

## **Community Development Steering Committee**

### **Association of Oregon Counties**

January 11, 2010 Meeting Minutes

Members: Nellie Hibbert, Chair of Community Development (Union), Diane McKeel, Vice-Chair (Multnomah), Dennis Luke (Deschutes), Georgia Nowlin (Curry), Terry Tallman (Morrow), Gary Thompson (Sherman), Dave Toler (Josephine), Mary Stern (Yamhill), Mike Benedict (Hood River Planning); Michael Weimar (Gilliam); Jeanne Burch (Wheeler), Mike Benedict (Hood River),

Guests: Sam Brentano (Marion), Andrew Olsen (Multnomah staff), Harry DeWolf (SBA)

AOC Staff: Ann Hanus, Doris Penwell, Emily Ackland, Art Schlack

Chair Hibbert convened the meeting at 8:30 a.m.

Gary Thompson moved for approval of minutes. Diane McKeel seconded and minutes were approved.

### **Recovery Zone Bonds**

Ann Hanus discussed the new bond programs that are part of the ARRA federal legislation. These bond programs can be used for public facilities and also private development. Unlike municipal bonds, the Recovery Zone Bonds provide investors with a 45% tax credit on bond interest instead of a tax deduction. The bonds may offer attractive rates over the long term for counties. However, these bonds are only available through the end of 2010.

The federal government allocated caps on the amounts of the bonds that can be issued by counties but has allowed for states to reallocate unused allocations. This reallocation enables a state to maximize use of the bonds for job creation and for assisting counties/cities that need a greater allocation for their projects. The state is looking at issuing rules soon that will spell out what counties need to do to retain or give up allocations.

## **HUBZones**

Harry DeWolf, Small Business Administration (SBA) District Director, discussed HUBZone issues. Following a meeting with Chair Hibbert and Ann Hanus in December, Mr. DeWolf offered to provide information on small businesses and SBA program.

He suggested beefing up training efforts and urging more businesses to register with the federal government on the Central Contractor Registration web site ([ccr.gov](http://ccr.gov)). He said if more businesses could be certified, register, and complete profiles they would be able to compete better and secure federal contracts. Mr. DeWolf reported that there are 300,000 small businesses in Oregon; however, only 6,600 are registered. Although many of the businesses have are registered, they have not provided complete information necessary for federal purchasing officers.

Mr. DeWolf said the goal for small business contracts across all SBA programs is 23 percent, and the actual results are 25 percent nationwide. Mr. DeWolf recommended that Committee members work with the federal agencies to address the over-reliance on the HUBZone program and urge that contracts be balanced using other SBA programs. He said that he is actively working with the U.S. Forest Service on this issue as well and coordinating with the SBA Idaho Office which manages part of Eastern Oregon.

The Committee members and Mr. DeWolf also discussed concerns about the over-reliance on the HUBZone program by federal agencies and the problems it is causing for small businesses in counties that are not HUBZone certified. Mr. DeWolf said he is actively working with the USFS to educate them about this issue and to balance their quotas.

## **Upcoming February Legislative Issues**

Doris Penwell reported the latest news on proposed Business Energy Tax Credit (BETC) legislation and administrative rule changes. She said the legislature will likely start with the House version and make amendments. The counties and other BETC proponents are concerned about how the BETC will impact manufacturing, conservation and especially renewable energy projects. AOC has expressed concern about whether the legislative and administrative rule changes will retroactively impact projects, how any cap will affect existing and proposed projects, and what is defined as a "small project".

Doris Penwell mentioned that the proposed administrative rule affecting the pass-through rate will be posted today on the Department of Energy Web site. The rules will set the rate for the pass-through and the affects the marketability of the credits. Doris said that the rates will be lowered for both private facilities as well as for public owners; however, the rate for public owners will be higher.

Art Schlack discussed the land use proposals dealing with destination resorts and wineries. He said Sen. Dingfelder has a destination resorts workgroup and reviewed the proposed changes to statute. For destination resorts, these changes include: (1) the need for county approval of a community wildfire protection plan or an amendment to a plan that demonstrates the site can be developed without being at a high overall risk; (2) if the resort is located west of the coast range and within five miles of an urban growth boundary or east of the summit of the coast range and within 15 miles of an urban growth boundary, the county shall require the applicant to submit an economic impact analysis of the proposed development; and (3) if the resort is located west of the summit of the coast range and within 10 miles of an urban growth boundary or east of the summit of the coast range and within 25 miles of an urban growth boundary the county shall also include measures to avoid or mitigate a proportionate share of adverse transportation effects on state highways and other transportation facilities.

He said that Senator Dingfelder's workgroup will continue to meet and may introduce additional changes for the 2011 session.

Regarding wineries, Art reviewed legislation being drafted for the February session to address what is allowed regarding selling products and holding events on site.

The meeting adjourned at 10:00 a.m.