



**CORVALLIS
CITY COUNCIL AGENDA**

**Application for Designation of Proposed
Benton/Corvallis Enterprise Zone Public Meeting**

**March 10, 2008
7:30 pm**

**Downtown Fire Station
400 NW Harrison Boulevard**

- I. Roll Call
- II. Welcome and Introduction
- III. Review of Draft Map and Application
- IV. Questions and Answers for Local Taxing Districts
- V. Recognition of Written Comments
- VI. Statements by Taxing District Representatives
- VII. Public Comment
- VIII. Discussion of Major Issues
- IX. Council Discussion and Direction on Preparing a City of Corvallis Enterprise Zone Resolution
- X. Next Steps – If directed, Council consideration of an Enterprise Zone resolution at the March 17, 2008 City Council meeting
- XI. Adjournment

DRAFT

DRAFT

OREGON

ECONOMIC & COMMUNITY
DEVELOPMENT DEPARTMENT

**APPLICATION FOR ENTERPRISE
ZONE DESIGNATION**

(ORS 285C.050 TO 285C.250)

SUBMIT TO — Marketing & Finance Division, Economic & Community Development Department
State Lands Building Suite 200, 775 Summer Street NE, Salem OR 97301-1280
503-986-0123, Fax: 503-581-5115, 800-735-2900 (TTY),
<http://econ.oregon.gov/ECDD/thezones/index.shtml> <http://www.oregon4biz.com/enterthezones>

— PLEASE PROVIDE ALL MATERIALS IN A FORM THAT IS EASILY PHOTOCOPIED OR REPRODUCED —

PROPOSED ZONE BEING SOUGHT

-1. For designation of new Enterprise Zone—proposed name: Benton/Corvallis Enterprise Zone

-2. For re-designation of Enterprise Zone—proposed name: _____
If existing zone will terminate with conclusion of current round of designation, or if it terminated in past three years

- Complete all sections (yellow or green) marked with '*' or '†' for submission postmarked by initial deadline ...
- Department must receive sections (pink) marked with '‡' about 30 days after initial deadline (department will announce this subsequent due date, if necessary) for competitive review of proposed zones (responses are OPTIONAL and combinable) ...

... Including any supporting, associated information, documents, &c., as placed in lettered appendix/tab.

APPLICANT CONTACT INFORMATION*

NAME Jon Nelson		TITLE Corvallis City Manager	
ORGANIZATION City of Corvallis			
MAILING ADDRESS PO Box 1083			
CITY Corvallis	STATE OR	ZIP 97339	FAX (541) 766-6780
TELEPHONE (541) 766-6901	EMAIL jon.nelson@ci.corvallis.or.us		

CITY/PORT/COUNTY SPONSORSHIP AND RESOLUTIONS*

◇ City Of Corvallis	<input type="checkbox"/>	<input checked="" type="checkbox"/> †-If city or county jurisdiction elects that hotel, motel or resort business firms would be eligible in the newly (re) designated enterprise zone. <i>Election for hotel/resort option—or for any contrary restriction within the jurisdiction, if other city/county cosponsor(s) take this option—must be adopted or revised/finalized by city/county resolution within six months of the enterprise zone's designation.</i>
◇ Benton County	<input type="checkbox"/>	
◇	<input type="checkbox"/>	

COPIES OF ADOPTED RESOLUTION (S)—IN LETTERED APPENDIX/TAB: **A**

CITY/PORT/COUNTY CONSENTING AND NOT SPONSORING ZONE*

◇	<input type="checkbox"/>	<input checked="" type="checkbox"/> -If adopted resolution consenting to enterprise zone inside jurisdiction is required and included
◇	<input type="checkbox"/>	
◇	<input type="checkbox"/>	

COPIES OF ADOPTED CONSENT RESOLUTION (S)—IN LETTERED APPENDIX/TAB: **A**

CONSULTATION WITH LOCAL TAXING DISTRICTS*

Before making application for enterprise zone designation, the applicant must consult with all other local districts that levy property within the proposed zone area by giving **21-day notice for a special public meeting, which occurs 7 days before adopting any resolution**—see OAR 123-065-1050 to 123-065-1080:

- That notice was sent to districts on date to right, inviting comments and participation at meeting with established time & place, preliminary agenda, and background and reasons for enterprise zone/application, contact information and plans for adoption of resolutions **Feb. 19, 08**
DATE
- That copy of notice and district contact/ mailing list was sent to "Government Affairs, S.D.A.O., PO Box 12613, Salem OR 97309" (in addition to being included in this application)
- That pursuant to notice, public meeting was held on date to right with competent applicant representatives, agenda, map of proposed zone, record-taking, and opportunity for dialogue about benefits and impacts of development and enterprise zone exemptions **Mar. 10, 08**
DATE

Summary of other consultative efforts with local taxing districts, such as further meetings, surveys, or analyses of potential zone activity, tax revenue effects and so forth (include copy of meeting minutes, other materials, etc.)—

Previous meetings include meetings with the Taxing Jurisdictions, chaired by Benton County. Future meetings include monthly meetings with the Prosperity That Fits Committee, Corvallis Airport Commission Meetings, Taxing Jurisdiction Meetings and Airport Industrial Park meetings with the Corvallis Benton Chamber Coalition.

Summary of any agreed follow-up, actions or arrangements if zone is designated (include agreement copy, etc.)—

To Be Determined

MINUTES, COMMENTS, LIST OF DISTRICT CONTACTS, COPY OF NOTICE & OTHER DOCUMENTATION—IN LETTERED APPENDIX/TAB: **B**

SIZE & DIMENSIONS OF PROPOSED ZONE*

- Estimated area of the enterprise zone: 0.3 SQUARE MILES (MAXIMUM - 12.0)
- Greatest distance between any two points: 1.0 LINEAL MILES (MAXIMUM - 12, 20 OR 25 DEPENDING ON LOCATION)
- Longest distance between nearest points of any two noncontiguous areas: 0.0 LINEAL MILES (MAXIMUM IS 5 OR 15)

- If waiver by department Director is requested for 20/25-mile or 15-mile limitations; some rural zones only (Request must be included in sponsor resolution(s) and rationale explained as part of submission)

MAP & LEGAL DESCRIPTION OF ZONE BOUNDARY AND OTHER INFORMATION – SEE OAR 123-065-1000—IN LETTERED APPENDIX/TAB: **C**

DECLARATION*

"I certify that to the best of my knowledge, all of the information contained in or provided in association with this application is true, complete and accurate."

CONTACT'S SIGNATURE

DATE

X

SIGNIFICANT LAND FOR ENTERPRISE ZONE DEVELOPMENT†

For sites that are ...

- 1) Encompassed by proposed zone boundary,
- 2) Industrially zoned, vacant/improvable or otherwise suitable for use by eligible business firms, and
- 3) At least approach a degree of "project-readiness" relative to site certification by the state—development could commence in 180 days or less time (<http://www.oregon4biz.com/sites.htm>)—see OAR 123–065–1670:

243 Total Acres

1 Sites with 20 or more Acres

0 Sites with 10 or more Acres

Minimums: Urban / Rural zone — 60 / 30 total acres or two sites of 20 / 10 or more acres

Describe additional points about relevant acreage in the proposed zone—names of site(s), notable attributes of certain locations, extent that proposed enterprise zone land outside of urban growth or unincorporated community boundaries is only for industrial/commercial use, sufficiency of transportation capacity for development, and so forth:

Site Readiness

The Airport Industrial Park contains 49 acres of land that is on the Governor's Certified 'Shovel-Ready' List. All the land in the proposed Enterprise Zone is within the Corvallis Urban Growth Boundary although the Airport Industrial Park (AIP), and proposed Enterprise Zone, is outside of Corvallis city limits.

Infrastructure Services

The Airport Industrial Park has a City Council adopted Master Plan. City services, including water, wastewater, streets and stormwater have been extended to the Park. A rail line runs through the Park although service on the line was recently suspended by the Portland and Western Railroad. Discussions to re-open the line are occurring. The Park is served by Oregon Route 99W. The Corvallis Municipal Airport is adjacent to the Park to the south; the airport is a non-controlled tower facility. Scheduled passenger service has been provided from the airport to Portland in the past, although it is currently not available. The Business Enterprise Center, the local business incubator, is located at the AIP.

Land-Use

The Park has a mixture of Intensive Industrial, General Industrial, Limited Industrial Office, and Mixed Use Employment for the City Comprehensive Plan designations; and Industrial and Flexible-Industrial County zoning designations. The Airport Industrial Park carries covenants from the FAA that no land can be sold. The City routinely leases land on long-term contract. Benton County and the City have joint agreements for land-use facilitation.

ZONING MAP (S), AERIALS ... WITH ZONE BOUNDARY SUPER-IMPOSED, AND OTHER INFORMATION—IN LETTERED APPENDIX OR TAB: **D**
 (This section to be considered with competitive criterion #7 under CAPACITY TO SUCCEED IN INDUCING NEW INVESTMENT & JOB CREATION†)

ENTERPRISE ZONE DESIGNATION APPLICATION—OREGON ECONOMIC & COMMUNITY DEVELOPMENT

MEASURES OF ECONOMIC NEED & HARDSHIP*									
CRITERION Annual ...	TYPE & SOURCE OF DATA	YEAR OF (ANNUAL) DATA	COMPARISON DATA —CHOOSE ONE— (SEE #6 BELOW)	ZONE-LEVEL DATA —CHOOSE ONE— (SEE #6 BELOW)	LETTERED APPENDIX/ TAB—WITH SOURCE, &C.	<input checked="" type="checkbox"/> COMPARISON FIGURE	<input checked="" type="checkbox"/> ZONE FIGURE	FORMULA	POINTS
1. Income per capita or household (\$)	2000 Census Tract 1	2000	<input checked="" type="checkbox"/> MSA <input type="checkbox"/> Statewide	<input checked="" type="checkbox"/> Zone-specific <input type="checkbox"/> City/cities <input type="checkbox"/> County <input type="checkbox"/> MSA	E	\$41,897	\$36,612	$(1-Z/Y) \times 1,000 =$	126
2. Unemployment Rate (%)		200_	<input type="checkbox"/> MSA <input type="checkbox"/> Statewide	<input type="checkbox"/> Zone-specific <input type="checkbox"/> City/cities <input type="checkbox"/> County <input type="checkbox"/> MSA	—			$(Z-Y) \times 100 =$	0
3. Percentage below Poverty Level (%)	2000 Census Tract 1	2000	<input type="checkbox"/> MSA <input checked="" type="checkbox"/> Statewide	<input checked="" type="checkbox"/> Zone-specific <input type="checkbox"/> City/cities <input type="checkbox"/> County <input type="checkbox"/> MSA	F	11.61%	19.09%	$(Z-Y) \times 40 =$	299
4. Ten-Year Change in Population (%)		199_—200_	<input type="checkbox"/> MSA <input type="checkbox"/> Statewide	"Enterprise Zone Population" — see OAR 123-065-1500	—			$(Y-Z) \times 13 \frac{1}{3} =$	0
5. Number of "Distressed Areas" as Determined by the Department that are either a Jurisdiction Sponsoring the Zone or Entirely Contained by Proposed Zone Boundary					—	NUMBER:		$Z \times 60 =$	0

Notes: 'MSA' = Metropolitan Statistical Area, as defined by the federal government for most recent decennial census.

(%) — For electronic entry, use decimal format ('0.05' to get 5.00%)

Mandatory that criterion #1, #2, #3, #4 or #5 above (at least one) equals or exceeds 200, unless sufficient need and hardship is demonstrated under #7 below (which is otherwise optional)

TOTAL: 425
[750: maximum]

6. Statistical Characteristics of the Proposed Zone—	IMPLICATIONS FOR ABOVE TABLE (#1-4) —see OAR 123-065-1600 to 123-065-1620		
<i>Is it located entirely within an MSA? (Metropolitan Statistical Area)</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> —If "Yes"	May then use MSA economic data instead of statewide data as basis of comparison to the proposed enterprise zone
<i>Do 75% of zone inhabitants reside inside of incorporated areas?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/> —If "Yes"	May then aggregate and use citywide economic data for zone
<i>Is it a 'Magnet' Enterprise Zone?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/> —If "Yes"	May then use countywide economic data for zone [Rural zone—most populous city and 25% of population in county]
<i>What type of Enterprise Zone?</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> —If "Urban"	May then use MSA data for zone [Urban zones are located within "metropolitan/regional urban growth boundary"]

MEASURES OF ECONOMIC NEED & HARDSHIP†

7. Summary of Alternative Economic Statistics and Circumstances (OPTIONAL)—Please describe, as desired or appropriate *in addition to criteria addressed on the previous page*—other matters with respect to economic need & hardship, such as recent business closures, special designations, a combination of factors, *etc.*

None

ADDITIONAL INFORMATION, SUCH AS DATA, REPORTS, ETC.—IN LETTERED APPENDIX OR TAB:

CAPACITY TO SUCCEED IN INDUCING NEW INVESTMENT & JOB CREATION‡

1. Summary of Education, Training, Counseling and Job Placement Opportunities—planned/available programs, relation to proposed zone, appeal to businesses, capability to enhance workforce quality, skill level & earnings capacity, and so forth

Corvallis/Benton County is the site of Oregon State University (OSU), the State's land, sun, sea and space grant university. OSU's research program is leading to commercialization efforts; especially small entrepreneurial businesses. Forty-nine local businesses have spun out of OSU. Hewlett Packard's Ink Jet Division is located in Corvallis and has spun out thirty-four companies. Linn-Benton Community College (LBCC) has campuses in Albany and Corvallis and provides a broad of work-force development support. The area's creative index is high with the presence of these educational and high-technology organizations.

The area has consistently ranked high in workforce quality, especially academic, and with the growth of LBCC's efforts, we are providing highly skilled labor for the local market. In Corvallis, average wages have been high and average unemployment has been low. South Corvallis though, where the Enterprise Zone is proposed, has consistently lagged behind in wages and employment.

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB:

2. Summary of Local Economic Development History and Activities—for example, past achievements

Preexisting enterprise zones should not respond here.

The Business Enterprise Center (BEC), our local business incubator, has a long history of growing companies and providing facilities and services for start-ups. The BEC recently moved to the Airport Industrial Park. The first Signature Research Center, Oregon Nanoscience and Microtechnologies Institute (ONAMI), is located on the campus of Hewlett-Packard. The second and third SRCs, clean energy and drug discovery, will have close affiliations with Oregon State University. The University is working on their Top 25 Engineering school target and student enrollment has reached high levels in recent years. Corvallis will continue to be the center of Oregon's creative economy, whether in high technology or green technology, although as mentioned above, south Corvallis has not participated fully in this activity.

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB:

CAPACITY TO SUCCEED IN INDUCING NEW INVESTMENT & JOB CREATION

3. Summary of Recent and Programmed Enhancements to Public Infrastructure/Services—transportation, utilities, public safety and so forth that would generally further business development in proposed zone

The City continues to make improvements to the Airport Industrial Park (AIP). In the past year, 49 acres of land qualified for 'shovel-ready' status. In November, the voters of Benton County passed a health and safety levy to provide services to the County. The City contracts with the Corvallis-Benton Chamber Coalition to provide AIP services, including marketing the site and lease maintenance. The City also provides Airport Manager and other transportation services staff support.

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB: _____

4. Summary of Local Incentives for Enterprise Zone Firms—address fiscal impact—see OAR 123-065-0240
Becomes obligatory/binding if zone is designated

None are contemplated in addition to the three year tax abatement provision.

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB: _____

5. Summary of Attributes and Plan for Marketing—for example, efforts to promote local business expansion, retention, startups or recruitments, and steps to enhance the value and local knowledge about using the enterprise zone

The City may extend its contract with the Corvallis-Benton Chamber Coalition for Enterprise Zone management. The previously mentioned business incubator and City staff are also alternatives that will be considered.

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB: _____

6. Summary of Relevant Strategic Planning—objectives, analyses, actions, measurement, *etc.*, to enhance/leverage resources, collaboration, social issues, local entrepreneurship, quality of life, community efforts and so forth—see OAR 123-065-1650

Corvallis/Benton County recently finished a two-year community public process that led to the acceptance by the County Commission and City Council of the Prosperity That Fits Plan. This multi-year plan was set in motion in early 2007 and the community is on track with the forty-nine action items in the plan. These action items cover the range of facilitating business development, retention and recruitment efforts, further University/community collaboration for local start-up companies, stronger business incubator services and creating a sustainable Corvallis economy. This application envisions an Enterprise Zone that fosters the development of primarily 'green' companies, engaged in sustainable industries. The Prosperity That Fits Plan is oriented to the Oregon Business Plan and see the sustainability traded sector cluster as its focus.

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB: _____

7. Further Information on Sites—especially acres/parcels in proposed zone that are available and generally ready for immediate/near-term business development in terms of regulations, infrastructure, *etc.*—see OAR 123-065-1670—as well as the quality/quantity of local industrial land, overall usability of zoning ordinances, real estate, SDC and other costs, and so forth

Permit fees and System Development Charges (SDC) are generally equivalent with peer Oregon comparitors. The Enterprise Zone is directly adjacent to the largest contiguous parcel of General Industrial land in the Willamette Valley - over five hundred acres of potential green field developable land.

ADDITIONAL INFORMATION, INCLUDING BUT NOT LIMITED TO MAPS AND AERIALS—IN LETTERED APPENDIX/TAB: **D**

ADDITIONAL/MISCELLANEOUS COMPETITIVE CRITERIA:

1. Summary of Management Plan for the Enterprise Zone—for example, name and/or position of local zone manager, or plans to appoint one and to see that s/he has adequate resources for assisting businesses and county assessor’s office

As noted earlier, the Corvallis Benton Chamber Coalition, through John Sechrest, provides marketing services for the Airport Industrial Park (AIP) and expanding this relationship to Enterprise Zone administration will be considered. A meeting with the County Assessor to brief the Assessor’s Office about the Enterprise Zone was held and a solid working relationship with the Assessor will continue.

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB: _____

2. Summary of Local Coordination—for example, a ‘zone association’, if more than two cosponsors, or proposed arrangements with county assessor, port district, land-use/permitting agencies, local business groups or other relevant entities

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB: _____

3. Summary of Public Awareness or Support for Enterprise Zone—public involvement records, comments from local organizations, media coverage, and so forth

For the past six months, elected officials have met with local constituents regarding an Enterprise Zone. Meetings with the Prosperity That Fits Task Group held meetings, the Prosperity That Fits Committee reviewed the recommendation of the Task Group in a public meeting, a meeting of local organizations was held in December and a meeting with neighbors was held in January Local newspaper coverage has occurred with stories and meeting notices.

LETTERS, ARTICLES, RESOLUTIONS AND OTHER INFORMATION—IN LETTERED APPENDIX/TAB: _____

4. Distance to Nearest Existing Enterprise Zone—Respond only if applying for rural zone

Name of nearest designated, non-terminating enterprise zone: _____ Enterprise Zone

Shortest commuting distance over paved road from proposed zone to the one named above: _____ miles.

ADDITIONAL INFORMATION—IN LETTERED APPENDIX/TAB: _____

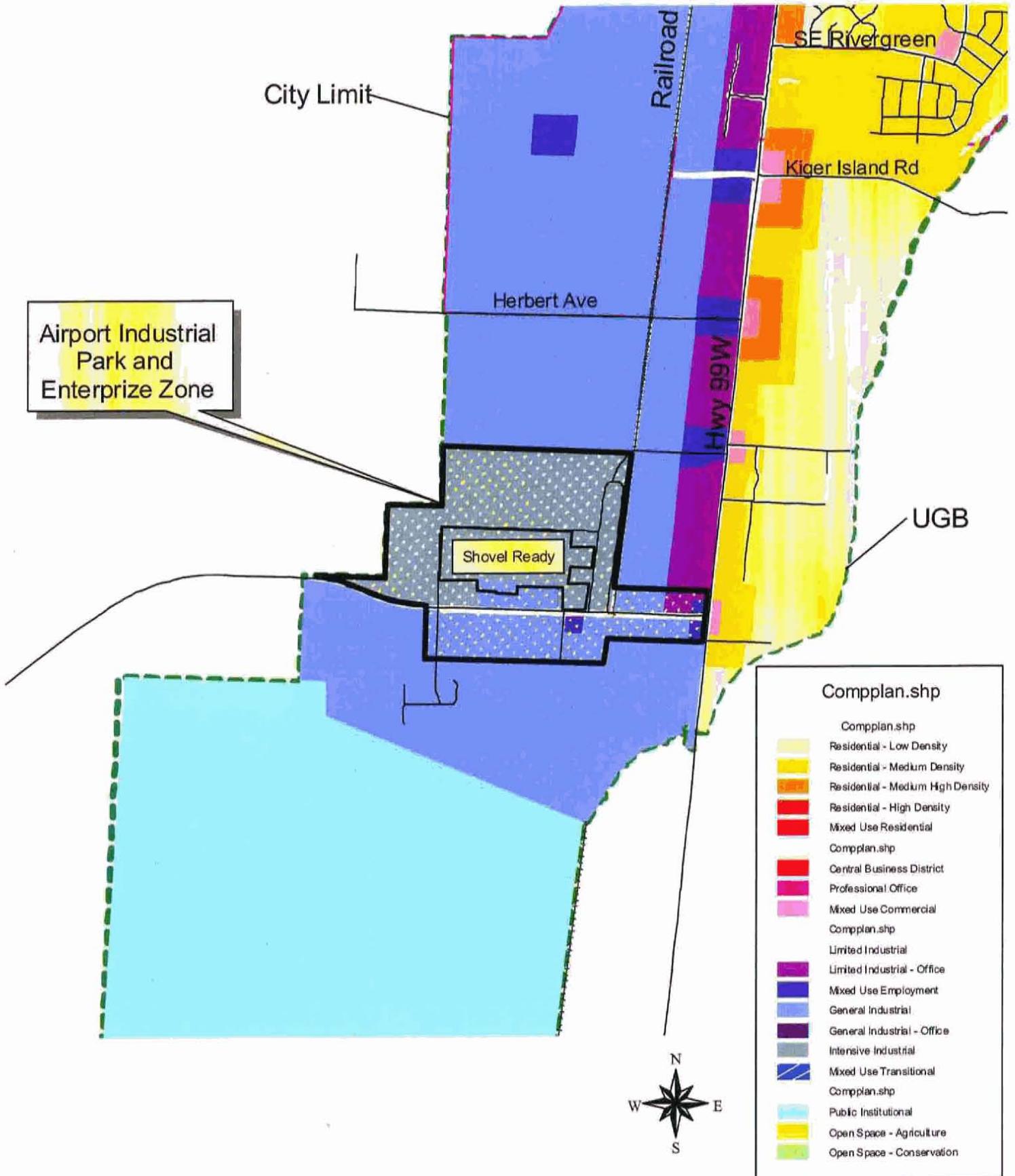
IMMEDIATE INVESTMENT OPPORTUNITIES:

Discuss potential hires and the significance of enterprise zone designation for pending decisions by any prospective eligible business firm or investor, including authorized business firms in a preexisting zone; third-party letters may be (confidentially) sent directly to the department by the party, addressed to the director—see OAR 123-065-1580

Project Ark, continued OSU spinouts and expansion of BEC and AIP businesses.

LETTERS FROM ELIGIBLE BUSINESS FIRMS AND OTHER INFORMATION—IN LETTERED APPENDIX/TAB: _____

Comprehensive Plan Designations



MEMORANDUM

To: Corvallis City Council
From: Charles C. Tomlinson, Mayor
Date: March 4, 2008
Subject: Enterprise Zone Financial Analysis

This memorandum provides a financial analysis of a hypothetical company locating at the Airport Industrial Park and having the benefit of the potential Enterprise Zone. The first page of the analysis outlines a \$3,000,000 building with \$200,000 in personal property in the building. This company will create 20 new jobs and retain 20 jobs. The company used in the analysis is a Research and Development company with a NAICS Code of 54171; this NAICS Code corresponds to an economic multiplier of 1.62 as defined by the Bureau of Economic Analysis, Department of Commerce. The tax abatement shown on page 1 is the net present value, discounted by five percent, of three years of tax abatement as shown on page 2, on the attached.

Page three is the resulting analysis of this company expanding in the Airport Industrial Park. The Total Taxes Generated by this transaction is \$211,800, the Gross Revenue is \$194,825 resulting in a first year Cash Flow of \$108,226, after subtracting the NPV of the three-year tax incentive.

The Secondary Impacts to the community are the economic benefit of both residents and non-residents; these impacts take into account the company multiplier applied to the workers and their families.

The Parameter Section outlines several ratios of revenue and cost to determine the community benefit of this company locating at the AIP.

Please call if you have questions.

Key Variables for Your Project

Investment Parameters

Land	-
Real	3,000,000
Personal	200,000
Assessing Percentage	75%
Tax Rate	13.250
Per (100 or 1000)	1,000
Tax Land?	No
Tax Real?	Yes
Tax Personal Property?	Yes

Tips

The money spent on the land improvements used for this project

The money spent on the building

Machinery, Equipment, Furniture, Fixtures, i.e. everything that goes into the building

What impact the assessor has on placing property on the tax rolls

Municipal tax rate - Benton County, Lib Svce, Soil & Water, 509J, LBCC, ESD, Rural Fire

Are you taxing in dollars per 100 or dollars per 1000 of value?

Does your community tax land (Enter "Yes" or "No")?

Does your community tax real property (the building) (Enter "Yes" or "No")?

Does your community tax personal property (Enter "Yes" or "No")?

Workforce Parameters

Jobs Created	20
Salary	50,000
Jobs Retained	20
Salary	50,000
Income Tax Rate	9.00%

How many new jobs did you create?

What are you expecting to be the annual salaries for these positions?

How many jobs were retained?

What are you expecting to be the annual salaries for these positions?

If you have an income tax, what percentage of income is it?

Incentive Package

Road	-
Water	-
Sewer	-
Tax Abatement	86,599
Tax Credits	-
Training	-
Financing Assistance	-
Other Incentives	-
Total	86,599

In the cells to the left, enter any funds that will be provided to the prospect in support of this project regardless of their source.

In the first column of cells to the right, enter any funds your community may have received in order to help support the incentive package, i.e. you may have obtained state funds to improve the waste water treatment plant.

In the second column of cells to the right, enter any funds your prospect may have received from other sources in support of this project, i.e. the company may have received a state training grant for this project.

Reimbursements to the Community	Paid Directly to the Company
---------------------------------------	------------------------------------

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

Community Variables

Population	54,900
Municipal Budget	41,236,000
New Residents	50.0%
PPH	2.26
Resident Spending	85%
Non-Resident Spending	10%
Multiplier (ind or comm)	1.62

What is the population of your community?

What is the non-grant, non-user fee, general fund budget of the community? (FY 07-08)

Percentage of new employees anticipated to be new residents

Persons per household (per 2000 census data)

Amount of expendable income residents will leave in the community

Amount of expendable income non-residents will leave in the community

Multiplier: NAICS Code 54171 Research and Development in the Physical, Engineering or Life Sciences

Discount Rate	5.00%	Year	Year	Year	Year
	NPV	0	1	2	3
Revenue	\$185,548		194,825		
Road	\$0	-	-		
Water	\$0	-			
Sewer	\$0	-			
Tax Abatement	\$86,599	-	31,800	31,800	31,800
Tax Credits	\$0	-	-	-	-
Training	\$0	-			
Engineering Assistance	\$0	-	-	-	
Other	\$0	-			

Key Outputs and Decision Making Criteria

Value of Investment and Property Generated

	Market Value	Assessed Value	Taxes Generated
Land	-	-	-
Real	3,000,000	2,250,000	29,813
Personal	200,000	150,000	1,988
Total	3,200,000	Total Taxes	\$ 31,800

Income Taxes

Jobs Created	20		
Salary	50,000		
Jobs Retained	20		
Salary	50,000		
Income Tax Rate	9.00%		
Total Payroll	2,000,000		
		Income Taxes	180,000
		Total Taxes Generated	\$ 211,800

Costs Generated by Project

Per Capita Budget	751		
New Residents	23		
		Additional Costs Generated	16,975
		Gross Revenue	\$ 194,825

Incentive Package Impact

	<u>Total</u>		<u>Community Share</u>
Road	-		-
Water	-		-
Sewer	-		-
Tax Abatement	86,599		86,599
Tax Credits	-		-
Training	-		-
Financing Assistance	-		-
Other Incentives	-		-
Total Package	86,599	Net Cost to Community	\$ 86,599

1st Year Cash Flow

\$ 108,226

Secondary Impacts

Residents	227,857		
Non Residents	26,807		
	254,664		\$ 254,664

Key Decision Parameters

Cost/Benefit

Total Costs	16,975		
Total Benefits	185,548		
Value		10.93	

Tips

The higher the better number here.
Note that C/B is different from ROI in that this deals with future revenue streams.

Incentives/Job

Total Incentive Package	86,599		
Total Jobs Created or Retained	40		
Value		2,165	

You are seeking the lowest possible number.
Keep in mind that your decision makers will want a value of less than \$15,000/job.

ROI

Total Private Investment	3,200,000		
Total Public Investment	86,599		
Value		36.95	

The higher the better.
Note that ROI is different from C/B in that this deals with first year investment only.

Incentive/Wage

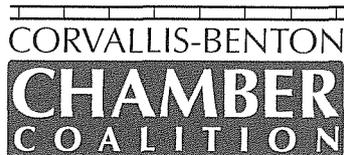
Total Incentive Package	86,599		
Total Wages	2,000,000		
Value		0.04	

Any deal with a value of less than one is a great deal.

Break Even Point

Incentive Package	86,599		
1st Year Revenue	194,825		
Value		0.44	

You want your projects to break even as soon as possible.



March 10, 2008

*Thank you to our
Platinum Star Members*

Alphagraphics
ATS Systems Oregon, Inc.
The Ball Studio/Photography
Blackledge Furniture
CH2M HILL
Cardinal Point Properties, LLC
The Corvallis Clinic
Debra J. Ringold, Ph.D., Inc.
Evanite Fiber Corporation
Hewlett-Packard
Jeanne Smith & Associates, PC
Key Bank
OSU Federal Credit Union
Pacific Power
Peak Internet
R3 Engraving & Signs
Samaritan Health Services
Starker Forests, Inc.
Stover Neyhart & Co., PC
Town & Country Realty

Corvallis Mayor and City Council
PO Box 1083
Corvallis, OR 97339

Benton County Commissioners
PO Box 3020
Corvallis, OR 97339

RE: Enterprise Zone

Dear Commissioners, Mayor and City Council,

The Chamber Coalition would like to actively encourage the City of Corvallis to move forward with the Enterprise Zone application. Here are some reasons why and Enterprise Zone is worth considering:

- An Enterprise Zone abates taxes only on new construction (rehab) and equipment. Property taxes will still have to be paid by the applicant during the years for the abatement.
- We have and will maintain local control of this economic development incentive. Because of this we have and will continue to include sustainability as a key factor for Enterprise Zone applicants.
- Benton County is the only county in Oregon without an Enterprise Zone.
- An Enterprise Zone will encourage the creation of jobs paying 150% of the median wage in Benton County (current median wage is \$14.44/hour).
- An Enterprise Zone will encourage development in an area that is not currently developed, increasing the tax base for area taxing districts.
- 65% of all Enterprise Zone developments in Oregon are a result of local expansion.
- An Enterprise Zone only lasts 3-5 years and is therefore very difficult for a corporation to misuse.

Again, please consider moving forward with the Enterprise Zone application. It is an important tool for encouraging smart and responsible economic development.

Sincerely,

Mysty Rusk
President

420 NW 2nd Street
Corvallis, OR 97330

Phone: 541-757-1505
Fax: 541-766-2996

info@cbchambercoalition.com
www.cbchambercoalition.com

*Rec'd via email 3/10/08
KC*

From: Prosperity That Fits Action item 12.2 (Sustainable Business Clusters) Task Force
To: Corvallis City Council and County Commission

Per the request of Mayor Tomlinson we have included our recommendations regarding using sustainability criteria as the determination in awarding this tax abatement to a business.

Enterprise Zone Sustainability Criteria Cover Letter
DRAFT 3.7.08

The attached document is a tool to assist in determining if a business qualifies for the year 1-3 Enterprise Zone tax abatement. It is the intention of our community to use the Enterprise Zone along with local incentives as a tool to grow and attract sustainable businesses. It is our preference to award the year 1-3 tax abatement to businesses that produce a sustainable product or service however a company will be also considered if it can demonstrate that it is attempting to become more sustainable in the design of its products as well as its operations. In addition the year 4 and 5 optional tax credit would be awarded to those companies that demonstrate they have made progress over years 1-3 in becoming more sustainable.

The criteria attached will be used to make the above decisions. It is divided into three sections, Section I is the product or service decision, Sections II and III are focused on understanding a businesses' intention around becoming more sustainable as well as the sustainability of its current operations.

To receive a tax abatement for years 1-3 a business must fit into one of the categories in Section I and have (3) Yes's in Section II and III or if a business does not fit into one of the categories in section I it must have (5) Yes's in Section II and III.

If the business is an existing business already in the Enterprise Zone or a startup with no operational history and it does not meet the above requirements to receive the tax abatement for years 1-3 it may submit a plan to move its organization toward becoming more sustainable based on items in the criteria. The plan will need approval by the zone manager and the business must report annually on its performance toward that plan.

The definition of sustainability the community is using is taken from the guiding principles of the Corvallis Sustainability Coalition:

1. Reduce and ultimately eliminate your contribution to fossil fuel dependence and to wasteful use of scarce metals and minerals. Use renewable resources whenever possible.
2. Reduce and ultimately eliminate your contribution to dependence upon persistent chemicals and wasteful use of synthetic substances. Use biologically safe products whenever possible.
3. Reduce and ultimately eliminate your contribution to encroachment upon nature (e.g., land, water, wildlife, forests, soil, ecosystems). Protect natural ecosystems.
4. Support people's capacity to meet their basic needs fairly and efficiently.

Sustainability Criteria for Receiving Enterprise Zone Tax Abatement DRAFT 3.7.08

Section I: Does your company provide a sustainable product or service? Does that product or service fit within one of the sustainable business clusters identified below?

- Green Building
- Alternative Energy, e.g., wind, wave, solar, efficiency
- Local Food production and processing
- Green technology, e.g. environmental services
- Recycled Products, Sustainable Replacement Products
- Sustainable forest and wood products
- Other _____

Is your business committed to sustainability? (Check those that apply)

Have you:

- Publicly used the triple bottom line?
- Developed sustainability training and trained all or most personnel with the intent to integrate sustainability into all aspects of your business?
- Incorporated sustainability into your business planning?
- Implemented a sustainability management system (SMS, ISO 14001 or its equivalent)?
- Developed sustainability metrics? E.g. energy/ unit of production, waste / unit of production
- Other _____

Section II: Operations and Sustainability (Check those that apply)

Design

Have you:

- Redesigned products with sustainability in mind
- Conducted Life Cycle Analysis on your product(s)/ services
- Reduced packaging by at least 20%
- Engaged one first tier suppliers to redesign toward sustainability
- Other _____

Operations

Have you:

- Conducted a process or facilities energy audit
- Reduced energy 10% per unit of production
- Reduced green house gasses to 1990 levels
- Conducted a resource efficiency audit to reduce waste and inputs
- Conducted an internal work climate survey with action plan
- Completed a chemical inventory that ranks toxic and hazardous materials with a plan to eliminate all persistent bio accumulative toxins
- Taken responsibly for your product at end of its useful life
- Other _____

Section III: Facilities

- Will any new facilities be constructed to LEED or other green building standards?
- Will your existing facilities be retrofitted to LEED or EB or equivalent?