

AGENDA
VENETA ECONOMIC DEVELOPMENT COMMITTEE
WEDNESDAY, JUNE 8 2016 – 2:00 P.M.
Veneta Administrative Center, 88184 8th Street, Veneta, Oregon

- 2:00 **I. CALL TO ORDER**
- 2:05 **II. PUBLIC COMMENT**
a. Speakers will be limited to 3 minutes each.
- 2:10 **III. ADMINISTRATIVE**
a. Approval of Minutes for May 11th, 2016 (pgs. 3-10)
- 2:15 **IV. IMPLEMENTATION OF ACTION PLAN**
a. System Development Charges, Commercial Scenarios (pgs. 11-20)
b. Business Assistance Fund Final Review (pgs. 21-39)
- 3:00 **V. PROGRAM/PROJECT UPDATES**
a. Veneta Business Connect
i. Program Update: Business Themes (pg. 41)
ii. Community Presentation, Thursday June 23rd 5:30 pm, Domaine Meriwether
- 3:20 **VI. OTHER**
- 3:25 **VII. NEXT MEETING**
a. July 13th 2:00 p.m. and the Second Wednesday of Every Month
- 3:30 **VIII. ADJOURN**

Times are approximate. This meeting will be digitally recorded. Location is wheelchair accessible (WCA). Communication interpreter, including American Sign Language (ASL) interpretation, is available if notice is given at least 48 hours prior to the start of the meeting. Contact the Economic Development Specialist, Claudia Denton, via phone (541) 935-2191, email cdenton@ci.veneta.or.us, or TTY Telecommunications Relay Service 1-800-735-1232.

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<http://www.venetaoregon.gov/meetings>

MINUTES
Veneta Economic Development Committee
Wednesday, May 11, 2016 – 2:00 p.m.
Veneta Administrative Center, 88184 8th Street, Veneta, Oregon

Present: Jason Alansky, Linda Boothe, Thomas Cotter, Dave D’Avanzo, Ryan Frome, Len Goodwin (Chair), Herb Vloedman (Vice Chair).

Absent: Gina Haley-Morrell, Charles Ruff.

Others: Ric Ingham, City Administrator; Jay Bozievich, Lane County Commissioner.

1. Call to Order

- a. Chair Len Goodwin called the meeting to order at 2:05 p.m.

2. Public Comment

- a. No public comment.

3. Administrative

- a. Approval of Minutes:

Motion: Tom Cotter made a motion to approve the minutes from April 13, 2016. Dave D’Avanzo seconded the motion which passed with a vote of 7-0.

4. Implementation of Action Plan

- a. System Development Charges (SDC fees)

Ric Ingham presented Claudia Denton’s SDC fee research, which was based off of a 2014 study by the League of Oregon Cities. Compared to a selection of other cities in the Southern Willamette Valley or of similar size, Veneta’s SDC fees are 74% higher than average for water, 5% higher than average for sewer, 35% higher than average for parks, 12% higher than average for streets, and 75% below average for stormwater, making Veneta about 26% higher than average total per Single Family Residential Dwelling Unit (also known as Single Residence Units). Ric Ingham made a note that park SDCs are not applied for commercial development.

In response to a question by Ryan Frome, Ric Ingham explained that the rates are for Single Residence Units (SRUs). A single family home equates to one SRU, and Commercial development is calculated by number of SRUs, depending on calculations for requirements like size of pipes required for water infrastructure, transportation trip generation, etc.

Ryan Frome said that since the fees are structured by number of Single Residence Units (SRUs) they don’t show what commercial developments pay. Ric Ingham said that this is the standard process and set-up around the state. Ryan Frome said the fee research document does seem to show the relative costs from one community to the next.

Len Goodwin said it would be possible for staff to sample calculate a commercial scenario, like a 10,000 sq. ft. supermarket or 5,000 sq. ft. professional office

building, to see what a commercial development might cost. He also said that transportation SDCs are the most sensitive to the type of business, and tends to most affect the development. Ryan Frome said that for the Veterinary Hospital that is relocating, the SDC fees are around \$80,000, which is quite a bit higher than a Single Residence Unit. Ric Ingham said that unlike new development, when a business moves into an existing building the SDC fees have been paid for by previous tenant or owners, but unfortunately Veneta does not have a lot of vacant buildings. This is a challenge that can cause businesses to locate elsewhere in a vacant building that will not cost any SDC fees.

Ric Ingham said that Veneta has received a variety of outside funding over the years, including from the USDA Rural Development fund, which have requirements for updating the Capital Improvements Plan and setting calculated SDC fees to ensure ability to repay loans. He also said these calculations reflect the city's ability to build infrastructure and capacity for new development. He said many cities are likely to be revisiting their SDC calculations and raising their rates to ensure they reflect the needs and abilities of the communities. He asked what the city should do in the interim when Veneta's SDC fees are a bit higher than the average.

Len Goodwin asked if the city's SDC project list included an estimated contribution to state projects. Ric Ingham said he thought the earlier methodology did, but the current methodology does not. He said the commercial transportation rate is currently reduced by 50% by resolution. Dave D'Avanzo asked if the residential fees being 26% higher than average was comparable to the commercial fees. Ric Ingham said it's hard to say without knowing the specific use. Dave D'Avanzo asked how Veneta might compare in future years when other cities increase their rates. Len Goodwin said Springfield's rates will be going up, and Eugene's has already in 2015, he also said Creswell's have likely gone up already. Len Goodwin also said Springfield's fees were temporarily reduced during the recession but as of 2015 are at actual rates.

Ric Ingham said both Cottage Grove and Junction City have very low rates. Junction City in particular has had a lot of capital improvements completed through the construction process for the incoming State prison. He also said Cottage Grove has not updated their master plan in probably 10-15 years, so their plans and expenses have not been reviewed lately. Tom Cotter said that he feels that Veneta is cleaner and more responsible through the passage of SDC fees, and he has been around for most of the recent updates to the SDC fee structure and plans, and feels that Veneta is in a better place for development because of what has been done in the last several years. There was general agreement that Veneta is being responsible and proactive.

Herb Vloedman said Veneta still has a problem with a *perception* that fees and charges are high. He said this may cause businesses and developers to not contact staff to begin with, and it may be important to publicize that Veneta's infrastructure is reliable and will not cause utility rates to go up, among other things.

In response to a question by Ryan Frome, Ric Ingham said that SDC fees are used to implement the Capital Improvements Plan in order to accommodate future growth, and water/sewer utility charges go toward operations and maintenance of the system. He said the SDC fees are the same for residential development for

both commercial entities and home builders. He said if the development is related to manufacturing jobs or traded sector there are often regional and state incentives available. Commissioner Bozievich said residential SDC fees are generally stable, but commercial development SDC fees can range greatly depending on the use, from tens of thousands to several hundred thousand dollars.

Len Goodwin asked if the study from League of Oregon Cities that Claudia Denton used for her research included examples of typical commercial development. He said this would give the Committee a better understanding on if the rates are high or if it truly is a perception problem. Ric Ingham said he didn't know, but would work on that. He said the next few meeting agendas would include presentations on the various incentive programs available which could be used to reduce SDC fee burdens.

b. Highway 126 Update

Ric Ingham informed the Committee that after the April 13th Committee meeting with the Governor's Regional Solutions Team, team coordinator Jackie Mikalonis had agreed to pull together a Highway 126 Summit, starting with a smaller working group. The group had met earlier in the month and collected information about current ODOT projects and funding, discussed audience, a potential coastal conference, and looking at the broader Highway 126 issues from Interstate 5 to the Oregon coast in order to raise visibility and profile to legislators. Commissioner Bozievich said he thinks the best approach is to work collaboratively and regionally to gain visibility, support, and funding, and then get started on various sections between Eugene and Veneta as funding allows.

Len Goodwin said that the section of highway between Mapleton and Florence is probably the least "meaty" of any of the projects, and by comparison, Mapleton to Badger Mountain is relatively good compared to the neck through the Fern Ridge Reservoir. He said if you focus on where the real bottleneck is between Florence and Eugene, you probably come to the conclusion that it's the two-lane stretch between west Eugene and Veneta. Commissioner Bozievich said that a 10-mile stretch of highway west of Badger Mountain has the highest fatality and injury rate, however, because of the wider lanes and shoulders, vehicle traffic is generally still able to get through when there is an incident, unlike the stretch from Eugene to Veneta. He said he'd had a meeting with a fellow commissioner who was an hour late due to an incident on the highway east of Veneta requiring a tow truck, which had stopped traffic in both directions. He said the stretch west of Badger Mountain is a safety issue, and the stretch from Veneta to Eugene is what makes it an unreliable transportation route and freight corridor.

Ric Ingham said he is working on gaining support from state legislators and others, and said the more voices of support the better.

c. Business Assistance Fund

Ric Ingham presented Claudia Denton's draft update to the Business Assistance Fund (BAF). Denton is looking to the Committee to provide comment on six specific policy questions for the BAF. Ingham said that the City is not well equipped to be the primary lender, but could be a secondary or tertiary resource to make a loan a reality for a local business, working with Lane Council of Governments or one of Veneta's local banks.

The Committee's policy responses/recommendations were as follows:

1. Microloans, pgs. 2-3
 - a. Currently: "Must be participating in a federal, state or locally recognized entrepreneurial development program."
 - b. Policy question: "Must be participating in a federal, state or locally recognized **business assistance or** entrepreneurial development program."

Discussion: Len Goodwin asked what providers are available for these programs. Ric Ingham said options include NEDCO and the Small Business Development Center based out of Lane Community College. Dave D'Avanzo and Len Goodwin recommended adding business assistance programs.

Recommendation: Add business assistance programs as an option, to read "Must be participating in a federal, state or locally recognized **business assistance or** entrepreneurial development program."

2. Project Assistance Grants, pgs. 2-3
 - a. Currently: "Nonprofits, startups, and catalyst projects given priority. Grants are unlikely to be given to for-profit businesses and would require a compelling reason/project."
 - b. Policy question: May want to remove in order to open up to for-profit businesses to receive grants. May want to suggest that projects that create jobs are given priority (or similar).

Discussion: Len Goodwin suggested "grants are unlikely to be given for existing or on-going for-profit businesses." Linda Boothe said some emerging businesses may appear to be on-going but are actually in the start-up phase as they have not been able to launch properly. Len Goodwin said those types of businesses would qualify, but it's still a question if they should receive a grant or a loan. Ric Ingham said the BAF is one of the few pots of funding that can potentially be used for SDC fee reductions and similar incentives, and therefore the less exclusionary the language could be the more options the City has to help a variety of businesses. He said he hopes that the Economic Development Committee could be one of the first reviewers for BAF requests, although City Council makes final decisions. Len Goodwin proposed one option to be removing grants entirely, but enabling City Council to forgive debt of the loans as deemed appropriate. Commissioner Bozievich said there are a several reasons grants are important within economic development; one is they can be used for equity that leverages loans. A \$25,000 grant could be used as 20% equity for a \$100,000 loan (for a \$125,000 project) or to purchase infrastructure components. He mentioned a grant to bring fiber optic internet to the First Call Resolution call center, and how even if the call center had not been completed or if they are to leave one day, the fiber optic infrastructure remains for the benefit of the community. He said he would recommend

keeping grants flexible and open to a variety of recipients, but have guidelines on how to prioritize. Ryan Frome said he did not see why it would matter if the recipient was for-profit or nonprofit. Ryan Frome and Dave D'Avanzo both said that job-creation should be the driver. Len Goodwin said he thought one reason nonprofits are favored is due to a general view that government funding should not subsidize a private business, even though in reality it can be a good idea. Commissioner Bozievich said one downside to giving government grants to nonprofits is that there will be no taxes generated in the future since nonprofits do not pay taxes. Ryan Frome said that if loans are used for SDC fees, it would be like taking money from one pocket and putting it into another pocket, but the money stays in the community. Len Goodwin asked the Committee if they were ready to make a recommendation for option b. Tom Cotter, Linda Boothe said it was a good idea. Ric Ingham asked if in addition to opening up grant funding to for-profit businesses, if the Committee would like to specifically recommend that projects that focus on job creation are given priority. Dave D'Avanzo said yes. Jason Alansky said he recommended changing the sentence to "projects that create jobs are given priority". Commissioner Bozievich suggested adding the words "create or retain jobs", as in some cases funding may allow for a business to stay in the area rather than move. Len Goodwin and Dave D'Avanzo agreed. There was general consensus.

Recommendation: Remove "Nonprofits, startups, and catalyst projects given priority. Grants are unlikely to be given to for-profit businesses and would require a compelling reason/project" and replace with "Projects that create or retain jobs are given priority", regardless of nonprofit or for-profit status.

3. Eligible Costs, pg. 4
 - a. Currently: "Building costs, such as real estate, engineering, architectural, legal, and related costs associated with acquisition, construction, and rehabilitation of buildings."
 - b. Policy question: To explicitly include or exclude permit fees and System Development Charges fee reductions?

Discussion: Tom Cotter said he thinks SDC fees should be explicitly included. Commissioner Bozievich and Len Goodwin both said that it seems like the current language would already allow funding to go toward SDC fees, as well as permit fees. Ric Ingham said it would be better to be as explicit as possible. Len Goodwin asked the Committee if anyone felt there was a risk of leaving anything out by calling out SDC fees and permit fees. No one had any objections to explicitly including permit fees and System Development Charges fees as eligible costs.

Recommendation: Explicitly include permit fees and System Development Charges fee as eligible costs.

4. Job/Loan Ratio, pg. 6
 - a. Currently: “One full time equivalent job will be created for each \$50,000 of BAF loan/grant.”
 - b. Policy question: figures from other cities/entities range from \$15,000 - \$50,000. It may be favorable to lower the amount to one job per \$25,000 or other suggested amount.

Discussion: Ric Ingham and Dave D’Avanzo both suggested lowering the amount to \$25,000. Commissioner Bozievich said that with the County’s Video Lottery funding, they have averaged one job per \$11,000 and aim for one per \$5,000-\$10,000. Len Goodwin said he would not want to set the bar too high as different industries have varying job creation needs and expectations. Ric Ingham asked if anyone was in favor of going lower than \$25,000. Tom Cotter said he wouldn’t mind a lower amount as he wouldn’t mind funding going toward several part-time jobs. He said he would like to see the funding be flexible to “create or retain” jobs. Dave D’Avanzo said that since it is less expensive to retain an existing one than to attract a new one, allowing funds to go toward retaining jobs makes sense, as it would be more expensive and difficult to replace lost jobs. Tom Cotter asked if a good applicant came along that did not project creating or retaining one job with \$25,000, would the applicant still be eligible? Ric Ingham said in such cases, it might be better to piecemeal a variety of funding sources available through the City, including the Redevelopment Tool Kit.

Recommendation: “One full time equivalent job will be created **or retained** for each \$25,000 of BAF loan/grant.”

5. Funding Leverage Ratio (Match), pg. 6
 - a. The current BAF does not require a match for microloans or grants.
 - b. Policy question: “Grants of any amount and microloans of less than \$5,000 require a funding leverage ratio of 1:1, or \$1 of private investment to every \$1 of BAF funding.”

Discussion: Jay Bozievich asked if the business match had to be private funding or can be leveraged from any source. Ric Ingham said any source of leveraged funding counts toward the match. Jason Alansky said the City likely would not want to be the sole provider or funding for a project, so a match makes sense. Len Goodwin suggested a one-to-one match. There was a consensus for a one-to-one match for both microloans and grants, regardless of the source of the matched funding.

Recommendation: “Grants of any amount and microloans of less than \$5,000 require a funding leverage ratio of 1:1, or \$1 of investment to every \$1 of BAF funding” regardless of the source of the leveraged investment.

6. Activities to be Financed, pg. 7
 - a. Currently: “Loans/Grants from the BAF will be available to small, private, for-profit businesses or nonprofit entities for the purpose of startup, expansion, and **maintenance of existing operations.**”
 - b. Policy question: Maintenance of operations is not typically included. May want to remove in order to focus on startups and expansions.

Discussion: Len Goodwin said he is comfortable with funding being used in order to retain a business in the area, but not toward maintenance of a business that is struggling. Jay Bozievich said he would recommend funding go toward improvement of an existing business, but not maintenance. There was brief discussion followed by a consensus.

Recommendation: “Loans/Grants from the BAF will be available to small, private, for-profit businesses or nonprofit entities for the purpose of startup, expansion, or **improvement** of existing operations.”

Ric Ingham said the Committee would get to review the Business Assistance Fund document one more time before going to City Council for review, and that Claudia Denton will make the recommended changes. Dave D’Avanzo asked if staff would make changes to have the document generally reflect the focus on “creating *or retaining* jobs”. Ric Ingham said all comments would be carried forward.

5. Program/Project Updates

a. Veneta Business Connect

Ric Ingham gave a summary update of the Veneta Business Connect program since all business interviews have been completed. Most of the target goals were reached or very close. A total of 23 businesses were interviewed (target: 20-25), with 14 out of 22 businesses (excluding one closed business) located inside city limits equaling 64% (target: 70%). Only three out of the four large employers were interviewed (target: all four). Ric Ingham and Dave D’Avanzo said Bi-Mart would be interviewed at a later time. Jason Alansky and Dave D’Avanzo said West Lane Fitness could also be interviewed at a later time.

Ric Ingham said Michael Held, staff with partners RDI, would be using the data to produce a report. Ric Ingham confirmed the Community Presentation would be held on Thursday, June 23rd, which would showcase the Veneta Business Connect program and have a market analysis presentation by Tom Hogue from the Department of Land Conservation and Development, inviting program participants, the community, and area businesses to attend. He said he was hoping to host the event at Domaine Meriwether Winery but had not gotten confirmation yet.

Ric Ingham said that he was scheduled to meet with Roque Barros, Director of the Ford Institute for Community Building, the following week to showcase the good work that is being done with the Ford Family Foundation’s assistance. He said he hopes to secure funding to continue the contract with RDI for a second year.

Len Goodwin asked if Michael Held would be able to provide a draft of the report

by the next Committee meeting. Ric Ingham said most likely not. Len Goodwin asked if the Committee could receive a list of the major issues that were raised by the businesses, so that between June 8th – 23rd, the Committee could prepare some material to address the issues. Ric Ingham said that some businesses with more immediate needs are already receiving follow-up assistance. Ric Ingham and Len Goodwin both said it would be good for the Committee to at least have some sort of comment to the general issues that were raised. Len Goodwin supported the idea that the community presentation should be as inclusive as possible.

6. Other

- a. Len Goodwin described a social networking website called Nextdoor. He said it is based on your neighborhood, and there is one for West Fern Ridge and one for the Cheshire area, and he has been posting the Economic Development Committee meeting materials onto the website. He said he received positive comments after sharing.
- b. Ric Ingham said that at the last Fern Ridge Chamber of Commerce meeting, he had heard about a new business called Veneta Business Network. It is a home-based startup that creates business network opportunities.
- c. Ric Ingham discussed Claudia Denton's projects and work items, and said she is working on getting the Business Assistance Fund completed quickly. He also said she is working on an inventory of available commercial space. He said in order to have a complete inventory of available space, it may be necessary to have a complete inventory of *all* commercial space and have the availability be updated regularly. He said this method would take a little longer. He said the other option is simply to inventory what is currently available, and asked the Committee which approach they supported. Tom Cotter said the more thorough the inventory is now the easier and more accurate it would be later on.

7. Next Meeting

- a. The next meeting was confirmed for Wednesday June 8th, 2016 at 2 p.m. with a regular meeting schedule of the second Wednesday of the month.

8. Adjourn

- a. Chair Len Goodwin adjourned the meeting at 3:40 p.m.

MEMORANDUM

TO: Veneta Economic Development Committee
FROM: Kay Bork, Community Development Director
DATE: 6/2/16
RE: System Development Charge (SDC) Comparison

Systems Development Charges are a one-time fee assessed to new residential, commercial, and industrial development and are used to fund needed infrastructure related to growth. These SDCs help the City provide for increased capacity needs.

Staff is presenting a comparison of System Development Charges for the cities of Veneta, Eugene, Junction City, and Creswell. The attached tables include the SDC fee and basic SDC methodology for each type of SDC charged by that jurisdiction for the proposed development type. Staff referred to each city's SDC Methodology Ordinance in order to calculate the SDC. It is important to note that each jurisdiction can use a different methodology for the same type of SDC. For example, Eugene calculates their local wastewater SDC using plumbing fixture units (PFU) while Veneta, Creswell, and Junction City utilize water meter size to calculate their wastewater SDC fee. Another example is Junction City's Transportation SDC methodology uses trip ends per acre when calculating SDCs for industrial uses while the other jurisdictions use a trip rate per thousand gross square feet (TGSF) of building in their formula.

SDCs have been calculated for four different types of development, for each jurisdiction, as follows:

- **Retail:** 5,000 square foot retail building with 1" meter and 10,000 square feet of impervious surface. *Impervious surface includes the building footprint, paved parking and circulation.*
- **Office:** 3,000 square foot office building with 1" meter and 6,000 square feet of impervious surface.
- **Light Manufacturing:** 10,000 square foot light manufacturing building, on a 5-acre site, with a 2" meter and 18,000 square feet of impervious surface.
- **Restaurant:** 2,000 square foot high quality restaurant with ¾" meter and 5,000 square feet of impervious surface.

Note: SDC rates are based on infrastructure project costs, each city has identified in their long range master plans, needed to serve the projected growth in their communities. An SDC rate is therefore affected by population forecasts and cost of needed infrastructure.

Example SDC Calculation:

Anticipated Costs for Infrastructure / Future Dwelling Units = Equivalent Dwelling Unit SDC

$\$10,000,000.00 / 2400 = \4166 per EDU

**COMMERCIAL SDC COMPARISON
VENETA, EUGENE, JUNCTION CITY AND CRESWELL**

RETAIL

New 5,000 square foot retail building with 1" meter and 10,000 square feet of new impervious surface (building/parking/circulation).

VENETA	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	N/A	N/A	N/A	N/A
	Stormwater	SF imp surface	10,000	\$0.06	\$630.00
	Wastewater	meter size	2.5	\$5,800.35	\$14,500.88
	Water (500 gpd)	432 gpd/ERU	1.2	\$6,378.89	\$7,654.67
	Transportation (50% for commercial)	Trips Per TGSF	13.55	\$2,179.41	\$14,765.50
	TOTAL				\$37,551.05

EUGENE	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	PPU	2.30	\$878.00	\$ 2,019.40
	Stormwater	Sq. Ft. Imp surface	10,000	\$0.21	\$ 2,138.00
	Wastewater (Local)	PFU	9.0	\$40.36	\$ 363.24
	Wastewater (Metro)	Per TGSF	5.0	\$469.72	\$ 2,348.60
	Water (EWEB)	meter size	2.33	\$5,691.00	\$ 13,260.03
	Transportation	Trips Per TGSF	13.55	\$1,974.52	\$ 26,754.75
	TOTAL				\$44,864.62

EDU = Equivalent Dwelling Unit
 GPD = Gallons Per Day
 Imp = Impervious

PFU = Plumbing Fixture Unit
 PPU = Persons Per Unit
 TGSF = Thousand Gross Square Feet

< Less Than

**COMMERCIAL SDC COMPARISON
VENETA, EUGENE, JUNCTION CITY AND CRESWELL**

RETAIL

New 5,000 square foot retail building with 1" meter and 10,000 square feet of new impervious surface (building/parking/circulation).

SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
Parks SDC	N/A	N/A	N/A	N/A
Stormwater	N/A	N/A	N/A	N/A
Wastewater	meter size	1.78	\$6,669.00	\$11,871.00
Water	meter size	1.78	\$1,958.00	\$3,485.24
Transportation (50% for retail < 15,000 sf)	Trips Ends Per TGSF	200.0	\$111.60	\$11,160.00
TOTAL				\$26,516.24

SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
Parks SDC	N/A	N/A	N/A	N/A
Stormwater	N/A	N/A	N/A	N/A
Wastewater	meter size	1.67	\$4,520.00	\$7,548.40
Water	EDU/3/4" meter	1.78	\$4,094.00	\$7,287.32
Transportation	Trips Per TGSF	13.55	\$591.32	\$8,012.39
TOTAL				\$22,848.11

Percentage Difference

Eugene -19%
Junction City 29.4%
Creswell 39.2%

**COMMERCIAL SDC COMPARISON
VENETA, EUGENE, JUNCTION CITY AND CRESWELL**

OFFICE

3,000 SF professional office building with 6,000 sf of impervious surface, and 1" meter.

VENETA	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	N/A	N/A	N/A	N/A
	Stormwater	Sq. Ft. Imp surface	6,000	\$0.06	\$378.00
	Wastewater	meter size	2.5	\$5,800.35	\$14,500.88
	Water (500 gpd)	432 gpd/EDU	1.2	\$6,378.89	\$7,654.67
	Transportation (50% reduction applied)	Trips Per TGSF	4.56	\$2,179.41	\$4,969.05
	TOTAL				\$27,502.60

EUGENE	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	EP	1.29	\$1,044.00	\$ 1,346.76
	Stormwater	Sq. Ft. Imp surface	6,000	\$0.21	\$ 1,282.80
	Wastewater (Local)	PFU	9.0	\$221.00	\$ 1,989.00
	Wastewater (Metro)	Per TGSF	3.0	\$939.00	\$ 2,817.00
	Water (EWEB)	meter size	2.33	\$5,691.00	\$ 13,260.03
	Transportation	Trips Per TGSF	4.56	\$1,974.52	\$ 9,003.81
	TOTAL				\$28,352.64

EDU = Equivalent Dwelling Unit
 GPD = Gallons Per Day
 Imp = Impervious

PFU = Plumbing Fixture Unit
 PPU = Persons Per Unit
 TGSF = Thousand Gross Square Feet

**COMMERCIAL SDC COMPARISON
VENETA, EUGENE, JUNCTION CITY AND CRESWELL**

OFFICE

3,000 SF professional office building with 6,000 sf of impervious surface, and 1" meter.

SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
Parks SDC	N/A	N/A	N/A	N/A
Stormwater	N/A	N/A	N/A	N/A
Wastewater	meter size	1.78	\$6,669.00	\$11,870.82
Water	meter size	1.78	\$1,100.00	\$1,958.00
Transportation (50% reduction for office)	Trips Ends Per TGSF	33.0	\$111.60	\$1,841.40
TOTAL				\$15,670.22

SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
Parks SDC	N/A	N/A	N/A	N/A
Stormwater	N/A	N/A	N/A	N/A
Wastewater	meter size	1.67	\$4,520.00	\$7,548.40
Water	EDU/3/4" meter	1.78	\$4,094.00	\$7,287.32
Transportation	Trips Per TGSF	4.56	\$591.32	\$2,696.42
TOTAL				\$17,532.14

Percentage Difference

Eugene	-3%
Junction City	43%
Creswell	36%

**COMMERCIAL SDC COMPARISON
VENETA, EUGENE, JUNCTION CITY AND CRESWELL**

LIGHT MANUFACTURING

10,000 SF Light Industrial Manufacturing building on 5 acre site with 2" meter and 18,000 SF of impervious surface.

VENETA	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	N/A	N/A	N/A	N/A
	Stormwater	SF imp surface	18,000	\$0.06	\$1,134.00
	Wastewater	meter size	8	\$5,800.35	\$46,402.80
	Water (432 gpd = edu)	432	1.85	\$6,378.89	\$11,812.76
	Transportation (50% reduction applied)	Trips Per TGSF	9.70	\$2,179.41	\$10,570.14
	TOTAL				\$69,919.70

EUGENE	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	Per TGSF	10.00	\$640.00	\$ 6,400.00
	Stormwater	Sq. Ft. Imp surface	18,000	\$0.21	\$ 3,848.40
	Wastewater (Local)	PFU	9.0	\$185.05	\$ 1,665.45
	Wastewater (Metro)	Per TGSF	10.0	\$9,394.31	\$ 93,943.10
	Water (EWEB)	meter size	8	\$5,691.00	\$ 45,528.00
	Transportation	Trips Per TGSF	9.70	\$1,974.52	\$ 19,152.84
	TOTAL				\$164,137.79

EDU = Equivalent Dwelling Unit
GPD = Gallons Per Day
Imp = Impervious

PFU = Plumbing Fixture Unit
PPU = Persons Per Unit
TGSF = Thousand Gross Square Feet

**COMMERCIAL SDC COMPARISON
VENETA, EUGENE, JUNCTION CITY AND CRESWELL**

LIGHT MANUFACTURING

10,000 SF Light Industrial Manufacturing building on 5 acre site with 2" meter and 18,000 SF of impervious surface.

SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
Parks SDC	N/A	N/A	N/A	N/A
Stormwater	N/A	N/A	N/A	N/A
Wastewater	meter size	7	\$6,669.00	\$46,683.00
Water	meter size	7	\$1,100.00	\$7,700.00
Transportation (No reduction for use)	Trip Ends Per Acre	52.0	111.60	\$5,803.20
TOTAL				\$60,186.20

SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
Parks SDC	N/A	N/A	N/A	N/A
Stormwater	N/A	N/A	N/A	N/A
Wastewater	meter size	5.33	\$4,520.00	\$24,091.60
Water	EDU/3/4" meter	7	\$4,094.00	\$28,658.00
Transportation	Trips Per TGSF	9.70	\$591.32	\$5,735.80
TOTAL				\$58,485.40

Percentage Difference

Eugene	-135%
Junction City	14%
Creswell	16%

**COMMERCIAL SDC COMPARISON
VENETA, EUGENE, JUNCTION CITY AND CRESWELL**

RESTAURANT

2000 SF High Quality Restaurant with 3/4" meter and 5000 SF of impervious surface.

VENETA	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	N/A	N/A	N/A	N/A
	Stormwater	Sq. Ft. Imp surface	5,000	\$0.06	\$315.00
	Wastewater	meter size	1.5	\$5,800.35	\$8,700.53
	Water (432 gpd = edu)	432	4.63	\$6,378.89	\$29,531.90
	Transportation (50% reduction applied)	Trips Per TGSF	14.98	\$2,179.41	\$16,323.78
	TOTAL				\$54,871.20

EUGENE	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	Per TGSF	2.00	\$1,044.00	\$ 2,088.00
	Stormwater	Sq. Ft. Imp surface	5,000	\$0.21	\$ 1,069.00
	Wastewater (Local)	PFU	11.0	\$204.16	\$ 2,245.76
	Wastewater (Metro)	Per TGSF	2.0	\$12,471.00	\$ 24,942.00
	Water (EWEB)	meter size	1.5	\$5,691.00	\$ 8,536.50
	Transportation	Trips Per TGSF	14.98	\$1,974.52	\$ 29,578.31
	TOTAL				\$66,371.57

EDU = Equivalent Dwelling Unit
 GPD = Gallons Per Day
 Imp = Impervious

PFU = Plumbing Fixture Unit
 PPU = Persons Per Unit
 TGSF = Thousand Gross Square Feet

**COMMERCIAL SDC COMPARISON
VENETA, EUGENE, JUNCTION CITY AND CRESWELL**

RESTAURANT

2000 SF High Quality Restaurant with 3/4" meter and 5000 SF of impervious surface.

JUNCTION CITY	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	N/A	N/A	N/A	N/A
	Stormwater	N/A	N/A	N/A	N/A
	Wastewater	meter size	1	\$6,669.00	\$6,669.00
	Water	meter size	1	\$1,100.00	\$1,100.00
	Transportation (50% reduction applied)	trip ends per TGSF	192.00	\$111.60	\$10,713.60
	TOTAL				\$18,482.60

CRESWELL	SDC Type	Unit Type	SDC Unit	Per Unit Charge	Total SDC
	Parks SDC	N/A	N/A	N/A	N/A
	Stormwater	N/A	N/A	N/A	N/A
	Wastewater	meter size	1	\$4,520.00	\$4,520.00
	Water	EDU/3/4" meter	1	\$4,094.00	\$4,094.00
	Transportation	Trips Per TGSF	14.98	\$591.32	\$8,857.97
	TOTAL				\$17,471.97

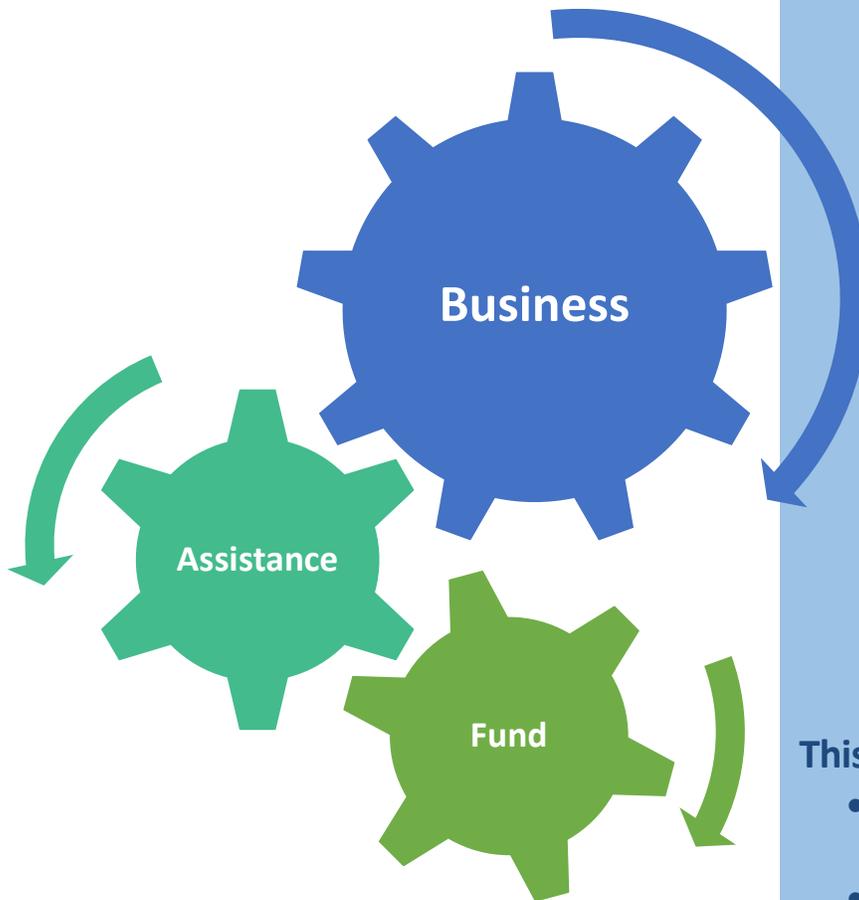
Percentage Difference

Eugene	-21%
Junction City	66%
Creswell	68%

SUMMARY OF SYSTEM DEVELOPMENT CHARGES

	VENETA	EUGENE	JUNCTION CITY	CRESWELL
Retail (5,000 SF)	\$37,551.05	\$44,864.62	\$26,516.24	\$22,848.11
Office (3,000 SF)	\$27,502.60	\$28,352.64	\$15,670.22	\$17,532.14
Restaurant (2,000 SF)	\$54,871.20	\$66,371.57	\$18,482.60	\$17,471.97
Light Manufacturing (10,000 SF)	\$69,919.70	\$164,137.79	\$60,186.20	\$58,485.40

City of Veneta Business Assistance Fund Application Packet



This packet includes:

- Explanation of the program
- Funding Criteria
- Checklist
- Application



Adopted Month, Day 2016

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Program Elements

A. Background

The City of Veneta Business Assistance Fund (BAF) is a toolkit of loan and grant programs available to businesses and nonprofit organizations within Veneta city limits at the discretion of the Veneta City Council. The first Business Assistance Fund Loan/Grant Packet was adopted on October 10, 2011. Originally named the Commercial Loan Fund, the Fund was developed in 1999 by Resolution 790 which amended Resolution 470 establishing the original Housing Rehabilitation Loan Fund, allowing the funds to also be used for business assistances and economic development purposes.

The BAF program rules will reflect both a traditional loan program as well as the Veneta City Council's discretion to provide grant funding when the Council chooses.

B. Goals

The overall goals of the City of Veneta Business Assistance Fund are to encourage business expansions and startups which create or retain job opportunities in Veneta, and add to a vibrant business climate. The method employed to encourage this expansion will be to utilize the BAF and local matching funds to make low interest subordinated or direct loans/grants to small business or local nonprofits. It is highly preferred that loans or grants be made in cooperation with commercial lending institutions or other sources of debt capital or equity capital.

C. Targeting Criteria

Businesses and industries targeted for the City of Veneta BAF include:

The Veneta Economic Opportunities Analysis (2015) states the five industries that fit with the Community's aspirations for growth and are identified as having growth potential in Veneta:

- Food processing – with a focus on specialty items
- Professional, scientific, and technical services – focus on high-tech
- Secondary wood products – focus on niche markets
- Small-scale or specialty agriculture including greenhouse, and floriculture products
- Tourism and wine industry

Additional target businesses and industries:

- Technology transfer/incubator space

- Other activities which represent technology or type of economic enterprise that the Veneta City Council determines are needed to help diversify the community's economic base.

As a general rule, manufacturing or industrial projects will take precedence over commercial projects due to their relative high employment per dollar ratio and the economic diversification which they provide. Although it is not anticipated that a significant change will occur in the area's economic composition in the short run, should a vital shift happen, a subsequent realignment of criteria may be instituted with the Veneta City Council's approval.

D. Programs

Type of Assistance	Amount	Match Required	Notes
Microloan	\$500 - \$4,999	\$1 match : \$1 BAF	Must be participating in a federal, state or locally recognized business assistance or entrepreneurial development program.
Business Assistance Loan	\$5,000 - \$50,000	\$2 match : \$1 BAF	Supplements other loans and resources by traditional or SBA lenders. Targets businesses that can create, retain, or lead to the creation of, new family-wage jobs.
Project Assistance Grant	\$500 - \$25,000	\$1 match : \$1 BAF	Projects that create or retain jobs are given priority.

The following three definitions are being provided for the purpose of defining the three assistance programs being offered through Veneta's BAF program.

Microloans

A microloan is defined as any amount below \$5,000. Microloans are intended for existing or newer businesses with five or fewer employees. Applicants should have established good credit but have been deemed non-qualified from a traditional bank or Small Business Assistance (SBA) loan program. Any microloan applicant must be a participating business in a federal, state or locally recognized business assistance or entrepreneurial development program. Often microloan funds will be utilized for additional capitalization in order for a business to expand. The minimum BAF microloan amount is \$500.

Business Assistance Loans

A business assistance loan is defined as any amount from \$5,000 up to \$50,000 that is being utilized to leverage other resources being lent by a traditional or SBA lender. Veneta's BAF would be subordinate to other lenders, often placed in a second or third collateral position. Funds would be targeted to those businesses that can create, retain, or lead to the creation of family-wage jobs in the community. Any applicant will need a completed business or strategic plan in order to be invited to submit a full application. Family wage jobs are defined as the most recently calculated median wage (50th Percentile Wage) for Lane County, Oregon as published by the State of Oregon Employment Department (ex: \$16.37/hour, \$34,049.60/year in 2015). This criterion can be met by taking an existing lower-wage job and increasing the wage.

Project Assistance Grants

A project assistance grant is defined as any amount up to \$25,000 that is intended as an outright grant with no single entity or project likely to receive greater than the maximum eligible grant amount. Both for-profit and nonprofit entities are eligible to apply. Projects that create or retain jobs are given priority. Funds will be targeted towards those enterprises that can be a catalyst for new economic development efforts or that build capacity with existing businesses or targeted industries. Funds will generally be intended for startup operations or for leveraging resources to aid existing activities. Any applicant will need a completed business or strategic plan in order to be invited to submit a full application. The minimum BAF grant amount is \$500.

E. Eligibility and Criteria

Eligible applicants include private for-profit firms (such as corporations, partnerships, and sole proprietorships) and nonprofit organizations located inside Veneta city limits. Ineligible applicants are entities and organizations other than those described above.

Eligible Projects and Activities

Generally, the BAF will be available to support the start up or expansion of businesses within Veneta city limits. Activities that may be undertaken include the following:

- Acquisition of machinery, equipment, furniture, and fixtures.
- Acquisition and assembly of land for commercial, industrial, and related uses. Speculative activities, such as land banking and construction of speculative buildings, are not eligible.
- Acquisition of abandoned properties with redevelopment potential, though not for speculation.
- Development of real estate, including redevelopment and rehabilitation of historical buildings for industrial or commercial use.
- Other investments, which will accelerate repurposing of land and facilities for job creating activity, such as assistance to firms to locate or expand in such facilities.
- Improvements to commercial or industrial facilities and streets.
- Working capital needs.

Ineligible Projects and Activities

These include:

- Projects involving the relocation of any firm from one area in the community to another, unless such move meets the job preservation or creation standards elsewhere described herein.
- Projects for which all funds are judged by the City Council to be otherwise available from private lenders or other public agencies at terms which will permit the accomplishment of the project.

Eligible Costs

These include:

- Land costs, such as engineering, legal, grading, testing, site mapping, related costs associated with acquisition, and preparation of land.
- Building costs, such as real estate, engineering, architectural, legal, permit fees, System Development Charges, and related costs associated with acquisition, construction, and rehabilitation of buildings.

- Machinery and equipment costs, including delivery, installation, engineering, architectural, legal, insurance, and related costs associated with acquisition and installation of machinery and equipment.
- Other costs contributing directly to the value of the project fixed assets, such as sales and use taxes, and interest on interim construction financing.
- Adequate contingency reserves.
- Working and startup capital.

Ineligible Costs

These include:

- Acquisition of equity in private businesses.
- Subsidy of interest payments on existing loans.
- Refinancing or payoff of loans made by other lenders, except if the Loan/Grant Committee's approval is given prior to such loan issuance.

Loan/Grant Eligibility Criteria

The standards described below apply to the performance of the BAF as a whole. The selection of a business as a recipient of the BAF will be based on its ability to meet the loan portfolio standards. Individual loans/grants may vary from the loan/grant portfolio standards in a case where a significant economic benefit is available by assisting a particular business. Less than the specified performance on one or all of the standards may be acceptable in such cases.

- **Location**

Projects that have a physical location must be located within Veneta city limits. The organization/applicant receiving funds must be located within, or relocating to, Veneta city limits.

- **Job/Loan Ratio**

One full time equivalent job will be created or retained for each \$25,000 of BAF loan/grant.

- **Types of Jobs Created/Retained**

Preference will be given to businesses that create or retain permanent jobs involving skills related to manufacturing and industrial production.

- **Funding Leverage Ratio (match)**

The funding leverage ratio is described as a [number]:1 match (example: 1:1 or "one to one" match). To calculate the ratio, take the amount you are leveraging and divide by amount of BAF funds requested. Example: A project that is matching \$20,000 and is requesting \$10,000 ($20,000/10,000 = 2$) has an ROI of 2:1.

- Grants of any amount and microloans of less than \$5,000 require a funding leverage ratio of 1:1, or \$1 of total investment to every \$1 of BAF funding. The BAF assistance will not exceed one-half of the funding required in a proposed project.
- BAF loans of \$5,000 or more require a funding leverage ratio of 2:1, or \$2 of total investment to every \$1 of BAF funding. The BAF assistance will not exceed one-third of the funding required in a proposed project.

- **Activities to be Financed**

Loans/Grants from the BAF will be available to small, private, for-profit businesses or nonprofit entities for the purpose of startup, expansion, or improvement of existing operations. For the purposes of the BAF program, the definition of a small business will be that used by the U.S. Small Business Administration 504 program.

- **Other Economic Objectives/Benefits**

Other elements which will receive consideration in the selection of loans/grants for the BAF program are:

- Linkages with the area's existing economy which would permit a business to absorb displaced or underemployed skilled workers in the area labor force, particularly for the low and moderate income.
- Companies whose markets appear to indicate the opportunity for significant expansion or production, and employment, over the short term.
- Significant opportunities for the development and/or expansion of minority or female-owned and operated small business concerns.

F. Financing Policies

Size

Microloans are for amounts of \$500 - \$4,999. Standard loans are for amounts \$5,000 - \$50,000. Grants are for amounts \$500 - \$25,000.

Fixed Assets/Working Capital Goal

Not more than 25 percent (25%) of the loan/grant portfolio will be for working capital. Working capital loans will generally only be made in conjunction with fixed assets.

Loan Repayment Terms

Loan terms will generally not exceed the full useful life of the assets being financed. However, shorter-term loans will be encouraged in order to accelerate the reuse of the BAF dollars. Loan repayment will normally be accomplished in equal monthly installments, including principal and interest over the life of the loan, except that a reasonable number of payments, typically no more than six months' worth, may be interest only if found necessary to make the project viable. Except in cases of loan renegotiation, standard loan repayment terms will generally be

adhered to. BAF loan terms will normally not exceed the loan term of the participating private lender.

Loan Interest Rates

The maximum BAF loan interest rates will be set at no higher than the then current earnings from the Oregon Local Government Investment Pool plus five percent (5%). The minimum interest rate the BAF can charge is five percent (5%). Interest rates will be determined at the time of the loan approval and will be fixed over the life of the loan. A known rate contributes to the borrower's understanding of the program.

Special Financing Techniques

Loans/grants will generally be made on a subordinated basis. This approach will lower the risk for commercial lenders and generally act as an incentive to encourage their participation. Longer amortization with early balloon payments may also be used where appropriate.

Restructuring or Modifying Loans/Grants

Terms and conditions of existing loans/grants may be modified from time to time, as deemed appropriate, particularly to preserve the assets of the business and value of loan/grant collateral, should there be a problem with loan repayment. In general, restructuring a loan will be accomplished in a manner that will produce a reasonable likelihood of repayment, given a current and complete reassessment of conditions. BAF loans/grants will be restructured only where it improves a borrower's ability to repay.

Use of Interest and Fees from Activity

At all times, a minimum of \$100,000 will be preserved in the BAF as either outstanding loans/grants from the fund or cash available for continued lending. BAF Funds may be used to defray direct administrative expenses connected with the BAF.

Fees and Charges

There will be a \$100 application fee (not to exceed 5% of the requested loan/grant amount). Additionally, borrowers will pay for any direct costs incurred in loan/grant processing and closing, such as recording fees, attorney fees, escrow fees, loan/grant document fees, etc. Payments are considered late 15 days following the due date and will be charged a 5% late fee (minimum of \$15) after that date.

Cooperation with Other Financing Programs

BAF loans/grants will be used to fill gaps in the financing that exists for a wide range of business development purposes. This will be accomplished in a complementary manner to all public and private sources, including SBA-504 and 7(a), Oregon Business Development Fund, Revenue Bonds, Lane Council of Governments Revolving Loan Fund, and others as appropriate.

Administrative Elements

A. Loan/Grant Committee

The BAF program will have BAF Loan/Grant Committee consisting of three members, one of which shall be a City Councilor, and one alternate; two out of the three members must reside, be employed, or operate a business within the Veneta city limits. The alternate will become a voting member during any temporary absences or conflict of interest disqualification of regular members. Appointments will be made by the Mayor and approved by the Council for terms of two years. Preference will be given, when possible, to the appointment of a commercial lending professional and an accounting professional.

The BAF Loan/Grant Committee will meet on an “as needed” basis and elect its own Chairperson. A quorum shall consist of three members. In addition, the services of legal counsel may be made available to the Loan/Grant Committee. Legal services will be utilized on an “as needed” basis and this individual will not be a regular member of the Committee.

B. Staff Operation

The operation of the BAF, or parts thereof, may be performed by the staff of the City of Veneta or by any agent or entity with whom an agreement may be entered into for such purposes.

The primary activities of the staff with respect to the BAF program are as follows:

- Publicize BAF objectives and availability in the Veneta community.
- Screen all applicants, inviting promising candidates to submit preliminary information.
- Based on preliminary data, invite qualified candidates to submit detailed applications.
- For approved loans/grants, ensure proper execution of documents, compliance with all appropriate regulations, timely loan closing and implementation of project.
- Monitor ongoing operations of loan/grant recipients and recommend loan/grant revisions as appropriate.
- Perform loan/grant servicing and accounting.
- Perform loan/grant collections, with attorney when appropriate, including asset liquidation.
- Provide regular financial reports for the BAF, including individual account status.

C. Loan/Grant Selection and Approval Process

The loan/grant selection and approval process includes four stages, as follows:

Marketing

Staff informs community interests about the availability of the BAF, as appropriate. Such interests may include the media, area bankers, area businesses, and the Veneta-Fern Ridge Chamber of Commerce.

Application

Normal and prudent lending standards are used in evaluating the strength and ability to repay of both businesses and individuals. However, loans/grants may be made in some cases where, in the Loan/Grant Committee's judgment, the employment and other potential benefits (and the quality of business planning) outweigh risks that more conservative lenders would be likely to avoid. This would apply, for example, to almost all business startups, which are routinely excluded from consideration by most members of the financial community.

Procedures and flow are as follows:

- Preliminary discussion with staff representatives for likely eligibility with BAF loan/grant criteria. If another lending program is more appropriate, the staff member will make those recommendations.
- Decision by staff representatives to invite preliminary written information or decline loan/grant request at this point. If negative, inform applicant as to reasons for decline and as to actions available for appeal to the BAF committee. If positive, review preliminary information needs with applicant and provide referral for business counseling regarding the applicant's business plan, if appropriate.
- Preparation and submission of preliminary application, information, and supporting documents by applicant.
- Review of preliminary information by staff will be completed within fifteen (15) business days upon receipt of the application.
- Decision by staff to invite formal application or decline loan/grant request at this point. If negative, provide a written explanation of reasons for decline and as to actions available for appeal to the BAF committee. If positive, inform applicant and schedule application conference, if needed.
- Application conference – review in detail the BAF full application needs, financial schedules, and any information determined necessary by staff with applicant.
- Submittal of formal application, all supporting documents, authorization for credit checks, and the application fee by applicant.

Review and Decision

Procedures and flow are as follows:

- Review by staff for completeness and regulatory compliance, with submittal of additional information by applicant if appropriate.
- Acceptance of formal application by staff representative.
- Detailed review and final recommendation to Loan/Grant Committee by staff, based on loan/grant criteria, strength of business and principals, and all other factors. Recommendation will include whether or not to make the proposed loan/grant, and if positive, what the terms and conditions should be. Final review and recommendation will be completed within twenty-five (25) business days once application is deemed complete and formal application has been received.
- Submission of complete package, with recommendations, to Loan/Grant Committee.
- Loan/Grant Committee decides whether to approve or decline the loan/grant request and what terms and conditions should apply.
- Notification to applicant in writing. If declined, include reasons for denial. The applicant has the right to appeal the BAF decision to City Council.

Loan/Grant Closing

Procedures and flow are as follows:

- Upon Loan Committee approval, preparation of loan/grant closing documents by staff, with attorney's review as necessary.
- Loan/grant closing by staff.
- Filing of liens, as available, and completion of any remaining legal, regulatory, or housekeeping matters, all to be carried out by staff.
- Payment of loan/grant closing fee.
- Disbursement of proceeds by bank or escrow agent according to directions.

D. Loan Servicing

Policies and procedures will be administratively established for managing and servicing the portfolio of the BAF. This will include closely monitoring payment performance, periodic review of financial data and employment generation, and personal inspections and site visits; all as appropriate.

In general, the City of Veneta wants to be an "understanding" creditor, willing to be flexible, but serious in its desire to be recapitalized by loan repayment from which to re-lend to deserving businesses within the community. Loan monitoring, such as annual financial statement review and employment reporting, insurance premium payments, etc., will be established to assure the activity and regularity.

Because early detection of a potential problem is generally a valuable assistance in correcting it, follow-up communication and monitoring of borrowing businesses may be made after loan closing

until full repayment. Should payment monitoring indicate a delinquency, a written notice or reminder will be generated and forwarded promptly 10 days after the due date, and if subsequently needed 20 days after the due date. Thereafter, personal contact will be made, by phone or inspection at the site, for discussion of problems. The follow-up and direction, at this point, will be driven by an assessment of problems after considering all conditions then existing.

If allowing additional time to bring any payments current becomes inappropriate, modification or revision of the loan agreement will be considered if workable and beneficial to the health of the business. Modifications will not be approved unless they enhance the borrower's repayment ability without detriment to the BAF. The borrower must make a good faith effort under these conditions and not have a hopeless situation. While considering the legitimate special needs of the borrower, the BAF will operate in a manner that also protects its assets. Should default occur which does not show reasonable prospects for remedy, the BAF will move against the loan collateral and assets of the borrower and guarantors, as appropriate.

E. Other Requirements

In general, staff will obtain assurances of regulatory compliance before a BAF loan is disbursed; monitor for compliance during the payback period; and in a case of confirmed and irremediable non-compliance, call the loan.

F. Amendments

The BAF Plan may be amended at any time by a duly approved resolution of the Veneta City Council.

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Business Assistance Fund Checklist

PO Box 458 * Veneta, OR 97487 * 541-935-2191 * Fax 541-935-1838 * www.venetaoregon.gov

Business Assistance Fund Application Checklist

Before filling out an application:

- Schedule a meeting with staff to discuss the project, providing a project narrative.

Application:

- 1. BAF Loan/Grant Application Form

Business description:

- 2. Completed Business or Strategic Plan
- 3. A history and description of the business
- 4. Résumés of the principals involved in day-to-day management

Project description:

- 5. Description of project
- 6. Copy of cost estimates
- 7. Use and source of proceeds

Financial documents:

- 8. Personal financial statement
- 9. Personal credit report(s)
- 10. Personal tax returns for the last 3 years
- 11. Financial statements for the business/organization for the last 3 years
- 12. Current financial statements (within 90 days) for the business/organization
- 13. Business/organization tax returns for the last 3 years
- 14. Projected monthly cash flow for 12 months with assumptions
- 15. Projected annualized income statement for two years with assumptions
- 16. Opening balance sheet
- 17. Schedule of business/organization long term debt
- 18. List of collateral and its value

If applicable:

- Articles of Incorporation and Bylaws (if corporation)
- Articles of Incorporation and Operating Agreement (if LLC)
- Partnership Agreement (if partnership)
- Business License and Business Name Statement (if proprietorship)
- Franchise Agreement (if applicable)
- Environmental Information (if secured by real estate)
- Standard Flood Hazard Determination (if secured by real estate)

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Business Assistance Fund Loan/Grant Application

PO Box 458 * Veneta, OR 97487 * 541-935-2191 * Fax 541-935-1838 * www.venetaoregon.gov

Business Assistance Fund Loan/Grant application information and accompanying financial records that are submitted to the City of Veneta will be kept in confidence to the extent permitted by law, and while the City believes that the records will not be subject to disclosure, it is possible that disclosure might be required for some documents.

APPLICANT						
Full Legal Name of Borrower(s) and/or Company/Organization:					Telephone Numbers:	
					Business:	
					Personal:	
					Fax:	
Primary Contact:				SSN or Tax ID #:		
Street Address:						
City:				State:		Zip:
Billing Address (If different from above):						
City:				State:		Zip:
Proposed Business Address (If different from above):						
City:				State:		Zip:
Nature of Business:					Date Established:	Date Under Current Management:
Type of Assistance Requested:	<input type="checkbox"/> Microloan	<input type="checkbox"/> Business Assistance Loan	<input type="checkbox"/> Project Assistance Grant			
Type of Entity:	<input type="checkbox"/> Corp.	<input type="checkbox"/> LLC	<input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Prop.	<input type="checkbox"/> S Corp.	<input type="checkbox"/> Nonprofit
COMPANY OWNERSHIP						
(List below all owners, principals and officers; attach schedule of additional names, if necessary) Show 100% of Ownership						
Name			Title		% of Ownership	
					%	
					%	
					%	
						Total: 100%
AFFILIATES						
(List all business concerns in which the Applicant Company/individuals listed in the ownership section above have any ownership. Attach current financial statement and tax return.)						
Company Name			Owner (Applicant Company or Individuals)		% of Ownership	
					%	
					%	

PROJECT				
Purpose of Loan (Provide a brief description of use of funds.)				
Project Cost	Project Costs	Collateral Offered	Present Market Value	Present Loan Balance
Real Estate Acquisition	\$	Land	\$	\$
New Construction/Expansion Repair	\$	Building	\$	\$
Acquisition/Repair of Machinery or Equipment	\$	Machinery & Equipment	\$	\$
Inventory Purchases	\$	Furniture	\$	\$
Working Capital (including Loan Fees)	\$	Fixtures	\$	\$
Acquisition of Existing Business	\$	Accounts Receivable	\$	\$
Other:	\$	Inventory	\$	\$
Other:	\$	Real Estate	\$	\$
Other:	\$	Other	\$	\$
Total Project	\$	Total Collateral	\$	\$
Equity/Capital Injection/Down Payment	\$	Source of Applicant's Equity/Capital Injection:		
Requested Loan Amount	\$			
Requested Repayment Terms	yrs.	mo.		
LEASE INFORMATION				
Do you have a lease for the property your business now occupies?		<input type="checkbox"/> Yes		<input type="checkbox"/> No
Monthly Rent: \$	Years remaining on lease:		Renewal Option:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Renewal option: If answered "yes," provide details; attach a separate sheet if necessary:				
OTHER INFORMATION				
Has the applicant, any of its principals, or any other business in which the principals were principals filed bankruptcy or defaulted on any debts within the past 10 years?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the applicant an endorser, guarantor, or co-maker for obligations not listed in its financial statements?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the applicant use or store any hazardous/toxic materials, or produce hazardous/toxic waste?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is applicant or any of its principals a party to any claim or lawsuit? Is any principal or applicant (i) currently under indictment, or on parole or probation; (ii) ever been charged with or arrested for any criminal offense, other than a minor motor vehicle violation; or (iii) ever been convicted of any criminal offense?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the applicant owe any taxes for years prior to the current year?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the applicant maintain key-person life insurance on any owner, officer, or shareholder?			<input type="checkbox"/> Yes	<input type="checkbox"/> No

Life Insurance Agent:	Insurance Company:	Telephone:
Name of Insured:	Beneficiary:	Amount:
		\$
Accountant Name:	Telephone:	
Attorney Name:	Telephone:	
Business Insurance Agent:	Telephone:	
Residential Insurance Agent:	Telephone:	
Real Estate Agent:	Telephone:	

AGREEMENT

- By signing below, you certify that all the information you have given in this application is true and complete. You authorize us to verify all your statements with any source, obtain credit and employment history (including your spouse's, if you live in a community-property state) and exchange information with others about your credit and account experience with us. You agree to provide additional information that we may require to process this application, including but not limited to, true and complete federal income tax returns, employment verification and income verification.
- You also agree to reimburse the City for its expenses incurred in connection with any credit commitment. These expenses include, without limitation, the City's appraisal, environmental services and legal costs, which are payable even though the extension of credit may not be consummated.
- You also represent that if you currently have any indebtedness or other obligations owing to the City, you have no defenses to or setoffs against such indebtedness or obligations. You also represent that you have no claims against the City for any matter regardless of whether or not they are related to this application.
- You acknowledge that you are applying for credit from the City of Veneta.
- **You agree to pay the \$100 non-refundable application fee when submitting your application.**

Authorized Signature	Authorized Signature
Print Name	Print Name
Title	Title
Date	Date
Social Security or Tax ID Number	Social Security or Tax ID Number

Return with \$100 payment to:
 Ric Ingham, City Administrator
 City of Veneta
 88148 8th Street/PO Box 458
 Veneta, OR 97487

Phone: 541-935-2191
 Fax: 541-935-1838

Veneta Business Connect – Business Themes

Below are the main recurring business themes from the Veneta Business Connect business interviews. The key issues were compiled by RDI staff, in no particular order.

Key Issues (in no particular order)

1. **Infrastructure Needs** (2 types)
 1. Overall Public Infrastructure – Highway improvements (safety), Internet
 2. Business Specific – rental space, retail space, quality building space, ability for businesses to grow and upgrade (kitchen/production/storage, etc.), and other miscellaneous utility needs
2. **Relationship Building** (2 types) with community/businesses
 1. Business to business via Chamber and/or other organizations
 2. Business to community – businesses want to bring their services/wares/success to the local market place – businesses really want Veneta to be part of their success
3. **Cash Flow/Capital**
4. **Business Tools** – Primarily business planning and help in getting finances in order – other business specific supports needed
5. **Workforce** – availability of qualified labor

Secondary Issue

1. **Lack of understanding/connections to regulatory agencies** specifically around businesses that are either forming or recently formed – also more important to a couple of specific businesses.