



**CORVALLIS
CITY COUNCIL WORK SESSION**

**JULY 6, 2016
3:30 pm -5:30 pm**

**Madison Avenue Meeting Room
500 SW Madison Avenue**

-
- I. Call To Order
 - II. Budget Commission Annual Report
 - III. Economic Development Advisory Board Annual Report
 - IV. Economic Development Coordination
 - V. Community Comments (*Accepted on agenda items for this work session only. Members of the community wishing to offer advance written comments are encouraged to use the public input form at www.corvallisoregon.gov/publicinput.*)
 - VI. Adjournment

If you need special assistance to participate in this meeting, please contact the City Recorder at (541) 766-6901 (for TTY services, dial 7-1-1). Notification at least two business days prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting. (In compliance with the Americans with Disabilities Act, 28 CFR 35.102-35.104 ADA Title I and ORS 192.630(5)).

A Community That Honors Diversity

ANNUAL REPORT OF THE BUDGET COMMISSION



July 6, 2016

Members: Curtis Wright (Chair), Hal Brauner (Vice Chair), Zachariah Baker, Mike Beilstein, Barbara Bull, Karyle Butcher, Rich Carone, Shirley Chow, Janet Gambatese, Bill Glassmire, Frank Hann, Joel Hirsch, Roen Hogg, Mark Kalmar, Mark O'Brien, Deb Rose, Andrew Struthers, and Penny York

Staff: Nancy Brewer, Finance Director

Purpose/Mission summary: Municipal Code Section 1.16.240 - Budget Commission.

- 1) A Budget Commission is hereby created consisting of eighteen (18) members. Each Councilor shall be a member of the Budget Commission. Nine electors of the City shall also be appointed to the Commission. The appointive members shall not be officers, agents, employees or a spouse of an officer, agent, or employee of the municipal corporation.
- 2) The Budget Commission shall have the powers and duties established by State law and act in accordance with State law, City laws, and Council policies. The Commission shall serve as an oversight body and advise Council as to:
 - a) Compliance of the budget and capital improvement program with the City's financial policies and Council budget priorities and directives; and
 - b) Responsiveness of the budget and capital improvement program to community needs.
- 3) The Budget Commission shall also serve to champion the budget and capital improvement program through its adoption and implementation.

Prior Year Report:

Activities and work completed:

Seven meetings were held in considering the budget for FY 2016-17:

- Jan. 12 – Orientation for new members
- Jan. 28 – Framework for budget development/breakout sessions
- Apr. 12 – Receipt of proposed FY 2016-17 City Budget and proposed departmental budget presentation by City Manager's Office
- Apr. 14 – Proposed departmental budget presentations by Public Works, Police, and Fire
- Apr. 19 – Proposed departmental budget presentations by Human Resources, Parks & Recreation, and Finance

Apr. 21 – Proposed departmental budget presentations by Community Development, Library, and Information Technology and breakout Q&A with all Department Directors

Apr. 28 – Public Hearings, deliberations, motions, and recommendations to City Council on (a) use of State Revenue Sharing, (b) levying of permanent property tax rate, and (c) adoption of a balanced budget, as required under State Law.

Activities and work in progress:

Sustainable Budget Task Force (SBTF) considering known unmet needs for City infrastructure and levels of service in City departments, and identifying possible expanded or new revenue sources to fund unmet needs.

Next Year Proposed Work Plan:

Regular activities and work (ongoing or annual):

Based on the Budget Commission's review of the FY 2016-17 Budget Process, there will be no changes to the process or number of meetings, except that efforts will be undertaken to expand the initial framework for budget development/breakout sessions to more fully explore level-of-service (LOS) options, cost implications, and priorities.

Special activities and work for the year:

As noted above, the Sustainable Budget Task Force is working toward recommending to the City Council a sustainable solution to the City's level of service vs. cost of service vs. revenue challenges.

Resources:

Prior Year:

City staff - Finance Director (trains, responds to questions, coordinates all communication, provides documentation, ensures meeting room booked/set-up; City Manager (as needed); contracted minute-taker for meetings, paid for by Finance Department; Finance Budget office and Department Directors/management staff to develop/prepare proposed budget document, prepare for and attend meetings, and respond to Commission questions. Additionally, minute-taking and needed support services for the Sustainable Budget Task Force, as well as Finance Director, City Manager, and Department Directors (as needed) participation in SBTF work.

Needed for the next year:

At a minimum, the same as this year, possibly more time/effort in expanded budget development/breakout sessions.

Annual Report of the Economic Development Advisory Board



July 6, 2016

Members: Pat Lampton, Josh Kvidt, Tim Weber, Skip Rung, Jason Bradford, Elizabeth French, David Becker, Brian Wall, Nick Fowler

Staff: Tom Nelson, Economic Development Manager

Council Liaison: Frank Hann

County Liaison: Jay Dixon

Purpose/Mission summary:

- 1) An Economic Development Advisory Board is hereby created for the City.
- 2) The Advisory Board shall consist of nine voting members. Six shall be appointed by the Mayor and three by the Benton County Board of Commissioners. Appointments to the Advisory Board should reflect expertise and experience in business, technology, strategic planning and public policy development.
- 3) Membership will be selected from the following areas, recognizing that members may represent multiple interests:
 - a) Emerging technology;
 - b) Manufacturing;
 - c) Financial Services;
 - d) Professional Services;
 - e) General Business;
 - f) Higher Education;
 - g) Health Care;
 - h) Agribusiness;
 - i) Retail;
 - j) Real Estate and Construction;
 - k) Green/Sustainable Business;
 - l) Community-at-large.
- 4) In addition, the Mayor shall appoint a City Councilor and the Benton County Commissioners shall appoint one County Commissioner to serve as non-voting liaisons to the Advisory Board.
- 5) The Advisory Board shall advise the Council in all matters pertaining to Economic Development, ensuring that Economic Development is a civic priority. Such matters shall include, but not be limited to, the following:
 - a) Recommend general policies, strategies and programs regarding economic development for approval to the City Council.
 - b) Develop a strategic plan to implement the Council's Economic Development Policy.
 - c) Collaborate with other governmental agencies, non-profit, and for-profit organizations in the advancement of economic development programs and projects.
 - d) Recommend funding strategies to support an ongoing Economic Development Program.
 - e) Recommend funding strategies to support economic development projects.
- 7) Advisory Board members shall serve three year terms. Each year the Mayor shall appoint two members and the Benton County Commissioners shall appoint one member.

(Ord. 2015-17 § 10, 10/19/2015; Ord. 2015-10 § 1, 05/18/2015; Ord. 2014-16, § 19, 11/17/2014; Ord. 2010-28, 12/06/2010)

Prior Year Report:Activities and work completed:

- Update/revision of 2012 Economic Development Strategy (adopted Feb. 2015)
 - Determination that the strategy, including the LBCC SBDC partnership, does support the 2016 Council Economic Vitality Goal
 - Next update to follow IC2040 vision/plan completion?
- Regular monthly meetings for EDO operations review, strategic issue work sessions and guest/partner/visitor presentations

e.g. SBDC, Business Oregon, Regional Solutions, RAIN, OSU Accelerator, ATAMI, WiN, WAC, Community Development, AIP, civic groups, Eugene Airport, Oregon Growth Board, WIB

Activities and work in progress:

Innovation and Local Startups

- capital, space, connections/mentoring referrals
- particular emphasis on “B-round” stage flight risk

Organic Growth of Local Businesses

- Visits/relationship, opportunity discovery, problem solving
- LBCC SBDC, Grow Oregon (HQ at SBDC)

Leverage/advance Enterprise Zone, other assets in partnership with OSU, Business Oregon, others

Cross-cutting items

- transportation infrastructure
- statewide measures

The Eugene Airport Advisory Committee has an EDAB member on its committee. This addresses a transportation strategy in the Economic Development Strategy.

EDAB is represented on the IC2040 Steering Committee

Next Year Proposed Work Plan:Regular activities and work (ongoing or annual):

EDAB will continue to advise the Economic Development Office on implementation of the Economic Development Strategy. In particular, they will focus on the activities and work in progress listed above, and the special activities listed below.

Special activities and work for the year:

Update the Economic Development Strategy in the wake of the IC2040 Plan and 2016 election impacts

Other than what was mentioned, above, no “special activities” are planned. If additional budget was available, the “needs” for next year, mentioned below, would be addressed.

Resources:Prior Year:

The Economic Development Office (EDO) provides the support for EDAB with a staff of 2 FTE. Benton County provides 34% of EDO funding in exchange for “economic development services” for the whole county. The Airport Fund provides 7% of the funding for marketing the Airport Industrial Park. The City’s General Fund provides the balance of funding (59%).

EDAB looks for opportunities to coordinate with other partners in the community to assist in economic development efforts in the community.

Needed for the next year:

- ❖ Matching \$\$ to leverage governor's SRF funds
- ❖ Student interns/projects (e.g. Oregon Prospector updates, downtown building inventory, supply chain mapping)
- ❖ <http://YesCorvallis.org> ongoing updates, maintenance

Feedback about the Annual Report Process:

EDAB would welcome more communication on Council expectations and how we are meeting those.

TO: City Council for July 6, 2016
 FROM: Tom Nelson, Economic Development Manager *TN*
 DATE: June 27, 2016
 THROUGH: Mark W. Shepard, P.E., City Manager *MWS*
 SUBJECT: Economic Development Coordination



Action Requested:

Information only, no action needed.

Discussion:

At the February 16, 2016, Council meeting, Council requested staff provide additional information on how the Economic Development Office (EDO) partners with other “economic development” organizations. The EDO partners or coordinates with numerous agencies and organizations ranging from state to local partners. A listing of the partners and an explanation of how the EDO and the partners work together to support the economy of our City and region is listed below.

Visit Corvallis: The City’s Economic Development Manager is a non-voting member on the Visit Corvallis Board. The City’s contract with Visit Corvallis is also managed by the Economic Development Manager. The EDO looks for opportunities to promote the Visit Corvallis mission of “putting heads in beds” through postings on the City’s website and attending meetings when there is a joint interest (e.g., Scenic Byway Discussion). Visit Corvallis receives the bulk of its revenue from “Transient Room Tax,” and it is dedicated to “tourism” related services.

Downtown Corvallis Association: The City Economic Development Manager serves as an ex-officio member of the Downtown Corvallis Association (DCA) Board. The Economic Development Officer attends monthly membership meetings and the EDO looks for opportunities to promote DCA. This could include connecting clients with location ideas or to downtown promotional events. DCA receives the bulk of its revenue from a voluntary Economic Improvement District, and its focus is primarily on downtown business development which is mostly non-traded-sector.

Business Oregon: This is the State Economic Development Department. The EDO collaborates with them in a number of ways:

- Responding to Business Recruitment leads
- Joining the Regional Business Development Officer for Business Retention & Expansion visits
- Promoting efforts through Team Oregon for Advanced Manufacturing and Food Processing

Business Oregon receives the bulk of its revenue from Oregon Lottery proceeds.

Benton County: The County allocates approximately 70% of their “Video Poker” (Oregon Lottery) revenues to pay more than 1/3 of the EDO budget in exchange for providing economic development services throughout the county.

RAIN: The Regional Accelerator & Innovation Network is an effort supported by the Oregon Legislature and Business Oregon to build and support an entrepreneurial and innovation eco-system throughout the Southern Willamette Valley. They, in-turn, partner with the OSU Advantage Accelerator

and RAIN Eugene, as well as communities throughout the region to support various programs. The EDO provides a community link to their efforts, primarily through promotion and referral.

ONAMI: Oregon Nanoscience and Micro-technology Institute is one of three "signature institutes," and is a part of the Oregon Innovation Council, a division of Business Oregon. They are responsible for bringing millions of federal dollars to the state which is disseminated, along with other funding sources, in gap-grants to early stage businesses. The EDO promotes them as a funding source to businesses.

WiN: The Willamette Innovation Network is a 501(c)(6) non-profit, committed to development and support of area traded-sector businesses and entrepreneurship and innovation. They primarily receive their funding from the WiN Expo that is held each November and do not currently charge membership dues. The EDO provides staff support to this effort.

WAC: The Economic Development Officer works with the Willamette Angel Conference, LLC to coordinate due diligence meetings, prepare and gather documentation, as well as organize the event.

Chambers of Commerce: The EDO is a member of both the Corvallis and Philomath Chambers. Collaboration includes:

- Responding to business assistance requests
- Jointly sponsoring business promotion events (e.g., Willamette Angel Conference, WiN Expo, training and business networking)
- Referring clients seeking political advocacy
-

The Chambers are 501(c)(6) membership organizations. Their primary funding is from membership dues.

CIBA: Community Independent Business Association is a non-profit business assistance and networking organization with a focus on local, independent businesses. The EDO collaborates with them by referral and promotion of their mission to independent businesses. CIBA is primarily funded from membership dues.

LBCC/SBDC: The Linn-Benton Community College Small Business Development Center provides business assistance to all businesses in Linn and Benton Counties. The EDO holds a contract with the SBDC which leverages \$1,000/month to provide additional services to EDO clients. They receive additional funding from the U.S. Department of Commerce – Small Business Association, Business Oregon, and LBCC. The EDO supports them with promotional and referral activities.

The EDO will continue to look for opportunities to collaborate with efforts to promote the Economic Development Strategy.