MISCELLANEOUS INFORMATION

FILE 3

State of Alaska

House Majority Leader

COMMITTEES

HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES
HOUSE JUDICIARY
HOUSE RULES

Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

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September 30, 1988

MEMORANDUM

To: Representatives Boucher, Miller, Ulmer, Adams, Brown and Donley

From: Caroline Lombard C. Lombard

Re: Herc Committee

Enclosed are materials that were handed out at Thursday's meeting -- two letters we have received regarding HCR 52 and correspondence from Donn Hopkins, who testified at the meeting.

cc: Rep. Ben Grussendorf
Sen. Arliss Sturgulewski
Sen. Lloyd Jones
Rep. Alyce Hanley

STEVE COWPER, GOVERNOR

DEPARTMENT OF EDUCATION

EDUCATIONAL FINANCE AND SUPPORT SERVICES

GOLDBELT PLACE
801 WEST 10TH STREET
P.O. BOX F
JUNEAU, ALASKA 99811-0500

September 8, 1988

The Honorable Max F. Gruenberg, Jr.
3111 C Street, Suite 440
Anchorage, Alaska 99503

Dear Representative Gruenberg:

Thank you for the opportunity of reacting to HCR 52. I have reviewed the bill and the suggested alternative. I feel that having such information available on a quarterly basis would be extremely beneficial to all involved in making decisions relating to the economy.

Reports generated by the University of Alaska's Institute of Social and Economic Research are always well done. I have no suggestions or recommendations at this time.

Sincerely,

Jerald L. Mikesell

Jerald L. Mikesell
Director

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF ADMINISTRATION

P.O. BOX C
JUNEAU, ALASKA 99811-0204
PHONE: (907) 465-2240

DIVISION OF FINANCE

September 23, 1988

The Honorable Max F. Gruenberg, Jr.
Representative
3111 C Street, Suite 420
Anchorage, AK 99503

Dear Representative Gruenberg:

Thank you for the opportunity to respond to your proposed resolution and bill which would provide for a report on the State's economy. While the Division of Finance would be involved only to extent that we may be requested to provide data, I do have a couple of contacts and suggestions.

First, the University of Alaska is in the process of coordinating a project to identify sources of financial and social data from various sources around the state. I would suggest that you contact Dr. Thomas A. Gaylord, Director of the Office of Institutional Research, University of Alaska, Eighth Floor, Gruening Building, Fairbanks, Alaska. Also, I have been informed that Lee Gorusch of the Institute of Social and Economic Research in Anchorage may be of some assistance.

With regard to your specific proposal, I would like to make an observation from my past experiences. The Division of Finance is able to provide summary information on State expenditures and employees. However, there is a limit to our ability to summarize this data and it has been my experience that other agency data bases have similar constraints. For example, the University of Alaska recently requested that we provide a summary of State expenditures by the location making the purchase. We were unable to do this. The State's accounting system is able to summarize where the purchase is being made, in other words where the vendor is, but we are unable to determine the location making the purchase. To the extent that research information is requested at a detailed level, the cost of extracting and maintaining this financial information becomes increasingly expensive. Therefore, I would suggest, as your resolution and bill appears to do, that financial reports and financial information be maintained at the highest level possible.

Again, thank you for the opportunity to respond to your proposed legislation. If I may be of any further assistance, please contact me.

Sincerely,

Keith Busch

Keith Busch, CPA
Director

KB/gyr
14/3D1/091588-09
cc: Commissioner John M. Andrews
Department of Administration

Jack Fargnoli
Office of the Governor

Donn Hopkins
Foks

PROPOSED ALASKA DEVELOPMENT FUND

The Alaska Permanent Fund offers an unique opportunity for financing the rapid growth of the Alaska economy. Instead, it is being used by borrowers outside of Alaska to finance economic growth in other states. And the so-called "dividends" which are paid to Alaska residents have no greater impact on the Alaska economy than do welfare checks. What a waste!

Waste of another Alaska resource is even more critical: waste of the human resources. Alaskans are not using their abilities to the fullest. Many are leaving the state.

Combine these resources, money and brainpower, in a creative way and all of Alaska's resources will be put to highly efficient use. Here is one way to do that:

1. Give each Alaskan the option of (a) continuing to receive his "dividend" or (b) participating in ownership and management of the (proposed) Alaska Development Fund. If he selects option "b" a Development Account will be established for him

in the Alaska Development Fund.

2. Each year his "dividend" will be deposited in his Development Account. The amount deposited will be augmented by an equal share of all royalties, severance taxes and other income received by the State during the preceding year from sale of non-renewable resources that are not otherwise distributed according to law. Ordinarily, the only other distribution would be to the Permanent Fund.

3. Every owner of a Development Account may nominate an existing or new Alaska business for inclusion on a roster of businesses approved to receive a loan from the Alaska Development Fund. Procedures similar to those followed by the U.S. Small Business Administration will be used to determine which of those businesses nominated will be placed on that roster.

4. Every owner of a Development Account may then loan all or part of the balance in his account to a business on the roster of approved busi-

needs. The loan must be used only for purchase of real estate, capital equipment, and raw materials.

5. The rate of interest on the loan will be the same as that charged by the Small Business Administration or such higher rate as may be necessary to attract the desired total loan amount.

6. All of the net income from the amount loaned from a Development Account is paid to the owner of the account. Payments on the principal are returned to the account. Pro-rated portions of the income (interest) needed to compensate the Fund due to inflation and loan defaults and for costs of Account administration are charged to each account.

7. Balances remaining in Development accounts will be managed in the same way as the Permanent Fund.

8. Account owners may own and/or work for the businesses to which they loan money from their account.

4. Funds in Development accounts of persons who die or leave the State are treated as income to the Fund. Interest on outstanding loans from such accounts accure to the estate of the deceased or to the departed person.

Advantages of this use of non-renewable resource income are:

1. The current value of the resource is preserved, forever, for use by future generations of Alaskans.

2. The people who live, work, and invest in Alaska receive interest income derived from successful investments.

3. The people who need loans to pay for capital investments have a ready source of finance.

4. Many people will consider a variety of business and investment opportunities, maximizing use of available manpower.

5. Borrowing businesses and loan amounts can be almost any size.

Larger businesses will have to convince more account owners to invest.

6. Many, relatively efficient, worker-owned and -managed businesses will be established.

Disadvantages of this use of non-renewable resource income are:

1. Under the "ideal" situation, basic and special services will have to be paid for by taxes and user fees. This requirement could also be considered an advantage, because (a) assessment of government costs will be more fair and (b) there will be more careful oversight of government if Alaskans have to pay, directly, for government services.

2. There may be more risk of capital funds than if they were managed, solely, by professional money managers, as is now the case. However, careful oversight of the Alaska Development Fund managers, especially of those who place nominated businesses on the roster, should keep the losses to an acceptable minimum. And

Alaskans would not be subject to as much
loss of the National economy should
collapse. He would still have, in the
State, all of the buildings and other
capital goods purchased by the Alaska
businesses to which the loans were
made.

ECONOMIC POLICY ACT OF 1988

(Draft by Donn Hopkins, 1-15-88)

WHEREAS Alaskans are suffering because of economic conditions outside the state; and

WHEREAS Alaskans bear the costs of transporting natural resources out of the state, and goods and services into the state; and

WHEREAS Alaskans have available for use in the state all of the natural, financial, and human resources necessary to create a potentially self-sufficient economy, not dependent upon outside economic conditions and not subject to such transportation costs; and

WHEREAS continuing policies of the legislature are for the state to foster the economy of Alaska through purposeful development of the state's abundant natural resources, and to undertake activities that serve as a catalyst to responsible economic development (AS 44.99.100.); and

WHEREAS the Department of Commerce and Economic Development has all duties and powers necessary and proper in relation to economic development and planning for the state (AS 44.33.020 (20));

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

1. Economic policy plan is the aggregate of all policies in the state constitution, laws, and regulations, both expressed and implied, which materially affect the state economy.

2. The Department of Commerce and Economic Development shall

(a) describe in from 500 to 1,000 words the current Alaska economic policy plan,

(b) design alternative economic policy plans which would improve the Alaska economy, some of which could produce a near-self-sufficient economy,

(c) project the effects of each plan on the human, financial, and natural resources which now are or which in the future will be available for use in the state,

(d) estimate the probable economic, social, and environmental costs and benefits of each policy plan, and

(e) present its findings, together with any comments the governor may care to make on them, to the legislature three hundred sixty days from the effective date of this Act.

3. The legislature intends, in calling for and funding this economic planning, that

(a) the planning involve concerned citizens, businesses, and governments,

(b) to the extent practicable, staff work be done by current state employees,

(c) only, resource information which has already been published or assembled be used, and

(d) analyses be done using an existing national or regional economic model best suited to the task.

4. This Act may be referred to as the Economic Policy Act of 1988.

SUGGESTED SCHEDULE OF WORK FOR

PROPOSED ECONOMIC POLICY ACT OF 1988

(by Donn Hopkins 1-15-88)

WITHIN 30 DAYS

1. Select leader and current State employees for project.

2. Complete staffing.

3. Select contractors, if required.

WITHIN 60 DAYS

4. Form consultive committees.

5. Select economic model.

6. Assemble and index available data.

7. Adopt detailed schedule for completion of work.

WITHIN 90 DAYS

8. Adopt Alaska economic regions for analyses. The six regional planning units used in Alaska Regional Profiles may be most appropriate.

9. Adopt time periods for projections. A minimum of four are suggested: short-term (2 years), mid-term (6 years), long-term (18 years), and ultimate development (time dependent on policies).

As used here, ultimate development is, either, a steady-state economy, or, a climax economy. The fourth time period ends for an economic policy plan when the steady-state or

the climax is reached. It could be reached in less than 18 years.

Projections should be made of the number of years steady-state economies would endure. Economic declines which begin after 18 years could, also, be analyzed. All projections should extend no longer that 50 years because projections of conditions at that time are highly speculative.

10. Select economic, social and environmental characteristics to be used in the projections and estimates.

11. Adopt a tentative format for the project reports, including headings for text and names for tables, graphs, and maps.

WITHIN 120 DAYS

12. Select several ultimate-development economies to be studied. Include one derived from the current Alaska economic policy plan. Include one that is the smallest near-self-sufficient economy which can compete, successfully, in Alaska with Outside suppliers. Include a near-self-sufficient economy which gives Alaskans their highest economic standard of living of any near-self-sufficient economy. If different, include one that gives Alaskans their highest economic standard of living. Include, initially, such other ultimate-development economies as can reasonably address major concerns of the consultive committees.

13. Design for analysis a range of economic policy plans which could produce the above described self-sufficient

economies and other economies which offer substantial potential benefits to Alaskans. The initial analyses will suggest alternatives.

WITHIN 150 DAYS

14. Identify the types, and project the amounts, of human, financial, and natural resources that would be required, under each policy plan, to create (and maintain for steady-state economies) each of the ultimate-development economies, by economic region, during each time period.

15. Estimate productivity per worker and per capital invested for each of these economies, regions, and times.

16. Estimate economic and total standards of living for each such condition.

17. Using the initial results of the analysis, redesign the policy plans to increase their efficiency and range, and repeat steps 14 through 16 until further redesign would appear to offer no significant benefits.

WITHIN 180 DAYS

18. Prepare a preliminary report on the results of the investigation to date.

WITHIN 210 DAYS

19. Publish the preliminary report, and circulate it to the consultive committees and to the news media.

..ain responses to the contents of the report from ..ttees and the general public.

WITHIN 240 DAYS

21. Using the comments received, select for final analysis seven policy plans, redesigned as necessary to address the responses. The policy plans should include the current policy plan, three near-self-sufficient policy plans, and three other economic policy plans which best represent the range of other policies considered practicable by the staff and the respondents.

22. Repeat the analyses done under steps 14 through 17, above.

WITHIN 270 DAYS

23. Prepare a final report on the investigation.

24. Submit a draft of the final report to the Governor for review and comment.

WITHIN 300 DAYS

25. Make the report "camera ready".

26. Incorporate the Governor's comments.

WITHIN 360 DAYS

27. Publish the report and transmit it to the Legislature.

Alaska State Chamber of Commerce
Commission on Strategic Planning
For the 1990's

Harold Heinze, Co-Chairman
ARCO Alaska, Inc.

Peter McDowell, Co-Chairman

J. Brattain J. Brecht G. Easley D. Gottstein R. Huhndorf D. Langworthy A. Parrish W. Soboleff M. Thompson J. Usibelli R. Wien R. Williams M. Willis

REPORT TO

ALASKA'S ECONOMIC LEADERS

JUNE 1987

This Report was reproduced for the Alaska State Chamber of Commerce Convention and Trade Show, October 7-10, 1987, by the School of Business and Public Administration, University of Alaska Southeast, 1108 F Street, Juneau, Alaska 99801

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Technical support for this report was provided by Mary Ann Higgins, Marketing Planning & Management Consultants, Anchorage.

The conclusions in this report are those of the Alaska State Chamber of Commerce Commission on Strategic Planning for the 1990's.

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INTRODUCTION

The Commissioners

The sixteen Commissioners included:

- Harold Heinze, Co-Chairman, ARCO Alaska, Anchorage
- Peter McDowell, Co-Chairman, Juneau
- Janna Brattain, Merrill Lynch, Pierce, Fenner & Smith, Inc., Anchorage
- Julius Brecht, Wohlforth, Flint & Gruening, Anchorage
- George Easley, Alaska Aggregate Corporation, Anchorage
- David Gottstein, J. B. Gottstein, Anchorage
- Roy Huhndorf, Cook Inlet Region, Inc., Anchorage
- Don Langworthy, IBM, Anchorage
- Al Parrish, Westmark Hotels, Anchorage
- Dr. Walter Soboleff, Sealaska Corporation, Tenakee Springs
- Morris Thompson, Doyon, Ltd., Fairbanks
- Joe Usibelli, Usibelli Coal Mine Co., Healy
- Richard Wien, Florcraft, Inc., Fairbanks
- Gary Wilken (alternate), Wilken-Alaska, Inc., Fairbanks
- Bob Williams, Chevron USA Inc., Kenai
- Mary Willis, Humana Hospital, Anchorage

The Commissioners were also joined by seven observers, including:

- Robert Atwood, Anchorage Times, Anchorage
- Al Fleetwood, Enserch Alaska Services, Inc., Anchorage
- Mark Hazelwood, ARCO Alaska, Anchorage
- Francis Hurley, Archdiocese of Anchorage
- George Krusz, Alaska State Chamber of Commerce, Juneau
- Byron Mallott, Sealaska Corporation, Juneau
- Sally Smith, Alaska State Chamber of Commerce, Anchorage

The Mission

In November 1985, the Commission adopted the following Mission Statement:

"The charge to the Commission is to build a statewide coalition of thoughtful Alaskan economic leaders to identify and consider the implications and opportunities of the major social, political, and economic issues facing Alaska into the 1990's.

The Commission will develop and communicate a framework and unified strategies for the Alaskan political economy that draw strength from our abilities and highlight our common concerns.

Recognizing that:

- We have accumulated a permanent fund of intellectual capital more than adequate to the task at hand.

- Diversity of economic forms, cultures, and governance institutions is necessary so capitalism may thrive.

- It is important to draw upon all elements of the Alaskan private sector in identifying and achieving common goals.

- Alaskans traditionally reject monolithic solutions in favor of maximum self-determination.

- There is a social responsibility dimension to the economy that must be considered."

Purpose of a Strategy

Alaska needs an economic framework and strategies to:

* **Keep abreast of changing economic conditions**
* **Account for conditions unique to the state**
* **Set priorities among the numerous State and local government actions that are important to economic performance**
* **Identify and curb actions harmful to economic progress**
* **Coordinate related actions that have economic impact.**

A strategy does not imply the development of detailed plans nor a presumption to direct the activities of the private sector. To the contrary, a strategy is important for assuring the development of a market-driven and competitive economy.

The Methodology

In the summer of 1985, Alaska State Chamber of Commerce Chairman Al Fleetwood established the Commission on Strategic Planning for the 1990's. Now, two years later, after numerous meetings, teleconferences, letters and memoranda, and review of volumes of material, the Commission has prepared its findings and action recommendations.

The charge of the Commission is to build a STATEWIDE coalition of thoughtful -- and thought-provoking -- Alaskan economic leaders. The goal of the coalition is to study the implications and opportunities of the major socio-political and economic forces which are affecting the Alaskan economy today and will be facing the Alaskan economy into the 1990's.

Toward that end, the Commission's co-chairmen, Harold Heinze and Peter McDowell, recruited representatives of major industries with diverse philosophical perspectives from various geographic regions throughout Alaska.

Each member of the Commission explained his or her industry and the factors for success in that industry. Members also prepared work products which included issue papers and factors for success background papers on the basic and secondary economic sectors affecting the Alaskan economy and the strategies for development which the Commission identified.

Because the Commission recognized that business people simply do not have the time to go through a long, traditional strategic planning exercise, they decided the end-product should be reduced to its essence ... a simple idea or framework that everyone could understand. They decided that it would not be useful to create a 'big plan' for business or the State of Alaska. The goal became the creation of a framework -- simple, adaptable to various regions, situations and specific local conditions. This framework they christened the "Export Model of the Alaskan Economy."

THE FRAMEWORK: An Economic Model for the Alaskan Economy

When the State Chamber started the Commission on Strategic Planning in 1985, they felt that what would be of most use on a statewide basis was to provide a framework to businesses (and governments) for strategic planning. This framework had to come from the "free enterprise, business perspective." The

result was the "Export Model of the Alaskan Economy."

The Commission reached consensus on its major conclusion: that an 'export model' is the approach which best facilitates evaluation of the Alaskan economy. Business sectors which primarily bring cash IN to the state (as opposed to sending cash outside the state or churning it within the state) would be part of the Export Model.

If a business understands its position in its local market relative to the Model, it will more easily be able to identify strategic decisions that will be required to remain competitive and profitable. Thus, the Model can become a stimulus for economic development.

Some Definitions

What we are talking about in economic terms is an "economic base analysis." An economic base analysis identifies the key economic activities of a community/region/state/nation. It divides the local economy into two segments:

(1) Firms and individuals serving export markets;
(2) Firms and individuals serving markets internal to the local economy.

The goods and services which the community sells outside its boundaries are considered exports. Exports include ALL sales made outside the community, not just trade with foreign nations. The remaining goods and services serve the local market. Local would be defined as the geographic region being studied.

In this division of markets, there is a cause and effect relationship. Export markets are considered to be the prime mover of the local economy. If employment serving this market rises or falls, employment serving the local market is presumed to move in the same direction. Thus, if a basic industry must lay off workers, the local retail merchant will feel the impact as the laid-off workers have less to spend ... or leave that local economy. Because of the prime mover role, export sector economic activity is considered as "basic." Employment which serves the local market is considered adaptive and is called "secondary."

Basic economic activity drives secondary economic activity usually in the same relative proportions over time. A change in basic activity will eventually produce a proportionate change in secondary activity.

Why Exports?

Exports help the Alaskan economy to grow. Exporters with big payrolls make it grow proportionately faster than exporters with smaller payrolls ... because large "basic sector" projects tend to cause more activity in the secondary (service) sectors of the economy -- as described earlier.

Jobs not tied directly to exports are important, of course. The more goods and services available in-state, the lower the leakage of purchasing power from the economy. This growth in

such "support" sector jobs is, however, severely constrained by growth in the export sector ... the lower the exports ... the lower the level of support required.

In the recent past, Alaska had a large export surplus mainly because of Prudhoe Bay ... now that has changed. The wellhead value of the oil industry contribution to net exports has fallen by two-thirds from 1985 ($12 billion) to 1986 ($4 billion).

Export/basic sector projects have a "multiplier" effect. They create more jobs in total than those related to the basic industry project. A job at a new defense installation, for example, will set off a chain of transactions that results in one or two other jobs being created in trade, services, or other support industries.

Alaska needs all the export projects it can get. Size of the enterprise is not so much the issue, but rather its viability. This will require better analysis ... to see where in the Alaskan economy a particular venture fits. Thus, the Commission suggests the Export Model as the initial framework to analyze the economics of projects, communities, regions and the state as a whole.

PRIMARY/BASIC EXPORT SECTORS

The basic export sectors playing the prime mover role in Alaska's economy are oil and gas, fishing, timber, minerals, coal, travel/tourism, national defense, federal civilian services, and the permanent fund dividend.

The following table depicts the Export Model summarizing the Alaskan economy in 1986. The Commission estimated the gross values of "exports" from the state for the basic sectors.

The gross value of oil and gas declined from $12 Billion in 1985 to $4 Billion in 1986. Oil is almost two-thirds the value of total exports ... even after the drastic drop in the price of oil from 1985 to 1986. Looking at the change in that one number for oil and gas, however, makes clear what has been happening in the Alaskan economy.

The value of fish caught by resident fishermen in Alaskan waters in 1986 is estimated to be $300 million. Research indicates that an additional $600 million goes to fishermen from other states.

The dollars generated from timber are estimated to be about $200 million, primarily from round log, pulp, cant and heavy timber exports to East Asian markets.

The minerals number of $100 million may be slightly high as placer miners were severely affected by environmental regulations in 1986.

Coal, at $25 million primarily represents coal exports to Korea.

The travel/tourism figure, estimated at over $500 million for 1986 (excluding transportation to and from Alaska), is interesting because of potential growth -- and that it represents only three months of activity.

"EXPORT MODEL"
Of The Alaskan Economy
1986

		Millions
Oil And Gas		$4,000
Fishing		300
Timber		200
Minerals		100
Coal		25
Travel/Tourism		500
Defense	1,600	
Other Federal	1,300	
	2,900	
Less Federal Taxes	2,000	900
Permanent Fund Dividend		300
Total Estimated Value		$6,325

Defense and the federal civilian sectors have definite growth potential due to Alaska's unique geopolitical situation, its remoteness, other natural features, and abundant public domain. Defense spending in Alaska is about $1.6 billion. Other federal spending is about $1.3 billion, for a total of approximately $2.9 billion. Federal taxes paid by Alaskans were estimated to be about $2 billion, leaving a residual of $900 million contributed by the federal government to the state.

All dollar values are "wellhead," "ex-vessel" or "point-of-production" numbers. Travel/tourism, the permanent fund dividend, and federal government expenditures, while not true exports in the technical sense of the word, were considered such because of their capacities to bring wealth into the state. The 1986 Permanent Fund Dividend, estimated at $300 million, was initially excluded. The decision was made to add the Permanent Fund Dividend into the model as the dividends do represent net dollars flowing INTO the state (although not directly from a basic economic industry).

SECONDARY SERVICE/SUPPORT SECTORS

The Commission identified transportation, world markets/international trade, private retail and wholesale trade and services, state government services, transportation and construction services, and local government services as the essential secondary sectors active in the Alaskan economy. These industries are often the "facilitators" or "conditions precedent" which make the importation of wealth possible. Transportation is

a good case in point. While transportation does not directly generate wealth, it does facilitate the importation of wealth and does have the effect of increasing wealth.

Transportation and Construction

After careful analysis and discussion, the Commission agreed that the transportation and construction industries per se are not importers of wealth to Alaska. Rather, they provide services to the other segments of the Alaskan economy. Under this premise, economic activity related to transportation and construction is an "effect" caused by other wealth generating activities or opportunities and not a "cause" in itself.

World Markets/International Trade

The effects of the globalization of the U.S. economy are felt with varying degrees of intensity in different states and regions. For example, states that depended on resource industries such as timber in Washington and Oregon, and copper in Montana and Arizona, found their economic mainstays drastically diminished or lost to foreign producers in the 1970's. These economies are just now beginning to turn around.

Farm states have been badly hurt by lagging exports, due in part to unfavorable exchange rates -- some of which may be improving. Most recently, since the beginning of 1986, the drop in oil prices has severely affected Texas, Oklahoma, Louisiana, and other oil-producing states.

What does this mean for Alaska? World markets are volatile and subject to rapid change. The natural resource (basic) sectors which fuel our economic engine are primarily dependent on the unpredictability of the world economy and world politics. This means that awareness of these interdependencies is key to economic success in Alaska.

There is economic opportunity in changing international markets. For example, the travel/tourism industry has identified over 600,000 tourists in Japan and 400,000 tourists in Germany who would be interested in coming to Alaska in the next five years. The challenge now is how to reach those markets.

Similarly, the Alaskan commercial fishing, mining, and timber industries can benefit from knowledge of their foreign markets' changing demands. New business concepts need to encompass worldwide market strategies for the 1980's and 1990's. Some of these might include:

* Finding approaches for gaining access to rapidly growing markets -- whether in computer software, hardware, telecommunications, or commercial fishing.

* Adjusting expectations to realistically lower levels of expected return in high-potential growth markets, in order to establish market share, compete and maintain long-term capital/cash flows.

* Targeting key country markets in several geographic regions (including the U.S., Europe, Japan, and the rest of Asia) for market entry, growth and cash flow, as well as to control the share and cash flow of key competitors.

* Creating new business tools to deal with currency fluctuation, exchange risks, and countertrade.

* Developing joint venture, trade or direct investment opportunities in foreign business climates.

State and Local Government

In some regions and communities State and local government services are considered part of the basic/primary economic sectors. They actually may be a "basic" sector in a community such as Seward -- which has a large proportion of its "export" dollars attributable to State government. However, for the purposes of developing a framework from which to view the STATEWIDE Alaskan economy, the Commission felt they are clearly secondary economic sectors -- in that they do not provide the basic "fuel" for the economic engine. For example, 85 percent of the revenues of the State of Alaska were generated by the oil and gas industry during the early 1980's. If economic activity did not occur in the oil and gas sector, there would be considerably less State government services.

STRATEGIES FOR DEVELOPMENT

As explained in the earlier description of how the 'Export Model' works, just as a basic sector industry creates jobs ... declines in such industries result in job loss. By mid-1986, lower oil prices were projected to require cuts in State government expenditures, which included reducing state employment. These cuts in the secondary government economic sector, in turn, result in losses in other secondary industries.

It is critical that Alaska's economic leaders act now to reverse this trend of job losses. No single major economic event is on the immediate horizon to rescue the state in the near term.

What will be required is economic leadership, prioritization and analysis of opportunities, and most importantly, the courage to act now to safeguard the economic future of Alaska. Toward that end, the Commission has developed several "Strategies for Development" for immediate action.

Perhaps the most important work of the Commission was the identification of these "Strategies for Development." The Commission felt it essential to focus on new directions for economic growth and diversification ... as well as to provide continued support for the existing basic economic sectors currently being pursued -- such as tourism and the natural resource industries. (The current basic sectors are important -- but the Commission was also interested in a new focus on areas of economic potential which may have been overlooked).

Six strategies were identified. In addition to the overall strategy of continued support for all the existing basic sectors, the "Strategies for Development" also include three development alternatives which aim at expanding the export sectors of the Alaska economy -- as defined by the Model. The export sector priorities identified are high technology and software development, increasing the national defense presence in Alaska, and the expansion of Alaskan participation in the growth and Americanization of the commercial fisheries off the coast of Alaska. The other two strategies for development identified are

primarily import substitution alternatives. Their objective is to reduce the leakage of insurance premium and financial investment servicing dollars outside of the state of Alaska.

Continued Support for Existing Basic Sectors

Alaska has a resource-based economy. The Commission recommends continued support of the other basic sectors identified as strengths in the Export Model: coal, minerals, oil and gas, timber, and travel/tourism.

By suggesting additional strategies, the Commission does not imply that resources in terms of finance or personnel should be removed from existing economic developments which are cost-effective and producing positive results. On the contrary, the Commission supports continuation of programs such as the one developed for the travel/tourism industry. The State needs to put its economic investment dollars in viable programs which have the highest potential success rate as well as highest potential return on the investment. The Commission supports and encourages development initiatives at the local and regional level in Alaska, especially those like the pursuit of the 1994 Winter Olympics.

High Technology/Software Development

A 1983 survey by the Congressional Office of Technology Assessment found 150 programs in 22 states designed to promote

technology as a major sector of the state's economy. By 1985, 40 states reported initiatives in this area. These initiatives cover a wide range of activities from investing in applied research and development to providing financing for new product development and management assistance to fledgling entrepreneurs.

What is "High Technology?" One definition is "adding more mind power than muscle power to a product." The Commission developed a partial list of types of industries which could fit this category. These include:

Arctic Science

Bio-Technology

Electronic Design and Assembly

Renewable Energy

Software Development

Telecommunications

From this list, the Commission selected software development as one industry which has high potential as a viable development initiative for Alaska.

Current characteristics of the software industry make it an attractive economic development target. The market is being driven by rapidly changing electronic capabilities -- existing now and in the research stages. Other positive software industry features include inverse price/performance ratios, an expanding number of users, expanding number of networks, massive parallel systems, and break-throughs in artificial intelligence and robotics.

Most importantly, the compound growth rate (CGR) for

software sales estimated through 1995 is 18.5 percent, second only to telecommunications. The actual 1985 total industry revenues for systems and application software worldwide was $13.6 billion. This market is expected to grow to $43.6 billion by 1991, with an estimated CGR of 21 percent. If Alaskans were to capture even one-half of one percent of this market, the gross revenues would be over $200 million.

The following are other market characteristics:

* 15,000 vendors in 1985
* 15 companies produced over $100 million in revenues
* Lotus posted $226,000,000 in 1985 revenue [a firm not even in existence in 1980]
* Protected intellectual property
* High margin products
* Low start-up costs
* Key factor for success: creative ideas, not "next to market access"

Other states are aggressively pursuing this strategy for development:

NORTH CAROLINA has established five technology centers, distributed throughout the state. They started early, offer a certain lifestyle, favorable tax laws, and a work ethic attitude. In addition, they formed a partnership between higher education, government, and the private sector to push the program.

MASSACHUSETTS AND NEW YORK offer special credits for research and development, real property tax reduction, and small business advisory assistance through the state college systems. They also provide financing for software start-ups through their

"Business Development Corporations," and loans from state pension funds.

ILLINOIS provides inexpensive office space, grants and seed money, and has established the Illinois Venture Fund and Illinois Technology Centers.

HAWAII started their technology development program about three years ago. The plan was to break ground in 1986 for three "high-technology" parks. Also, a high-tech center was planned for the University of Hawaii -- promoting 10 high-tech disciplines. Other assets include lifestyle and geography.

Strategy for Success

HOW CAN ALASKA COMPETE? First, Alaska can offer incentives for software start-ups to locate in Alaska. These would include real property (possibly free state or municipal land ... for a certain lease period), loans, and/or credits. The credits would be to encourage investment and research and development -- aiming at attracting companies committed to Alaska for the long-run. Tax incentives could include eliminating the "unitary" tax.

The most common structure for administering a state technology development program is a joint public/private body that includes representatives of the university and private business communities as well as the government. The organizations can be established as independent public agencies, private non-profit corporations, or may act in an advisory capacity to existing state agencies.

Two types of structures could provide the impetus for development of the software industry in Alaska. The first, "Software Development Technology Center(s)," housed at the University of Alaska, would be a vehicle for conducting research, and to create a reservoir of basic technological knowledge and human expertise needed for future entrepreneurial vitality. Such centers can be designed to attract new businesses, to encourage the creation of new firms through the spin-off of new products, or to help solve the technological problems of existing businesses.

The second, an "Alaskan Software Development Corporation" could be set up to develop incentives, draft required legislation, procure funds, and administer the program.

Attracting More National Defense Installations

The objective of this strategy for development would be to expand the military presence in Alaska by establishing a formal mechanism for promoting new Department of Defense (DOD) installations in Alaska.

The Air Force, Army, Navy, Marines, Air National Guard, Army National Guard, Reserves, U. S. Coast Guard, and the Corps of Engineers have a significant impact on the state of Alaska. As indicated earlier, their total contribution to export dollars was estimated to be $1.6 billion in 1986.

Manned installations of DOD and the U. S. Coast Guard are established at more than 30 locations throughout the State. There are very large bases with several thousand people and

numerous outposts with fewer than 100. In addition, there are a large number of installations, such as radio relay sites, which are not staffed on a regular basis. Due to limited living accommodations at many remote and isolated locations, assigned personnel are often not accompanied by their families. In locations where community housing is available, members of the military are accompanied by their families.

As of September 1985, the military labor force and employment totaled approximately 30,000. This number translated to a total services population of over 80,000 -- about 16 percent of the State total -- including retirees, inactive duty personnel, and dependents.

The existing military installations are shown on the following map.

Strategy for Success

HOW CAN ALASKA COMPETE FOR DOD DOLLARS? Alaska has a strong military tradition and unique geopolitical defense position -- considering its proximity to the Soviet Union and that the Soviet fleet is the largest in the world.

The State needs to, first, identify defense projects which are compatible with Alaska's needs and which meet needs of the DOD. Examples might include (1) security/privacy needs -- easily supplied by Alaskan communities' remote locations, (2) transportation infrastructure, and (3) electric power, which would also meet Alaskan goals and objectives.

PRIMARY MILITARY INSTALLATIONS IN ALASKA



Secondly, the State needs to present a written proposal explaining how Alaska can meet DOD requirements for "XYZ project." This approach fits with the Pentagon mode of operation of responding to -- not generating -- proposals. Alaska needs to be SOLD as a "site." To facilitate new projects the State could offer incentives to DOD in the form of land (free, or on a long-term lease), or providing matching funds (at a minimum) for road and/or power line improvements.

What kinds of projects are suggested? Several current projects provide a preview. For example, the 6th Light Infantry Division is adding 3,700 jobs and $500 million to the economy. The Backscatter over-the-horizon radar project will add $450 million and 500 jobs. Dew Line upgrades are worth an additional $100 million. The Acoustic Measuring Range near Ketchikan will add 40 jobs and $20 million.

Potential projects could include underwater communication, "cold" storage dispersal, getting on the "Port of Call" list -- which can bring in up ~~to~~ $1 million/day for every day in port, and/or having Kodiak, Dutch Harbor, or Barrow become designated as an "Arctic Port" for the Pacific Navy.

Alaska needs to build on its strengths. A key geopolitical location, a strong military tradition, and an available pool of recently retired high-ranking military personnel make this initiative workable. The State needs an ambassador/lobbyist to the DOD who has a strong service record, preferably a staff-ranked officer, who stayed in Alaska out of a liking for the state.

There are various ways that this could work. One suggested by the Commission is to appoint an ambassador to the Department of Defense. An "Ambassador" and staff could be stationed in the Pentagon -- assessing DOD needs and developing proposals, which would be presented to the Governor. The Commission felt it important that an ambassador have the clear backing of the Governor ... and report to Juneau through the Office of the Governor.

Expansion of Alaskan Participation in the Americanization of Commercial Fisheries

According to the State of Alaska and the North Pacific Fisheries Management Council, fish caught in Alaskan waters in 1986 were valued at approximately $890 million. Experts now predict that the Bering Sea bottomfishery alone may yield $500 million in domestic revenues for 1987. The opportunity is there.

The table on the following page details the value of Alaskan commercial fisheries (in millions of dollars) to resident and nonresident fishermen from 1976 through 1986.

If Alaskans were able to capture a larger portion of the harvest and of the value-added processing, the Alaskan economy could increase its basic sector substantially.

The Commission defined the objectives for expansion of Alaskan participation in the growth and Americanization of the fisheries off the Alaskan coast as two-fold:

(1) Optimize the harvest in Coastal Zone waters
(2) Obtain greater in-state share of fishery resources.

The Value of Alaska's Commercial Fisheries to Resident and Non-resident Fishermen
($ millions)

Species	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Salmon	119.7	176.4	241.2	346.8	254.1	397.3	309.7	320.2	343.1	389.0	404.0
Shellfish	97.3	153.2	230.6	239.0	265.3	196.9	211.7	146.6	102.1	106.3	186.4
Halibut	20.5	17.6	23.4	32.9	13.5	19.3	24.9	35.3	24.9	40.3	63.2
Herring	2.5	2.7	7.2	32.7	12.2	18.6	20.2	28.9	19.8	38.0	38.5
Groundfish	1.1	1.6	3.3	6.3	8.9	24.0	40.9	78.0*	107.2*	137.5*	197.9*
All Commercial Fisheries	241.1	351.5	505.7	657.7	554.0	656.1	607.4	609.0	597.1	711.1	890.0

1985 and 1986 data preliminary estimates.

* 1983, 1984, 1985, and 1986 groundfish include J.V.[1] and D.A.P.[2] landings, in and out of Alaska.

Source: Informational Pamphlet, Alaska Department of Fish and Game, February, 1987.

1 J.V. = Joint Venture
2 D. A.P. = Domestic Annual Processing

Strategy for Success

The Commission identified key factors for success in realizing these objectives: knowledge, focused insight (such as that resident in Washington state and Japan), vessel support and fish processing facilities, adequate Alaskan ports and processors to serve industry needs, and a degree of regulatory stability.

Specific areas for action which the Commission suggests are as follows:

(1) Develop knowledge and insight with detailed study of Alaska's present position and future potential including:

- --Direct dollar benefit by region (in-state and out) of vessel harvest value, wholesale value and market value for each type of fishery.
- --Indirect dollar benefit by region (in-state and out) of fishing fleet support, processing and product storage facilities.

(2) Develop the in-state fleet through favorable regulation.

- --Harvest quotas that encourage fresh market prices and local home ports.
- --Biologically based harvest management to lengthen seasons where possible.
- --Resolve salmon, crab, and white fish conflicts to unite the local fleet.
- --Rebuild the share of Alaskan Native and non-Native permit holders.
  - -Consider modifications to fishery permit system
  - -Consider state buy-back of some permits

(3) Develop in-state, onshore processing through improved competitiveness.

- --Identify factors for success that have resulted in processing growth outside Alaska.
- --Utilize fish tax investment credits as incentives.

--Prioritize projects that reduce energy and cold storage costs.

--Define the type and level of technical and research support needed.

(4) Develop adequate harbor and vessel service facilities.

--Use state lands to increase the capability of ports to fuel and supply vessels.

--Improve dry docks and haul-out rails for in-state vessel maintenance and repairs.

(5) Develop the Alaska Board of Fish as the agency to define the optimal fishery harvest levels and to define the State's role in mariculture, fish farming and ranching.

--Increase the biological expertise on the Board with appointments of fishery experts with no direct fishing interest.

The Insurance Industry

For 1986, the estimate of total insurance premiums paid by Alaskans was over $650 million. Of this, between $450 and $550 million came back to Alaska for claims and the remainder must be considered "leakage" to economies outside of Alaska.

The Commission identified this leakage as an opportunity for import substitution. Of the 1004 companies authorized to sell insurance in the state, 989 were "foreign" (not Alaska-based) and 15 were domestic. Although it may be difficult to capture all of the "leakage" due to the nature of the insurance industry, there appears to be some room for growth.

For example in 1985, the health care bill for the state was estimated to be about $1.3 billion. Although the data is sketchy and hard to obtain, at present it appears that Alaska spends about $500 million in State and federal tax dollars for

health care services. Another $800 million is paid for by insurance and private individuals. Information about the proportion of insurance premiums paid to out-of-state companies relative to the total claims paid to Alaskan health care providers is not available for recent years. A 1982 study, however, revealed a net excess of health insurance premiums over amounts paid of about $40 million, or twenty-one percent of the total premiums paid.

Strategy for Success

Economic leaders need to investigate the dimensions of this leakage of insurance premium dollars, estimated to be $100 - 200 million. Then, they must identify potentially viable strategies for keeping the insurance premium dollars in the state.

The Investment Industry

Like the insurance industry, the main challenge with the investment industry opportunity is that the portion of investment dollars being managed outside of Alaska is unknown. The estimate of dollars available for investment ranges from $25 to $40 billion. The largest pools of available dollars include:

- The Permanent Fund
- The Teachers Retirement System
- The Public Employees Retirement System
- Corporate pension funds
- Union pension funds
- Local government funds
- Investments in local banks, savings and loans, credit unions, insurance companies, and brokerage firms.

If Alaskan brokers and investment advisors were to collect one quarter of one percent for investing $25 billion (or $40 billion) -- the value to the Alaskan economy generated from the investment industry could be $60 million (or $100 million).

Strategy for Success

These objectives could be partly accomplished by "gentle nudging" on the part of institutional investors ... such as administrators of the Permanent Fund and pension funds. As a matter of policy, fund administrators could only do business with investment firms which kept active Alaskan offices capable of providing competitive service to their accounts. Also, the Legislature could enact statutory incentives regarding the investment of public funds.

ACTION ITEMS/IMPLEMENTATION

The next phase of the Strategic Planning Commission's work focuses on communication. This phase includes taking this report "public" in town meetings with business and government leaders throughout the State. These include:

-- local Chambers of Commerce statewide

-- service clubs and other forums.

The emphasis of these local presentations will be on how each local community can evaluate its own economy using the "Export Model" and the "Strategies for Development." Each community and region should create its own development initiatives and priorities.

Finally, since its mission is to involve key Alaskan economic thinkers and leaders in the planning process, the Commission offers the following "Economic Leadership Checklist."

Economic Leadership Checklist

The Commission urges Alaska's economic leaders to:

- Educate Alaska's people, especially the children, because they are the greatest resource;
- Recognize the importance of the Alaskan political economy to other facets of life in the state;
- Become educated about the nature of economic change in the world and its effect on Alaska;
- Insist on sound diagnosis as a foundation for economic strategy;
- Require that economic development programs be monitored and periodically evaluated to assure public accountability and necessary adjustments;
- Participate in shaping a vision of Alaska's economic future;
- Identify actions compatible with that vision and motivate people to undertake them; and,
- Join with the State Chamber of Commerce in a statewide partnership to provide the leadership for economic expansion and diversification.

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Alaska State Legislature
Senate

Official Business

Senate Joint Economic Recovery Committee

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senate Joint Economic Recovery Committee members

FROM: Senator Lloyd Jones, Co-Chair

RE: Information

Here is some information regarding what Michigan and Washington have done to spur on economic recovery.

As you know, Michigan suffered through some tough years recently when the American auto industry foundered. Washington state has also had some tough times. I am sure Alaska can benefit from the work other states have done to improve their economy.

If any of the items in this packet interest you, we can discus them in committee.

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Alaska State Legislature

SENATE ADVISORY COUNCIL

Pouch V
State Capital
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator Jones

FROM: Senate Advisory Council Staff

DATE: February 16, 1988

RE: Informational Release: Request # 88-003231

Thank you for your recent request for assistance. Attached is the material you requested. This information will remain confidential unless we receive your approval for release.

Please check the appropriate box and return to Mail Stop 3100 or the above mailing address by March 1, 1988.

☐ I approve the release of this information.

☐ I approve the release of this information, but please remove my name.

☐ I do not approve the release of this information at this time.

If we can be of further service, please do not hesitate to contact us.

DATE _____ SENATOR _____

Alaska State Legislature

Senate Advisory Council

P.O. Box V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator Jones
Alaska State Legislature

FROM: Carol R. Vandor
Senate Advisory Council

DATE: February 16, 1988

RE: Economic Development Legislation in Washington and Michigan
IR# 88-003231

Attached is the information you requested regarding economic development/economic recovery legislation in Washington and Michigan. The Michigan Department of Commerce was not aware of any legislation that was enacted as a specific result of the failing auto industry. They did, however, feel that the Michigan Strategic Fund legislation might be of interest.

Any statutes you may wish to view that are amended by the attached material are available at the Legislative Library. The library is located on the 6th floor of the Court Plaza; their phone number is 465-3808. They can also provide you with copies of specific sections.

If we may be of further assistance, please let us know.

Attachments:

FEB 8 1988

SENATE BILL REPORT

SB 6220

BY Senators Anderson, Halsan, Deccio, Owen, Saling, Smitherman, Stratton, DeJarnatt, Warnke, Lee, Cantu, West, McMullen, Fleming, Williams, Conner, Hayner and Garrett

Changing provisions relating to business industrial development corporations.

Senate Committee on Economic Development & Labor

Senate Hearing Date(s): January 12, 1988; January 18, 1988

Majority Report: That Substitute Senate Bill No. 6220 be substituted therefor, and the substitute bill do pass and refer to Committee on Ways & Means.
Signed by Senators Lee, Chairman; Anderson, Vice Chairman; Cantu, Conner, Deccio, McMullen, Saling, Smitherman, Warnke, West, Williams.

Senate Staff: Jack Brummel (786-7428)
January 19, 1988

AS REPORTED BY COMMITTEE ON ECONOMIC DEVELOPMENT & LABOR, JANUARY 18, 1988

BACKGROUND:

The 1963 Industrial Development Corporation Act was intended to stimulate the Washington economy via equity investments and loans made by industrial development corporations. Only two such corporations have been formed, neither of which are currently operating. The need for an effective program to increase investment in Washington businesses is underscored by the state's low rate of new business incorporations and the difficulty Washington firms experience in obtaining capital if they do not meet current commercial bank or venture capital criteria.

SUMMARY:

The Industrial Development Corporation Act of 1963 is amended. The requirement that financial institutions be members and have voting control is eliminated. Business and industrial development corporations' (BIDCO) investments are to be in firms with a majority of their workforce in Washington state.

A certification requirement prior to approval of corporate documents is added. Such certification may be revoked if the

BIDCO fails to act in a safe sound manner or fails to comply with the intent of the Act to make capital available to moderate risk firms.

Fewer people are required to form a corporation and they are given greater flexibility in operation. The amount of capital necessary to start BIDCO is $1 million in equity and $1 million in lendable funds. Detailed reporting requirements on BIDCO performance are required. Reserve requirements for BIDCOs may be established by the Supervisor of Banking.

The Department of Trade and Economic Development provides technical assistance to BIDCOs in formation. BIDCOs may contract with the Department to deliver management assistance to firms but one-half of a corporation's investments must be in firms that enter into first-source agreements to hire first from a list of unemployed individuals.

Investors are given credit against state B&O, utility, or insurance premium taxes for their investment in a BIDCO. The tax credits available to investors start at 25 percent in fiscal year 1990 and decline by 5 percent per year to a 0 percent tax credit in 1995.

EFFECT OF PROPOSED SUBSTITUTE:

BIDCOs contracting with the Department of Trade and Economic Development will enter first-source hiring arrangements and one half of their firms will be in distressed areas.

Appropriation: none

Revenue: yes

Fiscal Note: requested January 5, 1988

Senate Committee - Testified: Senator Halsan; John Anderson, DTED; DAvid Dougherty, DTED; Collin Sprague, AWB; Bill Lotto, EDEW; Mary Jean Ryan, Evergreen CDA; Wayne Schwart, 4th Corner Development; Gary Smith, Independent Business Association

TUTE SENATE BILL NO. 6220

mittee on Economic
t and Labor (originally
by Senators Anderson, Halsan,
en, Saling, Smitherman,
DeJarnatt, Warnke, Lee,
t, McMullen, Fleming,
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			House Floor #	Washington
		First Reading		
		Referred to		
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Committee and ordered printed	Do Not Pass ( ) ____	Minority Reported	Do Not Pass ( ) ____	Do Not Pass ( ) ____
____ On Motion Substituted		Majority Reported		
for Original, placed on calendar		Minority Reported		
Cal ____	Adv ____ Cal ____	Second Reading	Adv ____ Cal ____	Adv ____ Cal ____
A ____ H ____	S ____ A ____ H ____	Substituted//Amended//Held	A ____ H ____	A ____ H ____
Adv ____ Cal ____ H ____	Adv ____ Cal ____ H ____	Third Reading	Adv ____ Cal ____ H ____	Adv ____ Cal ____ H ____
P ____ F ____ /	P ____ F ____ /	F.P. Yeas/Nays	P ____ F ____ /	P ____ F ____ /
		Passed as Amended	P/Amd ____ F ____ /	P/Amd ____ F ____ /
Notice ____ Rec ____	Notice ____ Rec ____	Reconsideration	Notice ____ Rec ____	Notice ____ Rec ____
P ____ F ____ /	P ____ F ____ /	Reconsideration Vote	P ____ F ____ /	P ____ F ____ /
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DC w/e ____	DC w/e ____	Do Concur - Recede w/Exceptions	R w/e ____	R w/e ____
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C ____	C ____	Conference - Asked/Granted	C ____	C ____
X ____	X ____	Sec. of Sen./Chief Clerk	X ____	X ____

AN ACT Relating to business and industrial development corporations; amending RCW 31.24.010, 31.24.020, 31.24.030, 31.24.040, 31.24.070, 31.24.080, 31.24.090, 31.24.120, 31.24.130, 31.24.140, and 31.24.150; reenacting and amending RCW 42.17.310; adding new sections to chapter 31.24 RCW; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.16 RCW; adding a new section to chapter 48.14 RCW; creating a new section; repealing RCW 31.24.050, 31.24.060, and 31.24.100; and prescribing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. The legislature finds that the unavailability of capital to viable firms that do not meet current commercial bank or venture capital criteria for loans or equity investments can have a devastating impact on the state's economic development efforts. Without reasonable access to financing, talented and aggressive entrepreneurs are cut out of the economic system and the overall economy of the state suffers.

The process of job creation and economic development requires readily available capital for small and young companies that are the major source of innovations and new jobs. To ensure the availability of capital to entrepreneurs in Washington state, the legislature hereby eliminates unnecessary restrictions which have discouraged the formation of industrial development corporations under current law and aids incentives to encourage the formation of business and industrial development corporations.

Sec. 2. Section 1, chapter 162, Laws of 1963 and RCW 31.24.010 are each amended to read as follows:

((As used in this chapter, the following words and phrases, unless differently defined or described, shall have the meanings and

~~references---as---follows))~~ Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter:

(1) Corporation means a Washington business and industrial development corporation created under this chapter.

(2) Financial institution means any banking corporation or trust company, national banking association, savings and loan association, insurance company or related corporation, partnership, foundation, or other institution engaged primarily in lending or investing funds.

~~((Member-means-any-financial--institution--authorized--to--do business--within--this-state-which-shall-undertake-to-lend-money-to-a corporation-created--under--this--chapter,--upon--its--call,--and--in accordance-with-the-provisions-of-this-chapter.~~

~~(4)~~)) Board of directors means the board of directors of the corporation created under this chapter.

~~((5)-Loan--limit--means--for--any--member,--the--maximum--amount permitted--to-be-outstanding-at-one-time-on-loans-made-by-such-member to-the-corporation,--as--determined--under--the--provisions--of--this chapter.~~))

(4) Business means an individual, proprietorship, joint venture, partnership, trust, business trust, syndicate, association, joint stock company, cooperative, corporation, or any other organization operating in this state, and paying more than fifty percent of its contributions or payments for the purposes of unemployment insurance to this state.

(5) Associate means, if used with respect to a corporation:

(a) A controlling person, director, officer, agent, or advisor of that corporation.

(b) A director, officer, or partner of a person referred to in (a) of this subsection.

(c) A person who controls, is controlled by, or is under common control with a person referred to in (a) of this subsection directly or indirectly through one or more intermediaries.

(d) Any close relative of any person referred to in (a) of this subsection.

this subsection is a director or officer.

(f) A person in which a person referred to in (a) through (d) of this subsection, or any combination of those persons acting in concert, owns or controls, directly or indirectly, a twenty percent or greater equity interest.

For the purposes of this subsection (5)(f), a person who is in a relationship referred to in this subsection within six months before or after a corporation provides financing assistance shall be considered to be in that relationship as of the date that corporation provides that financing assistance.

If a corporation, in order to protect its interests, designates a person to serve as a director of, officer of, or in any capacity in the management of a business to which that corporation provides financing assistance, that person shall not, on that account, be considered to have a relationship with that business. This exception does not apply if the person has, directly or indirectly, any other financial interest in the business or if the person, at any time before the corporation provides the financing assistance, served as a director of, officer of, or in any other capacity in the management of the business for a period of thirty days or more.

(6) Close relative means a parent, child, sibling, spouse, father-in-law, mother-in-law, son-in-law, brother-in-law, daughter-in-law, sister-in-law, grandparent, or grandchild.

(7) Supervisor means the state supervisor of banking.

Sec. 3. Section 2, chapter 162, Laws of 1963 as amended by section 1, chapter 16, Laws of 1974 ex. sess. and RCW 31.24.020 are each amended to read as follows:

((Fifteen)) Seven or more persons, a majority of whom shall be r sidents of this state, who may desire to create ((an)) a business and industrial development corporation under the provisions of this chapter, for the purpose of promoting, developing and advancing the prosperity and economic welfare of the state and, to that end, to exercise the powers and privileges hereinafter provided, may be incorporated by filing in the office of the secretary of state, as hereinafter provided, articles of incorporation. The articles of incorporation shall contain:

(1) The name of the corporation, which shall include the words "Business and Industrial Development Corporation of Washington."

(2) The location of the principal office of the corporation, but such corporation may have offices in such other places within the state as may be fixed by the board of directors.

(3) The purposes for which the corporation is founded, which shall be to ((promote, stimulate, develop and advance the business prosperity and economic welfare of Washington and its citizens; to encourage and assist through loans, investments or other business transactions in the location of new business and industry in this state and to rehabilitate and assist existing business and industry; to stimulate and assist in the expansion of all kinds of business activity which will tend to promote the business development and maintain the economic stability of this state; provide maximum opportunities for employment, encourage thrift, and improve the standard of living of citizens of this state; similarly, to cooperate and act in conjunction with other organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural and recreational developments in this state; and to provide financing for the promotion, development, and conduct of all kinds of business activity in this state)) provide moderate risk financing and management assistance to businesses operating primarily in Washington state to increase job opportunities for Washington citizens and the prosperity of the state.

(4) The names and post office addresses of the members of the first board of directors, who, unless otherwise provided by the articles of incorporation or the bylaws, shall hold office for the first year of existence of the corporation or until their successors are elected and have qualified.

(5) Any provision which the incorporators may choose to insert for the regulation of the business and for the conduct of the affairs of the corporation and any provision creating, dividing, limiting and regulating the powers of the corporation, the directors, stockholders or any class of the stockholders, including, but not limited to a list of the officers, and provisions governing the issuance of stock

(6) The amount of authorized capital stock and the number of shares into which it is divided, the par value of each share and the amount of capital with which it will commence business and, if there is more than one class of stock, a description of the different classes; the names and post office addresses of the subscribers of stock and the number of shares subscribed by each. The aggregate of the subscription shall be the minimum amount of capital with which the corporation shall commence business which shall not be less than ((fifty--thousand)) one million dollars, except as otherwise provided in this chapter. The articles of incorporation may also contain any provision consistent with the laws of this state for the regulation of the affairs of the corporation.

(7) The articles of incorporation shall be in writing, subscribed by not less than five natural persons competent to contract and acknowledged by each of the subscribers before an officer authorized to take acknowledgments and filed in the office of the secretary of state for approval. A duplicate copy so subscribed and acknowledged may also be filed.

(8) The articles of incorporation shall recite that the corporation is organized under the provisions of this chapter.

The secretary of state shall not approve articles of incorporation for a corporation organized under this chapter until ((a-total-of-at-least-ten-national-banks,-state-banks,-savings-banks, industrial--savings--banks,--federal--savings--and-loan-associations, domestic-building--and--loan--associations,--or--insurance--companies authorized--to--do--business--within--this--state,-or-any-combination thereof,--have--agreed--in--writing--to--become---members---of---said corporation;--and--said--written--agreement--shall--be-filed-with-the secretary-of-state-with-the-articles-of-incorporation-and-the--filing of--same--shall--be--a--condition--precedent--to--the-approval-of-the articles-of-incorporation-by--the--secretary--of--state)) the state supervisor of banking has certified the corporation as eligible to operate as a business and industrial development corporation under this chapter.

A person transacting business in this state shall not use a name or title which indicates that the person is a business and industrial

development corporation including, but not limited to, use of the term "BIDCO," and a person shall not otherwise represent that the person is a business and industrial development corporation until the person has been certified as a business and industrial development corporation.

A corporation shall be certified by the supervisor of banking as eligible to operate under this chapter upon meeting the following conditions:

(a) The corporation has paid a three thousand dollar certification fee to the state supervisor of banking and such other fees or costs as the supervisor establishes by rule;

(b) The corporation has submitted a business plan which includes at least three years of detailed financial projections and other relevant information;

(c) The corporation has provided information about the character and competence of each director and officer of the corporation; and

(d) The supervisor finds that the corporation's officers and directors are capable of running the corporation competently, has a net worth and lendable funds sufficient to provide financing assistance, and that the directors and officers of the corporation have agreed to comply with the terms of this chapter and its intent to facilitate the availability of moderate risk financing to firms in Washington. In making the finding under this subsection, the supervisor of banking shall:

(i) Consult with the director of trade and economic development and the director of community development; and

(ii) Require a minimum net worth of one million dollars and an additional one million dollars in lendable funds or an enforceable pledge for one million dollars in lendable funds, unless the supervisor finds that special circumstances render lesser amounts of net worth or lendable funds adequate for the corporation to meet the intent of this chapter and operate according to its business plan.

Whenever the articles of incorporation shall have been filed in the office of the secretary of state and approved by ((him)) the secretary and all taxes, fees and charges, have been paid, as required by law, the subscribers, their successors and assigns shall

constitute a corporation, and said corporation shall then be authorized to commence business, and stock thereof to the extent herein or hereafter duly authorized may from time to time be issued.

Sec. 4. Section 3, chapter 162, Laws of 1963 as last amended by section 42, chapter 466, Laws of 1985 and RCW 31.24.030 are each amended to read as follows:

The business of a corporation shall be to provide financing and management assistance to businesses operating primarily in Washington state. In furtherance of its ((purposes)) business and in addition to the powers now or hereafter conferred on business corporations by the provisions of Title 23A RCW, ((the)) each corporation shall, subject to the restrictions and limitations herein contained, have the following powers:

(1) To elect, appoint and employ officers, agents and employees; to make contracts and incur liabilities for any of the purposes of the corporation((:---PROVIDED,--That-the-corporation-shall-not-incur any-secondary-liability-by-way-of--guaranty--or--endorsement--of--the obligations--of--any--person,-firm,-corporation,-joint-stock-company, association-or-trust,-or-in-any-other-manner)).

(2) To borrow money ((from-its-members--and--the--small--business administration-and-any-other-similar-federal-agency,)) for any of the purposes of the corporation; to issue therefor its bonds, debentures, notes or other evidence of indebtedness, whether secured or unsecured, and to secure the same by mortgage, pledge, deed of trust or other lien on its property, franchises, rights and privileges of every kind and nature or any part thereof or interest therein, without securing stockholder ((or--member)) approval((:--PROVIDED, That-no-loan-to-the-corporation-shall-be-secured-in-any-manner-unless all-outstanding-loans-to-the-corporation-shall-be-secured-equally-and ratably-in-proportion-to-the-unpaid-balance-of-such-loans-and-in--the same-manner)).

(3) To make loans to any person, firm, corporation, joint-stock company, association or trust, and to establish and regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith((:--PROVIDED,--That--the corporation--shall--not-approve-any-application-for-a-loan-unless-and

until the person applying for said loan shall show that he has applied for the loan through ordinary banking channels and that the loan has been refused by at least one bank or other financial institution)).

(4) To purchase, receive, hold, lease, or otherwise acquire, and to sell, convey, transfer, lease or otherwise dispose of real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, ((including, but not restricted to, any)) if the real or personal property is for the corporation's use in operating its business, or if the real or personal property is acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations.

(5) ((To acquire the good will, business, rights, real and personal property, and other assets, or any part thereof, or interest therein, of any persons, firms, corporations, joint stock companies, associations or trusts, and to assume, undertake, or pay the obligations, debts and liabilities of any such person, firm, corporation, joint stock company, association or trust; to acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments thereon or for the purpose of disposing of such real estate to others for the construction of industrial plants or other business establishments; and to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of industrial plants or business establishments;)) To determine the form and the terms and conditions for financing assistance provided by the corporation to a business including, but not limited to forms such as loans; purchase of debt instruments; straight equity investments, such as purchase of common stock or preferred stock; debt with equity features such as warrants to purchase stock, convertible debentures, or receipt of a percent of net income or sales; royalty based financing; guaranteeing of debt; or leasing of property. A corporation may purchase securities of a business either directly or indirectly through an underwriter. A corporation may participate in the program of the small business administration

536, 15 U.S.C. Sec. 636(a), or any other government program for which the corporation is eligible and which has as its function the provision or facilitation of financing or management assistance to businesses. If a corporation participates in a program referred to in this section, the corporation shall comply with the requirements of that program. Financing assistance provided by a corporation to a business shall be for the business purposes of that business.

(6) ((To acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint-stock company, association or trust, and while the owner or holder thereof to exercise all the rights, powers and privileges of ownership, including the right to vote thereon;)) To provide management assistance to a business which may encompass both management or technical advice and management or technical services. Management assistance provided by a corporation to a business shall be for the business purposes of that business.

(7) To mortgage, pledge, or otherwise encumber any property, right or things of value, acquired pursuant to the powers contained in subsection((s)) (4)((;)) or (5)((;or (6);)) of this section, as security for the payment of any part of the purchase price thereof.

(8) To cooperate with and avail itself of the facilities of the United States department of commerce, the department of trade and economic development, the department of community development, and any other similar state or federal governmental agencies; and to cooperate with and assist, and otherwise encourage organizations in the various communities of the state in the promotion, assistance and development of the business prosperity and economic welfare of such communities or of this state or of any part thereof.

(9) To make donations for charitable, educational, research, or similar purposes.

(10) To do all acts and things necessary or convenient to carry out the powers expressly granted in this chapter.

Sec. 5. Section 4, chapter 162, Laws of 1963 and RCW 31.24.040 are each amended to read as follows:

Notwithstanding any rule at common law or any provision of any general or special law or any provision in their respective charters, agreements of association, articles of organization or trust indentures:

((~~(1)~~)) Any person including all domestic corporations organized for the purpose of carrying on business within this state and further including without implied limitation public utility companies and insurance companies, and foreign corporations licensed to do business within this state, and all financial institutions as defined herein, and all trustees, are hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of any bonds, securities or other evidences of indebtedness created by, or the shares of the capital stock of, the corporation, and while owners of said stock to exercise all the rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory authority of the state except as otherwise provided in this chapter((~~:--PROVIDED, That a financial institution which does not become a member of the corporation shall not be permitted to acquire any shares of the capital stock of the corporation;~~

~~(2) All financial institutions are hereby authorized to become members of the corporation and to make loans to the corporation as provided herein; and~~

~~(3) Each financial institution which becomes a member of the corporation is hereby authorized to acquire, purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of, any bonds, securities or other evidences of indebtedness created by, or the shares of the capital stock of, the corporation, and while owners of said stock, to exercise all the rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory authority of the state:--PROVIDED, That the amount of the capital stock of the corporation which may be acquired by any member pursuant to the authority granted herein shall not exceed ten percent of the loan limit of such member)).

The amount of capital stock of the corporation which any

the authority granted herein is in addition to the amount of capital stock in corporations which such ((member)) financial_institution may otherwise be authorized to acquire.

Sec. 6. Section 7, chapter 162, Laws of 1963 and RCW 31.24.070 are each amended to read as follows:

The stockholders ((and--the--members)) of the corporation shall have the following powers of the corporation:

(1) To determine the number of and elect directors as provided in RCW 31.24.090;

(2) To make, amend and repeal bylaws;

(3) To amend this charter as provided in RCW 31.24.080;

(4) To dissolve the corporation as provided in RCW 31.24.150;

(5) To do all things necessary or desirable to secure aid, assistance, loans and other financing from any financial institutions, and from any agency established under the small business investment act of 1958, public law 85-699, 85th congress, or other similar federal laws now or hereafter enacted.

(6) To exercise such other of the powers of the corporation consistent with this chapter as may be conferred on the stockholders ((and-the-members)) by the bylaws.

As to all matters requiring action by the stockholders ((and-the members)) of the corporation, said stockholders ((and-said--members)) shall vote separately thereon by classes, and, except as otherwise herein provided, such matters shall require the affirmative vote of a majority of the votes to which the stockholders present or represented at the meeting shall be entitled ((and-the-affirmative vote-of-a-majority-of-the-votes--to--which--the--members--present--or represented-at-the-meeting-shall-be-entitled)).

((Each)) Stockholders shall have one vote, in person or by proxy, for each share of capital stock held ((by-him,-and-each-member-shall have-one-vote,-in-person-or-by-proxy,-except-that-any-member-having-a loan--limit--of--more--than--one--thousand--dollars--shall--have--one additional--vote,--in--person--or--by--proxy,-for-each-additional-one thousand-dollars-which-such-member-is-authorized-to-have--outstanding on--loans--to--the--corporation--at--any-one-time-as-determined-under subsection-(3)-(b)-of-RCW-31.24.050)).

Sec. 7. Section 8, chapter 162, Laws of 1963 and RCW 31.24.080 are each amended to read as follows:

The articles of incorporation may be amended by the votes of the stockholders ((and--the--members--of---the---corporation)), voting separately by classes, and such amendments shall require approval by the affirmative vote of two-thirds of the votes to which the stockholders ((shall-be-entitled-and-two-thirds-of-the-votes-to-which the--members)) shall be entitled: PROVIDED, That no amendment of the articles of incorporation which is inconsistent with the general purposes expressed herein or which authorizes any additional class of capital stock to be issued, or which eliminates or curtails the right of the state supervisor of banking to examine the corporation or the obligation of the corporation to make reports as provided in RCW 31.24.120, shall be made((:--PROVIDED,-FURTHER,-That-no-amendment-of the-articles-of-incorporation-which-increases--the--obligation--of--a member--to--make-loans-to-the-corporation,-or-makes-any-change-in-the principal-amount,-interest-rate,-maturity-date,-or-in-the-security-or credit--position--of--an--outstanding--loan--of--a--member---to---the corporation,--or-affects-a-member's-right-to-withdraw-from-membersh p as-provided-herein,-or-affects-a-member's-voting-rights--as--provided herein,-shall-be-made-without-the-consent-of-each-membership-affected by-such-amendment)).

Within thirty days after any meeting at which an amendment of the articles of incorporation has been adopted, articles of amendment signed and sworn to by the president, treasurer, and a majority of the directors, setting forth such amendment and due adoption thereof, shall be submitted to the secretary of state, who shall examine them and if ((he)) <u>the secretary</u> finds that they conform to the requirements of this chapter, shall so certify and endorse his <u>or her</u> approval thereon. Thereupon, the articles of amendment shall be filed in the office of the secretary of state and no such amendment shall take effect until such articles of amendment shall have been filed as aforesaid.

Sec. 8. Section 9, chapter 162, Laws of 1963 as amended by section 3, chapter 16, Laws of 1974 ex. sess. and RCW 31.24.090 are

The business and affairs of the corporation shall be managed and conducted by a board of directors, a president, a vice president, a secretary, a treasurer, and such other officers and such agents as the corporation by its bylaws shall authorize. The board of directors shall consist of such number, not less than ((eleven)) seven nor more than twenty-one, as shall be determined in the first instance by the incorporators and thereafter annually by ((the members--and)) the stockholders of the corporation. The board of directors may exercise all the powers of the corporation except such as are conferred by law or by the bylaws of the corporation upon the stockholders ((or-members)) and shall choose and appoint all the agents and officers of the corporation and fill all vacancies except vacancies in the office of director which shall be filled as hereinafter provided. The board of directors shall be elected in the first instance by the incorporators and thereafter at the annual meeting, the day and month of which shall be established by the bylaws of the corporations, or, if no annual meeting shall be held in the year of incorporation, then within ninety days after the approval of the articles of incorporation at a special meeting as hereinafter provided. ((At-each-annual-meeting,-or-at-each-special-meeting--held as--provided--in--this--section,-the-members-of-the-corporation-shall elect-two-thirds-of-the-board-of-directors-and-the-stockholders-shall elect-the-remaining-directors.)) The directors shall hold office until the next annual meeting of the corporation or special meeting held in lieu of the annual meeting after the election and until their successors are elected and qualified unless sooner removed in accordance with the provisions of the bylaws. Any vacancy in the office of a director ((elected-by-the-members-shall-be-filled-by--the directors--elected-by-the-members,-and-any-vacancy-in-the-office-of-a director-elected--by--the--stockholders)) shall be filled by the directors ((elected-by-the-stockholders)).

Directors and officers shall not be responsible for losses unless the same shall have been occasioned by the wilful misconduct of such directors and officers.

NEW SECTION. Sec. 9. A new section is added to chapter 31.24 RCW to read as follows:

(1) A corporation shall transact its business in a safe and sound manner and shall maintain itself in a safe and sound condition. The supervisor of banking shall revoke the certification of a corporation if the supervisor finds that the corporation has failed to operate or maintain itself in a safe and sound manner or has failed to comply with the intent of this chapter, and the corporation may not transact business as a business and industrial development corporation until such time as the supervisor recertifies the corporation consistent with RCW 31.24.020(8). The secretary of state shall remove from the active files the incorporation records of a corporation with its certification revoked until such time as the supervisor of banking has recertified the corporation.

(2) In determining whether a corporation is transacting business in a safe and sound manner or has committed an unsafe or unsound act, the supervisor shall consider the risk of a provision of financing assistance to a business firm, within the context of the anticipated higher risks associated with the purposes of corporations organized under this chapter.

(3) Subsection (2) of this section does not limit the authority of the supervisor to:

(a) Determine that a corporation's financing assistance to a single business or group of affiliated firms is in violation of subsection (1) of this section if the amount of that financing assistance is unduly large in relation to the total assets or the total shareholder's equity of the corporation;

(b) Require that a corporation maintain a reserve in the amount of anticipated losses; and

(c) Require that a corporation have a written financing assistance policy, approved by its board of directors, including credit evaluation and other matters. The supervisor shall not require that a corporation adopt a financing assistance policy that contains standards which prevent the corporation from exercising flexibility in meeting the capital needs of the individual firms.

Sec. 10. Section 12, chapter 162, Laws of 1963 and RCW 31.24.120 are each amended to read as follows:

every eighteen months by the state supervisor of banking and shall make quarterly reports of its condition ((not less than annually)) to said state supervisor of banking and more frequently upon call of the state supervisor of banking, who in turn shall make copies of such reports available to the state insurance commissioner and the governor; and the corporation shall also furnish such other information as may from time to time be required by the state supervisor of banking and secretary of state. The corporation shall pay the actual cost of said examinations. The state supervisor of banking shall exercise the same power and authority over corporations organized under this chapter as is now exercised over banks and trust companies by the provisions of the Title 30 RCW, where the provisions of Title 30 RCW are not in conflict with this chapter.

The state supervisor of banking shall publish annually and provide to the senate and house commerce and labor committees and ways and means committees information on the impact of this chapter in promoting economic development in Washington. At the minimum, the information shall include aggregate statistics on each of the following:

(1) The number and locations of corporations operating under this chapter;

(2) The number of instances and dollar amount of financing and management assistance given by corporations operating under this chapter to:

(a) All individual businesses assisted;

(b) Types of businesses classified using the standard industrial classification manual;

(c) Minority and women-owned businesses; and

(d) Businesses located in distressed areas;

(3) The number of jobs created or retained by:

(a) All individual businesses assisted;

(b) Types of businesses classified using the standard industrial classification manual;

(c) Minority and women-owned businesses;

(d) Businesses located in distressed areas; and

(e) The wage rates paid to the employees hired or retained; and

(4) The percentage of each business's total contributions or payments for unemployment insurance made to the state of Washington.

Sec. 11. Section 13, chapter 162, Laws of 1963 and RCW 31.24.130 are each amended to read as follows:

The first meeting of the corporation shall be called by a notice signed by three or more of the incorporators, stating the time, place and purpose of the meeting, a copy of which notice shall be mailed, or delivered, to each incorporator at least five days before the day appointed for the meeting. Said first meeting may be held without such notice upon agreement in writing to that effect signed by all the incorporators. There shall be recorded in the minutes of the meeting a copy of said notice or of such unanimous agreement of the incorporators.

At such first meeting, the incorporators shall organize by the choice, by ballot, of a temporary clerk; by the adoption of bylaws, by the election by ballot of directors; and by action upon such other matters within the powers of the corporation as the incorporators may see fit. The temporary clerk shall be sworn and shall make and attest a record of the proceedings. ((Ten)) Five of the incorporators shall be a quorum for the transaction of business.

NEW SECTION. Sec. 12. A new section is added to chapter 31.24 RCW to read as follows:

(1) The director of trade and economic development is authorized to provide assistance and advice to persons forming corporations under this chapter.

(2) The director may contract with corporations organized under this chapter. Each contract shall specify that the money received under the contract shall be used to provide management assistance, which may include management and technical advice and services and other technical support, to businesses receiving financing from the contracting corporation. No more than five corporations may contract with the department under this section at any time. No corporation may receive more than a total of two hundred fifty thousand dollars under this section.

shall agree that at least one-half of the corporation's loans and investments will be to businesses operating in distressed areas as defined in RCW 82.60.020(3) and that the corporation's loans and investments will be to businesses that have agreed to enter first-source hiring agreements with the employment security department, local private industry councils, local labor unions, or other employment or placement agencies. These agreements shall require the businesses to interview prospective employees from a list of the unemployed supplied by the employment or placement agencies and hire any qualified candidates on the list before hiring any candidates not on the list. The first-source hiring agreements shall require the business to:

(a) Provide a job description for each position;

(b) Provide a description of the skills each position requires; and

(c) Provide a salary range for each position.

The first-source hiring agreements shall require the employment or placement agency to provide a list of candidates who have expressed interest in each available position and who meet the skill requirements of each position. No fees may be charged of the unemployed candidates on the list supplied by the employment or placement agency.

(4) The director of trade and economic development shall adopt rules to carry out this section.

Sec. 13. Section 14, chapter 162, Laws of 1963 and RCW 31.24.140 are each amended to read as follows:

Unless otherwise provided in the articles of incorporation, the period of duration of the corporation shall be perpetual, subject, however, to the right of the stockholders ((and--the--members)) to dissolve the corporation prior to the expiration of said period as provided in RCW 31.24.150.

Sec. 14. Section 15, chapter 162, Laws of 1963 as amended by section 52, chapter 3, Laws of 1983 and RCW 31.24.150 are each amended to read as follows:

The corporation may upon the affirmative vote of two-thirds of

the votes to which the stockholders shall be entitled ((and-two-thirds-of-the-votes-to-which-the-member-shall-be-entitled)) dissolve said corporation as provided by Title 23A RCW, insofar as Title 23A RCW is not in conflict with the provisions of this chapter. Upon any dissolution of the corporation, none of the corporation's assets shall be distributed to the stockholders until all sums due the ((members)) creditors of the corporation ((as--creditors--thereof)) have been paid in full.

NEW SECTION. Sec. 15. A new section is added to chapter 82.04 RCW to read as follows:

(1) A credit is allowed against the tax imposed under this chapter for each of the fiscal years beginning July 1, 1989, and ending June 30, 1994, for amounts invested in each such year in business and industrial development corporations organized under chapter 31.24 RCW. The amount of allowable credit in each such year shall be as follows:

FISCAL YEAR	AMOUNT INVESTED
1990	25%
1991	20%
1992	15%
1993	10%
1994	5%
1995	0%

(2) Applications for credit under this section shall be submitted as prescribed by the department by rule. No credit may be taken under this section until it has been approved by the department.

(3) Credits allowed under this section to any taxpayer shall not exceed the tax otherwise payable under this chapter by the taxpayer for that fiscal year. Any excess credit shall not be carried over to succeeding years.

(4) No credit may be allowed under this section for an investment for which credit has been allowed under section 16 or 17 of this act.

(5) Any taxpayer receiving a credit under this section who

within five years shall repay the credit in proportion to the withdrawal as provided in section 18 of this act.

NEW SECTION. Sec. 16. A new section is added to chapter 82.16 RCW to read as follows:

(1) A credit is allowed against the tax imposed under this chapter for each of the fiscal years beginning July 1, 1989, and ending June 30, 1994, for amounts invested in each such year in business and industrial development corporations organized under chapter 31.24 RCW. The amount of allowable credit in each such year shall be as follows:

FISCAL YEAR	AMOUNT INVESTED
1990	25%
1991	20%
1992	15%
1993	10%
1994	5%
1995	0%

(2) Applications for credit under this section shall be submitted as prescribed by the department by rule. No credit may be taken under this section until it has been approved by the department.

(3) Credits allowed under this section to any taxpayer shall not exceed the tax otherwise payable under this chapter by the taxpayer for that fiscal year. Any excess credit shall not be carried over to succeeding years.

(4) No credit may be allowed under this section for an investment for which credit has been allowed under section 15 or 17 of this act.

(5) Any taxpayer receiving a credit under this section who withdraws all or part of the investment on which the credit was based within five years shall repay the credit in proportion to the withdrawal as provided in section 18 of this act.

NEW SECTION. Sec. 17. A new section is aided to chapter 48.14 RCW to read as follows:

(1) A credit is allowed against the tax imposed under this chapter for each of the fiscal years beginning July 1, 1989, and

ending June 30, 1994, for amounts invested in each such year in business and industrial development corporations organized under chapter 31.24 RCW. The amount of allowable credit in each such year shall be as follows:

FISCAL YEAR	AMOUNT INVESTED
1990	25%
1991	20%
1992	15%
1993	10%
1994	5%
1995	0%

(2) Applications for credit under this section shall be submitted as prescribed by the department by rule. No credit may be taken under this section until it has been approved by the department.

(3) Credits allowed under this section to any taxpayer shall not exceed the tax otherwise payable under this chapter by the taxpayer for that fiscal year. Any excess credit shall not be carried over to succeeding years.

(4) No credit may be allowed under this section for an investment for which credit has been allowed under section 15 or 16 of this act.

(5) Any taxpayer receiving a credit under this section who withdraws all or part of the investment on which the credit was based within five years shall repay the credit in proportion to the withdrawal as provided in section 18 of this act.

NEW SECTION. Sec. 18. A new section is added to chapter 31.24 RCW to read as follows:

(1) Investors which take advantage of the tax credits allowed under sections 15, 16, and 17 of this act and which withdraw within the first five years of their investment any funds invested in a corporation governed by this chapter shall be obligated to return to the state treasury a portion of the tax credit granted which is equal in proportion to the amount the withdrawn funds represent relative to the total funds invested by the investor.

obligated to pay to the state treasurer an amount equal to any tax credits taken by investors in such corporation within three years preceding the loss of certification. Such payment shall be made within eighteen months of the loss of certification unless the corporation is recertified within that time. The obligation to pay the state treasurer created by this section shall be a lien on the assets and capital of a corporation losing its certification and shall have priority over any other liens or security interests.

NEW SECTION. Sec. 19. A new section is added to chapter 31.24 RCW to read as follows:

(1) A corporation shall not provide, directly or indirectly, financing assistance to:

(a) An associate of the corporation;

(b) Discharge, or to free other money for use in discharging, in whole or in part, an obligation to an associate of that corporation. This section does not apply to a transaction effected by an associate of a corporation in the normal course of that associate's business involving a line of credit or short-term financing assistance.

(c) A business to which an associate of that corporation provides financing assistance, either contemporaneously with, or within one year before or after, the providing of financing assistance by the corporation, if the terms on which the corporation provides financing assistance are less favorable to the corporation than the terms on which the associate provides financing assistance to the business. If the financing assistance provided by the associate of the corporation is of a different kind from the financing assistance provided by the corporation, the burden shall be on the corporation to prove that the terms on which the corporation provided financing assistance were at least as favorable to the corporation as the terms on which the associate provided financing assistance to the business.

This subsection (1)(c) does not apply to any of the following:

(i) If the associate is a controlling person of the corporation and is also the only shareholder of the corporation;

(ii) If the associate is a subsidiary of the corporation; or

(iii) A transaction effected by an associate of a corporation in the normal course of that associate's business involving a line of

credit or short-term financing assistance.

(2) For the purposes of this section and section 21 of this act:

(a) "Person" means an individual, proprietorship, joint venture, partnership, trust, business trust, syndicate, association, joint stock company, corporation, cooperative, government, agency of a government, or any other organization. If used with respect to acquiring control of or controlling a specified person, person includes a combination of two or more persons acting in concert;

(b) "Control" means, if used with respect to a specified person, the power to direct or cause the direction of, directly or indirectly through one or more intermediaries, the management and policies of that specified person, whether through the ownership of voting securities; by contract, other than a commercial contract for goods or nonmanagement services; or otherwise. A natural person shall not be considered to control a person solely on account of being a director, officer, or employee of that person. A person who, directly or indirectly, owns of record or beneficially holds with power to vote, or holds proxies with discretionary authority to vote, twenty percent or more of the then outstanding voting securities issued by a corporation shall be rebuttably presumed to control that corporation; and

(c) "Controlling person" means, if used with respect to a specified person, a person who controls that specified person, directly or indirectly through one or more intermediaries.

NEW SECTION. Sec. 20. A new section is added to chapter 31.24 RCW to read as follows:

An associate of a corporation shall not receive, directly or indirectly, from a person to whom that corporation provides financing assistance, compensation in connection with the providing of that financing assistance or anything of value for procuring, influencing, or attempting to procure or influence the corporation's action with respect to the providing of the financing assistance. This section does not apply to the receipt of fees by an associate of a corporation for bona fide closing services performed by that associate if all of the following are true:

to whom the financing assistance is provided, is designated by the corporation to perform the services;

(2) The services are appropriate and necessary in the circumstances;

(3) The fees for the services are approved as reasonable by the corporation; and

(4) The fees for the services are collected by the corporation on behalf of the associate.

Sec. 21. Section 2, chapter 107, Laws of 1987 and section 1, chapter 337, Laws of 1987 and section 16, chapter 370, Laws of 1987 and section 1, chapter 404, Laws of 1987 and section 10, chapter 411, Laws of 1987 and RCW 42.17.310 are each reenacted and amended to read as follows:

(1) The following are exempt from public inspection and copying:

(a) Personal information in any files maintained for students in public schools, patients or clients of public institutions or public health agencies, welfare recipients, prisoners, probationers, or parolees.

(b) Personal information in files maintained for employees, appointees, or elected officials of any public agency to the extent that disclosure would violate their right to privacy.

(c) Information required of any taxpayer in connection with the assessment or collection of any tax if the disclosure of the information to other persons would (i) be prohibited to such persons by RCW 82.32.330 or (ii) violate the taxpayer's right to privacy or result in unfair competitive disadvantage to the taxpayer.

(d) Specific intelligence information and specific investigative records compiled by investigative, law enforcement, and penology agencies, and state agencies vested with the responsibility to discipline members of any profession, the nondisclosure of which is essential to effective law enforcement or for the protection of any person's right to privacy.

(e) Information revealing the identity of persons who file complaints with investigative, law enforcement, or penology agencies, other than the public disclosure commission, if disclosure would endanger any person's life, physical safety, or property: PROVIDED,

That if at the time the complaint is filed the complainant indicates a desire for disclosure or nondisclosure, such desire shall govern: PROVIDED, FURTHER, That all complaints filed with the public disclosure commission about any elected official or candidate for public office must be made in writing and signed by the complainant under oath.

(f) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination.

(g) Except as provided by chapter 8.26 RCW, the contents of real estate appraisals, made for or by any agency relative to the acquisition or sale of property, until the project or prospective sale is abandoned or until such time as all of the property has been acquired or the property to which the sale appraisal relates is sold, but in no event shall disclosure be denied for more than three years after the appraisal.

(h) Valuable formulae, designs, drawings, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss.

(i) Preliminary drafts, notes, recommendations, and intra-agency memorandums in which opinions are expressed or policies formulated or recommended except that a specific record shall not be exempt when publicly cited by an agency in connection with any agency action.

(j) Records which are relevant to a controversy to which an agency is a party but which records would not be available to another party under the rules of pretrial discovery for causes pending in the superior courts.

(k) Records, maps, or other information identifying the location of archaeological sites in order to avoid the looting or depredation of such sites.

(l) Any library record, the primary purpose of which is to maintain control of library materials, or to gain access to information, which discloses or could be used to disclose the identity of a library user.

(m) Financial information supplied by or on behalf of a person,

proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070.

(n) Railroad company contracts filed with the utilities and transportation commission under RCW 81.34.070, except that the summaries of the contracts are open to public inspection and copying as otherwise provided by this chapter.

(o) Financial and commercial information and records supplied by private persons pertaining to export services provided pursuant to chapter 53.31 RCW.

(p) Financial disclosures filed by private vocational schools under chapter 28C.10 RCW.

(q) Records filed with the utilities and transportation commission or attorney general under RCW 80.04.095 that a court has determined are confidential under RCW 80.04.095.

(r) Financial and commercial information and records supplied by businesses during application for loans or program services provided by chapters 43.31, 43.63A, and 43.168 RCW.

(s) Membership lists or lists of members or owners of interests of units in timeshare projects, subdivisions, camping resorts, condominiums, land developments, or common-interest communities affiliated with such projects, regulated by the department of licensing, in the files or possession of the department.

(t) Except as provided under section 2 of this 1987 act [1987 c 404 § 2], all applications for public employment, including the names of applicants, resumes, and other related materials submitted with respect to an applicant.

(u) The residential addresses and residential telephone numbers of employees or volunteers of a public agency which are held by the agency in personnel records, employment or volunteer rosters, or mailing lists of employees or volunteers.

(v) The residential addresses and residential telephone numbers of the customers of a public utility contained in the records or lists held by the public utility of which they are customers.

(w) Information obtained by the board of pharmacy as provided in RCW 69.45.090.

(x) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW.

(2) Except for information described in subsection (1)(c)(i) of this section and confidential income data exempted from public inspection pursuant to RCW 84.40.020, the exemptions of this section are inapplicable to the extent that information, the disclosure of which would violate personal privacy or vital governmental interests, can be deleted from the specific records sought. No exemption may be construed to permit the nondisclosure of statistical information not descriptive of any readily identifiable person or persons.

(3) Inspection or copying of any specific records exempt under the provisions of this section may be permitted if the superior court in the county in which the record is maintained finds, after a hearing with notice thereof to every person in interest and the agency, that the exemption of such records is clearly unnecessary to protect any individual's right of privacy or any vital governmental function.

(4) Agency responses refusing, in whole or in part, inspection of any public record shall include a statement of the specific exemption authorizing the withholding of the record (or part) and a brief explanation of how the exemption applies to the record withheld.

NEW SECTION. Sec. 22. The following acts or parts of acts are each repealed:

(1) Section 5, chapter 162, Laws of 1963, section 1, chapter 90, Laws of 1973 1st ex. sess., section 2, chapter 16, Laws of 1974 ex. sess. and RCW 31.24.050;

(2) Section 6, chapter 162, Laws of 1963 and RCW 31.24.060; and

(3) Section 10, chapter 162, Laws of 1963 and RCW 31.24.100.

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

January 8, 1988

MEMORANDUM

TO: Representative Randy Phillips

ATTN: Janet Seitz

FROM: Karla Hart KH
Legislative Analyst

RE: **California Small Business Development Loan Guarantee Program**
Research Request 88.099

California's Small Business Development Loan Guarantee Program was created by the California Small Business Development Corporation Law, which established small business programs that provide needed financial and technical resources for small businesses and agricultural firms in California. The law also created the Small Business Development Board, designated the Office of Small Business, Department of Commerce, to implement the California Loan Guarantee Program, and allowed for the creation of private nonprofit small business development corporations (regional corporations) to administer the Loan Guarantee Program and to provide management and technical assistance to small business firms and entrepreneurs in California. Koki Tanaka, Office of Small Business, said that the Loan Guarantee Program is being revised and substantial changes will be made within the next six months. The following information reflects the program as it currently exists.

Program Organization

The **Small Business Development Board** was created to advise the executive director of the Office of Small Business on matters affecting small businesses in California.[1] The board conducts public hearings every other

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[1]The Board consists of 17 voting members--drawn from state government, the private sector, and the legislature--and one nonvoting member from each regional corporation.

month to review program activities under the Small Business Development Corporation Law and other business issues at the request of the governor and the California Department of Commerce. Among other duties, the board sets policy and develops regulations applicable to the activities of the regional development corporations.

The California Office of Small Business oversees the activities of the Loan Guarantee Program and contracts with the regional corporations which conduct the day to day operations throughout California. The executive director of the Office of Small Business serves as liaison between regional corporations and other state and federal agencies, lenders and the legislature.

Currently there are seven private nonprofit regional development corporations.[2] Each corporation is controlled by a board of directors and has a central staff whose responsibilities include all administrative requirements of the corporation, the provision of management and technical assistance to borrowers, and the preparation of financial statements on all applicants for loans through the program. Each corporation also has one or more loan committees, each of which is composed of five or more persons, a majority of whom are experienced in banking and lending operations carried out by the corporation.

State general funds for administrative support are granted to the regional corporations during their first four years of operation. After that time, general fund support ceases and regional corporations must rely on other funding sources (e.g., grants and contracts) and on interest income generated through investments and loan guarantees. The annual total administrative budget--including all salaries, benefits, legal costs, equipment purchases, and office costs--for each of the existing corporations generally ranges between $200,000 and $300,000.

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[2]The Office of Small Business said they are hoping to expand the number of corporations by five within the next year or two.

Regional Small Business Development Loan Guarantee Fund

Each regional corporation may establish a regional small business development loan guarantee fund, to be maintained as an account within the State Treasury. Statutes require the regional corporations to use all reasonable means to maintain and enlarge the small business development corporation loan guarantee funds.[3] The California legislature has provided annual state general fund appropriations to be used for loan guarantee funds--appropriated funds are allocated among the existing regional corporations by the Office of Small Business. Although continuously appropriated, all appropriated funds, and earnings from those funds, remain state funds.

The loan guarantee funds currently have a balance of $31 million statewide. Legislative appropriations to the funds are negotiated on an annual basis, although, no appropriation was made last year. However, in past years approximately $3.2 million per year has been appropriated to the Loan Guarantee Program, of which approximately $480,000 per year has been applied to regional corporation administrative costs and the remainder has been added to the loan guarantee funds.

General Guidelines for Loan Guarantees Provided by Regional Corporations

A small business or agriculture firm may apply for a loan guarantee at a regional corporation. To apply, the applicant must have first sought conventional financing and must have no prospect of obtaining appropriate financing without a guarantee. The applicant must also demonstrate that there is reasonable assurance that the loan will be repaid and that there is security for the loan. The loan proceeds must be used for a business operation located in California. In connection with any loan made, guaranteed or otherwise assisted by the state, management and technical assistance must be provided to the borrower by the central staff of a regional corporation.

The maximum loan guarantee is $350,000. The loan guarantee, in most cases, cannot exceed 90 percent; however, in some cases, a guarantee may be made at 100 percent for a small farm loan, line of credit or an interim loan of 90 days. The maximum term of guarantee is seven years and the interest rate is established by the lendor or creditor, usually bank prime rate plus one or two percentage points. The applicant may be required to pay a fee of up to one and one-half percent of the guarantee amount to the regional corporation, or the regional corporation may consider an equity interest in the business, not to exceed five percent, in lieu of fees.

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[3]Statutory provisions allow for certain investments of portions of the funds to increase earnings.

Default Rates

The Office of Small Business indicated that the default rate for guaranteed loans is 3.67 percent. However, not all of the money within the guaranteed loan funds is encumbered to guarantee loans at any one time. The five-year average default rate is 5.86 percent when calculated only against the encumbered funds.

* * *

I hope this information is helpful. If you desire additional information, please call.

1-5-87

U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
701 "C" Street, Box 10
Anchorage, Alaska 99513

Frank -

Thank you for the "draft." I shall try to reply by the end of the week.

Am enclosing "Alabama" and "Florida."

Berry R.

Alabama Statutes

See especially p. 83ff.

CHAPTER 85.

REGIONAL PLANNING AND DEVELOPMENT.

Article 1.

Regional Planning Commissions Generally.

Sec.

11-85-1. Establishment of region and creation of regional planning commission.

11-85-2. Composition; qualifications, appointment, terms of office, compensation and removal of members; vacancies.

11-85-3. Organization, staff, procedure, etc.; appropriation and expenditure of funds.

11-85-4. Adoption, etc., of master plan for physical development of region by commission; contents and purpose of plan.

11-85-5. Certification of plan to governor and to municipalities, counties, etc., within region.

11-85-6. Adoption of plan by municipal planning commission; certification of proposed amendments to adopted plan to regional planning commission for approval, etc.

11-85-7. Proposed construction of streets, public buildings, utilities, etc., to be submitted for approval of commission after adoption of master plan; overruling of commission.

Article 2.

Regional Planning Commissions for Comprehensive Advisory Planning and Research.

11-85-20. Definitions.

11-85-21. Establishment of region for advisory planning and creation of regional planning commission.

11-85-22. Composition; qualifications, appointments, terms of office and compensation of members; vacancies.

11-85-23. Powers and duties.

11-85-24. Article not to impair right of eminent domain or rights under franchises, leases, etc., of utilities.

Article 3.

Comprehensive Advisory Planning and Research by Municipal, County, Regional, etc., Planning Commissions, etc.

Sec.

11-85-40. Powers of Alabama development office and local, regional and joint planning commissions as to comprehensive advisory planning and research; comprehensive advisory planning defined.

Article 4.

Regional Planning and Development Commissions.

11-85-50. Definitions.

11-85-51. Designation of state planning and development districts by governor generally; designation of single county state planning and development districts.

11-85-52. Formation of regional planning and development commissions.

11-85-53. Composition; selection, terms and replacement of representatives; financing; procedure for addition or withdrawal of governmental units, dissolution, etc.

11-85-54. Officers; appointment of advisory committees.

11-85-55. Receipt of state financial support.

11-85-56. Powers and duties generally.

11-85-57. Joint planning agreements, etc., with adjoining counties, municipalities, etc., authorized; changes of boundaries of regional planning and development districts to include adjacent counties.

11-85-58. Use of planning and development districts and regional planning and development districts for other purposes and programs.

11-85-59. Effect of population changes upon establishment and operation of state planning and development districts or regional planning and development commissions.

Article 5.

Confirmation of Operating Regional Planning and Development Commissions.

11-85-70. Existing regional planning and development commissions ratified and confirmed.

11-85-71. Procedure for additional governmental units to become members of regional planning and development commissions.

11-85-72. General powers, rights, obligations, etc., of regional planning and development commissions.

Sec.

11-85-73. Commissions authorized to enter into contracts with other agencies.

Cross references. — As to comprehensive land-use management in flood-prone areas in counties, see § 11-19-1 et seq. As to county regulation of subdivision, see § 11-24-1 et seq. As to municipal planning, zoning and subdivisions, see § 11-52-1 et seq. As to municipal planning commissions, see § 11-52-3 et seq.

Chapter provides for regional planning commissions designated to operate in a wider geographical area than county planning commissions. In re Opinion of Justices, 370 So. 2d 1373 (Ala. 1979).

ARTICLE 1.

REGIONAL PLANNING COMMISSIONS GENERALLY.

§ 11-85-1. Establishment of region and creation of regional planning commission.

The planning commission of any municipality or the county commission of any county or any 100 citizens by signed petition may apply to the governor for the establishment of a region for planning purposes and the appointment of a regional planning commission for such region. The governor shall hold at least one public hearing upon any such application or petition, the time and place of which he shall officially proclaim. If the governor finds that by reason of urban growth and development not corresponding to existing municipal boundary lines or by reason of other developments or trends in the growth and distribution of population, commerce and industry or by reason of topographic or other conditions two or more separate municipalities or the territory of one or more municipalities and neighboring nonmunicipal territory have overlapping and interrelated or common problems of such nature as not to be capable of intelligent, economical and adequate solution by means of the separate planning of each separate political unit and require for such solution a general plan of the physical development of the entire area of such municipalities or territories as a whole and that, consequently, it is to the public interest that a region be established for planning purposes, he shall grant the application and shall define the boundaries of such region and appoint a regional planning commission. (Acts 1935, No. 534, p. 1126; Code 1940, T. 37, § 809.)

§ 11-85-2. Composition; qualifications, appointment, terms of office, compensation and removal of members; vacancies.

The regional planning commission shall consist of nine persons. Members shall be appointed for six years; except, that the respective terms of seven of the members first appointed shall be one year, two years, two years, three years, four years, four years and five years; provided, that, if at the time of his appointment the appointee is a public officer or in the public service of the state or any of its political subdivisions and his incumbency as such public officer or servant expires previous to the term for which he is appointed on the

regional planning commission, then his term on the commission shall terminate with the expiration of his incumbency as such public officer or servant, unless it is extended by the governor, in which case such extension shall be for the remainder of the term for which he was originally appointed. The members shall serve without compensation but shall be paid their necessary expenses incurred in the performance of their duties. They may, after a public hearing, be removed by the governor for inefficiency, neglect of duty or malfeasance in office, and he shall file a written statement of his reasons therefor. Vacancies shall be filled by the governor for the unexpired term. (Acts 1935, No. 534, p. 1126; Code 1940, T. 37, § 809.)

§ 11-85-3. Organization, staff, procedure, etc.; appropriation and expenditure of funds.

(a) Except as otherwise provided in this article, the provisions of sections 11-52-4, 11-52-5 and 11-52-6 relative to organization, rules, staff, finances, procedure and miscellaneous powers and duties of municipal planning commissions shall, so far as applicable, apply to regional planning commissions.

(b) The amount which a regional planning commission may expend in any year shall be such as may be determined by said regional planning commission, subject to approval by the governor, who shall fix the proportion of such expenditure to be borne by the respective municipalities, counties and other taxing districts and political subdivisions within the region. The council or other governing body of each such municipality, the county commission of each such county and the appropriating body of each such taxing district or political subdivision within the region are hereby authorized to appropriate their respective shares of such expenditures. The sums so appropriated shall be paid into the treasury and shall be paid out on certificate of the regional planning commission. (Acts 1935, No. 534, p. 1126; Code 1940, T. 37, § 810.)

§ 11-85-4. Adoption, etc., of master plan for physical development of region by commission; contents and purpose of plan.

Any regional planning commission is hereby authorized and empowered to make, adopt, amend, extend and add to a master regional plan for the physical development of its region. Such plan shall be based on comprehensive studies of the present and future development of the region with due regard to its relation to neighboring regions and the state as a whole and to neighboring states.

Such plan, including maps, charts, diagrams and descriptive matter, shall show the commission's recommendations for the physical development of the region and may include, among other things, the general location, extent and character of streets, parks and other public ways, grounds and open spaces, public buildings and properties and public utilities (whether publicly or privately owned or operated) which affect the development of the region as a whole or which affect more than one political subdivision of the state within

the region, the general location of forests, agricultural and open development areas for purposes of conservation, food and water supply, sanitary and drainage facilities or the protection of future urban development and a zoning plan for the control of the height and area or bulk, location and use of buildings and premises and of the density of population.

Such master plan shall be made with the general purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of the region and of public improvements and utilities which do not begin and terminate within the boundaries of any single municipality or which do not relate exclusively to the development of any single municipality and which will, in accordance with the present and future needs of the region and the state, best promote health, safety, morals, order, convenience, prosperity and general welfare, as well as efficiency and economy in the process of development. (Acts 1935, No. 534, p. 1126; Code 1940, T. 37, § 811.)

§ 11-85-5. Certification of plan to governor and to municipalities, counties, etc., within region.

The regional planning commission, after adopting the regional plan, shall certify a copy thereof to the governor, to the planning commission of each municipality within the region, to the council of each municipality not having a planning commission, to the county commission of each county wholly or partly included in the region and to other organized taxing districts or political subdivisions wholly or partly included in the region. (Acts 1935, No. 534, p. 1126; Code 1940, T. 37, § 812.)

§ 11-85-6. Adoption of plan by municipal planning commission; certification of proposed amendments to adopted plan to regional planning commission for approval, etc.

(a) Such plan may be adopted by the municipal planning commission of any municipality within the region to which it is certified by the regional planning commission. Such adoption shall be in accordance with the procedure specified in sections 11-52-8, 11-52-9, and 11-52-10 for the adoption of plans by municipal planning commissions. When thus adopted, it shall thereupon have the same force and effect within such municipality as plans made and adopted by municipal planning commissions and shall be deemed an original municipal plan or an amendment of or addition to the municipal plan.

(b) Before adopting any amendment of the municipal plan which would constitute a violation of or departure from the regional plan certified to the municipal planning commission by the regional planning commission, the municipal planning commission shall submit such proposed amendment to the regional planning commission, which latter commission shall certify to the municipal commission its approval, disapproval or other opinion concerning the proposed amendment. (Acts 1935, No. 534, p. 1126; Code 1940, T. 37, § 813.)

§ 11-85-7. Proposed construction of streets, public buildings, utilities, etc., to be submitted for approval of commission after adoption of master plan; overruling of commission.

After the adoption of the regional plan by the regional planning commission, no street, park or other public way, ground or open space, public building or other public structure and public utility, whether publicly or privately owned or operated, shall be constructed or authorized in nonmunicipal territory within the region until the location, character and extent thereof shall have been submitted to and approved by the regional planning commission of the region. This prohibition shall not be interpreted as requiring the approval by the regional planning commission of any subdivision falling within the subdivision jurisdiction of a municipal planning commission as defined in section 11-52-30, and duly approved by such municipal planning commission as provided in section 11-52-32. In case of disapproval by the regional planning commission, such disapproval may be overruled by the board, commission, body or officer in which or in whom the power to finally determine such location, character and extent is reposed by law by a vote, in the case of any such board, commission or body, of not less than two thirds of its membership. A statement of its or his reason for any such overruling shall be spread upon the minutes or records of the board, commission, body or officer. (Acts 1935, No. 534, p. 1126; Code 1940, T. 37, § 814.)

ARTICLE 2.

REGIONAL PLANNING COMMISSIONS FOR COMPREHENSIVE ADVISORY PLANNING AND RESEARCH.

§ 11-85-20. Definitions.

When used in this article, the following words and phrases shall have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) GOVERNMENTAL UNIT. Counties and municipalities.

(2) GOVERNING BODY. The chief legislative body of a governmental unit.

(3) MUNICIPALITY. Such term shall include cities and towns.

(4) REGION. All the geographical area contained within the aggregate territorial limits of all governmental units participating in the establishment of a region for planning as provided in this article.

(5) ADVISORY PLANNING. Continuing and systematic studies of the land economics and land policies of a region in terms of social and economic betterment of said region, together with the submission of interim and final results of said systematic and continuous studies to the governing bodies of constituent governmental units for review, adoption, rejection or implementation thereof in whole or in part. Said term shall not be deemed, construed or held to include zoning or any other regulation of the use, disposition,

alienation, ownership, improvement or change of any land or any structures thereon within any given region, whether said regulation is sought to be accomplished by way of ordinance, resolution, rule, regulation or any other enactment or action of whatsoever kind.

(6) COMPREHENSIVE ADVISORY PLANNING. Comprehensive studies of the present and future development of the land economics and land policies of a region, with due regard to neighboring regions and the state as a whole. Said term may include, but is not limited to:

a. Preparation, as a guide for long-range development, of advisory general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities, together with long-range fiscal plans for such development;

b. Advisory coordination of all related advisory plans and planned activities at both the intragovernmental and intergovernmental levels; and

c. Preparation of suggested regulatory or administrative measures in support of the foregoing for submission to the governing bodies of constituent governmental units for review, adoption, rejection or implementation in whole or in part as said units may elect. (Acts 1963, No. 584, p. 1278, § 1.)

§ 11-85-21. Establishment of region for advisory planning and creation of regional planning commission.

The governing bodies of any two or more governmental units are hereby authorized and empowered to create and establish a region for advisory planning purposes and to constitute, create and establish a regional planning commission. Such joint creation and establishment of a region for planning purposes and of a regional planning commission shall be accomplished by ordinance or resolution separately adopted by the governing body of each governmental unit involved. Such ordinance or resolution shall be recorded in the minutes of the governing body of each such governmental unit. (Acts 1963, No. 584, p. 1278, § 2.)

§ 11-85-22. Composition; qualifications, appointments, terms of office and compensation of members; vacancies.

(a) The membership of any regional planning commission created and established under this article shall be composed of not less than three representatives of each governmental unit participating in the creation of such. In addition to said minimum representation of three, each governmental unit shall be entitled to appoint one other representative for each 50,000 people residing within the geographical and territorial limits and bounds of such governmental unit according to the most recent federal census; provided, that any commission in which any county having a population in excess of 600,000 participates shall be constituted as follows: Each governmental unit shall have only one representative, except that any city having a population

of more than 300,000 shall have 20 representatives, and each county having a population of more than 600,000 shall have 10 representatives; provided further, that any commission in which any county having a population between 300,000 and 500,000 according to the most recent federal census participates shall be constituted as follows: Voting representatives from each governmental unit in such number, not less than one for each unit, as shall be agreed upon between all the governmental units forming the region and participating in the regional planning commission on a basis of representation which will give relatively equal representation to each governmental unit according to percentage of its population and its financial contribution to the cost of the commission as related to the total population of the region and the total agreed operating cost of the commission, it being understood that the assessment of operating costs to the member governmental units will be based on the population and area of each such unit as related to the whole population of the region.

(b) Each governmental unit may designate to membership ex officio, and without vote its chief planning officer or chief engineer if it has either, but not both of said officials. The voting members of each such planning commission shall be appointed by the respective governing bodies of the respective governmental units participating. No member of any regional planning commission created under this article shall receive any compensation for his or her services rendered as a member of such regional planning commission, but each such member shall be entitled to receive reimbursement for his or her actual and necessary expenses incurred in the performance of his or her duties as a member of such regional planning commission. Voting members of each regional planning commission created under this article shall be appointed for terms of four years. The terms of ex officio members shall expire with their incumbency in the offices by virtue of which they shall have been designated to membership on such regional planning commission. Vacancies occurring on any such commission shall be filled by the governing body of the governmental unit previously represented by the latest prior occupant of a particular vacant place on such commission. (Acts 1963, No. 584, p. 1278, § 3; Acts 1969, No. 1190, p. 2226.)

§ 11-85-23. Powers and duties.

Any regional planning commission established and created under this article shall have the following powers and duties:

(1) To perform comprehensive advisory planning and research for the region for which such commission shall have been established and its urban areas or areas where rapid urbanization has occurred or is expected to occur, including those areas extending into adjoining states in instances and situations where such planning and related activities for such bi- or multi-state areas are now or hereafter may be authorized by compact or otherwise;

(2) To provide planning assistance, upon request duly evidenced by ordinance or resolution, to

a. Any city, other municipality or county;

b. Any group of adjacent communities, incorporated or unincorporated, having common or related urban planning or development problems; or,

c. Any other regional planning agency;

(3) To apply for and accept and utilize grants and assistance from the federal government or from any other public or private source which now or hereafter legally may make such grants or afford such other assistance;

(4) To contract with the federal government or with private or public sources which now or hereafter legally may contract as to such planning to receive advances or progress payments; and

(5) To adopt its own rules of procedure and order of business. (Acts 1963, No. 584, p. 1278, § 4.)

§ 11-85-24. Article not to impair right of eminent domain or rights under franchises, leases, etc., of utilities.

Nothing contained in this article shall be construed to impair the right of eminent domain conferred on utilities, both public or private, or their right to exercise authority conferred by statutes, franchises, certificates of convenience and necessity, licenses or easements. (Acts 1963, No. 584, p. 1278, § 5.)

ARTICLE 3.

COMPREHENSIVE ADVISORY PLANNING AND RESEARCH BY MUNICIPAL, COUNTY, REGIONAL, ETC., PLANNING COMMISSIONS, ETC.

§ 11-85-40. Powers of Alabama development office and local, regional and joint planning commissions as to comprehensive advisory planning and research; comprehensive advisory planning defined.

(a) To facilitate the solution of urban and regional planning problems and to provide for comprehensive advisory planning, including transportation planning, for the state and its cities, counties, urban areas and regions, the Alabama development office, the various regional planning commissions presently authorized to be created, the various county planning commissions presently authorized to be created, the various joint planning commissions presently authorized to be created, municipalities and the various municipal planning commissions presently authorized to be created are each and all hereby empowered and authorized, within the respective geographical areas as to which planning power has heretofore been delegated to such respective office, commissions or other agencies to perform comprehensive advisory planning and research and other activities related thereto for urban areas and regions or areas where rapid urbanization has occurred or is expected to occur and to provide planning assistance, upon request duly evidenced by ordinance or resolution, to

(1) Any city, other municipality or county;

(2) Any group of adjacent communities, incorporated or unincorporated, having common or related urban planning or development problems; or

(3) Any municipal, county, joint, joint county, multicounty or regional planning agency.

(b) The Alabama development office, as well as each and all of the aforesaid other commissions and planning agencies, are hereby further authorized and empowered to perform comprehensive advisory planning and research and other activities related thereto for urban areas and regions or areas where rapid urbanization has occurred or is expected to occur, which said areas and regions extend into adjoining states, in instances and situations where such planning and other activities for such bistate or multistate areas is now or hereafter may be authorized by compact or otherwise.

(c) The Alabama development office, the various regional planning commissions presently authorized to be created, the various joint planning commissions presently authorized to be created, the various county planning commissions presently authorized to be created and the municipal planning commissions presently authorized to be created, as well as cities and other municipalities, counties and groups of adjacent communities (incorporated or unincorporated) having common or related urban planning or development problems are authorized for the purpose of this section to perform comprehensive advisory planning, to contract with the federal government and with any public or private sources which now or hereafter legally may contract as to such planning, to receive advances or progress payments and to contract with other planning agencies, public agencies and political subdivisions. Said office, planning commissions and other planning agencies are also authorized and empowered to apply for and to accept and utilize grants and other assistance from the federal government or from any other public or private sources which now or hereafter legally may make such grants or afford such other assistance.

(d) The term "comprehensive advisory planning" as used in this section shall mean comprehensive studies of the present and future development of the land economics and land policies of a region, with due regard to neighboring regions and the state as a whole. Said term may include, but is not limited to:

(1) Preparation, as a guide for long-range development, of advisory general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities, together with long-range fiscal plans for such development;

(2) Advisory coordination of all related advisory plans and planned activities at both the intragovernmental and intergovernmental levels; and

(3) Preparation of suggested regulatory or administrative measures in support of the foregoing for submission to the governing bodies of constituent governmental units for review, adoption, rejection or implementation in whole or part, as said units may elect. (Acts 1963, No. 585, p. 1281.)

Existence and legal authority of county planning commissions, joint planning commissions, or municipal planning commissions are explicitly recognized in this section. In re Opinion of Justices, 370 So. 2d 1373 (Ala. 1979).

ARTICLE 4.

REGIONAL PLANNING AND DEVELOPMENT COMMISSIONS.

§ 11-85-50. Definitions.

When used in this article, the following words and phrases shall have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) GOVERNMENTAL UNIT. Counties and municipalities.

(2) GOVERNING BODY. The chief legislative body of a governmental unit.

(3) MUNICIPALITY. Cities or towns.

(4) REGION. All the geographical area contained within the aggregate territorial limits of all governmental units participating in a regional planning and development commission as provided in this article.

(5) DISTRICT. A geographical area designated by the governor as provided in this article. (Acts 1969, No. 1126, p. 2084, § 1.)

§ 11-85-51. Designation of state planning and development districts by governor generally; designation of single county state planning and development districts.

(a) The governor may, from time to time as he deems appropriate and necessary, define and designate a state planning and development district by executive order.

(b) In defining boundaries of state planning and development districts, the governor shall consult with the governmental units concerned and shall consider such factors as community of interest and homogeneity; geographic features and natural boundaries; patterns of communication and transportation; patterns of urban development; total population and population density; similarity of social and economic problems; boundaries of existing regional planning commissions and councils of government; existing state functional planning areas and the utility of proposed boundaries for provision of governmental services. Districts should be as large as practicable consistent with the above factors and except as provided in subsection (d) of this section, shall include at least three contiguous counties and contain a population of at least 100,000. No county shall be divided in forming a district.

(c) The governor may change boundaries of districts as required to reflect changing conditions or otherwise to fulfill the purposes of this article observing the criteria and procedures stated in subsection (b) of this section.

(d) Any provision of this section to the contrary notwithstanding, the governor may define and designate single county state planning and development districts within any county having a population between 93,000 and 100,000 persons according to the most recent federal decennial census. (Acts 1969, No. 1126, p. 2084, § 2; Acts 1973, No. 692, p. 1039, § 1.)

§ 11-85-52. Formation of regional planning and development commissions.

(a) *Generally.* — At any time subsequent to the designation of a state planning and development district pursuant to section 11-85-51, governmental units within the district acting through their governing bodies by ordinance or resolution may adopt a written agreement for the formation of a regional planning and development commission and may petition the governor to certify such a commission for a region located entirely within a state planning and development district and consisting of at least three contiguous counties and containing a population of at least 100,000. Governmental units so petitioning must represent at least a majority of the population within the proposed region. No county shall be divided in forming a region. The governor may, after consultation with the governing bodies of the governmental units involved, amend petitions to include additional counties to assure that the objectives of this article are furthered and that no county or city will be precluded from participation in a regional planning and development commission.

(b) *Bistate or multistate commissions.* — In case two or more governmental units determine that the geographical area embraced by such units, although not meeting the minimum criteria prescribed in subsection (a) of this section, is logically, for planning and development purposes, a part of a larger area which extends into an adjoining state or states, such governmental units may adopt an agreement for the formation of a regional planning and development commission and may petition the governor to certify such commission for the proposed region. The governor may, after consultation with the governmental units which are parties to the petition and after approval by him of an appropriate interstate agreement or compact certify the commission. In such case the governor may authorize such deviations from the minimum requirements for area and population prescribed in section 11-85-51 and subsection (a) of this section and the requirements for composition of the commission prescribed in section 11-85-53 as may be necessary to conform to the interstate agreement or compact. No county shall be divided in applying the provisions of this subsection.

(c) *Single county commissions.* — Regional planning and development commissions may be formed in any county having a population between 93 000 and 100,000 persons according to the most recent federal decennial census in the same manner as any other state planning and development district: provided, however, that the requirements for the formation of such districts and commissions with respect to the population and numbers of contiguous counties shall not be applicable to districts and commissions formed pursuant to this subsection. Regional planning and development commissions so formed may function in conjunction with contiguous regional planning and development commissions with respect to any project, plan, program or other activity which by necessity crosses county or state planning and development district boundary lines. (Acts 1969, No. 1126, p. 2084, § 3; Acts 1973, No. 692, p. 1039, § 1.)

§ 11-85-53. Composition; selection, terms and replacement of representatives; financing; procedure for addition or withdrawal of governmental units, dissolution, etc.

(a) All governmental units within the boundaries of a region which are parties to the agreement for the establishment of a regional planning and development commission shall be represented on the commission as provided in this section. The agreement may provide formulas and procedures under which smaller governmental units may select a common representative and larger units may select more than one representative, but there shall be at least one representative for each county and for each city of over 10,000 population. At least a majority of the representation of a commission shall be elected public officials of the participating governmental units. This section shall not apply to any counties which have formed any regional planning commissions.

(b) The terms and manner of selection and replacement of the commission representatives shall be specified in the agreement or, pursuant to the terms of the agreement, by ordinances or resolutions adopted by participating governmental units. Terms of representatives who are not elected officials shall be arranged to provide overlapping periods of service. The term of any representative serving in such capacity by virtue of elective public office shall expire with his incumbency in such office.

(c) The agreement shall include the formula by which participating governments will contribute to the financing of the commission and the procedure for amendment, for addition of other governmental units within the region which are not parties to the original agreement and for withdrawal from the agreement by a governmental unit and for dissolution of the commission.

(d) Any governmental unit included within the boundaries of a region but not a party to the agreement and petition shall not be represented on the commission nor be entitled as a matter of right to services provided by the commission until it joins the commission by appropriate official action as provided for in the agreement or the bylaws of the commission. (Acts 1969, No. 1126, p. 2084, § 4.)

§ 11-85-54. Officers; appointment of advisory committees.

The commission shall elect a chairman and may elect an executive committee and other officers as necessary from among its membership. A commission may appoint such advisory committees as it may deem necessary. (Acts 1969, No. 1126, p. 2084, § 6.)

§ 11-85-55. Receipt of state financial support.

Regional planning commissions certified pursuant to this article may receive state financial support if they meet requirements for state financial assistance, for financial controls and for reporting established by executive order. (Acts 1969, No. 1126, p. 2084, § 8.)

§ 11-85-56. Powers and duties generally.

A regional planning and development commission established pursuant to this article is authorized and empowered to:

(1) Carry on continuous, comprehensive planning for the region, assessing needs, resources and development opportunities and formulating goals, objectives, policies and standards to guide physical, economic and human resource development;

(2) Prepare a regional plan therefor consistent with state comprehensive planning and reflecting plans and programs of the participating governmental units which shall set forth policies for the development of the region in accordance with present and future needs and resources including policies for patterns of urbanization, for the use of land and resources for commerce, industry, recreation, transportation, forestry and agriculture, for the development of human resources and for administrative measures in support thereof;

(3) Prepare an annual regional development program to implement the policies contained in the regional plan, which program shall contain an analysis of the current status of regional development in relation to the regional plan and prior regional development programs, a review of trends affecting regional development, schedules of major program expenditures and activities and capital improvements together with financing plans and recommendations for new programs or elimination or change of existing programs and for changes in administrative organization or procedures;

(4) Prepare and publish studies of the region's resources;

(5) Provide planning and technical assistance to governmental units and planning and development agencies within the region and coordinate regional planning activities with those of the state, of governmental units within the region and in neighboring regions and with the programs of federal departments and agencies and regional commissions;

(6) Borrow money and apply for and receive grants-in-aid, contributions and any other forms of financial or other assistance from any sources, public or private, for the purposes of this article subject to applicable provisions of state law;

(7) Review and comment on applications by governmental units within the region for state or federal loans, grants-in-aid or other financial assistance and indicate their relationship to the regional plan and development program and provide information regarding state and federal grants and assistance programs in the region;

(8) Adopt bylaws and issue rules and regulations for the conduct of its business;

(9) Make and enter into contracts and agreements;

(10) Acquire and dispose of real and personal property subject to applicable provisions of state law;

(11) Charge fees for services provided by the commission;

(12) Employ a director and other employees and consultants, prescribe their duties and fix their compensation;

(13) Perform other activities in furtherance of this article not inconsistent or contrary to state law; and

(14) Determine the name by which said commission shall be called and certified. (Acts 1969, No. 1126, p. 2084, § 5.)

§ 11-85-57. Joint planning agreements, etc., with adjoining counties, municipalities, etc., authorized; changes of boundaries of regional planning and development districts to include adjacent counties.

(a) Commissions formed pursuant to this article shall have the authority to enter into joint planning agreements, contracts or programs with adjacent counties, municipalities situated in adjacent counties or adjacent regional planning and development commissions.

(b) If the governor should determine that it is desirable to change the boundaries of regional planning and development districts which have been defined and designated pursuant to this article to include an adjacent county or counties within such district or districts, he shall have the authority to do so in the manner and form set forth in section 11-85-51; provided, however, that the criteria or requirements set forth in subsection (b) of section 11-85-51 with respect to population and numbers of contiguous counties shall not apply to a district designated by the governor under the authority of this section, nor to any change in the boundaries of such district which the governor may find to be desirable as provided in subsection (c) of section 11-85-51. (Acts 1973, No. 692, p. 1039, § 3.)

§ 11-85-58. Use of planning and development districts and regional planning and development districts for other purposes and programs.

State planning and development districts designated under this article and regional planning commissions established pursuant to this article shall, to the extent possible, be used as the basis for:

(1) State planning and programming;

(2) Proposing or designating areas for the purposes of administering programs which receive aid under federal acts which require districts; and

(3) Performing areawide planning including review and comment on projects, coordination and informational services for state and federal grant-in-aid programs. (Acts 1969, No. 1126, p. 2084, § 7.)

§ 11-85-59. Effect of population changes upon establishment and operation of state planning and development districts or regional planning and development commissions.

The establishment and operation of any state planning and development district or regional planning commission designated or formed pursuant to this article shall not be affected by any subsequent changes in population so long as the county comprising such district and in which such commission is

located met the requirements of this article at the time such district was designated or such commission was formed. (Acts 1973, No. 692, p. 1039, § 2.)

Article 5.

Confirmation of Operating Regional Planning and Development Commissions.

Effective date. — The act which added this article became effective May 29, 1985.

§ 11-85-70. Existing regional planning and development commissions ratified and confirmed.

Those 12 bodies, organizations, or persons respectively acting and operating as regional planning and development commissions within their respective districts on May 29, 1985, and however created or established; by formation of nonprofit corporations, by various resolutions of local governments, or by agreements and/or compacts between local governments, or otherwise; are hereby ratified and confirmed as regional planning and development commissions under sections 11-85-50 through 11-85-59. (Acts 1985, No. 85-757, § 1.)

§ 11-85-71. Procedure for additional governmental units to become members of regional planning and development commissions.

The respective regional planning and development commissions ratified and confirmed by section 11-85-70 shall henceforth continue to act and operate as regional planning and development commissions within their respective districts, and any governmental units within a particular district desiring to become a member of, and have representation on a commission within the district in which the governmental unit is located, shall pass resolutions or ordinances as applicable to accomplish that purpose and they shall thereupon become members of the commission within their respective district and shall be granted the respective representation on the commission as is provided by section 11-85-53, provided they agree by appropriate resolution or ordinance, as applicable, to contribute to the financing of the commission in keeping with a formula of financing on a population basis in the same proportion as current members as established by the commission. (Acts 1985, No. 85-757, § 2.)

§ 11-85-72. General powers, rights, obligations, etc., of regional planning and development commissions.

The regional planning and development commissions ratified and confirmed by this article as such commissions shall have such powers, rights, obligations and privileges as heretofore accorded to, and which might be hereinafter accorded to regional planning and development commissions under the laws of Alabama. (Acts 1985, No. 85-757, § 3.)

§ 11-85-73. Commissions authorized to enter into contracts with other agencies.

Regional planning commissions, business corporations, nonprofit corporations, and local entities as defined in section 23-1-21.1, or as might be hereafter defined by amendment of such section are authorized and empowered to enter into contracts, jointly, separately, and severally with each other and/or with the state of Alabama, the federal government, and/or with their respective departments and agencies, for the purpose of receiving and disbursing state, federal and/or local governmental and private funds for programs established or which might be established as a result of federal, state, and/or local legislation, and to establish on a state or local level, operate and administer any such programs under the contract terms, provided the contract performance, the operation and administration of programs thereunder are in keeping with any such legislation and regulations thereunder. Any such contracts entered into prior to May 29, 1985, are deemed to have been executed with full power and authority. (Acts 1985, No. 85-757, § 4.)

Florida

TITLE XIII

PLANNING AND DEVELOPMENT

CHAPTER 186

STATE AND REGIONAL PLANNING

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186.001 Short title.—Sections 186.001-186.031, 186.801-186.911 shall be known and may be cited as the "Florida State Comprehensive Planning Act of 1972."

History.—s. 1, ch. 72-295.
Note.—Former s. 23.0111.

186.002 Findings and intent.—

(1) The Legislature finds and declares that:

(a) Growth and development issues transcend the boundaries and responsibilities of individual units of government, and often no single unit of government can plan or implement policies to deal with these issues without affecting other units of government.

(b) It is necessary to establish an integrated planning system and to ensure coordinated administration of government policies, especially those policies dealing with land use, water resources, and transportation system development.

(c) The preservation and enhancement of the quality of life of the people of this state require that a state comprehensive plan be adopted and implemented by state and regional agencies.

(2) The intent of this act is that the state comprehensive plan guide state and regional agency policies, especially those policies dealing with land use, water resources, and transportation system development. It is intended that state agency functional plans be effectively coordinated to facilitate the orderly, positive management of growth consistent with the public interest. It is also intended that the implementation of state and regional plans enhance the quality of life of the citizens of the state.

History.—s. 2, ch. 84-257.

186.003 Definitions.—As used in ss. 186.001-186.031 and 186.801-186.911, the term:

(1) "Executive Office of the Governor" means the Office of Planning and Budgeting of the Executive Office of the Governor.

(2) "Goal" means the long-term end toward which programs and activities are ultimately directed.

(3) "Objective" means a specific, measurable, intermediate end that is achievable and marks progress toward a goal.

(4) "Policy" means the way in which programs and activities are conducted to achieve an identified goal.

(5) "Regional planning agency" means the regional planning council created pursuant to ss. 186.501-186.515 to exercise responsibilities under ss. 186.001-186.031 and 186.801-186.911 in a particular region of the state.

(6) "State agency" means the Executive Office of the Governor, each executive department, the Game and Fresh Water Fish Commission, the Parole and Probation Commission, and the Department of Military Affairs.

(7) "State agency functional plan" means the agency program policies and objectives and administrative directions contained within the plan prepared pursuant to s. 186.021.

(8) "State comprehensive plan" means the goals and policies contained within the state comprehensive plan initially prepared by the Executive Office of the Governor and adopted pursuant to s. 186.008.

History.—s. 3, ch. 72-295; s. 1, ch. 78-287; s. 66, ch. 79-190; s. 3, ch. 84-257.
Note.—Former s. 23.0112.

186.004 Governor; chief planning officer of the state.—The Governor shall be the chief planning officer of the state.

History.—s. 1, ch. 67-157; s. 7, ch. 71-377; s. 4, ch. 72-295.
Note.—Former s. 23.011.

186.005 Designation of departmental planning officer.—

(1) On or before September 29, 1972, the head of each executive department and the Public Service Commission, the Game and Fresh Water Fish Commission, the Parole and Probation Commission, and the Department of Military Affairs shall select from within such agency a person to be designated as the planning officer for such agency. The planning officer shall be responsible for coordinating with the Executive Office of the Governor and with the planning officers of other agencies all activities and responsibilities of such agency relating to planning.

(2) The head of each agency shall notify the Executive Office of the Governor in writing of the person initially designated as the planning officer for such agency and of any changes in persons so designated thereafter.

History.—s. 5, ch. 72-295; s. 67, ch. 79-190; s. 1, ch. 81-169.
Note.—Former s. 23.0113.

186.006 Powers and responsibilities of Executive Office of the Governor.—For the purpose of establishing consistency and uniformity in the state and regional planning process and in order to ensure that the intent of ss. 186.001-186.031 and 186.801-186.911 is accomplished, the Executive Office of the Governor shall:

(1) Identify and monitor on a continuing basis statewide conditions and trends which impact the state.

(2) Prepare, and update or revise regularly, the state comprehensive plan.

(3) Designate the geographic boundaries of comprehensive planning districts.

(4) Designate, and prepare or direct to be prepared, specific data, assumptions, forecasts, and projections for use by each state or regional agency in the preparation of plans.

(5) Coordinate planning among federal, state, regional, and local levels of government and between this state and other states.

(6) Prepare or direct appropriate state or regional agencies to prepare such studies, reports, data collections, or analyses as are necessary or useful in the preparation or revision of the state comprehensive plan, state agency functional plans, or regional comprehensive policy plans.

(7) Act as the state clearinghouse and designate the regional planning councils as the regional data clearinghouses.

(8) Direct state agencies and regional agencies to prepare and implement, consistent with their authority and responsibilities under law, such plans as are necessary to further the purposes and intent of the state comprehensive plan.

(9) Provide such data and information to public and private agencies and to the public as it may have available.

(10) Using federal, state, local, or private funds, contract with public agencies or private firms or consultants for specialized services or research facilities, whenever such services or facilities are not otherwise available to it.

(11) Perform such other functions as are necessary to carry out the intent of ss. 186.001-186.031 and 186.801-186.911.

History.—s. 4, ch. 84-257; s. 7, ch. 85-57.

186.007 State comprehensive plan; preparation; revision.—

(1) The Executive Office of the Governor shall prepare a proposed state comprehensive plan which provides long-range guidance for the orderly social, economic, and physical growth of the state. The plan shall be composed of goals and policies that are briefly stated in plain, easily understandable words and that give specific policy direction to state and regional agencies. The goals and policies shall be statewide in scope and shall be consistent and compatible with each other. The state comprehensive plan shall not include a land use map.

(2) In preparing the goals and policies of the state comprehensive plan, the Executive Office of the Governor shall analyze the problems, opportunities, and needs associated with growth and development in this state, particularly those problems, opportunities, and needs related to land use, water resources, and transportation system development. The Executive Office of the Governor shall document present conditions and trends, forecast future conditions and trends based on expected growth patterns, and identify needs. Such conditions, trends, and needs shall be used to prepare goals and policies designed to preserve and enhance the quality of life of the citizens of this state.

(3) In the state comprehensive plan, the Executive Office of the Governor may include goals and policies related to the following program areas: economic opportunities; agriculture; employment; public safety; education; health concerns; social welfare concerns; housing and community development; natural resources and environmental management; recreational and cultural opportunities; transportation; and governmental direction and support services.

(4) The Executive Office of the Governor shall prepare statewide goals and policies related to the opportunities, problems, and needs associated with growth and development in this state, which goals and policies shall constitute the growth management portion of the state comprehensive plan. In preparing the growth management goals and policies, the Executive Office of the Governor initially shall emphasize the management of land use, water resources, and transportation system development.

(5)(a) The Executive Office of the Governor shall prepare a separate portion of the state comprehensive plan related to the long-term infrastructure and capital outlay

needs of the state. This portion shall be prepared based upon a comprehensive assessment of needs conducted by the Executive Office of the Governor, and it shall be updated annually as part of the budgeting process prescribed by chapter 216. The assessment shall provide estimates by area of the future infrastructure needs of the state that result from expected growth patterns and shall include recommendations for directing state expenditures to particular areas of the state in order to implement the growth management goals and policies of the state comprehensive plan.

(b) All capital outlay recommendations submitted to the Legislature in the budget of the Governor shall be consistent with the goals and policies of the state comprehensive plan and the long-term infrastructure and capital outlay portion when adopted.

(c) Notwithstanding the provisions of ss. 186.001-186.031 and 186.801-186.911, the Executive Office of the Governor shall prepare the long-term infrastructure and capital outlay portion of the state comprehensive plan no later than July 1, 1986.

(6) The adopted state comprehensive plan shall provide, in addition to other criteria established by law, standards and criteria for the review and approval of state agency functional plans and comprehensive regional policy plans.

(7) In preparing and revising the state comprehensive plan, the Executive Office of the Governor shall, to the extent feasible, consider studies, reports, and plans of each department, agency, and institution of state and local government, each regional planning agency, and the Federal Government and shall take into account the existing and prospective resources, capabilities, and needs of state and local levels of government.

(8) The revision of the state comprehensive plan is a continuing process. Each section of the plan shall be reviewed and analyzed yearly by personnel of the Executive Office of the Governor in conjunction with the planning officers of other state agencies significantly affected by the provisions of the particular section under review.

History.—s. 7, ch. 72-295; ss. 3, 5, ch. 77-308; s. 2, ch. 78-287; s. 68, ch. 79-190; s. 5, ch. 84-257.
Note.—Former s. 23.0114.

186.008 State comprehensive plan; adoption; implementation.—

(1) On or before December 1, 1984, the Executive Office of the Governor shall prepare, and the Governor shall recommend to the Administration Commission, a proposed state comprehensive plan. The Governor shall transmit the proposed state comprehensive plan to the Administration Commission within 15 days of his acceptance of the plan. Copies shall also be provided to each state agency, to each regional planning agency, to any other unit of government that requests a copy, and to any member of the public who requests a copy.

(2) On or before February 15, 1985, the Administration Commission shall review the proposed state comprehensive plan prepared by the Governor. The commission shall adopt a resolution, after public notice and a reasonable opportunity for public comment, and transmit the proposed state comprehensive plan to the Legislature, together with any amendments approved by the commission and any dissenting reports. The commission shall identify those portions of the plan that are not based on existing law.

(3) All amendments, revisions, or updates to the plan shall be adopted by the Legislature as a general law.

(4) The state comprehensive plan shall be implemented and enforced by all state agencies consistent with their lawful responsibilities whether it is put in force by law or by administrative rule. The Governor, as chief planning officer of the state, shall oversee the implementation process.

(5) All state agency budgets and programs shall be consistent with the adopted state comprehensive plan and shall support and further its goals and policies.

(6) The Florida Public Service Commission, in approving the plans of utilities subject to its regulation, shall take into consideration the compatibility of the plan of each utility and all related utility plans taken together with the adopted state comprehensive plan.

History.—s. 3, ch. 67-157; ss. 31, 35, ch. 69-106; s. 8, ch. 72-295; s. 1, ch. 77-308; s. 3, ch. 78-287; s. 6, ch. 84-257; ss. 5, 7, ch. 85-57.
Note.—Former s. 23.013.

186.021 State agency functional plans.—

(1) A state agency functional plan shall contain, at a minimum, a statement of the policies guiding the programs and functions of the agency and shall specify those objectives against which there shall be evaluated the achievement by the agency of its policies and the goals and policies for the state comprehensive plan. A state agency functional plan shall also identify specific agency programs which support and further the goals and policies of the growth management portion of the state comprehensive plan. Each state agency functional plan shall identify infrastructure and capital improvement needs associated with the agency programs.

(2) All amendments, revisions, or updates to a state agency functional plan shall be prepared in the same manner as the original and shall be prepared as needed because of changes in the state comprehensive plan or changes in the statutory authority and responsibility of the agency.

(3) Notwithstanding the provisions of [1]subsection (3), the Department of Environmental Regulation, with regard to the plan required by s. 373.036, and the state land planning agency, with regard to the plan defined in s. 380.031(17), shall prepare such state agency functional plans no later than 6 months after the adoption of the state comprehensive plan.

History.—s. 7, ch. 84-257; ss. 6, 7, ch. 85-57.
[1]Note.—Former subsection (3) of s. 186.021 was repealed by s. 7, ch. 85-57.

186.022 State agency functional plans; consistency with state comprehensive plan.—

(1) Within 1 year of the adoption of the state comprehensive plan, and by November 1 of each odd-numbered year thereafter, each state agency, except as provided in s. 186.021, shall prepare and submit its agency functional plan to the Executive Office of the Governor. Prior to the submission of the agency functional plans to the Governor, each agency shall hold public workshops on the proposed agency functional plan, and shall allow at least a 21-day period for public

comment. Adequate public notice shall be assured by publication of notice of hearing and comment period in the Florida Administrative Weekly.

(2) The Executive Office of the Governor shall review the proposed state agency functional plans for consistency with the state plan, and shall, within 60 days, return a proposed agency functional plan to the agency, together with any proposed revisions.

(3) Each agency functional plan shall be in a form and manner prescribed in instructions prepared by the Executive Office of the Governor after consultation with the President of the Senate and the Speaker of the House of Representatives. Each agency functional plan shall identify the financial resources necessary to implement the provisions of the plan, and shall identify the specific legislative authority necessary to implement the elements of the proposed functional plan. An agency may only implement those portions of its functional plan that are consistent with existing statutory or constitutional authority, and for which funding, if needed, is available consistent with the provisions of chapter 216. Financial resources necessary to implement the policies and goals of the state comprehensive plan shall be clearly identified and coordinated between each agency functional plan and the budget requests and recommendations prescribed in s. 216.023(1).

(4) The state agency shall, within 30 days of the return of its proposed state agency functional plan, incorporate all revisions recommended by the Governor, or shall petition the Administration Commission to resolve any disputes regarding the consistency of the state agency functional plan or the revisions recommended by the Governor with the state comprehensive plan. The Administration Commission shall resolve any disputes within 45 days of the petition.

(5) Any differences between state agencies regarding the programs, policies, or functional plans of such agencies shall be mediated by the Governor.

(6) Each agency shall transmit copies of its functional plan and all public comments on its plan to the President of the Senate and the Speaker of the House of Representatives not later than 30 days prior to the next regular session of the Legislature.

(7) Agency functional plans developed pursuant to this chapter are not rules and therefore are not subject to the provisions of chapter 120.

History.—s. 8, ch. 84-257; s. 4, ch. 85-57.

186.031 Annual report.—The Governor as the chief planning and budget officer of the state shall annually report to the Legislature and the public on the economic conditions of the state, the infrastructure and capital outlay needs of the state, and the impacts of growth and development and shall assess state, regional, and local government efforts in addressing such conditions, needs, and impacts. The report shall appraise current growth trends, shall evaluate the extent to which existing growth management policies effectively address such trends, and shall review such other factors and indicators as are appropriate. The report shall contain timely and authoritative data and information about economic and demographic growth patterns and an analysis of such information as it affects the goals and policies of the state for growth and development. The report shall contain specific recommendations for any legislative and administrative changes needed to continue to manage growth effectively and to build upon the opportunities available. The report shall be related to, and developed in conju. ction with, the regular updates of the state comprehensive plan.

History.—s. 5, ch. 67-157; ss. 31, 35, ch. 69-106; s. 72, ch. 79-190; s. 15, ch. 81-259; s. 9, ch. 84-257.

Note.—Former s. 23.015.

186.501 Short title.—Sections 186.501-186.513 shall be known and may be cited as the "Florida Regional Planning Council Act."

History.—ss. 1, 5, ch. 80-315; s. 4, ch. 82-46.

Note.—Former s. 160.001.

186.502 Legislative findings; public purpose.—

(1) The Legislature finds and declares that:

(a) The problems of growth and development often transcend the boundaries of individual units of local general-purpose government, and often no single unit can formulate plans or implement policies for their solution without affecting other units in their geographic area.

(b) There is a need for regional planning agencies to assist local governments to resolve their common problems, engage in areawide comprehensive and functional planning, administer certain federal and state grants-in-aid, and provide a regional focus in regard to multiple programs undertaken on an areawide basis.

(c) Federal and state programs should have coordinated purposes and consistent policy direction in order to avoid the proliferation of overlapping, duplicating, and competing regional agencies. To further this end, these efforts should result in [1]entities agencies which effectively carry out a wide variety of federal and state program designations.

(d) The financial and technical assistance of the state should be provided to regional planning agencies to maximize the effective use of regional programs undertaken with the authorization of local, state, or federal governments serving the citizens of this state.

(e) There is a need for the establishment at the regional level of clear policy plans that will guide broad-based representative regional planning agencies as they undertake regional review functions.

(2) It is the declared purpose of this act to establish a common system of regional planning councils for areawide coordination and related cooperative activities of federal, state, and local governments; ensure a broad-based regional organization that can provide a truly regional perspective; and enhance the ability and opportunity of local governments to resolve issues and problems transcending their individual boundaries.

(3) The regional planning council is designated as the primary organization to address problems and plan solutions that are of greater than local concern or scope, and the regional planning council shall be recognized by local governments as one of the means to provide input into state policy development.

History.—ss. 2, 5, ch. 80-315; s. 4, ch. 82-46; s. 10, ch. 84-257.

[1]Note.—The word "entities" appears to be an error; it was substituted for the word "regional" in the preparation of C.S. for H.B. 1452 (1980).

Note.—Former s. 160.002.

186.503 Definitions.—As used in this act, the term:

(1) "Comprehensive planning districts" means the geographic areas within the state specified by rule by the Executive Office of the Governor pursuant to s. 186.006.

(2) "Comprehensive regional policy plan" means a long-range guide for physical, economic, and social development of a comprehensive planning district which identifies regional goals and objectives and opportunities as embodied in the policies of a regional planning council.

(3) "Elected official" means a member of the governing body of a municipality or county or an elected county official chosen by the governing body.

(4) "Existing regional planning council" means a regional planning council created by local general-purpose governments prior to October 1, 1980, pursuant to chapters [1]160 and 163.

(5) "Federal" or "Federal Government" means the United States Government or any department, commission, agency, or other instrumentality thereof.

(6) "Local general-purpose government" means any municipality or county created pursuant to the authority granted under ss. 1 and 2, Art. VIII of the State Constitution.

(7) "State" or "state government" means the government of the State of Florida or any department, commission, agency, or other instrumentality thereof.

History.—ss. 3, 5, ch. 80-315; s. 7, ch. 81-167; s. 4, ch. 82-46; s. 7, ch. 83-55; s. 18, ch. 84-257; s. 22, ch. 85-80.

[1]Note.—The sections comprising former chapter 160 were transferred to ch. 186 by the reviser incident to compiling the 1984 Supplement to the Florida Statutes 1983.

Note.—Former s. 160.003.

186.504 Regional planning councils; creation; membership.—

(1) A regional planning council shall be created in each of the several comprehensive planning districts of the state. Only one agency shall exercise the responsibilities granted herein within the geographic boundaries of any one comprehensive planning district.

(2) Membership on the regional planning council shall be as follows:

(a) Representatives appointed by each of the member counties in the geographic area covered by the regional planning council.

(b) Representatives from other member local general-purpose governments in the geographic area covered by the regional planning council.

(c) Representatives appointed by the Governor from the geographic area covered by the regional planning council.

(3) Not less than two-thirds of the representatives serving as voting members on the governing bodies of such regional planning councils shall be elected officials of local general-purpose governments chosen by the cities and counties of the region, provided each county shall have at least one vote. The remaining one-third of the voting members on the governing board shall be appointed by the Governor, subject to confirmation by the Senate, and shall reside in the region. No two appointees of the Governor shall have their places of residence in the same county until each county within the region is represented by a Governor's appointee to the governing board. Nothing contained in this section shall deny to local governing bodies or the Governor the option of appointing either locally elected officials or lay citizens provided at least two-thirds of the governing body of the regional planning council is composed of locally elected officials.

(4) Nothing contained in this act shall be construed to mandate municipal government membership or participation in a regional planning council. However, each county shall be a member of the regional planning council created within the comprehensive planning district encompassing the county.

(5) The existing regional planning council in each of the several comprehensive planning districts shall be designated as the regional planning council specified under subsections (1)-(4), provided the council agrees to meet the membership criteria specified therein and is a regional planning council organized under either s. 163.01 or s. 163.02 or chapter 160.

History.—s. 1, ch. 59-369; s. 19, ch. 63-400; s. 1, ch. 69-63; ss. 3, 5, ch. 80-315; s. 4, ch. 82-46; s. 11, ch. 84-257.

Note.—Former s. 160.01.

186.505 Regional planning councils; powers and duties.—Any regional planning council created hereunder shall have the following powers:

(1) To adopt rules of procedure for the regulation of its affairs and the conduct of its business and to appoint from among its members a chairman to serve annually; however, such chairman may be subject to reelection.

(2) To adopt an official name and seal.

(3) To maintain an office at such place or places within the comprehensive planning district as it may designate.

(4) To employ and to compensate such personnel, consultants, and technical and professional assistants as it deems necessary to exercise the powers and perform the duties set forth in this act.

(5) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this act.

(6) To hold public hearings and sponsor public forums in any part of the regional area whenever the council deems it necessary or useful in the execution of its other functions.

(7) To sue and be sued in its own name.

(8) To accept and receive, in furtherance of its functions, funds, grants, and services from the Federal Government or its agencies; from departments, agencies, and instrumentalities of state, municipal, or local government; or from private or civic sources. Each regional planning council shall, no later than January 30 of each year, render an accounting of the receipt and disbursement of all funds received by it to the secretary of the Department of Community Affairs. The Secretary of Community Affairs shall consolidate all such reports and submit such consolidated report to the Legislature no later than March 1 of each year. A separate accounting of the receipt and disbursement of funds received by each regional planning council pursuant to the federal Older Americans Act shall be submitted to the Legislature no later than March 1 of each year.

(9) To receive and expend such sums of money as shall be from time to time appropriated for its use by any

county or municipality when approved by the council and to act as an agency to receive and expend federal funds for planning.

(10) To act in an advisory capacity to the constituent local governments in regional, metropolitan, county, and municipal planning matters.

(11) To cooperate, in the exercise of its planning functions, with federal and state agencies in planning for emergency management under s. 252.34(3).

(12) To fix and collect membership dues, rents, or fees when appropriate.

(13) To acquire, own, hold in custody, operate, maintain, lease, or sell real or personal property.

(14) To dispose of any property acquired through the execution of an interlocal agreement under s. 163.01.

(15) To accept gifts, grants, assistance, funds, or bequests.

(16) To conduct studies of the resources of the region.

(17) To participate with other governmental agencies, educational institutions, and private organizations in the coordination or conduct of its activities.

(18) To select and appoint such advisory bodies as the council may find appropriate for the conduct of its activities.

(19) To enter into contracts to provide, at cost, such services related to its responsibilities as may be requested by local governments within the region and which the council finds feasible to perform.

(20) To provide technical assistance to local governments on growth management matters.

History.—s. 2, ch. 59-369; ss. 17, 35, ch. 69-106; s. 1, ch. 73-283; ss. 3, 5, ch. 80-315; s. 8, ch. 81-167; s. 4, ch. 82-46; s. 8, ch. 83-55; s. 4, ch. 83-334; s. 12, ch. 84-257.

Note.—Former s. 160.02.

186.506 Executive Office of the Governor; powers and duties.—The Executive Office of the Governor, or its designee, shall:

(1) Arbitrate and settle disputes between regional planning councils.

(2) Provide assistance to local general-purpose governments concerning organization of, or reorganization into, a regional planning council.

(3) Review, modify, reject, or approve those rules of the regional planning councils which pertain to the functions designated to the regional planning councils by the state. These rules shall be submitted to the Governor or his designee and, if not acted upon within 30 days of receipt, they will be assumed to be in force.

(4) Conduct an in-depth analysis of the current boundaries of the regional planning councils and include in its study the preferences of local general-purpose governments; the effect of population migration, transportation networks, population increases and decreases, economic development centers and trade areas; and other data, projections, or studies which it determines to be of significance in establishing district boundaries. The Executive Office of the Governor may make such changes in the district boundaries as are found to be feasible and desirable.

History.—ss. 3, 5, ch. 80-315; s. 4, ch. 82-46.

Note.—Former s. 160.05.

186.507 Comprehensive regional policy plans.—

(1) A comprehensive regional policy plan shall contain regional goals and policies, specifically including growth management policies; shall be consistent with, and shall further, the state comprehensive plan; and shall implement and accurately reflect the goals and policies of the state comprehensive plan. Regional plans shall address significant regional resources, infrastructure needs, or other issues of importance within the region. Regional plans shall specify regional issues that may be used in reviewing a development of regional impact. Such regional issues shall be consistent with any state statutes, rules, or policies that specifically relate to or govern a regional issue or criteria adopted for development-of-regional-impact reviews. All regional issues and criteria shall be included in the comprehensive regional policy plan adopted by rule pursuant to s. 186.508.

(2) The Executive Office of the Governor shall adopt by rule minimum criteria to be addressed in each comprehensive regional policy plan and a uniform format for each plan. Such criteria shall emphasize the need for each regional planning council, when preparing and adopting a comprehensive regional policy plan, to focus on regional rather than local issues.

(3) In preparing the comprehensive regional policy plan, the regional planning council shall seek the full cooperation and assistance of local governments to identify key regional issues and shall document present conditions and trends with respect to the policy areas addressed; forecast future conditions and trends based on expected growth patterns of the region; and analyze the problems, needs, and opportunities associated with growth and development in the region, especially as those problems, needs, and opportunities relate to land use, water resources, and transportation system development.

(4) The regional goals and policies shall be used to develop a coordinated program of regional actions directed at resolving the identified problems and needs.

(5) The council shall give consideration to existing state, regional, and local plans in accomplishing the purposes of this section.

(6) The draft regional plan shall be circulated to all local governments in the region, and the local governments shall be afforded a reasonable opportunity to comment on the regional plan.

(7) The council shall provide for adequate input by citizens into the regional planning process.

(8) Upon adoption, a comprehensive regional policy plan shall provide, in addition to other criteria established by law, the basis for regional review of developments of regional impact, regional review of federally assisted projects, and other regional overview and comment functions.

(9) Regional planning councils shall consider, and make accessible to the public, appropriate data and studies, including development-of-regional-impact applications and agency reports, in order to assist participants in the development-of-regional-impact review process. A major objective of the regional planning process shall be to coordinate with the state land planning agency in order to achieve uniformity and consistency in land

use information and data collection efforts in this state and provide a usable and accessible data base to local governments and the private sector.
History.—ss. 3, 5, ch. 80-315; s. 4, ch. 82-46; s. 13, ch. 84-257.
Note.—Former s. 160.07.

186.508 Comprehensive regional policy plan adoption; consistency with state comprehensive plan.—Within 18 months of the adoption of the state comprehensive plan, each regional planning council shall submit to the Executive Office of the Governor its proposed comprehensive regional policy plan. The Executive Office of the Governor, or its designee, shall review the proposed comprehensive regional policy plan for consistency with the adopted state comprehensive plan and shall, within 90 days, return the proposed comprehensive regional policy plan to the council, together with any revisions recommended by the Governor. The rules adopting the regional policy plan shall not be subject to rule challenge under s. 120.54(4) or to drawout proceedings under s. 120.54(17). Such rules shall become effective only after they have been submitted to the President of the Senate and the Speaker of the House of Representatives for review by the Legislature no later than 30 days prior to the next regular session of the Legislature. In its review, the Legislature may reject, modify, or take no action relative to the adopted rules. The regional planning council shall conform the rules to the changes made by the Legislature; if no action was taken by the Legislature, the rules may become effective.
History.—s. 14, ch. 84-257; s. 23, ch. 85-55.

186.509 Mediation of conflicts between local governments.—The regional planning council shall establish an informal mediation process to resolve conflicts between local governments relating to comprehensive plans. The resolution of any issue through the mediation process shall not alter any person's right to a judicial determination of any issue if that person is entitled to such a determination under statutory or common law.
History.—s. 15, ch. 84-257.

186.511 Evaluation of comprehensive regional policy plan; changes in plan.—
(1) The regional planning process shall be a continuous and ongoing process. Each regional planning council shall prepare an evaluation report on its comprehensive regional policy plan at least once every 3 years; assess the successes or failures of the plan; and prepare amendments, revisions, or updates to the plan.
(2) All amendments, revisions, or updates to a comprehensive regional policy plan shall be adopted in the same manner as the original comprehensive regional policy plan was adopted and shall be prepared as needed because of changes in the state comprehensive plan or on the basis of the evaluation report required by this section.
History.—s. 16, ch. 84-257.

186.513 Reports.—Each regional planning council shall prepare and furnish an annual report on its activities to the department and the local general-purpose governments within its boundaries and, upon payment as may be established by the council, to any interested person. The regional planning councils shall make a joint report and recommendations to appropriate legislative committees.
History.—ss. 3, 5, ch. 80-315; s. 4, ch. 82-46.
Note.—Former s. 160.08.

186.515 Creation of regional planning councils under ch. 163.—Nothing in ss. 186.501-186.507, 186.513, and 186.515 is intended to repeal or limit the provisions of chapter 163; however, the local general-purpose governments serving as voting members of the governing body of a regional planning council created pursuant to ss. 186.501-186.507, 186.513, and 186.515 are not authorized to create a regional planning council pursuant to chapter 163 unless an agency, other than a regional planning council created pursuant to ss. 186.501-186.507, 186.513, and 186.515, is designated to exercise the powers and duties in any one or more of ss. 163.012(6), 163.3164(17), and 380.031(13); in which case, such a regional planning council is also without authority to exercise the powers and duties in [1]s. 23.012(6), s. 163.3164(17) or s. 380.031(15).
History.—ss. 4, 5, ch. 80-315; s. 4, ch. 82-46.
[1]Note.—Section 23.012 was repealed by s. 18, ch. 84-257.
Note.—Former s. 160.09.

186.801 Ten-year site plans.—
(1) Beginning January 1, 1974, each electric utility shall submit to the Department of Community Affairs a 10-year site plan which shall estimate its power-generating needs and the general location of its proposed power plant sites. The 10-year plan shall be reviewed and submitted not less frequently than every 2 years.
(2) Within 9 months of the receipt of the proposed plan, the department shall make a preliminary study of such plan and classify it as "suitable" or "unsuitable." The department may suggest alternatives to the plan. All findings of the department shall be made available to the Department of Environmental Regulation for its consideration at any subsequent electrical power plant site certification proceedings. It is recognized that 10-year site plans submitted by an electric utility are tentative information for planning purposes only and may be amended at any time at the discretion of the utility upon written notification to the department. A complete application for certification of an electrical power plant site under chapter 403, when such site is not designated in the current 10-year site plan of the applicant, shall constitute an amendment to the 10-year site plan. In its preliminary study of each 10-year site plan, the department shall consider such plan as a planning document and shall review:
(a) The need, including the need as determined by the Public Service Commission, for electrical power in the area to be served.
(b) The anticipated environmental impact of each proposed electrical power plant site.
(c) Possible alternatives to the proposed plan.
(d) The views of appropriate local, state, and federal agencies, including the views of the appropriate water management district as to the availability of water and its recommendation as to the use by the proposed plant of saltwater or freshwater for cooling purposes.

STATE OF MICHIGAN

JAMES J. BLANCHARD, Governor

DEPARTMENT OF COMMERCE

DOUG ROSS, Director

LOCAL DEVELOPMENT
SERVICES BUREAU
P.O. BOX 30225
Lansing, Michigan 48909

October 28, 1987

Mr. Frank Homan
Office of Senator Sturgulewski
Box V
Juneau, Alaska 99811

Dear Frank:

As promised here is the material describing what Community Growth Alliances are all about. The CGA's, as they are called, are not formally recognized in either legislation or executive order although there is some movement to eventually have them formally recognized in legislation. I hope this helps.

Feel free to call me at (517) 373-9305 if you have any further questions.

Sincerely,

Kenneth P. Voytek

Kenneth P. Voytek
Economist
Center for Local Economic
Competitiveness

KV/ph

Enclosure: a/s

the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants to such individuals, organizations, or institutions, or through conferences and similar meetings organized for such purposes. The Secretary shall make available to interested individuals and organizations the results of such research. The Secretary shall include in his annual report under section 707 a detailed statement concerning the study and research conducted under this section together with his findings resulting therefrom and his recommendation for legislative and other action.

Purposes

(d) The Secretary shall aid redevelopment areas and other areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which would be useful in alleviating or preventing conditions of excessive unemployment or underemployment within such areas. The Secretary may furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

Study Board

(e) The Secretary shall establish an independent study board consisting of governmental and nongovernmental experts to investigate the effects of Government procurement, scientific, technical, and other related policies, upon regional economic development. Any Federal officer or employee may, with the consent of the head of the department or agency in which he is employed, serve as a member of such board, but shall receive no additional compensation for such service. Other members of such board may be compensated in accordance with the provisions of section 701 (10). The board shall report its findings, together with recommendations for the better coordination of such policies, to the Secretary, who shall transmit the report to the Congress not later than two years after the enactment of this Act.

Demonstration Projects

(f) The Secretary is authorized to make grants, enter into contracts or otherwise provide funds for any demonstration project within a redevelopment area or areas which he determines is designed to foster regional productivity and growth, prevent outmigration, and otherwise carry out the purposes of this Act.

42 USC 3151a

SEC. 302. (a) The Secretary is authorized, upon application of any State, or city, or other political subdivision of a State, or sub-State planning and development organization (including a redevelopment area or an economic development district), to make direct grants to such State, city, other political subdivision, or organization to pay up to 80 per centum of the cost for economic development planning. The planning for cities, other political subdivisions, and sub-State planning and development organizations (including redevelopment areas and economic development districts) assisted under this section shall include systematic efforts to reduce unemployment and increase incomes. Such planning shall be a continuous process involving public officials and private citizens in analyzing local economies, defining development goals, determining project opportunities, and formulating and implementing a development program. Any overall State economic development plan prepared with assistance under this section shall be prepared cooperatively by the State, its political subdivisions, and the economic development districts located in whole or in part within such State. Upon completion of any such plan, the State shall certify to the Secretary (1) that in the preparation of such State plan, the local and economic development district plans were considered and, to the fullest extent possible, such State plan is consistent with such local and economic development district plans, and (2) that such State plan is consistent, with such local and economic development district plans, or, if such State plan is not consistent with such local and economic development district plans, all of the inconsistencies of the State plan with the local and economic development district plans, and the justification for each of these inconsistencies. Any overall State economic development planning shall be a part of a comprehensive planning process that shall consider the provision of public works to stimulate and channel development, economic opportunities and choices for individuals; to support sound land use, to enhance and protect the environment including the conservation and preservation of open spaces and environmental quality, to provide public services, and to balance physical and human resources through the management and control of physical development. The assistance available under this section may be provided in addition to assistance available under section 301(b) of this Act but shall not supplant such assistance and shall be available to develop an annual inventory of specific recommendations for assistance under section 304 of this Act. Each State receiving assistance under this subsection shall submit to the Secretary an annual report on the planning process assisted under this subsection.

Direct Planning Grant

City & Sub-State Plan

State Plans

(b) In addition, the Secretary is authorized to assist economic development districts in—

(1) providing technical assistance (other than by grant) to local governments within the district; and

T/A

NOTE: This unofficial reprint of the Public Works and Economic Development Act of 1965, as amended, incorporates all amendments through the 1976 amendments (P.L. 94-487). The text was edited and is published by the Office of Chief Counsel, Economic Development Administration, U.S. Department of Commerce.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965, AS AMENDED

(P.L. 89-136; 42 U.S.C. 3121 *et seq.*)

To provide grants for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Works and Economic Development Act of 1965".

STATEMENT OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our regions, counties, and communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families, and waste invaluable human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development; that Federal financial assistance, including grants for public works and development facilities to communities, industries, enterprises, and individuals in areas needing development should enable such areas to help themselves achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local conditions, provided that such assistance is preceded by and consistent with sound, long-range economic planning; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another. Congress further declares that, in furtherance of maintaining the national economy at a high level, the assistance authorized

42 USC 3121

[38 FR 2268, Jan. 23, 1973, as amended at 39 FR 44960, Dec. 30, 1974; 44 FR 40883, July 13, 1979]

§ 302.51 Lists of redevelopment areas and centers designated under the Act.

The Economic Development Administration will maintain current lists of areas and centers designated under the Act. The lists shall be kept available for public inspection during the regular business hours of the Department of Commerce. Inquiries for such lists shall be made to the Director, Office of Management and Administration, Economic Development Administration, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Room 7816, Washington, D.C. 20230.

[OCC NOTE: Revised 48 FR 5711, Jan.8, 1983]

Subpart E—Information

§ 302.60 Information.

Upon the request of the Assistant Secretary the heads of such governmental agencies as may be appropriate are authorized to conduct such special studies, obtain such information, and compile and furnish to the Assistant Secretary such data as the Assistant Secretary may deem necessary or proper to enable him to make the determinations provided for in this part. The Assistant Secretary shall reimburse when appropriate, out of any funds appropriated to carry out the purposes of the Act, the foregoing officers for any expenditures incurred by them under this section.

(Sec. 701, Pub. L. 89-136, 79 Stat. 570, as amended (42 U.S.C. 3211); Pub. L. 94-487, 90 Stat. 2331; Dept. of Commerce Organization Order 10-4 (Sept. 30, 1975), as amended (40 FR 56702 as amended at 40 FR 58878 and 41 FR 35548))

PART 303—ECONOMIC DEVELOPMENT DISTRICTS

Subpart A—Standards for Designation, Modification and Termination of Economic Development Districts

Sec.

303.1 Authorization of economic development districts.
303.2 Designation of economic development districts.
303.3 Designation of nonfunded districts.
303.4-1 District organizations.
303.4-2 Waiver of district organization basic representation requirements and organizational options thereunder.
303.4-3 District organization functions and responsibilities.
303.5 Coordination with State and local organizations.
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303.7 Termination and suspension of district designation.
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Subpart B—Standards for Designation, Modification, and Termination of Economic Development Centers

303.10 General standards for designation of economic development centers.
303.11 Number of economic development centers per district.
303.12 Boundaries of economic development centers and boundary modifications.
303.13 Termination and suspension of economic development centers.
303.14 Redevelopment centers.

Subpart C—Financial and Other Assistance to Economic Development Centers and Districts

303.20 Financial assistance to economic development centers.
303.21 Economic development center project characteristics.
303.22 Grant rate for economic development center projects.
303.23 Supplementary grants to district redevelopment areas.
303.24 Financial assistance to redevelopment centers.
303.25 Assistance to economic development districts.

AUTHORITY: Sec. 701, Pub. L. 89-136 (August 26, 1965); 42 U.S.C. 3211; 79 Stat. 570 and Dept. of Commerce Organization Order 10-4 (Apr. 1, 1970), unless otherwise noted.

SOURCE: 38 FR 2269, Jan. 23, 1973, unless otherwise noted.

Subpart A—Standards for Designation, Modification and Termination of Economic Development Districts

§ 303.1 Authorization of economic development districts.

(a) The Assistant Secretary may authorize, at the request of the Governor(s) of the State or States, the delineation of economic development district (hereinafter district) boundaries as a prerequisite to designation of an economic development district and as a prerequisite to the provision of planning grants, Subpart B of Part 307 of this chapter.

(b) Authorization of delineation may be made:

(1) Where the State or States after analyzing economic and social relationships among the various redevelopment area counties proposed to EDA a district boundary delineation.

(2) Where the district proposed for authorization meets the general standards for designation set forth in § 303.2.

(3) Where a consideration of the following factors has been made:

(i) The percentage of the population living in redevelopment areas.

(ii) District per capita income.

(iii) The percentage of families with annual income below the poverty threshold.

(iv) Unemployment rates and labor force participation rates of the proposed district.

(v) Economic characteristics of economic growth centers.

(vi) The proposed district's readiness to hire a professional staff and begin work.

(4) Where the district proposed for authorization of delineation of boundaries conforms to an officially delineated sub-State district, if such exists, or where the Governor has provided the Assistant Secretary with an explanation and support from any variation of the officially delineated sub-State district.

[38 FR 2269, Jan. 23, 1973, as amended at 39 FR 44960, Dec. 30, 1974]

§ 303.2 Designation of economic development districts.

The Assistant Secretary is authorized to designate economic development districts with the concurrence of the States in which the districts will be wholly or partially located.

(a) Where the proposed district is of sufficient size or population, and contains sufficient resources, to foster economic development on a scale involving more than a single redevelopment area.

(b) Where the proposed district contains at least one redevelopment area.

(c) Where the proposed district contains one or more redevelopment areas or economic development centers identified in an approved district overall economic development program (hereinafter OEDP) as having sufficient size and potential to foster the economic growth activities necessary to alleviate the distress of the redevelopment areas within the district.

(d) Where the proposed district has a district OEDP which identifies one or more proposed economic growth centers, includes adequate land use and transportation planning, contains a specific program for district cooperation, self-help, and public investment and is approved by the State or States affected and by the Secretary.

(e) Where at least three-fourths of the counties within the proposed district boundaries have submitted documentation of their commitment to support the economic development activities of the district.

(f) Where a district organization has been established which meets the requirements of § 303.4-1.

(g) Where the proposed district organization requests such designation.

[38 FR 2269, Jan. 23, 1973, as amended at 39 FR 44960, Dec. 30, 1974; 45 FR 55701, Aug. 21, 1980]

§ 303.3 Designation of nonfunded districts.

Designation is not limited to districts receiving EDA planning grants. However, any nonfunded district receiving authorization and designation is subject to the same criteria and organization requirements applicable to funded districts.

§ 303.4-1 District organizations.

(a) *Organization prerequisite to designation and funding.* The district organization is a prerequisite to initial and continued designation of an economic development district ("EDD"). In addition, it is prerequisite to the

provision of planning grants.

(b) *Legal status.* Districts shall organize in one of the following ways:

(1) As nonprofit organizations incorporated under the laws of the States in which they are located;

(2) As public organizations through intergovernmental agreements for the joint exercise of local government powers; or

(3) As public organizations established under State enabling legislation for the creation of multijurisdictional areawide planning organizations.

(c) *Basic organizational requirements.* Each district organization must meet EDA requirements concerning its membership composition as set forth in § 303.4-1(d), its authorities and responsibilities for carrying out economic development functions as set forth in § 303.4-3, and the maintenance of adequate staff support to perform its economic development functions as set forth in § 303.4-1(e) in one of the two ways cited below:

(1) In general, the foregoing requirements must be met by the board of directors (or other governing body of the organization) as a whole.

(2) However, a waiver may be granted under provisions of § 303.4-2 to permit a district organization to use one of a variety of organizational options (hereafter, the "EDA component") set forth in § 303.4-2(c) to meet the basic organizational requirements.

(d) *Representation requirements.* The district organization shall demonstrate that either the district organization as a whole or its EDA component meets all of the following requirements:

(1) It is broadly representative of the following interests:

(i) The principal economic interests of the district, including business, industry, finance, transportation, utilities, the professions, labor, agriculture, and education. In meeting this requirement, the representatives of the principal economic interests may be private citizens, part-time elected officials, or minority representatives also selected under paragraph (d)(1)(ii) of this section.

(ii) Minority groups. Minority representatives shall be selected in accordance with *Civil Rights Guidelines* issued pursuant to 13 CFR Part 311, and may be private citizens, elected officials, or government employees.

(iii) Representatives of the unemployed and underemployed.

(2) There is at least a simple majority of its membership who are elected officials of, or employees of, a general purpose unit of local government and who have been appointed to represent such government.

(i) Where appointment of local government members is not otherwise provided for by the district organization charter or by-laws, each county and major city which joins the district shall name an elected official or an employee to represent it.

(ii) Where appropriate to their nongovernmental occupations, part-time elected officials may also represent the principal economic interests.

(3) There is at least one-fifth of its membership who are private citizens who are neither elected officials of a general purpose unit of local government nor employees of such a government who have been appointed to represent that government. All districts which have been authorized or designated before June 6, 1979, must comply with this provision no later than August 21, 1981.

(i) The district organization shall demonstrate that persons fulfilling this requirement represent the interests of groups listed in paragraph (d)(1) (i) or (iii) of this section. Minority representatives who meet these criteria may be counted toward the fulfillment of the private citizen requirement.

(ii) Except where these private citizens are also selected as minority representatives under paragraph (d)(1)(ii) of this section, these representatives shall be appointed by the governing bodies of the counties actively participating in the district organization or as otherwise provided in the district organizational charter and by-laws.

(e) *Staff support.* (1) The district organization or its EDA component established according to § 303.4-2 shall be assisted by a professional staff drawn from qualified persons in planning, economics, business administration, engineering and related disciplines.

(2) EDA may provide planning grants to economic development districts to employ professional staff in accordance with Subpart B of Part 307 of this chapter.

(f) *Public participation.* District organizations shall provide access for persons who are not members of the district organization or its "EDA component" to make their views known concerning ongoing and proposed district activities in accord with the following requirements:

(1) At a minimum, the district organization shall conduct meetings open to the public once a year. It shall also publish the date and the agenda of the meeting at least four weeks in advance to allow members of the public a reasonable time to prepare to participate effectively in the meetings.

(2) The district organization shall adopt a system of parliamentary procedures to assure that board members and other interested persons and groups have access to and an effective opportunity to participate in the affairs of the district.

(3) Where an "EDA component" is used, the district organization is required to hold appropriate public meetings and hearings when it considers significant economic development matters involving authorities, responsibilities, activities, or products of the EDA component.

(4) Information should be provided sufficiently in advance of public decisions to give citizens an adequate opportunity to review and react to proposals. District organizations should seek to relate technical data and other professional material to the affected citizens so that they may understand the impact of public programs, available options and alternative decisions.

(Department of Commerce Organization Order 10-4, as amended (40 FR 56702, as amended))

[45 FR 55701, Aug. 21, 1980, as amended at 46 FR 9026, Jan. 28, 1981]

§ 303.4-2 Waiver of district organization basic representation requirements and organizational options thereunder.

(a) *Conditions for waivers to basic representational requirements.* Under the following circumstances only, EDA will grant waivers to § 303.4-1(c)(1) to permit district organizations to use an "EDA component" to meet EDA basic organizational requirements: (1) Where the subject organization is not the governing body of a designated economic development district or is not receiving a planning assistance grant under 13 CFR Part 307, Subpart B, and

(i) Where the proposed district organization is not able to meet some part of the representational requirements of § 303.4-1(d) because of mandatory requirements of an interstate compact, a State law or constitutional provision, a State governor's executive order issued pursuant to a constitutional provision or state law or a home rule charter of a participating city or county, or

(ii) Where the proposed district organization demonstrates that it would undergo special hardship if it is required to reorganize in order to comply with the requirements of § 303.4-1(c)(1); or

(2) Where the proposed district organization is an existing designated or funded economic development district which demonstrates to the satisfaction of the Assistant Secretary: (i) That it would undergo a special hardship if it is required to maintain its district status through continued compliance with § 303.4-1(c)(1), and

(ii) That it has obtained concurrence in its proposal to reconstitute the district organization under § 303.4-1(c)(2) from the principal economic interests, minority interests, and local governments involved in the district.

(b) *Consideration of requests for waivers.* EDA will consider the following points (without excluding other possibilities) in determining whether to grant a waiver under the foregoing section.

(1) Where the waiver request is based on a legal constraint under § 303.4-2(a)(1)(i), the following kinds of situations would be the basis for a

waiver: (i) Where the membership composition or the membership appointment procedures of the organization are legally specified such that it cannot meet EDA board membership requirements, or

(ii) Where only local government elected officials are legally allowed to participate in the joint exercise of local government powers.

(2) Where the waiver request is based on the demonstration of special hardship under § 303.4-2(a)(1)(ii) or § 303.4-2(a)(2), the following factors would be considered: (i) The record of the organization in delivering projects related to economic development to assist distressed populations of the area.

(ii) The mechanisms proposed to provide for the involvement of the private sector and of distressed populations, including minority groups and local jurisdictions with high rates of distress, in the economic development planning process.

(iii) The age and complexity of any interlocal agreement for the joint exercise of powers.

(iv) The array of public policy issues assigned to the organization and the appropriateness for the various categories of representation required by EDA to participate in voting on the issues, and

(v) The risk of any breach of contract obligations if the organization were required to restructure its governing board in order to comply with EDA regulations.

(c) *Organizational options available under waiver provisions.* Organizations which are granted a waiver of § 303.4-1(c)(1) may employ one of the following types of organizational structure as their "EDA component" in accordance with § 303.4-1(c)(2), to meet EDA's basic organizational requirements:

(1) An augmented governing board whose membership meets EDA requirements;

(2) A subcommittee of the governing board where the subcommittee membership meets EDA's requirements;

(3) A policy advisory committee to the governing board where the committee membership meets EDA requirements;

(4) A bicameral decisionmaking organization in which dual policy bodies are created (consistent with § 309.17(b)), one of which meets EDA's requirements; and

(5) Other types of arrangements which are found by the Assistant Secretary to meet EDA's requirements.

[45 FR 55702, Aug. 21, 1980]

§ 303.4-3 District organization functions and responsibilities.

(a) *Basic requirement.* Economic development districts (EDDs) must arrange to carry out two classes of functions and responsibilities: Those which every EDD must carry out (paragraph (b) of this section), and those which EDDs receiving grants must carry out (paragraph (c)). Where the district organization uses an EDA component to meet EDA requirements, as provided for in § 303.4-2, the EDA component of the district organization shall be given authority to carry out certain parts of these two classes of functions and responsibilities described in paragraph (d) of this section.

(b) *Functions and responsibilities common to all EDDs.* Subject to the requirements of § 303.4-1, EDDs are responsible for seeing that the following functions are provided for on a continuing basis.

(1) *Organizational actions,* including: (i) Arranging the legal form of organization which will be used;

(ii) Arranging for the membership of the board of directors to meet § 303.4-1 requirements;

(iii) Recruiting staff to carry out the economic development functions;

(iv) Establishing a management system;

(v) Contracting for services to carry out district functions; and

(vi) Establishing and directing activities of economic development subcommittees.

(2) *Civil rights responsibilities* of 13 CFR Part 311 including: (i) Arranging for the EDD board of directors and its executive committee to comply with EDA requirements for minority representation;

(ii) Submitting reports to EDA on the EDD's compliance with civil rights requirements (e.g., nondiscrimination on the basis of race, color, national origin, sex, or handicap); and

(iii) Preparing, taking action on and reporting on an affirmative action plan for the district.

(3) *Actions to develop and maintain the required district overall economic development program (OEDP), and any subsequent supplements or revisions,* including: (i) Preparing the analytic, strategic and implementation components of the OEDP;

(ii) Identifying economic development centers and redevelopment centers and any later boundary modifications;

(iii) Adopting the OEDP by formal action of the EDD governing board;

(iv) Submitting the OEDP and any supplements or revisions for reviews by appropriate governmental bodies and interested organized groups, and attaching dissenting opinions and comments received; and

(v) Obtaining EDA approval of the OEDP.

(4) *Preparation of proposals that EDA take actions* which: (i) Establish or change the designation status of the district or its growth centers; or

(ii) Affect economic development projects available to the EDD.

(5) *Coordination and implementation* of economic development activities in the district, including:

(i) [Reserved]

(ii) Assisting other eligible units within the district to apply for grant assistance for economic development purposes;

(iii) Carrying out economic development related research, planning, implementation and advisory functions as are necessary and helpful to the coordination with other local, State, Federal, and private organizations, and as are necessary and helpful to the development and implementation of the overall economic development program;

(iv) Coordinating the development and implementation of the OEDP with other local, State, Federal and private organizations (including minority organizations); and

(v) Carrying out the annual OEDP plan for implementation.

(c) *Grants management activities.* Economic development district organizations which seek and receive EDA grant assistance must carry out grants management activities, including:

(1) Preparing application materials and accepting EDA grant offers;

(2) Arranging for the contribution of the required non-Federal matching share of the grant project costs;

(3) Receiving and managing the proceeds of the grant from EDA and of the matching share contributions;

(4) Complying with grant terms and conditions, including those pertaining to financial management and to work program requirements;

(5) Incurring expenses in carrying out the purposes of the EDA grant and charging these projects costs against grant project accounts; and

(6) Keeping records, and preparing and submitting reports on the grant project.

(d) *EDA component functions and responsibilities.* Where the EDD uses an EDA component to meet EDA requirements under § 303.4-1, the following functions and responsibilities (with the exception of paragraph (d)(4)(iii), which need not be exclusive to the EDA component) shall be lodged solely in the EDA component:

(1) *Organizational actions.* The EDA component shall: (i) Adopt bylaws for the conduct of the functions and responsibilities assigned to the EDA component;

(ii) Establish and direct activities of economic development subcommittees;

(iii) Advise the district board of directors or the staff director, as appropriate, concerning the activities of the economic development staff which is established according to § 303.4-1(e)(1).

(2) *Civil Rights responsibilities.* The EDA component shall: (i) Assure that the required minority representatives participate in the functions and responsibilities of the EDA component; and

(ii) Work to resolve matters of civil rights compliance review and assist in implementing the district organization's ongoing affirmative action plan required under § 311.4(b) of 13 CFR.

(3) *Overall economic development*

program (OEDP) activities. The EDA component shall have responsibility for: (i) Preparing and recommending adoption of the district OEDP, and of any subsequent supplements or revisions required by EDA, including the recommendation therein of project implementation priorities;

(ii) Making comments to the district organization board of directors concerning any board-initiated revisions of such OEDP documents;

(iii) Informing EDA when such revisions by the district organization board of directors constitute major departures from the recommendations of the EDA component and efforts to reinstate the substance of the recommended OEDP documents have not been successful;

(iv) Submitting the OEDP and any supplements or revisions for review by appropriate governmental bodies and significant organized interest groups, and the attaching thereto of dissenting opinions and comments received; and

(v) Determining when, on the initiative of the district, to revise and resubmit the OEDP.

(4) *Coordination and implementation activities.* The EDA components unit shall: (i) [Reserved]

(ii) Take actions required by EDA concerning grant or loan applications from other eligible applicants within the district which affect the district; and

(iii) Carry out economic development related research, planning, implementation and advisory functions as are necessary and helpful to the coordination with other local, State, Federal, and private organizations and to the development and implementation of the overall economic development program.

(5) *Application for and use of EDA grants.* The EDA component shall: (i) Advise the district organization board of directors concerning the scope of work section of grant applications; and

(ii) Comply with EDA terms and conditions relating to work program requirements.

[45 FR 55702, Aug. 21, 1980]
[OCC NOTE: Amended 48 FR 29136, Jan.24, 1983]

§ 303.5 Coordination with State and local organizations.

The Assistant Secretary will cooperate with State and local organizations in activities leading to designation of economic development districts including participation in the district program, formulation of the OEDP, and identification and analyses of potential economic growth centers.

§ 303.6 Modification of district boundaries.

The Assistant Secretary, with concurrence of the State or States affected, may modify the boundaries of a district consistent with standards for authorizing new districts set forth in § 303.1 if the Assistant Secretary determines that such modification will contribute to a more effective program for economic development.

§ 303.7 Termination and suspension of district designation.

(a) The Assistant Secretary will, upon 30 days' prior notice, terminate or suspend the designated status of an economic development district:

(1) Where the district no longer meets the standards for designation: (i) As set forth in § 303.2(a), (b), (c), (d), (f), or (g), or

(ii) As set forth in § 303.2(e), except that district designation status may be continued if those counties which would maintain their commitment to support economic development activities are determined by EDA to meet the other standards of § 303.2 and the standards of § 303.1.

(2) Where a district has not maintained a currently approved district OEDP in accordance with Part 304 of this chapter.

(3) Where a district has requested termination with the approval of the State or States affected.

(4) Where a funded district fails to comply with terms and conditions of an EDA planning grant agreement.

(b) Terminations and suspensions resulting from failure to comply with Title VI of the Civil Rights Act of 1964 will be processed in accordance with the provisions of that Act.

[38 FR 2269, Jan. 23, 1973, as amended at 45 FR 55703, Aug. 21, 1980]

§ 303.8 Benefits.

(a) Designation of an economic development district is a prerequisite to EDA providing financial assistance to economic development centers.

(b) Projects in redevelopment areas which are located within designated economic development districts and which actively participate in the economic development district's OEDP planning process are eligible for 10-percent bonus grants, §§ 303.23 and 305.6 of this chapter if the project is consistent with a currently approved district OEDP.

§303.9 [Reserved] [39 FR 44960, Dec. 30, 1974]
[OCC NOTE: Removed 48 FR 6525, Feb. 14, 1983]

Subpart B—Standards for Designation, Modification, and Termination of Economic Development Centers

§ 303.10 General standards for designation of economic development centers.

The Assistant Secretary may designate an economic development center if such proposed center:

(a) Has been identified and included in an approved district OEDP.

(b) Is recommended by the State or States affected. Written concurrence from the State must be received by EDA.

(c) Is geographically and economically so related to the economic development district that the economic development center's economic growth may be expected to contribute significantly to the alleviation of distress in the redevelopment areas of the district.

(d) Does not have a population in excess of 250,000 according to the last preceding Federal census.

(e) May reasonably be expected to accelerate or maintain existing rates of growth in terms of population, employment, and income.

(f) Has the prospect of developing a diversified economy providing a wide range of health, educational, recreational, and cultural facilities; a relatively large local market; a relatively large well-trained labor force; and other similar qualities which encourage the continuing growth of economic activities.

(g) Is an active participant in the district economic development program.

[38 FR 2269, Jan. 23, 1973, as amended at 40 FR 6640, Feb. 13, 1975]

§ 303.11 Number of economic development centers per district.

The Assistant Secretary will designate the single leading growth point in an economic development district as the economic development center. However, additional centers may be designated where unusual conditions exist in the district.

(a) Where the district contains a relatively large number of redevelopment area residents who do not have reasonable community access to any one economic development center.

(b) Where the district contains several smaller growth points rather than one leading economic development center.

§ 303.12 Boundaries of economic development centers and boundary modifications.

(a) An economic development center is administratively defined as a city or grouping of contiguous incorporated places. However, where justified, boundaries may be extended to include adjoining minor civil divisions or corridors of growth between centers.

(b) The Assistant Secretary may modify either the boundaries of an economic development center or the number of economic development centers in a district after giving notice and opportunity for comment to the State or States affected, if such modification will contribute to a more effective program.

§ 303.13 Termination and supension of economic development centers.

The Assistant Secretary may, upon 30 days prior notice to the interested State and local agencies, terminate the designated status of an economic development center when—

(a) The economic development center is no longer identified or recommended for designation in an approved district OEDP.

(b) The economic development

center no longer meets the standards for designation, § 303.10.

(c) The economic development center fails to actively pursue its role as an economic development center in a manner that makes a significant impact on the performance of the economic development district within which it is located.

§ 303.14 Redevelopment centers.

The Assistant Secretary may recognize a redevelopment center which meets the criteria for economic development centers, but which falls in designated redevelopment area. There is no limit on the size of the population of a redevelopment center.

Subpart C—Financial and Other Assistance to Economic Development Centers and Districts

§ 303.20 Financial assistance to economic development centers.

The Assistant Secretary may provide financial assistance (including public works and development facility loans and grants and commercial and industrial loans and working capital guarantees) in accordance with the criteria contained in Parts 305 and 306 of this chapter for projects in economic development centers when—

(a) The project will further enhance the objectives of the overall economic development program of the district in which the economic development center is located.

(b) The project will enhance the relationship between the economic development center and the economic development district, particularly the redevelopment areas.

(c) The project will achieve one or more of the following:

(1) Encourage economic growth.

(2) Discourage out-migration from the district.

(3) Have a beneficial impact on the district's redevelopment areas.

§ 303.21 Economic development center project characteristics.

Projects in economic development centers shall have one or more of the following characteristics:

(a) High job producing capability.

(b) Remove barriers of access to jobs for the target population.

(c) Ability to trigger further project activity.

(d) Ability to trigger further economic impact.

(e) Provision of facilities and services deemed essential to stimulate further growth, at a level above that normally required for simple maintenance of a substantial community.

[38 FR 2269, Jan. 23, 1973, as amended at 39 FR 44960, Dec. 30, 1974]

§ 303.22 Grant rate for economic development center projects.

The grant rate for projects in economic development centers shall not exceed 50 percent of the project costs.

§ 303.23 Supplementary grants to district redevelopment areas.

Subject to the limitation that the maximum Federal share for any project may not exceed 80 percent of the aggregate cost (except as provided in §§ 305.5 and 305.6 of this chapter), the Assistant Secretary may increase the amount of grant assistance for public works and development facilities projects within redevelopment areas by an amount not to exceed 10 percent of the aggregate cost of any such project, if:

(a) The redevelopment area is situated within a designated economic development district and is actively participating in the economic development activities of the district and

(b) The project is consistent with the currently approved district OEDP.

§ 303.24 Financial assistance to redevelopment centers.

The eligibility of redevelopment centers for EDA financial assistance, including the 10 percent bonus as provided for in §§ 303.23 and 305.6 of this chapter, is the same as for any designated redevelopment area within the district. The grant rate for the redevelopment center shall be determined by the rate applicable to the redevelopment area within which it is located.

§ 303.25 Assistance to economic development districts.

Pursuant to Title III of the Act, the Assistant Secretary may provide other assistance to the district including:

(a) Technical assistance.

(b) Planning grants, Subpart B of Part 307 of this chapter, to assist the district organization in engaging a professional staff and carrying its planning activities.

(c) Research assistance.

PART 304—OVERALL ECONOMIC DEVELOPMENT PROGRAM

Sec.

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AUTHORITY: Sec. 701, Pub. L. 89-136 (42 U.S.C. 3211); 79 Stat. 570 and Dept. of Commerce Organization Order 10-4 (Apr. 1, 1970), unless otherwise noted.

SOURCE: 38 FR 2271, Jan. 23, 1973, unless otherwise noted.

§ 304.1 OEDP requirement.

(a) Approval of an overall economic development program, hereinafter referred to as OEDP, is a prerequisite for designation of a redevelopment area or economic development district except those areas designated under §§ 302.5 and 302.7 of this chapter.

(b) A redevelopment area or economic development district, where appropriate, is required to maintain a currently approved OEDP to retain its previous designation for eligibility to receive EDA funds.

[38 FR 2271, Jan. 23, 1973, as amended at 39 FR 7779, Feb. 28, 1974; 39 FR 44960, Dec. 30, 1974]

§ 304.2 Redevelopment areas may use district OEDP's.

Those qualified areas within existing economic development districts may use the district's accepted OEDP in lieu of drawing up a separate area OEDP:

(a) Where the area has actively participated in and supported the district OEDP planning process, and

(b) Where the area has submitted a letter to EDA signed by the Area's chief elected official or governing body and, where appropriate, a letter from the local OEDP committee wherein the area's decision to use the district OEDP is stated.

§ 304.3 Redevelopment Area OEDP Committee.

(a) The preparation of the Area OEDP and of the ongoing development program which it charts is the primary responsibility of the Area OEDP committee.

(1) Area OEDP Committees are required only in those areas not located in districts. (District organization requirements are set forth at § 303.4-1, § 303.4-2 and § 303.4-3 of this chapter.)

(2) However, because of the crucial role of the OEDP committee, EDA recommends that all areas establish such an organization even though located within a district and using the district OEDP (as allowed under § 304.2).

(b) The Area OEDP committee shall be representative of the community so that all viewpoints are considered in discussion and decisionmaking and all available local skills are engaged in program formulation. Representation on the committee shall include representatives of local government (county, city, and town), business industry, finance, agriculture, the professions, organized labor, utilities, education, minorities, and the unemployed or underemployed. 13 CFR Part 311 of this chapter, as implemented by the *Civil Rights Guidelines*, contains the requirements for the specific representation of minority groups.

(c) If an existing development group meets the criteria as set forth in paragraph (b) of this section, that group may function as the Area OEDP committee.

(Sec. 701, Pub. L. 89-136, 79 Stat. 570 (42 U.S.C. 3211); Dept. of Commerce Organization Order 10-4 (Sept. 30, 1975), as amended (40 FR 56702, as amended))

[45 FR 55703, Aug. 21, 1980]

§ 304.4 Initial OEDP.

(a) The initial OEDP is the beginning of a planning program required by qualified redevelopment areas, title I areas, and economic development districts before the designation process can be completed.

(b) The initial OEDP will provide a concise and accurate background of the area or district in order to assist the local leaders and EDA to understand the current development situation. Such background may include a discussion of the district or area's geography, population, labor force, natural and manmade resources, economic and social activities.

(c) The initial OEDP will examine economic development and community improvement opportunities and problems. This includes an identification of major current activities of other organizations in connection with economic development and community improvement opportunities and problems.

(d) The initial OEDP will provide a realistic development program and work program that will be developed and implemented in an effort to:

(1) Promote the district or area's economic progress.

(2) Improve community facilities and services.

(3) Serve as a basis for a continuing planning and development program.

(e) The initial OEDP will be developed with a specific regard for energy conservation concerns and principles, and shall reflect this regard in any developed or proposed plans, programs, or projects.

[38 FR 2271, Jan. 23, 1973, as amended at 45 FR 57962, Aug. 29, 1980]

§ 304.5 Initial OEDP for districts.

The requirements for the initial OEDP for districts are those contained in § 304.4 and the following:

(a) The identification and proposal for designation or recognition of at least one economic growth center.

(b) An economic growth center program describing the role to be played by the proposed center in the implementation of the district wide development program, particularly as it relates to the redevelopment areas.

§ 304.6 Submission of initial OEDP.

When the initial OEDP is completed, the following steps shall be taken to obtain EDA approval:

(a) The initial OEDP of the area or district to be designated is to be reviewed by appropriate governmental bodies and all organized interested groups, especially the appropriate State agency, those organizations with OMB Circular A-95 review authority, and the EDA Regional Office.

(b) Dissenting opinions or comments from the above entities shall be submitted to EDA as attachments. If no comments are received, there shall be a note from the submitting party indicating to whom and when the OEDP was sent to the various organizations for comments.

(c) The OEDP committee shall reproduce the initial OEDP in sufficient quantity for the use of all groups taking part in the program. The local organization shall submit seven copies to its EDA Economic Development Representative including one copy for his use and six copies for the EDA Regional Office. Two copies shall also be sent to the State agency designated by the Governor to handle EDA activities and to the appropriate Regional Commission, if any.

(d) The EDA Regional Office Planning Division staff will review the OEDP for its adequacy. If the OEDP can be approved, the staff will notify the Economic Development Administration in Washington of its approval. If, however, the staff finds the initial OEDP inadequate, it will contact the chairman of the OEDP committee by letter and outline the required revisions or request a supplement.

§ 304.7 The continuing program.

After setting up and organizing the committee and submitting the initial OEDP, the area or district shall implement the development program, and periodically update the development program with annual progress reports, § 304.8, or with a revised OEDP, § 304.9.

§ 304.8 Progress report.

(a) The OEDP annual progress report for the annual designation and eligibility review for redevelopment areas shall be submitted after January 1, but not later than March 31 of each year, covering the preceding calendar year.

(b) If located within an economic development district, a redevelopment area, may, at its discretion, notify EDA annually, on or before March 31, that the district annual OEDP progress report satisfactorily covers the area's own planning and programing.

(c) The annual progress report for districts shall be submitted annually 30 days after the anniversary date of the EDA planning grant, Part 307, Subpart B, and shall cover the period of the planning grant. Those districts which do not receive EDA planning grants, shall submit the report annually within 30 days of either their district designation date or their fiscal year.

(d) Extensions for submitting the area and district progress reports will be granted only under exceptional circumstances.

(e) Areas and districts submitting initial or revised OEDP during the last quarter of the calendar year will not be required to submit an annual progress report by the following March 31. The report will be due the following year covering a period of 1 year to 15 months.

(f) If the area progress report has not been submitted by March 31, or cannot be approved, the Regional Director:

(1) Will inform the area or district chairman of the nonreceipt or disapproval of the progress report.

(2) Will direct a member of the EDA regional office staff to visit and consult with the area or district chairman on the most expeditious way of submitting the progress report.

(3) May allow a reasonable extension of time (not to exceed 60 days) to prepare the report or supplemental data. Under very exceptional circumstances the Regional Director may allow a further extension. However, the report must be received not later than June 15.

(4) Will recommend that the Assistant Secretary notify the State and the affected area or district officials that the eligibility status of the area or district is suspended pending receipt of an acceptable progress report if the progress report has not been received within the required time period. This means no applications for projects for financial assistance from the affected area or district will be approved.

(g) If an unacceptable progress report was submitted, a supplement covering the deficiencies shall be prepared by the OEDP committee.

[38 FR 2271, Jan. 23, 1973, as amended at 39 FR 44960, Dec. 30, 1974]

§ 304.9 Revised OEDP.

(a) A revised OEDP will be required if EDA determines that the initial OEDP of the area or district is inadequate.

(b) A revised OEDP will be required if EDA determines that the initial OEDP is outdated.

(c) An area or district shall also revise its initial OEDP if the OEDP committee determines that a complete reassessment of the local situation or a complete reassessment of the economic development program is desirable.

(d) A revised OEDP may be submitted in lieu of the annual OEDP progress report. Failure of an area or district to submit a revised OEDP in acceptable form within the time specified, and extensions thereof, may result in the suspension or termination of such area's or district's designation after 30 days written notice by EDA.

(e) Before any revised OEDP for a district is approved by EDA, it shall be reviewed by appropriate governmental bodies and all organized interested groups, especially the appropriate State agency, those organizations with OMB Circular A-95 review authority, and the EDA Regional Office.

[38 FR 2271, Jan. 23, 1973, as amended at 40 FR 2796, Jan. 16, 1975]

ACT 118 of 1969

PLANNING AND DEVELOPMENT DISTRICTS

AN ACT TO AUTHORIZE THE ARKANSAS PLANNING COMMISSION TO DESIGNATE PLANNING AND DEVELOPMENT DISTRICTS; TO RECOGNIZE THE ORGANIZATIONS REPRESENTATIVE OF SUCH DISTRICTS; TO MAKE PAYMENTS TO SUCH ORGANIZATIONS; TO ESTABLISH THE CONDITIONS UPON WHICH PAYMENTS MAY BE MADE; AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. PURPOSE. (a) The purpose of this Act is to encourage multi-county planning and develop organizations which have been formed, or which may be formed in the future, as voluntary non-profit associations to promote economic development, to assist local governments and private organizations in obtaining federal grants and loans, to prepare comprehensive regional plans for economic development and improve government services, to enlist private support for these activities, and to coordinate private and public programs in the multi-county districts. Recognizing the beneficial services to be provided the people of this State through the activities of such multi-county planning and development organizations established for the aforementioned purposes, and in order to encourage such organizations in their efforts to provide such beneficial services, the General Assembly hereby establishes a program of providing financial assistance to such associations to enable them to continue and expand their activities in furtherance of the purposes of this Act.

(b) Nothing in this Act is intended to be inconsistent with or contrary to a policy of relying on the private enterprise system.

SECTION 2. DESIGNATION OF DISTRICTS.

(a) The General Assembly of the State of Arkansas hereby recognizes as Planning and Development Districts the boundaries of the following eight existing or proposed Economic Development Districts:

(1) Northwest Arkansas Economic Development District, Inc., consisting of Benton, Washington, Madison, Carroll, Boone, Newton, Marion, Searcy and Baxter Counties.

(2) North Central Arkansas Economic Development District, Inc., consisting of Fulton, Izard, Sharp, Stone, Independence, Jackson, Van Buren, Cleburne, White, and Woodruff Counties.

(3) Northeast Arkansas Economic Development District, Inc., consisting of Randolph, Clay, Lawrence, Greene, Craighead, Mississippi, Poinsett, Cross, Crittenden, St. Francis, Lee, and Phillips Counties.

(4) Southeast Arkansas Economic Development District, Inc., consisting of Grant, Jefferson, Arkansas, Cleveland, Lincoln, Desha, Bradley, Drew, Chicot, and Ashley Counties.

(5) Southwest Economic Development District of Arkansas, Inc., consisting of Sevier, Howard, Little River, Hempstead, Nevada, Ouachita, Dallas, Calhoun, Miller, Lafayette, Columbia, and Union Counties.

(6) Western Arkansas Economic Development District, Inc., consisting of Crawford, Franklin, Sebastian, Logan, Scott, and Polk Counties.

(7) West Central Arkansas Economic Development District, Inc., consisting of Johnson, Pope, Conway, Yell, Perry, Montgomery, Garland, Pike, Clark, and Hot Spring Counties.

(8) Central Arkansas Economic Development District, Inc., consisting of Faulkner, Saline, Pulaski, Lonoke, Prairie, and Monroe Counties.

(b) The Arkansas Planning Commission is hereby authorized to change the number and boundaries of Planning and Development Districts, provided that the concurrence therein is obtained of the governing boards of each of the affected existing Districts as established and recognized in sub-section (a) of this Section.

(c) Nothing in this Act is intended to change or conflict with the status of regional and metropolitan planning commissions or councils of governments established under Act 26 of 1955, as amended. This Act does not change the designation of urban and metropolitan planning organizations presently recognized by the Arkansas Planning Commission for programs of the Department of Housing and Urban Development or any other department of the Federal Government.

SECTION 3. RECOGNIZED ORGANIZATIONS.

(a) The governing boards of directors of the eight existing or proposed Economic Development Districts are hereby recognized as the representative organizations of the initial Planning and Development Districts as recognized in Section 2(a) of this Act.

(b) The Arkansas Planning Commission is hereby authorized, whenever district boundary changes have been made in accordance with Section 2(b), to recognize the representative organizations of the new Planning and Development Districts, provided, that no representative organization of a new Planning and Development shall be recognized unless the membership of the governing board thereof complies with the provisions of sub-section (c) of this Section.

(c) In order to qualify for the benefits of the provisions of this Act, the representative organization of a Planning and Development District shall have a governing board of directors a majority of whose members are elected officials of local governments and the remainder of whose members represent economic development organizations and organizations broadly representative of diverse community interests.

(d) The operations of representative organizations of Planning and Development Districts shall be solely within the discretion and control of the local governing boards of directors of the respective Districts, it not being the intention of the General Assembly that anything in this Act create any power, authority or control in the State Planning Commission or any other State agency over the management and operations of said organizations. Provided, that continued State financial support of such organizations as provided in this Act shall terminate with respect to any organization that uses State funds for any purpose not within the intent and purposes of this Act, until such organization shall make restitution for any misused funds and furnishes proof of compliance with respect to future operations.

SECTION 4. PAYMENTS AUTHORIZED.

(a) The Arkansas Planning Commission is hereby authorized to make payments from time to time to officially recognized organizations of Planning and Development Districts from State funds appropriated for such purpose. Payments shall be scheduled as nearly as possible to begin on July 1 of each fiscal year and on the first day of each calendar quarter thereafter.

(b) Funds appropriated for payments to recognized organizations of Planning and Development Districts shall be allocated, in equal shares, among the initial eight (8) recognized Planning and Development Districts as established in Section 2(a) of this Act. If, in the future, any change occurs in the District boundaries of any of the initial eight (8) Districts, as authorized in Section 2(b) of this Act, the #1 allocation of appropriated funds to the former district or districts which comprise counties reorganized in the new District, shall be apportioned to the new District or Districts in accordance with equitable criteria established by the State Planning Commission and published in advance prior to the establishment of the new District or Districts.

SECTION 5. CONDITIONS OF PAYMENTS.

Whenever the General Assembly shall have appropriated funds to be used for making payments as authorized in this Act, the Arkansas Planning Commission shall notify the respective boards of directors of the Districts of the amount allocated to such District as provided in Section 4 hereof and shall notify the District that application for such funds may be made upon forms provided therefor by the Planning Commission. Upon receipt of application for such allocated funds from a District, the Arkansas Planning Commission shall determine that the following conditions have been met before making such payments:

(1) The organization applying for payment is officially recognized for a designated District in accordance with Section 2 and Section 3 of this Act.

(2) The governing board of directors of the organization shall certify that a proposed budget has been established for the expenditures of State and local funds for purposes consistent with the purposes of this Act.

(3) The organization has obtained non-federal matching funds committed from local governments or private sources at least equal to the amount of the payment of State funds, and the President and/or Treasurer of the Board of Directors of the organization shall certify from time to time that such matching funds from local or private sources are on deposit to the organization's own account before quarterly payments of State funds may be made to the District.

(4) At the end of each fiscal year, an audited report of expenditures of the District shall be submitted to the Arkansas Planning Commission; and, any State funds unexpended or unobligated by June 30th shall be returned by the District to the State Treasury. In addition, if such District shall have used any State funds for any purpose not within the purposes of this Act, such amount thereof shall be reimbursed to the State of Arkansas before any additional payments may be made to the District.

Upon receipt of the application for funds from a District, the Arkansas Planning Commission shall review the same and if said Commission shall determine that the District is qualified to receive payments under this Act, State funds shall be paid to the District on a dollar per dollar matching basis of funds provided from local or private non-federal sources, but in no event may State matching funds exceed the amount of funds allocated to the District for the fiscal year from funds appropriated therefor. It is the specific intention of the General Assembly that all or part of the State and local funds may be used to qualify for matching federal funds to be used for the purposes provided in this Act. In the event a District shall not qualify for the total amount of State funds allocated to the District during any fiscal year, because of failure to provide the required matching funds from non-federal local or private sources, the amount thereof for which the District does not qualify shall remain in the State Treasury and shall not be apportioned for payment to other districts, it being the intention hereof that each District shall receive no payment in excess of the prorata share of State funds allocated to the District.

SECTION 6. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 7. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

ARTICLES OF INCORPORATION

OF

SOUTHEAST IDAHO COUNCIL OF GOVERNMENTS, INC.

KNOWN ALL MEN BY THESE PRESENT:

That we, the undersigned, citizens of the United States and residents of the State of Idaho, do hereby associate ourselves together to form a non-profit organization, and in order to form a corporation for the purposes hereinafter stated under the pursuant to the provisions of Chapter 10 of Article 30, Idaho Code, and amendments hereafter made thereto and the laws of the State of Idaho relating to the organizations of corporations wherepecuniary profit is not the object, and we do hereby certify and declare as follows:

ARTICLE I.

NAME

The name of this corporation is Southeast Idaho Council of Governments, Inc.

ARTICLE II.

PLACE OF BUSINESS

The principal place of business and post office address of this corporation shall be Pocatello, Bannock County, Idaho. The corporation may have such other places of business as the directors shall henceafter determine.

ARTICLE III.

DURATION

The duration of the corporation shall be perpetual.

ARTICLE VI.

MEMBERSHIP

The membership of this corporation shall be open to any municipal corporations, Boards of County Commissioners, Soil Conservation Districts, school districts and/or the governing bodies of other geo-political sub-divisions which comply with the following conditions:

A. Conditions for governmental and non-governmental agency membership.

1. Voting memberships extended to their units which:

   a. Formally enter into an intergovernmental agreement supporting the council or non-governmental resolutions of support.

   b. Comply with requirements concerning financial contributions of its members.

2. Associate non-voting memberships are available to any governmental agency with representation on any of the appointed committees.

B. Withdrawal

A member government may withdraw at any time when the chief executive and governing body signify by letter of intent in writing to the Executive Council 60 days prior to the effective date of withdrawal.

C. Dues

Membership dues, service fees, and other charges as recommemded by the Executive Council and approved by the General Assembly to defray expenses shall be assessed against the members.

Membership of this corporation shall be limited to those persons now and hereafter serving as duly appointed, qualified, and acting members of the Southeast Idaho Council of Governments, Inc., who shall remain members of this corporation during their tenure as members and until their successors upon said Incorporation shall have been duly appointed and qualified. Membership in the corporation shall not entitle a person to any interest whatsoever in the assests of the corporation but only to participate in the management of the affairs of

the corporation, in meeting of the members regularly called and held within the period covered by such membership. The members assessment shall be specified in the bylaws of the corporation. Member's rights and interest shall be equal.

ARTICLE VII.

BOARD OF DIRECTORS/EXECUTIVE COUNCIL

The number of directors of the corporation hereafter referred to as the Executive Council shall not be less than five (5), nor more than twenty five (25) and shall, as near as possible, be consitiuted of 2/3 elected officials and 1/3 non-elected officials based upon the total membership composition. At first annual meeting following incorporation a Executive Council will be chosen in accordance with the provisions of the bylaws of the Corporation and the laws of the State of Idaho, in such cases made and provided.

ARTICLE VIII.

SEAL

This corporation shall have a seal of a design as set forth in the bylaws of the corporation.

ARTICLE IX.

The By-Laws of this corporation may be repealed, amended, altered or new By-Laws adopted at any annual meeting, or at any special meeting of the members of the corporation called for that purpose, by a vote representing not less than two-thirds of the membership. Furthermore, the Executive Council of this corporation shall have the power to repeal, amend, and alter the By-Laws of the corporation, and to adopt new By-Laws, by vote of not less than two-thirds of the members of said Executive Council, provided that the Executive Countil shall not make or alter any By-Laws fixing the qualifications, classification, term of office or compensation of the members of such Board.

ARTICLE IV.

PURPOSES

This corporation is not organized for pecuniary profit nor shall it have any power to issue any capital stock, and no part of its earnings shall inure to any member, director or individual. The purposes for which this corporation is formed are as follows: (a) study area and governmental problems and public service needs of mutual interest and concern; (b) coordinate the comprehensive planning efforts of the several members. (c) Coordinate existing public service activities in terms of financial resources, equipment, human resources and human development; (d) formulate recommendations for review and action by members of the Association and to encourage action by the Idaho Legislature, agencies of State and local governments and agencies of the Federal government to implement both plans and coordinated activities of the members severally and individually. (e) Improve the regional economy by striving for adequate employment opportunities prosperous agriculture, wise utilization of natural and human resources and adequate processing, marketing and transportation facilities for the total area. (f) Furnish general and technical aid to member governments and individuals, as they request, to promote and accomplish projects, policies and plans. (g) And to accomplish those purposes and functions as outlined in the bylaws.

ARTICLE V.

BOUNDARIES

The Council may include any municipal corporations which are economically and socially related, any counties which are socially and economically related, soil conservation districts, school districts, and other geo-political units of state government which are economically and socially related. The initial boundaries of the Council shall be coterminous with and include the area encompassed by State Planning Reg. V which includes the counties of Bingham, Bannock, Power, Caribou, Oneida, Franklin and Bear Lake.

ARTICLE X

The names and addresses of the incorporators, each of whom is entitled to one certificate of membership as provided in these Articles, valid until the first annual meeting, regardless of qualifications, are as follows:

NAME	ADDRESS
Gene Edwards	Route 1, Box 188 Malad, Idaho 83252
Sam Reed	Soda Springs, Idaho 83276
LaMar Whyte	Springfield, Idaho 83277
Scott B. McDonald	1438 Monte Vista Pocatello, Idaho 83201
Robert L. Newhart	1371 Willard Pocatello, Idaho 83201

In testimony whereof the following persons acknowledge that they are citizens of the United States of America, over the age of 21 years, and have voluntarily joined together to incorporate this corporation under thelaws of the State of Idaho.

Dated this 26th day of February, 1976.

NAME	DATE
Gene Edwards	Feb. 26, 1976
Sam Reed	Feb. 26, 1976
LaMar Whyte	Feb. 26, 1976
Scott B. McDonald	Feb. 26, 1976
Robert L. Newhart	Feb. 26, 1976

State of Idaho)
ss
County of Bannock)

On this 26th day of February 1976, before me, the undersigned, a notary public in and for said State, personally appeared Gene Edwards, Sam Reed, LaMar Whyte, Scott McDonald and Robert Newhart, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(seal)

Notary Public for Idaho
Residing at Pocatello, Idaho

No. 52977

Articles of Incorporation

of

SOUTHEAST IDAHO COUNCIL OF GOVERNMENTS

Domestic
Perpetual

Place of business Pocatello, Idaho
Existence Perpetual
Capital Stock C10 T30

STATE OF IDAHO
Department of State
Boise, Idaho

Approved, filed and admitted to the records of articles of incorporation of the State of Idaho and certificate issued this 3rd day of March, 1976 at 8:51 o'clock A. M.

FEES PAID

Filing	$ 15.00
Recording	2.40
Cert. Copy	
Certificate	
License Tax	
TOTAL	$17.40

Pete T. Cenarrusa
SECRETARY OF STATE

By Megan Tapp
Assistant CORPORATION CLERK

FILED BY Scott B. McDonald
Box 4169
Pocatello, Idaho 83201

AMENDED BYLAWS

OF THE

SOUTHEAST IDAHO COUNCIL OF GOVERNMENTS, INC.

ARTICLE I

ELIGIBILITY FOR MEMBERSHIP OF CORPORATION

Sufficient action establishing intent to join said corporation found under and pursuant to the provisions of Chapter 10 of Article 30, Idaho Code, shall be such action as is required by the local laws of the governing body of each member.

A. QUALIFICATION OF MEMBERSHIP

1. The members of the Southeast Idaho Council of Governments, Inc., hereinafter referred to as SICOG, may include the following, with the boundaries as established in the Articles of Incorporation:

a. Any municipal corporation
b. Any Board of County Commissioners
c. Soil and Water Conservation District
d. Other geo-political entities and the following:

In addition, each Chamber of Commerce organized within any of such counties may apply for membership, and any other service organizations or any other interested groups of any such counties may apply for membership and may, upon approval of such application by the SICOG Board of Directors, become members.

2. Said membership becomes effective immediately upon compliance with the following conditions:

a. Voting memberships are extended to units or organizations which:

1. Formally enter into an intergovernmental agreement supporting the Council.

2. Comply with requirements concerning financial contributions of its members.

3. Associate non-voting memberships are available to any governmental agency with representation on any of the appointed committees.

4. A member may withdraw at any time when the chief executive and governing body signify by letter of intent in writing to the SICOG Board of Directors 60 days prior to the effective date of withdrawal.

5. Membership dues, service fees, and other charges as approved by the SICOG Board of Directors to defray expenses, shall be assessed against the members.

B. TERMS AND TERMINATION OF MEMBERSHIP

1. All members of the corporation shall appoint representatives to serve as members on the SICOG Board of Directors. The representatives shall serve at the pleasure of the member unit which they represent.

2. Representation shall terminate upon any of the following conditions:

a. Death or resignation
b. Non re-appointment
c. Loss of public office
d. Loss of Minority Caucus support

ARTICLE II

A. FUNCTIONS

1. This corporation shall have the following power, responsibilities and functions:

a. To make, adopt and extend an overall development plan for the district encompassed by the boundaries as set forth in the Articles of Incorporation, hereinafter referred to as the "district", with due regard for the development of the overall economic, social, and physical needs of the district, as well as such other portions of the area of state or interstate as may be affected thereby. To advise and assist its members

within the district on how to best implement the plan for the overall best interests of each member as related to the total region.

b. To prepare and execute such programs of research as may be necessary and advisable in carrying out its purposes.

c. To prepare and suggest means of implementing plans for economic and population projections, land use, transportation, public facilities through citizen participation.

d. To contract with persons or firms or other units or levels of government to carry out the purposes of this organization.

e. To coordinate and function with the Regional Clearinghouse for projects related to federal, state and local units of government to assure the maximum efficiency of public investment, minimum duplication and consistency with regional plans.

f. To prepare periodic reports as may be required by the bylaws of this corporation or federal or state legislation or regulations pertaining thereto.

g. To acquire and hold real and personal property for its use and to incur expenses to carry out its functions.

h. To receive gifts, contributions and donations which may be made to it for its use and purposes.

i. To publish studies in connection with its work which may be of benefit to its members or other agencies or programs within or outside of the district.

j. To prepare and adopt an annual budget and work program to be submitted to the Economic Development Administration, other federal agencies, and the appropriate state agency(ies) and the constituent members thereof.

k. To hold an annual meeting each October to discuss work plan and budget elements and to elect officers to the Board of Directors.

ARTICLE III

A. PURPOSES

1. The Southeast Idaho Council of Governments, Inc., is created for the following purposes: (a) study area and governmental problems and public service needs of mutual interest and concern; (b) coordinate the existing public service activities in terms of financial resources, equipment, human resources and human development; (c) formulate recommendation for review and action by members of the Council and to encourage action by the Idaho Legislature, agencies of state and local governments and agencies of the Federal government to implement both plans and coordinate activities of the members separately and individually; (d) improve the regional economy by striving for adequate employment opportunities, prosperous agriculture, wise utilization of natural and human resources and adequate processing, marketing and transportation facilities for the total area; (e) furnish general and technical aid to member governments and individuals, as they request, to promote and accomplish projects, policies and plans; (f) and to accomplish those purposes and functions as outlined in the bylaws; (g) to do all things necessary, convenient or incidental to its purposes; (h) this district shall not supersede or replace any of the existing public or political jurisdictions or bodies.

ARTICLE IV

A. ORGANIZATION STRUCTURE

1. The organizational structure of SICOG shall consist of a Board of Directors, Committees, and Executive Director and Staff.

2. The Board of Directors shall be the general governing body for SICOG.

   a. The responsibilities of the Board of Directors are to:

      (1) Adopt areawide goals, priorities, and objectives.

      (2) Adopt an annual budget and plan of work.

      (3) Promote consistent land use planning through a review of existing plans or contracting, as necessary and within budgetary limitations, for additional planning.

      (4) Resolve membership questions.

      (5) Initiate or assist the coordination with existing public activities or future services by establishing interlocal agreements between government jurisdictions on matters of a regional nature, or when two or more jurisdictions are involved.

      (6) Propose, initiate, or approve any study, plan, policy, discussion or other SICOG policy matters.

3. The internal administration, procedures, practices and programming of SICOG and any other duties and responsibilities as may be delegated by the corporation, shall be vested in the Board of Directors which shall be composed of: One (1) Commissioner from each member county, appointed by the Chairman of the Board of County Commissioners; One (1) representative of each incorporated municipality, except that the City of Pocatello shall have two voting representatives on the Board of Directors; One (1) representative of all of the Soil Conservation Districts within the Council, appointed by the Director of Division Five of the Idaho Association of Soil Conservation Districts; One (1) representative-at-large will be chosen where practical to represent, but not limited to, the following interests: Agriculture, Business, Labor and Education.

4. The Board of Directors so appointed shall collectively appoint by resolution, with the exception of minority representation, non-elected officials from throughout the district representing appropriate special interest groups.
5. Minority representation on the Board of Directors shall be comprised of one (1) representative from the Shoshone-Bannock Tribal Council, one (1) representative of the Idaho Migrant Council and one (1) representative chosen by a caucus of minority organizations. The caucus of minority organizations shall take place in October of each year, prior to the SICOG Annual Meeting.
6. The original members of the Board of Directors shall have been elected by the initial membership of record as established in the Articles of Incorporation.
7. Subsequent to the original Board of Directors, all members of the Board of Directors shall be appointed by their respective member entities. Appointments shall be in writing and presented to the Executive Director at the annual meeting of the corporate membership or within thirty days thereafter.
8. The presiding officers of the Board of Directors shall consist of a President, a Vice-President, and a Secretary/Treasurer. The presiding officers of the Board shall be elected at the annual meeting in October. The presiding officers of the Board shall be representative of general purpose local governments.
9. The Board of Directors shall meet at least monthly, but special meetings may be convened or the regular monthly meeting cancelled at the discretion of the President.
10. A quorum shall consist of those present at a properly called meeting.

11. Voting on routine matters by the Board of Directors shall require a simple majority of the quorum. Budgetary matters shall require two-thirds majority of the quorum.

12. The duties of the Board of Directors are to:

a. Serve as the financial control body and receive and expend funds, and set the annual budget and fee schedule;

b. Appoint, remove and fix salary of the Executive Director deemed necessary to serve the purposes of the Board;

c. Determine arrangements under which planning services of the Board would be made available to member governments or resource committees and provide the same;

d. Promote the area through recommendations for proposals advantageous to the area and consistent with SICOG's overall planning activities, priorities and goals;

e. Provide the opportunity for Federal and State representatives to serve as resource personnel in matters of importance to any organizational level of SICOG;

f. Seek grants-in-aid and contributions to SICOG;

g. Appoint ad hoc committees as needed;

h. Handle all matters pertaining to membership and withdrawal of membership;

i. Actively seek designation as the Regional Clearinghouse for the area; and

j. Any other matters of area interest.

13. <u>COMMITTEES</u>

a. The Board of Directors of SICOG may form Committees as considered appropriate for their needs. These may include, but are not limited to, the following:

Land Utilization and Water Conservation
Agriculture and Forestry
Recreation, Tourism and Wildlife
Industry and Transportation

Community Services and Human Resources
Private Industry Council
Economic Development
Area Agency on Aging
Personnel, Budget and Bylaws

b. All groups or individuals interested in participating on Committees may request the opportunity to serve on such Committees from the Board and the President.

c. Duties of Committees:

(1) Elect a Chairperson from their membership who will serve as a link to the Board of Directors.

(2) Meet as often as necessary to propose, review and study project measures and planning activities as assigned.

(3) Seek the assistance of State and Federal Representatives or other resource personnel to assist as technical advisors.

(4) Recommend policy and priorities to the Board of Directors.

(5) Assist in the development and implementation of the Annual Plan of Work.

ARTICLE V

AGENCY ASSISTANCE

A. SICOG may request and accept technical, advisory or other assistance from Federal, State and City or county agencies.

B. Those agencies designated representatives will be the official spokesman for their agencies and can participate as advisors at every level of SICOG.

ARTICLE VI

A. ALLOCATIONS OF COSTS

1. Counties and cities holding membership in SICOG, Inc. shall contribute to the expenses of SICOG pursuant to the budgetary laws set forth in the Idaho

Code, applicable resolutions and/or ordinances of municipal corporations or Boards of County Commissioners and rules and regulations of SICOG, provided, however, that services and facilities may be provided by such participating agencies in lieu of assessment. Annual assessments from units of governments shall be made on a per capita basis, provided, however, that the per capita assessment shall not exceed twenty cents (20¢) unless the voting rights on the Board of Directors are changed to a one-to-one vote basis. Each city is responsible for its resident population and each county is responsible for residents in its unincorporated area. In order that proposed budget(s) may be implemented, member units shall pay annual dues as provided in these bylaws.

2. Failure to pay such sum by any member within ninety days of receiving notice from the corporation of its being due, shall be grounds for revocation of membership of the delinquent member in the corporation.

3. The dues for each member of the corporation shall be established annually by the Board of Directors. Such dues need not necessarily be equal, but the Directors shall take into consideration all factors which effect the amount thereof, to the end that each member shall pay its fair, but not disproportionate share of the annual operating budget of the corporation.

4. In the event of withdrawal by a member from the corporation, said members shall not be entitled to a return of any dues or portion thereof, heretofore paid; in the event of admission of a new member during fiscal year, said new member shall pay a prorata share of the annual dues required for the balance of the fiscal year yet remaining.

5. The failure of any member to pay the dues as set by the Board of Directors within ninety (90) days of the due date, thereof, shall be grounds for the revocation of membership of such member. Such membership can only be reinstated upon payment of delinquent and current dues.

ARTICLE VII

A. CONTRACTS AND CONTRACTUAL SERVICES

1. SICOG may contract generally and enter into any contract or reasonable agreement with the Federal government, the state, and any municipal corporation and/or any other governmental agency for the purpose of district planning and/or conducting studies of district problems of mutual concern, and/or to do things considered essential to accomplish the purposes of SICOG, and may receive grants and gifts in furtherance of such programs and/or efforts.

ARTICLE VIII

A. EXECUTIVE DIRECTOR AND CONSULTANTS

1. The Board of Directors may employ and discharge an Executive Director.

2. The Executive Director is authorized to carry out the business of SICOG, including the selecting of any consultants as deemed convenient to carry out the purposes and functions of SICOG.

3. The Executive Director is charged to execute the business of SICOG within the guidelines as set forth in the Personnel Manual and Affirmative Action Plan.

ARTICLE IX

A. AMENDMENTS

1. The Bylaws may be amended by two-thirds of those members of the Board of Directors present at a regular or special meeting.

2. The proposed amendment(s) shall be submitted to each Board member two weeks prior to a regular or special meeting.

3. The Articles of Incorporation may be amended as provided by the laws of the State of Idaho.

ARTICLE X

A. VACANCIES IN OFFICE

1. Vacancies in office due to death, resignation, non re-election, removal, disqualification or otherwise, shall be filled for the unexpired term of the office vacated as follows:

a. If the vacancy is in the office of Board of Directors appointed as provided in Article IV, Section A.3. hereof, the vacancy shall be filled by appointment of the governing bodies of the participating members involved.

b. If the vacancy is in the office of Board of Directors appointed under the provision of Article IV, Section A.3. hereof, the successor shall be appointed by the Shoshone-Bannock Tribal Council, Idaho Migrant Council or minority caucus, as appropriate.

ARTICLE XI

A. INDEMNIFICATION

1. The corporation shall indemnify each of its officers, directors and employees, whether or not then in office (and his or her executors, administrator and heirs) against all reasonable expenses actually and necessarily incurred by him or her, including but not limited to judgments, attorney's fees and court costs, in connection with the defense of any litigation or administrative proceeding to which he or she may have been made a party because he or she is or was a director, officer or employee of the corporation, provided, however, he or she shall have no right to reimbursement in relation to matters in which he or she has been adjudged liable to the corporation for negligence or misconduct in the performance of his or her duty as director, officer or employee by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of his or her office of employment.

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JOINT
LEGISLATIVE COMMITTEE ON TRADE
AND ECONOMIC DEVELOPMENT

Room 132, State Capitol
SALEM, OREGON 97310
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June 27, 1987

1987 MAJOR ECONOMIC DEVELOPMENT LEGISLATION

The 1987 Legislature's economic development package lays the foundation for the "Oregon Comeback" directed by Governor Goldschmidt. A combination of balanced regional strategies oriented to local needs and statewide strategies directed at particular industries and opportunities form the basis for the state's economic development efforts. The following legislation is the heart of the program:

HB 3011: The Oregon Comeback Act: Signed by the Governor in May, HB 3011 establishes the framework for developing regional economic development strategies. Each region of the state is slated to have an locally-designed, state-approved economic strategy by 1989. Some $25 million in lottery funds are designated to implement regional strategies.

SB 964: Funding for Statewide Strategies: $60.9 million in lottery proceeds will be used during 1987-89 for economic development. A key element of the Comeback will be the development of statewide strategies to develop important sectors of the Oregon economy, including agriculture, tourism and other basic industries. SB 964 provides funding for new and continued initiatives with statewide significance.

SB 113: Special Public Works Fund: Provides an additional $7.2 million in lottery funds to continue the program established in 1985 to fund roads, sewers, water lines and other public works needed to support specific economic development projects. The Economic Development Department will make grants and loans to municipalities and counties.

HB 3010 and SB 5502: Economic Development Department Budget & Reorganization: These bills strengthen the Economic Development Department, consolidating in one place Oregon's economic development, job training and community development programs. HB 3010 also sets a new state policy for economic development, emphasizing small business growth and job retention. SB 5502 increases the general fund budget for the Economic Development Department from $9.5 million in 1985-87 to $13.1 million in 1987-89.

SB 281 and SB 280: New Initiatives to Provide Capital For Business Investment: These bills create two new programs to meet the capital needs of expanding Oregon Businesses. SB 281 creates a privately owned and financed Oregon Capital Corporation to provide up $50 million in equity capital. SB 280 creates new loan guarantee program in the Oregon Business Development Fund to guarantee small loans to undercapitalized businesses.

LAYING THE FOUNDATION FOR THE OREGON COMEBACK: SUMMARY OF 1987 ECONOMIC DEVELOPMENT LEGISLATION

1987 has been a pivotal year for the Oregon economy. The state's total wage and salary employment has again reached 1,060,000 jobs--the historic pre-recession peak recorded in 1978. The unemployment rate has fallen below the national average for the first time in the decade and now stands at only 5.5%. But troubling signs of economic malaise remain. Oregon's per capita income, which was above the national average in 1978, is now more than $1200 below the national average. In large measure, Oregon's economic recovery has replaced the high wage jobs lost to recession, with lower paying jobs.

The continuing problems posed by deep-seated changes in the economy are a significant challenge to state leaders. Governor Neil Goldschmidt proposed his "Oregon Comeback" plan to assure that state economic development efforts address the needs of every part of the state. The 1987 Legislature took major strides to implement a statewide program to deal with these problems.

A key step in writing economic development legislation in the 1987 Legislature was the further refinement of the economic development criteria first adopted in 1985. The Legislature rewrote the state's economic development policy to incorporate five principal criteria:

- Develop the state's human resources to provide career opportunities and long term economic security for the state's citizens, especially the economically distressed and disadvantaged.

- Promote sectors of the economy that compete in national and international markets.

- Emphasize efforts to aid small communities and rural areas suffering from economic dislocation.

- Provide family wage jobs for Oregonians.

- Concentrate on activities that harness Oregon's economic comparative advantages.

The Legislature declared, for the first time, that Oregon's economic development strategy should focus the state's development and promotion efforts on Oregon's small businesses and on existing industries.

The 1987 Legislature enacted a package of Legislation dealing with every major aspect of economic development, from public works and education to small business and capital development. While the allocation of nearly $61 million in expected lottery revenues was a focus of considerable attention, other programs addressed the role of ports, private sector financial institutions and job training. The following pages more fully describe the accomplishments of the 1987 Legislature in shaping economic development policies which lay the foundation on which the Oregon Comeback will be built.

DEVELOP REGIONAL STRATEGIES: HB 3011

The differences in the economic health of Oregon's varied regions have created the perception in past years that state economic development efforts have not met the needs of all Oregonians. Governor Goldschmidt's call for an Oregon Comeback is based on the need to develop a regional strategy for each region of the state, to assure fairness to all Oregonians and Oregon communities, and to assure that resources for economic development are focused on the most important priorities.

HB 3011--"The Oregon Comeback Act"--establishes the framework for the regional strategy program.

Local Decision-makers choose the Regional Strategy

The process of formulating regional strategies begins with Oregon's thirty-six counties, which singly or together will form economic regions. Each county commission must hold public hearings to invite comments on suggested regional strategies. Proposed strategies--and regional groupings of counties--must also be decided in a public hearing process.

A regional strategy will consist of a clear statement of economic objectives, an identification of a chosen industry or industries around which the strategy is based, and a "short list" of actions to implement the strategy.

State Resources will support the Regional Strategies

Regional strategies will be submitted to the Economic Development Department for its review and approval. The Department will work to assure that local strategies are effectively linked with one another, with state economic development efforts and with the private sector.

The Governor will have final authority to approve each regional strategy and to designate the amount of state resources that will be committed to each strategy. A total of $25 million will be available in 1987-89 to pay for regional strategy projects. Under the HB 3011's "no seconds" clause, no region can get financing for a second regional strategy until each region has received funding for its first strategy.

Efforts to Implement Strategies are Already Underway

Several regions have already formed and are developing regional economic development strategies.

In Central Oregon, Deschutes, Jefferson and Crook Counties have joined to form a region that will focus on tourism development.

A second strategy has emerged for the Portland Metropolitan area centered around the Portland Convention Center. Some $7.5 million of the $25 million available this biennium for regional strategies is earmarked for convention center construction costs.

Lane County is developing its strategy around the proposed Riverfront Science Park in Eugene. Here state assistance is sought to provide transportation improvements needed to develop new industrial property near the University of Oregon.

STATEWIDE STRATEGIES FOR KEY SECTORS: SB 964

Complementing efforts to support each region are efforts to support industries and economic activity on a statewide basis. The Legislature added the following strategies to the Governor's proposal for regional strategies:

Attract More Tourists to Oregon through Greater Marketing Efforts

Tourism is, by many accounts, Oregon's third largest industry. Yet the Governor's initial budget called for no real increase in tourism promotion activities. A key legislative initiative in SB 964 was to add $2,000,000 in lottery funding for additional statewide efforts to promote tourism marketing. This level of funding will enable the economic development Department to undertake a greatly expanded level of advertising including regional television advertising. Looking to the future, SB 996 creates an Oregon Olympics Commission to coordinate efforts to woo the 1998 Winter Olympics to Oregon.

Expand Promotional Efforts for Oregon Agricultural Products

Some $250,000 in lottery funds is earmarked for additional agricultural marketing efforts. Recent efforts to bolster sales through special promotional efforts including the Delta mission to Japan, a special marketing campaign with Bloomingdale's in New York and through cooperative advertising in adjacent states have indicated the promise of such promotion efforts for increasing sales of agriculture products.

Create an Oregon Trade and Marketing Center

In cooperation with the federal government and private sector, the State will expend $1.5 million to establish an Oregon Trade and Marketing Center in downtown Portland. The Center will include offices for state and federal agencies involved in international trade, and will include exhibit, meeting and specialized international trade spaces.

Provide a Strategic Reserve for Emerging Opportunities

Some $2,250,000 in lottery funds will be set-aside in a special "Strategic Reserve" to be used by the Governor to meet unanticipated economic development opportunities that emerge during the biennium. The Economic Development Department is required to develop strategies to guide the expenditure of this money that will address the problems of the state's basic industries.

Continue and Expand the Stabilization & Conversion Fund

SB 950 continues the operation of the Stabilization and Conversion Fund which assists communities and workers affected by business closures. The Fund conducts conducts feasibility studies, offers management assistance and can provide limited capital financing. The Stabilization Fund will receive an additional $500,000 in lottery funds during the 1987-89 biennium.

Support Economically Important Community Events and Activities

A final statewide strategy is continuing support for a wide variety of community-based activities that stimulate local economies. Some $250,000 is reserved for promotional and marketing activities to support downtown retail activities. County fairs throughout the state will receive $400,000 to make capital improvements. Both programs continue funding begun in 1985.

MEETING VITAL PUBLIC WORKS NEEDS: SB 113

A 1984 study by the Oregon Executive Department showed that by 1989, Oregon communities will face a shortfall of more than $700 million in revenues to fund identified needs for roads, sewers, water lines and other public works. Many of these projects are needed to allow the development of industrially and commercially zoned lands.

Expand the Existing Special Public Works Fund

In 1985, the Legislature established the Special Public Works Fund to meet the most pressing infrastructure needs with potential impacts on economic development. In the coming biennium the fund will receive $7.2 million from the proceeds of the state lottery. Monies in the fund will be used to make grants or loans to cities, counties and ports to fund projects related to specific economic development opportunities.

Closely Link Public Works Grants to Economic Development

Administration of the Special Public Works Fund, previously split between two agencies, will be consolidated in the Economic Development Department. All moneys in the Special Public Works Fund will be used for "site-specific" projects--grants and loans to pay the costs of infrastructure for new and expanding industry. SB 113 deleted the requirement that a major portion of public works funds be distributed through an annual competition. Instead, applications for grants and loans may be made at any time, whenever development opportunities arise.

Provide Innovative Financial Solutions to Public Works Costs

SB 113 establishes a variety of new mechanisms to enable cities and counties to fund needed infrastructure. One-half of the money in the fund can be used for loans and the other half for grants. The Economic Development Department is required to retain the value of the fund over time, so that it can fund present as well as future public works needs.

The Economic Development Department is authorized to issue bonds to raise money for eligible public works projects, and to provide financial assistance to municipalities through simple loans, deferred repayment loans, debt service subsidies and other assistance. SB 113 also authorizes cities and counties also to borrow from the Special Public Works Fund without issuing bonds.

Fair Regional Distribution Required

SB 113 continues the requirement, established in 1985, that monies in the special public works fund be distributed fairly between urban and rural areas of the State. Not less than 33% of the money in the fund can be used in urban areas and not less than 33% can be used in rural areas. The remaining 34% is distributed at the discretion of the Economic Development Department.

FILL GAPS IN OREGON'S CAPITAL MARKET: SB 280, SB 281, SB 282

Oregon's economic development has been hindered in many instances by the lack of equity capital for expanding Oregon businesses. A capital market study commissioned by the Legislature in 1984 showed that Oregon's small businesses, especially those outside the state's urban areas, and in traditional industries, have had considerable difficulty in obtaining capital. The 1987 Legislature enacted new initiatives to close the capital gap while making improvements to existing programs.

Continue the Oregon Resource & Technology Corporation

Established by the 1985 Legislature, the Oregon Resource & Technology Development Corporation serves as the state's venture capital arm, making investments in new and innovative technologies, products and processes. The Corporation will receive an additional $3 million in lottery funding during the 1987-89 biennium, bringing its total capitalization to $8.5 million.

In addition, SB 282 makes a number of technical changes to the original legislation that established the Oregon Resource & Technology Development Corporation.

Create a New Privately Funded $50 Million Oregon Capital Corporation

Closing the capital gap confronting Oregon businesses depends largely on establishing a partnership with the private sector to provide new forms of equity capital. SB 281 would allow the creation of a privately-owned and operated Oregon Capital Corporation to make equity and subordinated debt investments in growing Oregon businesses.

The state will provide $10 million in tax credits to investors in the corporation. In return, the corporation would be required to meet certain objectives for investing in Oregon businesses. If the corporation failed to meet any of the objectives, its owners would forfeit their tax credits.

Add Loan Guarantees to the Oregon Business Development Fund

Oregon now provides loans to the state's small businesses through the Oregon Business Development Fund, established in 1983. SB 280 modifies the Oregon Business Development Fund by adding authority for the Economic Development Department to provide partial loan guarantees for private loans to qualified Oregon businesses.

Some $3 million will be made available to the Oregon Business Development Fund in the coming biennium: $2 million for additional direct loans, and $1 million for the establishment of a loan guarantee program.

Moneys in the Oregon Business Development Fund are targeted for small businesses and women and minority entrepreneurs. At least 25% of the fund's loan money must go to loans of less than $50,000, and 15% of the loans and loan guarantees must go to women- and minority-owned businesses.

IMPROVE PROGRAMS TO AID SMALL BUSINESSES: HB 3010, HB 3364, SB 957

Place a New Emphasis on Small Business

HB 3010 rewrites Oregon's statutory economic development policy to place greater emphasis on the development of existing Oregon businesses including the creation, expansion and retention of small businesses. HB 3010 declares that it is the economic strategy of the state "to focus its development and promotion efforts on small businesses and on existing industries."

Continue the Innovative Oregon Marketplace Program

The Legislature provided an additional $750,000 to continue the Oregon Marketplace program begun in 1985. SB 957 requires the Economic Development Department to contract for the statewide operation of a Marketplace program through the 1987-89 biennium. The Marketplace matches potential suppliers of Oregon goods and services with firms that now purchase those items out of state.

Aid Minority and Women Businesses

HB 3364 greatly strengthens Oregon's commitment to minority and women businesses, creating an advocate for minority and women business in the Governor's Office, clarifying the procedures for certification of minority and women contractors, and increasing the penalties for fraudulently seeking such certification.

Integrate Small Business Development Centers into Economic Development Effort

Oregon's Small Business Development Center Network will officially become part of the state's economic development efforts in 1987. Through its 22 offices--located mostly at community colleges--SBDC's provide training, management assistance and counseling to small business-owners and would-be entrepreneurs. The Small Business Development Centers will receive $950,000 in general fund support for the 1987-89 biennium, over and above the substantial federal and local funds contributed to their operation.

Establish a Small Business Advocate

SB 5502, the budget for the Economic Development Department, provides for the new position of Small Business Advocate. The Advocate will assume existing statutory responsibilities for providing regulatory assistance and one-stop permits for all businesses. The Advocate will assure that all state agencies respond to the problems of small business.

Bolster Efforts to Aid and Retain Distressed Businesses

The Economic Development Department will implement new business retention strategies to aid economically-distressed but potentially viable businesses. For the first time, the department has hired a productivity specialist to work with existing businesses to enhance labor productivity. The Stabilization and Conversion Fund is expanded by SB 950 to finance advisory services to help retain businesses. Using the resources of the Department, other state agencies, and other economic development groups, the Department will provide a variety of tailored services--management advice, market analysis and financial planning.

STRENGTHEN THE ECONOMIC DEVELOPMENT DEPARTMENT: SB 5502

Provide Additional Resources for the Department

The Economic Development Department's General Fund budget will increase almost 43 percent, a reflection of its greater responsibilities and an increasing state commitment to economic development. Spending will total some $13,100,000, an increase of $3,900,000 over 1985-87 spending levels.

The Legislature has divided the Department's budget into two one-year segments. Funding for the second year will be based on policies and programs developed during the 1987-88 fiscal year, and must be approved by the Legislative Emergency Board.

Consolidate Community Development Programs

Oregon's two key programs for meeting community public works needs will be moved from the Executive Department to the Economic Development Department by HB 3010. First, the federally-funded community development block grant program for non-metropolitan cities and counties will provide $13.6 million for housing programs, community development and economic development activities. Second, administration of the Special Public Works Fund--formerly split between the Executive and Economic Development Departments--will be consolidated in Economic development. These programs will be fully integrated with the Department's other similar programs to provide the widest range of services to meet community development needs.

Merge Job Training and Economic Development Programs

Administration of the state's major job training program--the $78 million federally-funded "Job Training Partnership Act"--is also being shifted to the Economic Development Department. Frequently, opportunities to promote the economy and to retrain displaced or disadvantaged workers go hand-in-hand. Consolidated state administration of these programs in a single agency enhances the ability of economic development programs to benefit those who are most in need of assistance and makes job training programs effective economic development tools.

Respond to Specific Development Opportunities

The Legislature provided special funding for the Economic Development Department for special opportunities. HB 3289 provided $1.1 million for state efforts to encourage the federal government to build the $4.5 billion "superconducting supercollider" in Oregon. HB 2250 appropriated $135,000 to the Economic Development Department for a supplemental spring and summer tourism advertising campaign to bolster the state's tourism industry.

Assist Worker-owned Enterprises

SB 701 directs the Economic Development Department to play a lead role for the state in providing information and technical assistance to workers seeking to form cooperatives or to purchase the firms they work for. SB 701 also assures that worker-owned businesses have access to state programs to aid small businesses.

STRENGTHEN THE ROLE OF EDUCATION: SB 964

Education plays a critical role in Oregon's economic development efforts. Both by providing a modern, well-trained labor force, and researching new ideas and technologies, the state's educational system contributes to economic expansion. Recognizing this, the Legislature has invested considerable resources in educational improvement, especially in higher education.

Complete Higher Education Capital Construction

Funding of $11,800,000 is authorized for the 1987-89 biennium to provide for the completion of the four new buildings begun at Portland State University, the University of Oregon, Oregon Institute of Technology and Oregon State University last biennium. These buildings will house educational and research facilities for programs with industrial and commercial applications.

Create Ed-Net: the Statewide Two-Way Educational Television Network

In HB 3167, the Legislature approved some $250,000 in funding for planning studies for a two-way educational network to enable the state's educational resources to be more accessible to citizens throughout the state. Ed-Net, as the project is called, will produce detailed specifications and implementation recommendations for a state-of-the-art two-way audio-visual communications systems linking campuses and workplaces throughout Oregon.

Complete Community College Capital Construction

Additional funding is also provided for community college capital construction projects planned beginning the 1985-87 biennium. Some $650,000 in capital funds will go for a health care training facility and Rogue Community College and an Adult Education Center at Umpqua Community College.

Equip Centers of Excellence

A third program continued from the 1985-87 biennium is the "Centers of Excellence" programs at the state's major research universities. In 1987-89, $1,500,000 will be available to pay for additional facility improvements to Centers of Excellence in molecular biology, electrical engineering, laser optics and other fields.

Improve Agricultural Experiment Stations

Research into improving Oregon crops plays a critical role maintaining the competitiveness of farmers. SB 964 appropriates $450,000 to complete construction of a potato research facility near Redmond, and for related agricultural research.

Expand Technical Education in Portland Metropolitan Area

SB 964 provides some $300,000 to remodel a vacant elementary school in Clackamas County, which will serve as a Portland-area campus for technical training courses offered by the Oregon Institute of Technology. Local governments will match the state contribution with over $800,000 to buy and remodel the existing building.

LINK JOB TRAINING AND ECONOMIC DEVELOPMENT: SB 604

Training new workers and retraining for existing workers, especially those affected by economic dislocations, is an important element in improving the state's economy. Traditionally, however, Oregon's various job training programs have not been fully integrated with one another or with economic development efforts. The 1987 Legislature passed two bills, SB 604 and HB 3010, which articulate job training policy and improve the links between job training and economic development.

Establish a State Job Training Policy

SB 604 sets forth a job training policy to develop the state's human resources; to help economically disadvantaged citizens attain self-sufficiency, to coordinate programs to assure effective delivery of training services; to promote local initiative and innovation to better meet local needs; to enhance work force productivity and competitiveness; and include job training as one of Oregon's economic development goals.

Create a State Employment and Training Policy Board

SB 604 bolsters the state's capacity to coordinate various job training efforts. Over $300 million federal and state funds is committed to Oregon's employment and training programs involving six major players: the Job Training Partnership Administration, the Employment Division, the Adult and Family Services Division, the Bureau of Labor and Industries, Division of Vocational Education and Community Colleges and Department of Workers Compensation. There is a lack of coordination among major players, which makes assessment of program effectiveness more difficult.

SB 604 creates a 13-member State Employment and Training Policy Board to coordinate and oversee these programs, to identify and rank training needs, to minimize inefficient use of resources, and to assess program effectiveness.

Shift Job Training Partnership Act Funds to the Economic Development Department

HB 3010 reorganizes the state's economic efforts, moving the Job Training Partnership Administration (JTPA) to the Economic Development Department. The federal government provides funding to job training of young workers, disadvantaged and dislocated workers. These funds are distributed by the state to locally-based Private Industry Councils that make final funding and administrative decisions. The state's JTPA programs will receive $78 million from the federal government for the next biennium.

Create a Targeted Training Fund

To supplement federally funded training efforts, SB 525 establishes a Targeted Training Fund, which will receive $750,000 in lottery funds for the 1987-89 biennium. Under this program the Economic Development Department will make grants to community colleges to develop quick-response training for new and existing industries. The program also requires matching fund from client industry in sharing the training costs.

REALIZE THE POTENTIAL OF OREGON'S PORTS: HB 2612, SB 962

The state's twenty-three ports have undergone severe economic hardship in recent years. State-sponsored port and transportation studies completed in 1986 concluded that Oregon ports face serious financial difficulties and may require a higher level of port planning, coordination and management. These studies also called for a stronger state commitment and a more active state port policy.

The 1987 Legislature took several steps to assist the state's port districts to deal with these problems, and to better utilize existing port development resources. HB 2612 establishes a nine-member Oregon Port Planning and Development Advisory Committee to advise the Economic Development Commission on ports issues, and SB 962 authorizes the International Port of Coos Bay to become a state port and gives the Port greater bonding authority.

Redefine State Ports Policy

Recognizing the vital role of the ports in the state's economy, a state ports policy is established to direct the state's resources to coordinate among state agencies to facilitate ports planning and development, to promote the ports' long-term economic self-sufficiency, to encourage cost-effective and prudent investment and to enhance the ports management capability.

HB 2612 establishes the nine-member Oregon Ports Planning and Development Advisory Committee to coordinate ports development activities, to advise and make specific recommendations to the Economic Development Commission on port issues and to oversee ports studies.

Expand the Capabilities of Oregon Ports

Two bills expanded and clarified the ability of ports to take on a variety of economic development tasks. HB 2609--the Homeport Hospitality Act--extends certain privileges of Oregon residency to armed forces personnel temporarily stationed in Oregon. HB 2610 widens Port powers to stimulate tourism by authorizing Oregon ports to construct and operate recreational facilities.

Fund Needed Port Marketing and Planning Activities

The 1987 Legislature funded several ports activities out of the liquid portion of the Oregon Port Revolving Fund. HB 2612 includes $210,000 for two professional staff for the Ports Division, $250,000 for Port Emergency Assistance Fund, 1.5% of the asset of the fund annually not exceeding $250,000 for the next biennium for the Port Planning and Marketing fund. The Port Revolving Loan fund will also finance further studies of Columbia River port development opportunities and means of improving port management.

Expand the State Role in the Oregon International Port of Coos Bay

If approved by the electors of the port district, SB 962 authorizes the Governor to appoint a seven-member Oregon International Port of Coos Bay Commission. Two of its members will serve one four-year term and may come from outside the Port. The Port would be authorized to issue up to $500,000 annually in general obligation bonds without further voter approval up to a maximum of $1.5 million outstanding at any one time. The Port would also be authorized to annex areas within Coos County and within the watershed of the Coos River.

IMPROVE THE STATE'S ENTER[illegible]ISE ZONE PROGRAM: SB 545

Oregon's economic recovery has not reached every corner of the state; many communities remain mired in the problems of economic restructuring. Enterprise zones, established in 1985, provide special state incentives for development of these areas. Since 1985, the Governor has designated twenty zones around the state, eighteen in rural areas and two in urban areas.

The program is designed to help improve the economy in depressed areas in the state, particularly to help create jobs in those areas. Qualified businesses in the zone investing in certain properties are allowed to receive partial property tax exemption for a period of not more than five years.

SB 545 expands the definition of qualified property, and expands the eligibility for enterprise zone tax exemptions to large investments that retain jobs in enterprise zones.

Create Additional Incentives for Enterprise Zone Investment

The original enterprise zone legislation, passed in 1985, allows a partial property tax exemption on the value of new construction and any new equipment affixed to the newly constructed property. SB 545 broadens this exemption to include renovation of existing property, personal and leased property and increases in land value from site preparation. The requirement that firms obtain 50% or more of its gross receipts from zone activities is deleted.

Extend the Exemption to Investments to Retain Jobs

Current law requires firms to expand employment levels at least 10% in order to qualify for enterprise zone tax exemptions. SB 545 would extend the tax exemption to any investment in an enterprise zone that exceeded $25 million, provided that it met certain standards for job retention. State standards for job retention are set in SB 545; cities or counties sponsoring enterprise zones can set different job retention standards at their option. This provision will create additional incentives for very large investments needed to assure the modernization and continued competitiveness of existing businesses located in enterprise zones.

Clarifications of Administrative Provisions for Enterprise Zones

In rural enterprise zones, only primarily non-retail businesses may qualify for tax exemptions. In urban enterprise zones, retail businesses may qualify for the exemption. The 1985 statute creating enterprise zones did not define "retail" business, leaving this important feature ambiguous. SB 545 defines retail businesses as those that sell merchandise or services to the general public for personal or household consumption.

ALLOCATION OF LOTTERY REVENUES
1987-89 Biennium

The proceeds of the Oregon Lottery, established by the voters in 1984, are constitutionally dedicated to economic development and job creation. Each biennium, the Legislature provides for the allocation of the net proceeds of the lottery among a variety of economic development programs. For the 1987-89 biennium, the estimated $60,955,000 in lottery revenues will be allocated as follows:

I. Regional Strategies	
Regional Strategies Fund	$17,500,000
Convention Center Fund	7,500,000
II. Statewide Strategies	
Tourism Marketing	2,000,000
Resource & Technology Corporation	3,000,000
Oregon Marketplace	750,000
Agribusiness Marketing	250,000
Targeted Training	755,000
Strategic Reserve Fund	2,250,000
Stabilization & Conversion Fund Replacement	500,000
Oregon Institute of Technology	300,000
Oregon Trade and Marketing Center	1,500,000
Downtown Development Association	250,000
County Fairs	400,000
III. Public Works	
Special Public Works Fund	7,200,000
IV. Business Lending	
Oregon Business Development Fund	2,000,000
Loan Guarantee Program	1,000,000
V. Education	
Higher Education Capital Construction	11,200,000
Community College Capital Construction	650,000
Other Programs	1,950,000
TOTAL	**60,955,000**

Enrolled
Senate Bill 964

Sponsored by COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT (at the request of Committee on Regional Convention, Trade and Spectator Facilities)

CHAPTER .....

AN ACT

Relating to lottery funds; creating new provisions; amending ORS 284.430 and section 1, chapter 829, Oregon Laws 1985; appropriating money; limiting expenditures; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) There is allocated to the Regional Strategies Fund from the Executive Department Economic Development Fund, the amount identified in section 43 of this Act.

(2) Amounts available under subsection (1) of this section shall not be used for ongoing or continuing operating expenses, debt retirement or to meet any state agency expenses.

SECTION 2. There is allocated to the Special Public Works Fund from the Executive Department Economic Development Fund the amount identified in section 28 of this Act.

SECTION 3. There is allocated from the Executive Department Economic Development Fund the amount identified in section 36 of this Act for county fairs.

SECTION 4. There is allocated from the Executive Department Economic Development Fund the amount identified in section 29 of this Act for the Oregon Institute of Technology.

SECTION 5. There is allocated from the Executive Department Economic Development Fund the amount identified in section 32 of this Act for tourism marketing.

SECTION 6. There is allocated from the Executive Department Economic Development Fund the amount identified in section 33 of this Act for the Oregon Resource and Technology Development Corporation.

SECTION 7. There is allocated from the Executive Department Economic Development Fund the amount identified in section 34 of this Act for the Oregon Marketplace, chapter _____, Oregon Laws 1987 (Enrolled Senate Bill 957).

SECTION 8. There is allocated from the Executive Department Economic Development Fund the amount identified in section 35 of this Act for agricultural opportunities.

SECTION 9. There is allocated from the Executive Department Economic Development Fund the amount identified in section 37 of this Act for targeted training, chapter _____, Oregon Laws 1987 (Enrolled Senate Bill 525).

SECTION 10. There is allocated from the Executive Department Economic Development Fund the amount identified in section 38 of this Act for the Economic Development Department for the Strategic Reserve Fund.

SECTION 11. There is allocated from the Executive Department Economic Development Fund the amount identified in section 39 of this Act to the Economic Stabilization and Conversion Fund.

SECTION 12. There is allocated from the Executive Department Economic Development Fund the amount identified in section 40 of this Act for the Oregon Business Development Fund.

SECTION 13. There is allocated from the Executive Department Economic Development Fund the amount identified in section 30 of this Act for the Trade Center project.

SECTION 14. There is allocated from the Executive Department Economic Development Fund the amount identified in section 31 of this Act for the Oregon Downtown Development Association.

SECTION 15. There is allocated from funds available in the Executive Department Economic Development Fund to the Department of Higher Education the following sums for the following purposes:

(1)	Higher Education Capital Construction Fund	$ 11,200,000
(2)	Agricultural Experiment Station	$ 450,000
(3)	Centers of Excellence Equipment	$ 1,500,000

SECTION 16. There is allocated from funds available in the Executive Department Economic Development Fund to the Department of Education $650,000 for community college construction.

SECTION 17. ORS 284.430 and section 1, chapter 829, Oregon Laws 1985, are added to and made a part of ORS chapter 461.

SECTION 18. (1) The transfer to the Executive Department Economic Development Fund for the biennium beginning July 1, 1987, is projected at $60,955,000, which represents 34 percent of expected lottery ticket sales. To maintain accountability, the Oregon State Lottery Commission shall report quarterly the status of its revenues and transfers made to the Executive Department Economic Development Fund to the appropriate legislative review agency.

(2) Revenues earned for economic development which have not been transferred in the 1987-1988 fiscal year shall not exceed $3.8 million. This limit shall be reduced continuously without interruption in subsequent years by $380,000 per year until reduced to zero. Revenues earned for economic development which have not been transferred shall be $3 million or less on June 30, 1989.

SECTION 19. The Executive Department shall, by rule, establish a uniform allocation schedule of revenues based on the estimate contained in subsection (1) of section 18 of this Act that allocates all balances in the Executive Department Economic Development Fund each quarter and is adjusted to incorporate the payments to higher education in accordance with section 7, chapter 828, Oregon Laws 1985, and to the Oregon Convention Center beginning July 1, 1988, as provided in subsection (2) of section 23 of this Act.

SECTION 20. The Executive Department is directed to establish, by rule, an allotment process to reduce each allocation in the event of a revenue shortfall, provided:

(1) That reductions in each allocation shall be made in proportion to the shortfall in quarterly revenues.

(2) Prior quarter allocation shortages shall be funded from succeeding quarter revenues.

SECTION 21. (1) Revenues in excess of the amounts needed to fund the quarterly allocation shall be carried forward to succeeding quarters provided that such amounts in excess of $2 million shall be transferred:

(a) Seventy-five percent to Special Public Works Fund.

(b) Seventy-five percent to Strategic Reserve Fund.

(2) Amounts available under subsection (1) of this section shall not be used to meet any state agency expenses unless approved by the Emergency Board.

SECTION 22. The Executive Department is authorized to approve the short-term movement of balances between the following categories to meet short-term cash flow requirements, provided that all transfers are returned by January 1, 1989:

(1) Regional Strategies Fund.

(2) Special Public Works Fund.

(3) Strategic Reserve Fund.

SECTION 23. (1) There is created an Oregon Convention Center Account in the Regional Strategies Fund, to consist of all moneys credited thereto, including moneys from the Executive Department Economic Development Fund. The account is continuously appropriated to the Economic Development Department. Moneys in the account shall be paid to the Metropolitan Service District for the purposes of paying the expenses of the construction of the Oregon Convention Center.

(2) Commencing July 1, 1988, an amount equal to $15 million shall be allocated from the Executive Department Economic Development Fund to the Oregon Convention Center Account in quarterly instalments of $1,875,000, subject to subsection (4) of this section, and allowing for changes in lottery revenues.

(3) Moneys in the account shall be paid quarterly when practicable to the Metropolitan Service District for the purpose of paying the expenses of the construction of the Oregon Convention Center.

(4) The Metropolitan Service District shall hold such funds prior to their expenditure in an interest bearing account, and shall seek the highest return on investment consistent with prudent risk and its need for the funds. The district shall quarterly certify the amount of interest earnings on any unexpended funds, and the amount of any such interest earnings shall be subtracted from the amount to be paid to the Oregon Convention Center Account in the quarter following the quarter in which the interest was earned. The amount of the interest earnings shall also be subtracted from the total amount to be transferred to the district under this Act.

SECTION 24. (1) There is created a Regional Strategies Fund to consist of all moneys credited thereto, including moneys from the Executive Department Economic Development Fund, and all interest earned on the Regional Strategies Fund. The fund is continuously appropriated to the Economic Development Department to be used for grants to implement chapter 115, Oregon Laws 1987 (Enrolled House Bill 3011), and this Act.

(2) The fund shall not be used to pay administrative expenses of the department, to retire any debt or to reimburse any person or municipality for expenditures made or expenses incurred prior to the adoption of a regional strategy.

SECTION 25. (1) There is created a Strategic Reserve Fund to consist of all moneys credited thereto, including moneys from the Executive Department Economic Development Fund, and all interest earned on the Strategic Reserve Fund. The fund is continuously appropriated to the Economic Development Department to be used to implement the state-wide strategies under chapter 115, Oregon Laws 1987 (Enrolled House Bill 3011).

(2) The fund shall not be used to pay administrative expenses of the department, to retire any debt or to reimburse any person or agency for expenditures made or expenses incurred prior to the adoption of the state-wide strategy as provided in subsection (3) of this section.

(3) After September 1, 1987, no money shall be disbursed from the Strategic Reserve Fund until the department adopts and submits to the Legislative Assembly a strategy for expenditure of such funds. The department is directed in the preparation of such a strategy or strategies to place particular emphasis on developing cost-effective, long-term policies to assist the creation, expansion and preservation of Oregon's principal traded sector industries, including but not limited to agriculture, forest products, electronics and other diversified manufacturing.

SECTION 26. ORS 284.430 is amended to read:

284.430. Any economic development program financed with proceeds from the state lottery authorized by section 4, Article XV of the Oregon Constitution **and ORS chapter 461** shall have displayed conspicuously on the site or as part of the program information specifying that the program is being financed by the state lottery.

SECTION 27. Section 1, chapter 829, Oregon Laws 1985, is amended t read:

Sec. 1. (1) [*During the period beginning on the effective date of this Act and ending on July 1, 1987,*] All agencies, persons and organizations expending moneys for the net proceeds of the lottery authorized by section 4, Article XV of the Oregon Constitution for the public purpose described in section 4, Article XV of the Oregon Constitution shall report to the Joint Legislative Committee on Trade and Economic Development on the economic development consequences of those expenditures. Such reports shall be submitted in accordance with an annual schedule and in a form prescribed by the committee, and shall include at a minimum information on the following:

(a) An accounting of the amounts expended from the lottery proceeds;

(b) An estimate of the amounts of public and private funds expended in concert with lottery funds to achieve the public purpose described in section 4, Article XV of the Oregon Constitution;

(c) An estimate of the number of jobs produced by the total expenditure of funds for the public purpose described in section 4, Article XV of the Oregon Constitution; and

(d) Such other information as the committee may require.

(2) The reports required by subsection (1) of this section shall be submitted to the [*Sixty-fourth*] Legislative Assembly.

SECTION 28. In addition to and notwithstanding any other law, the amount of $7.2 million is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for purposes of section 2 of this Act.

SECTION 29. In addition to and notwithstanding any other law, the amount of $300,000 is established for the biennium beginning July 1, 1987, as the maximum limit for the payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for the Oregon Institute of Technology.

SECTION 30. In addition to and notwithstanding any other law, the amount of $1.5 million is established for the biennium beginning July 1, 1987, as the maximum limit for the payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for the Trade Center project. However, the proposal shall be submitted to the Emergency Board for approval before committing or expending any funds.

SECTION 31. In addition to and notwithstanding any other law, the amount of $250,000 is established for the biennium beginning July 1, 1987, as the maximum limit for the payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for the Oregon Downtown Development Association.

SECTION 32. In addition to and notwithstanding any other law, the amount of $2 million is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for tourism marketing.

SECTION 33. In addition to and notwithstanding any other law, the amount of $3 million is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Oregon Resource and Technology Development Corporation from funds received from the Executive Department Economic Development Fund for the Oregon Resource and Technology Development Corporation.

SECTION 34. (1) In addition to and notwithstanding any other law, the amount of $750,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for the Oregon Marketplace.

(2) The contractor selected by the Economic Development Department pursuant to chapter_____, Oregon Laws 1987 (Enrolled Senate Bill 957), shall report to the Economic Development Department on the expenditure of all funds provided in this Act, including a description of activities conducted with such funds, in such financial detail as the department, by rule, shall prescribe.

(3) The contractor selected by the Economic Development Department pursuant to chapter_____, Oregon Laws 1987 (Enrolled Senate Bill 957), shall implement the Oregon Marketplace on a state-wide basis.

SECTION 35. In addition to and notwithstanding any other law, the amount of $250,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for agricultural opportunities.

SECTION 36. In addition to and notwithstanding any other law, the amount of $400,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for county fairs.

SECTION 37. In addition to and notwithstanding any other law, the amount of $755,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for targeted training under chapter _____, Oregon Laws 1987 (Enrolled Senate Bill 525).

SECTION 38. In addition to and notwithstanding any other law, the amount of $2,250,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for the Strategic Reserve Fund.

SECTION 39. In addition to and notwithstanding any other law, the amount of $500,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for the Economic Stabilization and Conversion Fund.

SECTION 40. In addition to and notwithstanding any other law, the amount of $3 million is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for the Oregon Business Development Fund.

SECTION 41. In addition to and notwithstanding any other law, the amount of $1,500,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Department of Higher Education from funds received from the Executive Department Economic Development Fund for the Department of Higher Education for purposes of section 15 of this Act.

SECTION 42. In addition to and notwithstanding any other law, the amount of $650,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Department of Education from funds received from the Executive Department Economic Development Fund for the Department of Education for purposes of section 16 of this Act.

SECTION 43. In addition to and notwithstanding any other law, the amount of $25 million is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses by the Economic Development Department from funds received from the Executive Department Economic Development Fund for the Regional Strategies Fund implementing regional strategies, of which $7.5 million is to be available under section 23 of this Act.

SECTION 44. Prior to expending any moneys under sections 32, 35 and 38 of this Act, the Economic Development Department must find that the expenditure of funds complies with the standards listed in ORS 184.025 (1) and (3) to (5).

SECTION 45. The allocation of the Executive Department Economic Development Fund made by this Act shall supersede, replace and is in lieu of any prior authorization of any allocation of such funds.

SECTION 46. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect July 1, 1987.

Passed by Senate June 18, 1987

.....
Secretary of Senate

.....
President of Senate

Passed by House June 22, 1987

.....
Speaker of House

Received by Governor:

.....M., ..., 1987

Approved:

.....M., ..., 1987

.....
Governor

Filed by Office of Secretary of State:

.....M., ..., 1987

.....
Secretary of State

Enrolled
House Bill 3011

Sponsored by COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

CHAPTER .....

AN ACT

Relating to the Oregon Comeback; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. This Act shall be known as the Regional Economic Development Act.

SECTION 2. As used in this Act, unless the context requires otherwise:

(1) "Department" means the Economic Development Department.

(2) "Region" means a county or groups of counties that join together to develop and implement an economic strategy.

(3) "Regional strategy" is an economic development plan to build or enlarge a principal economic activity selected by the region and its citizens.

SECTION 3. (1) The Legislative Assembly finds that regional strategies are key to the state's economic revitalization and that to be effective regional strategies must have the coordinated support of available resources.

(2) The Legislative Assembly declares that the purpose of this Act is

(a) To encourage the development of strategies that address the economic problems of each region of the state;

(b) To effectively utilize available resources through a regional strategies program; and

(c) To coordinate private and public resources to support economic development.

SECTION 4. (1) Not later than 60 days after the effective date of this Act, by rule, the department shall adopt standards for regional economic development strategies.

(2) The standards shall provide that the strategies are approved in accordance with criteria reflecting the economic benefits to the state. Each strategy must at a minimum set forth in measurable terms the extent to which the strategy will:

(a) Build or enlarge economically viable industries, with reasonable long-term growth prospects, including opportunities for innovative new industries;

(b) Result in a net benefit to the state in the long term and not require continuing state subsidies;

(c) Utilize existing public and private assets, including infrastructure, human resources and plant and equipment;

(d) Improve the conditions of the economically disadvantaged and increase the number of family wage jobs;

(e) Harness Oregon's comparative advantage with emphasis on the growth and development of existing, in-state businesses, especially small businesses;

(f) Direct assistance primarily to strategies that assist businesses selling goods and services in markets for which national or international competition exists;

(g) Result in the economic revitalization of small cities and underdeveloped urban and rural areas; and

(h) Assure that public investments to implement a strategy are matched, to the maximum extent possible, by the contribution of private financial and other resources.

(3) The department shall expedite and facilitate the definition of regions, based on historical, cultural and economic links among counties by recommending potential groupings of counties to form regions.

SECTION 5. Regional economic development strategies shall serve as a basis for state financial assistance to projects to aid a regional economy. Each county or group of counties that form a region shall submit a regional strategy which at a minimum shall include the following elements:

(1) An identification of the principal industry or economic activity that the region is seeking to stimulate with its regional strategy;

(2) An analysis of the unique or significant resources that provide the foundation for the strategy;

(3) An evaluation of alternative resources and alternative strategies for the region;

(4) An analysis of barriers to development of the selected economic activity in the region and an identification of the means to overcome those barriers;

(5) A list of actions to implement the regional strategy, including actions by:

(a) Local governments;

(b) The private sector;

(c) State government; and

(d) Federal Government;

(6) A prioritized list of activities to be undertaken or funded by the state from lottery proceeds and other sources;

(7) A plan for involvement of disadvantaged and minority groups in the regional strategies and an identification of job training and employment practices to benefit the economically disadvantaged including but not limited to, affirmative action goals; and

(8) A description of the number and types of jobs created, investments made and other measurable indications of economic progress as set forth in section 4 of this Act.

SECTION 6. (1) The governing body of each county of this state shall be responsible for the submission of a regional strategy as provided in section 5 of this Act. The governing body of a county may, by ordinance, delegate its responsibility under this section to another body. Wherever possible, the governing bodies of counties shall work to form multicounty regional strategies.

(2) Individually or in concert with the governing bodies of other counties, the governing body of each county shall solicit public comment and involvement in the development of ideas and suggestions for regional strategies. Notwithstanding subsection (1) of this section, after giving appropriate notice, each county governing body shall at least once hold a public hearing to receive suggestions.

(3) Individually or in concert with the governing bodies of other counties and after giving appropriate public notice not less than two weeks prior, the governing body of each county or the body designated to prepare the regional strategy shall hold a public hearing in each county in the region prior to a vote to recommend to the Governor the regional strategy described in section 5 of this Act.

SECTION 7. (1) After considering the recommendations submitted under section 6 of this Act, the Governor may designate a region and adopt a proposed regional strategy or return the strategy to the affected counties for modification.

(2) The department shall coordinate adopted regional strategies with existing state and local economic development efforts to support a state strategy for economic development.

(3) The department shall discourage competition among regions for existing Oregon businesses and economic activity.

SECTION 8. (1) In carrying out the provisions of this Act, the department shall work to assure that all counties are included in a region with an adopted strategy and that each regional strategy is considered for implementation not later than July 1, 1989.

(2) A region shall not be entitled to funding under this Act in excess of the amount specified in the regional strategy adopted by the Governor prior to the time that each other region of the state has received initial funding for the priority activities within its approved strategy.

SECTION 9. The department shall consult with the Legislative Committee on Trade and Economic Development on the designation of regions, the adoption of regional strategies, the expenditure of funds on behalf of such strategies and the accomplishments of such strategies.

SECTION 10. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on its passage.

Passed by House April 22, 1987

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Chief Clerk of House

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Speaker of House

Passed by Senate May 1, 1987

.....
President of Senate

Received by Governor:

.....M., ..., 1987

Approved:

.....M., ..., 1987

.....
Governor

Filed by Office of Secretary of State:

.....M., ..., 1987

.....
Secretary of State

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MAX RIJKEN

SALLY PAULBITSKI
Committee Assistant

December 11, 1984

RECOMMENDED CRITERIA FOR LOTTERY FUNDING

Oregon's lottery, approved by the voters on November 6, will provide about $25 million to $40 million annually for economic development.

Based on its analysis of the economic problems of the State, the Joint Legislative Committee on Trade and Economic Development has adopted the following nine general criteria which it recommends the 1985 Legislature consider in its allocation of lottery funds for economic development:

Substantive Criteria

- The Declining Number of Quality of Jobs for Oregonians

  The problem of the declining number of family wage jobs in Oregon identified in a report prepared for the Committee is a problem the Legislature should address in setting priorities for the use of lottery funds.

- Problems of Distressed and Dying Communities

  Oregon's economic recovery has been very uneven. Many one-industry towns throughout the state face serious economic distress, which the state's current economic development policies have done little to address. Nearly all of the recently announced plant investments have gone into metropolitan areas, for example.

- The Chronic Lack of Development in Rural Areas

  Not all of the state's rural communities face economic extinction, but their economic futures rest on different assets than the state's metropolitan areas. These areas will need different policies, and a special emphasis if their economic development efforts are to succeed.

- The Impairment and Underuse of Higher Education

  Oregon's system of higher education plays a vital role in securing the state's economic future, but, due to severe budget problems, has been severely cut. Restoring the quality of educational programs at the

state's major colleges and universities, and emphasizing those with large potential contributions to the state's economy should be an important part of any economic development strategy.

- The Vital Role of Small Business

  In Oregon, as nationally, small businesses are the largest producers of new jobs. While programs to aid larger businesses are often more visible and more easily administered, emphasizing small business development and entrepreneurship can pay large dividends for the state's economy. In particular, programs should recognize the special potential for promoting economic equality that results from stimulating the growth of women- and minority-owned businesses.

- Oregon's Comparative Advantages

  Wherever possible, the State should spend its resources in economic development on projects that either develop or exploit Oregon's economic comparative advantages over other states as a place to do business. Programs should seek to build on Oregon's advantages by increasing the value-added in Oregon, for example, by further processing of agricultural and timber products. In the long run, Oregon's best prospects for permanent, high quality jobs rest in industries that utilize Oregon's unique human and natural resources.

- Traded Industries

  Wherever possible, the State should allocate its resources to the development of so-called "traded sectors of the economy: Oregon businesses that compete in national and international markets. As economist Adam Smith noted more than 200 years ago, it is these industries that create wealth and are the economic base of our communities. As it has done it legislatively-authorized bond loan programs, Oregon should give highest priority to those economic development efforts which stimulate businesses selling goods and services chiefly outside Oregon.

Georgia's Area Planning and Development Commissions



The Vital Link

GEORGIA'S APDCS: THE VITAL LINK

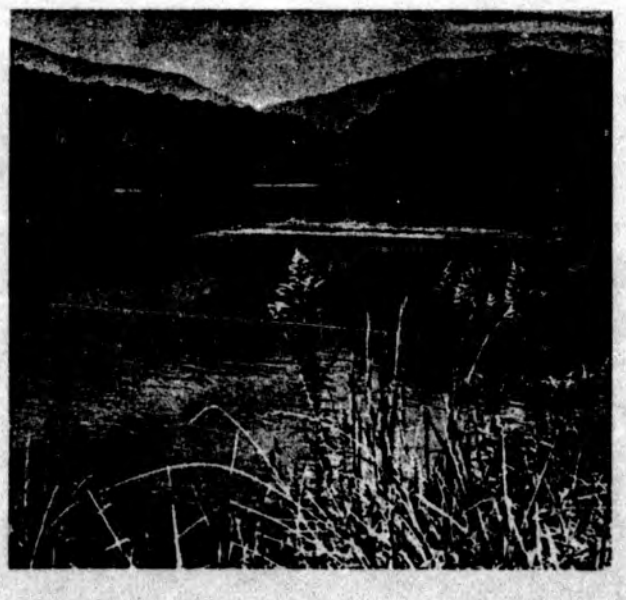
• A local city official needs to obtain an updated map of his area but he does not have a drafting department. He needs a professional cartographer he can depend on.

• Community leaders are concerned about growth activity in their area and they see that this growth is tied to the surrounding cities and counties. They need a qualified planner to help coordinate a realistic approach to work out problems while recognizing potential opportunities.

• A developer is interested in pursuing land development opportunities. He needs accurate statistical data to help him determine if the project is feasible.

In these types of situations, local officials and local citizens depend on an Area Planning and Development Commission (APDC), an organization created on behalf of local governments within a designated region.

Local governments rely heavily on their APDCs to assist them in carrying out activities that will benefit their units of government. Local officials and community leaders work closely with the professional APDC staff to receive maximum possible service from federal and state agencies. In this way, APDCs provide a vital link between local, state, and federal governments and agencies by pooling unlimited skills into eighteen central offices that serve cities and counties throughout Georgia.



LOCAL INITIATIVE PROMPTED APDC DEVELOPMENT

In the mid-1950s, several River Development Associations were formed to develop a particular river. Because of the success these developers experienced and the large number of units of government involved, leaders at the state level were encouraged to provide the unique opportunity of joining local governments in Georgia together for the purpose of solving regional problems.

The State Legislature amended the Georgia General Planning Enabling Act of 1957 to allow for two or more cities and/or counties to join together for the purpose of planning. After the act was passed, the first APDC was formed in 1961. Today there are eighteen APDCs operating under Georgia Code 50-8-30, which provides for the legislative base of APDCs. Each APDC serves a two-fold purpose—to strengthen the efficiency of local government and to help its respective region develop in response to area needs and available resources.



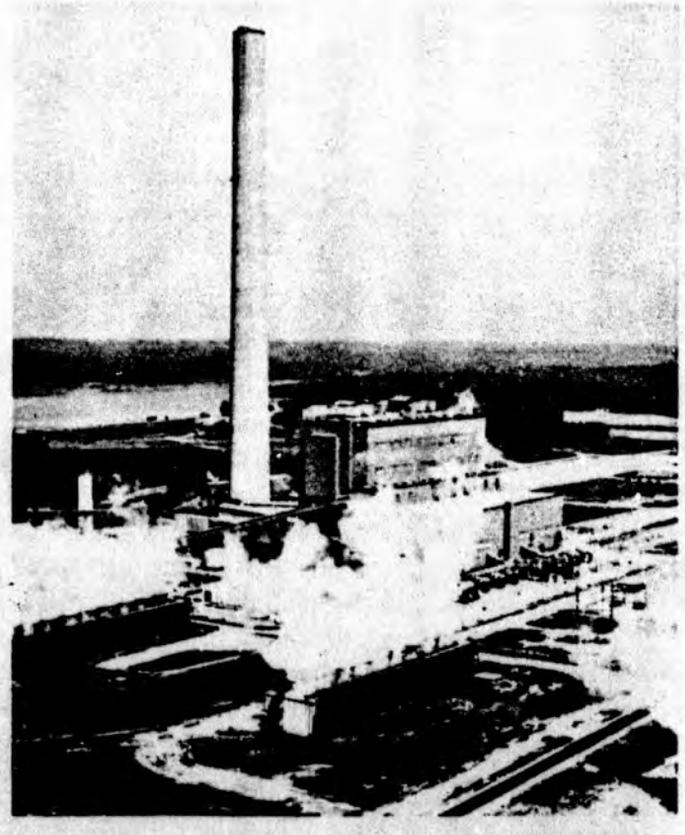






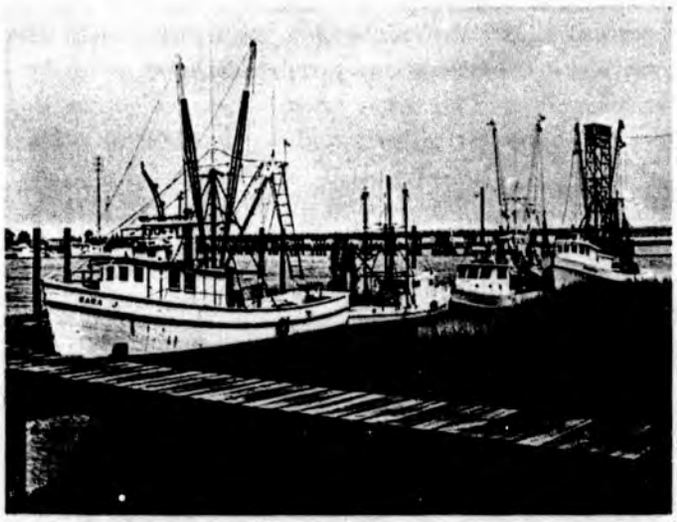
MEMBER COMMUNITIES MAKE APDC POLICIES

Each APDC is governed by a Board of Directors appointed by its designated cities and counties to make up its membership. These leaders, two-thirds of whom are elected officials, meet on a regular basis to set policies and work programs. These policies guide the APDC staff in carrying out its program responsibilities. The Board of Directors identify local and regional problems and rely on the APDC staff to see that the projects and activities are recognized and completed on a timely basis. These programs use the professional talents of the staff in various areas of regional planning, economic development, transportation, land use, recreation, historic preservation, health and human resources, civil, sanitary, or traffic engineering, as well as landscape architecture, statistics, and public administration.



APDCS TAKE A REGIONAL VIEW

Although APDCs work closely with city and county officials, they also promote progress of their entire area by alerting city and county officials to ways in which they can pool resources and use them to achieve common goals. In this way, city and county leaders work together to develop a regional perspective. By bringing together similar problems and working through their APDC, local officials are more apt to identify and define specific answers to these problems while contributing to an areawide perspective in a significant way. APDCs help local people search out answers to local and regional problems, find alternatives, and assist them in carrying out effective actions.

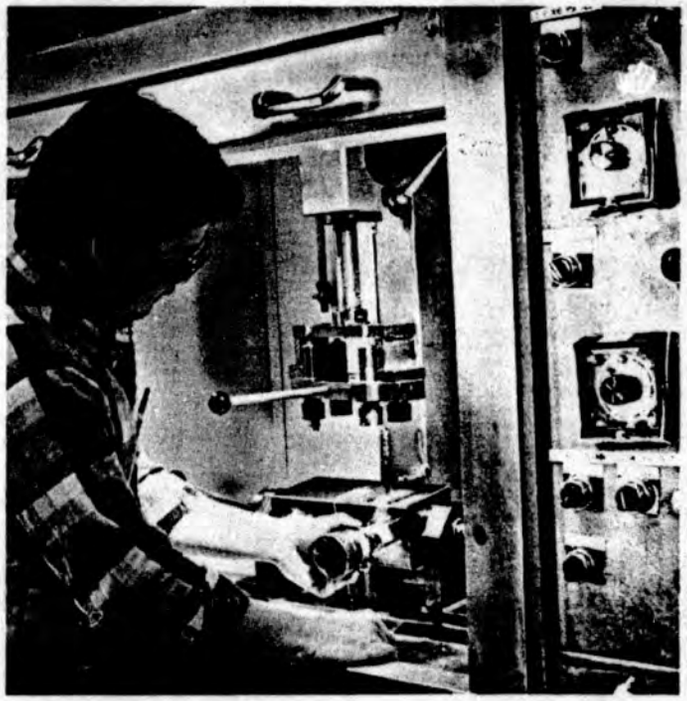


To provide a regional perspective, most APDCs classify their programs under three general headings: DEVELOPMENT—signifying commercial, industrial, and economic improvements and progress; GOVERNMENTAL MANAGEMENT—areas ranging from personnel development to financial management; and PLANNING—including human resources, land use, and specialized programs and planning studies.

A list of specific kinds of activities implemented by the APDC network follows. Many of the programs vary from APDC to APDC because each commission develops its own programs based on local needs.

APDC ACTIVITIES

Intergovernmental Consultation Process (formerly A-95 Review)—a means to prevent agencies from duplicating their funding efforts. The local APDC identifies a project to be consistent with local and areawide plans.



Budget/Financial Administration—assistance in budget preparation or preparation of personnel system.

Community and Rural Development—identification and utilization of available resources that would increase public and private partnership to allow communities to increase their job base through shopping centers, commercial warehouses, and industrial development.

Criminal Justice—assistance in procedures and management.

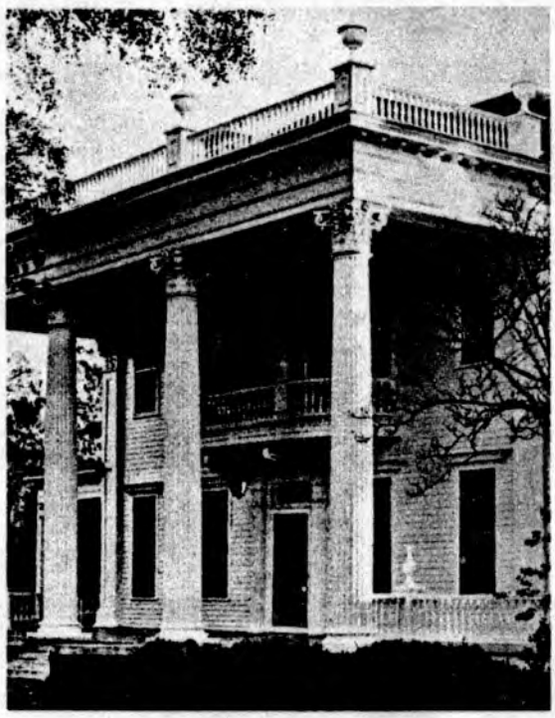
Data Processing—information and services to aid in handling large amounts of statistics; consultation on computer purchasing, utilization.

Demographic/Statistics—current facts, figures, and estimates about the future growth in a specific area.

Disaster Preparation—assistance in emergency disaster and storm planning.

Downtown and Economic Development—industrial development assistance; information, data, consultation for community planning and industrial prospects and building community consensus.

Grant Application Writing—research and preparation of applications for various grants available on federal and state levels; administration of grants received.



Historic Preservation—technical assistance in preparation of National Register of Historic Places nominations, local education, organization, and planning efforts; surveys of historic resources; information on state and national historic preservation programs.

Housing—information on housing conditions, market analysis, programs, and financing.

Information—information clearinghouse services in community development, economic development, and related fields; copies of state laws.

Job Training—information on and administration of training programs for economically disadvantaged persons and dislocated workers.

Land-Use Planning—assistance in land-use planning procedures and techniques; preparation of local or regional land-use plans.



Litter Reduction—information on litter control, landfill space, recycling, and resource recovery.



Loan Packaging—through private, non-profit corporations, APDCs package loans for private business people who use state and federal loan programs.

Management—technical and research assistance in general management problems, personnel, and fiscal management.

Maps—cartographic information, maps, aerial photography, satellite data, and geologic information.

Natural Resources—consultation on natural resources development, management, and protection services.

Ordinances—preparation of model code of ordinances; preparation/codification of ordinances.

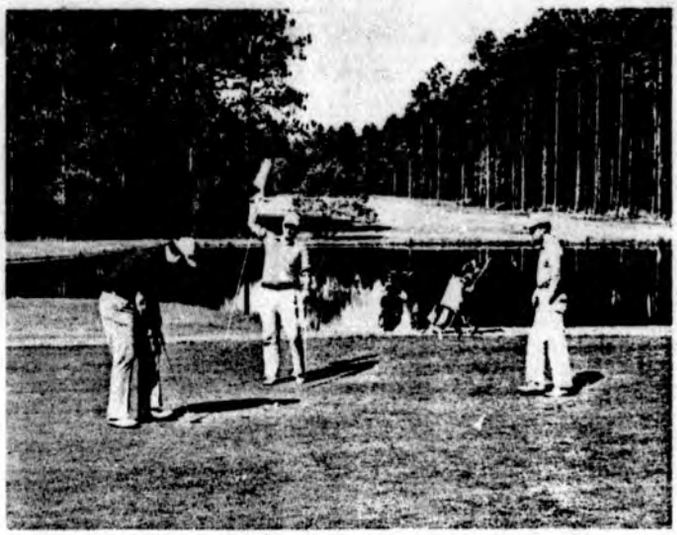
Personnel—assistance in developing personnel policies and procedures; job descriptions; affirmative action plans; pay plans; wage surveys.

Records Management—training and assistance in record-retention schedules, forms, and file management.

Recreation Planning—assistance in preliminary plans for parks; recreation surveys; grant requests.

Research—basic research information and data on topics such as rural development, planning, public finance, urban problems, vital statistics; library of information relevant to concerns of local government officials.





Ridesharing—coordination in developing van/carpools; park-and-ride lots.

Administration of Services to Elderly—administration of services which include nutrition sites, home-delivered meals, nursing home ombudsmen, and community care.

Sewerage and Solid Waste—consultation on management of sewer systems; collection and disposal technical assistance; preparation of solid waste plans.



Subdivision Regulations—model regulations; preparation of local regulations.

Tourism—tourist promotional information; preparation of brochures; coordination of events.





Transportation Planning—assistance in preparation of transportation studies and programs.

Water Systems—advice on managing and improving water systems.

Zoning—guidance in developing zoning ordinances; preparation of ordinances; zoning administration.



MEMBER CITIES AND COUNTIES FINANCE APDC BUDGET

APDCs in Georgia were organized at a time when there were no state or federal funds available to support their operation. Therefore, cities and counties levied per capita assessments for this purpose. These assessments have continued and now range from 25 cents to $1.00. Several APDCs have implemented a unique assessment structure that places a greater fee on a county whose local officials use more of the APDC services than local officals of another county. This way assessments are greater for those local governments who request more APDC services. Additional financial resources are provided through various state and federal agencies.

APDCS LINK WITH OTHER AGENCIES

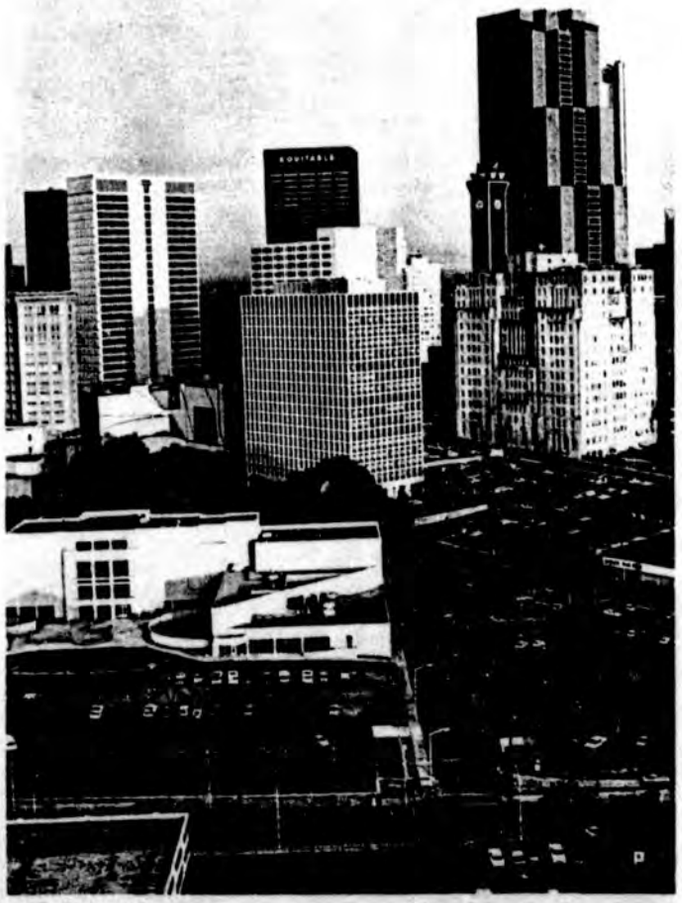
APDCs in Georgia are a vital link in the total Georgia intergovernmental system. This intergovernmental system contributes to the effective and efficient management of state and federal activities by banding small numbers of governments together through an APDC to work on and solve regional problems they might have. Because of this cooperation and joint working efforts among local governments, these local entities receive benefits that they would not receive otherwise.

The Department of Community Affairs serves as the state agency charged with promoting the orderly development of community services and coordinated state, areawide, and local development plans. DCA contracts with APDCs to offer continuing education and training to APDC staff and maintains a skilled professional and technical staff of community development planners and resource personnel.

This entire coordinated approach would not be possible without the University System and city/county government associations in Georgia. The Association County Commissioners of Georgia and the Georgia Municipal Association, which are both advocates for local government, provide leadership and political support for local leaders throughout the state.

APDCS STAND READY TO RESPOND

The APDCs were created by local governments for the purpose of providing a ready-action unit to respond at any time to any subject of immediate concern to a particular unit of government. As opportunities and planning problems increase for city and county governments and as more responsibility is shifted from the federal government to state and local governments, the APDC link will remain vital to these units of government. APDCs are designed to meet local and regional needs effectively and efficiently now and in the future.



AREA PLANNING AND DEVELOPMENT COMMISSIONS

MAY, 1979



DEPARTMENT OF COMMUNITY AFFAIRS
PLANNING AND PROGRAMMING DIVISION

GEORGIA'S AREA PLANNING & DEVELOPMENT COMMISSIONS

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Baxley, GA 31513
(912) 367-3648

Atlanta Regional Commission
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100 Edgewood Ave., N.E.
Atlanta, GA 30335
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GIST 221-7700

Central Savannah River APDC
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Augusta, GA 30904-0800
(404) 737-1823
GIST 337-1823

Chattahoochee-Flint APDC
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Coastal APDC
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Brunswick, GA 31521
(912) 264-7363
GIST 365-7363

Coosa Valley APDC
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Rome, GA 30161
(404) 295-6485
GIST 231-6485

Georgia Mountains APDC
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Gainesville, GA 30503
(404) 536-3431
GIST 261-5480

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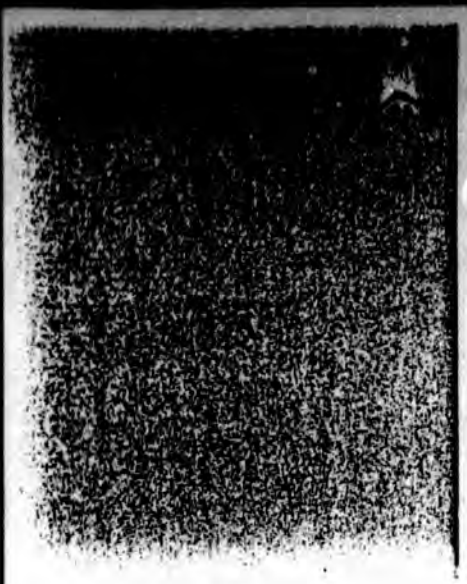
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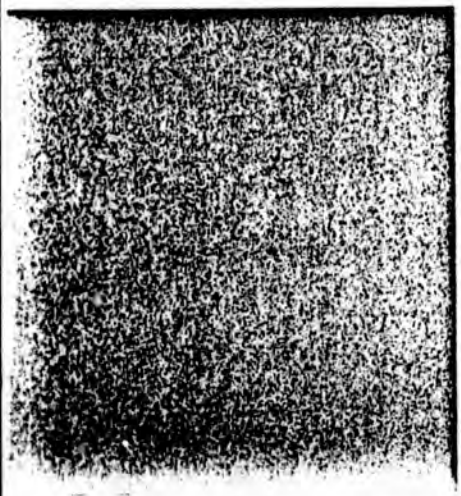
Economic Development Districts in Georgia

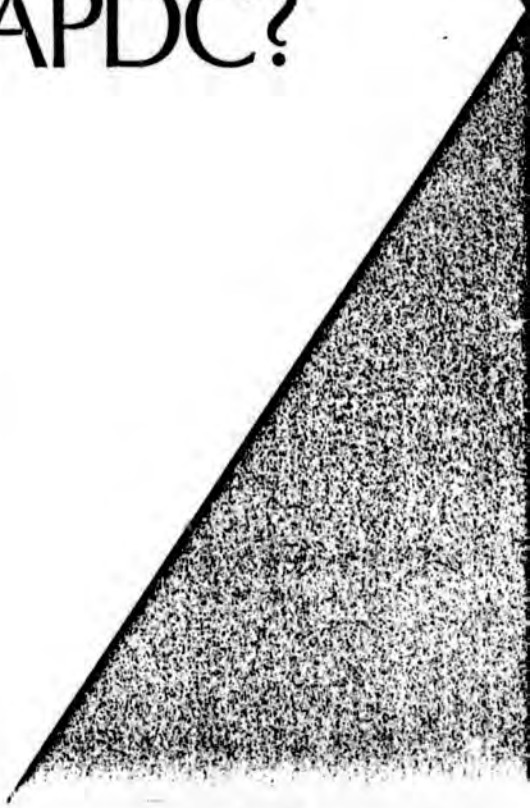
This booklet is about Georgia's APDCs

What they are and why



What's an APDC?





AN APDC IS AN AREA PLANNING AND DEVELOPMENT COMMISSION.

In brief, its business is to come up with ways of helping member counties and cities to make the most of their resources—human, economic, and natural—so that people in the area can live a better life. All but 4 of Georgia's 159 counties are members of one of the state's 19 APDCs.

APDC POLICY IS MADE BY MEMBER COMMUNITIES.

Each APDC is guided by a board of directors which meets monthly to make decisions about the direction and speed, the spirit and substance of that commission's work.

Made up of local leaders, the board consists of at least one representative from each member county and one from the cities within that county. They are often elected officials or someone appointed by them.

The board employs and directs a staff. It is usually made up of an executive director, and others with professional training in city or regional planning, economic development, transportation, and law enforcement. Some APDCs also employ recreation or health planners, sanitary or traffic engineers, landscape architects, or public administrators.

LOCAL DIMES AND QUARTERS ARE THE BACKBONE OF APDC BUDGETS.

APDCs exist because of the 10-25¢ per capita contribution of member counties and cities, matched by state and federal funds for planning. But APDCs can multiply 100 times and more the value of these planning dollars by helping their communities get state and federal money to carry out plans made with APDC assistance.

APDCs TAKE A REGIONAL VIEW OF LOCAL PROBLEMS.

Although much of their work has been with counties and cities, APDCs have kept a regional perspective.

Local planning has meant answering calls for help from communities—help with land and buildings, homes and businesses, streets and traffic, budgets and government. It's the APDC's job to help local people search out answers, find directions, name alternatives, or lay a blueprint which they can act on.

But no matter how local the problem, APDCs offer community decision-makers a big view of what's going on in the area—how their own problems tie in with what's happening up and down the river, up and down the road.

APDCs WORK TOWARD THE PROGRESS OF THEIR WHOLE AREA.

They alert counties and cities to ways in which they can share burdens and expenses, pool scarce resources and funds, work together toward common goals.

APDCs continually count people, jobs, houses, factories, public services, and other essentials in the area. They interpret and present the facts to local leaders so that they can size up their own needs in light of the region-wide picture.

And APDCs are the rallying point for regional action—the meeting ground for those with ideas for cooperative projects. They also provide technical assistance to get cooperative plans off the ground.

APDCs GREW OUT OF LOCAL PROBLEMS, LOCAL INITIATIVE.

In the late forties, there was tremendous upheaval in Georgia's factories and farms, cities and countrysides. It created changes everywhere: bursts of growth in a few counties, slow decline in others, and a new breed of problems for all local governments.

By the early fifties, pressures mounted. Local leaders began to look beyond county lines and city limits for help. They had already worked together staging fairs and developing rivers. Why not join forces on other problems?

A handful of local planning commissions were already in operation. It seemed logical to go from city and county planning to city-county planning, and from there to multi-county planning.

This was the course which local leaders followed. In 1960, the state legislature gave legal status to area-wide planning.

APDCs ARE CREATURES OF LOCAL GOVERNMENT.

Whether they're helping to solve a problem or take advantage of an opportunity, they're doing it because local leaders **asked** them it do it.

Their only power is the power of persuasion. They give advice, not orders. They can recommend, but they can't insist. They can make plans, but they can't make laws. In short, **their work needs the consent and support of member cities and counties.**

In addition, APDCs work with state and federal, public and private agencies, helping to coordinate the efforts of all those who are working toward the progress of their area.

What's Planning and Development?

TO APDCs, PLANNING AND DEVELOPMENT MEANS:

- COLLECTING USEFUL FACTS
- PROMOTING TEAMWORK
- HELPING GET THINGS DONE TODAY
- KEEPING AN EYE ON TOMORROW
- SETTING THE STAGE FOR PROGRESS

ALL 19 APDCs HAVE A LOT IN COMMON

IN THE PLANNING AND DEVELOPMENT THEY DO AND THE WAY THEY GET IT DONE.

BUT EACH IS DIFFERENT.

EACH ADAPTS TO THE GEOGRAPHY, ECONOMY, AND SPIRIT OF ITS AREA.

EACH APDC HAS PRODUCED

IMAGINATIVE, TAILOR-MADE APPROACHES TO THE NEEDS OF ITS CITIES AND COUNTIES.

AN EAST GEORGIA APDC DESIGNED AND LAUNCHED A SUCCESSFUL EXPERIMENT IN GOVERMENTAL EFFICIENCY. Eight of its counties are sharing a central computer system to figure taxes and make out tax bills. This unique APDC project has saved time and money: what was once a month's work is now done more accurately in one hour.

APDCs HAVE HELPED TRANSFORM THE NATURAL BEAUTY OF THEIR AREAS INTO RECREATION AND TOURIST ATTRACTIONS. They have designed and promoted a canoe trail, a bicycle trail, historical tours, and hunting and fishing preserves. They have also opened the door to federal grants for community parks, park buildings, and equipment.

AN APDC PROPOSED AND HELPED ESTABLISH A FOUR-COUNTY INDUSTRIAL PARK CORPORATION. APDC planning and coordination made this private, non-profit park eligible for federal assistance to help bring in water, sewer, and natural gas, as well as a railroad spur. Residents of four counties are on the park's board of directors. The park is located in the corner of one county, only 15 minutes from the other three.

AN APDC HELPED ORGANIZE A SMALL BUSINESS INVESTMENT CORPORATION IN ITS MOUNTAIN COUNTIES. The corporation provides local businessmen badly needed high-risk capital through long-term, low-interest loans. It supplements the services of conventional lending agencies in the 11 counties.

APDCs BACKED UP LOCAL EFFORTS TO FORM REGIONAL HOUSING CORPORATIONS. These non-profit organizations will acquire funds and sites in order to produce, rent and sell houses for low or middle income families. Local developers and local banks will have first priority in the program. APDCs provided facts, plans, and initiative.

APDCs HAVE PLANNED EXPRESSWAYS AND RAPID TRANSIT FOR BIG CITIES. The Atlanta expressway system and transit authority came as a result of area-wide planning in the forties and fifties. Planning done in the sixties is now giving people in the Atlanta area a system of regional parks, and solutions to metropolitan sewer problems.

A CENTRAL GEORGIA APDC GAVE A BIG BOOST TO THE SAGGING ECONOMY OF A SMALL RURAL TOWN. APDC staff worked with the townspeople to obtain a 350-job industry and a 50-bed nursing home. Planning made the town eligible for grants and loans which helped pay for the new factory and a $667,000 sewer system.

APDC COMMUNITIES HAVE CASHED IN ON NEW FEDERAL ASSISTANCE FOR LAW ENFORCEMENT MUCH SOONER THAN OTHERS. They were organized for action—the special planning needed to make them eligible for such benefits as patrol cars, radio equipment, better jails, police information centers, and higher salaries for law enforcement personnel.

APDCs HAVE HELPED REVITALIZE DOWNTOWN BUSINESS DISTRICTS. They have deployed staff specialists and brought in outside experts in civic design. Small town merchants and shoppers have profited from retail trade studies, parking improvements, and suggestions for sprucing up shabby storefronts, unattractive streets.

TAILOR-MADE INDEED WAS THE ANSWER TO ONE APDC TO A CALL FROM A COMMUNITY WHICH WANTED TO BRING INDUSTRY TO AN ISLAND. Thanks to the planning and consultation of the APDC, a 17-mile railroad was built from the mainland to the island with multi-million dollar assistance from state and federal sources.

THE PAY-OFF FROM PLANNING AND DEVELOPMENT IS NOT ALWAYS DRAMATIC.

BUT IT'S CONSISTENT.

MULTI-MILLION DOLLAR RAILROADS ARE RARE.

BUT USEFUL, CONCRETE BENEFITS ARE ROUTINE.

FOR EXAMPLE . . .

APDCs PROVIDE FACTS.

They do research to monitor the health and growth of their area. APDCs analyze facts and figures periodically to keep current on what's happening and why.

If their research turns up potential trouble, they alert local leaders and help work out ways of averting a problem. If their studies find an opportunity for growth, they help communities take advantage of it.

But good news or bad, the facts APDCs provide are designed to be used to make realistic plans.

For example, some of the data is stored in the Georgia Department of Industry and Trade's data bank, where it is available to out-of-state businessmen looking for the best location for a plant or branch office. All the data from APDC studies is made available to people in and out of the area via maps, publications, and conferences.

APDCs PROVIDE PEOPLE POWER.

They help their communities find expert help or to train their own specialists. They make available the skills of their own staff members trained in planning, economic development, research, and law enforcement.

Often they add to their staffs experts in recreation, sanitary or traffic engineering, landscape architecture, health planning, public administration, or other specialties needed by member counties. They also call on faculty members of colleges, and specialists in other public and private organizations, in and out of the area.

APDCs help communities upgrade their own people power. They organize workshops and refresher courses to keep elected officials and public employees up to date. And many APDCs have fostered some form of manpower training to equip semi-skilled breadwinners in their areas for better jobs, higher incomes.

APDCs PROVIDE PLANNING POWER.

They help member towns and counties make plans—make basic decisions about the priorities and direction of community life.

Local citizens feel the power of planning in workaday improvements such as zoning ordinances and wiser public expenditures. But planning has an even more dramatic impact when it makes communities eligible for special opportunities.

For example, communities with comprehensive plans can get federal funds for housing, urban renewal, and water or sewer systems, among others. More specialized plans make communities eligible for assistance in such categories as health, law enforcement, or recreation.

Localities in commission areas have a big head start when new federal or state programs are enacted. APDCs can direct local officials to the program that will best meet their needs. With much of their planning and research already in hand, communities can count on APDC help to acquire program dollars and benefits with a minimum of delay.

LEGISLATIVE LANDMARKS

1947 Atlanta Metropolitan Planning Commission organized as Georgia's and the nation's first metropolitan (2-county) planning commission by special act of General Assembly. Commission expanded to 5-county Atlanta Region Metropolitan Planning Commission in 1960.

1957 Georgia Planning Act passed by General Assembly permitting local organization of any city, county or city-county planning commission.

1960 Georgia Planning Act amended to permit local organization of area planning commissions by any combination of counties and cities.

1960 Eleven counties in the Coosa Valley organize first formal APDC.

1967 State Planning and Programming Bureau created in the office of the governor by the General Assembly. The act established the Governor's Advisory Committee as a liaison between APDCs and the Bureau. Committee composed of one member from each APDC board of directors.

1970 Bureau of State Planning and Community Affairs replaces SPPB by act of General Assembly. Act defines broad permissive and mandatory responsibilities of APDCs and relationship to Bureau. APDCs required to:

- prepare area biennial development programs;
- prepare 6-year schedules of area capital improvement programs and priorities;
- forecast area needs and resources;
- review and comment on local government applications to state, federal, quasi-governmental or private agencies for loans and project grants.

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COASTAL PLAIN
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COOSA VALLEY
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GEORGIA MOUNTAINS
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HEART OF GEORGIA
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or
Box 218, Dublin 31021 / (912) 272-1064

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Box 1908, Columbus 31902 / (404) 324-4221

McINTOSH TRAIL
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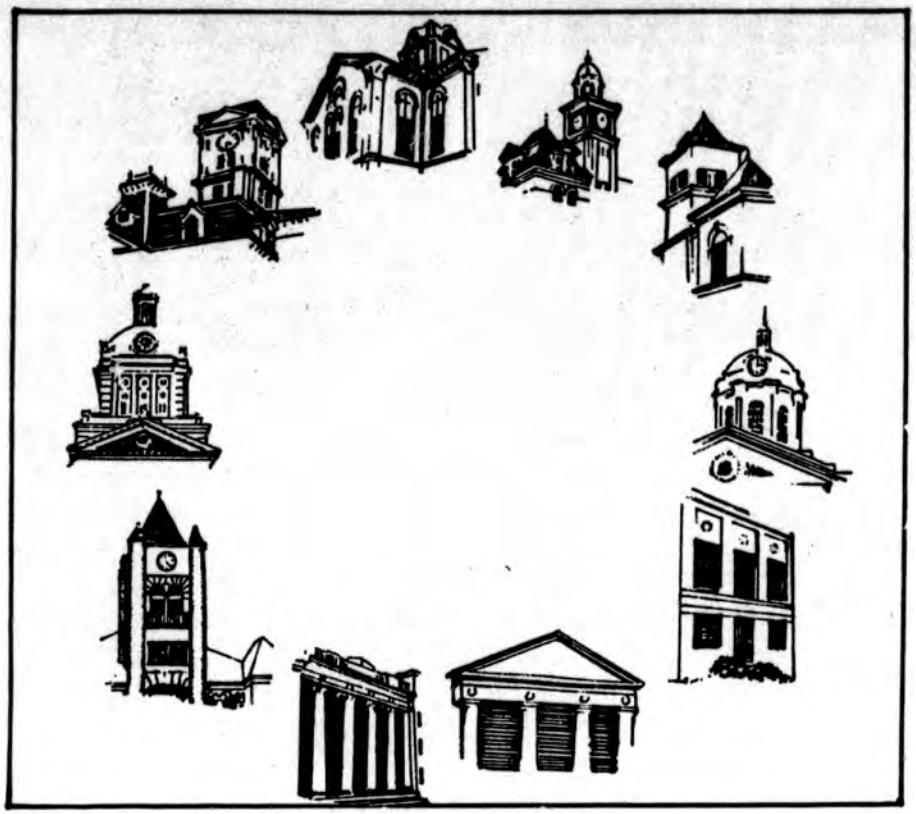
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The Northeast Georgia Area
Planning And Development Commission

ORGANIZATION AND

OPERATIONAL POLICIES



A statement by its Board of Directors

July 16, 1987

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Claire Stevenson	Senior Planner / Land Use
Julie Cheney	Senior Planner / Certified Development Company



■ What is the Northeast Georgia Area Planning and Development Commission?

NEGAPDC is a voluntary, legally constituted association of cities and counties within the ten-county Northeast Georgia area (Barrow, Clarke, Elbert, Greene, Jackson, Madison, Morgan, Oconee, Oglethorpe, and Walton Counties), established in 1962 to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating sound areawide development.

■ What is its purpose?

NEGAPDC is an organization of, by, and for local governments. Its purpose is to strengthen the individual and collective power of local governments by recognizing areawide opportunities and matters of mutual concern, helping local governments resolve both local and areawide problems through joint decisions, and to develop means to assist local governments in the implementation of those decisions.

■ How was it established?

The local governments of Northeast Georgia, assisted by chambers of commerce and other civic groups, created NEGAPDC under authority provided by the Planning Enabling Act of 1957. Georgia Act 1066, as amended, passed by the General Assembly in 1970, established the proprietary interests of the state in the organization and function of area planning and development commissions. The foregoing legislation, now revised and incorporated in the Official Code of Georgia Annotated (Sections 50-8-30 through 50-8-45), established the fact that these organizations are controlled by, and exist to serve, the local governments of their respective regions. The concept of local control has been reemphasized by NEGAPDC bylaws adopted by participating member governments.

■ How is it governed?

The structure of NEGAPDC is as follows: To meet current state and federal requirements pertinent to policy board composition, the bylaws of the commission were changed, effective January 1, 1979, to increase membership on the board of directors from 28 to 33 members who serve two-year terms of office and are eligible for reappointment. Two-thirds of the board of directors (22) are elected officials from units of general purpose local government; one-third of the board membership (11) are private citizens. To meet additional federal guidelines relative to representation of minorities, at least 8 members of the board, who may be either elected officials or private citizens, are minority residents in Northeast Georgia. Finally, any number of associate directors may be elected by the board to serve one-year terms of office without voting privileges.

To meet the foregoing requirements, the revised bylaws of the commission state that each of the 10 county commissions in Northeast Georgia shall appoint one commissioner to the NEGAPDC board. The city governments in *each* of the 10 counties agree among themselves on a mayor or city council member to represent their collective interests on the board. Two additional elected officials from Northeast Georgia are selected by the board to serve as members-at-large.

Nominations for minority representation are made collectively by organizations representing low income and minority groups in the area with confirmation of each member being made by county commissioners in the nominee's home county.

After satisfying city, county, and minority representational requirements outlined above, additional directors needed to establish board membership of 33 persons are selected from Northeast Georgia at large by board members who base such selections on demonstrated interest in regional planning and development matters. These nominations are submitted to county commissioners in each nominee's home county for confirmation.

The board makes all fiscal, budgetary, and program policy decisions, determines the program of work, and appoints an executive director to carry out specific programs in line with the objectives of the board. The executive director is authorized to hire a professional staff to assist him in carrying out the program of work. The capabilities of the staff vary with work program requirements, but normally include competence in: land use, water resources, wastewater, recreation, historic preservation, solid waste, energy, transportation, job training, economic development assistance, aging program development and governmental management technical assistance.

The board and staff are augmented by 6 standing volunteer advisory committees and 1 special advisor who are appointed by the commission chairman. The committees (Aging, Development, Natural and Historic Resources, Personnel & Finance, Planning, and Water Resources along with a special advisor in the area of Governmental Management) provide active involvement of approximately one hundred area citizens, local officials, and resource people who meet, at regular intervals, in the commission headquarters, to work with the staff on the entire range of work program activities addressed by the NEGAPDC. Committee chairmen make regular reports to the board at monthly meetings. Generally, policy positions taken by the board are premised on advisory committee research and recommendations.

The officers of the board consist of a chairman, vice-chairman, and secretary-treasurer. An executive committee composed of the chairman, vice-chairman, and 6 members of the board of directors is elected annually by the board to undertake such duties and assume such powers as the board may see fit to delegate. The personnel/finance committee recommends and guides implementation of board decisions regarding fiscal and personnel matters, advises on the investment and care of the funds of the commission, and guides the preparation of monthly, quarterly, and annual financial reports to the board. The nominating committee and the bylaws review committees are ad hoc groups composed of board members who are appointed by the chairman annually to meet special needs of the commission.

■ What is the policy position?

Through the years of its existence, NEGAPDC has worked to strengthen areawide cooperation and coordination. Members of the board feel that all past and current activities of NEGAPDC have been in keeping with the intentions of local governments within the area and guidelines established in the Official Code of Georgia Annotated (Sections 50-8-30 through 50-8-45). At the same time, questions occasionally arise concerning the current and future role of the NEGAPDC in dealing with local and areawide issues. The NEGAPDC board of directors responds to the major recurring issues as follows:

■ Although NEGAPDC seeks implementation of its plans, the planning documents it prepares never commit a unit of general purpose local government to a specific course of action.

Inasmuch as professional planning in a regional agency involves significant expense that is shared by all member governments, it is obvious that no plans should be prepared unless there is a reasonable possibility of implementation.

Areawide planning documents, often the result of federal or state initiatives for some specific purpose, are never prepared by the staff unless there is agreement by local officials and the NEGAPDC board of directors that such documents will benefit the area overall. Documents of this kind tend to influence the allocation of state and federal resources, particularly when capital improvements are addressed. Local planning documents, on the other hand, are normally prepared at the request of public officials who seek solutions to problems that only affect their jurisdictions.

While well conceived planning documents, requested by public officials, should be implemented if the expense of their preparation is to be justified, the NEGAPDC board of directors submit that documents prepared by the commission staff never *commit* a local government to a specific course of action. Implementation authority must remain with local officials; the NEGAPDC board would not have it otherwise.

■ NEGAPDC does not seek to expand its role in review and comment.

NEGAPDC is designated as an areawide project notification and review clearinghouse under federal Executive Order 12372. This federal directive provides for review and comment on applications through the state clearinghouse for a number of federal grants affecting the Northeast Georgia area. This process provides input from local government officials to the state and federal agencies which must make the funding decision. Furthermore, it provides an appropriate mechanism to monitor major regional development, avoids duplication of effort among public agencies, and encourages the effective implementation of areawide plans. The board endorses the current review and comment process which includes staff review, consultation with appropriate advisory committees, and concurrence of local officials. The review and comment process does not include an authorization for veto power over local projects by NEGAPDC.

■ NEGAPDC supports selection of the board of directors by its local member governments.

As a voluntary organization, responsible to local government, it is appropriate that directors be appointed by member governments. Any system of direct election by the general public would tend to undermine NEGAPDC's direct accounting to local government and would be a step toward regional government.

■ **NEGAPDC recognizes the chambers of commerce and related groups, functioning in the several counties and communities of Northeast Georgia, as the first line industrial development organizations of the geographic areas they represent.**

NEGAPDC will not act as a "lead agency" in economic development unless specifically requested to do so, in specific cases, by a local unit of government. As a matter of policy, the NEGAPDC will prepare economic profiles, economic forecasts, tourism, retail trade, and other studies as necessary to reinforce the industrial and economic activities of local chambers of commerce and development organizations in the ten-county Northeast Georgia area.

■ **NEGAPDC opposes having taxing authority.**

State enabling legislation and NEGAPDC policy specifically prohibit taxing authority. The NEGAPDC does not need, nor does it seek, authority to levy taxes in any form, directly or indirectly. The local governments of Northeast Georgia support the work program of NEGAPDC through voluntary local dues and fees supplemented by financial support from state and federal programs. During the years that NEGAPDC has been in operation, no board member, staff member, or representative has ever suggested that this commission be authorized to levy taxes. The board emphatically endorses existing intergovernmental mechanisms for financing local and areawide planning activities.

■ **NEGAPDC opposes a regional government for the Northeast Georgia area.**

One of the fundamental reasons for the existence of NEGAPDC is that of seeking solutions to local and areawide problems through cooperative activities of member governments. Such activities do not interfere with, or in any way diminish, the rights, authority, autonomy, or identity that local units of government enjoy under the laws of the State of Georgia. Cooperation of local units of government with, or without, the assistance of NEGAPDC, does not imply the formation of a regional goverment. Regional government, whether defined as the involuntary unification of local governments (a new layer of government), or the involuntary transfer of functions and operational authority to a supergovernmental structure, is the direct opposite of the NEGAPDC approach. NEGAPDC, as a creature of, by, and for local government, is clearly a desirable alternative to, rather than a step toward, regional government.

■ **NEGAPDC does not seek any regulatory powers.**

Neither state enabling legislation nor the bylaws of NEGAPDC provide a basis for the exercise of any regulatory powers. The board supports the exercise of regulatory power by state and local governments as authorized by state law.

■ **NEGAPDC does not intend to be an operating agency delivering services to the general public.**

The Official Code of Georgia Annotated authorizes NEGAPDC to enter into arrangements with local, state, federal, and private organizations for the management, administration, or operation of human service programs. While APDCs are not permitted to engage in direct delivery of goods and services to individual consumers, they may enter into contracts with other authorized entities, including units of local government, for the delivery of such goods and services.

In the area of direct delivery of *governmental services*, the Code authorizes APDCs to provide technical assistance to local governments, but is clear on the point that law enforcement, fire protection, operation of solid waste systems and the like are primary functions of local officials.

In view of the foregoing, and in keeping with the policies of this commission dating back to its organization in 1962, the board of directors of NEGAPDC has never authorized the commission staff to operate or manage any program or project in competition, or in conflict, with a local government. When called upon by local officials, NEGAPDC does provide contractual services, technical assistance, and advice — to member governments — within staff and fiscal capabilities.

■ NEGAPDC should continue to be a voluntary association of local governments.

NEGAPDC is based on the willing cooperation of local governments, working together voluntarily to identify areawide opportunities and to resolve mutual problems. While local officials in some parts of the nation have suggested that regional policymaking is more effective when membership in their regional organization is mandatory, the NEGAPDC board strongly prefers voluntary membership, allowing any local government to join, refrain from joining, or to withdraw from NEGAPDC at will. The record of achievement of this APDC is attributed solely to the willingness of member governments to work together without coercion or control.

All local governments in the Northeast Georgia area, as well as state and federal officials, are encouraged to support the continued operation of the NEGAPDC as the most cost-effective and responsive means to obtain competent technical assistance needed for both community level and areawide problem solving. NEGAPDC is an extension of, and a supplement to, the local governments of the region who work together for a healthy and prosperous Northeast Georgia.

■ NEGAPDC affords opportunity for redress for area citizens who claim discriminatory action on part of NEGAPDC.

Individual, public, and private organizations and institutions which participate in NEGAPDC programs as recipients, contractors, or in any other respect, who claim discriminatory action on the part of NEGAPDC, its board of directors, staff, consultants, or contractors, may communicate the facts surrounding the alleged discrimination to: Executive Director, Northeast Georgia Area Planning and Development Commission, 305 Research Drive, Athens, Georgia 30610. The executive director will pass information received to the NEGAPDC chairman who will arrange for an appropriate hearing on each complaint. Complainants will be offered opportunity at the hearing to be represented by counsel of their own choice (at their own expense), the right of cross-examination, and will be provided with a summary record of the proceedings along with a recorded decision including findings of facts and a statement of reasons for the decision.

■ The NEGAPDC board of directors has adopted a code of ethics.

NEGAPDC board of directors has adopted, as part of its bylaws, Section 45-10-3 of the Official Code of Georgia Annotated which provides a code of ethics for members of boards, commissions, and authorities created by general statutes. The code section requires these board members to:

(1) Uphold the Constitution, laws, and regulations of the United States, the State of Georgia, and all governments therein and never be a party to their evasion;

(2) Never discriminate by the dispensing of special favors or privileges to anyone, whether or not for remuneration;

(3) Not engage in any business with the government, either directly or indirectly, which is inconsistent with the conscientious performance of his governmental duties;

(4) Never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit;

(5) Expose corruption wherever discovered;

(6) Never solicit, accept, or agree to accept gifts, loans, gratuities, discounts, favors, hospitality, or services from any person, association, or corporation under circumstances from which it could reasonably be inferred that a major purpose of the donor is to influence the performance of the member's official duties;

(7) Never accept any economic opportunity under circumstances where the member knows or should know that there is a substantial possibility that the opportunity is being afforded the member with intent to influence the member's conduct in the performance of the member's official duties;

(8) Never engage in other conduct which is unbecoming to a member or which constitutes a breach of public trust; and

(9) Never take any official action with regard to any matter under circumstances in which the member knows or should know that the member has a direct or indirect monetary interest in the subject matter of such matter or in the outcome of such official action.

BACKGROUND

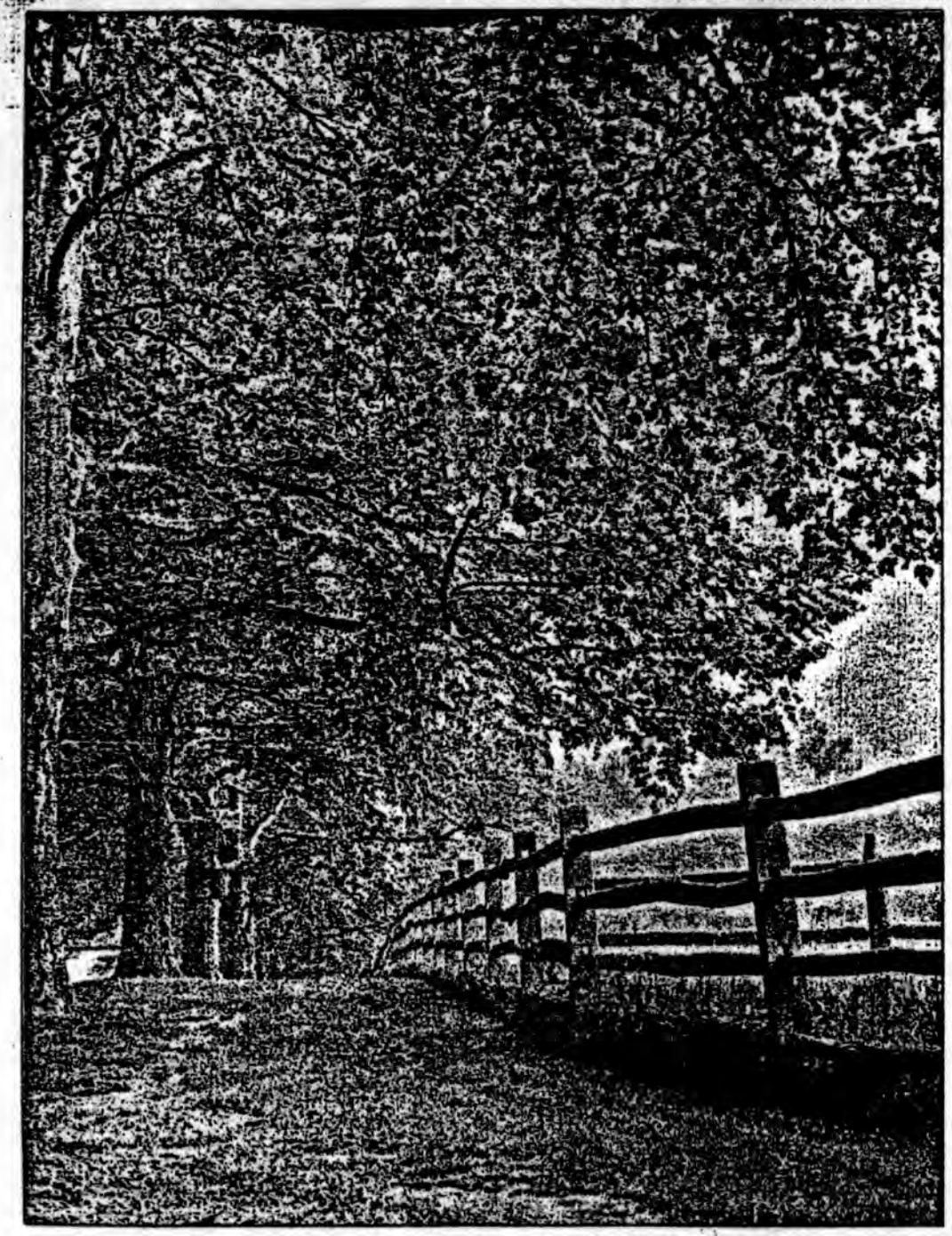
The NEGAPDC board of directors adopted its first policy statement on regionalism on June 28, 1976. The original statement was readopted, without change, on August 18, 1977. Readopted with minor modifications on September 21, 1978 as NEGADPC Organization and Operational Policies, the statement included language needed to comply with 1978 enactments of the Georgia General Assembly, which amended Georgia Act 1066. Minor editorial changes were made in the statements adopted by the board of directors on July 17, 1980, June 18, 1981, June 17, 1982, and July 21, 1983. When readopting the statement on July 19, 1984, the board of directors added a new section offering opportunity of redress for area citizens who claim discriminatory action by NEGAPDC, its board of directors, staff, consultants, or contractors and adopted the state code of ethics. No changes were made to the statement, which was readopted by the board of directors on July 18, 1985. Only the listing of advisory committees was changed in the statement readopted by the board of directors on July 17, 1986. Minor editorial changes were made in the statement readopted by the board on July 16, 1987.



Choyce A. Johnson, Chairman

1986 Annual report

Northeast Georgia Area Planning & Development Commission



The Path of Progress:

Changing perspectives as resources diminish

A word about NEGAPDC



Every year the board of directors of this commission review their Organization and Operational Policies, make necessary changes and publish the statement in brochure form. It is mailed to mayors and city councils and to county commissioners throughout the Northeast Georgia area to remind these officials that their regional commission is continuing to assist them in planning for com. on needs, to cooperate for mutual benefit, and to coordinate area development. In other words, the board is certifying that this APDC remains on course, doing the sort of things its founders had in mind when they organized it in the first place.

Completing its 24th year of operation, NEGAPDC does administer several important regional programs through contracts with state agencies, but it is, first and foremost, a planning and development organization that is a rallying point for regional action. It's home-owned, home-operated, and it responds to the needs of the local governments who validate it. It is, as stated in earlier annual reports, "an annex to every city hall and courthouse in Northeast Georgia that local officials can turn to when there are insufficient resources to get a job done."

The University of Georgia's Institute of Community and Area Development published a booklet in 1971 in conjunction with APDC executive directors that was written by Dottie Sparer of Athens. One section of the publication laid out the framework of these regional organizations when she said: "APDCs are creatures of local government. Whether they're helping to solve a problem or take advantage of an opportunity, they're doing it because local leaders asked them to do it. Their only power is the power o persuasion. They give advice, not orders. They can recommend, but they can't insist. They can make plans, but they can't make laws. In short, their work needs the consent and support of member cities and counties."

Like the local governmental entities it serves, NEGAPDC, in tune with the times, is attempting to improve its products and its output as federal and state resources are being substantially reduced. As this report goes to press, it can be reported, however, that our commission is in sound financial condition, adequately staffed, and capably managed by a dedicated Board of Directors. We expect to be around as an even more effective regional organization to celebrate a quarter century of service next year!

Message from the chairman



When I retired and hung my U.S. Air Force uniform in the closet several years ago, I stepped into the political arena with the naive idea that I knew what those turkeys were talking about when they referred to **"running"** for public office.

I found out all too soon that the **running** really begins when you win an office and get on with the job at hand. This year, for example, as I attempted to chair this important Area Planning and Development Commission, act as mayor of my hometown, participate in community organizations, support the Georgia Municipal Association and run for a seat in the Georgia General Assembly, I have trotted off about seventeen pounds.

I confess, however, that I have loved every minute of it because my peregrinations *(look in dictionary later)* have placed me in frequent contact with valued friends and neighbors across this region of the state.

Above all, I have enjoyed the privilege of serving as your chairman for the past two years, working with a board of directors that includes some of the most dedicated and capable men and women in Georgia. With their encouragement, the momentum of a talented and dedicated staff, and the cooperation and assistance of the federal and state agencies that support our work program, we have continued to enhance the reputation of a regional planning and development organization that serves the ten counties and 47 cities and towns of this region with a high degree of effectiveness.

Notwithstanding the erosion of federal support for our commission, we have chalked up some real success stories this year. The achievements noted in the pages that follow speak for themselves. The highlight of the year for the board, of course, was the completion of our new headquarters annex. I can report, with pride, that this handsome facility was free of debt as we moved our Job Training Division into it in May.

As I leave the governing body of this exemplary organization at the end of December and pass the gavel to my friend and associate, Commissioner Choyce Johnson, I want you to know that I will be close at hand as a member of your legislative delegation working to bring Georgia's Area Planning and Development Commissions to their maximum potential as helpers to local governments.

Best Regards,

John O. Mobley Jr.

John O. Mobley Jr.

P.S. Clint Lane is truly a dear friend despite my comments through the years concerning his U.S. Navy background.

Planning & Development

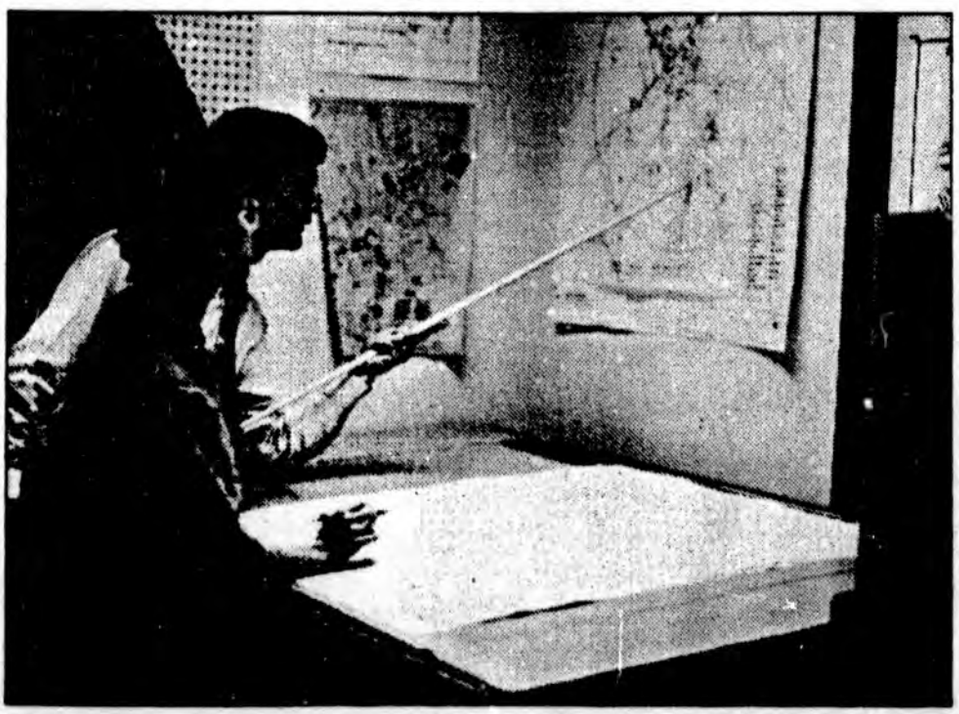
As the population increases and development continues, the need for ongoing coordinated physical, economic and fiscal planning grows simultaneously.

The planning and development division of NEGAPDC is well-suited to assist Northeast Georgia and its local governments in preparing for the realities of growth. The goal of this division is to provide planning and growth-management services to the region, while at the same time striving to maintain the natural beauty and character of the region.

The staff, with invaluable guidance from the advisory committees, works to produce projects and programs that will help member governments not only in long-range planning, but in handling day-to-day operations.

The 1986 work program attests to the professional spirit and quality of work that people have come to expect from the NEGAPDC staff.

The commission crosses city and county boundaries to meet whatever needs exist — whether it's helping Statham get its first computer or preparing a landscape design for the Monroe Primary School.



During the past year, members of the planning and development staff, under a contract with the state Department of Community Affairs, prepared an analysis of population growth in the 10 area counties.

Passage of the 1985 Zoning Procedures Law and increasing pressures of population growth kept our staff busy revising and creating land-use ordinances. Planners prepared a packet of information to help local governments understand and comply with the new law.

The staff helped revise land-use ordinances for Winterville, Greensboro, Greene County, Jefferson, Madison, Bogart and Good Hope. A new ordinance was prepared for Pendergrass, and others were begun for Hoschton, Russell and Bostwick.

New or revised zoning maps were prepared for Greene County, Greensboro, Statham, Bethlehem, Winterville, Jefferson, Bogart and Monroe.

Planners also helped prepare applications to improve recreational facilities in Athens, Barrow County, Oconee County, Bostwick and Comer. Overall recreation plans were completed for Elbert County, Hoschton and Bostwick.

A large part of the planning and development division's effort is devoted to helping counties develop plans for landfills and solid waste management. In 1986, we prepared landfill modification plans for Greene County, Jackson County and Elberton, and completed new plans for Oconee and Walton counties.

Planners were called on by cities and counties for numerous other projects throughout the year. At the request of our member governments, we:

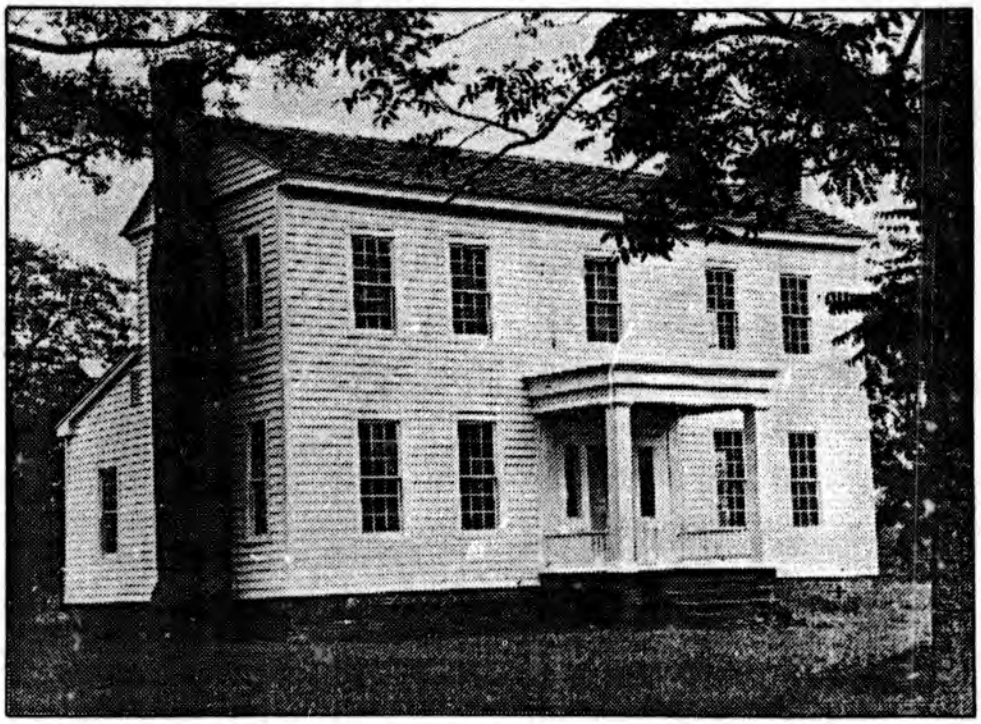
- assisted Statham in purchasing their first computer;
- printed promotional brochures for Winterville and Madison County;
- completed a fire insurance study for Elbert County;
- prepared reduced-scale city maps for use by fire, police and emergency medical departments in Jefferson and Bowman;
- helped Morgan County obtain grant funds for jail renovations and improvements to two volunteer fire departments;
- helped Oglethorpe County obtain grant funds to improve the Philomath fire station; and
- produced a landscape design for the Monroe Primary School.

A new area for NEGAPDC staff members during the past year was personnel management. As their first project, staffers helped Elberton develop a job analysis and pay plan, and revise the city's personnel plan and practices.

Planners are now working to help Elbert County, Social Circle and Winder evaluate the personnel systems they have in place.

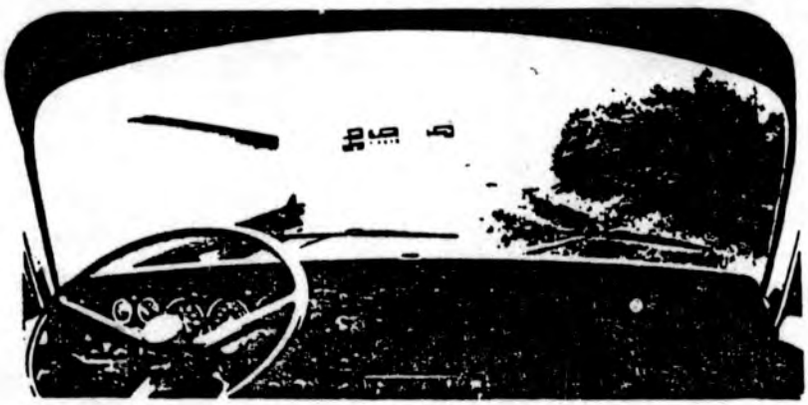
Promoting overall economic development in Northeast Georgia is a basic function of the planning and development division, and it's not a responsibility we take lightly.

Last year, planners held an economic development workshop to provide communities with information on revitalizing their downtown areas, and held an areawide conference for development authorities in the 10-county region.



NEGAPDC staff members also:

- helped Colbert obtain $10,000 for renovations to the city gym;
- prepared economic profiles on Barrow, Elbert, Madison, Morgan, Greene, Jackson and Walton counties;
- prepared applications for a Governor's Emergency Fund loan for water and sewer improvements in Jefferson;
- assisted Union Point, Nicholson and Elbert County with Community Development Block Grant projects, and helped Braselton administer an Urban Development Action Grant.
- helped Morgan County obtain grants totaling $9,000 for two fire stations and $20,000 for jail improvements;
- helped Comer obtain $7,000 for improvements to Arnold Park;
- assisted the city of Bogart in obtaining $4,000 for a water line extension;
- selected Madison County for a pilot Economic Development Program, coordinated leadership class and follow-up activities; and
- tracked and reported to the Georgia Department of Transportation major economic and residential development projects that affect highway capacity and traffic patterns.



Transportation

NEGAPDC staff provides administrative and technical assistance to locally managed Rural Public Transportation programs. These transportation systems are in place to serve the elderly and handicapped who would otherwise be unable to attend senior citizen center activities or get to their doctor's appointments, fill prescriptions or pay bills.

Activities during the year included quarterly workshops for operators on such topics as vehicle maintenance and financial management. This was also the year of the first "Roadeo," in which drivers competed in written quiz, driving and vehicle inspection events — a time of learning and fun.

In addition, the commission has kept abreast of local highway development and offered technical assistance to local governments regarding traffic counts.

Staff planners also prepared proposals and assisted in hiring staff for the Barrow-Oconee-Walton traffic safety study, which is evaluating areas of high accident reports and recommend ways to alleviate problems.

Historic preservation

During the past year, Northeast Georgia citizens and local governments were active in many preservation projects.

The National Register of Historic Places will soon announce new listings in Elbert, Clarke, Greene, and Morgan counties. New historic districts are slated for Athens and Greensboro; historic rural properties in Greene and Elbert counties will include plantation houses and churches.

Winder and Jefferson moved to protect and enhance their historic resources by adopting historic preservation ordinances. Both cities now have active preservation commissions which are implementing the ordinances.

The Investment Tax Credit Program for historic structures continues to be a major economic factor in Northeast Georgia. Tax credit applications for rehabilitation of historic buildings have been given to individuals and companies in every area county. To date, more than $8 million has been spent in tax credit projects in Northeast Georgia.

A new feature in NEGADPC's historic preservation service is the Rural Preservation Project. The project is designed to create an appreciation for historic rural properties and foster rural economic development.

Certified Development Company

The Certified Development Company of Northeast Georgia Inc. is a non-profit corporation organized in 1983 through the efforts of the NEGAPDC to further economic development in the 10-county region.

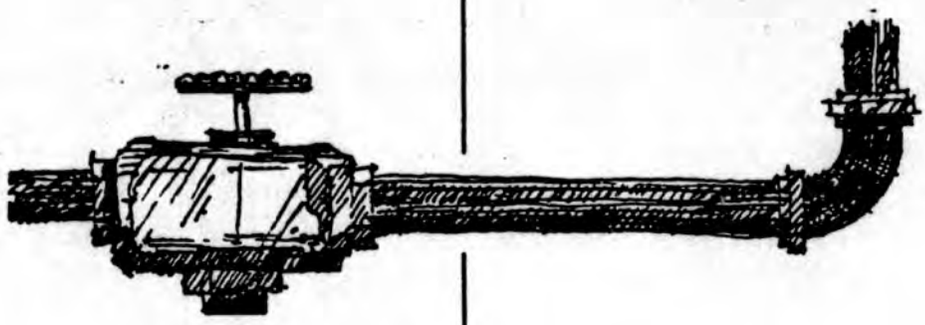
The purpose of the CDC is to assist communities in this region in stimulating the growth and expansion of small businesses. The results of this program can be measured in terms of the creation and retention of jobs, increased tax base, expanded business ownership and improved community services.

The primary function of the CDC is to administer the U.S. Small Business Administration's Section 503 loan program. The 503 loan program provides long-term, fixed asset financing to eligible businesses for the following uses: acquisition of land, land improvements, construction of a new building, purchase, renovation or major addition to an existing building, leasehold improvements, and the purchase of capital machinery and equipment.

A separate board of directors oversees operations of the CDC and the administration of the loan program. Members are drawn from the ranks of elected officials, financial institution officers, and business and community organizations. Officers of the corporation are: Robert Carson, president; Hickory Schepis, vice president; and Archie Patterson, secretary-treasurer.

To date, the CDC has had five loans approved, totalling $1,166,000 in debentures, leveraging $1,726,485 in private investment, and creating more than 150 jobs for this region. Firms assisted include: New Elberton Mills in Elberton County; Southeastern Color Lithographers, University Moving and Storage Company and Clarke Cars, Inc. DBA Car Craft in Clarke County; and Home Delivery Food Services, Inc. DBA Fresh Frozen Foods in Jackson County.

The 503 loan program has recently undergone a major change in its method of funding debentures to provide financing for business expansions and start-ups.



The Budget Reconciliation Act, signed into law by the President on April 7, 1986, required the SBA to conduct a pilot program of selling debentures guaranteed by SBA pursuant to Section 503 of the Small Business Investment Act to investors either publically or by private placement. These debentures will be known as 504 debentures to distinguish them from the debentures sold to the Federal Financing Bank, which are known as 503 debentures.

The Act also authorizes 504 debentures to be pooled and certificates evidencing ownership of all or part of a pool to be sold rather than the individual debentures. The certificates will be known as 505 certificates. All loans approved after July 1, 1986 will be 504 loan/debenture authorizations.

Basically the same eligibility standards and regulations that apply to 503 apply to 504 loans. The structure and delivery system for 504 debentures will be essentially the same as 503 debentures with several minor exceptions.

This major change is a positive one for CDCs and for the federal government. The privatization program means that funding levels for the 503/504 loan program will no longer be part of the federal budget and therefore will no longer be subject to a ceiling on the amount of loan security for the programs.

CDC

H.L. Asbury
Charles Baldwin Jr.
*Ken S. Bridges
Cliff Brooks
Billy R. Brown
*Robert Carson
Dr. Catherine Foster
*Felix P. Graham Jr.
B. Amrey Harden Jr.
Frances Enslen-Jones
*Jerry Lassiter
Barry N. Lurey
Cora Lou Nix
*Arthur Ott Jr.
*Archie Patterson
*Vernon Payne
James E. Purcell
*Hickory Schepis
Charles Searcy
Anne Segars
Allen Stephenson
*Ben Stewart
J.H. Terrell Jr.
Jeanne B. Westbrook
*Julie Hill Cheney, manager

***member of executive board**

Area Agency on Aging

When NEGAPDC was designated as the Area Agency on Aging in 1974, there were only four senior centers operating in Northeast Georgia. There are now 11 centers, one in every county plus an additional one in Clarke, that serve as focal points for activities for people over 60 years of age.

To support these programs, NEGAPDC is provided with approximately $140,000 in federal and state money, which is divided among the county programs. Local funds, contributions by participants and fund-raising events account for the additional $200,000 necessary to operate these centers.

Many things have changed during the past 12 years. Originally the primary emphasis was provision of adequate nutrition, but the centers now offer multifaceted programs targeted toward areawide and local needs. The importance of adequate nutrition is not forgotten, though. Some 157,000 meals were served through the sites in the past 12 months. Other needs of older people are being addressed by the centers' programs.

In-home services require much support from the 559 volunteers who assist center staff with activities that include calling isolated homebound to check on their well-being and to offer reassurance; helping with light chores and errands for someone temporarily incapacitated; and visiting friends who are unable to attend center activities.

Many services offered at the centers target specific needs of older people. Educational programs, health-related activities such as blood pressure checks, and a wide variety of social and recreational activities allow elderly people to maintain control of many aspects of their lives. More than 7,500 services were provided last year to help participants remain independent and healthy.

The Area Agency on Aging contracts for a variety of other programs that strengthen the support network for older area citizens. The Elderly Law Project, for example, provides legal counseling for civil matters such as estate planning, wills, denial of benefits, and other non-criminal legal matters. Community education is a vital element of the legal services contract.

The Community Care Services Program is the newest Aging initiative. After the first full year of operation, the caseload doubled to more than 300 clients who have chosen to remain in the community rather than move to nursing homes or other institutions. Community Care clients are elderly people who are eligible, or would be eligible within 100 days of nursing home admission, for Medicare benefits.

During the past year, Northeast Georgia was able to expand to offer all available Community Care services to clients at risk for institutionalization. These services include: assessment, case management, home-delivered services, homemaker aide services, alternative living, adult day rehabilitation, emergency response and respite care.

Title V of the Older Americans Act allows for an employment program for citizens over 55. The Senior Community Services Employment Program placed 25 people in jobs to receive training and develop skills that can lead to unsubsidized employment.

Clients in nursing homes and personal care homes have a readily available advocate through the long-term ombudsman contract administered by the AAA. The ombudsman received 75 complaints regarding quality of nursing care, food services and living conditions in the 17 nursing homes and 36 licensed personal care homes across the 10-county region.

The AAA staff is working to monitor these contracts while developing plans to better meet needs of older citizens. Monthly in-service training for area staff members, preparation of picture identification cards for senior citizens, editing the monthly newsletter *(Older Voice)*, coordinating the Silver-Haired Legislature, planning areawide seminars on topics of concern, such as Alzheimer's Disease, are just a few of the activities going on at NEGAPDC.

All activities are guided by the Areawide Policy Advisory Council on Aging. Members of the council alert staff to needs, resources and changes in the 10-county area. They bring local needs to the attention of others and help incorporate them into an areawide plan that serves as a blueprint for action on behalf of older persons in the area. Involvement of these volunteers sets an example for others to stay active and work toward achieving a higher quality of life for the area's 38,084 people over 60 years of age.

Services provided t

COUNTY	No. of participants		Cor
BARROW	533		
CLARKE			
Dudley Park	501		
Magnolia	478		
ELBERT	536		
GREENE	43[illegible]		
JACKSON	587		
MADISON	510		
MORGAN	399		
OCONEE	257		
OGLETHORPE	296		
WALTON	617		
Total	5,145		

AGING ADVISORY COMMITTEE

Bill Adair
Louise Boyce
Annette Braselton
Mary Brooks
Louise Cameron
Lena Christian
Mary Davis
Obelia Greene
Evelyn Hardigree
Mary Hataway
Sara Head
Betty Hutchins
Marguerite Holmes
Eli Jackson
Martha Johnson
Isabel McCreery
Gladys Miller
Lewis H. Montgomery
Colleen Monroe
Rosemary Nativi
Raymond Perry
George Paul Jr.
Anne Segars
Hogan Smith
R.E. Smith
William Wagner
Virginia Webb
Rev. Bruce Wismer
Mattie Young
Joseph Zsilka
Viola Zsilka

ırough the Aging program — July 1, 1985 through June 30, 1986

egate meals	Home-delivered meals	In-home services	Outreach (contacts)	Legal services (contacts)	Ombudsman (contacts)	Transportation (vehicle mileage)
16,782	4,797	3,618	425			25,866
13,880	n/a	4,312	311			18,157
n/a	11,877	11,739	204			13,502
20,852	4,973	6,855	333			50,191
6,197	4,502	3,032	266			33,025
19,571	3,805	7,287	471			56,099
7,074	3,299	3,364	363			36,814
7,158	3,973	5,245	251			41,504
5,177	2,205	3,607	228			33,559
5,925	1,373	5,412	253			30,654
10,580	3,505	7,634	494			30,733
13,196	44,309	62,105	3,599	1,161	717	370,104

10-county area

10-county area

Board of directors

BARROW COUNTY

James H. Harwell Jr.
chairman, county commission
John O. Mobley Jr.
mayor, city of Winder
Thomas Bell
mayor, town of Bethlehem

CLARKE COUNTY

George Bullock
county commissioner
Matthew Ware
Athens city councilman
Jewel John
county commissioner
Samuel E. Milner
citizen representative
Farris T. Johnson Sr.
citizen representative

ELBERT COUNTY

Billy R. Brown
chairman, county commission
Bodie J. Jones
Elberton city councilman
C. Allen Brown
citizen representative

GREENE COUNTY

Cynthia Lewis
county commissioner
Ben Stewart
mayor, city of Union Point
Willie E. Chester
Greensboro city councilman

JACKSON COUNTY

Henry D. Robinson
chairman, county commission
Byrd Bruce
mayor, city of Jefferson
Morris Little
citizen representative

MADISON COUNTY

William C. Madden
chairman, county commission
John A. Waggoner
mayor, city of Colbert
Elsie M. Hall
citizen representative

MORGAN COUNTY

John Nunn
county commissioner
R.L. Allgood
mayor, city of Madison
Charles Young
superintendent, city of Madison

OCONEE COUNTY

Choyce A. Johnson
chairman, county commission
A. Wilson White Jr.
mayor, city of Watkinsville
John Brannen
Oconee County Extension Chairman

OGLETHORPE COUNTY

Thomas Meyer
county commissioner
William G. Murray
mayor, city of Lexington
Eddie Lee Hunter
citizen representative

WALTON COUNTY

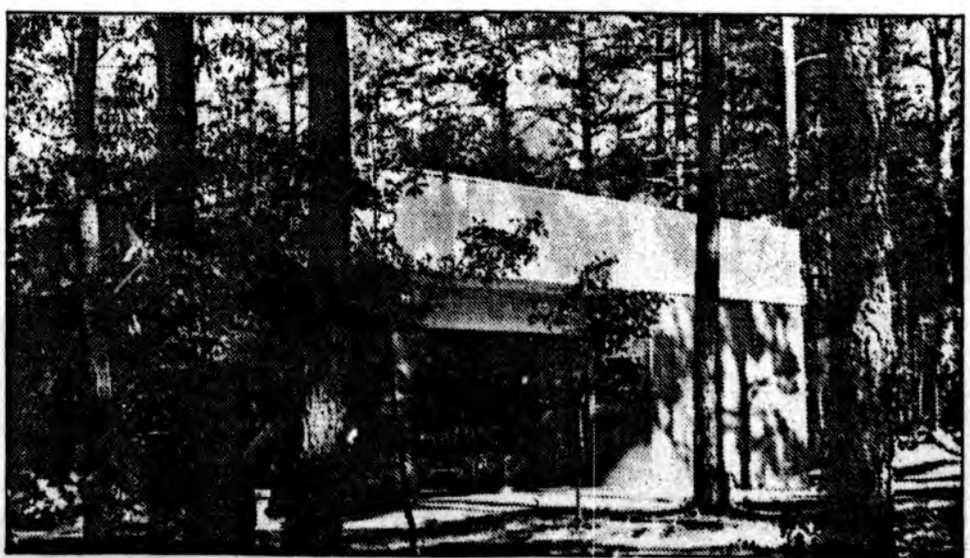
Bennie Ray Anderson
chairman, county commission
Rosemary Mathews
councilwoman, city of Monroe
Alonzer Hill
citizen representative

UNIVERSITY OF GEORGIA

Dr. Joseph W. Whorton Jr.
director, Institute of Community and Area Development

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Al Crace
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Dr. Ernest Melvin
C.L. Rhodes Jr.
Anne Segars
Allen D. Stephenson Jr.
Dr. Lynda Walters
Patricia Ann Anglin



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John O. Mobley Jr.
William G. Murray
Henry D. Robinson

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Thomas W. Bell
Knox Bell
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MISSISSIPPI

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT AND MR. SPEAKER:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

S. B. No. 2839: Provide State Economic Development Plan.

We, therefore, respectfully submit the following report and recommendation:

1. That the House recede from its Amendment No. 1.

2. That the Senate and House adopt the following amendment:

Amend by striking all after the enacting clause and inserting the following in lieu thereof:

SECTION 1. This act may be cited as the "Statewide Economic Development and Planning Act of 1987."

SECTION 2. (1) The Legislature finds that the prospective well-being of the people of the State of Mississippi requires that the economic development of the state should be strategically, comprehensively and exhaustively planned and that the plan be reviewed and continuously updated and systematically implemented. The Legislature further finds that the state should foster open communication between government and the private sectors of our economy and that the state should provide a policy, a vision and a framework to encourage an environment conducive to entrepreneurship and rapid development in the State of Mississippi.

(2) The Legislature hereby declares that the public policy of this state requires an overall, comprehensive and coordinated plan for maximum and accelerated economic development of the state. It is the express intent of the Legislature that such plan be developed and maintained with annual revisions as required.

SECTION 3. The Mississippi Board of Economic Development is authorized to:

(a) Appoint special advisory and/or full-time task

forces on goals and innovative programs and pay travel expenses of task force members performing their official duties;

(b) Contract with the Research and Development Center which may utilize state agencies and institutions, local and regional public agencies, and private organizations;

(c) Solicit and receive grants, contributions and funds from appropriate sources for financing development of a statewide economic development plan.

SECTION 4. (1) The Legislature directs that any funds appropriated for the purpose of developing and maintaining the economic development action plan may not be expended unless such funds are matched by at least an equal amount of money from each of the following sources:

(a) The Governor's Office of Federal-State Programs or other appropriate agency in the executive branch of state government, such matching funds to come preferably from federal or other special funds available to the agency.

(b) Private agencies, organizations, businesses and/or individuals.

(2) The Board of Economic Development, whether or not state funds are appropriated for the purpose of developing and maintaining an economic development plan, shall initiate action to secure funding and in-kind contributions from outside sources to support and finance expenses of the Special Development Task Force and other necessary expenses of this act.

SECTION 5. It is the intent of the Legislature that the efforts initiated by this act to achieve desired economic development should be joint efforts of government and private enterprise and also joint efforts between legislative and executive branches of government and between state and local government. It is the express intent of the Legislature that the

continuing and ongoing development efforts envisioned by this act proceed with all deliberate speed and with the full cooperation of all parties involved.

In an effort to facilitate continuing and future legislative support for this economic development initiative, the Department of Economic Development and the Research and Development Center shall present status reports on their work, as it relates to the purpose and requirements of this act, to the Joint Legislative Budget Committee, thereby having an opportunity to interact with legislative leaders and maintain and foster communication and cooperation between all parties. The Director of the Joint Legislative Budget Committee shall coordinate the scheduling of said reports and may specify selected topics for presentation by the Department of Economic Development and the Research and Development Center to the Joint Legislative Budget Committee. Such reports shall begin with the month of July 1987; and there shall be a minimum of four (4) reports to the Committee in each fiscal year. The Director of the Joint Legislative Budget Committee may require such reports to be made orally and/or in writing to regular meetings of the Joint Legislative Budget Committee.

SECTION 6. (1) The Special Task Force for Economic Development Planning, to consist of not more than twenty (20) members, is hereby created. The task force shall be composed of:

(a) Five (5) members from the state's public universities and junior colleges. These members shall be selected by the Board of Economic Development from nominees from the universities and junior colleges.

(b) One (1) member representing the private colleges of the state to be selected by the Board of Economic Development from nominees made by the private colleges.

(c) One (1) member from the membership or staffs of each of the following organizations: Mississippi Association of Supervisors, Mississippi Municipal Association, Mississippi Association of Planning and Development Districts, and the Mississippi Industrial Development Council. These members will be appointed to the task force by the Board of Economic Development from recommendations made to the board by the respective organizations.

(d) Two (2) members from federal agencies to be recruited by the Board of Economic Development.

(e) Eight (8) members to be selected by the Board of Economic Development upon recommendation of the executive director, from nominations and applications made to the Board; six (6) of these members shall be representatives of business and/or professional enterprises in Mississippi; two (2) of the eight (8) members may be representative of business or professional enterprises residing outside Mississippi and may include foreign nationals.

(2) It is the intent of the Legislature that the task force will be organized selected and constituted in such a way that it represents the most talented individuals that could possibly be assembled to address the economic development concerns and issues of this state. Task Force members shall be appointed by July 1, 1987, and the Task Force shall have its organizational meeting no later than August 1, 1987.

SECTION 7. All persons selected for service on the task force shall be creative, knowledgeable and accomplished people with the capacity to contribute to the mission of the task force. Task force members shall be selected by the Board of Economic Development without regard for race, age or sex.

Members from state agencies and institutions shall serve on

assignment from their respective agencies and continue to receive full salary and benefits from their respective agencies. All other persons serving on the special task force will be sponsored by their respective organizations. In unusual circumstances where persons who could make notable contributions to the work of the task force cannot be sponsored as hereinabove provided, the Department of Economic Development will make efforts to assist in gaining sponsorship for such persons. Vacancies on the task force shall be filled by the Board of Economic Development from the agency or organization from which the vacancy occurred.

The Executive Director of the Research and Development Center shall organize and coordinate the work of the task force and may designate subgroups of task force members to assigned or selected areas of interest. The Executive Director of the Department of Economic Development may make recommendations regarding the task force and subgroup assignments.

SECTION 8. The Governor's Office of General Services shall make available office space for the special task force to include conference room facilities.

SECTION 9. The mission and role of the special task force shall be to function as an independent research and analytical group charged with assisting the Board of Economic Development and the Research and Development Council in setting measurable, achievable and significant state economic development goals. The task force shall make recommendations regarding such goals and present findings and detailed recommendations which will enable the state to achieve the stated goals. Recommendations of the task force shall be specific to the extent that actions needed are explicitly set out and supported with in-depth analyses as to the contributions such actions would have on the total development effort. All such recommendations shall be accompanied by specific

recommendations with respect to allocation of resources, including any additional funding necessary to fund all economic development activities.

SECTION 10. The Board of Economic Development shall contract with the Research and Development Center to prepare a State Economic Development Action Plan (SDAP) which shall consist of six (6) parts as provided in Sections 11 through 16 of this act and which shall be revised and updated annually.

SECTION 11. Part I of the SDAP will identify specific, quantifiable state economic development goals to be accomplished by December 31, 1993, and by December 31, 1998. Prior to adopting the goals required for Part I of the SDAP, one (1) public hearing shall be held in each Planning and Development District (PDD) in coordination with the Director of each PDD and the Department of Economic Development to receive public input on the goal setting process and deliberations pertaining thereto.

The goals adopted by the Board of Economic Development and the Research and Development Council shall be reasonable, challenging, achievable and shall be expressed in measures of economic and educational achievement that would represent measurable, comparative and significant economic progress for the state.

SECTION 12. Part II of the SDAP shall include:

(a) An inventory and analysis of the state's competitive advantages and an inventory and analysis of factors which tend to retard economic development in Mississippi;

(b) Identification and analysis of state, national and international economic trends affecting Mississippi's economic development;

(c) An analysis and evaluation of the state's taxing effort as it affects the state's economic development efforts and

an analysis of how economic development goals and objectives relate to projected short and long-term state and local revenues and to the possible and potential impact on the revenue structure;

(d) An identification and analysis of key factors affecting economic development in the state;

(e) An identification and analysis of factors affecting industrial location and decisions affecting expansion of existing business and industry within the state;

(f) An analysis of the state's incentive programs and economic development strategies and a comparison with other states;

(g) An analysis of the state's work force and of the economic conditions that work force will face in future years.

SECTION 13. Part III of the SDAP shall provide a procedure for monitoring the implementation of the state's economic development efforts. In formulating this procedure, the Research and Development Center will survey, identify and analyze every government program and private resource and activity that is available to, that is being applied toward, or that contributes to the accomplishment of the goals adopted by the Board of Economic Development and the Research and Development Council. The resources and economic development activities (programs) of state government, local government, federal government and private business shall be identified and analyzed to determine the specific areas in which they contribute to achievement of the overall goals.

The Research and Development Center shall also identify all federal funds that flow into Mississippi for any and all purposes, make comparisons with other states and prepare appropriate analyses to identify sources of federal funds where potential exists for attracting and obtaining larger amounts of federal

funds for the state.

The planning and development districts shall be utilized fully in determining the goals established herein and shall be the primary source of information and evaluation as to local and regional economic priorities as well as the identification and reporting of local governments and local and regional private business resources available for the accomplishment of such goals.

Part III of the SDAP shall require each agency and institution of state government involved in economic development, including the Institute for Technology Development and the state universities and junior colleges, to prepare and submit to the Department of Economic Development, the Research and Development Center and the Legislative Budget Committee work programs covering their economic development activities. The Research and Development Center shall specify a uniform format for agencies to follow in preparing their work programs. These work programs shall cover in general the next five (5) years of the SDAP and, in significant detail, the upcoming fiscal year. With each annual work program for the upcoming fiscal year, each agency shall make a full report on accomplishments of its previous year's work program. Work programs shall be submitted by August 15, 1987, for fiscal year 1988 by those agencies identified by the Department of Economic Development as being required to submit work programs in accordance with this act. Work programs submitted August 15, 1987 shall report on accomplishments of the prior fiscal year's work in economic development activities. The work program for fiscal year 1989, and for succeeding years, shall be submitted on June 1 prior to the beginning of the ensuing fiscal year.

The SDAP shall require copies of the overall economic development plans from each of the ten (10) planning and development districts to be submitted annually to the Research and

Development Center along with annual work programs and details of accomplishments of the prior fiscal year's work program. These materials shall be incorporated by reference in Part III of the SDAP.

SECTION 14. Part IV of the SDAP shall be an analysis and evaluation of materials in Parts II and III of the SDAP. This phase of the plan shall also make an overall evaluation of the relative contributions that the resources and efforts identified in Part III are making toward achievement of the overall state economic development goals. This phase of the plan shall contain specific recommendations for inclusion in the state's overall economic development efforts (among other things) (a) specific programs for accelerating overall economic development through greater results from the state's agricultural resources; (b) specific programs for rural areas of the state and those areas with the highest unemployment and lowest per capita incomes; (c) specific programs for international trade and the attraction of foreign investment through development of specialized, university-based or other programs; (d) the specific niches that Mississippi has and on which it should focus development efforts and/or those niches the state should seek to develop; and (e) the scope and role of each university and junior college with respect to economic development efforts of each institution.

This phase of the plan shall also evaluate the organization and structure of state economic development agencies and the assignment of functions and responsibilities for economic development among state agencies and institutions.

SECTION 15. (1) Part V of the SDAP shall consist of recommendations of the Board of Economic Development and the Research and Development Council. The recomendations shall be made based on findings and conclusions of the special task force.

Such recommendations shall also be based on Part IV of the SDAP and shall seek to improve in every possible and feasible manner the coordination and implementation of all activities and programs to be outlined and identified as required in Part III of the SDAP.

The recommendations in the first annual report shall address but not be limited to the following matters pertaining to the Department of Economic Development and the Research and Development Center:

(a) A mission statement of the agencies to include consideration for the role the agencies should have in coordinating economic development activities across state agencies and with local and regional governments and organizations;

(b) A mission statement for each division of each agency;

(c) Any organizational, staffing and reporting relationships regarding economic development programs and activities.

Recommendations may also address organizational issues for other economic development programs and activities of state government.

(2) The Special Task Force on Economic Development shall make recommendations for Part V of the SDAP regarding new initiatives and new programs and the alteration or expansion of existing programs as deemed necessary to achieve the goals established by the Board of Economic Development and the Research and Development Council. Such recommendations shall state specifically what is to be done, who is to do it and how it is to be done and shall also set out the cost-benefits of each recommendation.

SECTION 16. As Part VI of the SDAP, the Research and Development Center, in consultation with the Department of

Economic Development shall develop a legislative package containing statutory actions required to implement the programs and recommendations necessary to achieve the goals established by the Board of Economic Development and the Research and Development Council. The legislative package shall be prepared and presented in bill format.

SECTION 17. The Executive Director of the Department of Economic Development with the assistance of the Executive Director of the Research and Development Center shall present the annual revisions of the SDAP to the Joint Legislative Budget Committee prior to the annual budget hearings and discuss with the joint committee Parts III, IV and V. The presentation shall review the established goals and report and assess progress for the current reporting period of achieving official goals and make recommendations for any program changes that might be needed. Additional reports shall be made to the Joint Legislative Budget Committee as requested and as required by Section 5 of this act.

SECTION 18. The Research and Development Center shall annually request of the Mississippi Municipal Association and the Mississippi Association of Supervisors a summary of development efforts of local governments that relate to the SDAP and which contribute to the accomplishment of the goals set by the Board of Economic Development and the Research and Development Council for the state.

SECTION 19. The first annual SDAP shall be completed no later than September 1, 1988. The Department of Economic Development with assistance of the Research and Development Center shall present the first annual SDAP to the joint Legislative Budget Committee and to the Legislature in joint assembly in January 1989. A preliminary report on the status of the SDAP shall be made to the Joint Legislative Budget Committee in

November 1987 and in May 1988. The Special Task Force for Economic Development shall stand terminated by operation of law on January 1, 1989.

SECTION 20. This act shall take effect and be in force from and after passage.

FURTHER, amend the title by striking it in its entirety and inserting the following in lieu thereof:

AN ACT TO PROVIDE FOR A STATE ECONOMIC DEVELOPMENT PROCESS; TO ESTABLISH ECONOMIC DEVELOPMENT GOALS; TO COORDINATE STATE ECONOMIC DEVELOPMENT PLANNING; TO ESTABLISH A MONITORING, EVALUATION, REPORTING AND ACCOUNTABILITY PROCESS; TO DIRECT THE BOARD OF ECONOMIC DEVELOPMENT TO CONTRACT WITH THE RESEARCH AND DEVELOPMENT CENTER TO PREPARE A COMPREHENSIVE ECONOMIC DEVELOPMENT ACTION PLAN FOR THE STATE OF MISSISSIPPI; AND FOR RELATED PURPOSES.

CONFEREES FOR THE SENATE:

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Paul Richard Lambert

Ollie Mohamed

CONFEREES FOR THE HOUSE:

Charlie Williams

Dick Hall

Mack L. Wadkins

West Virginia

REGIONAL PLANNING AND DEVELOPMENT

An Act of the West Virginia Legislature
Second Extraordinary Session, 1971

(Com. Sub. for House Bill No. 3—Originating in the House Committee on the Judiciary)

(Passed November 3, 1971; in effect from passage. Approved by the Governor, November 17, 1971.)

AN ACT to amend and reenact article twenty-five, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to planning and development; the powers and duties of the governor with respect thereto; the delineation of regions and publication, hearing and certification requirements with respect thereto; the establishment of regional councils for planning and development purposes; the meetings, membership, organization, powers and duties of such regional councils; the receipt, expenditure and appropriation of funds by such regional councils; review functions; the establishment of executive committees of, advisory committees for, and citizens' participation in, such regional councils; preparation, submission and approval of the annual budget of such regional councils; effect on existing organizations and pending applications for funds or grants; and a rule of construction.

Be it enacted by the Legislature of West Virginia:

That article twenty-five, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 25. INTERGOVERNMENTAL RELATIONS-REGIONAL PLANNING AND DEVELOPMENT.

§8-25-1. Legislative findings and purposes.
§8-25-2. Definitions.
§8-25-3. Powers and duties of governor.

§8-25-4 Delineation of regions and recommendations of governor thereon, publication of statement fixing regional boundaries, public hearings, certification of regional boundaries; change in boundaries.
§8-25-5. Regional councils; organization meetings, formation, receipt of funds and assistance; powers and duties, effect on existing organizations.
§8-25-6. Same—Membership; organization; executive committee; officers and personnel.
§8-25-7. Same—Contracts for services, materials, etc.; publication of notice for bids.
§8-25-8. Same—Powers and duties generally.
§8-25-9. Same—Review of applications for loans or grants.
§8-25-10. Cooperation with other planning or development agencies, governmental units and officials.
§8-25-11. Appointment of citizens' advisory committees.
§8-25-12. Annual budget; contributions by governmental units; deposits and disbursements.
§8-25-13. Annual report.
§8-25-14. Effect of article upon pending projects and applications.
§8-25-15. Construction of article.

§8-25-1. Legislative findings and purposes.

The Legislature hereby finds and declares that as a result of changes in the economy, population shifts, new transportation demands and increasing demands for public services, and as a result of increasing complexity in government programs and added demands on public revenues, there is a need to plan comprehensively for the future development of West Virginia and to provide for the efficient management of limited public revenues for the purpose of promoting the orderly development of the state and harmonizing the development of the state's governmental, social, economic, environmental and physical resources, while maintaining acceptable levels of public services and facilities toward the end of promoting the general health, safety and welfare of all its citizens. The Legislature further finds that the responsibility for planning and development rests with the governor of the state, as the state's chief planning officer. The Legislature hereby further finds and declares that problems of growth and development so transcend the boundary lines of governmental units that no single unit can plan for the solution of these problems without affecting other units of government; that intergovernmental cooperation on a regional basis is an effective method to approach common planning and development problems and to seek more efficient and economical solutions to common problems of local government, and that assistance of the state is needed to make the most effective use of local, state, federal and private resources and funding in serving the citizens of all the state and of such regions; and the Legislature further finds that any assistance provided by the state for the purpose of this article is for the benefit of all its citizens and for a public purpose.

It is, therefore, the purpose of this article to delegate to the governor, the responsibility for planning and development in order to (1) achieve the objectives and policies necessary for the orderly growth and development of the state; (2) facilitate intergovernmental cooperation; and (3) designate regions and provide for the creation of regional planning and development councils; all being hereby declared to be public purposes.

§8-25-2. Definitions.

The following terms, wherever used or referred to in this article, shall have the following meanings unless a different meaning clearly appears from the context:

(a) "Comprehensive planning" shall mean the process of (1) assessing, within a geographic area, the needs and resources of the area; (2) formulating goals, objectives, policies and standards to guide its long-range governmental, social, economic, environmental and physical development; and (3) preparing plans and programs therefor which (a) identify alternative courses of action and the spatial and functional relationships among the activities to be carried out thereunder; (b) specify the appropriate ordering in time of such activities; (c) take into account other relevant factors affecting the achievement of the desired development of the area; and (d) provide an overall framework and guide for the preparation of functional and project development plans.

(b) "Development" shall mean the process of implementing, carrying out, effectuating, administering or otherwise performing the activities, processes, steps or operations as necessary to meet the comprehensive plan-

ning goals, objectives, programs and plans formulated, accepted, adopted or approved as a result of comprehensive planning.

(c) "Region" shall mean a specific geographic area consisting of at least one county or two or more contiguous counties in which a regional council may exercise authority and powers in accordance with the provisions of this article.

(d) "Regional council" shall mean a regional planning and development council established pursuant to the provisions of this article.

§8-25-3. Powers and duties of governor.

The governor, as chief executive officer of the state, shall be responsible for planning and development of the state's governmental, social, health, economic, environmental and physical resources. In executing this responsibility, the governor shall:

(1) Prepare, revise and update state development plans which he shall, at least annually, submit to the Legislature. Such plans shall identify and stress statewide goals, objectives and opportunities, giving appropriate consideration to regional council and local governmental plans; and shall include, but not be limited to, population and economic analysis; appraisals of the state's natural resources; general land use policies; policies for housing and urban development; transportation policies; policies for health services; manpower programs; employment opportunities; education; law enforcement; environmental protection and other programs; projection of needs for public facilities, recreation and open space; and policies for intergovernmental relations and governmental organization: *Provided*, That once a regional plan is submitted to the governor by a regional council for his consideration in preparing, revising or updating a state plan, the governor shall have a period of sixty days from the date such regional plan is received by him within which to specify in writing to the regional council his objection or objections to such regional plan, and if no such objection or objections are so specified, then such regional plan shall become a part of the state plan being prepared, revised or updated; and if any such

objection or objections are so specified, the regional council shall have a period of sixty days from the date of receipt of such specification within which to modify its regional plan or otherwise respond to such objection or objections, and, thereafter, the governor shall, in preparing, revising or updating a state plan, give such consideration to such original regional plan, modified regional plan or other response of the regional council, as the case may be, as he deems appropriate;

(2) Advise and consult with regional councils and regional and local planning agencies in developing state development plans and studies;

(3) Facilitate the coordination of planning and development activities of all state departments, agencies and institutions; local governments; regional councils; and other public and private agencies within the state;

(4) Review local, areawide and state applications for planning and development assistance;

(5) Review and appraise the progress of state government in achieving the goals and objectives set forth in the state development plans;

(6) Monitor and coordinate the state's participation in federal and state aid programs and be responsible for liaison with the appropriate federal and state agencies; and be responsible for all federal programs which require the designation of responsible state agencies, if no other state agency has heretofore been legally designated;

(7) Assist local governments, regional councils and other public bodies in obtaining federal, state or other available funds and services;

(8) Facilitate state and local capital improvement projects to meet the requirements of industrial and socio-economic development in various governmental units within the state;

(9) Provide professional and technical assistance and make information available to regional councils and local governments within the state; and be responsible for receiving and disseminating information regarding federal grant assistance within the state; and

(10) Apply for and accept advances, grants, contributions and other forms of assistance from the state or federal government or from any private or public agencies or foundations, to carry out the provisions of this article.

§8-25-4. Delineation of regions and recommendations of governor thereon; publication of statement fixing regional boundaries; public hearings; certification of regional boundaries; change in boundaries.

(a) Within sixty days after the effective date of this article, the governor shall define and recommend for the purposes of this article regional boundaries embracing each municipality and county within the state.

(b) In delineating boundaries of the regions, the governor shall consider such factors as the units of local government shall express by proper resolution, including community interest and homogeneity; geographic features and natural boundaries; patterns of communication and transportation; patterns of urban development; uniformity of social and economic problems; special problems, boundaries of existing metropolitan and other substate planning and administrative areas; and utility of the proposed boundaries for efficient provision of governmental services. Municipalities shall not be divided when forming a region, except insofar as it is necessary to keep multi-county municipalities within a region.

(c) The governor shall, within six months after the effective date of this article, certify to the secretary of state the boundaries of each region.

(d) Not less than sixty days prior to the certification of the boundaries of any region, the governor shall cause a statement setting forth the counties to be included within the boundary of the proposed region to be published as a Class I-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be the proposed region. The governor shall forward a copy of the statement to the principal executive officer or officers of each municipality and county located within the proposed region.

(e) Prior to the time that the governor shall certify the boundaries of a region, he or his designee shall conduct at least one public hearing at a convenient place within the proposed region. The governor shall advertise the meeting by means of a Class I-0 legal advertisement in compliance with the provisions of said article three, and the publication area for such advertisement shall be the proposed region. All public and private organizations located in, and all individuals residing in, municipalities or counties within or adjacent to the proposed region shall be permitted to appear and testify on matters pertaining to its boundaries.

(f) At any time following the certification of the boundaries of any region, the governor may change such boundaries, pursuant to the criteria and procedures set forth in subsections (b), (c), (d) and (e) of this section.

§8-25-5. Regional councils; organization meetings; formation; receipt of funds and assistance; powers and duties; effect on existing organizations.

(a) The governor shall provide for an organizational meeting of each of the regional councils within sixty days after his certification pursuant to section four of this article. He shall notify the president of each county court and the mayor of each municipality of the region of the time and place of such meeting. The official so notified shall attend this meeting or shall designate a representative. In the case of the county court, another member of the court shall be the designee or, in the case of a municipality, a member of the governing body of such municipality shall be the designee. Those present shall constitute a quorum and shall select a temporary chairman and secretary and shall provide for a subsequent meeting or meetings at which time the members provided for in section six of this article shall be nominated and elected and the permanent organization and bylaws established.

(b) Each regional council formed pursuant to this article shall fulfill the purposes of development regions and shall be eligible to receive state funds and technical assistance in accordance with the provisions of this article.

(c) (1) Nothing herein contained shall in any way limit or restrict the powers, duties and responsibilities of planning bodies organized under article twenty-six of this chapter relating to interstate planning commissions.

(2) Interstate planning commissions in existence on the effective date of this article are hereby designated as the planning and development councils for the region, insofar as the West Virginia member counties of such interstate planning commissions are concerned, and such commissions shall be empowered to act as the planning and development councils for such regions insofar as the West Virginia member counties are concerned.

(3) When additional West Virginia counties are added, under the provisions of this article, to such interstate planning commissions, their membership in such commissions shall comply, insofar as the West Virginia counties are concerned, with the council membership requirements of this article.

(4) Regional councils or commissions established under this article and article twenty-six of this chapter may, at the option of the county courts of the participating West Virginia counties, continue to have all the powers, duties and responsibilities permitted and required under said article twenty-six, in addition to the powers, duties and responsibilities provided herein for regional councils.

(5) State regional councils or commissions and their corresponding boundaries in existence on the effective date of this article, which were established under the former provisions of this article, and any nonprofit corporation in existence on the effective date of this article, which was established under chapter thirty-one of this code and pursuant to section eighteen, article five, chapter seven of this code and which has had in its employ a full-time paid executive staff for a period of no less than six months immediately prior to the effective date of this article, may be designated by the governor as planning and development regions and regional councils. Such designation shall be made within sixty days after the effective date of this article. Regional councils so designated shall have a period of six months from the date of designation to comply with the membership structure required by this article. Nothing herein contained shall be construed to deprive such existing state regional councils of their legal authority prior to the expiration of the aforementioned six-month period.

§8-25-6. Same—Membership; organization; executive committee; officers and personnel.

(a) All municipalities and all counties within the region shall be represented on the regional council. The county representative shall be the president of the county court or a member of the county court designated by him. The municipal representative shall be the mayor or a member of the governing body designated by him. The number of members of the regional council by virtue of this subsection shall comprise not less than fifty-one percent of the total number of members.

(b) Regional council members serving by virtue of subsection (a) of this section shall select additional members to serve on the council to represent principal community or regional interests, including, but not limited to, commerce, industry, labor, agriculture, education, health and any such interests as may be required by federal law or regulations. The selection of such members shall also provide for reasonable representation of geographic, economic and ethnic groups without exclusion of significant minority groups. Subsequent changes in the designation of representatives shall be determined by the regional council. The number of members serving by virtue of this subsection shall not exceed forty-nine percent of the total number of members.

(c) Each regional council shall select from its membership a chairman, who shall preside at each council meeting, and an executive committee, which shall be comprised of one representative from each county court and one representative from the largest municipality within each county in the region and such other members as the aforesaid representatives may select, but such other members so selected shall not constitute more than forty-nine percent of the total membership of the

executive committee. The executive committee shall perform such administrative duties as are prescribed by the regional council in its bylaws and shall exercise the review function provided for in section nine of this article. Each regional council may further provide for such other officers as it shall deem necessary and may establish other committees which may include citizens who are not regional council members.

(d) Each regional council shall establish personnel rules and shall appoint a director who shall be qualified by reason of training and experience. The director shall be empowered to appoint and remove other employees in accordance with the regional council's personnel rules. He may, with the approval of the executive committee, enter into agreements with governmental agencies within the region for the use of personnel, equipment and facilities.

§8-25-7. Same—Contracts for services, materials, etc.; publication of notice for bids.

Each regional council is empowered and authorized to contract for services of consultants to perform planning, development, engineering, legal or other services of a professional, specialized or technical nature; and such consultants shall be persons appropriately qualified under state statutes dealing with the applicable profession or occupation. Each such contract must have the express approval of the regional council or the executive committee. Such contracts shall not be subject to any law relating to public bidding: *Provided*, That every contract of the council for the purchase of merchandise, materials or supplies in the amount of one thousand dollars or more shall be let to the lowest responsible bidder after notice requesting such bids has been published as a Class I-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for this publication shall be the region in question.

§8-25-8. Same—Powers and duties generally.

Each regional council may:

(a) Continuously engage in comprehensive planning and development processes and prepare, and from time to time revise, amend, extend or add to, a plan or plans for the development of the region consistent with any state comprehensive planning and development objectives and reflecting plans and programs of the participating governmental units. Any such plan or plans shall be based on studies of governmental, social, economic, environmental and physical conditions and trends, and shall aim at the coordinated development of the region in order to promote the general health, welfare, convenience and prosperity of its people. Such plan or plans, or parts thereof, shall be prepared by persons appropriately qualified under state statutes dealing with the applicable profession or occupation. Such plan or plans shall be submitted for review to the appropriate agencies in accordance with the provisions of this article. The plan or plans shall embody the policy recommendations of the regional council, and may include, but shall not be limited to: (1) A statement of goals, objectives, standards and principles sought to be expressed in the plan or plans to guide economic, social, environmental and human resource development; (2) recommendations for transportation networks in the region, including land, water and air transportation, and for communication facilities; (3) recommendations concerning the need for and proposed general location of public and private works and facilities, which by reason of their function, size, extent or for any other cause are of a regional, as distinguished from a purely local concern; and (4) recommendations for the long-range programming and financing of capital projects and facilities.

(b) Prepare and from time to time revise, amend, extend or add to a regional development program to implement the policies contained in the comprehensive development plan for the region. The program shall contain a listing of development projects and programs, priorities for the financing of these projects and programs and recommended methods for project and program financing.

(c) Prepare and recommend ordinances, rules and regulations which would implement regional and local plans.

(d) Prepare and publish studies of the region's resources, both natural and human, with respect to existing and emerging problems of industry, commerce, transportation, population, housing, agriculture, environment, health, education, welfare, public service, local governments and any other matters which are relevant to regional planning.

(e) Collect, process and analyze the social and economic statistics for the region which are necessary to planning studies and make the results of such collection, processing and analysis available to the general public.

(f) Participate with other governmental agencies, educational institutions and private organizations in the coordination of the regional research and educational activities described in subdivisions (d), (e) and (h) of this section.

(g) Cooperate with, and provide, upon request, planning and technical assistance to municipalities, counties and planning and development agencies within the region, and coordinate regional planning with the planning activities and plans of the state and of the municipalities and counties within the region, as well as neighboring areas, including those in adjoining states, and the programs of federal departments and agencies.

(h) Provide information to officials, departments, agencies and instrumentalities of the federal, state and local governments and to the public at large, in order to foster public awareness and understanding of the objectives of the regional plans and the functions of the regional and local planning and development councils, and to stimulate public interest and participation in the orderly, integrated development of the region.

(i) Apply for, accept and expend funds and grants provided for the purposes hereof by the government of the United States or its departments or agencies; by departments and agencies of the state or any other state; by one or more municipalities, counties or other political subdivisions of this state or of any other state; or by any other agency, public or private; or from any individual whose interests are in harmony with the purposes hereof, including planning councils and commissions, all in

accordance with any federal requirements and subject to any conditions or limitations of the constitution or laws of this state.

(j) Perform development on a regional basis as necessary to undertake, complete or accomplish the goals and purposes of comprehensive planning in the region by intergovernmental contract or joint enterprises, or both, with local governmental units or combinations of such units pursuant to article twenty-three of this chapter.

(k) Exercise powers jointly or in cooperation with agencies or political subdivisions of the state of West Virginia or any other state, or with agencies of the United States, subject to constitutional and statutory provisions applicable to interjurisdictional agreements.

(l) Adopt bylaws and such other rules and regulations as may be necessary to effectuate the purposes of this article.

(m) Exercise all other powers and authority necessary and proper for the discharge of its duties.

§8-25-9. Same—Review of applications for loans or grants.

Each regional council shall review all applications of governmental units or independent agencies within the region for loans or grants from the federal government or any of its agencies or the state of West Virginia or any of its agencies. All recommendations and comments on applications for the aforementioned funding programs shall be forwarded to the governor. Each council shall establish and maintain a clearinghouse for the purpose of establishing required review procedures in compliance with the "Intergovernmental Cooperation Act of 1968 (Public Law 90-557)," and the "Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 87-754)," and the rules and regulations pertaining thereto, as promulgated by the United States office of management and budget. The state review agency designated by the governor shall inform regional councils of state review findings relating to applications submitted from within the jurisdiction of each council.

§8-25-10. Cooperation with other planning or development agencies, governmental units and officials.

To effectuate the purposes of this article, regional councils shall cooperate with planning agencies or development agencies within the region or within other regions, with the governing bodies and administrative officials of any municipality, county or any other political subdivision, including those in other states, or with any other entity, private or public, whose interests are in harmony with the purposes of this article, in order to coordinate and harmonize planning and development for the cooperating units. All state departments and agencies shall cooperate with regional councils established under this article and shall make available for the studies conducted by such councils, reports, data and other informational and technical assistance within financial and personnel limitations. Each regional council may appoint such committees and may adopt such rules and regulations as may be proper to effect such coordination and integration. The governing bodies and administrative officials of municipalities, counties and other political subdivisions within this state are hereby empowered and authorized to cooperate with such planning and development agencies and with the governing bodies and administrative officials of political subdivisions and planning and development agencies in other states for the purpose of such coordination and integration in accordance with the provisions of this article.

§8-25-11. Appointment of citizens' advisory committees.

Each regional council may appoint advisory committees of interested and affected citizens to assist in the review of plans, programs and other purposes of this article referred for review by the regional council. Whenever a special advisory committee is required by any federal or state regional program, the regional council chairman shall, with approval of the executive committee, appoint such committees as advisory groups to the regional council.

§8-25-12. Annual budget; contributions by governmental units; deposits and disbursements.

Each regional council shall adopt an annual budget, to be submitted to the participating governmental units which shall each contribute to the financing of the council according to a formula adopted by the council and approved by a majority of the counties and a majority of the municipalities participating in the regional council. All such contributions shall be fair and equitable and shall be based on the population of each participating governmental unit as determined on the basis of the latest decennial census, or such other criteria as may be determined by each respective regional council. Each participating county and municipality is hereby directed and empowered to pay over and contribute to the operation of said councils in accordance with the formula adopted as hereinbefore provided. Such sums, as are appropriated hereunder, may be transferred to the regional councils for deposit and disbursement as the regional councils may designate and direct. By such transfer, the governing body designates the regional council as its disbursing agent.

§8-25-13. Annual report.

On or before July thirty-first of each year, each regional council shall prepare an annual report. The regional council shall submit copies of the report to the participating governmental units and to the governor. The report shall include the following:

(a) A consolidated statement of the regional council's receipts and expenditures by category since the preceding report.

(b) A consolidated, detailed regional council budget for the year in which the report is filed and the following year including an outline of its program for such period.

(c) A description of any comprehensive plan adopted in whole or in part for the region.

(d) Summaries of any studies and development progress and the recommendations resulting therefrom made for the region.

(e) A listing of all applications for federal grants or loans submitted by the governmental units within the

region together with the action taken by the regional council in relation thereto.

(f) A listing of plans of local governmental units submitted to the region and actions taken in relation thereto.

(g) Recommendations of the regional council regarding federal and state programs, cooperation, funding and legislative needs.

§8-25-14. Effect of article upon pending projects and applications.

Any of the provisions of this article to the contrary notwithstanding, no pending application for federal or state grants, loans, mortgages or other types of funding nor any application for grants, loans, mortgages or other types of funding intended to supplement a pending project shall be required to be approved by any such regional council nor shall any such pending application be delayed or disapproved by reason of the provisions of this article.

§8-25-15. Construction of article.

The provisions of this article shall be liberally construed to accomplish its objectives and purposes.



I, A. James Manchin, Secretary of State of the State of West Virginia, hereby certify that

the following and hereto attached is a true and correct copy of planning and development regions encompassing the counties and municipalities of the State of West Virginia as filed in this office on May 3, 1972 by Governor Arch A. Moore, Jr.

Given under my hand and the Great Seal of the said State at the City of Charleston, this

Seventh day of

October 19 80

A. James Manchin

Secretary of State

OFFICE OF THE GOVERNOR
CHARLESTON 25305

May 3, 1972

ARCH A MOORE, JR.
GOVERNOR

To the Honorable
The Secretary of State
State Capitol
Charleston, West Virginia

Dear Mr. Secretary:

Pursuant to the provisions of Article Twenty-five, Chapter Eight of the Code of West Virginia, I do hereby certify the following as planning and development regions encompassing the counties and municipalities of the State of West Virginia:

Region One (1), consisting of the counties of McDowell, Mercer, Monroe, Raleigh Summers and Wyoming.

Region Two (2), consisting of the counties of Cabell, Lincoln, Logan, Mason, Mingo and Wayne.

Region Three (3), consisting of the counties of Boone, Clay, Kanawha and Putnam.

Region Four (4), consisting of the counties of Fayette, Greenbrier, Nicholas, Pocahontas and Webster.

Region Five (5), consisting of the counties of Calhoun, Jackson, Pleasants, Ritchie, Roane, Tyler, Wirt and Wood.

Region Six (6), consisting of the counties of Doddridge, Harrison, Marion, Monongalia, Preston and Taylor.

Region Seven (7), consisting of the counties of Barbour, Braxton, Gilmer, Lewis, Randolph, Tucker and Upshur.

Region Eight (8), consisting of the counties of Grant, Hampshire, Hardy, Mineral and Pendleton.

Region Nine (9), consisting of the counties of Berkeley, Jefferson and Morgan.

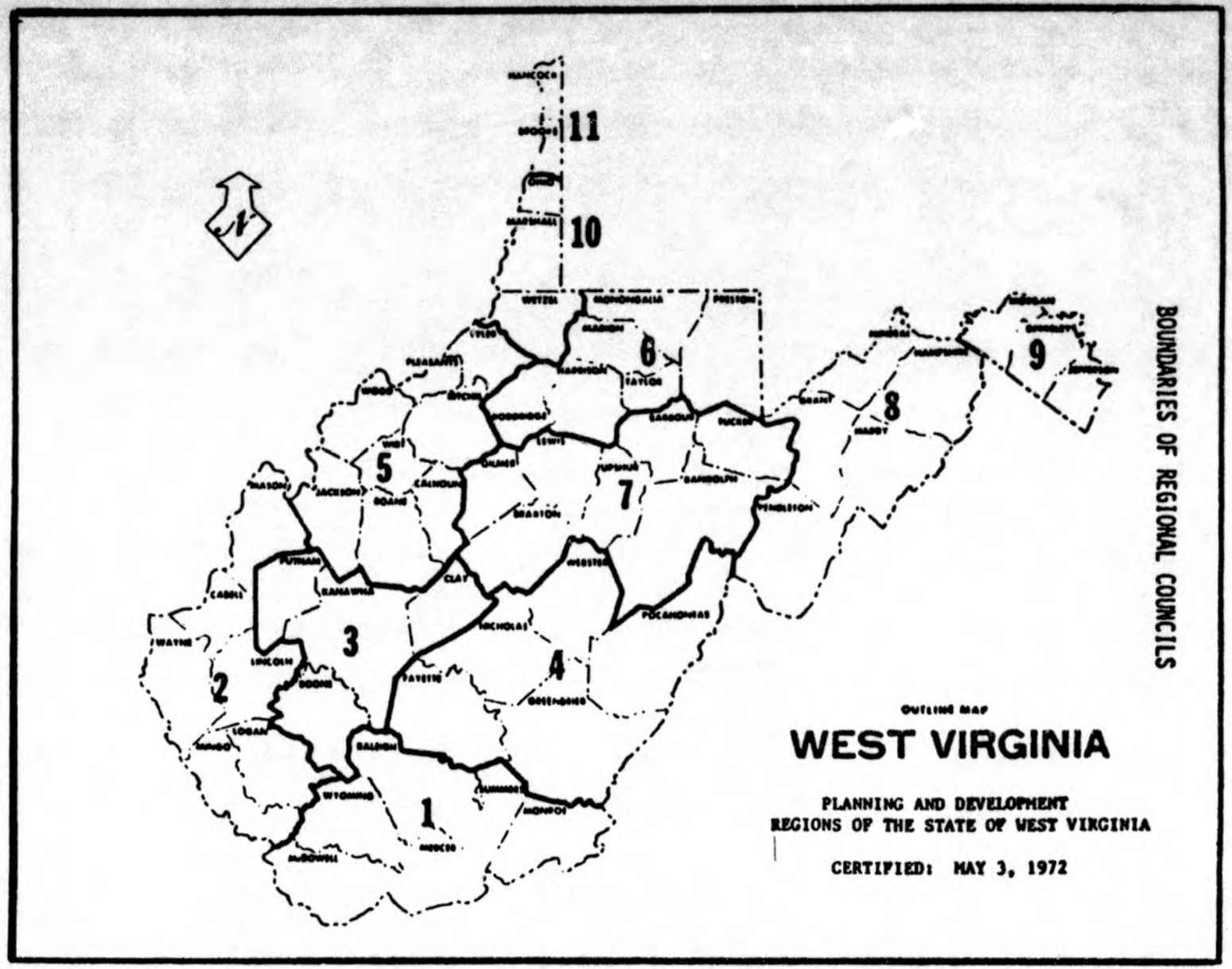
Region Ten (10), consisting of the counties of Marshall, Ohio and Wetzel.

Region Eleven (11), consisting of the counties of Brooke, and Hancock.

Submitted herewith is a map of the State of West Virginia outlining the regions as defined above.

Arch A. Moore Jr.

ARCH A. MOORE, JR.
GOVERNOR


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BOUNDARIES OF REGIONAL COUNCILS
OUTLINE MAP
WEST VIRGINIA
PLANNING AND DEVELOPMENT
REGIONS OF THE STATE OF WEST VIRGINIA
CERTIFIED: MAY 3, 1972

affect, impair or invalidate the remaining provisions thereof, but shall be confined in its operation to the specific provisions so held unconstitutional or invalid. Any provision of this chapter which is found to be in conflict with any other statute or charter shall be controlling and shall supersede such other statute or charter to the extent of such conflict. (1966, c. 651.)

§ 15.1-1391. Validation of creation of authorities, appointment of directors and proceedings; curative resolutions. — All proceedings heretofore taken with respect to the creation of authorities by any municipality pursuant to this chapter are hereby validated and confirmed and all such authorities are declared to be legally created. All incumbent directors of authorities are declared to be and are lawfully appointed directors of authorities, notwithstanding any failure to conform to the requirements of this chapter, and all such appointments are hereby ratified, validated and confirmed; provided, however, all terms of incumbent directors shall conform to the amendments to Code § 15.1-1377 respecting terms of office adopted by the 1980 Session of the General Assembly. The governing body of any municipality is hereby authorized to adopt such corrective resolutions as may be necessary to carry out the requirements of the immediately preceding sentence. All proceedings heretofore taken to provide for or with respect to the authorization, issuance, sale, execution or delivery of bonds by or on behalf of any authority are hereby validated, ratified, approved and confirmed, and any such bonds so issued shall be valid, legal, binding and enforceable obligations of such authority. (1980, c. 304.)

§§ 15.1-1392 to 15.1-1399: Reserved.

CHAPTER 34.

VIRGINIA AREA DEVELOPMENT ACT.

Article 1.

General Provisions.

Sec.

15.1-1400. Short title.
15.1-1401. Purpose of chapter.
15.1-1402. Definitions.

Article 2.

Planning Districts.

15.1-1403. Organization of planning district commission.
15.1-1404. Powers of commission generally.
15.1-1405. Purpose of commission; powers and duties of local planning commissions not affected; exceptions.
15.1-1406. (Effective until July 1, 1982) Preparation and adoption of comprehensive plan.
15.1-1406. (Effective July 1, 1982) Preparation and adoption of comprehensive plan.
15.1-1407. Commission and governmental subdivisions to act only in conformity with comprehensive plan.
15.1-1408. Amendment of comprehensive plan.
15.1-1409. Review of comprehensive plan by commission.
15.1-1410. Commission to review applications for State or federal aid by local governing bodies.
15.1-1411. Cooperation and consultation with other agencies.
15.1-1412. State aid.
15.1-1413. Local governing bodies authorized to appropriate or lend funds.
15.1-1414. Procedure when governmental subdivisions included in planning district also participate in regional planning commission.
15.1-1415. Exemption of commission from taxation.
15.1-1416 to 15.1-1419. [Reserved.]

Article 3.

Service Districts.

15.1-1420. Creation authorized.
15.1-1421. Planning district commission authorized to prepare and promulgate plan for creation of service district.

Sec.
15.1-1422. Contents of plan.
15.1-1423. Charter of service district.
15.1-1424. Submission of plan to Department of Housing and Community Development; approval or disapproval by local governing bodies.
15.1-1425. Referendum on approval of plan and adoption of charter.
15.1-1426. Judges to order election to choose elected members of service district commission.
15.1-1427. Composition of commission.
15.1-1428. Election districts; qualifications, nomination and election, etc., of elected members of commission.
15.1-1429. Chairman of commission.
15.1-1430. Effective date of organization of district; fiscal year.
15.1-1431. Powers of district generally.
15.1-1432. Merger of planning district commission into service district; planning division of service district.
15.1-1433. State aid.
15.1-1434. Filing copies of charter and ordinances.
15.1-1435. Adoption of ordinances.
15.1-1436. Annual assessment upon governmental subdivisions in district; tax levies by governmental subdivisions.
15.1-1437. Fees, rents and charges for services provided by district; requiring connection with sewage disposal and water supply systems.
15.1-1438. Bonds and other obligations of district; fees, rents and charges for use of projects; exemption from taxation.
15.1-1439. Annexation by municipalities within district.
15.1-1440. Exemption of district from taxation.
15.1-1441. Amendment of service district plan.
15.1-1442 to 15.1-1449. [Reserved.]

Article 4.

Miscellaneous Provisions.

15.1-1450. Construction of chapter.
15.1-1451. [Not set out.]
15.1-1452. Inconsistent laws inapplicable.
15.1-1453 to 15.1-1499. [Reserved.]

ARTICLE 1.

General Provisions.

§ 15.1-1400. Short title. — This chapter shall be known and may be cited as the "Virginia Area Development Act." (1968, c. 224.)

Law Review. — For note on "Public Regulation of Water Quality in Virginia," see 13 Wm. & Mary L. Rev. 424 (1971). For article, "Virginia Natural Resources Law and the New Virginia Wetlands Act," see 30 Wash. & Lee L. Rev. 19 (1973). For article entitled, "Special Purpose Taxation Districts: Coming or Going?" see 11 U. Rich. L. Rev. 87 (1976).

§ 15.1-1401. Purpose of chapter. — This chapter is enacted:

(a) To improve public health, safety, convenience and welfare, and to provide for the social, economic and physical development of communities and metropolitan areas of the State on a sound and orderly basis, within a governmental framework and economic environment which will foster constructive growth and efficient administration.

(b) To provide a means of coherent articulation for community needs, problems, and potential for service in relation to State government.

(c) To foster planning for such development by encouraging the creation of effective regional planning agencies and providing the financial and professional assistance of the State.

(d) To make provision for the creation of a unit of government capable of efficiently performing governmental functions and services on a regional basis, the cost of which can be borne equitably by those receiving the benefits thereof.

(e) To deter the fragmentation of governmental units and services. (1968, c. 224.)

§ 15.1-1402. Definitions. — For the purposes of this chapter:

(a) *"Planning district"* shall mean a contiguous area within the boundaries established by the Department of Planning and Budget.

(b) *"Service district"* shall mean a unit of government created as provided in this chapter.

(c) *"Governmental subdivision"* shall mean the counties, cities and towns of this State.

(d) *"Political subdivisions"* shall include the governmental subdivisions, sanitary, sanitation and transportation districts, authorities and other such public bodies created under the laws of this State.

(e) *"Governing body"* shall include the board of supervisors of a county, the council of a city or town, the board of commissioners or other board or body in which the powers of a political subdivision are vested by law.

(f) *"Population,"* unless a different census is clearly set forth, shall mean the number of inhabitants according to the United States census latest preceding the time at which any provision dependent upon population is being applied, or the time as of which it is being construed, unless there is available an annual estimate of population prepared by the Tayloe Murphy Institute of the University of Virginia, which has been filed with the Department of Planning and Budget, in which event the estimate shall govern. (1968, c. 224; 1976, c. 760.)

ARTICLE 2.

Planning Districts.

§ 15.1-1403. Organization of planning district commission. — (a) At any time after the establishment of the geographic boundaries of a planning district, pursuant to § 2.1-63.5 of the Code, the governmental subdivisions embracing at least forty-five percent of the population within the district acting by the governing body may organize a planning district commission by written agreement among them. Any governmental subdivision not a party to such charter agreement shall continue as a part of the planning district but, until such time as such governmental subdivision elects to become a part of the planning district commission as hereinafter provided, shall not be represented in the composition of the membership of the planning district commission. Provided, however, whenever a planning district is created which contains only two counties, the governing body of either county may organize a planning district commission in accordance with the provisions of this chapter if the governing body of the other county does not agree to organize such a planning district commission.

(b) The charter agreement shall set forth:

(1) The name of the planning district.

(2) The governmental subdivision in which its principal office shall be situated.

(3) The effective date of the organization of the planning district commission.

(4) The composition of the membership of the planning district commission; provided, however, that at least a majority, but not substantially more than a majority, of its members shall be elected officials of the governing bodies of the governmental subdivisions within the district with each county, city and town of more than three thousand five hundred population having at least one representative, and the other members being qualified voters and residents of the district, who hold no office elected by the people; and provided further, however, should the charter agreement, as adopted, so provide, an alternate may serve in lieu of one of the elected officials of each of the governing bodies of the participating governmental subdivisions.

(5) The term of office of the members, their method of selection or removal and the method for the selection and the term of office of a chairman.

(6) The voting rights of members, and such voting rights need not be equal and may be weighed on the basis of the population of the governmental subdivision represented by the member, the aggregation of the voting rights of members representing one governmental subdivision, or otherwise.

(7) The procedure for amendment, for addition of other governmental subdivisions within the planning district which are not parties to the original charter agreement, and the withdrawal from the charter agreement by governmental subdivisions within the planning district electing to do so.

(c) The governing body of any governmental subdivision which is a member of the planning district commission may provide for compensation to be paid by it for its commission members, except for any full-time salaried employees of the subdivision; provided that the amount of such compensation shall not exceed the amount fixed by the planning district commission. (1968, c. 224; 1970, cc. 303, 703; 1972, c. 595; 1973, c. 176.)

Editor's note. — Section 2.1-63.5, referred to in subsection (a) of this section, was repealed by Acts 1976, c. 760.

§ 15.1-1404. Powers of commission generally. — (a) Upon organization of a planning district commission, pursuant to charter agreement, it shall be a public body corporate and politic, the purposes of which shall be to perform the planning and other functions provided by this chapter, and it shall have the power to perform such functions and all other powers incidental thereto.

(b) Without in any manner limiting or restricting the general powers conferred by this chapter, the planning district commission shall have power:

(1) To adopt and have a common seal and to alter the same at pleasure.

(2) To sue and be sued.

(3) To adopt bylaws and make rules and regulations for the conduct of its business; provided, however, a planning district commission shall not amend its budget once adopted during the applicable fiscal year except pursuant to an affirmative vote of the same number of the entire membership of the planning district commission required to adopt the budget.

(4) To make and enter into all contracts or agreements, as it may determine, which are necessary or incidental to the performance of its duties and to the execution of the powers granted under this chapter.

(5) To make application for and to accept loans and grants of money or materials or property at any time from any private or charitable source or the United States of America or the Commonwealth of Virginia, or any agency or instrumentality thereof.

(6) To exercise any power usually possessed by private corporations, including the right to expend such funds as may be considered by it to be advisable or necessary in the performance of its duties and functions.

(7) To employ engineers, attorneys, planners, such other professional experts and consultants and such general and clerical employees as may be deemed necessary, and to prescribe their powers and duties and fix their compensation.

(8) To do and perform any acts and things authorized by this chapter through or by means of its own officers, agents and employees, or by contracts with any persons, firms or corporations.

(9) To execute any and all instruments and do and perform any and all acts or things necessary, convenient or desirable for its purposes or to carry out the powers expressly given in this chapter. (1968, c. 224; 1975, c. 83.)

§ 15.1-1405. Purpose of commission; powers and duties of local planning commissions not affected; exceptions. — (a) It shall be the

purpose of the planning district commission to promote the orderly and efficient development of the physical, social and economic elements of the district by planning, and encouraging and assisting governmental subdivisions to plan for the future. It shall not be the duty of the commission to perform the functions necessary to implement the plans and policies established by it or to furnish governmental services to the district. No action of a planning district commission shall affect the powers and duties provided to local planning commissions by law, except as a special case recognized and approved as such by the General Assembly, two such special cases being the LENOWISCO (Lee, Norton, Wise, Scott, and Big Stone Gap) Planning District Commission of Southwest Virginia, and the Cumberland Plateau (Buchanan, Dickenson, Russell and Tazewell) Planning District Commission.

(b) The following functions may be assumed by the LENOWISCO (Lee, Norton, Wise, Scott, and Big Stone Gap) Planning District Commission.

The authority conferred by this subsection is contingent upon its ratification by resolution of the governing body of each member governmental subdivision of the planning district. This shall not apply to any function assumed prior to January one, nineteen hundred seventy-five.

1. To carry out a program of small stream maintenance for purposes of environmental improvement and minor flood control and to have the authority to own and operate equipment and own properties necessary to undertake such a program. Any and all such stream improvements and flood control measures shall be coordinated with the Commission of Game and Inland Fisheries, State Water Control Board, and Commission of Outdoor Recreation, as they relate to the quality or quantity of water and aquatic life in the streams affected, or related to land resources. Official agency views regarding improvement and control measures shall be drafted and provided to the LENOWISCO Planning District Commission.

2. To operate a solid waste disposal program, including: (i) the operation of an experimental rural solid waste collection system; (ii) a junk or abandoned car collection and disposal program; or (iii) a program to eliminate promiscuous dumps, and to have the authority to own and operate equipment and own properties necessary to undertake such a program.

(b1) The Cumberland Plateau Planning District Commission may assume the following functions, and shall have the authority to own and operate the equipment and properties necessary to carry out such functions:

1. To carry out a program of small stream maintenance for purposes of environmental improvement and minor flood control; any and all such stream improvements and flood control measures shall be coordinated with the Commission of Game and Inland Fisheries, State Water Control Board, and Commission of Outdoor Recreation, as they relate to the quality or quantity of water and aquatic life in the streams affected, or related to land resources. Official agency views regarding improvement and control measures shall be drafted and provided to the Cumberland Plateau Planning District Commission.

2. To operate a tanker truck water supply system to towns and communities in the Cumberland Plateau Planning District experiencing drought and water shortage.

3. To operate a program of assistance to local governments in site preparation of public land to accommodate public improvements, including site preparation for industry and recreation.

4. To aid public water and sewer development in taking pipelines underneath roadways, and to detect and correct sewer infiltration.

5. To operate programs for elimination of promiscuous dumps and other environmental clean-up activities as determined by local governments.

6. To engage in construction and repair work on roads and streets not in the State Highway System or the secondary system of highways.

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The authority conferred by this subsection is contingent upon its ratification by resolution of the governing body of each member governmental subdivision of the planning district.

(c) The aforementioned programs in subsections (b) and (b1) shall not be undertaken by such planning district commission within the boundaries of any county, city or town in such district without the express consent by duly adopted resolution of the governing body of such county, city or town. (1968, c. 224; 1972, c. 814; 1975, c. 381.)

§ 15.1-1406. (Effective until July 1, 1982) Preparation and adoption of comprehensive plan. — (a) Each planning district commission shall undertake to prepare a comprehensive plan for the guidance of the development of the district. Such plan shall concern those elements which are of importance in more than one of the governmental subdivisions within the district, as distinguished from matters of only local importance. The comprehensive plan may concern such subjects and may be divided into such parts or sections as the planning district commission may deem desirable to promote the orderly and efficient development of the physical, social and economic elements of the district. Individual parts or sections of the plan may from time to time be adopted as they are ready.

(b) Before the comprehensive plan, or any part thereof, shall be adopted, it shall be submitted to the Department of Intergovernmental Affairs and to the local planning commission (or, if there be none, to the governing body) of each governmental subdivision within the district for a period of not less than thirty days prior to a hearing to be held by the planning district commission thereon, after notice as provided in § 15.1-431. Each such local planning commission shall make recommendations to the planning district commission with respect to the effect of the plan, or part thereof, within its governmental subdivision on or before the date of said hearing.

(c) Upon approval of the comprehensive plan, or part thereof, by a planning district commission after such public hearing, it shall be submitted to the governing body of each governmental subdivision (excluding towns of less than three thousand five hundred population) within the district for adoption and, upon adoption thereof by the governing bodies of a majority of such governmental subdivisions, the comprehensive plan, or part thereof, shall become effective with respect to all action of a planning district commission. The plan shall not become effective with respect to the action of the governing body of any governmental subdivision within the district until adopted by the governing body of such governmental subdivision. (1968, c. 224; 1976, c. 760.)

Cross reference. — For this section as amended effective July 1, 1982, see the following section, bearing the same number.

Law Review. — For article, "Virginia Natural Resources Law and the New Virginia Wetlands Act," see 30 Wash. & Lee L. Rev. 19 (1973).

§ 15.1-1406. (Effective July 1, 1982) Preparation and adoption of comprehensive plan. — (a) Each planning district commission shall undertake to prepare a comprehensive plan for the guidance of the development of the district. Such plan shall concern those elements which are of importance in more than one of the governmental subdivisions within the district, as distinguished from matters of only local importance. The comprehensive plan may concern such subjects and may be divided into such parts or sections as the planning district commission may deem desirable to promote the orderly and efficient development of the physical, social and economic elements of the district. Individual parts or sections of the plan may from time to time be adopted as they are ready.

(b) Before the comprehensive plan, or any part thereof, shall be adopted, it shall be submitted to the Department of Housing and Community Development and to the local planning commission (or, if there be none, to the governing body) of each governmental subdivision within the district for a period of not less than thirty days prior to a hearing to be held by the planning district commission thereon, after notice as provided in § 15.1-431. Each such local planning commission shall make recommendations to the planning district commission with respect to the effect of the plan, or part thereof, within its governmental subdivision on or before the date of said hearing.

(c) Upon approval of the comprehensive plan, or part thereof, by a planning district commission after such public hearing, it shall be submitted to the governing body of each governmental subdivision (excluding towns of less than three thousand five hundred population) within the district for adoption and, upon adoption thereof by the governing bodies of a majority of such governmental subdivisions, the comprehensive plan, or part thereof, shall become effective with respect to all action of a planning district commission. The plan shall not become effective with respect to the action of the governing body of any governmental subdivision within the district until adopted by the governing body of such governmental subdivision. (1968, c. 224; 1976, c. 760; 1981, c. 315.)

Cross reference. — For this section as in effect until July 1, 1982, see the preceding section, bearing the same number.

The 1981 amendment, in subsection (b), substituted "Department of Housing and Community Development" for "Department of Intergovernmental Affairs" in the first sentence.

§ 15.1-1407. Commission and governmental subdivisions to act only in conformity with comprehensive plan. — When the comprehensive plan, or any completed part thereof, shall become effective as the district plan, the planning district commission shall not, except as provided in the plan, establish any policies or take any action which, in its opinion, is not in conformity therewith. When the comprehensive plan, or any completed part thereof, shall have become effective in any governmental subdivision, such governmental subdivision shall not proceed with the construction of any public improvement or public institution or with the acquisition of any land for public purposes or the disposition of any public lands, which construction, acquisition or disposition is in conflict with the district plan. (1968, c. 224.)

§ 15.1-1408. Amendment of comprehensive plan. — The comprehensive plan, or any completed part thereof, may be amended in the same manner as provided for the original approval and adoption of the plan and parts thereof, provided, however, that if the planning district commission determines that a proposed amendment has less than district-wide significance, such amendment may be submitted only to the local planning commissions and governing bodies of those governmental subdivisions which the planning district commission shall determine to be affected. (1968, c. 224.)

§ 15.1-1409. Review of comprehensive plan by commission. — At least once every five years the comprehensive plan, or completed parts of it, shall be reviewed by a planning district commission to determine whether it is advisable to amend the plan. (1968, c. 224.)

§ 15.1-1410. Commission to review applications for State or federal aid by local governing bodies.—(a) In each planning district in which a planning district commission has been organized, the governing body of each governmental subdivision shall submit to the planning district commission for

review any application to agencies of the State or federal government for loans or grants-in-aid for projects before such application is made.

(b) The planning district commission shall advise the governmental subdivision, within ten days from the date of the submission of the application, as to whether or not the proposed project, for which funds are requested, has district-wide significance. If it does not have district-wide significance, the planning district commission shall certify that it is not in conflict with the district plan or policies. If it does have district-wide significance, the planning district commission shall determine, within forty days from the date of the submission of the application, whether or not it is in conflict with the district plan or policies. In making such determination, it may also consider whether the proposed project is properly coordinated with other existing or proposed projects within the district. (1968, c. 224; 1972, c. 599.)

§ 15.1-1411. Cooperation and consultation with other agencies. — A planning district commission may cooperate with other planning district commissions, councils of governments, or the legislative and administrative bodies and officials of other districts or governmental subdivisions within or without a district, so as to coordinate the planning and development of a district with the plans of other districts and governmental subdivisions and the State. A planning district commission may appoint such committees and adopt such rules as needed to effect such cooperation. A planning district commission shall also cooperate with the Department of Housing and Community Development and use advice and information furnished by such Department and by other State and federal officials, departments and agencies. Such Department and such officials, departments and agencies having information, maps and data pertinent to the planning and development of a district may make the same, together with services and funds, available for use of a planning district commission.

All agencies of the State shall consult the Department of Housing and Community Development prior to engaging in planning activities which will require planning district commission participation. (1968, c. 224; 1976, cc. 488, 760; 1977, c. 613.)

§ 15.1-1412. State aid. — Upon the organization of a planning district commission, it shall be entitled to receive State financial support to assist it in carrying out its purposes. Such State aid shall be in an amount not in excess of five thousand dollars for each twenty-five thousand persons residing in the governmental subdivisions which are parties to the charter agreement, but, in any event, not less than ten thousand dollars for any such planning district commission. In order to be allocated such State aid, each planning district commission shall prepare and submit annually to the Governor, in such manner as he shall direct, a budget showing its estimated receipts and expenditures during the next fiscal year. After the review of such budget, the Governor with the assistance of the Department of Housing and Community Development shall, subject to the availability of funds, allocate such amount as will, in his judgment, be sufficient to enable the planning district commission to carry out its functions. The fiscal year of the planning district commission shall end June thirtieth. (1968, c. 224; 1977, c. 613.)

§ 15.1-1413. Local governing bodies authorized to appropriate or lend funds. — The governing bodies of the governmental subdivisions within a planning district are authorized to appropriate or lend funds to the planning district commission. (1968, c. 224.)

§ 15.1-1414. Procedure when governmental subdivisions included in planning district also participate in regional planning commission. — (a) As promptly as practicable and no later than six months after the organiza-

tion of a planning district commission, any of the governmental subdivisions of which participate in a regional planning commission organized pursuant to § 15.1-432, one of the following shall occur:

(1) If the population of the governmental subdivisions within the planning district participating in the regional planning commission exceeds two thirds of the population of all of the governmental subdivisions participating in the regional planning commission, those governmental subdivisions participating in the regional planning commission, but not within the planning district, shall withdraw and, thereupon, the regional planning commission shall merge into the planning district commission.

(2) If the population of the governmental subdivisions in the planning district participating in the regional planning commission is less than one third of the population of all of the governmental subdivisions participating in the regional planning commission, those governmental subdivisions participating in the regional planning commission and being within the planning district shall withdraw from the regional planning commission.

(3) If the population of the governmental subdivisions in the planning district participating in the regional planning commission is more than one third but less than two thirds of the population of all of the governmental subdivisions participating in the regional planning commission, the regional planning commission may merge into the planning district commission, with the concurrence of a majority of both commissions. After such concurrence but prior to such merger, the governmental subdivisions not within the planning district shall withdraw from the regional planning commission. If such merger is not consummated within six months from the date of the organization of the planning district commission, the governmental subdivisions within the planning district commission shall withdraw from the regional planning commission.

(b) Upon the withdrawal of a governmental subdivision from a regional planning commission, pursuant to the provisions of this section, all of its interest in the assets and responsibility for the liabilities of the regional planning commission shall cease and terminate as of the date of such withdrawal.

(c) Upon the merger of a regional planning commission into a planning district commission, the planning district commission shall be the surviving entity and be entitled to all of the assets and shall assume all of the liabilities of the regional planning commission, provided that the agreement between the participating governmental subdivisions establishing the regional planning commission shall not be effective after such merger. (1968, c. 224.)

Editor's note. — Section 15.1-432, referred to in this section, was repealed by Acts 1970, c. 332.

§ 15.1-1415. Exemption of commission from taxation. — The planning district commission shall not be required to pay any taxes or assessments upon any project or upon any property acquired or used by it or upon the income therefrom. For purposes of § 58-441.6 (p), a planning district commission shall be deemed a "political subdivision of this State" as the term is used in that section. (1968, c. 224.)

§§ 15.1-1416 to 15.1-1419: Reserved.

CODE OF VIRGINIA

1950

1986 Cumulative Supplement

ANNOTATED

Prepared under the Supervision of

The Virginia Code Commission

BY

The Editorial Staff of the Publishers

Under the Direction of

A. D. KOWALSKY, S. C. WILLARD, W. L. JACKSON,
P. R. ROANE, K. S. MAWYER, AND S. S. WEST



VOLUME 3A

1981 REPLACEMENT

Annotated through South Eastern Reporter, 2d Series, through Volume 339, page 703. For complete scope of annotations, see preface in supplement to Volume 1.

Place in Pocket of Corresponding Volume of Main Set.
This Supersedes Previous Supplement, Which
May Be Retained for Reference Purposes.

THE MICHIE COMPANY
Law Publishers
CHARLOTTESVILLE, VIRGINIA

allocations for carry forward from one calendar year to another. The objective shall be to ensure maximum utilization of the state ceiling. (1986, c. 504.)

§ 15.1-1399.9. Changes to federal law. — In the event that the Congress of the United States revises federal law controlling private activity bonds such that the provisions of this chapter are affected, the Governor is empowered to establish interim measures through Executive Order to allocate Virginia's total bond issuing authority until state law can be amended accordingly. (1986, c. 504.)

CHAPTER 34.

VIRGINIA AREA DEVELOPMENT ACT.

Article 1.

General Provisions.

Sec.
15.1-1402. Definitions.

Article 2.

Planning Districts.

15.1-1403. Organization of planning district commission.
15.1-1404. Powers of commission generally.
15.1-1405. Purpose of commission; powers and duties of local planning commissions not affected; exceptions.
15.1-1412. State aid.
15.1-1416. Dual membership authorized.

ARTICLE 1.

General Provisions.

§ 15.1-1402. Definitions. — For the purposes of this chapter:

(a) *"Planning district"* shall mean a contiguous area within the boundaries established by the Department of Planning and Budget.

(b) *"Service district"* shall mean a unit of government created as provided in this chapter.

(c) *"Governmental subdivision"* shall mean the counties, cities and towns of this Commonwealth.

(d) *"Political subdivisions"* shall include the governmental subdivisions, sanitary, sanitation and transportation districts, authorities and other such public bodies created under the laws of this Commonwealth.

(e) *"Governing body"* shall include the board of supervisors of a county, the council of a city or town, the board of commissioners or other board or body in which the powers of a political subdivision are vested by law.

(f) *"Population,"* unless a different census is clearly set forth, shall mean the number of inhabitants according to the United States census latest preceding the time at which any provision dependent upon population is being applied, or the time as of which it is being construed, unless there is available an annual estimate of population prepared by the Tayloe Murphy Institute of the University of Virginia, which has been filed with the Department of Planning and Budget, in which event the estimate shall govern.

(g) *"Commission"* shall mean the planning district commission and is composed of the duly appointed representatives of the governmental subdivisions which are parties to the charter agreement. (1968, c. 224; 1976, c. 760; 1986, c. 164.)

The 1986 amendment added subdivision (g and substituted "Commonwealth" for "State" at the end of subdivisions (c) and (d).

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§ 15.1-1403. Organization of pl any time after the establishment of district, the governmental subdivisi of the population within the distr organize a planning district commis Any governmental subdivision not continue as a part of the plannin governmental subdivision elects to commission as hereinafter provided tion of the membership of the pla planning district is created which c body of either county may orgar accordance with the provisions of t other county does not agree to orga

(b) The charter agreement shall s

(1) The name of the planning dist

(2) The governmental subdivisi situated.

(3) The effective date of the org sion.

(4) The composition of the memb At least a majority of its members bodies of the governmental subdivi city and town of more than 3,500 tive. In any planning district oth planning district number 20, a tov the planning district commission district commission may, in its di by a majority vote of the members qualified voters and residents of t people. Should the charter agree may serve in lieu of one of the ele of the participating governmental

(5) The term of office of the me and the method for the selection a

(6) The voting rights of membe and may be weighed on the ba subdivision represented by the m of members representing one gove

(7) The procedure for amend subdivisions within the planning charter agreement, and the wi governmental subdivisions withi

(c) The governing body of any of the planning district commiss by it for its commission member of the subdivision. The amount amount fixed by the planning di 703; 1972, c. 595; 1973, c. 176; 19

The 1986 amendment added subdivision (g) and substituted "Commonwealth" for "State" at the end of subdivisions (c) and (d).

ARTICLE 2.

Planning Districts.

§ 15.1-1403. Organization of planning district commission. — (a) At any time after the establishment of the geographic boundaries of a planning district, the governmental subdivisions embracing at least forty-five percent of the population within the district acting by the governing body may organize a planning district commission by written agreement among them. Any governmental subdivision not a party to such charter agreement shall continue as a part of the planning district but, until such time as such governmental subdivision elects to become a part of the planning district commission as hereinafter provided, shall not be represented in the composition of the membership of the planning district commission. Whenever a planning district is created which contains only two counties, the governing body of either county may organize a planning district commission in accordance with the provisions of this chapter if the governing body of the other county does not agree to organize such a planning district commission.

(b) The charter agreement shall set forth:

(1) The name of the planning district.

(2) The governmental subdivision in which its principal office shall be situated.

(3) The effective date of the organization of the planning district commission.

(4) The composition of the membership of the planning district commission. At least a majority of its members shall be elected officials of the governing bodies of the governmental subdivisions within the district, with each county, city and town of more than 3,500 population having at least one representative. In any planning district other than planning district number 8 and planning district number 20, a town of 3,500 or less population may petition the planning district commission to be represented thereon. The planning district commission may, in its discretion, grant representation to such town by a majority vote of the members of the commission. Other members shall be qualified voters and residents of the district who hold no office elected by the people. Should the charter agreement, as adopted, so provide, an alternate may serve in lieu of one of the elected officials of each of the governing bodies of the participating governmental subdivisions.

(5) The term of office of the members, their method of selection or removal and the method for the selection and the term of office of a chairman.

(6) The voting rights of members, and such voting rights need not be equal and may be weighed on the basis of the population of the governmental subdivision represented by the member, the aggregation of the voting rights of members representing one governmental subdivision, or otherwise.

(7) The procedure for amendment, for addition of other governmental subdivisions within the planning district which are not parties to the original charter agreement, and the withdrawal from the charter agreement by governmental subdivisions within the planning district electing to do so.

(c) The governing body of any governmental subdivision which is a member of the planning district commission may provide for compensation to be paid by it for its commission members, except for any full-time salaried employees of the subdivision. The amount of such compensation shall not exceed the amount fixed by the planning district commission. (1968, c. 224; 1970, cc. 303, 703; 1972, c. 595; 1973, c. 176; 1982, c. 660.)

The 1982 amendment deleted "pursuant to § 2.1-63.5 of the Code" following "geographic boundaries of a planning district" near the beginning of the first sentence of subsection (a), and divided subdivision (4) of subsection (b), which formerly consisted of one sentence, into the present first, second, fourth and fifth sentences and added the present third sentence. In the present second sentence of subdivision (b) (4) the amendment deleted "but not substantially more than a majority" following "at least a majority." The amendment also divided subsection (c), which formerly consisted of a single sentence, into two sentences.

§ 15.1-1404. Powers of commission generally. — (a) Upon organization of a planning district commission, pursuant to charter agreement, it shall be a public body corporate and politic, the purposes of which shall be to perform the planning and other functions provided by this chapter, and it shall have the power to perform such functions and all other powers incidental thereto.

(b) Without in any manner limiting or restricting the general powers conferred by this chapter, the planning district commission shall have power:

(1) To adopt and have a common seal and to alter the same at pleasure.

(2) To sue and be sued.

(3) To adopt bylaws and make rules and regulations for the conduct of its business; provided, however, a planning district commission shall not amend its budget once adopted during the applicable fiscal year except pursuant to an affirmative vote of the same number of the entire membership of the planning district commission required to adopt the budget.

(4) To make and enter into all contracts or agreements, as it may determine, which are necessary or incidental to the performance of its duties and to the execution of the powers granted under this chapter.

(5) To make application for and to accept, disburse and administer, for itself or for member governmental subdivisions so requesting, loans and grants of money or materials or property at any time from any private or charitable source or the United States of America or the Commonwealth of Virginia, or any agency or instrumentality thereof.

(6) To exercise any power usually possessed by private corporations, including the right to expend such funds as may be considered by it to be advisable or necessary in the performance of its duties and functions.

(7) To employ engineers, attorneys, planners, such other professional experts and consultants and such general and clerical employees as may be deemed necessary, and to prescribe their powers and duties and fix their compensation.

(8) To do and perform any acts and things authorized by this chapter through or by means of its own officers, agents and employees, or by contracts with any persons, firms or corporations.

(9) To execute any and all instruments and do and perform any and all acts or things necessary, convenient or desirable for its purposes or to carry out the powers expressly given in this chapter. (1968, c. 224; 1975, c. 83; 1986, c. 164.)

The 1986 amendment inserted "disburse and administer, for itself or for member governmental subdivisions so requesting" in subdivision (b)(5).

§ 15.1-1405. Purpose of commission; powers and duties of local planning commissions not affected; exceptions. — (a) It shall be the purpose of the planning district commission to promote the orderly and efficient development of the physical, social and economic elements of the district by planning, encouraging and assisting governmental subdivisions to plan for the future and, if requested by a member governmental subdivision or group of member governmental subdivisions and to the extent the commission

may elect to act, assisting the subdivisions by carrying out plans and programs for the improvement and utilization of said elements. The commission shall not, however, have a legal obligation to perform the functions necessary to implement the plans and policies established by it or to furnish governmental services to the district. The authority of the commission shall include the power, to the extent the commission may from time to time determine, to exercise such power when requested to do so by a member governmental subdivision or group of member governmental subdivisions, to participate in the creation or organization of nonprofit corporations to perform functions or operate programs in furtherance of the purposes of this chapter; to perform such functions and to operate such programs itself; to contract with nonprofit entities, including local governments, performing such functions or operating such programs to provide administrative, management, and staff support, accommodations in its offices, and financial assistance; and to provide financial assistance, including matching funds, to interdistrict entities which perform governmental or quasi-governmental functions directly benefiting the commission's district and which are organized under authority of the Commonwealth or of the federal government. Nothing herein shall be construed to permit the commission to perform functions, operate programs, or provide services within and for a governmental subdivision if the governing body of that jurisdiction opposes its doing so.

(a1) No action of a planning district commission shall affect the powers and duties provided to local planning commissions by law, except as a special case recognized and approved as such by the General Assembly, two such special cases being the LENOWISCO (Lee, Norton, Wise, Scott, and Big Stone Gap) Planning District Commission of Southwest Virginia, and the Cumberland Plateau (Buchanan, Dickenson, Russell and Tazewell) Planning District Commission.

(b) The following functions may be assumed by the LENOWISCO (Lee, Norton, Wise, Scott, and Big Stone Gap) Planning District Commission.

The authority conferred by this subsection is contingent upon its ratification by resolution of the governing body of each member governmental subdivision of the planning district. This shall not apply to any function assumed prior to January 1, 1975.

1. To carry out a program of small stream maintenance for purposes of environmental improvement and minor flood control and to have the authority to own and operate equipment and own properties necessary to undertake such a program. Any and all such stream improvements and flood control measures shall be coordinated with the Commission of Game and Inland Fisheries, State Water Control Board, and Division of Parks and Recreation, as they relate to the quality or quantity of water and aquatic life in the streams affected, or related to land resources. Official agency views regarding improvement and control measures shall be drafted and provided to the LENOWISCO Planning District Commission.

2. To operate a solid waste disposal program, including: (i) the operation of an experimental rural solid waste collection system; (ii) a junk or abandoned car collection and disposal program; or (iii) a program to eliminate promiscuous dumps, and to have the authority to own and operate equipment and own properties necessary to undertake such a program.

(b1) The Cumberland Plateau Planning District Commission may assume the following functions, and shall have the authority to own and operate the equipment and properties necessary to carry out such functions:

1. To carry out a program of small stream maintenance for purposes of environmental improvement and minor flood control; any and all such stream improvements and flood control measures shall be coordinated with the Commission of Game and Inland Fisheries, State Water Control Board, and

Division of Parks and Recreation, as they relate to the quality or quantity of water and aquatic life in the streams affected, or related to land resources. Official agency views regarding improvement and control measures shall be drafted and provided to the Cumberland Plateau Planning District Commission.

2. To operate a tanker truck water supply system to towns and communities in the Cumberland Plateau Planning District experiencing drought and water shortage.

3. To operate a program of assistance to local governments in site preparation of public land to accommodate public improvements, including site preparation for industry and recreation.

4. To aid public water and sewer development in taking pipelines underneath roadways, and to detect and correct sewer infiltration.

5. To operate programs for elimination of promiscuous dumps and other environmental clean-up activities as determined by local governments.

6. To engage in construction and repair work on roads and streets not in the State Highway System or the secondary system of highways.

The authority conferred by this subsection is contingent upon its ratification by resolution of the governing body of each member governmental subdivision of the planning district.

(c) The aforementioned programs in subsections (b) and (b1) shall not be undertaken by the planning district commission within the boundaries of any county, city or town in the district without the express consent by duly adopted resolution of the governing body of the county, city or town. (1968, c. 224; 1972, c. 814; 1975, c. 381; 1984, c. 739; 1986, c. 164.)

The 1984 amendment in the second sentence of subdivision (b) 1 and in subdivision (b1) 1 substituted "Division of Parks and Recreation" for "Commission of Outdoor Recreation" and in subsection (c) substituted "the planning" for "such planning," substituted "the district" for "such district," and substituted "the county" for "such county."

The 1986 amendment divided former subsection (a) into present subsections (a) and (a1), and rewrote present subsection (a).

§ 15.1-1412. **State aid.** — Upon the organization of a planning district commission, it shall be entitled to receive state financial support to assist it in carrying out its purposes. Such state aid shall be in an amount as provided in the general appropriations act. In order to be allocated such state aid, each planning district commission shall prepare and submit annually to the Governor, in such manner as he shall direct, a budget showing its estimated receipts and expenditures during the next fiscal year. After the review of such budget, the Governor with the assistance of the Department of Housing and Community Development shall, subject to the availability of funds, allocate such amount as will, in his judgment, be sufficient to enable the planning district commission to carry out its functions. The fiscal year of the planning district commission shall end June 30. (1968, c. 224; 1977, c. 613; 1985, c. 127.)

Editor's note. — Acts 1984, c. 755, the appropriations act, in item 105 provides in part that: "Except as noted below, and notwithstanding any contrary provision of law, the amounts of State assistance for Financial Assistance for Substate Planning apportioned to planning district commissions shall not exceed six thousand two hundred fifty dollars ($6,250) for each 25,000 persons but, in any event, shall not be less than twenty thousand dollars ($20,000) for any commission." Item 105 then lists the allocations made to the individual planning district commissions.

The 1985 amendment rewrote the second sentence.

§ 15.1-1416. Dual membership authorized. — Notwithstanding any contrary provision of law, Chesterfield County, a member of the Richmond Regional Planning District Commission, may also become a member of the Crater Regional Planning District upon such terms and conditions as may be mutually agreed to. No additional state financial support shall be paid due to Chesterfield County's becoming a member of the Crater Regional Planning District. (1985, c. 109.)

CHAPTER 36.

AGRICULTURAL AND FORESTAL DISTRICTS ACT.

Sec.
15.1-1509. Power of local governing body to enact ordinances; application form and fees; maps; sample form.
15.1-1511. Creation of districts.
15.1-1513. Discontinuance of association in district.

§ 15.1-1507. Declaration of policy findings and purpose.

Applicability of § 58.1-3229 et seq. — The machinery (§ 58.1-3299 et seq., relating to agricultural land-use assessments) specially provided for promotion of the policy defined in this section is as functional in a city as in a county. County of Rockingham v. City of Harrisonburg, 224 Va. 62, 294 S.E.2d 825 (1982).

§ 15.1-1509. Power of local governing body to enact ordinances; application form and fees; maps; sample form. — A. The local governing body shall have the authority to enact ordinances and to promulgate forms to effectuate this chapter. The local governing body may charge a reasonable fee for all applications submitted pursuant to this chapter, such fee not to exceed $150 or the costs of processing and reviewing an application, whichever is less.

B. The local governing body shall prescribe application forms for agricultural and forestal districts that include but are not limited to the following information:

1. The general location and boundaries of the district;

2. A summary of the acreage in the district including (i) estimated total acreage in the district and (ii) acreage owned by persons proposing the district;

3. The name, address, and total acreage owned within the proposed district and signature of each landowner proposing the district; and

4. The date of application, date of final county or city action and whether approved, modified or rejected.

C. The application form shall be accompanied by a United States Geological Survey seven and one-half minute topographic map that clearly shows the boundaries of the proposed district and boundaries of properties within the proposed district owned by each applicant. A general county highway map showing the general location of the proposed district shall also accompany each application form.

D. A copy of the application with maps shall be submitted to the Commissioner of the State Department of Agriculture and Consumer Services by the local governing body together with a copy of the final approved plan. This shall be done only if the application is ultimately approved by the local governing body.

Sen. Shrydlewski

MEMORANDUM

State of Alaska

TO: See Distribution

DATE: March 7, 1988

FILE NO:

TELEPHONE NO:

THRU:

SUBJECT: Comments on Various Economic Recovery Proposals

FROM: J. Anthony Smith
Commissioner
Department of Commerce and
Economic Development

Due to the number of issues being discussed relative to legislative suggestions for possible actions to address our economic troubles, we are providing the following comments on a number of various issues/bills.

C.E.R ENDORSED SB 392 3/14/88

1. SB 392 & HB 402 -- AIDEA -- These bills address the issue of bank participation with AIDEA and the current statutory withholding of such participation because of the "2% rule." The Governor's bill, HB 402, also addresses a number of other issues which the Board of AIDEA has identified as limitations on AIDEA's ability to be responsive to the current economic conditions. The Department of Commerce and Economic Development supports both of these bills, and strongly supports passage of the entire package of proposals contained in HB 402.

C.E.R. ENDORSED CONCEPT 3/22/88

2. SB 471 -- AIDEA Loan Guarantees and Refinancing -- Both of these issues have been the subject of considerable discussion among the board members of AIDEA. There is not at this time a consensus of opinion on the board on the relative merits or structure of either proposal. All members of the board are most concerned about preserving AIDEA's current bonding ability and ratings. Hence, close scrutiny must be utilized when incorporating any new financial service into AIDEA's powers.

   The Department of Commerce and Economic Development is conceptually supportive of both proposals. With respect to the guarantee program, we believe it is most appropriate to fund the reserve for such a program by new appropriation to AIDEA. For consideration, we suggest that a portion of the current unappropriated portfolio of DCED's Division of Investments be appropriated to fund a reserve for the insurance program. The funded reserve will be the only asset offered to insure against losses, e.g., neither AIDEA nor the state

pledge any additional assets or responsibility. There will be losses in the program irrespective of the quality of the underwriting standards, but these losses will appear at least a year or two in the future. We also recommend that there be a 1-to-4 ratio of reserves to program commitment at the start with the Board of AIDEA having the flexibility to adjust reserves to reflect actual experience. This means that there needs to be an appropriation of loans which will generate $25 million if we are to do $100 million in guarantees for the program to have the impact desired. We recommend a $100 million program at the start.

NO ACTION

3. HB 422 -- Payment for Purchases by Various Public Entities -- DCED supports this expansion of current law.

NO ACTION

4. HB 429 -- Optional Exemption from Property Taxes on Vacated Land -- The Department is supportive of this concept and would suggest elimination of the limitation of its applications by removing the 30-year-old requirement on improvements currently included in the bill. So long as this proposal does not directly affect the revenues of the state, and is optimal for local governments, it should be considered.

NO ACTION

5. HB 430 - 431 -- Neighborhood Business Development Programs and Appropriation -- The Department is conceptually supportive of these bills. We understand the difficulties associated with balancing the state's budget and do not represent that this is an essential $3 million item. Hence, a threshold question is identifying a source of funding.

In addition to HB 429, 430, and 431, it is our perception that an appropriate public sector response to the supply/demand problem is public acquisition of developments for purposes of parks, neighborhood upgrade and to eliminate obsolete or nonconforming properties. Thus, special appropriations to entities such as the Heritage Land Bank and local governments would allow local governments and the state to take advantage of present price levels to improve the quality of life while beneficially impacting the supply/demand problem.

ON AGENDA

6. HB 432 -- AHFC Trades -- We are conceptually supportive of this bill; although by this time the Labor and Commerce Committee is fully cognizant of the limitations on AHFC's ability to unilaterally achieve the ends sought in this bill. The approach currently undertaken by the Labor and Commerce Committee seems to reasonably address this issue.

There are other changes in AHFC which would allow the agency to manage its revenues to be part of the solution rather than part of the problem. For example, AS 18.56.098 needs to be altered so that the interest rate formula is more flexible. Some recommended changes are:

Financial Provisions Changes - Currently, many AHFC financial provisions are "hard-wired." For instance, the interest rate formula as specified in AS 18.56.098 permits no flexibility in interest rate calculation, even though at times adding some flexibility could significantly help the market at little or no additional cost to AHFC.

One way to add some flexibility would be to develop a mechanism whereby the maximum amount of assistance that AHFC can provide for any individual loan is set, but the specific way in which it was applied would be flexible. Another possible change would be to permit more flexibility in the amount of assistance if the whole market was in bad shape. For instance, if the delinquency rate in a particular market exceeded, say, 10%. Additional assistance would have to be targeted at certain groups to achieve specified outcomes, or very quickly AHFC could use up its available resources.

For instance, assume AHFC wanted to target the condo market, either for trade ups to mid-high range condos, or to encourage the purchase of some of the many low end condos. Many of the current condo loans were based on a loan amount of $75-80,000, with an interest rate of 10-12%. Consider the following figures:

Loan Amount	Interest Rate	Payment
$ 80,000	10%	$702
125,000	6%	749
50,000	6%	300

In one case, a borrower can buy much more "house" for approximately the same payment, whereas in the other case, a borrower could buy a $50,000 condo (which was likely originally an $80,000 condo) for a payment of less than half of the original. Properly targeted this could help stabilize price and reduce the inventory of foreclosed properties. It is our belief that the "equity underwater" problem could be stabilized in targeted projects by offering financing opportunities for full prices sales.

Other changes would deal with AHFC's role in disposing of its real estate portfolio. For instance, if current plans are successful, AHFC could well own entire condo projects. These projects could eventually be sold as condos, but they might also be sold as apartment buildings. If AHFC were able to manage the building (via a contract) and perhaps provide financing to the ultimate buyer, the total loss might be much less. Possibly other types of nonowner-occupied financings to help in disposal of foreclosed properties should be added.

More flexibility would be most helpful in workout situations. HOAP will be sufficient for a great number of troubled borrowers, others will need far more assistance. AHFC, in conjunction with the applicable insurance companies, should be able to provide assistance to these borrowers in a variety of ways -- much lower interest rate, deferral of principal payments, etc. To hold down the ultimate cost of the program and to provide more assistance than is needed, AHFC should be able to design various approaches to recapturing some of this assistance if the property ever appreciates in value beyond its original loan amount.

We have discussed with various individuals the thought of establishing a subsidiary corporation of AHFC which would be granted broader powers to address critical issues in Alaska's current housing market. Such a subsidiary may be charged with acquisitions and/or eminent domain powers to achieve public purposes. Further, it could facilitate the consolidation of condominium owners to allow for the conversion of other condominium projects to other uses, including apartment complexes and public sector housing. We believe all such ideas should be explored in detail and are appropriate items to try to adopt this legislative session.

Lastly, AHFC should be given broader investment powers so that it could participate in acquisitions such as Hollywood Vista and Willow Park when it makes economic sense for the agency.

7. HB 433 -- Moratoriums on Judicial and Nonjudicial Foreclosures -- This is intended as a parochial attempt to preserve for Alaskans a greater opportunity to preserve their residence at the expense of lenders, a good portion of whom are nonresident. Similiar legislation was adopted in two mid-western states as responses to the farm crisis. Their experience should be studied in detail before passage of this legislation.

NO ACTION

While the approach has appeal on its surface, it appears to also generate considerable technical questions, especially with respect to bonded indebtedness of various Alaska debt issuers. Further, as probably the largest financier of Alaska real estate, various state entities, including the retirement funds, may be injured by this approach. We are also concerned about the potential ramifications if "outside" lenders respond to passage of this legislation by further restricting access of Alaskans to secondary money markets.

We are also confused by the language which suggests that a nonjudicial foreclosure entitles the mortgagor to a right of redemption. This appears to be antithetical to the main purpose of nonjudicial foreclosures.

8. SCR xx -- Loan Approval Withheld for New Construction -- The Department has been asked to comment on a draft of this resolution. We do not agree with this approach. We do agree that financing agencies must be sensitive to the oversupply of several categories of real estate and should coordinate their financing policies to assure that they do not inadvertently exacerbate a serious problem. We also believe that the inventory of some classes of property may require additional construction to meet a growing demand in the near term. It would be much more appropriate, from our perspective, to allow market forces and coordinated state policy development, such as through the Alaska Housing Marketing Council, to address the concerns expressed in this draft resolution. For example, there are market segments which would be severely paralyzed by a generalized moratorium. It is more appropriate to add private sector representatives to the Housing Market Council.

NO ACTION

We feel any response of this nature should be in the manner in which municipalities issue building permits and carry out inspections. As Chairman of AHFC, it seems indisputable that many of AHFC's problem projects were not inspected.

Other

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Bridge Bank and Hallwood Trust - we conceptually support these, as well as other initiatives to have assets held by the FDIC or banks managed to minimize the adverse impact on the economy. There needs to be consideration given to both the management difficulties and the carrying costs which will be incurred. In addition, we need to recognize that any state guarantee or stand-by letter of credit could most likely be used.

There are three possible options at this time. Any one, or a combination of these, may work. They are the Anchorage Economic Development Corp., the Sealaska REIT group, and the Hallwood Trust. Should the state choose to participate in one of these structures, it should be prepared to contribute cash as well as properties. Cash flows to fund such an entity will not likely, in the short run, be sufficient to meet expenses. Hence, initial capitalization will be important to help assure success -- understanding that success includes the avoidance of increases of property liquidations.

Distribution

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