cycle and the Open Cycle. If the Board makes awards as recommended, that will leave \$40,577 for the Open Cycle.

In addition, the strategic opportunity reserve account funds may be awarded at anytime by the Board. Funds in the strategic opportunity reserve account, and any strategic investment funds not awarded in the initial proposal cycle, may be awarded in the upcoming Open Proposal Cycle, if the Board so wishes. (The Open Proposal Cycle will begin once the awarding of funds is completed in this cycle).

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Each year, the Board of Commissioners makes video lottery funds available through the Strategic Investment fund for job creation and work force development projects.

On March 22, 2010, the Economic Development Standing Committee to the Board of Commissioners released a request for proposals (RFP) to implement the Economic Development Strategic Investment Program, as described in Lane Manual Chapter 4.110(2).

The RFP includes instructions on how the money is to be used, how to prepare a project application, how project applications will be scored and how to file a protest to the RFP procedures.

Outreach was undertaken to notify local businesses and organizations about the available funding.

The county received 6 project proposals requesting a total of \$410,423.

The projects proposals were reviewed by the EDSC, leading to two projects receiving funding recommendations: Ninkasi Brewing Company, LLC: \$100,000 and NextStep Recycling: \$59,432.

Under the Video Lottery RFP rules, there is a protest procedure that is available to applicants that did not get funded.

B. Policy Issues

The Board has the following policy issue to consider:

- 1) Should all of the projects be funded as recommended by the EDSC?

C. Board Goals

The awarding of video lottery funds for job creation and training meet the Board's goal to "Develop Lane County's economic engine" by growing local businesses.

D. Financial and/or Resource Considerations

The total amount of video lottery funding currently available is \$1,020,000, comprised of \$263,000 in the strategic investment fund and \$757,000 in the strategic opportunity reserve fund.

If the Board of Commissioners chooses to fund the projects in this agenda item, as recommended by the EDSC, it would leave \$103,577 in the strategic investment fund and \$757,000 in the strategic opportunity reserve fund.

E. Analysis

Analysis of Recommended Project

The County received 6 good project applications. Some clearly met the goals of the funds better as evidenced by the scorers' recommendations.

The EDSC scored the projects in nine different categories:

- 1) Addresses Lane County Strategic Plan economic development goals (30points)
- 2) Increases work readiness (30 points)
- 3) Readiness to proceed (15 points)
- 4) Opportunities for future development (15 points)
- 5) Leverage of other funds (10 points)
- 6) Partnerships (10 points)
- 7) Budget, audit and accounting adequacy (10 points)
- 8) Promotes sustainable use of resources and energy (10 points)

Proposals were rated and ranked against other proposals submitted in the same category. A project had to receive at least 104 points (80% of the 130 points possible) to be considered for a funding recommendation.

Two projects met the 104 points/ 80% threshold: Ninkasi Brewing Company, NextStep Recycling.

The following is a summary of the two projects as presented to the EDSC:

Proposal Title / Organization	Amount Recommended for funding	POINTS	Job Impact
Ninkasi	\$100,000	115	5-15

Grant funding will be used to add new bottling equipment, and affiliated feeder equipment, such as tanks and brewing capacity, to their brewing facility in Eugene. The addition of the new equipment will allow them to greatly enhance their output, expand their product lines, and add people to their workforce.

After their expansion is complete and their new line is installed, jobs at the brewery will increase by at least 15 over the next three years. The jobs they foresee will be above average wages, with fully paid medical benefits for full time employees. The jobs created will be permanent, and will continue to grow the brewery, setting the stage for the ongoing expansion of their workforce. They have already added 3 jobs since turning in their original proposal.

Ninkasi's grant total grant amount request is \$100,000. Their company match is \$709,000. This project encourages business growth and it also contributes to the

growth of the Natural Resources Cluster, by being an exporting processor of a value added product.

Proposal Title / Organization	Amount Recommended for funding	POINTS	Job Impact
NextStep	\$59,432	106	4

Grant funding will be applied to the ePower Program Manager position that will be responsible for forming and managing partnerships with the businesses and Internet service providers. Also, NextStep will create a technology literacy center for project participants and community members that will be created and managed by the Technology Center Manager.

NextStep Recycling expects to create 4 new positions and a collaborative partnership between Lane County businesses, education institutions, NextStep Recycling's job and social skills training program and its waste diversion program.

NextStep Recycling total grant amount request is \$59,432. Their company match is \$174,165. This project encourages business growth and investment in a traded-sector industry business (natural resources – natural foods).

F. Alternatives/Options

The Board may:

- 1) Approve ORDER awarding grants as recommended by the EDSC, or
- 2) Determine to award only some grants, at either reduced or full funding levels
or
- 3) Decide not to award strategic economic development funds at this time.

IV. TIMING/IMPLEMENTATION

Upon Board approval of funding for projects, staff will work with project applicants to meet any conditions placed on the award and when met, to get contracts in place. Once prepared, contracts will be sent through County Counsel review process and prepared for signing by the County Administrator.

V. RECOMMENDATION

The EDSC recommends awarding funding to two projects.

- 1) Ninkasi Brewing Company, LLC: \$100,000
- 2) NextStep Recycling: \$59,423, with the following conditions:
 - Location secured in 6 months,
 - Match funds as identified in the application are secured within 6 months,
 - Updated budget to reflect all project costs and how they will be funded.

VI. FOLLOW-UP

Staff will keep the EDSC updated on all project elements. Any issues needing Board attention will be brought to the Board in a timely manner.

VII. ATTACHMENTS

A: Board Order

B: "Evaluation and project Award Process" and "Evaluation Criteria for the Proposal and Budget Narratives" from the Lane County 2010 Economic Development Request for Proposal

C: EDSC RFP Scores

Note: The full RFP, announcement publication notice, the EDSC Final RFP Rating and Ranking score sheet and the six (6) applications received in the Initial Proposal Cycle are in a binder available from the Board Secretary.

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) IN THE MATTER OF AWARDING CONTRACTS FOR
) STRATEGIC INVESTMENT PROJECTS SELECTED
) THROUGH THE 2010 ECONOMIC DEVELOPMENT
 RFP INITIAL PROPOSAL CYCLE AND
 AUTHORIZING THE COUNTY ADMINISTRATOR TO
 SIGN PROJECT CONTRACTS.

WHEREAS, the Lane County Board of Commissioners established a policy for distributing video lottery economic development funds that is adopted in Lane Manual Chapter 4, and

WHEREAS, the Lane County Board of Commissioners authorized release of a request for proposals (RFP) for the Economic Development Strategic Investment Program, and

WHEREAS, the Economic Development Standing Committee has completed rating and ranking of proposals received in accordance with the RFP, and

WHEREAS, the Lane County Board of Commissioners has reviewed the ranked list of projects and determined those that are in the public interest to fund, now, therefore,

IT IS HEREBY ORDERED that the following Lane County Strategic Investment Projects are awarded in the amounts indicated:

Ninkasi Brewing Company: \$100,000;

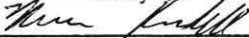
Next Step Recycling: \$59,423 with the following conditions: Location secured in 6 months; match funds as identified in the application are secured within 6 months, the project budget is updated to reflect all project costs and how they will be funded.


FURTHER ORDERED that the County Administrator is authorized to sign the contracts authorized under this Order.

Signed this 16th day of June, 2010.

APPROVED AS TO FORM
 Date 6-8-10 Lane

County


 OFFICE OF LEGAL COUNSEL


 Bill Fleenor, Chair
 Lane County Board of Commissioners

Evaluation and Project Award Process

Initial Proposal Cycle. Each proposal will be reviewed by the Lane County Economic Development Standing Committee (EDSC). Proposals will be initially rated and ranked against other proposals submitted in the same category based on the scoring criteria detailed below. Individual committee members' scores will be totaled and then averaged for each rating criterion. Proposals receiving at least 80% of the 130 points available (80% = 104 points) will be considered for final rating and ranking by the committee. An 80% or higher score does not assure a project will be recommended or funded. The committee will use its good faith judgment and discretion based on the criteria described in this RFP.

In order to complete the final rating and ranking, the committee may call applicants for interviews to clarify the written proposals, seek additional written information or ask follow-up questions.

The EDSC will make funding recommendations to the Board of County Commissioners in accordance with the Estimated Schedule of RFP Activities. The committee will specify an allocation for each project that is recommended for award. Applicants may not receive all funds requested and the EDSC may choose not to recommend any awards.

Awards will be made to those proposals that best meet the requirements set forth in this RFP and that most benefit Lane County residents. Lane County reserves the right to waive minor irregularities and may reject any proposal not in compliance with all prescribed public procedures and requirements, and may reject for good cause any or all proposals upon a finding that it is in the public interest to do so. Lane County also reserves the right to negotiate the scope of work based on any additional clarification or follow-up responses and on the proposed budget as it is affected by negotiating the scope of work. If a proposal is submitted for professional services, the contract form (Attachment E) may be modified to appropriately reflect the applicant's labor standards requirements.

Open Proposal Cycle. Any eligible applicant may apply in the Open Proposal Cycle. Participation in the Initial Proposal Cycle is not a prerequisite. Consideration, rating and ranking of Open Proposal Cycle projects will begin after the Initial Proposal Cycle is complete, as shown in the Estimated Schedule of RFP Activities. Lane County reserves the right to reevaluate, rate, and re-rank proposals from the initial proposal cycle and receive new proposals during the fiscal year 2009-10 Open Proposal Cycle.

Required Application Format and Sequence Requirements

To be considered for funding, proposals must be complete and meet the evaluation criteria cited below. (The county may reject a proposal not meeting any one of the following criteria).

Required Format

One Original and Seven copies of the completed proposals

- ✓ 12-point font (applies to narrative only)
- ✓ No less than 1 inch margins on 8 ½ x 11 size paper
- ✓ No additional materials, e.g., tapes, videos, appendices or additional cover sheets
- ✓ No spiral bindings
- ✓ No faxed, e-mailed, late, or incomplete proposals. If incomplete they will be neither accepted nor reviewed.
- ✓ Do not staple

Required Sequence:

Section 1 - Complete and signed Proposal Cover Page

Section 2 - Project Summary

- Section 3 - Project Narrative
- Section 4 - Accurate Budget Proposal and Narrative
- Section 5 - Project Performance Measures and Targets
- Section 6 - Signed Program Assurances
- Section 7 - Letters of Support
- Section 8 - Previous Project Status Report (Existing contractors with Lane County, only)

Evaluation Criteria for the Proposal and Budget Narratives

Proposals will be evaluated on the information presented in all sections of the proposal. They will be rated and ranked on how well they meet the following program scoring criteria.

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. (30 points) – Measures the degree to which the project will:

- Improve Lane County's net job growth, per capita income, wages, and employment factors;
- Target the following Lane County Cluster industries: Natural Resources; Life Technologies; High Tech and Clean Tech.
- Connect and link rural areas of the County with Eugene and Springfield to meet economic development goals.

2) Increases work readiness (30 points) – Measures the degree to which the capacities of workers will be enhanced and improved to work in the changing economy.

3) Readiness to proceed (15 points) – Evaluates if the project is ready to begin immediately upon award of County funding.

4) Opportunities for future development (15 points) – Evaluates the degree to which the results of the program will promote future development of industrial, commercial, and residential facilities, expands global economic opportunities, produces local products or services, increases the tax base and reduces future dependence on government funding for economic development. Evaluates what funding of this project will do for community in the long term.

5) Leverage of other funds (10 points) – Measures the commitment of other agencies and organizations to work toward the project goals by the degree to which they are willing to commit funds and other resources to the project.

6) Partnerships (10 points) – Evaluates how public or private sector organizations are working in partnership to develop new and innovative ways of accomplishing economic development goals, and the relevance of the proposal to a strategic plan or regional economic development goal to create or retain jobs. Community outreach and public information activities aspect of the project will also be evaluated.

7) Budget presentation and Audit and accounting adequacy (10 points) – Evaluates how the budget and budget narrative thoroughly discuss the project costs and shows the budget is reasonable and consistent with the proposal as a whole. Demonstrate the need for the funding: will this project happen with this funding? Does a lack of funding jeopardize the project? Measures the extent to which the applicant

accounts for project funds separately from other programs, minimizes overhead costs, and provides a clear method of reporting project expenses and related results.

8) Promotes sustainable use of resources and energy (10 points) – Develops employment in industries using renewable resources and energy, and/or emphasizes reduced carbon production and more efficient use of resources through energy efficiency and renewable energy, conservation, recycling, green building, organic and natural foods, natural commercial and consumer products, sustainable transportation or other programs that produce measurable results.

Budget Evaluation

In addition to the over all rating criteria described above, the committee will apply the following factors when evaluating the budget proposal and narrative describing the budget.

- ✓ Expenses are reasonable, necessary and reflect current cost trends to complete the proposed scope of work.
- ✓ Expenditures are clearly described, reflect all project activities, and relate directly to project activities, outputs and outcomes.
- ✓ Expenditures described in the budget narrative clarify the budget figures.

Letter of Interest

A letter of interest is required to be submitted by Monday April 5, 2010 by 5 p.m. Please mail, e-mail or fax your name, title, organization name, and contact information, project name and amount intending to apply for to Mike McKenzie-Bahr, Lane County Community and Economic Development Coordinator, at 541-682-4118. E-mail: michael.mckenziebahr@co.lane.or.us. Mailing address: Mike McKenzie-Bahr, Community and Economic Development Coordinator, County Administration Office, 125 E. 8th Avenue, Eugene, Oregon 97401. Fax: (541) 682-4616.

Technical Assistance

Technical assistance about the request for proposals process is available by contacting Mike McKenzie-Bahr, Lane County Community and Economic Development Coordinator, at 541-682-4118. E-mail: michael.mckenziebahr@co.lane.or.us. Mailing address: Mike McKenzie-Bahr, Community and Economic Development Coordinator, County Administration Office, 125 E. 8th Avenue, Eugene, Oregon 97401. Fax: (541) 682-4616.

Open Proposal Due Date and Submission Instructions

One original and seven (7) copies of the completed proposal, in the required sequence, and in a sealed envelope marked "Economic Development Proposal", must be received at the Lane County Administration Office no later than 3:00 p.m. on April 19, 2010.

Please mail or deliver proposals to:

Lane County Economic Development Standing Committee
Attention: Mike McKenzie-Bahr
County Administration Office
125 E. 8th Avenue,
Eugene, Oregon 97401

[illegible]

All True	\$75,000	Mackey	20	15	10	10	10	8	10	10	10	10	93
		Forster	15	10	5	8	3	5	6	5	57		
		Winkler	20	15	10	10	6	3	7	8	79		
		Pape	30	30	15	15	3	8	10	10	121		
		Kohley	18	19	5	13	5	6	6	8	80		
		Crenshaw	30	30	10	15	10	10	10	10	125		
		Total	133	119	55	71	35	42	49	51	555		
		Average									92.5		
		Mackey	10	10	5	10	5	0	5	5	50		
		Forster	5	5	10	5	0	5	5	0	35		
SLCB	\$66,000	Winkler	10	10	5	8	2	5	5	5	50		
		Pape	10	10	5	5	0	5	0	0	35		
		Kohley	12	13	15	10	5	7	5	0	67		
		Crenshaw	30	30	10	15	5	8	5	1	104		
		Total	77	78	50	53	17	30	25	11	341		
		Average									56.8333		
		Mackey	15	10	5	5	0	5	0	7	47		
		Forster	5	5	10	5	0	3	3	0	31		
		Winkler	10	10	5	10	4	5	5	5	54		
		Pape	15	10	5	10	0	0	10	10	60		
Safety First	\$35,000	Kohley	10	10	5	7	4	4	4	5	49		
		Crenshaw	5	5	5	5	1	1	1	1	24		
		Total	60	50	35	42	9	18	23	28	265		
		Average									44.1667		
		Mackey	15	10	5	5	0	5	0	7	47		
		Forster	5	5	10	5	0	3	3	0	31		
		Winkler	10	10	5	10	4	5	5	5	54		
		Pape	15	10	5	10	0	0	10	10	60		
		Kohley	10	10	5	7	4	4	4	5	49		
		Crenshaw	5	5	5	5	1	1	1	1	24		
		Total	60	50	35	42	9	18	23	28	265		
		Average									44.1667		
													94
													33.97%