

South Central Oregon Regional Investment Board

PO Box 1777 ☎ Klamath Falls, OR 97601 ☎ 541-882-9600 ☎ FAX 541-882-7648

September 17, 2001

Dear Applicants:

Enclosed is an application form for the 2001-2003 South Central Oregon Regional Investment Fund and Rural Investment Fund along with an overview of the economic and community development goals for the region.

The South Central Oregon Regional Investment Board has worked closely with the Regional Partnership, a 33-member board representing broad interests from throughout the two-county region, to identify goals and priorities for focusing community and economic development investments.

For the current biennium, the Board has approximately \$1.139 million in Oregon State Lottery proceeds awarded from the Oregon Economic and Community Development Department to invest in the region. The Board will make grant and loan funds available to projects throughout Klamath and Lake Counties.

The Board will consider funding projects that demonstrate in measurable terms achievement of regional economic and community development goals. (Refer to attached overview of goals for more information.) **Funding awards will be made on a competitive basis. We fully expect to receive more requests than we can fund, making it very important for applicants to think strategically about requests.**

While, there is no formal deadline for submitting your application, we strongly encourage you to do so promptly. All questions regarding the application or funding process should be directed to Tonya Dowse or Bobbi McCollum at 541-882-9600.

Sincerely,

Gil Ernst, Chair

2001-2003

SOUTH CENTRAL OREGON REGIONAL INVESTMENT FOCUS

REGIONAL FOCUS. The South Central Oregon Regional Investment Board recognizes that the regional vision and goals are very extensive and long-term; therefore, the Board has worked to identify areas to give priority emphasis during the next two years. The following three areas are consistent with the overall vision, and are within the defined goals for the region. The Investment Board will focus its funding programs in these three areas, but may also fund projects that help achieve its broader goals.

☹ **BUSINESS DEVELOPMENT.** *The Investment Board will work to enhance and strengthen the economic development efforts of the two counties. The Board will specifically support or invest in efforts aimed at advancing high technology related industries and increased opportunities for commerce in the region; the Board will also work to develop and grow opportunities for local entrepreneurs and small businesses.*

One of the greatest challenges facing small business in our region continues to be availability and affordability of capital. The Board will provide both capital investments to private businesses and work to develop the availability of other funding opportunities.

The Regional Investment Board intends to make financing available to private businesses, on a competitive basis, for the purchase of fixed assets. Business applicants must submit viable projects that help achieve the economic development goals of the region. The Board shall set aside a base amount of funds to be made available to individual private businesses. The Board may set aside additional funds as deemed necessary.

The Board intends to make loan and/or grant funds available to private businesses in partnership with other resources. Applicants will be required to demonstrate a strong personal commitment to the project, have previous experience in the type of business or industry, and create job opportunities as a result of the project.

Applicants must submit a detailed business plan and completed application to be considered. Staff will conduct an initial review of each application and make a recommendation and administrative proposal to the Board based on application standards and viability of business plan. The Board will have final approval and authority over the terms and conditions of financing.

☹ **AGRICULTURE DEVELOPMENT.** *The Regional Investment Board recognizes that natural resources will continue to be a significant component of the region's economy. The Board intends to work with Klamath and Lake Counties in promoting the development and diversification of agricultural and natural resource related industries.*

The Investment Board will specifically encourage the development of value-added opportunities in agriculture. The Board will assist the two-counties with their current effort to target the dairy industry for expansion into the region. The Board will emphasize its support in growing businesses that are environmentally conscientious and economically beneficial to the whole region.

The Board will also support the development of innovative opportunities in agriculture. It will encourage the use of geo-heat technology as an inexpensive incentive to support sustainable agriculture and support the creation of geo-heat applications in the two-counties. The Board will be mainly interested in creating new and diversified opportunities for agriculture in the region.

☹ **TELECOMMUNICATIONS & EDUCATION.** *The Regional Investment Board recognizes that opportunities exist to assist economic development through enhancement of the region's telecommunications strategy. The Investment Board will strive to leverage as much capacity for telecommunications as possible in order to establish a positive business climate in the rural*

communities throughout the region and to gain opportunities for distance learning and education. The Board will specifically support the development of technology related industry (e.g. satellite offices, call centers, and software).

Building on past success in bringing fiber optics to the region, the Investment Board will work to extend fiber optic routes into Lake County. The next overall step for the region will be to build market focus and awareness that will serve to recruit competitive broadband and end-user connection options into the area. The overall combination of aggregate demand and reduced entry costs, facilitated through right-of-way agreements will generate more and better service offerings, such as DSL and Wireless broadband for business-to-business and consumer Internet accessibility.

The Board will look for opportunities to leverage additional funds enabling the establishment of technical centers throughout the region that can provide physical access to equipment and community services, with an enhanced focus on business incubation and the advancement of educational opportunities. Local government entities will be encouraged to participate in projects to extend transaction and information options via Internet. Of particular importance will be the development of a "Last Mile" strategy to ensure connectivity to fiber optics for businesses, schools, and the general public. Residents of smaller communities will then be able to conduct transactions from home computers or from a local technical center.

CRITERIA FOR FUNDING. The Regional Investment Board will first consider the extent to which the project meets the goals and objectives for the region and then look specifically at the following criteria when determining how to invest its resources.

- Will financing from the Regional Investment Board help fill a gap in financing for the project? To what extent funding from the Regional Investment Board will leverage other resources?
- Does the project encourage cooperation and collaboration through public and/or private partnerships?
- Does the application demonstrate a strong commitment to the project by the applicant through significant match or equity contribution?
- Does the project provide a significant regional or community benefit? Will the project create or retain jobs?
- Does the proposal set forth in measurable terms economic outcomes that can demonstrate, through specific Performance Measurements, progress towards achievement of goals and objectives of the Rural Investment Fund?
- Is the project ready to proceed and can the project be completed within a reasonable time frame?
- Does the project meet Oregon's Quality Development Objectives established by Executive Order EO97-22?

NOTE—Regional Investment funds can not be used: to retire debt, to reimburse expenditures prior to approval, for the relocation of a business facility within the state from one labor market area to another, for the maintenance of existing staff, or for the support of on-going and continuing services routinely and customarily provided by a local government.