



**CORVALLIS
CITY COUNCIL AGENDA**

**April 7, 2008
12:00 pm and 7:00 pm**

**Downtown Fire Station
400 NW Harrison Boulevard**

COUNCIL ACTION

PLEDGE OF ALLEGIANCE

I. ROLL CALL

II. CONSENT AGENDA

The following items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member (or a citizen through a Council member) so requests, in which case the item will be removed from the Consent Agenda and considered separately. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Agenda.

- A. Reading of Minutes
1. City Council Meeting – March 17, 2008
 2. City Council Work Session – March 17, 2008
 3. For Information and Filing (Draft minutes may return if changes are made by the Board or Commission)
 - a. Airport Commission – March 4, 2008
 - b. Community Policing Forum – March 12, 2008
 - c. Downtown Parking Commission – February 27, 2008
 - d. Housing and Community Development Commission – February 19 and 21 and March 12, 2008
 - e. Planning Commission – February 6, 2008
 - f. Watershed Management Advisory Commission – February 20, 2008
 - g. Willamette Criminal Justice Council – February 20, 2008
- B. Confirmation of Appointments to Boards, Commissions, and Committees (Citizens Advisory Commission on Transit - Hyne; Parks, Natural Areas, and Recreation Board - de-Vries)
- C. Announcement of Vacancies on Boards and Commissions (Citizens Advisory Commission on Transit - Carroll; Parks, Natural Areas, and Recreation Board - Locker)

- D. Approval of an application for a "Full On-Premises Sales" liquor license for Duncan Culinary Ventures, Inc., dba Aqua Seafood Restaurant, 151 NW Monroe Avenue #102 (Change in Ownership)
- E. Approval of an application for a "Limited On-Premises Sales" liquor license for Zia Southwest Cuisine, LLC, dba ZIA Southwest Cuisine, 121 SW Third Street (New Outlet)
- F. Approval of a transfer of Systems Development Charge funds for Willamette Park project
- G. Authorization to enter into and for the City Manager to sign a rental agreement with Crystal Lake Storage for rental unit to house recreation supplies
- H. Authorization to enter into and for the City Manager to sign a contract amendment with Oregon Economic and Community Development Department for final wetlands mitigation plan at the Airport Industrial Park
- I. Schedule an Executive Session following the regular noon meeting under ORS 192.660(2)(d)(e) (status of labor negotiations; status of real property transaction)

III. ITEMS REMOVED FROM CONSENT AGENDA

IV. UNFINISHED BUSINESS

- A. City Attorney Employment Agreement
- B. Deadly Physical Force Plan (evening meeting)
- C. 7th Street Station Comprehensive Plan Map and Zoning District Changes (evening meeting)

V. MAYOR, COUNCIL, AND STAFF REPORTS

- A. Mayor's Reports
 - 1. Proclamation of Arbor Month – April 2008
 - 2. Tree City USA and Growth Awards presentation
 - 3. Proclamation of National Library Week – April 13 - 19, 2008
 - 4. Proclamation of Days of Remembrance – April 27 - May 4, 2008
 - 5. Appointments to Economic Development Allocations Subcommittee
- B. Council Reports
- C. Staff Reports
 - 1. Council Request Follow-up Report – April 3, 2008
 - 2. Urban Renewal Plan update
 - 3. Cascade View Industrial Properties

VI. VISITORS' PROPOSITIONS – 7:00 pm (*Note that Visitors' Propositions will continue following any scheduled public hearings, if necessary and if any are scheduled*)

VII. PUBLIC HEARINGS – None.

VIII. & IX. STANDING COMMITTEE REPORTS, ORDINANCES, RESOLUTIONS, AND MOTIONS

A. Human Services Committee – March 18, 2008

1. Anti-Smoking Ordinance

ACTION: An ordinance amending Corvallis Municipal Code Chapter 5.03, "Offenses," as amended, and stating an effective date, to be read by the City Attorney

B. Administrative Services Committee – March 20, 2008

1. Ambulance Rate Review

2. Potential Revenue Alternatives

C. Urban Services Committee – None.

D. Other Related Matters

1. *A resolution accepting a grant from the Senior Citizens Foundation of Benton County to hire a casual position for health program and special events (\$10,356), and authorizing the City Manager to sign the grant agreement, to be read by the City Attorney*

X. NEW BUSINESS

A. Benton County Water Policy (Benton County Commissioner Linda Modrell)

XI. ADJOURNMENT

For the hearing impaired, a sign language interpreter can be provided with 48 hours' notice prior to the meeting. Please call 766-6901 or TTY/TDD telephone 766-6477 to arrange for such service.

A LARGE PRINT AGENDA CAN BE AVAILABLE BY CALLING 766-6901

A Community That Honors Diversity



CITY OF CORVALLIS
ACTIVITY CALENDAR

APRIL 7 - 19, 2008

MONDAY, APRIL 7

- ▶ City Council - 12:00 pm and 7:00 pm - Downtown Fire Station, 400 NW Harrison Boulevard

TUESDAY, APRIL 8

- ▶ Human Services Committee - 12:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue
- ▶ Historic Resources Commission - 7:00 pm - Downtown Fire Station, 400 NW Harrison Boulevard
- ▶ Ward 9 (Councilor Hal Brauner) meeting - 7:00 pm - Osborn Aquatic Center Activity Room, 1940 NW Highland Drive (City sponsored)
- ▶ Ward 7 Candidate Forum - 7:00 pm - Fire Station 5, 4950 NW Fair Oaks Drive

WEDNESDAY, APRIL 9

- ▶ Citizens Advisory Commission on Transit - 8:15 am - Madison Avenue Meeting Room, 500 SW Madison Avenue

THURSDAY, APRIL 10

- ▶ Citizens Advisory Commission on Civic Beautification and Urban Forestry - 8:00 am - Parks and Recreation Conference Room, 1310 SW Avery Park Drive
- ▶ Administrative Services Committee - 12:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue
- ▶ No Urban Services Committee

SATURDAY, APRIL 12

- ▶ Government Comment Corner (Councilor David Hamby) - 10:00 am - Library Lobby, 645 NW Monroe Avenue

WEDNESDAY, APRIL 16

- ▶ Housing and Community Development Commission - 12:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue
- ▶ Watershed Management Advisory Commission - 5:30 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue
- ▶ Planning Commission - 7:00 pm - Downtown Fire Station, 400 NW Harrison Boulevard

THURSDAY, APRIL 17

- ▶ Parks, Natural Areas, and Recreation Board - 6:30 am - Downtown Fire Station, 400 NW Harrison Boulevard

SATURDAY, APRIL 19

- ▶ Government Comment Corner (Councilor Patricia Daniels) - 10:00 am - Library Lobby, 645 NW Monroe Avenue

**CITY OF CORVALLIS
COUNCIL ACTION MINUTES**

March 17, 2008

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Decisions/Recommendations
Consent Agenda Pages 145-146			
Unfinished Business 1. Ashwood Preserve 2. Benton/Corvallis Enterprise Zone Pages 146-147			<ul style="list-style-type: none"> • Adopt Findings of Fact and Order <u>passed U</u> • Resolution 2008-06 <u>passed U</u>
Mayor's Report 1. CHS 5A championship 2. CSC homelessness discussions 3. Unequal treatment in medical services 4. Best Eco-Friendly Community in American designation 5. Mayor's Climate Protection agreement Page 147	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		<ul style="list-style-type: none"> • Councilor Hamby serve as liaison
Council Reports 1. NAACP state conference (Beilstein) 2. GCC commendations (Brauner) 3. Community Sustainability Town Hall meeting – March 31, 2008 (Brown) 4. Traffic cameras (Brown) 5. Chemicals in water supplies (Brown) 6. Beaver Bus program (Brown, Wershow) 7. Community Policing Forum update (Wershow) 8. Solar energy waste (Wershow) 9. Tree City USA and Growth Award (Brauner) Page 148	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		
Staff Reports 1. Karen Emery – AIC Parks and Recreation Director 2. Street maintenance fees article 3. City Manager's Report – February 2008 4. Council Request Follow-Up Report – March 13, 2008	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		

Agenda Item	Information Only	Held for Further Review	Decisions/Recommendations
5. 7th Street Station Comprehensive Plan amendment and rezoning 6. Housing Alliance membership 7. 9-1-1 Center Final Report 8. Code Enforcement Program Update Pages 148-149, 150	Yes Yes Yes Yes		
Visitors' Propositions 1. CSC Town Hall Meeting – March 31, 2008 (Griffiths, Schuster) Page 149-150	Yes		
ASC Meeting of March 6, 2008 1. Second Quarter Operating Report 2. Fund Balance Financial Policy Review Page 150	Yes		• Accepted report <u>passed U</u>
USC Meeting of March 6, 2008 1. Systems Development Charge Annual Review Pages 150-151			• Resolution 2008-07 <u>passed U</u>
Executive Session 1. City Attorney evaluation and employment agreement Page 151	Yes		

Glossary of Terms

AIC	Acting in Capacity
ASC	Administrative Services Committee
CHS	Corvallis High School
CSC	Corvallis Sustainability Coalition
GCC	Government Comment Corner
NAACP	National Association for the Advancement of Colored People
U	Unanimous
USC	Urban Services Committee

**CITY OF CORVALLIS
COUNCIL ACTION MINUTES**

March 17, 2008

The regular meeting of the City Council of the City of Corvallis, Oregon, was called to order at 12:00 pm on March 17, 2008 in the Downtown Fire Station, 400 NW Harrison Boulevard, Corvallis, Oregon, with Mayor Tomlinson presiding.

PLEDGE OF ALLEGIANCE

I. ROLL CALL

PRESENT: Mayor Tomlinson, Councilors Brauner, Grosch, Brown, Wershow, York, Hamby, Beilstein

ABSENT: Councilor Daniels (excused)

Mayor Tomlinson directed Councilors' attention to the items at their places, including:

- *Best Green Cities* article from *Country Home* magazine (Attachment A),
- Updated Enterprise Zone map (Attachment B),
- Enterprise Zone e-mail from Ted Daum (Attachment C),
- 2007 City Attorney Employment Agreement (Attachment D), and
- Diversity Efforts Assessment pages missing from the work session packet.

II. CONSENT AGENDA

Councilors Hamby and Wershow, respectively, moved and seconded to adopt the Consent Agenda as follows:

A. Reading of Minutes

1. City Council Meeting – March 3, 2008
2. City Council Work Session – March 10, 2008
3. City Council Enterprise Zone Public Meeting – March 10, 2008
4. For Information and Filing (Draft minutes may return if changes are made by the Board or Commission)
 - a. Bicycle and Pedestrian Advisory Commission – February 1, 2008
 - b. Citizens Advisory Commission on Transit – February 13, 2008
 - c. Committee for Citizen Involvement – February 7, 2008
 - d. Corvallis-Benton County Public Library Board – February 6, 2008
 - e. Historic Resources Commission – February 12, 2008

B. Confirmation of Appointments to Watershed Management Advisory Commission (McDonnell, Schreck)

C. Announcement of Appointments to Boards and Commissions (Citizens Advisory Commission on Transit - Hyne; Parks, Natural Areas, and Recreation Board - de-Vries)

- D. Announcement of Vacancies on Boards and Commissions (Commission for Martin Luther King, Jr. - Paul; Parks, Natural Areas, and Recreation Board - Noel)
- E. Approval of an application for a "Limited On- and Off-Premises Sales" liquor license for BMRCMC, LLC, dba Enoteca Wine Bar, 136 SW Washington Avenue (New Outlet)
- F. Authorization to proceed with a Local Share Grant application to Oregon State Recreation and Parks Department for Avery Park Rose Garden ADA Phase II project
- G. Schedule a public hearing for April 21, 2008 to consider the Fiscal Year 2008-2009 through Fiscal Year 2012-2013 Community Development Block Grant/HOME Investment Partnerships Program Consolidated Plan and Fiscal Year 2008-2009 Action Plan
- H. Schedule an Executive Session following the regular noon meeting under ORS 192.660(2)(i) (status of employment-related performance)

The motion passed unanimously.

III. ITEMS REMOVED FROM CONSENT AGENDA – None.

IV. UNFINISHED BUSINESS

- A. Adoption of Findings of Fact and Order relating to an appeal of a Planning Commission decision (PLD07-00009, SUB07-00003 – Ashwood Preserve)

Councilors Brauner and York, respectively, moved and seconded to adopt the Findings of Fact and Order, upholding the Planning Commission's decision to approve the Ashwood Preserve Conceptual and Detailed Development Plan and Tentative Subdivision Plat, and denying the appeal.

Councilor Wershow reported that he read an article in today's *Corvallis Gazette-Times* related to Ashwood Preserve. He opined that he could make a fair and impartial decision.

The motion passed unanimously.

Mayor Tomlinson announced that any participant not satisfied with the Council's decision may appeal to the State Land Use Board of Appeals within 21 days of the date of the Council's decision.

- B. Benton/Corvallis Enterprise Zone

City Attorney Fewel read a resolution adopting the Benton/Corvallis Enterprise Zone.

Councilors Wershow and Brown, respectively, moved and seconded to adopt the resolution.

In response to Councilor York's inquiry, Mayor Tomlinson clarified that the time line for finalizing the sustainability local conditions criteria is before July 1, if an enterprise zone is awarded by the Oregon Economic and Community Development Department (OECD).

He said the local criteria will be determined in concert with the Benton County Board of Commissioners should they adopt a similar resolution.

In response to Councilor Hamby's inquiry, City Manager Nelson clarified that the language, "...the City of Corvallis will give priority to the use in the proposed enterprise zone, if designated, of any economic development or job training funds received from the federal government,..." was taken directly from the OECD sample resolution.

Mayor Tomlinson reported that Benton County Commissioners Dixon and Modrell expressed concerns about the local criteria related to sustainability.

RESOLUTION 2008-06 passed unanimously.

V. MAYOR, COUNCIL, AND STAFF REPORTS

A. Mayor's Reports

Mayor Tomlinson announced that the Corvallis High School Spartans boys basketball team participated in the 5A championship over the weekend. He commended all local athletic teams for providing leadership, student activities, and a venue for growth in the local school system.

Mayor Tomlinson reported that the Community Services Consortium will begin discussions in the near future about the ten-year plan to end homelessness. Councilor Hamby expressed interest in becoming a liaison to the Consortium committee.

Mayor Tomlinson said a community discussion regarding unequal treatment in medical services will be held on April 9 at 7:00 pm in the Odd Fellows Hall. He inquired whether the City desires to be a cosponsor of this topic. Discussions will coincide with a new Public Broadcasting series, Is Inequality Making us Sick.

Councilor Beilstein said this is an important issue that the City should be concerned with as an employer. Medical inequities are a problem for those who do not have insurance and for anyone paying for insurance due to the transfer of costs.

Mayor Tomlinson announced that Corvallis is the number one eco-friendly community in America according to *Country Homes* magazine. In addition, Portland, Bend, Medford, and Eugene/Springfield made the top 25 cities in Oregon. Mayor Tomlinson thanked the many individuals, including City staff, who helped Corvallis gain this designation. He said, although some people like to keep Corvallis a secret, it is important to provide leadership around important topics.

Mayor Tomlinson said he signed the Mayor's Climate Protection agreement sponsored by the United States Conference of Mayors. Corvallis will eventually need to conduct carbon and green house gas emissions measurements. Mayor Tomlinson said bringing renewable energy to the entire community would be good and he intends to spend time working with staff to meet the renewable power standard portfolio.

B. Council Reports

Councilor Beilstein said he recently attended the National Association for the Advancement of Colored People state conference in Portland. The conference included participants from Oregon, Washington, and Alaska. Corvallis is competing with Anchorage, Alaska, to host the state convention in September 2008.

Councilor Brauner hosted Government Comment Corner two weeks ago and noted that no major complaints were brought forward. One couple's concern about bike path access has already been responded to by the City Manager. Four people mentioned that the Council is doing a great job and they are appreciative of the time spent in an unpaid position.

Councilor Brown announced that a Community Sustainability town hall meeting is scheduled for 6:00 pm on March 31 at the CH2M Hill Alumni Center. The purpose of the meeting is to generate a grass-roots plan for community sustainability. The Corvallis Sustainability Coalition is seeking participation from all citizens to help develop the plan.

Councilor Brown said he recently received e-mails about the following issues:

- Adding traffic cameras to help patrol drivers speeding and running red lights.
- City policy regarding chemicals in municipal water supplies.
- Beaver Bus program concerns.

Councilor Wershow said he received the same Beaver Bus e-mail and forwarded it to Rick Crawford, Associated Students of Oregon State University Community Affairs Committee Chair.

Councilor Wershow reported that the most recent Community Policing Forum included a report on *Cop Logic*, an online crime reporting system.

Councilor Wershow announced that he submitted the energy waste article about companies who produce silicon solar panels without conducting any waste recovery efforts. He hopes the City considers using companies who successfully recover solar waste when moving forward with the waste water treatment plant solar project.

Councilor Brauner announced that the National Arbor Day Foundation named Corvallis as a Tree City USA and Growth Award recipient for the seventh consecutive year.

C. Staff Reports

Mr. Nelson acknowledged Karen Emery in the audience. Ms. Emery is serving as the interim Parks and Recreation Director and is considering applying for the permanent position.

Mr. Nelson referred to the League of Oregon Cities *Local Focus* magazine. The front page story is about how one City (Corvallis) makes street maintenance fees work. He recognized Public Works staff for providing the majority of the information for the article.

1. City Manager's Report – February 2008
2. Council Request Follow-up Report – March 13, 2008

Mr. Nelson noted the Think Permit marketing program which acknowledges the statewide campaign drawing attention to the value of obtaining permits.

In response to Councilor Beilstein's comments about the multi-use path, Mr. Nelson said the issue is gaining permission for an access gate on private property to make the connection at NW Cornell Avenue. Staff will continue discussions with the property owner.

Mr. Nelson referred to a memorandum regarding 7th Street Station Comprehensive Plan amendment and rezoning. Staff discovered that proceeding with Council direction will require a traffic impact analysis costing approximately \$10,000. Mr. Nelson suggested delaying further action until the April 7 City Council meeting when staff anticipate receipt of a RS-12 development application.

Mr. Nelson announced that the City recently become a member of the Housing Alliance.

Mr. Nelson said the 9-1-1 Center Final Report is complimentary to the Police Department. Next steps include a discussion with the 9-1-1 users group about prioritizing the 25 action items and how chosen items will be funded.

3. Code Enforcement Program Update

Community Development Director Gibb noted that the staff report should have read staff received 164 complaints during the last four months compared to 68 for the same time period last year.

In response to Councilor York's inquiry, Code Enforcement Supervisor Westfall said the criteria in the staff report is prioritized as listed; however, the last three items are evenly valued. Mr. Gibb added that the list is situational in all cases.

VI. VISITORS' PROPOSITIONS

Betty Griffiths, Corvallis Sustainability Coalition (CSC), said 100 people have registered for the March 31 Community Sustainability Town Hall meeting. She recommended early registration online at www.sustainablecorvallis.org or by calling (541) 250-1186. The Web page also includes a survey to help identify sustainability project interest.

Ann Schuster, CSC, commended the City for their sustainability efforts. She said the town hall meetings will be used to engage the community in discussions about Corvallis' social and environmental sustainability vision. The March 31 meeting begins at 6:00 pm at the CH2M Hill Alumni Center. Future town hall meetings are scheduled for June 22 and October 2.

Ms. Griffiths submitted copies of the CSC E-Update that includes information about the Corvallis Energy Challenge launched in early March (Attachment E).

Councilor Beilstein said he was impressed with the online survey and the ability to identify and prioritize sustainability areas.

V. MAYOR, COUNCIL, AND STAFF REPORTS - continued

C. Staff Reports - continued

3. Code Enforcement Program Update - continued

Councilor Hamby commended Development Services staff for their professional and efficient services during a recent remodel at his home. He said the required multiple inspections did not delay his project.

Councilor Wershow added that inspection services were also commended by Hewlett-Packard as noted in the City Manager's Report.

VIII. & IX. STANDING COMMITTEE REPORTS AND ORDINANCES, RESOLUTIONS, AND MOTIONS

A. Human Services Committee – None.

B. Administrative Services Committee – March 6, 2008

1. Second Quarter Operating Report

Councilors Brown and York, respectively, moved and seconded to accept the Second Quarter Operating Report for Fiscal Year 2007-2008. The motion passed unanimously.

2. Fund Balance Financial Policy Review

Councilor Brown reported that the Committee reviewed the policy and agreed to defer recommendation until after the March 10 financial strategy work session. This issue was presented for information only.

C. Urban Services Committee – March 6, 2008

1. Systems Development Charge Annual Review

Councilor Grosch said the Committee reviews the Systems Development Charges (SDC) on an annual basis. For the first time in many years, the recommendation is to lower the SDC rates.

Mr. Fewel read a resolution adopting adjusted water, sewer, street, drainage, and parks systems development charge rates; and rescinding the portion of Resolution 2007-02 related to extra-capacity facilities.

Councilors Grosch and Hamby, respectively, moved and seconded to adopt the resolution.

RESOLUTION 2008-07 passed unanimously.

X. NEW BUSINESS – None.

Mayor Tomlinson read a statement, based upon changes in Oregon laws regarding executive sessions. The statement indicated that only representatives of the news media, designated staff, and other Council-designated persons were allowed to attend the executive session. News media representatives were directed not to report on any executive session discussions, except to state the general subject of the discussion, as previously announced. No decisions would be made during the executive session. Mayor Tomlinson reminded Council members and staff that the confidential executive session discussions belong to the Council as a body and should only be disclosed if the Council, as a body, approves disclosure. He suggested that any Council or staff member who may not be able to maintain the Council's confidences should leave the meeting room.

The Council entered Executive Session at 12:45 pm.

The Mayor and Council discussed the City Attorney's evaluation and proposed employment agreement.

XI. ADJOURNMENT

The meeting was adjourned at 12:51 pm.

APPROVED:

MAYOR

ATTEST:

CITY RECORDER

living green



CountryHome
2008 Best Green Places

25 best green cities in AMERICA

Thank goodness the **grass roots are getting greener**. All across the country, people are looking for more ways to shrink their proverbial footprint. And along with that push to live a little closer to the three-R mantra (reduce, reuse, and recycle), Americans are asking their cities and towns to think green, too. That prompted our second annual Best Green Cities report, which analyzed hundreds of cities on key points such as official energy policies, green power,

green buildings, and even the availability of fresh, locally grown food. To see if your city made the grade, check out our Top 25 list along with more winners in specific categories. For complete results, go to countryhome.com.

**Tell us about
your city**

THOUGH OUR LISTS
DETAIL A REFLECTION
OF AMERICAN CITIES'
commitment to changing the
way we live, we know that
there are thousands of unsung
towns and small cities all
across the country that are
also encouraging homeowners
and citizens to live green. If
yours is one of them, tell us
about it at countryhome.com.

ATTACHMENT A
Page 151-a

TOP 25 PLACES TO LIVE

OUR LIST COMES FROM A FORMULA THAT WEIGHS A VARIETY OF FACTORS KEY TO LIVING A MORE ECO-FRIENDLY LIFE.

1. Corvallis, OR
2. Portland metro, OR
3. Bellingham, WA
4. Santa Rosa/Petaluma, CA
5. Boulder, CO
6. Eugene/Springfield, OR
7. Santa Cruz/Watsonville, CA
8. Minneapolis metro, MN
9. Bend, OR
10. Santa Barbara metro, CA
11. San Francisco metro, CA
12. La Crosse, WI
13. Seattle metro, WA
14. Fort Collins/Loveland, CO
15. St. Cloud, MN
16. Salem, OR
17. Madison, WI
18. Iowa City, IA
19. Ames, IA
20. San Luis Obispo metro, CA
21. Salinas, CA
22. Bremerton/Silverdale, WA
23. Duluth, MN
24. Pittsfield, MA
25. Medford, OR



SPOTLIGHT

CORVALLIS, OREGON,

IS COUNTRY HOME'S PICK for the 2008 Best Green City in America. Located in the Willamette Valley about 90 miles south of Portland—which happens to be next in line on our Top 25 list—Corvallis has a population of approximately 81,000 and is the site of Oregon State University.

Corvallis came out at the top of our list thanks, in part, to long-term planning by city officials, who began working on energy issues in the 1990s. Initially intended mostly as energy-reduction measures, the city's goals have changed over time to a focus on achieving long-term sustainability. Solid-waste management, land use, water conservation, greenhouse-gas emissions, recycling, and green building practices are some of the areas where city leaders have focused.

Green power also played a key role in the city's top spot. Last year, Corvallis received utility provider Pacific Power's certificate of environmental stewardship for its part in the energy company's Blue Sky program, which

Corvallis is home to covered bridges, bike paths, quaint shops, sidewalk cafés, local farmers markets, and eco-friendly residents and businesses.

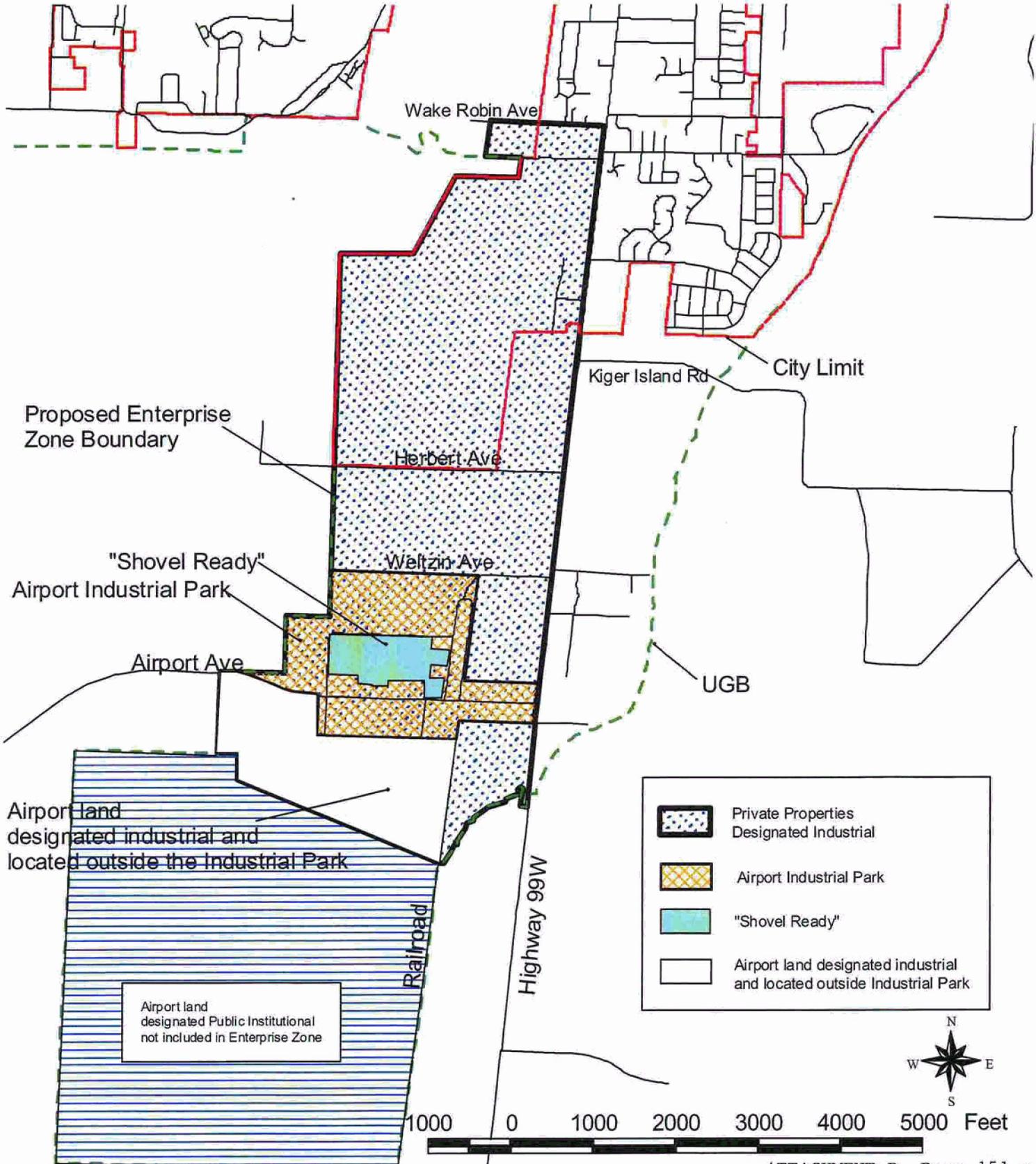
supplies electricity from wind and geothermal sources. The city purchases 15 percent of its power from renewable sources and, in 2006, was named a Green Power Community by the EPA for its use of renewable energy. Business leaders have embraced the city's vision as well. Hewlett-Packard and FedEx Kinko's and local small businesses have adopted green practices, too.

"We're working very hard at this," says Corvallis Mayor Charles Tomlinson, "because community engagement is so important. People are taking the time to sign up to pay a little bit more to know they are supporting renewable energy. They're speaking with their pocketbooks and making a commitment." The mayor notes that local groups working together are also helping to keep the city on the cutting edge. The Corvallis Sustainability Coalition, for example, is working with the Energy Trust of Oregon on a community home energy audit program designed to promote conservation.

For more information, go to ci.corvallis.or.us, visitcorvallis.com, energytrust.org, and sustainablecorvallis.org.



Proposed Enterprise Zone
 ~ 2 square miles
 ~ 1,322 acres



From: "tjdaum" <tdaum@comcast.net>
Subject: Benton/Corvallis Enterprise Zone
Date: Sun, March 16, 2008 11:03 pm
To: mayor@council.ci.corvallis.or.us, Ward3@council.ci.corvallis.or.us
Cc: matt.neznanski@lee.net, willamettelanding@legendhomes.com, johndezzani@hotmail.com

Dear Mayor Tomlinson and Council Member Grosch;

Because I was unable to attend the Benton/Corvallis Enterprise Zone meeting last week (March 10), please accept the following written comments.

No on Benton/Corvallis Enterprise Zone Tax Break

Although I understand the motivation behind the effort to designate a Benton/Corvallis Enterprise Zone for the purposes of giving property tax breaks to certain businesses setting up shop in the zone, I believe that it is a bad idea for a number of reasons.

Your office pleaded with us Corvallis residents to vote to raise our property tax rates back in November. The reason given was that basic services would go lacking if this was not done. And more money still is needed, as was explained in the February 16th Gazette-Times story by Matt Neznanski "Councilors to revisit tax ideas". Ward 1 Councilor Bill York wrote that "the city is heavily reliant on property tax revenues" and "the cost of providing current services is growing faster than property tax revenues are increasing". Businesses not paying their fair share of property taxes would put additional strain on our existing infrastructure without a commensurate property tax inflow.

Local property taxes are such a small percentage of a business operating expense that this is not an important factor in where a company will locate. Studies commissioned by Associated Oregon Industries and the state economic development department showed that companies locate based on the very things that property taxes pay for - transportation, infrastructure, roads, an educated workforce, police, fire, the courts, etc.

A business locating to Corvallis would already have a tax break. As you know, the "shovel ready" industrial park already has infrastructure and permitting certification paid for by we the taxpayers, and many thousands of dollars in both time and permitting costs would be saved by any business locating there.

An Enterprise Zone is a euphemism for corporate welfare, and we need less corporate welfare, not more, at both the national and the local levels. According to the Oregon Center for Public Policy, during this budget cycle (2007-09), corporations will pay just 4.5 percent of Oregon's income taxes, while personal income taxpayers will pay 95.5 percent. In the 1973-75 budget cycle, corporations paid 18.5 percent of all income taxes. Unlike many right-wing anti-tax Republicans and Libertarians today passing themselves off as "conservatives", I believe that our country is worth paying for. But everyone should pay their fair share. Again, please reconsider this. No on Benton/Corvallis Enterprise Zone Tax Break. Thank you for your attention.

Sincerely;

Ted Daum

3620 SE Coral Reef Place
Corvallis, OR 97333
Home and fax: 541-753-7428
Cell: 541-231-0138
Email: tdaum@comcast.net

ATTACHMENT C
Page 151-d

CITY OF CORVALLIS, OREGON

CITY ATTORNEY EMPLOYMENT AGREEMENT ADDENDUM

This agreement addendum, dated May 7, 2007, amends the employment agreement entered into on March 22, 2006, by and between the City of Corvallis, Oregon, a municipal corporation of the State of Oregon (hereinafter referred to as "CITY"), and the law firm of Fewel & Brewer (hereinafter referred to as "LAW FIRM").

1 The City and Law Firm agree to modify the original employment agreement as follows:

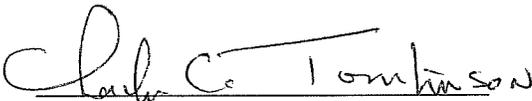
1.1 Compensation for Services. As compensation for services included in the retainer, the City shall pay the Law Firm \$19,529.56 per month effective April 1, 2007. This monthly payment is to be paid on or before the 10th day of each month. This monthly payment will be adjusted effective July 1, 2007 in the same amount as inflationary adjustments to the City Manager and Department Director salaries. Specifically, the 2007 inflationary adjustments are 2.2% effective July 1, 2007, and an additional 1% effective December 1, 2007.

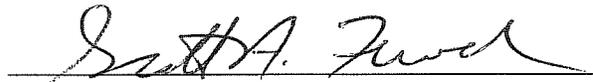
2 All other terms and conditions in the original agreement remain as originally identified.

IN WITNESS WHEREOF, the parties have herewith executed their signatures.

CITY OF CORVALLIS

FEWEL & BREWER


Charles C. Tomlinson, Mayor


Scott A. Fewel

ATTESTING AS TO THE MAYOR


City Recorder

ATTACHMENT D
Page 151-e

**CITY OF CORVALLIS, OREGON
CITY ATTORNEY EMPLOYMENT AGREEMENT**

This agreement is made and entered into by and between the City of Corvallis, Oregon (hereinafter referred to as "City"), and the law firm of Fewel & Brewer (hereinafter referred to as "Law Firm").

Personnel. Scott A. Fewel is contracted as chief city attorney and general counsel and shall be designated "City Attorney." Other attorneys in the Law Firm are authorized to assist the City Attorney in carrying out the responsibilities of the position. Each person acting on behalf of the City Attorney is designated "Deputy City Attorney."

Law clerks employed by the Law Firm are authorized to perform direct municipal prosecution functions. Law clerks must be qualified under the Supreme Court's Student Appearance Rule to prosecute cases in Municipal Court and will be supervised by the City Attorney or a Deputy City Attorney.

Relationship to City Manager's Office. Unless otherwise directed by motion or resolution of the City Council of the City of Corvallis, the City Manager shall be the primary liaison between the City Attorney and the City Council. In this capacity, the City Manager shall have general responsibility for administering the Employment Agreement of the City Attorney and shall assist the City Council in conducting such reviews and evaluations as they may deem appropriate to encourage the provision of prompt, professional and cost-effective legal representation.

Scope of Services/Retainer. The Law Firm is responsible for City legal representation as authorized by the City Manager. Such services included in the retainer include:

1. Attendance at all regularly scheduled City Council meetings.
2. Attendance at Planning Commission meetings.
3. Attendance at City Council work sessions as needed, department head meetings, committee meetings, and other meetings as directed by the City Manager or his/her designee when items under consideration warrant attorney input concerning City business.
4. Provision of written and oral legal advice to City Manager and department personnel, including advising staff on election and lobbying activities.
5. Provision of general legal advice on municipal matters to the Mayor, City Council and City Council members.
6. Assist or lead staff in the preparation and/or review of ordinances, resolutions, contracts, correspondence and other documents as requested. This may include involvement in the preparation and negotiation of franchise agreements.

7. Preparation of written legal opinions at the request of the City Manager or his/her designee.
8. Prosecution of all matters before the Corvallis Municipal Court.
9. Provision of counsel for all personnel-related issues, including representing the City as necessary in grievances and employee/union related litigation, but excluding labor negotiations, arbitration, and internal investigations.
10. Advice to department personnel on compliance with local and state purchasing procedures and public contracting statutes.
11. Review of newly enacted laws, administrative rules, and case law, and advice to department personnel for appropriate compliance measures.
12. Provision of staff assistance and legal counsel relating to real property.
13. Responses to citizens' requests for information regarding ordinances, processes and other matters of a legal nature. It is not intended that this would include providing legal advice.
14. Assistance to the Personnel Division in the interaction between the insurance companies representatives, including attorneys and adjusters, with regards to all claims made against the City.
15. Work with all City departments to provide alternate dispute resolution where appropriate, including helping to resolve disputes prior to having them prosecuted in Municipal Court and directing disputes to appropriate forums other than the Municipal Court, such as mediation or the City ombudsperson, etc.

As long as the City Manager is designated as the primary liaison between the City Attorney and the City Council, the City Attorney shall keep the City Manager informed of legal issues which come to the City Attorney's attention, and shall keep no confidences from the City Manager concerning City business.

Work Performed Outside of the Retainer. The City Manager or his/her designee may authorize work to be performed by the City Attorney outside of the retainer. Failure of the City Attorney to obtain approval prior to performing work outside of the retainer may result in the waiver of compensation for services performed. If the parties mutually agree that additional counsel or separate counsel for certain services is in the City's best interests, taking into account the expertise required and the complexity of the issues, the City may hire counsel outside of this agreement and may pay for the cost of the outside counsel.

Examples of services that are considered outside of the retainer, for which the City may use outside counsel and/or the City Attorney include:

1. Preparation for anticipated, and conduct of, all civil litigation and appeals beyond City hearings bodies (i.e., Land Use Board of Appeals).
2. Preparation for the issuance and sale of City bonds.
3. Preparation of business development loan/guarantee documentation.
4. Assignments mutually agreed as outside of the retainer by the City Manager and City Attorney and not specifically listed as included in the retainer.
5. Labor negotiations.
6. Internal investigations.
7. Labor arbitrations.

Compensation for Services. As compensation for services included in the retainer, the City shall pay the Law Firm \$18,869.14 per month effective April 1, 2006. This monthly payment is to be paid on or before the 10th day of each month. This monthly payment will be adjusted effective July 1, 2006 in the same amount as inflationary adjustments to the City Manager and Department Director salaries.

Compensation for Services Performed Outside of the Retainer. As compensation for services performed outside of the retainer, the City will pay the Law Firm for the services of the City Attorney and Deputy City Attorneys at a rate of \$110.00 per hour effective April 1, 2006. Charges for work performed outside of the retainer in a given month will be invoiced the following month and will be paid to the Law Firm with the next regular monthly retainer payment.

Annual Adjustments. The parties acknowledge that this agreement is intended to be a 60-month agreement. The parties agree that the compensation may be revised on April 1, 2007, April 1, 2008, April 1, 2009 and April 1, 2010 following performance reviews, and on July 1, 2006, July 1, 2007, July 1, 2008, July 1, 2009 and July 1, 2010 based on an inflationary adjustment to the agreement.

Additional Costs. Expenses related with lawsuits, such as filing fees and deposition charges, shall be reimbursed by City as they are incurred. City also agrees to pay expenses as outlined in Attachment A, which is by this reference incorporated herein. City and Law Firm agree to open the contract for further discussions if living wage ordinance implementation requirements materially affect Law Firm Compensation.

Workers' Compensation Insurance. As a contractor of the City of Corvallis, the Law Firm will provide annually to the City's Personnel Director a statement certifying that the Law Firm is in compliance with Oregon's workers' compensation insurance laws. The statement will include the name of the workers' compensation insurance provider, policy number and policy expiration date.

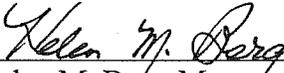
Criminal Background Check. The Law Firm will be required to certify that criminal background checks have been performed and approved in accordance with the City's policy for any employees, volunteers, or other representatives who will have contact with City clients in carrying out the City's contract. Employees of the Law Firm must have the ability to meet LEDS certification requirements.

Term of Employment. This agreement shall commence on the 1st day of April, 2006, and shall terminate on the 31st day of March, 2011. This agreement may be terminated by either party with written notice of intent to terminate provided to the other party at least 180 days prior to such termination. This agreement may also be terminated without notice in the event that City Attorney or any Deputy City Attorney is indicted of any illegal act.

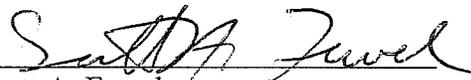
AGREED AND ACCEPTED this 22nd day of March, 2006.

CITY OF CORVALLIS

FEWEL & BREWER



Helen M. Berg, Mayor



Scott A. Fewel

ATTESTING AS TO THE MAYOR



City Recorder

ATTACHMENT A

COSTS OF CAO TO BE CARRIED BY CITY OF CORVALLIS

Unless otherwise agreed by the parties, the following items will be paid for by the City Attorney's Office. The City Attorney's Office will be reimbursed by the City along with the regular monthly payments in the month following the City's receipt of the invoice for these expenses.

1. One telephone line and the monthly charges for said line (including long distance charges) to be used solely for City business.
2. Annual dues for Scott Fewel's membership in the Oregon City Attorneys' Association.
3. Registration for one attorney yearly at the League of Oregon Cities Annual Conference.
4. One set of Oregon Revised Statutes and the annual updates.
5. One set of McQuillan's Municipal Legal Forms and updates as required.
6. One set of Thompson West Oregon State and Federal Rules of Court and updates as required.
7. One set of Public Employer's Collective Bargaining Reporter and updates as required.

Corvallis Sustainability Coalition

E-UPDATE

March 14, 2008

Welcome to "E-UPDATE" – a twice monthly news brief to keep you informed of the work of the Corvallis Sustainability Coalition and to invite your participation. Please forward this "E-UPDATE" to members of your participating organization and to other interested individuals. Check our website at www.sustainablecorvallis.org.

MARCH 31ST TOWN HALL MEETING: Pre-register Today!

Simply click on http://www.surveymonkey.com/s.aspx?sm=qpV1mOhVN7bxidPxn1leaQ_3d_3d to pre-register. Then forward this link to others you know who are planning to come. We need to have you and others pre-register so we can plan important event details – like how much food to order, how many handouts to run off and chairs to set up.

Preparations are well under way for our community's first Sustainability Town Hall meeting on Monday, March 31. In the past couple of weeks, we have distributed thousands of mini-flyers, hung over 100 posters, made announcements at dozens of gatherings, and trained nearly 50 discussion leaders. With a theme of "Focus on the Future – Action in the Present," the Town Hall meeting will be an opportunity for citizens to envision a sustainable Corvallis and to offer ideas for actions that will get us there. The event is being held at the CH2M Hill Alumni Center, 725 SW 26th Street on the OSU campus. Doors will open at 5:15 pm for light refreshments and networking. The program begins at 6:00 pm and will include a brief presentation, followed by small group discussion and idea-sharing.

Prior to the meeting, we are conducting a survey to gather information about your interests related to sustainability. The results will be used to help us plan for the Town Hall meeting. Please click on this link to take the survey:

http://www.surveymonkey.com/s.aspx?sm=drMDkJNurvgG1Y1MFgedEQ_3d_3d. Your input is important to us! We hope to get wide engagement from all corners of our community, so feel free to let us know about people who you think would like to receive this survey and be part of the conversation. Send their e-mail addresses to SustainableCorvallis@yahoo.com.

CORVALLIS ENERGY CHALLENGE: Tell Your Friends and Neighbors about Free HERs

"HER" stands for Home Energy Review, a great way to save energy and money – and it's free of charge! Sustainability Coalition partner Lorraine Anderson wanted to let her friends and neighbors know about this great opportunity, so she dropped off letters at their homes to tell them about it.

Lorraine's efforts are part of the Corvallis Energy Challenge, which was launched earlier this month. Sustainability Coalition partners have been challenged to sign up 1,000 homeowners for HERs before April 18. The Coalition partner organization with the most HER registrations will win \$1,000. The winning organization will be announced on Earth Day (April 22). This quest to gather HER signups is just the first in a series of challenges that make up the year-long campaign that is designed to help Corvallis residents and businesses boost energy efficiency, control energy costs, and build a cleaner future with renewable energy. For details, see www.CorvallisEnergyChallenge.org.

**CITY OF CORVALLIS
COUNCIL WORK SESSION MINUTES**

March 17, 2008

The work session of the City Council of the City of Corvallis, Oregon, was called to order at 7:00 pm on March 17, 2008 in the Downtown Fire Station, 400 NW Harrison Boulevard, Corvallis, Oregon, with Mayor Tomlinson presiding.

PLEDGE OF ALLEGIANCE

I. ROLL CALL

PRESENT: Mayor Tomlinson, Councilors Brauner, Grosch, Brown, Wershow, York, Hamby, Beilstein

ABSENT: Councilor Daniels (excused)

II. NEW BUSINESS

A. Diversity Initiative Process

City Manager Nelson explained that a 2006-2007 Council Goal on diversity initiatives resulted in a public supported Charter amendment and various other initiatives for the organization that Assistant City Manager Volmert has continued to pursue. The Needs Assessment results, previously shared with Council, can be utilized to develop a vision for the City as a pluralistic organization.

Ms. Volmert said one of the most important findings of the Needs Assessment is that the City's overall diversity climate is uncertainty versus supportive or defensive. This creates a hesitancy and barrier to move forward. The other major finding is an organizational-wide inter-cultural sensitivity stage of minimization. If the City wants to be an organization honoring diversity, an action plan should be created to work toward the City's diversity goal.

Ms. Volmert added that a Diversity Initiative Steering Committee (DISC) has been formed to develop and lead the diversity initiative. DISC seeks guidance from Council on the diversity vision for the City organization so they can draft an action plan by the end of the fiscal year.

Facilitator Joseph Bailey quoted from Vision 2020: "A community that honors diversity and is free of prejudice, bigotry and hate, as well as a good place for all kinds of people to live." He said Council also has an overarching value of diversity and the sustainability goal includes increase diversity; increase diversity awareness in the workforce; and create a respectful, inclusive, and welcoming work environment. DISC needs direction in determining what all of these statements mean and what Council envisions for the future.

The Mayor and Council asked for clarification on why not seeing color is a defensive response and barrier. Following a lengthy discussion, Ms. Volmert summarized that the concept of minimization and how not honoring differences can relate to not valuing or recognizing diversity. She added that *treating equally* is different from *treating the same*.

Councilor Wershow left the meeting at 7:36 pm and returned at 7:51 pm.

Councilor Beilstein said Council has the power to impact a diversity change. Those who need it most (oppressed and powerless) do not have the power to impact a change. Mr. Nelson added that diversity is a life-long learning experience because rules and relationships change depending on who you are dealing with.

Council held a lengthy discussion about cultural differences and influences.

Mr. Bailey presented the following question: *What do you envision to be in place in 2011, so Corvallis is a pluralistic organization that honors diversity and is a good place for all kinds of people to work?* Council identified 16 items and individually voted for the three most important (Attachment A).

Discussions continued about groups the City honors or celebrates and how that is accomplished; e.g., Martin Luther King, Jr. events, Holocaust memorial sponsor, Chinese New Year participant, etc. There was general consensus that many opportunities abound (especially on the OSU campus) to celebrate cultural diversity.

The Mayor and Council explored why the Corvallis High School student body and some community organizations and/or agencies have a more diverse population than the City organization. The conversation included inquiries about the City's recruitment process.

The Mayor announced that he has been working with Dr. Terryl Ross, OSU Director of Community and Diversity, to develop a diversity process that is accountable and responsible. He said the intent is to build a plan that is active and does not "sit on a shelf."

Mr. Bailey will meet with Senior Staff next week to brain storm their diversity vision from an operations perspective.

III. ADJOURNMENT

The work session was adjourned at 8:46 pm.

APPROVED:

ATTEST:

MAYOR

CITY RECORDER

City of Corvallis Diversity Initiative

March 17, 2008

City Council Work Session

- ❖ Question: What do you envision is in place in 2011, so that Corvallis is a pluralistic organization that honors diversity and is a good place for all kinds of people to work?
- ❖ Answers: The number in parenthesis is the number of votes received from the 7 councilors present.
 - 1) The City serves as a catalyst for celebrating diversity in the community. (7)
 - 2) That the City recognizes that Spanish speaking cultures are on the rise in the area and that we find a way to increase their participation in the City and in the affairs of government. (5)
 - a. That #2 is done while not diminishing and recognizing the people who are already here. All people are honored.
 - 3) Recruitment: More diverse potential employees are made aware of opportunities for employment. (3)
 - 4) Optimize services for people of all backgrounds and eliminate obstacles due to culture (3)
 - 5) Recognize the uniqueness of everyone and treat them equally (2)
 - 6) Find an answer to the question, why don't we have more minorities apply? (1)
 - a. Look at the demographics of the community, sort it out, and figure out if we are representative as an organization.
 - 7) Take a look at the "relationship-oriented culture" mentioned in the assessment and investigate what that means and what it might look like. (1)
 - 8) Move the organization to a Supportive environment, as described in the assessment. This includes describing what this would look like and developing a plan for getting there. (1)
 - 9) As a metric, that the City makes progress out of minimization and toward acceptance- as pointed out in the assessment.
 - 10) Employees are trained to respond appropriately to a diverse population/ customer base.
 - 11) Workforce development is implemented so that employees are trained even before they are hired. People are ready to be culturally literate as employees prior to being hired.
 - 12) The Council receives input about policy relevant to diversity issues.
 - 13) Accepting a mindset that honoring diversity is a lifelong process/ learning experience.

- 14) That there is a high level group that is consistently looking at these issues.
- 15) The City looks at the existing diversity of the organization and celebrate what is already present in the organization.
- 16) City helps people understand cultural competency.

**AIRPORT COMMISSION
MINUTES
March 4, 2008**

Present

Jim Moran, Chair
Todd Brown, Vice-Chair
Dan Allen
Bill Gleaves
Louise Parsons
Marion Rose
Chris Bell
George Grosch, Council Liaison

Staff

Dan Mason, Airport Coordinator
John Sechrest, Corvallis-Benton Chamber
Coalition
Lisa Namba, Transportation Services Supervisor
Barbara Ehlers, PW Admin Specialist

Visitors

Jack Mykrantz, Pilot
Ty Parsons, Pilot

Absent

Lanny Zoeller-excused

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Open Meeting, Introductions	X		
II. Review of February 5, 2008 Minutes			Approved
III. Visitor Comments	N/A		
IV. Old Business	X		
V. New Business <ul style="list-style-type: none"> • Loan Offer for Industrial Park Wetland Mitigation 			Approved
VI. Update on Industrial Park	X		
VII. Update on Airport	X		
VIII. Update on FBO	N/A		
IX. Update on City Council	X		
X. Information Sharing <ul style="list-style-type: none"> • Monthly Financial Report 	X		

CONTENT OF DISCUSSION

I. Open Meeting, Introductions

Chair Moran opened the meeting at 7:00 a.m. Staff and visitors were introduced.

II. Review of Minutes

Commissioners Gleaves and Brown, respectively, moved and seconded that the Commission accept the February 5, 2008 minutes, as written. The motion passed unanimously.

III. Visitor Comments

None.

IV. Old Business

None

V. New Business

- **Loan Offer for Industrial Park Wetland Mitigation.** Ms. Namba presented a memo discussing the \$475,000 loan offer for Airport Industrial Park (AIP) wetland mitigation from the Oregon Economic and Community Development Department (OECDD). This is part of the process for the site to receive the Oregon Industrial Site Certification (“shovel ready”) status. She said the contract has not arrived yet, but Summary of Award was received and is included in the packet. Ms. Namba gave an overview of the process to date. Last fall we achieved Industrial Site Certification, or “shovel ready” status, for a portion of the AIP, with a condition that we mitigate for the wetlands. The designation was approved with a conceptual mitigation plan, but we are required to provide a final wetland mitigation plan and then actually do the mitigation. The OECDD loan is intended for preparing the final mitigation plan, constructing the mitigation improvements, and establishing a trust for maintenance in perpetuity. The original plan was for a \$400,000 loan but costs have increased due to passage of time and some additional requirements by the Division of State Lands for extended monitoring and maintenance. The 25 year loan period includes payments for the first 10 years to be interest-only. Every parcel leased will pay a “wetland mitigation fee” to pay back the loan. In response to a question from Commissioner Gleaves, Ms. Namba affirmed that only leased parcels within the shovel ready area will pay the fee, not all property leased at the AIP. The amount hasn’t yet been determined because it depends on the assumptions we make regarding timing of development. In response to another question from Commissioner Gleaves, Ms. Namba affirmed that the Airport Fund will be able to support payments throughout the life of the loan even if development does not occur. Commissioner Rose questioned how much of the loan amount would be going toward the trust. Staff responded that it was in the range of \$50,000 - \$60,000, and that a legal instrument would be placed on the farmer’s land to protect it.

Councilor Grosch stated that there is history with the Department of Land Conservation and Development (DLCD) showing lack of success long term with these types of mitigation projects on

private property. He noted that there are mitigation banks nearby with property in private trusts that have a long history of success. He wondered why we didn't consider purchasing credits from a bank; was it simply a matter of money? Ms. Namba responded that the longer monitoring/maintenance period required by the DSL was in response to similar concerns. At the time the City began this process banked credits were not available. They are currently available but not enough to mitigate the entire property. We could purchase credits as development occurs, but in order to maintain our industrial site certification we have to mitigate the entire site. Mr. Sechrest stated that since receipt of the "shovel ready" status, phone calls showing interest in the site have significantly increased. Councilor Grosch remains concerned that we are pursuing a strategy that has a poor track record. Commissioner Rose added that there is an opportunity cost to spending money on wetland mitigation, making it unavailable for other uses. Ms. Namba briefly reviewed the contractual process with the farmer for installing and maintaining the wetlands initially, and what control is in place beyond that.

Mr. Mason showed everyone in the room just where the "shovel-ready" area is located on the map and where the wetlands are located on that parcel. Commissioner Parsons said the benefits of this approach outweigh the risks. Commissioner Rose questioned whether or not the wetland mitigation fee will discourage potential developers. Mr. Sechrest said that smaller companies might hesitate more than a larger one, and that other kinds of development-related fees are more significant.

Commissioners Gleaves and Brown, respectively, moved and seconded to recommend that the Administrative Services Committee and the City Council approve the mitigation loan strategy. The motion passed unanimously.

Councilor Grosch wanted to have it on the record at this meeting that this is a policy decision that will have to be made by the City Council. The issue of whether this and future wetland mitigation is done in this fashion, or is restricted by City policy to the local or an adjacent watershed, is a discussion he will raise when this contract reaches the City Council. Mr. Mason noted that all mitigation possibilities were reviewed by the City's wetland consultant and none were found for this large a site within the local or adjacent watersheds.

VI. Update on Industrial Park

- Mr. Sechrest noted he is not getting inquiries regarding space for lease. He said there is no space available in the current buildings in the AIP, other than in the Business Enterprise Center. He further stated that he has been looking into ways to get new a building constructed at the AIP. He also talked about the deficiency of available power for large industrial operations. He said "this is our biggest barrier to recruiting many of these large industrial users." He also noted that there is an on-going conversation regarding the establishment of an Enterprise Zone. The current discussion involves whether or not the Enterprise Zone would include the AIP only, or properties further north and south. Local incentives beyond the Enterprise Zone, as a way to entice new tenants, may also be discussed. He mentioned that there was going to be a public meeting regarding the Enterprise Zone application on March 10, 2008.

Commissioner Gleaves mentioned that we have offered incentives in the past for another project. Mr. Mason noted that the last time the City applied for an Enterprise Zone, in 1988, the discussion had included adding a five-year, stepped, reduction in land lease rates as well as building permit and system development charge rebates as incentives to add to the Enterprise Zone property tax relief.

VII. Update on Airport

- Mr. Mason noted that the design phase of the ramp and fence Capital Improvement Plan (CIP) project has started. Staff is currently doing blackberry clean-up near the new sign for the AIP tenants. He also stated that HTSI has requested to move into United Chrome's site and staff are still working with Corvallis Aero Services on their new building project. Mr. Mason further discussed the fence situation and how the CIP project will move it and make it more user friendly.
- Commissioner Rose mentioned that at last month's Development Sub-committee meeting the subject of a web cam linked to the Oregon Department of Transportation's (ODOT) website could be installed at the Airport. She said ODOT would pay for hosting if we pay for installation. Her research indicated the cost to be around \$2,000. She thought this would be good publicity especially because ODOT would put it on Tripcheck.com. She mentioned there are such cameras all over the coast but none in the Willamette Valley. It was pointed out that the Albany Airport will soon have one.
- Mr. Mason talked about a meeting he has next week with a security camera company that specializes in installing security cameras at airports.

VIII. Update on the Fixed Base Operator (FBO)

- None

IX. Update on City Council

- George Grosch did not have a Council report.

X. Information Sharing

- Monthly financial report: There were no questions.

The meeting was adjourned at 8:00 am.

NEXT MEETING: April 1, 2008, 7:00 a.m., Madison Avenue Meeting Room

Community Policing Forum

Minutes

March 12, 2008

<u>Members Present</u>	<u>Members Absent</u>	<u>Staff Present</u>
Gary Boldizar Stewart Wershow Brandy Rugh Dan Hendrickson Elizabeth Foster Scotty Pyle Dan Brown Greg Little	Bob Clifford John Henderson Jim Hogeboom Darin Shimanek Dan Schwab Zel Brook	Kathy Brennan
		<u>Visitors</u>

Agenda Item	Information Only	Held for Further Review	Recommendations
Approval of 01/09/2008 Minutes	X		
Status Report: Community Livability Strategic Plan	X		
Report on new Records Management software	X		
Safe Routes to School Grant 2008	X		
Budget Report	X		
Report on CHS Community Meeting	X		
Benton County Deadly Force Plan	X		
ASOSU Concerns	X		
Projects	X		
Community Outreach	X		
Member's Report	X		
Council Report	X		
Visitor Proposition	X		
Old Business:	X		
New Business	X		

CONTENT OF DISCUSSION

- I. **Call to Order:** Wershow called the meeting to order at 3:08 p.m.
- II. **Introductions:** Introductions were made.
- III. **Approval of Minutes from January 9, 2008:** Minutes from January 9, 2008 were approved and adopted.
- IV. **Chief's Report:**
 - **Status Report on Community Livability 2006-2010 Strategic Plan:** Boldizar referred to the handout and explained that it is in two parts; CPD and Benton County Health Department. This is an action that was put together in July of 2006 to work on certain issues on and off campus that deal with community livability issues. The report indicates the actions that we have been doing up through December of 2007. Questions can be brought up at the next business meeting, so there is time to review the handout. Wershow had a question on Action Three, wondering why year two is only at 62%. Boldizar answered that it runs with the fiscal year so there are still months remaining in the current year. CPD will be acquiring another bicycle through the partnership.
 - **Report on new Records Management software:** Boldizar explained that our new system (Logysis) was implemented in September. The system is supposed to be able to report to the State, and we have had a test run and it was complete. We are presently looking into a new program called Coplogic that will allow for citizens to submit a police report online for certain minor crimes. The current procedure is

for them to file a report with either records or an officer is sent to take a report. With Coplogic, a citizen can file a report online and then our Records personnel will place it into our records system and email them a PDF copy of the report for no cost. The company maintains the server, so we don't have to involve the City's MIS staff. Pyle asked how many communities in Oregon have Logysis. Boldizar said none. Wershow suggested sending a link to Coplogic to the members of forum for a test to see if it should be brought to Council as a recommendation from the Forum to find funds.

- **Safe Routes to Schools Grant 2008:** Boldizar said that 509J received a grant for 2008. CPD will provide some education to the schools on traffic safety and provide more patrol around the school zones. Wershow clarified that Lincoln and Adams were the schools involved in the grant. Boldizar stated that CPD currently does this at all the schools, but Lincoln and Adams will get a little bit more. The grant pays for the overtime involved. Wershow said the schools were surveyed for the most issues. Lincoln and Adams had the most problems and the grant wanted to address those places first. Boldizar said that Joe Whinnery at public works is the contact. Foster asked if you witness a person speeding, can a citizen do anything. Boldizar answered that if the citizen can identify the driver and the license plate, and is willing to testify in court then they can certainly report it.
- **Budget Report:** Boldizar said that CPD did not request any enhancements this next fiscal year. In May the proposed budget should come back for approval and then to City Council. Wershow asked the Forum members if they could ask around to see if there is something needed to request for the next budget process. Boldizar said fiscal year 09/10 CPD will be asking for enhancements. Brown asked about police resources, to present forum members with a menu of selection so people can see options as to what CPD needs. Boldizar mentioned that we will have a staffing study soon and will view how much additional staff we need.
- **Report on Community meeting at CHS:** Boldizar said that Captain Hendrickson and he went last month to the leadership class; there were 35 plus students there. Wershow said the class was prepped with questions for the police.
- **Benton County Deadly Force Plan:** Boldizar stated that Senate Bill 111 passed requiring each Oregon County to develop a base use of deadly force policy. A planning committee was formed and a plan was developed. The county held a public hearing on the plan about ten days ago. Corvallis City Council will review the plan at the City council meeting on April 7, 2008.

V. **Chair's Report:**

- **ASOSU Concerns:** Wershow said that ASOSU is putting together an off campus

living brochure and was interested in the City contributions. Wershow suggested neighborhood watch, and that lighting on north campus is a concern. We do have great liaison program, it would be nice if we could get this involved too.

- **Projects:** Wershow suggested going to our groups and ask what is interesting them, the idea of a list to have would be great. Brown said a detox facility, people want this to happen.

Wershow stated that City Council is looking into updating policy development and that Forum was listed as a group that has oversight. CPRB might do some policy development as well. Boldizar said that one of the requests was to put CPD's General Order's on the web, and we have accomplished that. Also a best practices policies study document done by CCIS will be put on the web.

- **Community Outreach:** Wershow said that he has been trying to reach out to ASOSU.

VI. Member's Report:

VII. Council Report:

VIII. Visitor Propositions:

IX. Old Business:

X. New Business:

XI. Announcements: Town Hall Meeting For Community Sustainability Monday March 31, 2008 at 5:15 p.m.

XII. Next Meeting: Community Meeting at Senior Center in April, TBD

Meeting adjourned at 4:07

**DOWNTOWN PARKING COMMISSION
MINUTES
February 27, 2008**

Present

Jeff Katz, Chair
Stan Nudelman
John Howe
Josh Kvidt
Mike Blair
Brad Upton
David Hamby, City Council

Absent

Lita Verts, Vice Chair
Joan Wessell
Richard Mehlhaf

Staff

Joe Whinnery, Public Works
Lisa Namba, Public Works
Jim Mitchell, Public Works

Visitors

Sheri Dover
Cathy Holdorf
Alvin Lewis Kuenzi

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
<ul style="list-style-type: none"> • Call Meeting to Order • Approve November 28, 2007 Minutes 			Approved as corrected
II. Commission Reports <ul style="list-style-type: none"> • Chair Reports/Updates • BPAC • City Council • CACOT 	N/A X X X		
III. Old Business	N/A		
IV. Visitor Comments	X		
V. New Business <ul style="list-style-type: none"> • Sibling Revelry Parking Change Request 		X	
VI. Pending Items <ul style="list-style-type: none"> • Conversion of 2-hour Signed Spaces to 2-Hour Metered Spaces • Parking Plan Review 		X X	
VII. Other Business/Actions/Information Sharing	N/A		

CONTENT OF DISCUSSION

I. Call Meeting to Order/Approve November 28, 2007 Minutes

- The meeting was called to order by Chair Katz

Chair Katz asked for any additions or corrections to the minutes. Chair Katz then stated that the first correction is on the 4th line under Chair Reports. He said that Commissioner Storer's name needs to be changed to Commissioner Kvidt. He further stated that on the 5th line it states that the Ad Hoc Committee was deciding who should be on it, but in fact they were discussing how it should be structured not who the members should be.

Hearing no further additions or corrections, **Commissioners Kvidt and Nudelman, respectively, moved and seconded that the Commission approve the November 28, 2007 Minutes as corrected. The motion passed unanimously.**

- Visitors were introduced.

Visitor Sheri Dover spoke about the Corvallis Artisan's Guild and planned expansion, with the hopes for a permanent location on the Riverfront contiguous to the Saturday Farmer's Market. She also discussed the parking problems that exist on Saturdays near the Farmer's Market and the impact on the proposed Artisan's Guild Market. The Artisan's Guild Market proposes to run later in the day as well.

II. Commission Reports

- **Chair Reports/Updates**

There was none.

- **BPAC - Brad Upton**

Chair Upton spoke about the decision by the Budget Commission to deny the request to enhance bicycle and pedestrian education and enforcement by adding .50 FTE to the Public Works budget. He said they would probably revisit the issue. He then talked about the citizen input they have been getting regarding the perceived danger of the narrow bicycle lanes on 10th Street between Grant and Highland and about BPAC discussions on the matter.

- **City Council - David Hamby**

Councilor Hamby mentioned it is anticipated that a final decision would be made regarding formation of the new Downtown Commission at the upcoming Council meeting.

- **CACOT**

In Commissioner Verts' absence, Ms. Namba provided a CACOT update. She reported that Transit ridership is setting records and will likely reach an all-time annual record this fiscal year. She mentioned that the Budget Commission recommended a \$180,000 budget enhancement for FY08-09. The primary revenue sources for the enhancement are: federal funds, business energy tax credits (BETC), property taxes, and fares. Included in the revenue from fares is \$11,000 to \$12,000 from recently approved ASOSU student fees. The Budget

Commission also approved the ASOSU student request to participate in funding the Beaver Bus at the same level as this year (\$20,000). The ASOSU Student Incidental Fee Committee recently approved a \$0.33 per student/per term raise in student fees for transit for the next school year. The rate will change from the current \$2.40 to \$2.73 and will provide pre-paid fares for unlimited student use of CTS and the Philomath Connection.

Commissioner Kvidt informed the Commission that he has accepted a position with Citizens Bank in Philomath and will no longer qualify to serve on this Commission. He said he would email in his formal resignation and that this would be his last meeting. There was some discussion of the possibility of retaining Josh as a member at large.

III. Old Business

There was no Old Business, but Mr. Whinnery provided an update on the Elements Day Spa on SW 2nd Street. The construction fences are down, the parking spaces have been reestablished and most of the construction is complete. The request from Sibling Revelry was mentioned as it pertained to the parking utilization in the area, and how parking demand ties into the projects on the south end of 2nd Street. The relocation of Phagans from 2nd Street to west of town should also affect parking demand.

Mr. Mitchell gave an update on reprogramming the rate changes in the parking meters. The project is about 40% complete. All the pay stations have been changed to the new rate, but there were issues with the hand held devices used to program individual meters. Of the three meter brands in the system, two have been converted. There are still about 300 meters that need to be reprogrammed.

There was discussion regarding the signage for the electric car charging station that was installed with the Elements Day Spa. While the charging station in the bollard is functional, the signage is engraved on the bollard perpendicular to the street and cannot be seen as you are pulling into a space. This means it is not enforceable at the 4 hour limit established by the Council. Staff will follow up on better signage.

IV. Visitor Comments

Alvin Kuenzi, OSU student, presented some pictures of SW 16th Street, SW 17th Street and SW A Avenue. He stated that this area has no curbs, lots of mud and not enough parking. He suggested that the City put in striped angle parking. People who park there occasionally receive tickets for parking diagonally and he feels the current configuration is not a wise use of the space. Chair Katz informed Mr. Kuenzi that the Downtown Parking Commission has no jurisdiction in this area, but that Public Works staff in attendance could possibly help him. These streets might actually be owned by OSU.

(Commissioner Blair arrived at this time.)

V. New Business

- **Sibling Revelry Parking Change Request**

Cathy Holdorf from Sibling Revelry had written the Commission a letter requesting changes to the meters on Jackson Avenue from 1st Street to 3rd Street and on 1st Street. Mr. Whinnery provided an overview of the situation. Several months ago the Commission approved a request from the owner of Your Green Home to convert spaces in front of his store on Jackson Avenue from 10-hour meters to 2-hour meters. In conjunction with the request, Mr. Whinnery spoke to adjacent business owners to gather their input. At that time, the owner of Sibling Revelry (Cathy Holdorf) expressed interest in looking further than that specific request, and evaluating the 10-hour meters on all of Jackson Avenue as well as those on 1st Street between Van Buren Avenue and Monroe Avenue.

Ms. Holdorf noted that with Phagans Beauty College leaving, there is more parking available in the area. She reiterated what was in her letter to the Commission. She still feels that changing more of the meters on Jackson Avenue and portions of 1st Street from 10-hour to 2-hour would encourage customer parking, and that the 10-hour parking should be located in the block between Van Buren Avenue and Jackson Avenue. Chair Katz noted that when Riverfront Park was developed, the parking was installed in its present configuration because of the development patterns that existed at the time and to ensure parking availability for the park users. He expressed his support for Ms. Holdorf's concept, but speculated that the business owners along 1st Street might resist losing the shorter-term parking in front of their businesses. Ms. Holdorf suggested that perhaps 2-hour meters could be located on one side of 1st Street and 10-hour meters on the other side.

In response to a question from the Commission, Mr. Whinnery opined that the development at the south end of 2nd Street will not impact the concerns of businesses at the north end. He distributed data from a utilization study recently conducted over a two-day period (Monday & Tuesday), during the hours of 10:00 am, noon, and 2:00 pm for blocks in the area near Sibling Revelry. It covered: 1st Street and 2nd Street from Van Buren Avenue to Monroe Avenue, and Jackson Avenue from 1st Street to 2nd Street. As expected, highest utilization occurs between the hours of 11:00 am and 1:00 pm. Mr. Whinnery noted that parking control changes are generally triggered at an 85% utilization level. The study showed that utilization of the free-customer parking area on 2nd Street from Van Buren Avenue to Jackson Avenue had 100% utilization during the noon hour. Other areas had utilization rates of 70% to 81%, depending on which side of the street, with some sections as low as 6%. It was also noted that on Mondays, when the OSU Thrift Shop is closed, parking is definitely affected, primarily from Jackson Avenue to Monroe Avenue on 2nd Street. Mr. Whinnery opined that the study period was too short and covered too small an area for the Commission to make any decisions regarding changes. In response to a question from Mr. Mitchell, Mr. Whinnery confirmed that the 2-hour metered spaces in front of the Water Street Market remained vacant during the duration of the study. These spaces were converted in January of 2006 from 10-hour to 2-hour at the request of the business owner. Staff encouraged a broader look over a longer period of time, since the utilization could potentially increase with improved weather.

Ms. Holdorf noted that although parking is easier to find with Phagans gone, it is seasonal, and that February is traditionally a very slow month. During summer months when the fountain is operating, her customers cannot find a place to park and shop during their

lunch hour. Chair Katz affirmed that most of the parking spaces are full during the noon hour. He stated his belief that it is time for a change in parking controls in the area, but that more information is needed, and that we should observe how people's parking habits change with the absence of Phagans. Commissioner Nudelman stated that he believed the parking should favor customer convenience rather than employee convenience. Commissioner Kvidt reported that in a recent informal survey of downtown employees, not one employee stated that parking was a concern for them. It was discussed that perhaps it was best to wait for a period of time to re-survey, perhaps a month or so. Commissioner Kvidt believes that the existing data doesn't represent Ms. Holdorf's concerns: the summer months, the busier shopping months, and a different use in the Phagans space. Commissioner Howe said that the safety of female employees in the downtown should be a consideration. Chair Katz noted that until there is a new parking study, it's the job of the Commission to begin to move the long-term employee parking further away from the core to make room for customers. The Commission requested that staff gather additional data in a month, and that they were not looking for the data to be available at the March Commission meeting.

VI. Pending Items

- **Conversion of 2-Hour Signed Spaces to 2-Hour Metered Spaces**
- **Parking Plan Review**

A discussion took place regarding the importance of reviewing the Parking Plan prior to making any conversion decisions. There was also a short discussion of the current plan, data and guiding principles included in the Plan.

VII. Other Business/Actions/Information Sharing

None

NEXT MEETING: March 26, 2008, 5:00 p.m., Madison Avenue Meeting Room

**HOUSING AND COMMUNITY DEVELOPMENT COMMISSION
MINUTES
February 19, 2008**

Present

Judy Gibson, Chair
Ed Fortmiller, Vice Chair
Buzz Berra
Robin de La Mora
Jennifer Jordan
Sherry Littlefield
David McCarthy
Dan Schofield
Patricia Weber, Planning Commission Liaison

Absent

Trish Daniels, City Council Liaison

Staff

Kent Weiss
Lauren Sechrist
Terri Heine

Visitors

Michelle Maddux, Benton Furniture Share
Wendee Massengill, Benton Furniture Share
Nancy Klahn, Parent Enhancement Program
Kathy Stroud, Parent Enhancement Program
Amanda Klein, BCCPCA
Richard Donovan, Community Outreach
Jeff Mascornick, Community Outreach
Cheri Babb, Grace Center for Adult Day Services
Judy Hecht, South Corvallis Food Bank
Martha Clemons, South Corvallis Food Bank
Bev Larson, Old Mill Center
Monica Drost, Kairos Consumer Council
Sharon Fleischman, Kairos Consumer Council
Steve Yellan, Kairos Consumer Council
Ann Craig, Jackson Street Youth Shelter
Jennifer Ambrosius, Circle of Hope Drop In Center
Aleita Hass-Holcombe, Circle of Hope Drop In Center
Synthia Hill, Mid-Valley Housing Plus
Stacy Ramirez, Mid-Valley Housing Plus
Jerry Groesz, Mid-Valley Housing Plus

SUMMARY OF DISCUSSION

Agenda Item	Action/Recommendation
I. Presentation by Jim Moorefield Regarding Corvallis Becoming a Member of The Housing Alliance	Recommendation
II. Human Services Fund Proposal Presentations (10 of 11)	Discussion

CONTENT OF DISCUSSION

I. Presentation by Jim Moorefield Regarding Corvallis Becoming a Member of The Housing Alliance

Chair Gibson opened the meeting. Housing Division Manager Weiss noted that Jim Moorefield, Executive Director of Willamette Neighborhood Housing Services (WNHS) would be presenting a proposal regarding Corvallis becoming a member of The Housing Alliance. He explained that Mr. Moorefield had previously presented his proposal to City Council at their February 4 meeting. Council noted their interest, but asked that the proposal be considered by the HCDC for a final determination.

Mr. Moorefield distributed copies of a hand-out that provided a brief description of who the Housing Alliance is and a list of its member organizations. He noted that the Housing Alliance is a coalition that includes housing advocates, local governments, housing authorities, community development corporations, environmentalists, service providers, and business interests that came together in early 2003 to discuss a new approach to housing advocacy at the state level, with the primary mission being to promote a legislative agenda that addresses affordable housing needs. Mr. Moorefield directed Commissioners to the list of member organizations, noting that WNHS's name has been added to the list following its decision to join in January. He explained that WNHS decided to join for two broad reasons: 1) the need for more resources at the state level for affordable housing in Oregon; and 2) for the opportunity to have a voice in the legislative process. Mr. Moorefield opined that it would be beneficial for the City of Corvallis to join the Housing Alliance as well, noting that this would help maximize the chances that the City's and State's interests in affordable housing have some degree of alignment.

Continuing, Mr. Moorefield gave an example of how a large WNHS project, Camas Commons, had been funded in the past. He noted that at the time, the total project cost was \$7.5 million. About 33% of the project's funding came from private sources, 56% of the funding was from state-controlled resources, and 11% came from City-controlled resources. Mr. Moorefield explained that state-controlled resources include the state's own resources, as well as federal resources that the state allocates. City-controlled resources include local resources, as well as federal resources that the City allocates. He then noted that this large percentage of state-controlled funding for the Camas Commons project illustrates why it is beneficial when the state's funding priorities are in alignment with the City's affordable housing priorities, and that having a voice when the state is deciding its priorities is the primary reason that the City of Corvallis should consider becoming a Housing Alliance member. Mr. Moorefield then clarified that the Housing Alliance does not exercise control over any state-controlled resources, but through its advocacy efforts, does have an influence in the state's affordable housing decision-making processes.

Commissioner Schofield asked what the membership fee would be for the City to join The Housing Alliance. Weiss responded that based on the size of Corvallis, the fee would be about \$1,000 per year. Commissioner Weber asked if inclusionary zoning has been discussed by The

Housing Alliance. Mr. Moorefield responded that this issue was one of the priority items on the legislative agenda for The Housing Alliance during the last session, adding that he has not heard yet whether this will continue as a priority item for the next session.

Following the discussion, Commissioner Weber moved, with Commissioner Jordan's second, that the HCDC recommend City Council approval that the City of Corvallis join The Housing Alliance. The motion passed unanimously.

II. Human Services Proposal Presentations (10 of 11)

Weiss directed Commissioners to the schedule included in their packet noting the order that agencies would be presenting their Human Services proposals this evening. He noted that staff had also included a summary memo that provides background on each proposal, as well as a chart showing each agency's funding request along with proposed investment amounts per beneficiary. Weiss reminded Commissioners that the City's CDBG allocation for FY 08-09 will be \$535,724, noting that up to \$80,000 is allowed to be spent on Human Services programs under the 15% CDBG Public Services cap. The total amount being requested by the agencies this evening is \$126,597.

Continuing, Weiss noted that all of the agencies seeking funding are current year recipients. Ten of the eleven Human Services Fund proposal presentations are scheduled for tonight; each will have ten minutes for their presentation. The final presentation, from WNHS, will be heard during Thursday night's meeting as part of their presentation of proposals for assistance from a variety of programs.

Weiss noted that the evening's first presenter will be Benton Furniture Share, who is requesting \$7,000 to continue its service of picking up and delivering donated furniture and appliances to low income households and special needs populations. Representatives from Benton Furniture Share (BFS) arrived and introduced themselves as Michelle Maddux, Executive Director, and Wendee Massengill, Development Coordinator. Ms. Maddux noted that BFS is requesting funding that will enable the agency to sustain client services to target populations, adding that the goal for FY 08-09 will be to serve 240 clients which is double the number proposed for the current fiscal year. The agency expects to serve this larger number of clients through its efforts to promote more community awareness and by operating the agency four days per week, which is twice as many hours than the past. Ms. Maddux noted that BFS has a dedicated new staff and many new board members who are currently working through the process of establishing long term and short term strategic plans to ensure agency sustainability.

Commissioner Weber asked if BFS has had a need to increase its warehouse storage capacity in response to picking up more furniture to serve a greater number of clients. Ms. Maddux responded that Crystal Lake Public Storage has generously donated storage space to help the agency with its additional inventory. Commissioner Berra asked if BFS has enough people to help with the larger number of deliveries that the agency expects to have. Ms. Maddux noted that

BFS currently has a Jobs Plus employee who the agency pays \$1 per hour; the state pays the balance of the employee's salary as well as the related taxes. BFS anticipates hiring this employee when her Jobs Plus contract ends in May, and is in the process of contracting with the state for another Jobs Plus employee to take her place. These hires should address any staffing issues. Commissioner Schofield asked if there had been any changes in the agency's services, noting that he had contacted BFS several months ago to donate furniture and was told that there was no one available to pick it up. Ms. Maddux responded that it is likely that this call came into the agency prior to the hiring of the current staff, adding that it is now the agency's policy to take in all donations as long as the furniture and appliances are clean and in good condition. Commissioner de La Mora asked about the agency's policy for serving families more than one time. Ms. Maddux responded that in the last three to four months, staff has been keeping a closer eye on the types of items that are delivered to each family to ensure that items continue to be used for the intended purpose. Ms. Massengill added that clients are able to receive more than one donation as long as the subsequent donation is for a different item.

Chair Gibson thanked Ms. Maddux and Ms. Massengill for their presentation. Following their departure, Weiss noted that the next presenter will be the Parent Enhancement Program which is requesting \$15,000 for their Parenting Education Program. Representatives from the Parent Enhancement Program (PEP) arrived and introduced themselves as Nancy Klahn, Executive Director, Kathy Stroud, Office Manager, and Amanda Klein, Program Coordinator. Ms. Klahn provided a brief overview of PEP, explaining that the agency provides supportive services designed to reduce the risk of child abuse and maltreatment by educating and empowering pregnant and parenting teenagers and young parents age 13 through 25 to be successful individuals capable of leading strong, nurturing families. She noted that this request for funding is for PEP's Parenting Education Program which provides in-home parenting education, parenting and adult skills classes, ongoing parenting education and child development related materials and the purchase of child safety equipment. Ms. Klein noted that she provides one-on-one parenting education and child development training to high-risk parents through home visits, and also teaches interactive classes with parents and their children through PEP's collaboration with Linn-Benton Community College. A series of monthly workshops is also planned, and will be based on specific parenting topics requested by PEP's clients and developed in conjunction with various community experts. Ms. Stroud noted that PEP's number of clients continues to grow, and the agency anticipates serving 115 Corvallis families with 120 children, including 40 families from the Latino population, in FY 08-09.

Commissioner Berra asked if PEP has a bilingual staff member. Ms. Klahn responded that the agency has a part-time bilingual staff member who provides in-home parenting and child development training to Spanish-speaking families, as well as assistance in connecting with community resources. Commissioner Berra asked how long staff typically keeps in contact with the families that the agency serves. Ms. Klein responded that many families take part in the program for several years, adding that if there are still concerns when parents reach the programs's maximum age of 25, staff will discuss the possibility of providing an extension of its services for the family. Commissioner de La Mora asked why the agency feels the number of clients continues to grow. Ms. Klahn responded that this is most likely due to the agency's efforts

to get the message out in the community that PEP is here and available to help teenagers and young parents through its free, voluntary, and non-judgmental program. She added that many new clients are referred from past clients, as well as other social service agencies.

Chair Gibson thanked Ms. Klahn, Ms. Stroud, and Ms. Klein for their presentation. Following their departure, Weiss noted that Community Outreach, Inc. would be presenting next. Their funding request is for \$16,552 to fund their Family Services Program Coordinator position. Representatives from Community Outreach, Inc. (COI) arrived and introduced themselves as Rich Donovan, Executive Director, and Jeff Mascornick, AmeriCorp VISTA volunteer. Mr. Donovan noted that with the assistance of FY 07-08 Human Services funding, COI has hired a Family Support Mentor who is currently providing direct support and role modeling for individuals and families staying at the shelter. He noted that the funding now being requested for FY 08-09 will allow COI to build upon the success of the Family Support Mentor program by providing the salary for a new Family Services Program Coordinator position. The Family Services Program Coordinator will have a minimum education level of a master's degree in Human Development and Family Sciences, Social Services, Psychology or another related field. The successful applicant will also have a minimum of two years experience working with at-risk families. Mr. Donovan explained that COI is seeking someone with these qualifications so that he/she will be able to supervise the Family Support Mentor, make adjustments to the program as necessary to better serve the needs of the families, coordinate with other services offered by COI as well as other agencies in the community, and work with the Family Support Mentor to provide additional parent mentoring services to families.

Chair Gibson asked how COI plans to continue its funding for the Family Support Mentor position. Mr. Donovan responded that COI has been successful in past years raising funds through a variety of sources, including individual contributions, corporate and/or foundation grants, fees for services, the United Way, and through various federal, state and city funding sources. He noted that, similar to COI's requests for Human Services funding in the past, the proposal being presented this evening is intended to support only the first year of the .5 FTE Family Services Program Coordinator position, with subsequent years' funding coming from different sources. Commissioner Weber asked how COI is planning to measure the program's outcomes. Mr. Donovan noted that it is somewhat difficult to measure outcomes due to the transient nature of the homeless clients they serve, but if clients do stay in the local area, they typically have ongoing monitoring through DHS. He added that a transitional housing project is currently being discussed, and if it comes to fruition, will be an opportunity for COI to have its own case managers work more closely with clients after they leave the shelter facility. Mr. Mascornick added that he is confident that the new Family Services Program Coordinator will be well qualified to set meaningful outcomes for the program.

Chair Gibson thanked Mr. Donovan and Mr. Mascornick for their presentation. Following their departure, Weiss noted that the next presentation will be from Grace Center for Adult Day Services. Their request is for \$9,000 to provide scholarships to client families that cannot afford the full cost of program participation. Cheri Babb, Executive Director of the Grace Center for Adult Day Services arrived. Ms. Babb provided a brief overview of the Grace Center, noting that

the agency has been providing therapeutic adult day services to frail and disabled adults for close to twenty-five years. She noted that the Grace Center is much more than a place for frail participants to be during the day as it offers several services: nursing assessment and care management, therapeutic exercise, health monitoring, and cognitive and social stimulation that stabilize and improve participants' physical and mental functioning. These services make it possible for participants to continue to live at home with family members or in community-based adult foster care homes, delaying or avoiding nursing home placement. Ms. Babb then provided information about two Grace Center clients and how each has benefitted from the City's HSF funding during the current year. She then handed out copies of two graphs as examples of how the Grace Center tracks its outcomes related to physical and mental functioning.

Commissioner Berra asked what it costs to participate in Grace Center's program. Ms. Babb responded that the full cost per day is \$76, adding that all of the Center's private clients pay according to a sliding fee scale and receive \$10, \$21, and \$31 per day scholarships if they cannot afford the full cost of care. She then noted that the Grace Center is the only program offering specialized services to Medicaid eligible Alzheimer's patients in Corvallis.

Chair Gibson thanked Ms. Babb for her presentation. Following her departure, Weiss noted that the South Corvallis Food Bank would be presenting their proposal next. Their request is for \$11,484 to cover the cost of the agency's rent in the coming year. Representatives for the South Corvallis Food Bank (SCFB) arrived and introduced themselves as Judy Hecht, Executive Director, and Martha Clemons, Treasurer. Ms. Hecht noted that the SCFB is an emergency food box agency located in and providing food to low income people in south Corvallis. She noted that it has been another busy year at SCFB with the agency serving an average of 192 households per month, which equates to about 646 people. SCFB is projecting a ten percent increase in the number of households they will serve in FY 08-09. Ms. Hecht noted that approximately 90% of clients fall into the City's extremely low income category, and include the mentally ill, the elderly, and homeless individuals; about 40% of those served by the food bank are children. SCFB has been collaborating with several groups and organizations in the area to promote healthier eating. Ms. Clemons noted that the agency has been actively continuing its search for a larger, permanent facility.

Chair Gibson asked if the food bank stocks a lot of fresh items, such as dairy products, that require refrigeration. Ms. Clemons responded that a large three-door refrigerator was partially donated to SCFB so that they could store and offer produce and dairy products, noting that these fresh items are delivered to the food bank about three times per week. Commissioner Berra asked why the agency's budget for the current year shows a \$5,000 decrease in contributions from the previous year. Ms. Clemons responded that the agency received an unexpected amount of contributions during the previous year, mostly due to a large number of donations made in the memory of valued "friend" of the agency. The current year's budget reflects a more typical dollar amount of contributions that the SCFB receives each year.

Chair Gibson thanked Ms. Hecht and Ms. Clemons for their presentation. Following their departure, Weiss noted that the next presenter will be the Old Mill Center for Children and

Families. Their request is for \$13,066 to support an increase in staffing for the Family Support and Connection program. Bev Larson, Executive Director of the Old Mill Center arrived. Ms. Larson provided an overview of the Old Mill Center's Family Support and Connections (FSC) program, noting that the primary intent of the program is to support and protect children by intervening and providing appropriate services when a family situation places a child at risk. Many of the children are from families affected by parental mental health problems, parental drug and alcohol problems, by domestic violence, and by poverty. Ms. Larson noted that 90% of clients are referred to the Old Mill Center from DHS Self-Sufficiency, with the remaining 10% referred from DHS Child Welfare and other community agencies. The FSC Outreach Worker will then contact the family by making a home visit within 48 hours of receiving a referral. Information from the home visit guides the selection of a partner agency to help serve the family. The FSC Outreach Worker then establishes a connection with the family and can address their primary needs through case management, developing a family service plan, and connecting the family to community resources. The FSC Coordinator will continue to provide home based services for 13 sessions or until families are engaged in needed services, at which time case management may be transferred to the hands of the partner agency. Ms. Larson then provided an example of how the FSC program is currently helping one Corvallis family with two small children, noting that the ultimate goal of the FSC program is to keep families together, while at the same time keeping the children safe.

Commissioner Jordan asked if the Old Mill Center has seen an increase in the number of families needing help due to parental methamphetamine use. Ms. Larson responded there has been an increase due to methamphetamine use, especially over the last two and a half years. Chair Gibson noted that the Old Mill Center's proposal for funding for FY 07-08 had also asked for funding to increase staffing for the FSC program from .55 FTE to .8 FTE, but had received only about half of the requested amount. She asked how Old Mill was still able to fund the increase in the program staffing level for the current year. Ms. Larson responded that the increase in staffing was possible through the use of contributions money, as well as an increase in grant funds from the state for the FSC program. She added that the increase in the grant funds received from the state was unexpected, and that it is not likely there will be another increase in next year's allocation from the state.

Chair Gibson thanked Ms. Larson for her presentation. Following her departure and a brief break, Weiss noted that the next presenter will be Kairos Consumer Council which is requesting \$2,400 to help fund a portion of the organization's costs of administration, including liability insurance. Representatives from the Kairos Consumer Council (KCC) arrived and introduced themselves as Sharon Fleischmann, Executive Director, Monica Drost, Secretary/Treasurer, and Steve Yellan, Board member. Ms. Drost provided a brief background of the KCC, noting that the agency provides socialization, education, and recreation for low income and very low income people who have severe mental illnesses. She noted that the KCC is currently working with four other local mental health groups to form the Mental Health Empowerment Cooperative of Corvallis (MHECC). Along with the KCC, this umbrella group will include the National Alliance on Mental Illness (NAMI), the Band of Empowered Advocates Reclaiming Self-Determination (BEARS), the Oregon Family Services Network (OFSN), and the Corvallis Daytime Drop In

Center (formerly known as the Circle of Hope). The group will share facilities at the Grace Lutheran Church, in a facility to be known as the Ronnenkamp Center, allowing the groups access to larger meeting rooms, a full kitchen, and office space. Mr. Yellan, a founding member of the KCC, noted that the organization is the oldest consumer-run not-for-profit group in Corvallis.

Chair Gibson thanked Ms. Fleischmann, Ms. Drost, and Mr. Yellan for their presentation. Following their departure, Weiss noted that Jackson Street Youth Shelter would be presenting next. Their request is for \$31,995 to underwrite an expansion of services, specifically educational assistance, at the shelter. Ann Craig, Executive Director of Jackson Street Youth Shelter (JSYS) arrived. She provided an overview of the JSYS, noting that it was established in 2001 with the mission to provide a safe, stable, and secure environment for youth, ages 10 to 17, in times of crisis. The number of youth served to this point of the fiscal year is almost twice the number served at the same point of time in the previous fiscal year. Ms. Craig noted that it is the intent of the JSYS to help their clients attain long-term success following their stay at the shelter, and past experience suggests that quality education is probably the most important component toward reaching life long stability. She noted that JSYS staff currently provide what assistance they can to the youth regarding education, but have decided that a much greater effort is needed, and thus are asking for support for an educational outreach staff person and time by the Executive Director devoted to this issue. Ms. Craig noted that it is the intent of the JSYS to work very closely with school districts to enhance the educational functioning of the youth, and staff believe that this emphasis on JSYS's part will assist the educational agencies to achieve better success with this difficult population.

Chair Gibson asked what percentage of the youth shelter's clients are low income. Ms. Craig responded that she does not have the exact percentage available this evening, but noted that the largest majority of youth are documented as coming from low income families. Chair Gibson asked how many full-time staff are employed at JSYS. Ms. Craig responded that there are the equivalent of ten full-time employees, adding that most staff work part-time. Chair Gibson then asked for clarification regarding whether the funding being requested this evening will be to support an additional staff position. Ms. Craig responded that qualified staff already employed by JSYS will take on the additional role of providing educational assistance, which will require that they sometimes leave the shelter to visit the school district. When that happens, other staff will need to be scheduled to come in to help cover that employee's shift at the shelter. Commissioner de La Mora asked if there has been consideration for how to assist youth who are not typical students. Ms. Craig responded that the shelter has gained experience in regard to working with alternative learners through its current collaboration with the school district and its counselors. Ms. de La Mora asked if JSYS will be considering the educational assistance staff as being advocates or an additional part of the youths' support teams. Ms. Craig responded that it is anticipated that staff will act as advocates, mentors, and case managers.

Chair Gibson thanked Ms. Craig for her presentation. Following her departure, Weiss noted that the next presenter will be the Circle of Hope, dba the Corvallis Daytime Drop In Center. Their request is for \$36,000 to cover the cost of rent at a new facility they hope to move to in April. Representatives from the Circle of Hope (COH) arrived and introduced themselves as Jennifer

Ambrosius, Executive Director, and Aleita Hass-Holcombe, Board member. Ms. Ambrosius provided a brief background of the COH, noting that it provides a place for low income people in need of socialization, learning, having fun, and eating if they are hungry. She provided an overview of the weekly schedule of activities, including art, bike repair, games, and band practice. Ms. Ambrosius noted that the COH had recently started opening on Sundays to give people the opportunity to have a warm and dry place to be when many other places in the community are closed. Ms. Hass-Holcombe noted that the bylaws for the COH have changed and it is no longer completely a consumer-run organization: it is now a combination of peers and community members/supporters who oversee the organization. She noted that presently, the COH operates in the same facility as the Coalition to Shelter the Homeless' overnight shelter, but the agreement that allows this only runs through March, adding that it looks promising that the COH will be able to move to a new location on SW Washington in April. Rent for the new facility will run \$3,000 a month. Ms. Hass-Holcombe noted that board members and others continue to search for additional funding to keep the COH operating.

Chair Gibson asked if the COH is planning to offer the same services when it moves to its new location downtown in April. Ms. Ambrosius responded that the COH will continue to offer all of the services it currently does. Commissioner Berra asked how many people come to the COH on an average day. Ms. Ambrosius responded that typically anywhere between fifteen and forty people visit the COH, adding that the numbers can vary depending on the weather and other activities that may be going on in the community. Weiss asked if the number of clients has changed since the COH moved from downtown to its present location. Ms. Ambrosius responded that the number of clients served has dropped somewhat because the COH's current location is farther away from downtown, and especially affects those who live across the Willamette river and in south Corvallis.

Chair Gibson thanked Ms. Ambrosius and Ms. Hass-Holcombe for their presentation. Following their departure, Weiss noted that the final presenter this evening will be Mid Valley Housing Plus, which is requesting \$20,000 in funding to support their Community Link program. Representatives for Mid Valley Housing Plus (MVHP) arrived and introduced themselves as Synthia Hill, Executive Director, Stacy Ramirez, Board President, and Jerry Groesz, Board Treasurer. Ms. Ramirez provided a brief overview of MVHP, noting the agency has been operating for almost thirteen years. During the past two years, MVHP has expanded its goals so that its services are focused on the health of its clients as well as helping clients to stay in their own safe and affordable housing. Ms. Ramirez noted that the agency generally serves between 65-70 clients with disabilities, specifically severe mental illness, each month. MVHP provides a variety of services including navigating the social services system, obtaining benefits and completing all related paperwork, assisting with prescription needs and dispensing medications, transportation to grocery stores and food banks, emergency food, and cleaning and personal hygiene products distribution.

Commissioner Berra noted that the agency's budget projects a substantial deficit for the current year, and asked how MVHP hopes to address that issue. He also noted that contributions for the current year seem to be considerably less than the previous year. Ms. Hill noted that the large

amount of contributions in the previous year was due mostly to advertising in the newspaper and on television. She added that the agency is actively seeking grants from several different funding sources to help toward this year's projected deficit as well as operating costs for next year. Mr. Groesz noted that the latest budget numbers for December and January have just come out and show that close to \$7,000 in designated donations were received during those months, adding that this is not reflected in the budget that was submitted with the proposal. He added that MVHP plans to continue sending out its quarterly fundraising letters, with the next one due to be mailed out in the spring.

Chair Gibson thanked Ms. Hill, Ms. Ramirez, and Mr. Groesz for their presentation. Following their departure, Weiss reminded Commissioners that one additional Human Services proposal presentation will take place Thursday evening as part of Willamette Neighborhood Housing Services' presentation of proposals seeking assistance from a variety of programs. Thursday's meeting will begin with a report from Home Life regarding the status of their Mumford House rehabilitation project. This will be followed by the CDBG/HOME Program capital and other project proposal presentations from Samaritan Village, Habitat for Humanity, and Willamette Neighborhood Housing Services. Weiss noted that following the presentations, the HCDC will discuss and develop a set of recommendations for funding allocations to be forwarded to the City Council for their consideration and approval.

There being no further business, the meeting was adjourned at 8:10 p.m.

**HOUSING AND COMMUNITY DEVELOPMENT COMMISSION
MINUTES
February 21, 2007**

Present

Judy Gibson, Chair
Ed Fortmiller, Vice Chair
Buzz Berra
Robin de La Mora
Sherry Littlefield
Jennifer Jordan
David McCarthy
Dan Schofield
Patricia Weber, Planning Commission Liaison
Trish Daniels, City Council Liaison

Absent

None

Staff

Kent Weiss
Joe DeMarzo
Lauren Sechrist
Terri Heine

Visitors

Dave Zaback, Home Life
Marney Strilka, Home Life
Mark Kellenbeck, Cascade Management
Joe Heaney, Samaritan Village
Peggy Bernhard, Samaritan Village
Debbie Coppenger, Habitat for Humanity
Pat Cochran, Habitat for Humanity
Carolyn Miller, Habitat for Humanity
Jim Moorefield, WNHS
Matt Holton, WNHS
Paige Gentry, WNHS
Garrick Harmel, WNHS
Douglas McRae, WNHS

SUMMARY OF DISCUSSION

Agenda Item	Action/Recommendation
I. Consideration & Approval: HCDC Draft Minutes of 02/06/08	Approval
II. Home Life Presentation: Request to Increase FY 07-08 CDBG Grant Amount for Mumford House Rehabilitation Project	Recommendation
III. Agency Presentations: CDBG and HOME Capital Projects, Remaining Human Services Fund (1), and Other Proposals	Discussion
IV. Deliberations	Recommendations

CONTENT OF DISCUSSION

I. Consideration & Approval: HCDC Draft Minutes of February 6, 2008

Chair Gibson opened the meeting, asking for consideration of the HCDC draft minutes of February 6, 2008. The minutes were approved unanimously.

II. Home Life Presentation: Request to Increase FY 07-08 CDBG Grant Amount for Mumford House Rehabilitation Project

Dave Zaback, Executive Director of Home Life, noted that a year ago during the FY 07-08 allocation process, Home Life presented its proposal for CDBG funding in the amount of \$61,720 for rehabilitation of two wheelchair accessible bathrooms at their Mumford House group home. He noted that Home Life was awarded the amount they had requested, which was based on preliminary drawings and a rough cost estimate by a local contractor. Following approval of the grant funding, Home Life asked three contractors to submit proposals for the project. One proposal was disqualified for not meeting the conditions of the RFP process and the remaining two proposals came back with higher amounts than Home Life had estimated. The two qualified proposals were \$91,670 and \$74,000. Mr. Zaback noted that the lowest proposal for \$74,000 was \$22,520 more than the amount Home Life had originally estimated for the project. He added that revised estimates for building permits, SDCs, and contingency funds have also increased the overall project amount, which is now expected to be \$91,625. To help cover these additional costs, Mr. Zaback noted that Home Life can take an additional \$5,000 from its Reserve for Replacement Fund, bringing the agency's contribution to \$10,000. The additional CDBG grant amount of \$19,905 being requested tonight would cover the remaining balance. Mr. Zaback noted that Home Life will use its own \$10,000 prior to using designated contingency funds, adding that any unneeded contingency funds will be returned to the City.

Following a review of a table included in the Commissioners' mailing packets that detailed the original and revised project costs, Commissioner Weber moved, with Commissioner Jordan's second, that the HCDC recommend City Manager approval of the request from Home Life to increase their grant amount for their Mumford House rehabilitation project by \$19,905 for a total grant amount of \$81,625. The motion passed unanimously.

III. Agency Presentations: CDBG and HOME Capital Projects, Remaining Human Services Fund (1), and Other Proposals

Representatives from Samaritan Village arrived and introduced themselves as Mark Kellenbeck, Cascade Management (which serves as the Samaritan Village property manager), Joe Heaney, Board President, and Peggy Bernhard, Board Vice-President. Mr. Kellenbeck noted that they would be presenting two proposals for funding this evening. The first proposal is requesting CDBG funding for the installation of a lift in Samaritan Village's common building. Mr.

Kellenbeck noted that this proposal is the same as was presented last year with the amount being requested as the only difference. The previous proposal was for \$27,500; this year's proposal is requesting funding in the amount \$56,259. Mr. Kellenbeck explained that last year, Samaritan Village had planned to pay for half of the project's costs from their own resources, but now feel that maintaining a reserve against the need to increase rents is a better use of their funds.

Continuing, Mr. Kellenbeck noted that the lift will provide residents, whose median age is 82, and their guests access to the basement and meeting rooms of the Commons Building, noting that it has been their desire for several years to gain access and full use of this space. Ms. Bernard noted that access to the basement of the Commons Building has been limited to a small number of people, and that the lift will allow all residents access to a variety of events and activities that include parties, games, exercise classes, dance classes, and singing classes. Mr. Heaney then provided an overview of the projects that the City had funded in the past, and thanked the Commissioners for their generosity. He noted that, as in past proposals, Samaritan Village is asking for a grant rather than a loan for the installation of the lift, explaining that a loan would mean increasing rents to offset the increase in operating costs.

Councilor Daniels asked about the differences between a lift and an elevator. Mr. Kellenbeck responded that a lift is allowed to meet lower standards than an elevator. Lifts must have a three-sided shaft which is framed and sheetrocked; the lift consists of a moving floor rather than the entire car that an elevator would have, making the lift much less complex and more cost-effective for this application. He added that the operating costs of a lift are extremely low. Commissioner McCarthy asked how many people can be on the lift at a time. Mr. Kellenbeck responded that there is a maximum weight limit, but the lift will likely be able to comfortably accommodate two wheelchairs or ten people at a time.

Following the discussion, Mr. Kellenbeck began the presentation for the second request for funding, noting that this proposal is asking for \$43,872 for the installation of a backup generator for the common building. He noted that in the past year, Samaritan Village experienced three power outages, with the longest lasting 14.5 hours. For the elderly residents, especially those depending on oxygen and other life support systems, an extended power outage is life threatening. Mr. Kellenbeck explained that when there is a power outage, residents must use backup oxygen bottles which last for approximately three hours. These bottles are difficult for physically frail residents to attach, and this problem is compounded when residents are forced to connect these bottles in the dark.

Continuing, Mr. Kellenbeck noted that currently, Samaritan Village has three small, gasoline-powered generators to maintain the sump pumps and main kitchen refrigerators. This requires that staff members frequently check and refill the gasoline, and also requires the storage of a significant amount of gas on the premises. The installation of a larger, natural gas-fired generator would enable staff to focus on tenant safety concerns during a power outage as the sump pumps would continue to operate on their own. Mr. Kellenbeck added that the generator would also be used to maintain heat or cooling in the main areas of the Commons Building, as well as to power basic functions in the kitchen to avoid food loss and to allow for some food preparation. Mr.

Heaney added that the natural gas-fired generator also has a propane back-up that would keep it running for a few days in the event that natural gas is not available.

Commissioner Weber opined that a diesel-powered back up generator would likely be able to accomplish the job for Samaritan Village just as well as a natural gas-fired generator, noting that the cost could be around \$25,000, or roughly half as much as is being proposed. She suggested that Samaritan Village staff members have further discussions with their contractor to decide whether a diesel-powered generator could do the job just as well as a natural gas-fired generator. Commissioner Weber then suggested that they also consider running the entire Commons Building on the generator rather than just a few of the loads, noting that because it is an existing building, all of the circuits would need to be reconfigured. If it was decided to back up the entire building, the equipment costs would be higher, but the labor costs would be a fraction of what is being proposed. Mr. Kellenbeck noted that the option of a diesel-powered generator had been part of discussions with the contractor, but that they will plan to contact the contractor to discuss the option further. Commissioner McCarthy asked what the life expectancy of a diesel-powered generator is as compared to a natural gas generator. Commissioner Weber responded that the life expectancy of both models is approximately the same.

Chair Gibson thanked Mr. Kellenbeck, Mr. Heaney, and Ms. Bernhard for their presentations. Following their departure, representatives of Benton Habitat for Humanity arrived and introduced themselves as Debbie Coppenger, Executive Director, Carolyn Miller, Site Development Manager, and Pat Cochran, Board Treasurer. Ms. Coppenger provided a brief background of Habitat for Humanity, noting that it is an organization whose mission is to eliminate sub-standard housing and to make decent, affordable shelter a matter of action and conscience. She noted that Habitat's homes are built with a partner family and volunteer labor, adding that each home is designed specifically for the needs of the family. Families are selected based on four qualifications: 1) they must currently reside in sub-standard or inadequate housing; 2) they must have a monthly income too low to receive conventional financing, but sufficient for them to make zero percent interest monthly payments; 3) they must be willing to fulfill the requirements of a partnership with Habitat and be good stewards of the homes that are being built for them; and 4) they must have been a resident of the service area of the affiliate for at least one year prior to the selection process.

Continuing, Mr. Cochran noted that Habitat is requesting HOME capital funding in the amount of \$158,000. He then explained how the financing might be structured for the two homes they hope to develop on property located at 286 and 288 SW Tunison. If using a market value assumed at \$210,000 and a sale price of \$159,000, the difference remaining would be \$51,000. The \$159,000 sale price would be affordable to a four person household at 38% of median. The \$51,000 could be provided as City HOME direct subsidy. This means that it could be included in the "forgivable" portion that relies on continued ownership by the Habitat family. If a minimum 15-year period of affordability (may be longer) is not met, the amount not yet forgiven would return to the City's HOME program. The other \$28,000 per unit being requested would be funded as a direct City down payment assistance loan to the buyer, repayable to the City's HOME program. The balance of the financing would be provided by Habitat and would return directly to them through payments from the home buyer family.

Commissioner Schofield asked what would happen if a family left prior to the end of the period of affordability. Weiss responded that the home buyers would pay back a pro-rated percentage of the “forgivable” amount of the City’s HOME financing, and the down payment assistance loan portion would become due in full. Ms. Coppenger added that Habitat also has language built into their sales contracts that allows them to acquire the property back from the owners so that it can be resold to another low income home buyer family. Mr. Schofield then asked if Habitat uses green construction techniques when building their homes. Ms. Miller responded that Habitat is very committed to green construction, adding that about a year ago, Habitat developed a team of people who are active in the community and use green construction techniques, and these guidelines are now being followed in a home they are currently building.

Continuing, Ms. Miller distributed hand-outs showing a footprint of the two lots on SW Tunison, as well as a house plan study they had developed, for illustration purposes only, showing floor plans for the ground level and second floor. She noted that one of the floor plans shows how a home could be built to be handicapped accessible. Commissioner Weber opined that attached housing may not be the only viable option for the property, and that Habitat should have the latitude to consider other options without jeopardizing the status of their proposal. Ms. Miller responded that it is Habitat’s feeling that for economical reasons and timing constraints, the attached homes in this case are a better fit for the organization. Chair Gibson asked if the two lots are secured. Ms. Coppenger responded that Habitat has a purchase agreement in place, adding that the current owner is willing to wait until the HOME funds that would finance the acquisition could be made available.

Chair Gibson thanked Ms. Coppenger, Ms. Miller, and Mr. Cochran for their presentation. Following their departure, representatives from Willamette Neighborhood Housing Services (WNHS) arrived. Jim Moorefield, Executive Director, introduced himself, noting that several other WNHS staff members were in attendance and would be rotating to help present the organization’s variety of proposals this evening. Mr. Moorefield noted that the first proposal to be presented would be requesting \$10,000 in Human Services funds to support the Financial Literacy program. He then introduced Matt Holton, MicroBusiness Program Coordinator. Mr. Holton noted that the Financial Literacy program is an important contributor to helping families build assets. He explained that the Financial Literacy Program includes two primary services: Financial Fitness classes and the Valley Individual Development Account (VIDA) program. The Financial Fitness class teaches participants about money, saving, budgeting, credit and credit scores, credit repair, identity theft, and various other money related matters. Several guest speakers are typically scheduled to talk with participants about specific issues, and WNHS staff also meets one-on-one with participants to help them work through their individual needs. Mr. Holton noted that for the past several years, WNHS has been evaluating the effectiveness of the Financial Fitness classes, and has found that graduates are budgeting more, saving for emergencies, and feel more knowledgeable about making decisions regarding their finances.

Continuing, Mr. Holton noted that WNHS’s ability to help Corvallis residents is enhanced by the fact that the Financial Fitness program is coordinated with the VIDA program, which is a matched savings program that allows participants to receive \$3 for every dollar they save. They can then

use these funds toward an asset goal, such as the purchase of a new home, continuing their education, or starting a small business.

Commissioner Schofield asked how WNHS helps participants with credit repair issues. Mr. Holton responded that staff helps clients through the process of disputing information on their credit reports, noting that this happens quite often, as 70% of credit reports have errors on them. Commissioner de La Mora asked if the Financial Fitness classes are available to anyone, even if homeownership is a long-term goal. Mr. Moorefield responded that the classes are open to anyone in Corvallis with a desire to learn about money-related matters. Commissioner Weber suggested that WNHS contact Brass Media, a local company that publishes a magazine that promotes financial literacy education for young people 25 years old and under. Mr. Moorefield noted that they will plan to contact the company.

Chair Gibson thanked Mr. Holton for his presentation. Mr. Moorefield then noted that the next proposal for \$20,000 to support the Linn-Benton Microbusiness Program (LBMP) will also be presented by Mr. Holton. Mr. Holton noted that the LBMP is a program designed to help low to moderate income people start and operate their own small business. LBMP provides a combination of classroom education, one-on-one counseling, technical assistance, and access to capital. The goal of the LBMP is to provide the training and skills necessary for participants to create successful businesses, build assets, and become self-sufficient. Mr. Holton noted that WNHS has seen a lot of growth in its microbusiness program, especially in the last year. Recently, four orientations were held in preparation for the current class. Sixty people attended the orientations; twenty-two of those people are now registered and taking the current class. Ten more people are already signed up to begin the class during the spring term which begins in April. WNHS attributes some of the increased participation to the success of prior businesses that WNHS has assisted through the LBMP. Mr. Holton noted that over 50% of the LBMP's participants are currently operating a business, adding that forty percent have been able to increase their income.

Commissioner Berra asked if WNHS continues to support the participants after they have completed the program. Mr. Holton responded that they stay with the participants for up to two years, providing ongoing counseling and technical assistance as needed, as well as networking sessions.

Chair Gibson thanked Mr. Holton for his presentation. Mr. Moorefield then provided a brief overview of WNHS's request for Community Housing Development Organization (CHDO) operating funds in the amount of \$20,000. He thanked the HCDC for its recommendations for CHDO funding in past years, noting that it has been critical to WNHS's ability to improve its operating stability in the midst of the risks and uncertainty of real estate development and financing for affordable housing projects. Mr. Moorefield noted that the CHDO support helps WNHS adapt financially when large projects are carried out over two to three years, sometimes delaying the developer fees that it relies upon for operating revenue.

Mr. Moorefield then introduced Garrick Harmel, Housing Development Coordinator, noting that Mr. Harmel will be presenting WNHS's request for HOME capital funding for its Leonard Knolls

housing move/rehab/resale project. Mr. Harmel noted that WNHS is requesting a \$20,000 grant and a \$215,406 loan to partially underwrite the costs of moving two houses from a three-lot site that WNHS recently acquired on SW Third Street at SW Alexander. The houses would be moved to a vacant site WNHS currently owns at 2501 SW Leonard, launching WNHS's first Community Land Trust (CLT) development effort. Mr. Harmel noted that WNHS's goal is that these homes remain affordable to families between 60% and 75% of the area median income, adding that the CLT concept allows the affordability to be assured for the long-term future.

Regarding the requested financing for the project, Mr. Harmel explained that a portion of the financing would be in the form of a loan from HOME funds that have already been allocated to WNHS's Alexander Court/Seavey Meadows project, an element of which will be located on the site from which the two homes in the Leonard Knolls project are being moved. He noted that the loaned HOME funds will be repaid to the City from the proceeds of the home sales, which will take place well before the funds will be needed for the Alexander/Seavey Meadows project.

Paige Gentry introduced herself as a VISTA who is currently working with WNHS in the development of the Community Land Trust Program. She provided a brief overview of a CLT program, noting that it is a unique model of homeownership that allows low-income families to purchase their own homes while preserving and increasing the stock of affordable homeownership options for future needs. In the WNHS CLT program, the land will be owned by WNHS, and the building and improvements will be owned by the homeowner. This development model reduces the cost of homeownership, making the mortgage payments affordable to families who could not afford traditional homes. Ms. Gentry explained that CLT homeowners have the same rights and responsibilities as any homeowners, but also have the safety net of WNHS's homebuyer education and the CLT program to give them the support they need in their first home purchase.

Continuing, Ms. Gentry noted that in WNHS's CLT program, WNHS will lease the land to the homeowner on a 99 year lease. With that lease comes resale restrictions that limit who the home can be resold to and the amount of equity that may be received by the seller. She noted that if an owner decides to sell the home, it must be sold to another low-income family. The price of the sale is determined by the resale formula noted previously, giving a percentage of the home's value to the owner while keeping the price affordable for the next buyer.

Commissioner Berra asked for more information on the lots where the two homes will be relocated. Mr. Harmel responded that the lots are located on SW Leonard Street, noting that after the required lot line adjustments and partition, one lot will be approximately 3,520 square feet, and the second lot will be approximately 3,600 square feet. Commissioner Schofield asked who will be responsible for paying property taxes on the CLT homes. Mr. Moorefield responded that the homeowner will be the responsible party, noting that at WNHS's request, the Benton County Assessors office is looking into the methodology that is used by other counties in Oregon to determine taxes for CLT properties. Chair Gibson asked if WNHS will have any control over whether a homeowner takes good care of their home. Ms. Gentry responded that this issue has come up during discussions regarding CLT program policies, noting that it was decided that there will be a home inspection scheduled once a year as part of the lease agreement. She added that

the home maintenance issue will actually be based on an incentive system using an appraisal-based formula, meaning that the homeowner will build a larger amount of equity if the home appraises at a higher level. WNHS is also looking into the option used by other CLTs that would designate a portion of CLT homeowners' payments to a general maintenance fund that would stay with the house. Commissioner Berra noted that when looking at WNHS's proposal, it looks like it would cost approximately the same amount to build new homes on the SW Leonard property as it would to move and rehab the old homes. He asked if WNHS still feels that this is a good value as the end result will be two older homes rather than new ones. Mr. Moorefield noted that it would likely be difficult to find someone that who would build new homes as small as the ones that will be moved, adding that there is also value in today's times in the reuse of structures. Commissioner Schofield asked about the selection process WNHS will use for its CLT homes. Mr. Moorefield responded that potential homebuyers will need to be at 80% of median income or lower and must have completed WNHS's homebuyer education class. He added that waiting lists will be created for CLT homes if necessary once units are close to being available for sale.

Chair Gibson thanked Mr. Harmel and Ms. Gentry for their presentation. Mr. Moorefield noted that the final presentation will be for WNHS's Alexander Court/Seavey Meadows supportive/affordable housing project. He noted that in prior years as the HCDC has considered proposals for this project, it was an either/or proposition: a housing project would be developed either at the Alexander site, or at the Seavey Meadows site, depending on which was ready to proceed first. Mr. Moorefield explained that over the last year, WNHS's project strategy has evolved, and their plan today is to carry out development at both sites under a single, scattered site project utilizing federal Low Income Housing Tax Credits for which they will apply to the state to inject substantial equity financing to fill what had been considerable gaps.

Mr. Moorefield introduced Douglas McRae, Director of Housing Development. Mr. McRae noted that the general theme that emphasizes the value of the Alexander Court/Seavey Meadows project and the value it brings to Corvallis centers on market demand, diversity of need, scale, and innovation. With a growing demand for affordable housing in Corvallis, these project sites create opportunities for 62 families to work and live in the City. Mr. McRae directed Commissioners to visual aids showing site plans that have been developed for both properties. He noted that the site plans include housing for a diverse population. Family housing units will be the majority built, but the mix will also include ten units at the Alexander Court site developed in partnership with the Center Against Rape and Domestic Violence (CARDV) which will be used as permanent supportive housing for families and individuals leaving situations of domestic violence. New administrative offices for CARDV are also part of the site plan. Mr. McRae noted that new to the proposal this year are several units that will be available to a new program sponsored by the Oregon Department of Human Services called Money Follows the Person (MFP). He explained that this is a program for seniors and disabled people who can and want to move back from nursing care facilities to permanent, supportive housing. Several home sites at Seavey Meadows are also designated for the WNHS Community Land Trust program under a future project plan, and will be sold to low income, first time homebuyers.

Continuing, Mr. McRae noted that the scale of the project is WNHS's largest to date and the

budget for construction at this point totals \$15.4 million dollars. This number is expected to come down by at least \$2 million dollars through negotiations with the contractor and architect. It is expected that the State will be financing approximately 70% of the project through its Low Income Housing Tax Credits (LIHTCs) program, and along with the \$1,000,000 in financing being requested from the City (roughly half of which has already been reserved during previous allocation processes), the remainder of financing will come from private and public partners. Mr. McRae noted that this project is innovative in that it is WNHS's first scattered site project, will include green and sustainable development methods, and includes unit development for CARDV, as well as the CLT program.

A thorough discussion followed. Commissioner Berra asked how large the homeownership units will be. Mr. McRae responded that a variety of sizes are planned and will be determined by the needs of the families who purchase the homes. Commissioner Berra asked if the sites are being planned for maximum density. Mr. Moorefield responded that the plans are to use minimum density, noting that this is normally the exception for WNHS projects because it is a less cost effective way to develop. In this project, though, specifically the Seavey Meadows portion, the property is surrounded by open space and is very close to an established neighborhood of single-family homes. Even though the zoning would allow for a higher density development, it was decided to use minimum density in order to be compatible with the neighborhood. Commissioner Jordan asked when it is estimated that the project will be completed. Mr. McRae noted that WNHS's current schedule for development shows construction beginning in May 2009 and being completed in June of 2010. This allows some cushion for delays in both the land use process and the fund raising process. Regarding the requested financing from the City, Weiss asked, from the standpoint of the project's financial structure, if it matters whether the City's financing comes from both CDBG and HOME funds, or just HOME funds. Mr. McRae responded that it is not relevant at this point, and that a HOME-only allocation would work. Weiss then noted that if there is flexibility with the project's financing structure, the City might want to provide its funding exclusively from HOME funds. Regarding the number of HOME-assisted units, Weiss noted that the project currently designates ten units at the Alexander Court site. He then asked if the project could support ten HOME-assisted units at the Seavey Meadows site as well without impacting the financing structure, especially given the low income tax credit requirements. Mr. Moorefield noted that possible extra costs with Davis-Bacon and BOLI regulations that would kick in if more HOME-assisted units were designated for the project. Weiss responded that if higher construction costs were likely to kick in, another approach to evaluate would be to consider this two separate projects from a HUD/HOME funding standpoint as long as this did not interfere with tax credit restrictions. He then proposed that staff and WNHS continue to work on this issue. Mr. Moorefield agreed to further discussion, noting WNHS's interest in helping the City reach its Consolidated Plan goals of maximizing assisted unit creation.

Chair Gibson thanked the WNHS representatives for their presentations. Following their departure and a short break, the deliberation process began. A lengthy discussion ensued during which each of the HOME and CDBG capital, Human Services, and other proposals and presentations was further reviewed and analyzed in order to bring Commissioners' recommendations to a consensus.

Regarding the two capital requests proposed by Samaritan Village, Commissioner Jordan moved, with Commissioner Berra's second, to recommend to the City Council a CDBG funding allocation total of up to \$100,131 to support its common building lift and emergency generator projects. The motion passed unanimously. Per HCDC's request, staff will explain to Samaritan Village staff that the "up to" allocation stems from discussion during their presentation of the emergency generator project about the possibility that using a diesel generator, and installing something large enough to power the entire building as opposed to only certain building circuits, could bring the cost for this project down significantly. It is the Commission's recommendation that this approach be considered and if it makes sense for Samaritan Village, to then secure cost estimates for comparison with the approach outlined in their proposal.

Regarding the capital funding request proposed by Habitat for Humanity, Commissioner Berra moved, with Commissioner Weber's second, to recommend to the City Council a HOME funding allocation total of up to \$158,000 to support Habitat's acquisition of land and construction of two attached home owner units at 286 and 288 SW Tunison. The motion passed unanimously. Per HCDC's request, staff will explain that the Commission's motion to approve this recommended allocation specified that as much as \$51,000 for each unit could be used in the project as "direct subsidy" to the purchaser and be provided as a forgivable grant, with 10% to be forgiven every two years over a term of 20 years. The remaining funding of at least \$28,000 for each unit is being recommended as a 0% amortized down payment assistance loan with a repayment term set to match the term Habitat will apply for its mortgages. The outstanding amount of both the City's forgivable grant, and its down payment loan, would be due on sale in the event that an assisted family transfers title to their unit before the end of the term. The HCDC's recommendation also includes the suggestion that Housing Division staff be given the authority to revise the terms of the City's assistance to keep Habitat's financing approach feasible while at the same time meeting the City's goals for creating both revolving program revenues and assisting low income home buyers.

Regarding WNHS's Leonard Knolls capital project, Commissioner McCarthy moved, with Commissioner Berra's second, to recommend to the City Council HOME funding in the amount of a \$20,000 grant and a \$215,406 loan. The motion passed unanimously. Per HCDC's request, staff will explain to WNHS that it is the Commission's recommendation that the HOME allocation come from prior year commitments to WNHS's Alexander project (to make up the loan portion) and CHDO project setasides (the grant portion) so that funds may be released for the project as soon as it is ready to proceed following Council approval. That would allow construction activity to begin during the current fiscal year rather than waiting until after July 1.

With regard to WNHS's Alexander/Seavey project, Commissioner Jordan moved, with Commissioner McCarthy's second, to recommend to the City Council HOME funding in the amount of \$547,700, bringing the total HOME allocation for that project when combined with prior-year commitments, to \$1,000,000. The motion passed 8-1, with Commissioner Schofield opposing. Per HCDC's request, staff will explain to WNHS that the Commission has established a goal of increasing the number of HOME-assisted units from ten to as many as 20 if it makes

financial sense for the project, either because Davis-Bacon or equivalent wage rates would be applied and are economically feasible, or because the project can be split into two separate activities for purposes of the HOME program, thereby allowing each site to contain ten HOME-assisted units. The Commission also recommends that authority to make a final decision on the number of HOME units above ten proposed would rest with Housing Division staff.

Commissioner Berra then moved, with Commissioner Weber's second, to recommend to the City Council HOME funding in the amount of \$20,000 to support WNHS's operations as a CHDO for the City's HOME program. The motion passed unanimously.

Commissioner Littlefield moved, with Commissioner Jordan's second, to recommend to the City Council CDBG funding in the amount of \$20,000 to support the Linn-Benton MicroBusiness Program. The motion passed unanimously.

The Commission then completed individual worksheets for Human Services Fund allocations, which were combined on a single sheet for discussion and consensus development. It was decided not to recommend any funding for the Kairos Consumer Council because the agency has been able to secure insurance coverage from a new provider at a much lower cost than what they have been paying, and because that insurance will allow Kairos to continue to conduct all of their intended activities. Per HCDC's request, staff will explain that the Commission feels that because the City's most significant contribution—funding the purchase of expensive liability insurance—is no longer needed, and the remainder of the grant request is under \$1,200, which is less than the cost for the City's administration, those funds could be better used to give other proposed services a bit more of what they were requesting. At HCDC's request, staff will also communicate the Commission's continued recognition of the valuable work Kairos is doing in the community.

Following agreement on final amounts, Commissioner Schofield moved, with Commissioner de La Mora's second, to recommend to the City Council allocations of FY 08-09 CDBG Human Services Funds to the agencies as follows:

- \$ 5,000 Benton Furniture Share
- \$ 9,000 Parent Enhancement Program
- \$ 8,500 Community Outreach, Inc.
- \$ 8,000 Grace Center for Adult Day Services
- \$11,000 South Corvallis Food Bank
- \$ 5,000 Old Mill Center
- \$ 7,000 Jackson Street Youth Shelter
- \$12,000 Circle of Hope Drop In Center
- \$ 8,000 Mid Valley Housing Plus
- \$ 6,500 Willamette Neighborhood Housing Services

The Commission also recommended that the Circle of Hope's receipt of funding be limited to covering rent and utilities costs, be contingent upon having a signed lease for a new facility location effective by July 1, 2008, and be released only in equal monthly payments over the

twelve month period that begins next July 1. The motion passed unanimously. Weiss thanked the Commissioners for their time and hard work with this year's funding allocation process. He noted that recommendations will be included in the draft FY 08-09 Action Plan which will be reviewed once more by the Commission on March 12th. The draft FY 08-09 through FY 12-13 Consolidated Plan will also be reviewed at the next meeting. The March 12th meeting will be followed by a 30-day public comment period after which the draft Plans will be presented to the City Council at a Public Hearing to be held on April 21st.

There being no further business, the meeting was adjourned at 9:30 p.m.

DRAFT

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION MINUTES March 12, 2008

Present

Judy Gibson, Chair
Robin de La Mora
Sherry Littlefield
David McCarthy
Dan Schofield
Patricia Weber, Planning Commission Liaison

Absent

Ed Fortmiller, Vice Chair
Buzz Berra
Jennifer Jordan
Trish Daniels, City Council Liaison

Staff

Kent Weiss
Joe DeMarzo
Lauren Sechrist
Terri Heine

Visitor

Anne Schuster

SUMMARY OF DISCUSSION

Agenda Item	Action/Recommendation
I. Presentation/Invitation: Corvallis Sustainability Coalition	Information Only
II. Consideration & Approval: HCDC Draft Minutes of 02/19/08 HCDC Draft Minutes of 02/21/08	Approval Approved as Amended
III. Status: Loan Funds and Recent Rehab Loans	Information Only
IV. Draft FY 08-09 through FY 12-13 CDBG/HOME Program Consolidated Plan and Draft FY 08-09 Action Plan	Recommendations
V. Other Business: Asset Limitation Policy	Discussion

CONTENT OF DISCUSSION

I. Presentation/Invitation:

Housing Division Manager Weiss opened the meeting, welcoming Anne Schuster. Ms. Schuster introduced herself as a member of the Corvallis Sustainability Coalition (CSC), noting that the CSC is a new organization that consists of over 100 partners, including non-profits, businesses, faith communities, education institutions, and local government, that are working together to accelerate the creation of a sustainable community. She explained that the CSC will be holding a series of three town hall meetings, with the first scheduled to take place March 31st from 6:00-9:00 p.m. at the CH2MHill Alumni Center, followed by a second meeting on June 25th and a third meeting on October 7th. Ms. Schuster explained that the March 31st gathering will mark the launch of a 9-month public process that will result in a Community Sustainability Action Plan for Corvallis and Benton County. The CSC's goal is to have a Plan completed by December 2008, with implementation to begin January 2009.

Continuing, Ms. Schuster noted that the CSC hopes to involve as many people from the community as possible during the town hall meetings in order to gather input about economic, social and environmental issues in the area. In addition to the town hall meetings, there will be several interim work groups composed of volunteers from a diverse cross-section of the community who will focus on specific issues.

Weiss asked how the process will continue once all of the input has been gathered. Ms. Schuster responded that the CSC has received funding from the City to hire a consulting firm to document the information which will then be reported to all of the CSC's partners. She then encouraged Commissioners to attend the town hall meetings in order to have their voices heard on issues they feel are important.

II. Consideration & Approval: HCDC Draft Minutes of 02/19/08 and 2/21/08

Weiss asked for consideration of the HCDC draft minutes of February 19, 2008. The minutes were approved unanimously. He then asked for consideration of the HCDC draft minutes of February 21, 2008. Commissioner Weber asked that the minutes be changed to more accurately reflect her comments made during Habitat for Humanity's presentation of their SW Tunison project, noting that her main concern was that HCDC's approval of the request for funding would not preclude other options Habitat may still have in regard to building detached rather than the proposed attached units. Weiss noted that staff would make the correction. The minutes were then approved unanimously as amended.

III. Status: Loan Funds and Recent Rehab Loans

Chair Gibson arrived. Housing Program Specialist DeMarzo reported that one new First Time Home Buyer (FTB) loan has closed since the last meeting. Regarding rehabilitation loans, DeMarzo reported that one Essential Repair (ER) Program loan has closed since the last meeting, adding that several more are in the application/review process.

IV. Draft FY 08-09 through FY 12-13 CDBG/HOME Program Consolidated Plan and Draft FY 08-09 Action Plan

Weiss noted that prior to review of the draft Plan, there is an additional item to discuss as it might have an impact on the final version of the Plan. He reminded the Commission that it had been suggested by James Hackett, Executive Director of the Linn-Benton Housing Authority (LBHA), that the City consider providing HOME-funded Tenant Based Rental Assistance (TBRA). Weiss noted that this topic has been discussed by the HCDC in the past and the consensus has been to not include TBRA in prior Consolidated Plans given a philosophy that HOME funds should be invested in "bricks and mortar" projects that will provide thirty years or more of guaranteed affordable housing, rather than used to support rents for short-term assistance.

Continuing, Weiss handed out copies of a table that reflects the amount of HOME funds that would be used to provide TBRA for a family of four at 30% of median (\$1,700/month). He explained that the table assumes rent and utilities for a three-bedroom unit at \$1,048/month (high HOME), noting the family's monthly contribution toward rent at 30% of income (\$510) and the City's contribution would be (\$538). He added that the table then shows the rental assistance per month and per year that the City would provide if 10 - 50 families were supported by TBRA. Weiss noted that staff estimates that annual fixed administrative costs to provide TBRA would be \$10,000 the first year to cover program planning and set up costs, and \$6,000 in fixed costs in following years. He explained that because current activity utilizes 100% of available HOME administrative funds, TBRA program setup (first year) and admin (ongoing) would have to be paid from non-HOME sources. Because the CDBG admin cap is fully utilized as well, non-federal 250 Revolving Loan Fund resources would likely be the source to cover TBRA program setup and operation.

Concluding, Weiss noted that the table shows the total annual investment (TBRA and admin costs) for the support of 10 - 50 families, as well as how the annual HOME funds (\$360,000) currently being used for unit creation would be affected if it was decided to provide TBRA as well. He then asked Commissioners for any input they might have regarding TBRA.

Following a brief discussion, it was the consensus of the HCDC to continue funding only bricks and mortar projects with HOME funds as there are enough current and proposed projects to use the full amount that has been allocated to the City, and because the investment in such projects has the benefit of providing long-term affordable housing.

Weiss then directed Commissioners to copies of a memorandum and the draft FY 08-09 through FY 12-13 CDBG/HOME Program Consolidated Plan and draft FY 08-09 Action Plan included in their packet. He noted that the priorities for review and discussion are the required HUD tables included in the Plan regarding homeless/capacity gaps, housing needs, and non-housing community development needs, adding that the goals and priorities detailed in the Plan need to reflect the contents of the tables. Weiss then provided an overview of the tables titled Homeless and Special Needs Populations, Priority Housing Needs/Investment Plan, and Non-Housing Community Development Needs table. Priorities for housing assistance are explained in more detail in the narrative section of the Plan as follows:

- High priority: all extremely low income renters; very low income elderly renters; all extremely low and very low income owners; all special needs populations except elderly and developmentally disables.
- Medium priority: all very low income renters (except elderly, which are high priority); low income elderly renters; all low income owners; special needs elderly and developmentally disabled.
- Low priority: all low income renters (except elderly, which are medium priority).

Continuing with his overview of the Plan, Weiss directed Commissioners to the Strategic Plan section of the Consolidated Plan, noting that this section provides documentation of the means through which the City will address the CDBG, HOME, and National Objectives as established by HUD for the five-year period beginning in FY 08-09. Weiss noted that although the strategy is broad, it allow for the flexibility to accept a wide range of project proposals so the City can keep its CDBG and HOME funds flowing, but also gives the latitude to maintain a very narrow focus if proposals are received for more than the amount that the City has to allocate in a given year.

Weiss then reviewed the information in the Strategic Plan section regarding housing activity goals. He noted that based on experience during the current five-year Consolidated Plan, the new Plan proposes a lower number of new affordable opportunities (only 150 vs. the current 250). Weiss explained that staff expects to achieve only about 100 total new affordable opportunities by the end of this fiscal year, which is the last of the current five-year Plan period, and because production will come up so short, it makes sense to lower the next five-year goal to something more manageable. In terms of units to be rehabbed, the new Plan proposes to increase the number from 125 to 175. Weiss noted that this higher number seems reasonable as it is already known that 82 units will be rehabbed in year one when the Samaritan Village life/generator installation project is completed. The goal for the creation of permanent supportive housing units is also showing an increase from eight to 30, as staff anticipates achieving a relatively large number of units early in the five-year period, including 10 through the WNHS/CARDV project that has been recommended for funding by the HCDC.

Weiss asked Commissioners if they had any comments, questions or suggestions related to the draft FY 08-09 through FY 12-13 CDBG/HOME Program Consolidated Plan and draft FY 08-09

Action Plan, adding that staff is asking for actions today by the HCDC to recommend City Council approval of the draft Plans, with any amendments or modifications called for by the Commission. Commissioner Weber suggested that information be added to the draft Consolidated Plan in the section regarding barriers to affordable housing that notes that the City has recently become a member of the Housing Alliance as recommended by the HCDC. Weiss noted that a new strategy and action will be written into the Plan that reflects the City's Housing Alliance membership and the anticipated related work with legislation on affordable housing issues.

Following the discussion, Commissioner McCarthy moved, with Commissioner Littlefield's second, to recommend City Council approval of the draft FY 08-09 through FY 12-13 CDBG/HOME Program Consolidated Plan, with the modifications as discussed. The motion passed unanimously.

Commissioner de La Mora moved, with Commissioner McCarthy's second, to recommend City Council approval of the draft FY 08-09 CDBG/HOME Program Action Plan. The motion passed unanimously.

V. Other Business: Asset Limitation Policy

DeMarzo handed out copies of a report noting details of the asset limitation standards contained in the City's housing loan policies. Asset limitations are used when determining whether a low income household qualifies for City housing loan assistance. DeMarzo explained that the City's Administrative Loan Policies do not include a definition of a dedicated retirement account. The current assumption is that a dedicated retirement account is an account whereby the principal is not accessible, without penalty, until the owner reaches a certain age (IRA and 401K type of accounts). DeMarzo noted that in 2006, the HCDC recommended changing the City's asset limitation from set amounts (\$15,000 for non-elderly households and \$60,000 for elderly households) to an amount tied to the household size and median income for that size.

Continuing, DeMarzo noted that the current policy guideline is that the homeowner may not have assets (excluding their primary residence, personal property within that residence, one automobile, and funds in dedicated retirement accounts) with a total value in excess of 50 percent of the annual Corvallis area median income (AMI) for their household size. Elderly (62 years or older) or severely disabled persons may not have assets exceeding 150 percent of the AMI for their household size.

DeMarzo then provided an overview of two case histories for customers who did receive City loans who had dedicated retirement accounts that were considered in their loan qualifying processes. The first case, which took place in 2003, was for a customer at 42% of the Corvallis AMI who qualified for an Essential Repair (ER) loan. The applicant had monetary assets totaling \$80,098, which exceeded the (then) program limit of \$15,000; the HCDC recommended a loan policy exception due to the asset accounts representing the applicant's entire retirement and/or

emergency reserve fund, and her limited ability to accumulate additional money for retirement. The second case took place in 2006. The applicants were a two-person elderly household who had approximately \$153,000 in dedicated retirement accounts, plus an additional \$31,000 in cash or other assets. DeMarzo explained that in this case, because the \$153,000 was in typical dedicated retirement accounts, the applicants asset qualified without the need for a loan policy exception by the HCDC.

DeMarzo noted that staff currently has two potential loan applicants whose situations have prompted revisiting the asset limitation policy. The first case is for a potential applicant who has a dedicated retirement account of about \$14,000 and who would income qualify. He would exceed the current asset limitation though because he owns a rental property in addition to his residence, which he considers to be a dedicated retirement account as well. The second case is for a potential applicant who would income qualify but owns a substantial amount of stocks and bonds (approximately \$200,000). The applicant derives a modest income from interest, dividends, and distributions from these funds, but considers the base amounts as his dedicated retirement funds. DeMarzo noted that it seems that the nature of both of these cases would not meet the City's current asset policy intent of a dedicated retirement account.

Concluding, DeMarzo noted that because the HCDC has made loan policy exceptions for over-limit assets in the past, staff is looking for direction on whether to continue the application process with the two current potential customers, knowing that they both are likely to be presented to the HCDC as loan policy exception requests in the future.

A brief discussion followed. Commissioner Weber opined that the City's asset limitation policy should be rewritten to include stronger language that specifically states that allowable dedicated retirement account are only those that cannot be touched without penalty. It was the consensus of the HCDC to have staff contact the two potential applicants, letting them know that they are welcome to submit their applications, but because their assets exceed current policy limitations, the applications will need to be submitted as loan policy exceptions to the HCDC for further consideration with the likelihood that the applications will be denied. Commissioners also agreed that further discussion on dedicated retirements accounts and the asset limitation policy would be beneficial when Commissioner Fortmiller and Councilor Daniels are available for their input.

There being no further business, the meeting was adjourned at 1:30 p.m.



Approved as revised, March 19, 2008

**CITY OF CORVALLIS
 PLANNING COMMISSION MINUTES
 February 6, 2008**

Present

David Graetz, *Chair*
 Karyn Bird, *Vice Chair*
 Frank Hann
 Tony Howell
 Steve Reese
 Denise Saunders
 Brandon Trelstad
 Patricia Weber

Staff

David Coulombe, Deputy City Attorney
 Fred Towne, Planning Division Manager
 Matt Grassel, Development Review Engineer
 Bob Richardson, Associate Planner
 Terry Nix, Recorder

Excused

Jennifer Gervais

SUMMARY OF DISCUSSION

	Agenda Item	Information Only	Held for Further Review	Recommendations
I.	Visitors' Propositions	X		
II.	Public Hearing - Brass Media Building Conversion, (CDP07-00005, LDO07-00023)			Approved as conditioned.
III.	Planning Commission Minutes A. December 19, 2007 B. January 2, 2008			Approved as presented. Approved as revised.
IV.	Old Business	X		
V.	New Business A. Planning Division Update	X		
VI.	Adjournment - 8:35 p.m.			

CONTENT OF DISCUSSION

The Corvallis Planning Commission was called to order by Chair David Graetz at 7:00 p.m. in the Downtown Fire Station Meeting Room, 400 NW Harrison Boulevard.

I. **VISITORS' PROPOSITIONS:** There were no propositions brought forward.

II. **PUBLIC HEARING - Brass Media Building Conversion (CDP07-00005, LDO07-00023):**

A. **Opening and Procedures:**

The Chair welcomed citizens and reviewed the public hearing procedures. Staff will present an overview followed by the applicant's presentation. There will be a staff report and public testimony, followed by rebuttal by the applicant, limited in scope to issues raised in opposition and sur-rebuttal by opponents, limited in scope to issues raised on rebuttal. The Commission may ask questions of staff, engage in deliberations, and make a final decision. Any person interested in the agenda may offer relevant oral or written testimony. Please try not to repeat testimony offered by earlier speakers. It is sufficient to say you concur with earlier speakers without repeating their testimony. For those testifying this evening, please keep your comments brief and directed to the criteria upon which the decision is based.

Land use decisions are evaluated against applicable criteria from the Land Development Code and Comprehensive Plan. A list of the applicable criteria for this case is available as a handout at the back of the room.

Persons testifying either orally or in writing may request a continuance to address additional documents or evidence submitted in favor of the application. If this request is made, please identify the new document or evidence during your testimony. Persons testifying may also request that the record remain open seven additional days to submit additional written evidence. Requests for allowing the record to remain open should be included within a person's testimony.

The Chair opened the public hearing.

B. **Declarations by the Commission: Conflicts of Interest, Ex Parte Contacts, Site visits, or Objections on Jurisdictional Grounds**

1. Conflicts of Interest: None.
2. Ex Parte Contacts: None.
3. Site Visits: Commissioners Howell, Reese, Trelstad, and Weber declared site visits.
4. Objections on Jurisdictional Grounds: None.

C. **Staff Overview:**

Associate Planner Bob Richardson said the applicant is requesting approval of a Conditional Development and a Lot Development Option which would allow the existing 3,431-square-foot building to be converted from Religious Assembly to Professional and Administrative Services uses. Approval of the application would permit construction of a new 945-square-foot addition to be used for Professional and Administrative Services, and allow proposed modifications to bring the existing parking lot and driveway into closer compliance with City standards. Planner Richardson reviewed the location, current uses, zoning and Comprehensive Plan Map designations of the site and surrounding properties.

D. **Legal Declaration:**

Deputy City Attorney Coulombe said the Commission will consider the applicable criteria as outlined in the staff report, and he asked that citizens direct their testimony to the criteria in the staff report or other criteria that they believe are applicable. It is necessary at this time to raise all issues that are germane to this request. Failure to raise an issue, or failure to provide sufficient specificity to afford the decision-makers an opportunity to respond, precludes an appeal to the State Land Use Board of Appeals on that issue.

The failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the local government to respond to the issue precludes an action for damages in Circuit Court.

E. Applicant's Presentation:

Bryan Sims, 5269 SW Meridian Place, introduced himself as CEO and Steven Sims as COO of Brass Media. He distributed copies of *Brass*, a magazine focused on helping young people understand money issues. The magazine includes articles on topics such as buying a house and handling credit, mixed with fun articles about real life experiences. He reviewed the history of the start-up of his company, which began in his garage in 2003, with the first issue launched in February 2004. The magazine now has about 500,000 readers nationwide and the company has grown to include 38 employees. Approval of the request is needed to create additional room for operations.

David Dodson, Willamette Valley Planning, showed an aerial photo and pointed out the existing Brass Media office building and other properties adjacent to the subject site. He reviewed the existing site plan, noting that it includes a nondescript church surrounded by concrete and asphalt, with a small amount of landscaping. He said the request is to convert the church building into an office use in two phases. Phase 1 would include a 945-square-foot addition to accommodate shipping and receiving of the magazine, as well as installation of a new pedestrian connection, modifications to the parking lot, and installation of additional landscaping. Phase 2 would provide enhanced circulation and connectivity to adjacent lots to the west that have Planned Development (PD) Overlays. Phase 2 is proposed as a separate phase because it will require a PD Modification. Mr. Dodson reviewed the existing building elevation and plans to enhance the elevation, including the addition of a number of windows. He said a building conversion requires the applicant to justify that it is not feasible to use the building for residential purposes. This issue is addressed in the Applicant's narrative, along with written information from two professionals.

Mr. Dodson said the applicant generally concurs with the staff report, with the exception of two of the proposed Conditions of Approval. He distributed and reviewed *Applicant's Recommended Modifications to Conditions of Approval 11 and 12 (Attachment A)*, which would allow the applicant to grant a public access easement rather than a right-of-way dedication. This is due to the applicant's concern about the cost of survey and environmental assessment work which would be required as part of a right-of-way dedication.

In response to an inquiry from Commissioner Saunders, Mr. Dodson explained that Phase 1 would include the addition and all of the site improvements. Phase 2 would include two one-way driveway connections for enhanced circulation, and is proposed separately because it will require a modification to the PD on adjacent lots prior to implementation.

In response to an inquiry from Commissioner Howell, Mr. Dodson clarified that the covered bikeway in the area of the addition is not intended to serve as a walkway.

Commissioner Howell asked if any thought had been given to extending the existing fence line to allow for additional buffering for the adjacent apartments. Mr. Dodson said this area, which consists of a parking lot interfacing with a driveway, has been coexisting without problems for some time and additional fencing is not proposed.

Commissioner Howell referred to the proposed modification to Condition of Approval 11. He said the intent of the right-of-way dedication requirement is to prepare the way to implement setback sidewalk standards as properties redevelop along that stretch, and he asked if any thought has been given to a future dedication, or to how that would be implemented when the time comes. Mr. Dodson said his client is primarily concerned with the initial costs. In discussion and in response to inquiry, the applicant expressed agreement with the potential of adding a legal mechanism for future dedication.

F. Staff Report:

Planner Richardson reviewed portions of the Conditional Development review related to Land Use, Natural Features, and Compatibility, as detailed in the staff report. He said that, as conditioned, the subject proposal for Phases 1 and 2 is consistent with the applicable criteria. The applicant has addressed issues related to landscaping, vehicular and bicycle parking, and other development standards typically reviewed for a Conditional Development request.

Planner Richardson then reviewed the applicable Land Development Code (LDC) Sections for the Lot Development Option Review, as detailed in the staff report. He said that, as conditioned, the subject proposal is consistent with the applicable compatibility criteria. The applicant has addressed issues related to parking, privacy, landscaping, architectural compatibility, and other development standards typically reviewed for a Lot Development Option request. It is recommended that the Planning Commission approve the requested Conditional Development and Lot Development Option, subject to the recommended Conditions of Approval.

G. Public Testimony in favor of the application: None.

H. Public Testimony in opposition to the applicant's request: None.

I. Neutral testimony: None.

The Chair reminded people that speaking neutrally removes rebuttal rights.

J. Rebuttal by Applicant: None.

K. Sur-rebuttal: None.

L. Additional time for applicant to submit final argument:

The applicant waived the additional time to submit written argument.

Questions of Staff:

Commissioner Weber asked if there is an advantage for the City to have a right-of-way dedication rather than a public easement. Development Review Engineer Matt Grassel said it may be more difficult to track a separate easement document over time. In response to further inquiries, Planning Division Manager Fred Towne said an easement could be written in such a way as to address issues that would be addressed in a dedication, including sidewalks, street trees, and the transit shelter that is envisioned for this area.

Commissioner Howell said approval of the requested change may set a precedent for future requests of this nature. He wondered how well a mix of right-of-way dedications and easements would work and/or whether the City would need to follow the easement strategy throughout this block. In discussion, Manager Towne said easements have been allowed in some situations in the past, generally when a dedication would cause problems for the development in some way.

Commissioner Weber requested additional information about the requirements for environmental assessment. Engineer Grassel read *LDC 4.0.100.g.1. The initial environmental assessment shall detail the history of ownership and general use of the land by past owners. Upon review of this information, as well as any site investigation by the City, the Director will determine if the risks of potential contamination warrant further investigation. If further investigation is warranted, a Level I Environmental Assessment shall be provided.*

Commissioner Saunders asked for the reasoning behind the LDC provision that requires buildings to be 4,000 square-feet in order to convert. Manager Towne said he thinks this may have been done to ensure a building was large enough that it would be difficult to rent or convert to residential uses. Commissioner Howell said he thinks the intent of the provision was related to existing residential converting to office use and did not necessarily anticipate the subject situation.

In response to inquiries from the Commission, City Attorney Coulombe read proposed language that could be added to Condition of Approval 11, if the Commission chooses to consider the applicant's request: *The easement instrument shall contain a provision requiring a full dedication of the easement area to the City, consistent with applicable Code provisions and at a time the City deems appropriate.*

M. Close the public hearing:

MOTION: Commissioner Bird moved to close the public hearing. Commissioner Trelstad seconded the motion and it **passed** unanimously.

N. Discussion and Action by the Commission:

MOTION: Commissioner Weber moved to approve, as conditioned, the requested Conditional Development (CDP07-00005), based on information identified in the staff recommendations. Commissioner Howell seconded the motion.

Commissioner Weber said she thinks Condition of Approval 11 requiring a right-of-way dedication, as proposed by staff, is in the City's best interest.

MOTION TO AMEND: Commissioner Weber moved to modify the second sentence of Condition of Approval 6 as follows: *All new exterior lighting fixtures, and all existing lighting fixtures proposed to be modified through this approval shall be of a full cut-off design and shall be shielded as required to preclude light trespass on adjacent properties.* Commissioner Trelstad seconded the motion.

Commissioner Weber said shields may or may not be necessary to achieve the goal of eliminating light trespass, and the full cut-off design will eliminate trespass up into the sky.

The motion to amend **passed** unanimously.

Commissioner Saunders asked Commissioner Weber to further clarify her position regarding the applicant's proposed modification to Condition of Approval 11. Commissioner Weber said she thinks a right-of-way dedication provides a clearer path, and she is not convinced that the additional cost to the applicant will be that great, especially given that the applicant would have to continue to pay taxes on the land if the applicant grants an easement. She said she does not support adding the additional work associated with creating and tracking an easement so that the applicant can save a small amount of money. Commissioner Reese said he is inclined to agree that it is in the City's best interest to require the right-of-way dedication, and he does not want to set a precedent in this area.

The amended main motion **passed** unanimously.

MOTION: Commissioner Hann moved to approve, as conditioned, the requested Lot Development Option (LDO07-00023), based on the information identified in the staff recommendations. Commissioner Bird seconded the motion and it **passed** unanimously.

O. Appeal Period:

The Chair explained that the decision will be effective 12 days from when the Notice of Disposition is signed, unless an appeal is filed with the City Recorder.

III. MINUTES:

A. Planning Commission, December 19, 2007:

MOTION: Commissioner Bird moved to approve the minutes as presented. Commissioner Hann seconded the motion and it **passed** unanimously.

B. Planning Commission, January 2, 2008:

MOTION: Commissioner Bird moved to approve the minutes as presented. Commissioner Trelstad seconded the motion.

Commissioner Howell requested the addition of a second and third sentence on Page 4, the seventh paragraph, as follows: *This will reduce sidewalk conflicts such as a bicycle approaching a stroller and either riding into the landscaped area or going too close to the drop-off on the other side. Privacy can be increased with landscaping.*

The motion **passed** with that revision.

IV. **OLD BUSINESS:** None.

V. **NEW BUSINESS:**

A. **Planning Division Update:**

Planning Division Manager Fred Towne updated the Commission on the status of appeals related to 7th Street Station, Whiteside Theater, Witham Oaks Development, Brooklane Heights, and Ashwood Preserve. He called attention to the new meeting schedule on the back of the agenda, and reviewed several projects coming forward. Brief discussion followed.

In discussion and in response to inquiries, Manager Towne briefly reviewed the Community Development budget enhancement request for a Long Range Planning Work Program Assistant to help the Planning Division work through its 63-item work program. He reviewed the other Department enhancement request for a Project Coordinator for the Development Services Division to help applicants with complex projects through the process.

VI. **ADJOURNMENT:** The meeting was adjourned at 8:35 p.m.

Applicant's Recommended Modifications to Conditions of Approval 11 and 12

11. **Right of Way Dedication Public Access Easement** - Prior to issuance of a Final Certificate of Occupancy for the building remodel, ~~additional ROW shall be dedicated to the City~~ a public access easement shall be granted along Circle Boulevard to provide for a future 12-foot wide planting strip and 5-ft wide sidewalk. ~~The location of the existing ROW will need to be determined to evaluate the amount of ROW required. An environmental assessment for all land to be dedicated must be completed in accordance with LDC Section 4.0.100.g.~~

12. **Utility Easement** – Prior to issuance of a Final Certificate of Occupancy for the building remodel, a 7-ft wide easement shall be granted behind the new ~~ROW~~ public access easement along Circle Boulevard for franchise utility purposes.

**Watershed Management Advisory Commission
MINUTES
February 20th, 2008**

Present

Jennie Cramer
Matt Fehrenbacher
Nicole Strong, Chair
Hal Brauner, City Council

Excused

Michael Campana
Paul Berg
Aaron Wolf
Jeff McDonnell

Staff

Steve Rogers, Public Works
Tom Penpraze, Public Works

Visitors

Kim Nelson, OSU
Jackie Schreck

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Introductions	X		
II. Approval of January 16 th Minutes		X	
III. Staff Reports	X		
IV. Public Comment	X		
V. Elect Vice Chair	X		
VI. Watershed Plan Implementation Budgeting	X		
VII. Commission Reports/Requests	X		
VIII. Public Comment Period	X		

CONTENT OF DISCUSSION

I. Introductions

Introductions of Commissioners, Staff, and Visitors were made. A quorum was not present.

II. Approval of January 16th Minutes.

Approval of the January 16th minutes has been postponed until the March 19th meeting.

III. Staff Reports.

Public Works Director Steve Rogers announced that staff are moving forward with the Marbled Murrelet surveys. The process has been delayed as a result of City requirements to issue an RFP as opposed to a bidding process for this project. Proposals are due on February 21st and staff has received interest from a few firms.

Public Works has received interest from three firms in regards to the consulting forester contract. In addition to Trout Mountain and IRM, Stuntzner Engineering and Forestry based out of Dallas has expressed their intent to submit a proposal. Proposals are due on February 28th.

Mr. Rogers announced that the budget committee is close to approving a .25 FTE employee to serve as program manager for the watershed. Budget Committee member Jackie Shreck added that final approval of the position is subject to approval of a revised budget which includes the position by the Budget Committee and subsequently the City Council. Chair Strong inquired about the feasibility of recruiting a .25 FTE. Mr. Rogers responded that in the past he has received interest for part time work from people affiliated with Oregon State University. The hiring process is expected to commence in May or June.

Mr. Rogers also reported on the current membership of the Commission. Two new members have been appointed by the Mayor and are expected to join the Commission at the March 19th meeting. The addition of these Commissioners will fill all the current vacancies. Jackie Shreck is also considering joining the Commission to replace Chair Strong upon her resignation.

Mr. Penpraze announced that the Oregon Watershed Enhancement Board is prepared to approve a \$400,000 grant for culvert replacements and large wood placement. A grant has already been received by the Oregon Department of Fish and Wildlife and another is under consideration for new screens on the intakes. At the next Marys Peak Stewardship meeting, it is expected that a decision will be made as to whether the City will receive a grant from the Siuslaw Stewardship Group for the fish passage project and large wood placement. In total the City is expecting to receive approximately \$500,000 in grants over the next two years with the City contributing matching funds totaling \$40,000-50,000. Chair Strong asked who would be responsible for managing and implementing the grant projects. Mr. Penpraze responded that the Marys River Watershed Council would be in charge of managing the grant and Steve Trask would be the project manager. Commissioner Fehrenbacher asked when these projects are expected to begin. Mr. Penpraze responded that these projects are scheduled for next summer. Most of the design and planning work is close to completion and all that remains is the field work, construction, and inspection.

IV. Public Comment

Kim Nelson, of Oregon State University, inquired about preparations for orienting new Commission members with regards to the Commission's roles and responsibilities. Mr. Rogers noted that staff will put the roles and responsibilities as discussed by the Commission at its January meeting into written form for distribution to the Commission. He expects to go over these documents with new Commissioners as they come on board. Commissioner Cramer added that further discussions of roles and responsibilities would occur with a full Commission.

V. Elect Vice Chair

Election of a Vice Chair has been postponed until the March 19th meeting.

VI. Watershed Plan Implementation Budgeting

Mr. Rogers conducted an explanation of the budgeting process and the structure of Water/Timber Fund. In most budget documents this fund is placed into the Combined Water Fund with other water related budgets. Mr. Rogers presented a monthly income statement which tracks all revenues and expenditures from the Water/Timber Fund. Revenues to this fund include the September timber harvest and leasing a portion of the property for radio towers. Expenditures include payments to Rock Creek Plant Operators for property/road maintenance, payments to the staff intern, supplies, utilities, and other overhead. These expenditures have not traditionally been addressed when discussing the Watershed budget. The Special Projects section is where projects discussed at Commission meetings (logging, surveys, invasive species treatment, etc.) are recorded. Mr. Rogers noted that when a budget is set, money is allocated to specific funds and the balance is adjusted as expenditures are made. Councilor Brauner added that when money is appropriated to specific funds, it carries over to the next fiscal year whereas dollars in general funds are reallocated during the next budgeting process.

Mr. Penpraze stated that budgets are generally made in December and go into effect in July at the start of the new fiscal year. A preliminary budget for FY 08-09 was presented to the Commission. Mr. Rogers noted that the current budget allocation is very similar to FY 07-08 budget and does not take into consideration suggestions from the Commission. He expects to receive comment regarding budget allocations at the March 19th meeting. It was also noted that the FY 08-09 budget is predicated on an additional timber harvest during the fiscal year. Given the current timber market, a decision will need to be made as to whether the City should pursue another harvest next fiscal year.

VII. Commission Reports/Requests

Commissioner Fehrenbacher requested an update on the status of the consulting forester and Marbled Murrelet RFP's. Chair Strong requested that additional time be allotted for introductions at the next meeting as a number of new people are expected. Mr. Rogers noted that elections should be held for the chair and vice-chair of the Commission. He also expressed his gratitude for the service of Chair Strong.

VIII. Public Comments

No comments were offered.

NEXT MEETING: March 19th, 2007, 5:30 p.m., Madison Avenue Meeting Room

MINUTES

Wednesday – February 20, 2008 3:00-4:00 PM

In Attendance: Dan Bedore, Gary Boldizar, Ed Boyd, Floyd Collins, Trish Daniels, Jay Dixon, Tom Eversole (by proxy), John Haroldson, Rick Hein, Jim Hogeboom, Jim Kramer, Roger Kroening, Al Krug, Jeff Lanz, Mark McCambridge (by proxy), Jo Ann Miller, Gail Newman, Jack Rogers, Jon Sassaman, Dan Schwab, David Sheehan, Diana Simpson, Cheryl Stone, JoAnne Trow, Locke Williams

Members Present: 25 = **Quorum** (Positions filled: 35 Quorum Requirement: 18 members)

Absent: Rob Corl, Mark Cotter, Charlie Crawford, Rick Crawford, Bill Currier, Ken Elwer, Elizabeth Foster, Paula Michaud, Jon Nelson, Deb Williams

Vacancies: Adair Village City Councilor, Adair Village Citizen Rep, Philomath City Manager/Rep

Staff: Michele Spaulding

Guests: Justin Carley, Jeanne Nelson, Michael Wilson

ACTIONS:

- November 2007 minutes approved as submitted.
- Gary Boldizar will draft a letter on behalf of the WCJC in support of the application being submitted by the Benton County Commission on Children & Families for the 2008 Drug Free Communities Grant. The WCJC Full Council will review the letter via email prior to the Executive Committee's final review.
- The Proxy Voting Guidelines were approved.

FUTURE AGENDA ITEMS:

- Alternative Incarceration Programs -- what are they and do they work? DA's Office could present
- View "Faces of Recovery", a film being made by OSU students
- Bob Kerr, OSU Greek Life Coordinator

UPCOMING MEETINGS (3:00pm – 4:30pm):

- **March 19th**
- April 16th
- May 8th
- June 18th
- No July Meeting

2007 - 2008 WCJC - Full Council February 20, 2008 Meeting

Call to Order & Introductions

Gary Boldizar called the meeting to order at 3:02pm. Introductions were made, the attendance roster was circulated.

1. Minutes

- November 2007 minutes approved as submitted.**

2. WCJC Committees, Projects, LPSCC Activities

- **General Updates: Gary Boldizar**

With the passing of Mayor Doug Killin, members of the WCJC made a memorial gift to the Albany Public Library in honor of Doug for \$250.00.

Phil Zerzan retired and wrote a letter (which was read) expressing his appreciation of the members and the work done by the WCJC.

- **2008 Drug Free Communities Grant – JoAnn Miller**

The Benton County Commission on Children & Families will submit a drug free communities support proposal, on behalf of the community, to provide activities and services that reduce alcohol and substance abuse among youth and establishes and strengthens our community coalition. The grant is for \$125,000 each year for five years. There are three new youth commissions in Monroe, Alsea, and Corvallis. These high school youth commissions report back to the Commission on Children & Families. Their goal is to identify initiatives and activities for their communities that keep kids off substances. They do things like Teen Summit, Teen Idol Project, Red Ribbon Week, etc.

The Benton County Commission on Children & Families is requesting a letter of support and help promoting the media campaign from the WCJC.

- Gary Boldizar will draft a letter on behalf of the WCJC in support of the application being submitted by the Benton County Commission on Children & Families for the 2008 Drug Free Communities Grant. The WCJC Full Council will review the letter via email prior to the Executive Committee's final review.**

- **Proxy Voting Recommendations – Gary Boldizar**

The Executive Committee had further discussion on the topic of proxy voting at our last meeting and came up with some revisions to the proxy voting guidelines. They are as follows:

- Members may designate a proxy for their vote to another person within their agency. Non-agency members may proxy their vote to a sitting WCJC member.
- Members must provide written notification, an email is acceptable, to the WCJC of their intent to proxy (including proxy's name and any voting limitations) prior to the meeting.
- Individuals carrying a proxy vote must attend the meeting to vote.
- Members are limited to two (2) proxy votes per year.

A question was raised regarding what constitutes a person's agency. If a person needs to designate a proxy for their vote, the intent of the first bullet is to get as close to the same representation as possible. So if a member is part of a large organization (city, county, university) but represents a specific department on the WCJC, they should find a designee from within their department.

- The Proxy Voting Guidelines were approved.**

According to the WCJC Bylaws:

- 1.2.2 Written notice shall be given at least 5 days prior to amending the Bylaws. Notice shall include a complete copy of the proposed amendments.

Michele Spaulding will email the proposed bylaw amendments to the WCJC Full Council then distribute a new copy of the entire WCJC Bylaws once the five day waiting period has passed if no changes are recommended. The email will include the surrounding bylaw sections so members can see where the Proxy Voting Guidelines will be placed.

2007 - 2008 WCJC - Full Council February 20, 2008 Meeting

- **Task Forces**

- **Drug Treatment Court (DTC) – Locke Williams**

- We have two drug treatment courts in Benton County, adult and juvenile. The courts run cooperatively with various agencies. Each month we update the statistics which tend to be similar from month to month.

- The adult program is the older of the two and has a larger number of participants. Currently, there 46 participants, the drug of choice is methamphetamine, the overwhelming percentage of the population is Caucasian and there are more male than female participants. Drug Treatment Court began in November of 2001 and not everyone successfully completes the program. Of the 204 participants who have been involved, 53 have been terminated and 88 have graduated. Graduations are held throughout the year and everyone is welcome to attend. Graduation represents a lot of hard work on the part of the participants. The average length of time in the program is 19 months. One other significant statistic from the adult program is that 18 drug free babies have been born. The recidivism rates show that drug treatment courts work. Judge Holcomb is the presiding judge over the adult program.

- The juvenile program is smaller in scale with a maximum of 15 participants. Currently there are 15 participants with three or four just admitted in the last few weeks. In the next six weeks, four participants will be graduating. The graduation requirements were recently reviewed and a life skills component was added which is set up through the Jackson Street Youth Shelter. Kids who have enough clean time can complete the six week program and be ready for graduation. While it is much easier for kids to stay on probation instead of completing the rigorous 16 to 17 month program, the kids do get so much more. We have one kid who has made amazing strides in the program with over 400 days clean and sober. He was essentially a drug mule with very low self esteem who never attended school. He now has the tools to stay clean and sober and lead a good, productive life. The program is so intensive that participants are screened and must be adjudicated in to participate. Judge Williams is the presiding judge over this program.

3. Other Business

WCJC DUII VIP Grant Process Update – Gary Boldizar

- The DUII Victim Impact Panel Grant Announcement for \$15,000 was distributed. The deadline for grant submission is February 29, 2008. The Executive Committee will be reviewing the grant applications on March 13, 2008.

Initiative 40 – Michael Wilson

- Michael Wilson, Criminal Justice Commission Economist, presented the potential impacts of Initiative 40 (which requires mandatory minimum sentences on property and drug crimes) on the corrections system. His presentation also included information on SB1087. Handouts were available and his presentation is attached.

Adjournment

The meeting was adjourned at 4:28pm.

MEMORANDUM

To: City Council Members
From: Charles C. Tomlinson, Mayor CCT
Date: March 31, 2008
Subject: Confirmation of Appointments to Advisory Boards and Commissions

As you know, at our last regular meeting I appointed the following persons to the advisory board and commission indicated for the terms of office stated:

Citizens Advisory Commission on Transit

Susan Hyne
1975 SE Crystal Lake Drive, Unit 111
Corvallis, OR 97333
Telephone: 753-4453
Term Ends: June 30, 2009

Parks, Natural Areas, and Recreation Board

Jen de-Vries
1665 SE Bethel Street
Corvallis, OR 97333
Telephone: 729-1898
Term Expires: June 30, 2008

I ask that you confirm these appointments at our next Council meeting, April 7, 2008.

MEMORANDUM

To: City Council Members

From: Charles C. Tomlinson, Mayor

CCT

Date: April 2, 2008

Subject: Vacancies on Advisory Boards, Commissions, and Committees

Scott Carroll has resigned from the Citizens Advisory Commission on Transit. Scott's term on the Commission expires June 30, 2009.

John Locker has resigned from the Parks, Natural Areas, and Recreation Board. John's term on the Board expires June 30, 2008.

I would appreciate your nominations of citizens to fill these vacancies.

1042

MEMORANDUM

To: Mayor and City Council

From: Tony Krieg, Customer Services Manager *AK*

Subject: Liquor License Investigation

Date: March 28, 2008

The City has received an application from Iain and Tonya Duncan, owners of Duncan Culinary Ventures, Inc, doing business as, Aqua Seafood Restaurant located at 151 NW Monroe #102, Corvallis, Oregon. The application is for a Change in Ownership with a Full On-Premises Sales Liquor License.

The City has also received an application from Kathleen and Damian Irwin, Owners of Zia Southwest Cuisine, LLC, doing business as, ZIA Southwest Cuisine located at 121 SW 3rd Street, Corvallis, Oregon. The application is for a New Outlet with a Limited On-Premises Sales Liquor License.

An affirmative recommendation has been received from the Police, Fire, and Community Development Departments. No citizen comments or input were received regarding these applications for endorsement.

Staff recommends the City Council authorize endorsement of these applications.

Full On-Premises Sales License

Allows the sale and service of distilled spirits, malt beverages, cider, and wine for consumption on the licensed premises. Also allows licensees who are pre-approved to cater events off the licensed premises.

Limited On-Premise Sales License

Allows the sale of malt beverages, wine and hard cider for consumption on the licensed premises, and the sale of kegs of malt beverages for off-premises consumption. Also allows licensees who are pre-approved to cater events off the licensed premises.

MEMORANDUM



To: Mayor and City Council
From: Karen Emery, Acting Director
Jackie Rochefort, Park Planner
Date: March 24, 2008
Subject: Willamette River Greenway Permit Application - Project Funds

Issue:

Whenever a Capital Improvement Project (CIP) exceeds the approved budget by more than 25%, City Council approval is required. The transfer of park SDC funds from North Riverfront Park project # 675295 to Willamette Park project # 675296 is needed for completion of design and Willamette River Greenway permitting.

Background:

The Willamette Park Project # 675296 was adopted as a CIP project in FY 05-06. In March 2006, staff hired the consultant team of Walker Macy, CH2MHill, and Winterood Planning to assist in the preparation of the Master Plan and the WRG application. In June 2006, a Stakeholder Committee was selected. A stakeholder meeting established site goals, which included neighborhood park uses and structured play areas.

The Stakeholder Committee forwarded its preferred park master plan to the Parks and Recreation Advisory Board on May 1, 2007 for review and approval. The Board endorsed the final Willamette Park Master Plan. At the August 6, 2007 Council meeting, Council approved forwarding the conceptual plan through land use processing.

Discussion:

The Park and Recreation Facilities Plan, adopted in 2000, shows a mini-park, identified as the Bell Area Mini Park, in the vicinity of Willamette Park. Improvements meeting mini-park criteria and new improvements increasing the capacity of Willamette Park as a whole, proposed in the Willamette Park Master Plan, are SDC eligible as detailed in the 2000 Park and Recreation Facilities Plan. However, the mini-park was not anticipated at the start of the project, therefore an SDC component was not established as part of the project budget.

An application for a Willamette River Greenway (WRG) permit for Willamette Park is currently being prepared. As the scope of work to prepare the Greenway application has expanded due to improvements related to the mini-park, consultant fees increased beyond the original estimated cost for the project.

In addition, the Greenway application for the North Riverfront project has been delayed for a minimum of two years as ODOT completes a transportation plan for the area. Therefore, SDC funds from that project are available in FY 07/08. Staff recommends transferring SDC funds in the amount of \$50,000 from the North Riverfront project (#675295) to the Willamette Park project (#675296). This together with the existing Willamette Park budget appropriation of \$30,000 will fund the cost of all consultant fees and the application fee for the Willamette River Greenway permit application.

MEMORANDUM



To: Mayor and City Council
From: Karen Emery, Acting Director ✓
Date: March 27, 2008
Subject: Rental of Crystal Lake Storage Unit

Issue:

The storage container used by the Recreation Division for its many program and day camp supplies cannot be made rodent free and temporary storage is needed.

Background:

Currently, the Recreation Division makes use of a storage container located at the Avery Park Administration Building. Resident rodents have found various entrances into the storage container, despite staff attempts to eradicate the problem.

Discussion:

Staff will construct appropriate storage on the Parks Operations campus in August/September 2008. Crystal Lake Storage offers temporary needed space for storing of supplies for the next six months at a competitive price (\$128/mo. for a 10X20 unit). ORS 271.390 requires the governing body of a city to authorize a contract for the leasing, rental or financing of any real or personal property.

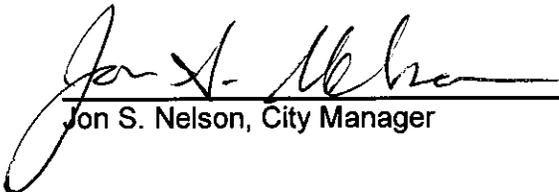
The current storage unit at Avery Park will be used to store irrigation pipe.

Prior to the beginning of the summer program, supplies will either be discarded or sanitized and stored at Crystal Lake Storage.

Recommendation:

Staff recommends City Council authorize the Parks and Recreation Department to rent temporary storage space at Crystal Lake Storage.

Review and Concur:



Jon S. Nelson, City Manager



Nancy Brewer, Finance Director

Attachment

RENTAL AGREEMENT

NAME:

THIS RENTAL AGREEMENT is executed in duplicate on this _____ day of _____, 20____, by and between Crystal Lake Public Storage, 100 SE Crystal Lake Drive, Corvallis, OR 97333, (503) 757-2790 ("Owner") and _____ ("Occupant") whose residence and alternate addresses are set forth below, for the purpose of leasing or renting certain space as hereinafter described with the express understanding and agreement that no bailment or deposit of goods for safekeeping is intended or created hereunder.

It is agreed by and between Owner and Occupant as follows:

- DESCRIPTION OF PREMISES.** Owner leases to Occupant and Occupant leases from Owner Enclosed Space No. _____ (approximately _____) and/or Parking Space No. _____ (hereinafter the "Premises") located at the above referenced address of Owner and included in a larger facility at such address containing similar leased real property and common areas for the use of Occupant and other occupants (the entire facility is hereinafter referred to as the "Project"). Occupant has examined the Premises and the Project and, by placing his INITIALS HERE _____, acknowledges and agrees that the Premises and the common areas of the Project are satisfactory for all purposes, including the safety and security thereof, for which Occupant shall use the Premises or the common areas of the Project. Occupant shall have access to the Premises and the common areas of the Project only during such hours and days as are regularly posted at the Project.

2. TERM. (TENANT'S INITIALS initial only one)
The term of this Rental Agreement shall commence as of the date first above written and shall continue from the first day of the month immediately following on a month-to-month occupancy until terminated.

3. RENT. Occupant shall pay owner as a monthly rent, without deduction, prior notice, demand or billing statement, the monthly sum of \$ _____, plus additional monthly rent of \$ _____, due pursuant to paragraph 11, per month in advance on the first day of each month; provided, however, that with respect to a term of at least one year, the Occupant may, by placing his INITIALS HERE _____, prepay the entire amount due on the commencement date and there shall be no rental charge for the thirteenth (13th) month in the second year. If the term of this Rental Agreement shall commence other than on the first day of the month, Occupant shall owe a pro rata portion of the first month's rent. However, Occupant shall pay, in advance, at least one full month's rent. Any rent paid in excess of that owed for the pro rata portion of the month in which this Rental Agreement begins shall be credited to rent payable for the month immediately following. Occupant understands and agrees that under no circumstances will Occupant be entitled to a refund of the first month's rent paid upon execution of the Rental Agreement, and, thereafter, if this Rental Agreement terminates other than on the last day of the month, Occupant shall not be entitled to a refund of a pro rata portion of the rent for the month in which the termination occurred. With respect to any month-to-month tenancy, the monthly rent may be adjusted by Owner effective the month following written notice by Owner to Occupant specifying such adjustment, which such notice shall be given not less than (30) days prior to the first day of the month for which the adjustment shall be effective. Any such adjustment in the monthly rent shall not otherwise affect the terms of this Rental Agreement and all other terms of this Rental Agreement shall remain in full force and effect.

4. FEES AND DEPOSITS.
A. Concurrently with the execution of this Rental Agreement, Occupant shall pay to Owner \$ 10 as a nonrefundable new account administration fee.
B. All rent shall be paid in advance on the first day of each month and in the event Occupant shall fail to pay the rent by the tenth (10th) of the month, Occupant shall pay, in addition to any other amounts due, a late charge of \$10.00. INITIALS HERE _____
C. Concurrently with the execution hereof, Occupant shall deposit with Owner \$ 10 to secure Occupant's performance pursuant to the provisions of this Rental Agreement. Owner may commingle the deposit with funds in its general accounts, and may, at Owner's election, apply the deposit to any amounts due and unpaid by Occupant hereunder. The balance of the deposit shall be returned to Occupant, without interest, within two (2) weeks after the termination of this Rental Agreement providing that Occupant is not in default hereunder. If the deposit is undeliverable because Occupant's address is no longer valid, Owner may keep the deposit until requested in writing by Occupant.

5. USE OF PREMISES AND COMPLIANCE WITH LAW. Occupant shall not store on the Premises personal property in or to which any other person has any right, title or interest. Occupant acknowledges that Owner has no concern with the kind, quality or value of property stored by Occupant. Because the value of the property may be difficult or impossible to ascertain, Occupant agrees that under no circumstances will the aggregate value of all personal property stored in the premises be deemed to exceed \$5,000. Occupant may store personal property worth less than \$5,000 and nothing contained herein shall be evidence or admission by Owner that the aggregate value of the personal property stored in the Premises is, will be, or is expected to be, at or near \$5,000. It is specifically understood and agreed that the Owner need not be concerned with the kind, quantity, or value of personal property or other goods stored by Occupant in or about the Premises pursuant to this Rental Agreement. Occupant shall not store any improperly packaged food or perishable goods, flammable materials, explosives or other inherently dangerous material, nor perform any welding on the Premises or in the Project. Occupant shall not store any personal property on the Premises which would result in the violation of any law of any governmental authority, and Occupant shall comply with all laws, rules, regulations and ordinances of any and all governmental authorities concerning the Premises or the use thereof. Occupant shall not use the Premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to other occupants in the Project. Occupant acknowledges and agrees that the Premises and the Project are not suitable for the storage of heirlooms or precious, invaluable, or irreplaceable property such as books, records, writings, works of art, objects for which no immediate resale market exists and objects which are claimed to have special or emotional value to Occupant. Occupant agrees that the value of such item shall not exceed for any purpose the salvage value of the raw materials of which the item is constituted. Occupant acknowledges that the Premises may be used for storage only, and that the use of the Premises for the conduct of a business or for human or animal habitation is specifically prohibited. By placing his INITIALS HERE _____, Occupant acknowledges that he has read and understands the provisions of this paragraph 5 and agrees to comply with its requirements.

6. INSURANCE. Occupant, at Occupant's sole expense, shall maintain on all personal property in, or about the premises, to the extent of at least 100% of the actual cash value of such personal property, a policy or policies of insurance covering damage by fire extended coverage perils, vandalism and burglary. Occupant may obtain insurance from the insurance company of Occupant's choice. Occupant may obtain certain of the insurance necessary to satisfy the requirements of this section by electing coverage under the insurance plan described in the insurance brochure made available by Owner. Insurance coverage for goods stored in the Parking Space and other coverage not available under the insurance plan described in the brochure may be obtained from an insurance company other than the one described in the brochure. To the extent Occupant does not maintain insurance for the full value of the personal property stored in the Enclosed Space and Parking Space, Occupant shall be deemed to have "self-insured." To the extent that Occupant has "self-insured," Occupant shall bear all risk of loss or damage. Occupant hereby releases Owner and Owner's agents and authorized representatives and employees (hereinafter collectively referred to as "Owner's Agents") from any and all claims for damage or loss to personal property in, on or about the premises, that are caused by or result from perils that are, or would be covered under the required insurance policy and hereby waives any and all rights of recovery against Owner and Owner's Agents in connection with any damage which is or would be covered by any such insurance policy. While information may be available to Occupant with respect to insurance, Occupant understands and agrees that Owner and Owner's Agents are not insurers, insurance agents, insurance brokers, or insurance solicitors, and do not assist and have not assisted Occupant in the explanation of coverage or in the making of claims under any insurance policy. Nothing in this paragraph shall limit or reduce the rights and benefits of the Owner under paragraph 7. If Occupant elects to purchase insurance from the company named in the brochure made available by Owner, Occupant shall send the required insurance premiums to such address as may be provided by the insurance company. By placing his INITIALS HERE _____, Occupant acknowledges that he has read and understands the provisions of this paragraph 6 and agrees to comply with its requirements.

7. LIMITATION OF OWNER'S LIABILITY; INDEMNITY. Owner and Owner's Agents shall not be liable to Occupant for any damage, or personal injury to any person, Occupant or any property stored in, on or about the Premises or the Project, arising from any cause whatsoever, including, but not limited to, theft, fire, mysterious disappearance, rodents, acts of God or the active or passive acts, omissions or negligence of Owner or Owner's Agents, except that Owner or Owner's Agents, as the case may be, may, except as otherwise provided in paragraph 6, be liable to Occupant for damage, loss or personal injury to Occupant or Occupant's property resulting from Owner's or Owner's Agents' fraud, willful injury or willful violation of law. Occupant shall indemnify and hold Owner and Owner's Agents harmless from any and all damage, loss, or personal injury arising out of or in connection with any damage, loss, or personal injury to any person or property occurring in, on or about the Premises or the Project, arising in any way out of Occupant's use of the Premises, whether occasioned by Owner or Owner's Agents active or passive acts, omissions or negligence or otherwise, other than damage, loss or personal injury in connection with Owner's or Owner's Agents' fraud, willful injury or willful violation of law. Notwithstanding anything contained in this Rental Agreement, in no event shall Owner or Owner's Agents be liable to Occupant in an amount in excess of \$5,000 for any damage, loss or personal injury to any person, Occupant or any property stored in, on or about the Premises or the Project arising from any cause whatsoever, including, but not limited to, Owner's or Owner's Agents' active or passive acts, omissions or negligence. By placing his INITIALS HERE _____, Occupant acknowledges that he has read, understands and agrees to the provisions of this paragraph 7.

*** INCORPORATION OF PROVISIONS ON REVERSE SIDE.** By placing his Initials here, _____ Occupant acknowledges that he has read, is familiar with and agrees to all of the provisions printed on the reverse side of this Rental Agreement, and Owner and Occupant agree that all such provisions constitute a material part of this Rental Agreement and are hereby incorporated by reference. *****

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement the day and year first above written.

Received by _____	Alternate name and address (relative, business, close friend): _____
Authorized for Access _____	_____
Occupant's Initials _____	Name _____
_____	Street Address _____
_____	City, State, Zip Code _____
_____	Telephone _____
OCCUPANT _____	OWNER: CRYSTAL LAKE PUBLIC STORAGE
Signature _____	Date of Rental Agreement _____
Name (Please Print) _____	Rental Agreement (Lease) No. <u>06371</u>
Residence _____	Enclosed Space No. _____
Street Address _____	
City, State, Zip Code _____	
Telephone _____	

SPACE NO.

- 17000
8. **ENTIRE AGREEMENT.** There are no representations, warranties, or agreements by or between the parties which are not fully set forth herein and no representative of Owner or Owner's Agents is authorized to make any representations, warranties or agreements other than as expressly set forth herein.
 9. **OWNER'S LIEN.** If rent or other charges due under this Rental Agreement are delinquent ten (10) days after the due date, Owner may terminate Occupant's right to use the Premises. Occupant acknowledges that the contents of the Premises are subject to the Landlord's Lien created by ORS 87.162 for delinquent rent and other charges permitted by Oregon law.
 10. **ABANDONMENT OF OCCUPANT'S PROPERTY.** Any personal property of Occupant which shall remain in or on the Premises or at the Project after the expiration or termination of this Rental Agreement (other than the termination of this Rental Agreement while a default by Occupant exists) shall be considered abandoned at the option of Owner, and if abandoned, Owner may sell, destroy or otherwise dispose of Occupant's property.
 11. **ALTERATIONS.** Occupant shall not make or allow any alterations of any kind or description whatsoever to the Premises without, in each instance, the prior written consent of the Owner.
 12. **LOCK.** Occupant shall provide at Occupant's own expense, a lock for the Premises which Occupant, in Occupant's sole discretion, deems sufficient to secure the Premises. Occupant shall not provide Owner or Owner's Agents with a key and/or combination to Occupant's lock.
 13. **RIGHT TO ENTER, INSPECT AND REPAIR PREMISES.** Occupant shall grant Owner, Owner's Agents or the representatives of any governmental authority, including police and fire officials, access to the Premises upon three (3) days' prior written notice to Occupant. In the event Occupant shall not grant access to the Premises as required or in the event of an emergency or upon default of Occupant's obligations under this Rental Agreement, Owner, Owner's Agents or the representatives of any governmental authority shall have the right to remove Occupant's lock and enter the Premises for the purpose of examining the Premises or the contents thereof or for the purpose of making repairs or alterations to the Premises and taking such other action as may be necessary or appropriate to preserve the Premises, or to comply with applicable law or enforce any of Owner's rights. In the event of any damage or injury to the Premises or the Project arising from the active or passive acts, omissions or negligence of Occupant, all expenses reasonably incurred by Owner to repair or restore the Premises or Project shall be paid by Occupant as additional rent and shall be due upon demand by Owner. In the event this Rental Agreement is reinstated after removal of the Occupant's lock pursuant to this paragraph, Occupant shall be required to furnish a new lock at Occupant's expense.
 14. **NO WARRANTIES.** Owner hereby disclaims any implied or express warranties, guarantees or representations of the nature, condition, safety or security of the Premises and the Project and Occupant hereby acknowledges, as provided in paragraph 1 above, that Occupant has inspected the Premises and hereby acknowledges and agrees that Owner does not represent or guarantee the safety or security of the Premises or of any property stored therein. This Rental Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings with respect thereto.
 15. **TERMINATION.** This Rental Agreement shall terminate at the expiration of any term of this Rental Agreement by the party desiring to terminate this Rental Agreement giving written notice by certified or registered mail to the other party of such party's intention to terminate not less than seven (7) days before expiration of the term. Owner may terminate this Rental Agreement at the expiration of any term by giving written notice to Occupant by certified or registered mail not less than seven (7) days before expiration of the term. For month-to-month occupancies, Owner may terminate this Rental Agreement as of the last day of the calendar month (excluding any partial calendar month during which this Rental Agreement commences) by giving written notice to Occupant not less than seven (7) days before the end of such month. Further, this Rental Agreement may, at the option of Owner, be terminated upon any default by Occupant under terms of this Rental Agreement or the abandonment of the Premises by Occupant. Occupant may terminate this Rental Agreement at any time by giving two (2) days' oral or written notice to Owner.
 16. **CONDITION OF PREMISES UPON TERMINATION.** Upon termination of this Rental Agreement, Occupant shall remove all Occupant's personal property from the Premises unless such property is subject to Owner's lien rights as referenced in paragraph 9 and shall immediately deliver possession of the Premises to Owner in the same condition as delivered to Occupant on the commencement date of this Rental Agreement reasonable wear and tear expected.
 17. **NOTICES.** Except as otherwise expressly provided in this Rental Agreement or by law, any written notices or demands required or permitted to be given under the terms of this Rental Agreement may be personally served or may be served by first class mail deposited in the United States mail with postage thereon fully prepaid and addressed to the party so to be served at the address of such party provided for in this Rental Agreement. Service of any such notice or demand shall be deemed complete on the date delivered, or if mailed, shall be deemed complete on the date of deposit in the United States mail, with postage thereon fully prepaid and addressed in accordance with the provisions hereof.
 18. **NOTIFICATION OF CHANGE OF ADDRESS.** In the event Occupant shall change Occupant's place of residence or alternate name and address as set forth on this Rental Agreement, Occupant shall give Owner written notice of any such change within ten (10) days of the change, specifying Occupant's current residence and alternate name, address and telephone numbers.
 19. **ASSIGNMENT.** Occupant shall not assign or sublease the Premises or any portion thereof without in each instance the prior written consent of Owner.
 20. **SUCCESSION.** All of the provisions of this Rental Agreement shall apply to, bind and be obligatory upon the heirs, executors, administrators, representatives, successors and assigns of the parties hereto.
 21. **CONSTRUCTION.** This Rental Agreement shall be governed and construed in accordance with the laws of the State of Oregon. Whenever possible, each provision of this Rental Agreement shall be interpreted in such manner as to be effective and valid under applicable law but, if any provision of this Rental Agreement shall be invalid or prohibited under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Rental Agreement.
 22. **TIME.** Time is of the essence of this Rental Agreement, 7 a.m. to 10 p.m.
 23. **RULES AND REGULATIONS.** The rules and regulations posted in a conspicuous place at the Project are made a part of this Rental Agreement and Occupant shall comply at all times with such rules and regulations. Owner shall have the right from time to time to promulgate amendments and additional rules and regulations for the safety, care and cleanliness of the Premises, Project and all common areas, or for the preservation of good order and, upon the posting of any such amendments or additions in a conspicuous place at the Project they shall become a part of this Rental Agreement.

RENTAL AGREEMENT

NAME:

THIS RENTAL AGREEMENT is executed in duplicate on this _____ day of _____, 20____, by and between Crystal Lake Public Storage, 100 SE Crystal Lake Drive, Corvallis, OR 97333, (503) 757-2790 ("Owner") and _____ ("Occupant") whose residence and alternate addresses are set forth below, for the purpose of leasing or renting certain space as hereinafter described with the express understanding and agreement that no bailment or deposit of goods for safekeeping is intended or created hereunder. It is agreed by and between Owner and Occupant as follows:

SPACE NO.

1. DESCRIPTION OF PREMISES. Owner leases to Occupant and Occupant leases from Owner Enclosed Space No. _____ (approximately _____) and/or Parking Space No. _____ (hereinafter the "Premises") located at the above referenced address of Owner and included in a larger facility at such address containing similar leased real property and common areas for the use of Occupant and other occupants (the entire facility is hereinafter referred to as the "Project"). Occupant has examined the Premises and the Project and, by placing his INITIALS HERE _____, acknowledges and agrees that the Premises and the common areas of the Project are satisfactory for all purposes, including the safety and security thereof, for which Occupant shall use the Premises or the common areas of the Project. Occupant shall have access to the Premises and the common areas of the Project only during such hours and days as are regularly posted at the Project.

2. TERM. (TENANT'S INITIALS - initial only one) The term of this Rental Agreement shall commence as of the date first above written and shall continue from the first day of the month immediately following on a month-to-month occupancy until terminated.

3. RENT. Occupant shall pay owner as a monthly rent, without deduction, prior notice, demand or billing statement, the monthly sum of \$ _____, plus additional monthly rent of \$ _____ due pursuant to paragraph 11, per month in advance on the first day of each month provided, however, that with respect to a term of at least one year, the Occupant may, by placing his INITIALS HERE _____, prepay twelve (12) months rent on the commencement date and there shall be no rental charge for the thirteenth (13th) month in the second year. If the term of this Rental Agreement shall commence other than on the first day of the month, Occupant shall owe a pro rata portion of the first month's rent. However, Occupant shall pay, in advance, at least one full month's rent. Any rent paid in excess of that owed for the pro rata portion of the month in which this Rental Agreement begins shall be credited to rent payable for the month immediately following. Occupant understands and agrees that under no circumstances will Occupant be entitled to a refund of the first month's rent paid upon execution of the Rental Agreement, and, thereafter, if this Rental Agreement terminates other than on the last day of the month, Occupant shall not be entitled to a refund of a pro rata portion of the rent for the month in which the termination occurred. With respect to any month-to-month tenancy, the monthly rent may be adjusted by Owner effective the month following written notice by Owner to Occupant specifying such adjustment, which such notice shall be given not less than (30) days prior to the first day of the month for which the adjustment shall be effective. Any such adjustment in the monthly rent shall not otherwise affect the terms of this Rental Agreement and all other terms of this Rental Agreement shall remain in full force and effect.

4. FEES AND DEPOSITS. A. Concurrently with the execution of this Rental Agreement, Occupant shall pay to Owner \$ 10.00 as a nonrefundable new account administration fee. B. All rent shall be paid in advance on the first day of each month and in the event Occupant shall fail to pay the rent by the tenth (10th) of the month, Occupant shall pay, in addition to any other amounts due, a late charge of \$10.00. INITIALS HERE _____. C. Concurrently with the execution hereof, Occupant shall deposit with Owner \$ 10.00 to secure Occupant's performance pursuant to the provisions of this Rental Agreement. Owner may commingle the deposit with funds in its general accounts, and may, at Owner's election, apply the deposit to any amounts due and unpaid by Occupant hereunder. The balance of the deposit shall be returned to Occupant, without interest, within two (2) weeks after the termination of this Rental Agreement providing that Occupant is not in default hereunder. If the deposit is undeliverable because Occupant's address is no longer valid, Owner may keep the deposit until requested in writing by Occupant.

5. USE OF PREMISES AND COMPLIANCE WITH LAW. Occupant shall not store on the Premises personal property in or to which any other person has any right, title or interest. Occupant acknowledges that Owner has no concern with the kind, quality or value of property stored by Occupant. Because the value of the property may be difficult or impossible to ascertain, Occupant agrees that under no circumstances will the aggregate value of all personal property stored in the premises be deemed to exceed \$5,000. Occupant may store personal property worth less than \$5,000 and nothing contained herein shall be evidence or admission by Owner that the aggregate value of the personal property stored in the Premises is, will be, or is expected to be, at or near \$5,000. It is specifically understood and agreed that the Owner need not be concerned with the kind, quantity, or value of personal property or other goods stored by Occupant in or about the Premises pursuant to this Rental Agreement. Occupant shall not store any improperly packaged food or perishable goods, flammable materials, explosives or other inherently dangerous material, nor perform any welding on the Premises or in the Project. Occupant shall not store any personal property on the Premises which would result in the violation of any law of any governmental authority, and Occupant shall comply with all laws, rules, regulations and ordinances of any and all governmental authorities concerning the Premises or the use thereof. Occupant shall not use the Premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to other occupants in the Project. Occupant acknowledges and agrees that the Premises and the Project are not suitable for the storage of heirlooms or precious, invaluable, or irreplaceable property such as books, records, writings, works of art, objects for which no immediate resale market exists and objects which are claimed to have special or emotional value to Occupant. Occupant agrees that the value of such item shall not exceed for any purpose the salvage value of the raw materials of which the item is constituted. Occupant acknowledges that the Premises may be used for storage only, and that the use of the Premises for the conduct of a business or for human or animal habitation is specifically prohibited. By placing his INITIALS HERE _____, Occupant acknowledges that he has read and understands the provisions of this paragraph 5 and agrees to comply with its requirements.

6. INSURANCE. Occupant, at Occupant's sole expense, shall maintain on all personal property in, or about the premises, to the extent of at least 100% of the actual cash value of such personal property, a policy or policies of insurance covering damage by fire extended coverage perils, vandalism and burglary. Occupant may obtain insurance from the insurance company of Occupant's choice. Occupant may obtain certain of the insurance necessary to satisfy the requirements of this section by electing coverage under the insurance plan described in the insurance brochure made available by Owner. Insurance coverage for goods stored in the Parking Space and other coverage not available under the insurance plan described in the brochure may be obtained from an insurance company other than the one described in the brochure. To the extent Occupant does not maintain insurance for the full value of the personal property stored in the Enclosed Space and Parking Space, Occupant shall be deemed to have "self-insured." To the extent that Occupant has "self-insured," Occupant shall bear all risk of loss or damage. Occupant hereby releases Owner and Owner's agents and authorized representatives and employees (hereinafter collectively referred to as "Owner's Agents") from any and all claims for damage or loss to personal property in, on or about the premises, that are caused by or result from perils that are, or would be covered under the required insurance policy and hereby waives any and all rights of recovery against Owner and Owner's Agents in connection with any damage which is or would be covered by any such insurance policy. While information may be available to Occupant with respect to insurance, Occupant understands and agrees that Owner and Owner's Agents are not insurers, insurance agents, insurance brokers, or insurance solicitors, and do not assist and have not assisted Occupant in the explanation of coverage or in the making of claims under any insurance policy. Nothing in this paragraph shall limit or reduce the rights and benefits of the Owner under paragraph 7. If Occupant elects to purchase insurance from the company named in the brochure made available by Owner, Occupant shall send the required insurance premiums to such address as may be provided by the insurance company. By placing his INITIALS HERE _____, Occupant acknowledges that he has read and understands the provisions of this paragraph 6 and agrees to comply with its requirements.

7. LIMITATION OF OWNER'S LIABILITY; INDEMNITY. Owner and Owner's Agents shall not be liable to Occupant for any damage, or personal injury to any person, Occupant or any property stored in, on or about the Premises or the Project, arising from any cause whatsoever, including, but not limited to, theft, fire, mysterious disappearance, rodents, acts of God or the active or passive acts, omissions or negligence of Owner or Owner's Agents, except that Owner or Owner's Agents, as the case may be, may, except as otherwise provided in paragraph 6, be liable to Occupant for damage, loss or personal injury to Occupant or Occupant's property resulting from Owner's or Owner's Agents' fraud, willful injury or willful violation of law. Occupant shall indemnify and hold Owner and Owner's Agents harmless from any and all damage, loss, or personal injury arising out of or in connection with any damage, loss, or personal injury to any person or property occurring in, on or about the Premises or the Property, arising in any way out of Occupant's use of the Premises, whether occasioned by Owner or Owner's Agents active or passive acts, omissions or negligence or otherwise, other than damage, loss or personal injury in connection with Owner's or Owner's Agents' fraud, willful injury or willful violation of law. Notwithstanding anything contained in this Rental Agreement, in no event shall Owner or Owner's Agents be liable to Occupant in an amount in excess of \$5,000 for any damage, loss or personal injury to any person, Occupant or any property stored in, on or about the Premises or the Project arising from any cause whatsoever, including, but not limited to, Owner's or Owner's Agents' active or passive acts, omissions or negligence. By placing his INITIALS HERE _____, Occupant acknowledges that he has read, understands and agrees to the provisions of this paragraph 7.

* INCORPORATION OF PROVISIONS ON REVERSE SIDE. By placing his Initials here, _____ Occupant acknowledges that he has read, is familiar with and agrees to all of the provisions printed on the reverse side of this Rental Agreement, and Owner and Occupant agree that all such provisions constitute a material part of this Rental Agreement and are hereby incorporated by reference. *

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement the day and year first above written.

Received by _____ Alternate name and address (relative, business, close friend): _____
Authorized for Access _____ Occupant's Initials _____ Name _____
Street Address _____
City, State, Zip Code _____
Telephone _____

OCCUPANT Signature _____
Name (Please Print) _____
Residence Street Address _____
City, State, Zip Code _____
Telephone _____
OWNER; CRYSTAL LAKE PUBLIC STORAGE
Date of Rental Agreement _____
Rental Agreement (Lease) No. 06371
Enclosed Space No. _____

- 17000
8. **ENTIRE AGREEMENT.** There are no representations, warranties, or agreements by or between the parties which are not fully set forth herein and no representative of Owner or Owner's Agents is authorized to make any representations, warranties or agreements other than as expressly set forth herein.
 9. **OWNER'S LIEN.** If rent or other charges due under this Rental Agreement are delinquent ten (10) days after the due date, Owner may terminate Occupant's right to use the Premises. Occupant acknowledges that the contents of the Premises are subject to the Landlord's Lien created by ORS 87.162 for delinquent rent and other charges permitted by Oregon law.
 10. **ABANDONMENT OF OCCUPANT'S PROPERTY.** Any personal property of Occupant which shall remain in or on the Premises or at the Project after the expiration or termination of this Rental Agreement (other than the termination of this Rental Agreement while a default by Occupant exists) shall be considered abandoned at the option of Owner, and if abandoned, Owner may sell, destroy or otherwise dispose of Occupant's property.
 11. **ALTERATIONS.** Occupant shall not make or allow any alterations of any kind or description whatsoever to the Premises without, in each instance, the prior written consent of the Owner.
 12. **LOCK.** Occupant shall provide at Occupant's own expense, a lock for the Premises which Occupant, in Occupant's sole discretion, deems sufficient to secure the Premises. Occupant shall not provide Owner or Owner's Agents with a key and/or combination to Occupant's lock.
 13. **RIGHT TO ENTER, INSPECT AND REPAIR PREMISES.** Occupant shall grant Owner, Owner's Agents or the representatives of any governmental authority, including police and fire officials, access to the Premises upon three (3) days' prior written notice to Occupant. In the event Occupant shall not grant access to the Premises as required or in the event of an emergency or upon default of Occupant's obligations under this Rental Agreement, Owner, Owner's Agents or the representatives of any governmental authority shall have the right to remove Occupant's lock and enter the Premises for the purpose of examining the Premises or the contents thereof or for the purpose of making repairs or alterations to the Premises and taking such other action as may be necessary or appropriate to preserve the Premises, or to comply with applicable law or enforce any of Owner's rights. In the event of any damage or injury to the Premises or the Project arising from the active or passive acts, omissions or negligence of Occupant, all expenses reasonably incurred by Owner to repair or restore the Premises or Project shall be paid by Occupant as additional rent and shall be due upon demand by Owner. In the event this Rental Agreement is reinstated after removal of the Occupant's lock pursuant to this paragraph, Occupant shall be required to furnish a new lock at Occupant's expense.
 14. **NO WARRANTIES.** Owner hereby disclaims any implied or express warranties, guarantees or representations of the nature, condition, safety or security of the Premises and the Project and Occupant hereby acknowledges, as provided in paragraph 1 above, that Occupant has inspected the Premises and hereby acknowledges and agrees that Owner does not represent or guarantee the safety or security of the Premises or of any property stored therein. This Rental Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings with respect thereto.
 15. **TERMINATION.** This Rental Agreement shall terminate at the expiration of any term of this Rental Agreement by the party desiring to terminate this Rental Agreement giving written notice by certified or registered mail to the other party of such party's intention to terminate not less than seven (7) days before expiration of the term. Owner may terminate this Rental Agreement at the expiration of any term by giving written notice to Occupant by certified or registered mail not less than seven (7) days before expiration of the term. For month-to-month occupancies, Owner may terminate this Rental Agreement as of the last day of the calendar month (excluding any partial calendar month during which this Rental Agreement commences) by giving written notice to Occupant not less than seven (7) days before the end of such month. Further, this Rental Agreement may, at the option of Owner, be terminated upon any default by Occupant under terms of this Rental Agreement or the abandonment of the Premises by Occupant. Occupant may terminate this Rental Agreement at any time by giving two (2) days' oral or written notice to Owner.
 16. **CONDITION OF PREMISES UPON TERMINATION.** Upon termination of this Rental Agreement, Occupant shall remove all Occupant's personal property from the Premises unless such property is subject to Owner's lien rights as referenced in paragraph 9 and shall immediately deliver possession of the Premises to Owner in the same condition as delivered to Occupant on the commencement date of this Rental Agreement, reasonable wear and tear expected.
 17. **NOTICES.** Except as otherwise expressly provided in this Rental Agreement or by law, any written notices or demands required or permitted to be given under the terms of this Rental Agreement may be personally served or may be served by first class mail deposited in the United States mail with postage thereon fully prepaid and addressed to the party to be served at the address of such party provided for in this Rental Agreement. Service of any such notice or demand shall be deemed complete on the date delivered, or if mailed, shall be deemed complete on the date of deposit in the United States mail, with postage thereon fully prepaid and addressed in accordance with the provisions hereof.
 18. **NOTIFICATION OF CHANGE OF ADDRESS.** In the event Occupant shall change Occupant's place of residence or alternate name and address as set forth on this Rental Agreement, Occupant shall give Owner written notice of any such change within ten (10) days of the change, specifying Occupant's current residence and alternate name, address and telephone numbers.
 19. **ASSIGNMENT.** Occupant shall not assign or sublease the Premises or any portion thereof without in each instance the prior written consent of Owner.
 20. **SUCCESSION.** All of the provisions of this Rental Agreement shall apply to, bind and be obligatory upon the heirs, executors, administrators, representatives, successors and assigns of the parties hereto.
 21. **CONSTRUCTION.** This Rental Agreement shall be governed and construed in accordance with the laws of the State of Oregon. Whenever possible, each provision of this Rental Agreement shall be interpreted in such manner as to be effective and valid under applicable law but, if any provision of this Rental Agreement shall be invalid or prohibited under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Rental Agreement.
 22. **TIME.** Time is of the essence of this Rental Agreement, 7 a.m. to 10 p.m.
 23. **RULES AND REGULATIONS.** The rules and regulations posted in a conspicuous place at the Project are made a part of this Rental Agreement and Occupant shall comply at all times with such rules and regulations. Owner shall have the right from time to time to promulgate amendments and additional rules and regulations for the safety, care and cleanliness of the Premises, Project and all common areas, or for the preservation of good order and, upon the posting of any such amendments or additions in a conspicuous place at the Project they shall become a part of this Rental Agreement.

MEMORANDUM

TO: Mayor and City Council
FROM: Steve Rogers, Public Works Director 
DATE: March 31, 2008
SUBJECT: Contract Amendment to Wetland Delineation Grant from Oregon Economic and Community Development Department (OECDD)

ISSUE

City Council approval is required to authorize the City Manager to sign an amendment between OECDD and the City to a grant related to delineation of wetlands at the Airport Industrial Park (AIP).

BACKGROUND

In 2006 the City received a grant from OECDD to hire a consultant to provide wetland delineation, functional assessment, and removal-fill permit applications for these three sites:

- Corvallis AIP Phase B area
- Proposed Hunton mitigation site (Junction City)
- Proposed MLK-Berg Park mitigation site

Work on these items was completed in 2006 and there is approximately \$8,500 remaining in the grant award.

DISCUSSION

Staff secured approval from OECDD earlier this year to amend the grant contract to add a task to the original award. Staff is prepared to hire a consultant to prepare a final mitigation plan for off-site mitigation of wetlands in the “shovel ready” area at the AIP. This is the next step in the years-long process of mitigating wetlands at the AIP in order to facilitate development of industrial property. Approval of this grant amendment will allow the City to apply unused grant dollars toward obtaining the final mitigation plan and permit. Funds were budgeted in the FY07-08 Airport Fund to complete this work.

ACTION REQUESTED

Staff recommends City Council approve the grant contract amendment and authorize the City Manager to execute the amendment.

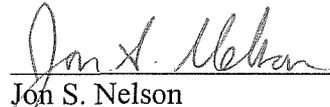
Review and Concur:



Nancy Brewer
Finance Director

4/1/08

Date



Jon S. Nelson
City Manager

4/1/08

Date

Attachment

Amendment Number 1

Between: State of Oregon, acting by and through its ("State")
Economic and Community Development Department
775 Summer Street NE, Suite 200
Salem, OR 97301-1280
Facsimile Number: (503) 581-5115

And: City of Corvallis
501 SW Madison Avenue / PO Box 1083
Corvallis, OR 97339
Facsimile Number: (541) 766-6780

COPY

("Recipient")

Project Number: A06002

Project Name: Corvallis Airport Industrial Park Wetland Delineation & Functional Assessment

Capitalized terms not defined in this Amendment shall have the meanings assigned to them by the Grant Contract (as defined below). The parties agree to amend the Grant Contract between Recipient and the State dated as of June 29, 2006 (the "Contract") for the above-named Project as described below:

1. Delete Section 6.A. of the Financial Assistance Award Contract for Technical Assistance Grant and restate it as follows:

"6.A. Compliance with Laws. Municipality will comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority that relate to the construction of the Project. In particular, but without limitation, Municipality shall comply with:

 1. State procurement regulations found in the Oregon Public Contracting Code, ORS Chapters 279A, 279B, and 279C, as applicable.
 2. State labor standards and wage rates found in ORS Chapter 279C.
 3. State municipal finance and audit regulations found in ORS Chapter 297.
 4. State regulations regarding industrial accident protection found in ORS Chapter 656.
 5. State conflict of interest requirements for public contracts.
 6. State environmental laws and regulations.
 7. Oregon Administrative Rules, Chapter 123, Division 42, as amended from time to time at the discretion of the State.
 8. State municipal bonding requirements found in the Act and in ORS Chapters 280, 284, 286, 287 and 288."
2. Delete the original Exhibit A (Project Description) in the Financial Assistance Award Contract for Technical Assistance and replace it with the attached new Exhibit A.
3. Delete Page 2 of the original Exhibit D (Project Budget) in the Financial Assistance Award Contract for Technical Assistance and replace it with the attached new Page 2 of Exhibit D to revise dates in the Project work plan.

4. Delete Section 6.B. of the Financial Assistance Award Contract for Technical Assistance Grant and restate it as follows:

“6.B. Project Completion. The Municipality shall proceed expeditiously, and shall complete the Project in accordance with Exhibit A, the Project Description and Scope of Work. In the event that the matching funds are not sufficient, the Municipality will nevertheless complete the Project in accordance with the provisions of this Contract. The Municipality shall complete the Project no later than February 28, 2009.”

The State shall have no obligation under this Amendment, unless prior to May 1, 2008, the Recipient delivers to the State this Amendment duly executed and delivered by an Authorized Officer of the Recipient.

Except as specifically provided above, this Amendment does not modify the Contract, and Contract shall remain in full force and effect during the term thereof.



STATE OF OREGON
acting by and through its Economic and
Community Development Department



CITY OF CORVALLIS
COPY

By: COPY
Laird Bryan, Operations Manager
Community Development Division

By: _____
The Honorable Charles C. Tomlinson
Mayor of Corvallis

Date: _____

Date: _____

APPROVED AS TO LEGAL SUFFICIENCY IN ACCORDANCE WITH ORS 291.047:

Not required by OAR 137-045-0030

AMENDED PROJECT DESCRIPTION

City of Corvallis

Recipient will enter into a contract with an independent contractor to complete:

1. Wetlands delineations, functional assessments and permit applications are completed for three sites:
 - a. Corvallis Airport Industrial Park-Phase B area
 - b. Proposed Hunton Mitigation Site
 - c. Proposed MLK-Berg Mitigation Site; and
2. Final wetland mitigation plan for approximately 17.5 acres of wetlands in the site known as Phase C at the Corvallis Airport Industrial Park (Certified Industrial Site #I00077).

Oregon Economic & Community Development Department
Project Budget

Contract Amendment 1

Project Number: A06002
Project Name: Wetlands Delineation & Functional Assessments

Project Goals (report for every cash request)		
Proposed Work Plan	Estimated Completion Date	Results Achieved
1 Hire Consultant	May 12, 2006	
2 Complete Wetlands Delineation / Functional Assessment / Permit Application	Jul 15, 2006	
3 Complete Wetlands Mitigation Plan	Jan 31, 2009	
4 Project Completed	Feb 28, 2009	
5		
6		
7		
8		
9		
10		

**Oregon Economic & Community Development Department
Disbursement Request**

Contract Amendment 1

Project Number: A06002
Project Name: Wetlands Delineation & Functional Assessments

Recipient: City of Corvallis
Funding Pgm(s): Special Public Works Fund, Technical Assistance

Request Number: _____

Final Draw? Yes No

Reporting Period: _____ to _____

(A)	Department Funds				Other/Matching Funds			All Funds
	(B)	(C)	(D)	(E) = [B-C-D]	(F)	(G)	(H) = [F-G]	(I) = [C+D+G]
Activity	Approved Budget	Prior Disbursements	Current Request	Balance	Approved Budget	Expended To Date	Balance	Disbursed & Expended To Date
Contractual Services	\$29,166			\$29,166	\$5,147		\$5,147	
Total	\$29,166			\$29,166	\$5,147		\$5,147	

Total Project Budget		
Funding Sources	Approved Budget	Expenditures To Date
Special Public Works Fund, Technical Assistance	\$29,166	
Other/Matching Funds	5,147	
Total Project Costs	\$34,313	

Non-Department Funds (Other/Matching) Sources Used for all Expenditures		
Funding Sources	Approved Budget	Expenditures To Date
Recipient	\$5,147	
Total Non-Dept. Funds	\$5,147	

Certification: We certify that the data are correct and that the amount requested is not in excess of current needs.

Authorized Signature & Title	Date
Authorized Signature & Title	Date
Contact Person	Phone Number

Non-Department Funds (Other/Matching) IN-KIND		
Source of In-Kind Contribution	Goods/Services Donated	Value of Contribution To Date
In-Kind Contributions To Date		

CITY OF CORVALLIS, OREGON

CITY ATTORNEY EMPLOYMENT AGREEMENT ADDENDUM

This agreement addendum, dated _____, 2008, amends the employment agreement entered into on March 22, 2006, by and between the City of Corvallis, Oregon, a municipal corporation of the State of Oregon (hereinafter referred to as "CITY"), and the law firm of Fewel & Brewer (hereinafter referred to as "LAW FIRM").

1 The City and Law Firm agree to modify the original employment agreement as follows:

1.1 Compensation for Services. As compensation for services included in the retainer, the City shall pay the Law Firm ~~\$20,158.80~~ **\$20,360.39** per month effective April 1, ~~2007~~ **2008**. This monthly payment is to be paid on or before the 10th day of each month. This monthly payment will be adjusted effective July 1, ~~2007~~ **2008** in the same amount as inflationary adjustments to the City Manager and Department Director salaries.

2 All other terms and conditions in the original agreement remain as originally identified.

IN WITNESS WHEREOF, the parties have herewith executed their signatures.

CITY OF CORVALLIS

FEWEL & BREWER

Charles C. Tomlinson, Mayor

Scott A. Fewel

ATTESTING AS TO THE MAYOR

City Recorder

CORVALLIS POLICE DEPARTMENT

MEMORANDUM

February 12, 2008

TO: Human Services Committee

FROM: Gary Boldizar, Chief of Police

SUBJECT: Oregon Senate Bill 111: Establishment of Local Planning Authority and Use of Deadly Physical Force Policy

ISSUE:

The 74th Oregon Legislative Assembly enacted Senate Bill 111 at its 2007 Regular Session. Senate Bill 111 required each of the 36 Oregon counties to create a deadly physical force planning authority. The planning authority for each county is required to develop a plan consisting of five specific elements regarding use of deadly force and this plan must be submitted to the governing body of each law enforcement agency within the county. The governing body is required to approve or disapprove the plan submitted. The governing body may not amend the plan. The plan must be approved by at least two-thirds of the governing bodies to which the plan is submitted. If the plan is not approved by the required two-thirds of the governing bodies, the planning authority shall develop and submit a revised plan. When the plan is approved by at least two-thirds of the governing bodies it shall be submitted to the Oregon Attorney General for review. Council action is required.

BACKGROUND:

Senate Bill 111 required the establishment of a county planning authority to consist of the following people: (a) The district attorney and sheriff of the county; (b) A non-management police officer selected by the district attorney and sheriff; (c) A police chief selected by the police chiefs of the county; (d) A representative of the public selected by the district attorney and sheriff; (e) A representative of the Oregon State Police selected by the Superintendent of State Police. The following persons were identified: Benton County District Attorney John Haroldson; Benton County Sheriff Diana Simpson; Corvallis Police Officer Brett Roach; Corvallis Police Chief Gary Boldizar; and Public Member Nick Bonano. The planning authority began its work in December of 2007. Senate Bill 111 becomes law on July 1, 2008.

DISCUSSION:

Under Senate Bill 111 the planning authority was directed to develop a plan consisting of the following:

- 1) An element dealing with education, outreach and training regarding the use of deadly physical force for police officers, attorneys employed by state and local government within the county and members of the community.

- 2) An element dealing with the immediate aftermath of an incident in which a police officer used deadly physical force.
- 3) An element dealing with the investigation of an incident in which a police officer used deadly physical force.
- 4) An element dealing with the exercise of district attorney discretion to resolve issues of potential criminal responsibility resulting from a police officer's use of deadly physical force.
- 5) An element dealing with collecting information regarding a police officer's use of deadly physical force, debriefing after an incident in which a police officer used deadly physical force and revising a plan developed under this subsection based on experience.

Each law enforcement agency's Use of Force Policy will be attached to the plan as an annex. These policies must be in compliance with the specific details of Senate Bill 111.

Additionally, the planning authority shall conduct at least one public hearing in the county before submitting a plan, or a revision of a plan, to the Attorney General's Office. Upon completion of a public hearing, the governing body (Corvallis City Council) shall approve or disapprove the plan submitted to it within 60 days after receiving the plan. The governing body may not amend the plan. If the plan is not approved by a least two-thirds of the governing bodies to which the plan is submitted, the planning authority shall develop and submit a revised plan.

The following governing bodies will receive the plan for approval: Corvallis City Council, Benton County Commissioners, Philomath City Council, and Albany City Council.

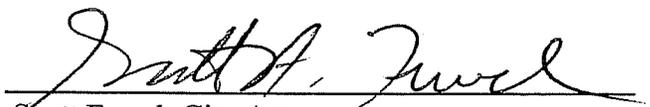
RECOMMENDATION:

Staff recommends Humans Services Committee recommend City Council approval of the Benton County Use of Deadly Physical Force Plan.

Reviewed and Concur:



Jon Nelson, City Manager



Scott Fewel, City Attorney

Attachments: Benton County Use of Deadly Physical Force Plan
Senate Bill 111

DEADLY PHYSICAL FORCE

**Policies and procedures relating to the use of deadly
physical force by law enforcement personnel**

Benton County
Use of Deadly Physical Force
Planning Authority

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Members of the Planning Authority

Benton County District Attorney, John Haroldson, co-chair
Benton County Sheriff, Diana Simpson, co-chair
Oregon State Police, Lt. Mark Cotter
Police Department, Chief Gary Boldizar, Corvallis Police Department
Labor Union Representative, Brett Roach, Corvallis Police Department
Public Member, Nick Bonano

On February 7, 2008, this Plan was approved by a majority of the Planning Authority, and submitted for approval to governing bodies of the following jurisdictions:

Benton County -----Approved/Disapproved (date)

City of Albany -----Approved/Disapproved (date)

City of Corvallis -----Approved/Disapproved (date)

City of Philomath-----Approved/Disapproved (date)

Upon receiving a vote of approval from 2/3 of the above jurisdictions, this Plan was submitted to the Attorney General, who approved the Plan on ***.

Preamble

The use of deadly physical force by law enforcement personnel is a matter of critical concern both to the public and to the law enforcement community. The purpose of this Plan is not to set the standards for the use of such force, or to be a substitute for agency policy regarding use of force, but rather to provide a framework for a consistent response to an officer's use of deadly physical force that treats the law enforcement officer fairly, and promotes public confidence in the criminal justice system.

Section 1: Administration

- (1) In the event that a member of the planning authority is unable to continue to serve, a replacement shall be appointed as provided in Section 2(1) of Senate Bill 111, Oregon Laws 2007.
- (2) There shall be six voting members of the Planning Authority. The approval of the Plan, elements or revisions thereof, shall be by majority vote.
- (3) The presence of 2/3 of the voting members shall be required in order to hold any vote.
- (4) Any meeting of a quorum of the voting members of the Planning Authority is subject to Oregon's open meeting law.

Section 2: Applicability of the Plan

- (1) This plan shall be applicable, as set forth herein, to any use of deadly physical force by a peace officer acting in the course of and in furtherance of his/her official duties, occurring within Benton County.

Section 3: Definitions

Agency: The law enforcement organization employing the officer who used deadly physical force

Plan: Means the final document approved by the Planning Authority, adopted by two-thirds of the governing bodies employing law enforcement agencies, and approved by the Attorney General. Any approved revisions shall become a part of the Plan. Issues related to the revision of this plan are addressed in Section 12 of this plan.

Deadly Physical Force: Means physical force that under the circumstances in which it is used is readily capable of causing death or serious physical injury.

Serious Physical Injury: Has the same meaning as "serious physical injury" as defined in ORS 161.015(8).

Physical Injury: Means impairment of physical condition or substantial pain that does not amount to "serious physical injury."

Involved Officer: Means the person whose official conduct, or official order, was the cause in fact of the death of a person. "Involved Officer" also means an officer whose conduct was not the cause in fact of the death, but who was involved in the incident

before or during the use of deadly physical force, and this involvement was reasonably likely to expose the officer to a heightened level of stress or trauma.

Preliminary Statements: Those statements provided by involved Officers to supervisors or investigators immediately after a deadly force incident related to officer safety, public safety and necessary information to secure the scene, apprehend others that may be of concern to the investigation, and provide a framework for the investigation.

Section 4: Immediate Aftermath

- (1) When an officer uses deadly physical force, the officer shall immediately take whatever steps are reasonable and necessary to protect the safety of the officer and any member of the public.
 - (a) After taking such steps, the officer shall immediately notify his or her agency of the use of deadly physical force.
 - (b) Thereafter, the officer, if able, shall take such steps as are reasonably necessary to preserve the integrity of the scene and to preserve evidence.
 - (c) Upon request, the officer may provide preliminary statements.

Section 5: Serious Physical Injury/Death

When the use of deadly physical force results in death or serious physical injury to any person, in addition to the requirements of **Section 4 (1) of this Plan**, and notwithstanding agency policy, the following provisions apply:

- (1) Upon the arrival of additional officers, sufficient to manage the scene, each Involved Peace Officer shall be relieved of the above duties set forth in Section 4 (1) of the Plan, and the duties shall be re-assigned to uninvolved police personnel.
- (2) As soon as practicable, each Involved Peace Officer shall leave the scene, as directed by his or her supervisor, and be offered an opportunity for a medical examination. If the officer is not in need of medical treatment, the officer shall be taken to the Agency's office. If requested by the Involved Peace Officer, the officer's union representative shall be notified.

(3) As soon as practicable, the duty weapon of any peace officer who fired their weapon shall be seized by investigators, and replaced with a substitute weapon, if appropriate.

(4) Interview of an “Involved Peace Officer”:

As used in this section “interview” refers to formal interview of the officer by assigned investigative personnel that occurs within a reasonable time period after the incident, and after the officer has had an opportunity to consult with counsel, if so desired.

(a) The interview of the involved officer(s) who discharged a firearm during a use of deadly physical force incident resulting in death or serious physical injury, shall occur after a reasonable period of time to prepare for the interview and taking into account the emotional and physical state of the officer(s). The interview shall occur no sooner than 48 hours after the incident, unless this waiting period is waived by the officer.

(b) The waiting period does not preclude an initial on-scene preliminary statement with the officer to assess and make an initial evaluation of the incident.

(5) For at least 72 hours immediately following an incident in which the use of deadly physical force by a peace officer resulted in the death of a person, a law enforcement agency may not return an Involved Peace Officer to duties that might place the officer in a situation in which the officer has to use deadly force.

(a) Officer(s) involved in discharging his or her firearm that results in death or serious physical injury shall immediately be placed on paid administrative leave until such time as sufficient information exists to determine the justification in the use of deadly physical force and that the officer(s) have had an opportunity for mental health counseling.

(6) In the 6 months following a use of deadly physical force incident that results in a death, the Agency shall offer each Involved Peace Officer a minimum of two opportunities for mental health counseling. The officer shall be required to attend at least one session of mental health counseling.

(7) As soon as practicable after the arrival of a supervisor, notification shall be made to the District Attorney as provided in Section 8 (1) of this Plan.

(a) This provision does not prevent the Agency from requiring additional notification requirements within their respective agency policies.

- (8) The Agency shall designate a representative to make an initial public statement about the incident. Such statement shall include:
 - (a) The time and place of the incident.
 - (b) The condition of any suspect.
 - (c) The nature of the use of deadly physical force.

- (9) Prior to a final determination being made by the District Attorney, the District Attorney and the primary investigative agency shall consult with each other and make a public release of information as is deemed appropriate.

Section 6: PRIMARY INVESTIGATIVE AGENCY

After consulting with the District Attorney, the Agency shall decide what law enforcement agency will be the primary investigating agency. In the event that the involved officer's own agency will be the primary investigating agency, and the incident resulted in a death, the Agency will promptly make arrangements for at least one investigator from outside the Agency to participate in the investigation.

- (a) In the event that a use of deadly physical force resulting in death or serious physical injury involves officers from multiple jurisdictions, the District Attorney and each involved agency shall consult and agree upon a primary investigative agency.

Section 7: Investigation Protocols

- (1) The investigation, at a minimum, shall consist of:
 - (a) Eyewitness interviews.
 - (b) Evidence collection
 - (c) Scene documentation.
 - (d) Involved Officer interview(s)

- (2) The investigation shall be documented in written reports.

- (a) All written reports shall be filed with the investigator's agency, and copies provided to the lead investigative agency, and the Involved Officer's agency.
- (b) All police reports shall be promptly provided to the District Attorney.

Section 8: District Attorney

- (1) When an incident of the use of deadly physical force by a peace officer occurs, and death or serious physical injury results, the agency shall, as soon as practicable, notify the District Attorney's Office.
 - (a) Notification shall be made to the District Attorney, Chief Deputy, or other senior member of the District Attorney's staff.
- (2) When a use of deadly physical force by an officer occurs, and death or serious physical injury results, the District Attorney, and/or a senior member of his staff will consult with the agency regarding the investigation and implementation of the elements of this plan.
- (3) The District Attorney has the sole statutory and constitutional duty to make the decision on whether to present a matter to a Grand Jury.
 - (a) Preliminary Hearings will not be used as a method of reviewing an officer's use of deadly force.
 - (b) The District Attorney will consult with the investigating agency and make the decision on whether to present the case to a Grand Jury.
 - (1) The timing of the decision will be made by the District Attorney at such time as he has determined that sufficient information is available to competently make the decision.
 - (c) If the District Attorney decides to present a case to the Grand Jury, the District Attorney shall promptly notify the investigating agency, the involved officer's agency, and the involved officer's representative.
 - (d) If the District Attorney decides that the investigation reveals that the officer's use of deadly force was justified under Oregon law, and that Grand Jury review is unnecessary, the District Attorney shall so notify the Agency, the involved officer, the involved officer's representative, and the public.
- (4) If the use of deadly physical force results in physical injury to someone other than a police officer, upon completion of the investigation, all investigative

information shall be forwarded to the District Attorney for review.

Section 9: Debriefing and Reporting

- (1) Upon a final determination by the District Attorney, the Agency shall conduct an internal review of the matter according to Agency policy. Such review, at a minimum, shall include a review of the incident by the involved officer.
- (2) Upon the conclusion of the investigation, the announcement by the District Attorney pursuant to Section 8 (3), and the debriefing, the Agency shall complete and submit a report to the Attorney General's Office regarding the use of force.

Section 10: Training, Outreach

- (1) Each law enforcement agency within Benton County shall include in its policy regarding the use of deadly force, a provision regarding engaging members of the community in a discussion regarding the Agency's policies on the use of deadly force, as well as discussions regarding the use of deadly force by the Agency's personnel.
- (2) Each law enforcement agency within Benton County shall provide a copy of this Plan to every officer, and provide training to officers on the implementation of the plan.

Section 11: Fiscal Impact

- (1) At the conclusion of each fiscal year following the adoption of the Plan, each agency shall submit to the administrator of the Plan, a report outlining the fiscal impact of each element of the Plan as described in section (a) to (e) of Section 2 (4) of Senate Bill 111, Oregon Laws 2007.

74th OREGON LEGISLATIVE ASSEMBLY--2007 Regular Session

Enrolled

Senate Bill 111

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Attorney General Hardy Myers for Department of Justice)

CHAPTER

AN ACT

Relating to use of physical force; creating new provisions; amending ORS 181.640 and 181.662; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. { + As used in sections 1 to 7 of this 2007 Act:

(1) 'Employ,' when used in the context of the relationship between a law enforcement agency and a police officer, includes the assignment of law enforcement duties on a volunteer basis to a reserve officer.

(2) 'Law enforcement agency' means the Department of State Police, the Department of Justice, a district attorney, a political subdivision of the State of Oregon and a municipal corporation of the State of Oregon, that maintains a law enforcement unit as defined in ORS 181.610 (12)(a)(A).

(3) 'Police officer' means a person who is:

(a) A police officer or reserve officer as defined in ORS 181.610; and

(b) Employed by a law enforcement agency to enforce the criminal laws of this state.

+ }

SECTION 2. { + (1) There is created in each county a deadly physical force planning authority consisting of the following members:

(a) The district attorney and sheriff of the county.

(b) A nonmanagement police officer selected by the district attorney and sheriff. If there are unions representing police officers within the county, the district attorney and sheriff shall select the police officer from among candidates nominated by any union representing police officers within the county.

(c) If at least one city within the county employs a police chief, a police chief selected by the police chiefs within the county.

(d) A representative of the public selected by the district attorney and sheriff. The person selected under this paragraph may not be employed by a law enforcement agency.

(e) A representative of the Oregon State Police selected by the Superintendent of State Police.

(2) The district attorney and sheriff are cochairpersons of the planning authority.

(3) The law enforcement agency that employs the police officer selected under subsection (1)(b) of this section shall release the officer from other duties for at least 16 hours per year to enable the officer to serve on the planning authority. The agency shall compensate the officer at the officer's regular hourly wage while the officer is engaged in planning authority activities.

(4) The planning authority shall develop a plan consisting of the following:

(a) An element dealing with education, outreach and training regarding the use of deadly physical force for police officers, attorneys employed by state or local government within the county and members of the community.

(b) An element dealing with the immediate aftermath of an incident in which a police officer used deadly physical force.

(c) An element dealing with the investigation of an incident in which a police officer used deadly physical force.

(d) An element dealing with the exercise of district attorney discretion to resolve issues of potential criminal responsibility resulting from a police officer's use of deadly physical force.

(e) An element dealing with collecting information regarding a police officer's use of deadly physical force, debriefing after an incident in which a police officer used deadly physical force and revising a plan developed under this subsection based on experience.

(f) An estimate of the fiscal impact on the law enforcement agencies to which the plan applies of each element described in paragraphs (a) to (e) of this subsection.

(5) The planning authority shall conduct at least one public hearing in the county before submitting a plan, or a revision of a plan, to the governing bodies in the county under subsection (7) of this section.

(6) The planning authority may consult with anyone the planning authority determines may be helpful in carrying out its responsibilities.

(7) The planning authority shall submit the plan developed under subsection (4) of this section, and revisions of the plan, to the governing body of each law enforcement agency within the county except for the Department of State Police and the Department of Justice.

(8) A governing body shall approve or disapprove the plan submitted to it under subsection (7) of this section within 60 days after receiving the plan. The governing body may not amend the plan.

(9) If the plan is not approved by at least two-thirds of the governing bodies to which the plan is submitted, the planning authority shall develop and submit a revised plan.

(10) If the plan is approved by at least two-thirds of the governing bodies to which the plan is submitted, the planning authority shall submit the approved plan to the Attorney General. No later than 30 days after receiving the plan, the Attorney General shall review the plan for compliance with the minimum requirements described in section 3 of this 2007 Act. If the Attorney General determines that the plan complies with the minimum requirements, the Attorney General shall approve the plan. Upon approval of the plan:

(a) Each law enforcement agency within the county to which the plan applies is subject to the provisions of the plan; and

(b) Each law enforcement agency subject to the plan is entitled to grants as provided in section 4 of this 2007 Act.

(11) If the plan is not approved by the Attorney General, the planning authority shall develop and submit a revised plan.

(12) Notwithstanding subsection (10)(a) of this section, a law enforcement agency is not subject to a provision of a plan approved under subsection (10) of this section that:

(a) Conflicts with a provision of a city or county charter or a general ordinance that applies to the law enforcement agency; or

(b) Imposes an obligation not required by section 5 of this 2007 Act if complying with the provision would require the law enforcement agency to budget moneys, or submit a revenue measure for a vote of the people, in order to comply with the provision.

(13) The Attorney General shall periodically publish all approved plans.

(14) A law enforcement agency within a county has a duty to participate in good faith in the planning process of the planning authority for the county.

(15) A person bringing an action challenging the validity or enforceability of a plan approved under subsection (10) of this section shall serve the Attorney General with a copy of

the complaint. If the Attorney General is not a party to the action, the Attorney General may intervene in the action. + }

SECTION 3. { + In the plan required by section 2 (4) of this 2007 Act, a deadly physical force planning authority shall, at a minimum:

(1)(a) Address, under section 2 (4) (a) of this 2007 Act, the manner in which each law enforcement agency within the county will comply with section 5 (2) of this 2007 Act; and

(b) Attach a copy of each policy adopted under section 5 (2) of this 2007 Act to the plan.

(2) Address, under section 2 (4)(b) of this 2007 Act, the manner in which each law enforcement agency within the county will comply with section 5 (3)(a) and (4) of this 2007 Act.

(3) Address, under section 2 (4)(c) of this 2007 Act, the manner in which each law enforcement agency within the county will comply with section 5 (5)(a) of this 2007 Act.

(4) Address, under section 2 (4)(d) of this 2007 Act, the manner in which the district attorney of the county will exercise discretion to resolve issues of potential criminal responsibility.

(5) Address, under section 2 (4)(e) of this 2007 Act, the manner in which each law enforcement agency within the county will comply with section 5 (6) of this 2007 Act. + }

SECTION 4. { + (1) As used in this section, 'expenses' does not include personnel costs.

(2) To the extent that funds are appropriated to it for such purposes, the Department of Justice shall make grants to law enforcement agencies to reimburse the law enforcement agencies for expenses incurred in implementing and revising the plans required by section 2 of this 2007 Act. A grant under this section may not exceed 75 percent of the expenses incurred by the law enforcement agency.

(3) The department may not make a grant under this section to a law enforcement agency unless the law enforcement agency is subject to a plan that has been approved by the Attorney General under section 2 (10) of this 2007 Act.

(4) The department shall adopt rules necessary for the administration of this section. + }

SECTION 5. { + (1) As used in this section, 'involved officer' means:

(a) A police officer whose official conduct, or official order to use deadly physical force, was a cause in fact of the death of a person. As used in this paragraph, 'order to use deadly physical force' means an order issued to another officer to use deadly physical force in a specific incident or an order or directive establishing rules of engagement for the use of deadly physical force for a specific incident.

(b) A police officer whose official conduct was not a cause in fact of the death of a person but whose official involvement in an incident in which the use of deadly physical force by a police officer resulted in the death of a person:

(A) Began before or during the use of the deadly physical force; and

(B) Was reasonably likely to have exposed the police officer to greater stresses or trauma than other police officers experienced as a result of their involvement in the incident before or during the use of the deadly physical force.

(2) A law enforcement agency shall adopt a policy dealing with the use of deadly physical force by its police officers. At a minimum, the policy must include guidelines for the use of deadly physical force.

(3)(a) For each involved officer employed by a law enforcement agency, the law enforcement agency shall pay the costs of at least two sessions with a mental health professional that are attended by the officer. The sessions must be held within six months after the incident in which the officer was involved.

(b) An involved officer shall attend at least one of the sessions described in paragraph (a) of this subsection.

(c) Sessions with a mental health professional under this subsection may not be substituted for a fitness for duty examination required or requested as a condition of employment by the law enforcement agency that employs the involved officer.

(4) For at least 72 hours immediately following an incident in which the use of deadly physical force by a police officer resulted in the death of a person, a law enforcement agency may not return an involved officer to duties that might place the officer in a situation in which the officer has to use deadly physical force. A law enforcement agency may not reduce an involved officer's pay or benefits as a result of the law enforcement agency's compliance with this subsection. Notwithstanding section 4 (1) of this 2007 Act, a personnel cost incurred in complying with this subsection by a law enforcement agency employing 40 or fewer police officers is an expense for purposes of section 4 of this 2007 Act.

(5)(a) A law enforcement agency employing an involved officer shall include at least one police officer from a different law enforcement agency in the investigation of the incident in which the involved officer was involved.

(b) The failure of a law enforcement agency to comply with paragraph (a) of this subsection is not grounds for suppressing evidence obtained in the investigation.

(6)(a) A law enforcement agency shall collect at least the following information relating to incidents in which a police officer's use of deadly physical force resulted in the death of a person:

(A) The name, gender, race, ethnicity and age of the decedent.

(B) The date, time and location of the incident.

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(C) A brief description of the circumstances surrounding the incident.

(b) A law enforcement agency shall promptly submit the information collected under paragraph (a) of this subsection to the Department of Justice.

(7) The department shall compile and periodically publish information submitted under subsection (6) of this section. The department, by rule, may specify a form to be used by law enforcement agencies in submitting information under subsection (6) of this section. + }

SECTION 6. { + Conclusions and recommendations for future action made by or for a law enforcement agency that result from activities conducted pursuant to the element of a plan described in section 2 (4)(e) of this 2007 Act are not admissible as evidence in any subsequent civil action or administrative proceeding. + }

SECTION 7. { + Notwithstanding sections 2, 3 and 5 (3) and (6) of this 2007 Act, if sufficient moneys are not appropriated to the Department of Justice for purposes of making grants under section 4 of this 2007 Act, a deadly physical force planning authority created by section 2 of this 2007 Act or a law enforcement agency is not required to comply with any requirement of section 2, 3 or 5 (3) or (6) of this 2007 Act for which the law enforcement agency is entitled to reimbursement under section 4 of this 2007 Act. + }

SECTION 8. ORS 181.662 is amended to read: 181.662.

(1) The Department of Public Safety Standards and Training may deny the application for training, or deny, suspend or revoke the certification, of any instructor or public safety officer, except a youth correction officer or fire service professional, after written notice and hearing consistent with the provisions of ORS 181.661, based upon a finding that:

(a) The public safety officer or instructor falsified any information submitted on the application for certification or on any documents submitted to the Board on Public Safety Standards and Training or the department.

(b) The public safety officer or instructor has been convicted of a crime or violation in this state or any other jurisdiction.

(c) The public safety officer or instructor does not meet the applicable minimum standards, minimum training or the terms and conditions established under ORS 181.640 (1)(a) to (d).

{ + (d) The public safety officer failed to comply with section 5 (3)(b) of this 2007 Act. + }

(2) The department shall deny, suspend or revoke the certification of a fire service professional, after written notice and hearing consistent with the provisions of ORS 81.661, based upon a finding that the fire service professional has been convicted in this state of a crime listed in ORS 137.700 or in any other jurisdiction of a crime that, if committed in this state, would constitute a crime listed in ORS 137.700.

(3) The department may deny, suspend or revoke the certification of any fire service professional after written notice and hearing consistent with the provisions of ORS 181.661, based upon a finding:

(a) That the fire service professional falsified any information submitted on the application for certification or on any documents submitted to the board or the department; or

(b) Consistent with ORS 670.280, that the fire service professional is not fit to receive or hold the certification as a result of conviction of a crime in this state, or in any other jurisdiction, other than a crime described in subsection (2) of this section.

(4) The department shall deny, suspend or revoke the certification of any public safety officer or instructor, except a youth correction officer, after written notice and hearing consistent with the provisions of ORS 181.661, based upon a finding that the public safety officer or instructor has been discharged for cause from employment as a public safety officer.

(5) The department, in consultation with the board, shall adopt rules specifying those crimes and violations for which a conviction requires the denial, suspension or revocation of the certification of a public safety officer or instructor.

(6) Notwithstanding the lapse, suspension, revocation or surrender of the certification of a public safety officer or instructor, the department may:

(a) Proceed with any investigation of, or any action or disciplinary proceedings against, the public safety officer or instructor; or

(b) Revise or render void an order suspending or revoking the certification.

(7) The department shall deny, suspend or revoke the accreditation of a training or educational program or any course, subject, facility or instruction thereof if the program, course, subject, facility or instruction is not in compliance with rules adopted or conditions prescribed under ORS 181.640 (1)(g) or 181.650 (3).

SECTION 9. { + (1) A deadly physical force planning authority created by section 2 of this 2007 Act shall submit the plan required by section 2 (4) of this 2007 Act to the governing bodies described in section 2 (7) of this 2007 Act no later than July 1, 2008.

(2) Notwithstanding section 2 (3) of this 2007 Act, for the period of time from the effective date of this 2007 Act to June 30, 2008, the law enforcement agency that employs the police officer selected under section 2 (1)(b) of this 2007 Act shall release the officer from other duties for at least 80 hours to enable the officer to serve on the planning authority. The agency shall compensate the officer at the officer's regular hourly wage while the officer is engaged in planning authority activities during that period of time. + }

SECTION 10. { + A law enforcement agency shall adopt the policy required by section 5 (2) of this 2007 Act no later than July 1, 2008. + }

SECTION 11. { + (1) A law enforcement agency that participates in the development of the plan required by section 2 (4) of this 2007 Act shall keep track of the expenses it incurs by reason of its participation. For purposes of this subsection and subsection (2) of this section, 'expenses' includes, but is not limited to, personnel costs.

(2) The Department of Justice shall award a law enforcement agency one credit for each dollar of expenses incurred before July 1, 2008, by reason of the law enforcement agency's participation in the development of the plan required by section 2 (4) of this 2007 Act.

(3) Notwithstanding section 4 (2) of this 2007 Act, when a law enforcement agency applies for a grant under section 4 of this 2007 Act, the department, to the extent that funds are appropriated to the department for the purpose, shall make a grant that exceeds 75 percent of the expenses incurred by the law enforcement agency if the law enforcement agency has unused credits awarded under subsection (2) of this section. When the department makes a grant that exceeds 75 percent of the expenses incurred by a law enforcement agency, the department shall deduct the amount of the grant that exceeds 75 percent from the credits awarded the law enforcement agency under subsection (2) of this section.

(4) The department may adopt rules necessary for the administration of this section. + }

SECTION 12. { + A law enforcement agency, as defined in section 1 of this 2007 Act, may not use moneys it receives under section 4 of this 2007 Act to supplant moneys from another source that the law enforcement agency has been previously authorized to expend. + }

SECTION 13. { + There is appropriated to the Department of Justice, for the biennium beginning July 1, 2007, out of the General Fund, the amount of \$182,161 for the purpose of carrying out the provisions of section 4 of this 2007 Act. + }

SECTION 14. ORS 181.640 is amended to read: 181.640. (1) In accordance with any applicable provision of ORS chapter 183, to promote enforcement of law and fire services by

improving the competence of public safety personnel and their support staffs, and in consultation with the agencies for which the Board on Public Safety Standards and Training and Department of Public Safety Standards and Training provide standards, certification, accreditation and training:

(a) The department shall recommend and the board shall establish by rule reasonable minimum standards of physical, emotional, intellectual and moral fitness for public safety personnel and instructors.

(b) The department shall recommend and the board shall establish by rule reasonable minimum training for all levels of professional development, basic through executive, including but not limited to courses or subjects for instruction and qualifications for public safety personnel and instructors. Training requirements shall be consistent with the funding available in the department's legislatively approved budget.

(c) The department, in consultation with the board, shall establish by rule a procedure or procedures to be used by law enforcement units, public or private safety agencies or the Oregon Youth Authority to determine whether public safety personnel meet minimum standards or have minimum training.

(d) Subject to such terms and conditions as the department may impose, the department shall certify instructors and public safety personnel, except youth correction officers, as being qualified under the rules established by the board.

(e) The department shall deny applications for training and deny, suspend and revoke certification in the manner provided in ORS 181.661, 181.662 and 181.664 (1).

(f) The department shall cause inspection of standards and training for instructors and public safety personnel, except youth correction officers, to be made.

(g) The department may recommend and the board may establish by rule accreditation standards, levels and categories for mandated and nonmandated public safety personnel training or educational programs. The department and board, in consultation, may establish to what extent training or educational programs provided by an accredited university, college, community college or public safety agency may serve as equivalent to mandated training or as a prerequisite to mandated training. Programs offered by accredited universities, colleges or community colleges may be considered equivalent to mandated training only in academic areas.

(2) The department may:

(a) Contract or otherwise cooperate with any person or agency of government for the procurement of services or property;

(b) Accept gifts or grants of services or property;

(c) Establish fees for determining whether a training or educational program meets the accreditation standards established under subsection (1)(g) of this section;

(d) Maintain and furnish to law enforcement units and public and private safety agencies information on applicants for appointment as instructors or public safety personnel, except youth correction officers, in any part of the state; and

(e) Establish fees to allow recovery of the full costs incurred in providing services to private entities or in providing services as experts or expert witnesses.

(3) The department, in consultation with the board, may:

(a) Upon the request of a law enforcement unit or public safety agency, conduct surveys or aid cities and counties to conduct surveys through qualified public or private agencies and assist in the implementation of any recommendations resulting from such surveys.

(b) Upon the request of law enforcement units or public safety agencies, conduct studies and make recommendations concerning means by which requesting units can coordinate or combine their resources.

(c) Stimulate research by public and private agencies to improve police, fire service, corrections and adult parole and probation administration and law enforcement.

(d) Provide grants from funds appropriated or available therefore, to law enforcement units, public safety agencies, special districts, cities, counties and private entities to carry out the provisions of this subsection.

(e) Provide optional training programs for persons who operate lockups. The term 'lockup' has the meaning given it in ORS 169.005.

(f) Provide optional training programs for public safety personnel and their support staffs.

(g) Enter into agreements with federal, state or other governmental agencies to provide training or other services in exchange for receiving training, fees or services of generally equivalent value.

(h) Upon the request of a law enforcement unit or public safety agency employing public safety personnel, except youth correction officers, grant an officer, fire service professional, telecommunicator or emergency medical dispatcher a multidiscipline certification consistent with the minimum requirements adopted or approved by the board. Multidiscipline certification authorizes an officer, fire service professional, telecommunicator or emergency medical dispatcher to work in any of the disciplines for which the officer, fire service professional, telecommunicator or emergency medical dispatcher is certified. The provisions of ORS 181.652, 181.653 and 181.667 relating to lapse of certification do not apply to an officer or fire service professional certified under this paragraph as long as the officer or fire service

professional maintains full-time employment in one of the certified disciplines and meets the training standards established by the board.

(i) Establish fees and guidelines for the use of the facilities of the training academy operated by the department and for nonmandated training provided to federal, state or other governmental agencies, private entities or individuals.

(4) Pursuant to ORS chapter 183, the board, in consultation with the department, shall adopt rules necessary to carry out the board's duties and powers.

(5) Pursuant to ORS chapter 183, the department, in consultation with the board, shall adopt rules necessary to carry out the department's duties and powers.

(6) For efficiency, board and department rules may be adopted jointly as a single set of combined rules with the approval of the board and the department.

(7) The department shall obtain approval of the board before submitting its legislative concepts, Emergency Board request or budget requests to the Oregon Department of Administrative Services.

{ + (8) The Department of Public Safety Standards and Training shall develop a training program for conducting investigations required under section 5 of this 2007 Act. + }

SECTION 15. { + The Department of Public Safety Standards and Training shall complete development of the training program required by ORS 181.640 (8) no later than August 31, 2008. The department shall submit a report summarizing the training program to the legislative interim committees dealing with the judiciary no later than September 30, 2008. + }

SECTION 16. { + Sections 4 and 12 of this 2007 Act and the amendments to ORS 181.640 and 181.662 by sections 8 and 14 of this 2007 Act become operative on July 1, 2008. + }

SECTION 17. { + Notwithstanding the effective date of section 5 of this 2007 Act, section 5 (3) to (7) of this 2007 Act applies to incidents occurring on or after July 1, 2008. + }

SECTION 18. { + This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on its passage. + }

Passed by Senate June 24, 2007

Repassed by Senate June 28, 2007

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Secretary of Senate

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President of Senate

Passed by House June 28, 2007

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Speaker of House

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

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Secretary of State

Attachment A

	<i>Corvallis Police Department General Orders</i>	
1.3	USE OF FORCE	SCOPE: ALL
ISSUED: 3/1/05	CALEA STANDARDS 1.2.2, 1.3.1, 1.3.2, 1.3.4, 1.3.5, 1.3.6, 1.3.7, 1.3.8, 1.3.9, 1.3.10, 1.3.11, 1.3.12, 1.3.13, 22.2.1, 22.2.6	REVISED: 01/04/08

1.3 USE OF FORCE

1.3.1 Purpose

This policy recognizes that the use of force by law enforcement requires constant evaluation. Even at its lowest level, the use of force is a serious responsibility. The purpose of this policy is to provide officers of this department with guidelines on the reasonable use of force. While there is no way to specify the exact amount or type of reasonable force to be applied in any situation, each officer is expected to use these guidelines to make such decisions in a professional, impartial and safe manner.

1.3.2 Philosophy

The use of force by law enforcement personnel is a matter of critical concern both to the public and to the law enforcement community. Officers are involved on a daily basis in numerous and varied human encounters and, when warranted, may use force in carrying out their duties.

Officers must have an understanding of, and true appreciation for, the limitations of their authority. This is especially true with respect to officers overcoming resistance while engaged in the performance of their duties.

This department recognizes and respects the value of all human life and dignity without prejudice to anyone. It is also understood that vesting officers with the authority to use reasonable force and protect the public welfare requires a careful balancing of all human needs.

1.3.3 Use of Force (CALEA Stds 1.3.1, 1.3.2, 1.3.11)

It is the policy of this Department that officers shall use only that amount of force that reasonably appears necessary, given the facts and circumstances perceived by the officer at the time of the event, to effectively bring an incident under control. "Reasonableness" of the force used must be judged from the perspective of a reasonable officer on the scene at the time of the incident. Any interpretation of "reasonableness" must allow for the fact that police officers are often forced to make split-second decisions in circumstances that are tense, uncertain and rapidly evolving.

It is the policy of this department that use of force by its members be:

- A. Justified under applicable state law;
- B. Consistent with the more specific policies which follow;
- C. Professionally accomplished according to approved training and with approved equipment;
- D. In all cases employed to accomplish a legitimate tactical objective;
- E. Limited to that degree and duration which the officer reasonably believes necessary to accomplish that objective; and
- F. Applied by the officer and reviewed by the department based upon those facts which are reasonably believed by the officer at the time, applying legal requirements, department policy, and approved

training to those facts. Facts later discovered, but unknown to the officer at the time, can neither justify nor condemn an officer's decision to use force.

1.3.4 Use of Physical Force in Making an Arrest or Preventing an Escape

Officers are permitted to use only that force which the officer reasonably believes is necessary to protect themselves or others from bodily harm or to effect any other lawful police action. The officer's authority to use physical force is provided for under Oregon Revised Statutes and this policy is intended to conform to the provisions of the statutes.

1.3.5 Factors used to Determine the Reasonableness of Force

When determining whether or not to apply any level of force and evaluating whether an officer has used reasonable force, a number of factors should be taken into consideration. These factors include, but are not limited to:

- A. The conduct of the individual being confronted (as reasonably perceived by the officer at the time);
- B. Officer/subject factors (age, size, relative strength, skill level, injury/exhaustion and number of officers vs. subjects);
- C. Influence of drugs//alcohol (mental capacity);
- D. Proximity of weapons;
- E. Time and circumstances permitting, the availability of other options (what resources are reasonably available to the officer under the circumstances);
- F. Seriousness of the suspected offense or reason for contact with the individual;
- G. Training and experience of the officer;
- H. Potential for injury to citizens, officers and suspects;
- I. Risk of escape;
- J. Other exigent circumstance.

It is recognized that officers are expected to make split-second decisions and that the amount of an officer's time available to evaluate and respond to changing circumstances may impact his/her decision.

While various degrees of force exist, each officer is expected to use only that degree of force reasonable under the circumstances to successfully accomplish the legitimate law enforcement purpose in accordance with this policy.

1.3.6 Definitions

- A. Officer - for the purpose of this order, "Officer" shall refer to a sworn member authorized to carry a weapon.
- B. Threat - any person resisting arrest or resisting being lawfully controlled and/or demonstrating the intent, having the means, and the opportunity to inflict injury, serious physical injury, or death.
 - 1. Elements of Threat Assessment: must demonstrate all three elements in order to be an immediate threat. The threat must possess the elements (intent, means, and opportunity) prior to the use of force.
 - a. Intent: the threat must demonstrate his/her intent to inflict physical injury or resist being controlled through body language and/or verbalization.
 - b. Means: the threat must have the physical capability to carry out the articulated aggression or resistance.
 - c. Opportunity: the threat must have access to the officer and/or object to carry out the articulated or perceived aggression.

- C. Physical Force - Making physical contact with a person in order to gain physical control of that person.
- D. Deadly Physical Force - physical force that under the circumstances in which it is used is readily capable of causing death or serious physical injury.
- E. Physical Injury - impairment of physical condition or substantial pain.
- F. Serious Physical Injury - physical injury which creates a substantial risk of death or serious and protracted disfigurement, protracted impairment of health or protracted loss or impairment of any bodily organ.
- G. Deadly Weapon - any instrument, article, or substance specifically designed for and presently capable of causing death or serious physical injury.
- H. Dangerous Weapon - any instrument, article, or substance which under the circumstances in which it is used, attempted to be used or threatened to be used, is readily capable of causing death or serious physical injury.
- I. Reasonable Belief - what a prudent and rational person, in the same set of circumstances would believe.
- J. Firearm - a weapon by whatever name known, which is designed to expel a projectile by the action of powder and which is readily capable of use as a weapon.
- K. Extended Range Impact Munitions - a less lethal, extended range impact device fired from a gas gun or shotgun.

1.3.7 Use of Deadly Physical Force in Defense of Human Life (CALEA Std 1.3.2)

Deadly physical force shall only be used by an officer when s/he reasonably believes the action is in defense of the imminent threat of serious physical injury or death to the officer or another person.

1.3.8 Less-lethal Weapons (CALEA Stds 1.2.2, 1.3.4, 1.3.5, 1.3.9, 1.3.10, 1.3.11)

To successfully respond to situations requiring justifiable use of reasonable force and minimize risk to the public and the officer(s) involved, certain less-lethal weapons are authorized for use by Police Department members. The authorized less-lethal weapons are Oleoresin Capsicum, Tasers, Impact Weapons, Chemical Agents, Canine Team, and Extended Range Impact Munitions. These weapons are not listed in any intended order of use. The Chief of Police may designate by general order other less-lethal weapons authorized for use by Police Department members.

- A. Use of less-lethal weapons, except in a training situation, will be documented in incident reports and on the Use of Force form as noted in 1.3.17.
- B. Training
 - 1. Officers are not authorized to carry/use any less-lethal weapon until s/he is formally trained by a Police Department authorized instructor.
 - 2. The Police Department will provide authorized personnel with annual training in the use of the less-lethal weapon(s) they are authorized to carry. Training will be noted in the Police Department training files.
 - 3. Any employee who fails to demonstrate proficiency with his/her authorized less-lethal weapon(s) during annual training shall have a 15 calendar day grace period in which to receive additional training from a Police Department authorized instructor and to meet the proficiency standards.
 - a. If an employee is unable to qualify during this grace period s/he will be assigned to an authorized instructor for additional training.
 - b. Disciplinary action may be taken if the employee is still unable to meet the proficiency standards following the remedial training.
- C. Oleoresin Capsicum (OC)

- 1 Uniformed officers below the rank of Lieutenant shall carry a container of Police Department issued OC while on duty.
2. OC shall only be used when a suspect is not under physical control and s/he poses an immediate threat of inflicting injury upon an officer, a citizen or her/himself.
3. OC shall not be discharged into an enclosed area unless the ability to enter and remove any person who may be incapacitated exists.
4. An arresting officer will, as soon as possible, give any person exposed to OC reasonable opportunity to thoroughly flush the affected parts of the body with water.
5. OC may be used on an animal as a deterrent to aggressive behavior when it poses an immediate threat of inflicting injury to an Officer or others.
6. All Oleoresin Capsicum (OC) issued by the Department and carried by Corvallis Police Department personnel shall be non-flammable.

D. Taser

1. Uniformed officers below the rank of Lieutenant will carry a Police Department-issued Taser while on patrol duty.
2. A Taser shall only be used when a suspect is not under physical control and s/he poses an immediate threat of inflicting injury upon an officer, a citizen or her/himself.
3. A Taser may be used in either the contact/drive-stun (without air cartridge) mode or deployed with the air cartridge (probes).
4. A Taser shall not be used in situations where known flammable materials such as gasoline fumes, methamphetamine labs or natural gas would be in danger of being contacted by the Taser probes or wires when activated.
5. If the suspect has been sprayed with Oleoresin Capsicum (OC), a Taser shall not be deployed unless it is certain that the Oleoresin Capsicum (OC) is non-flammable.
6. A Taser shall not be used on visibly pregnant women due to possible muscle contractions and/or possible falling injuries.
7. Taser probes that remain lodged in the skin should only be removed by emergency medical technicians or emergency room staff. Once removed, these probes shall be placed into a puncture-proof container and submitted to evidence, where they will be held for a period of not less than one year.
8. The Taser shall be worn in a "cross-draw" position on the duty belt, opposite from the position of the duty firearm.
9. To reduce the possibility of injury, the Taser is not to be directed at the head, neck or groin area of the suspect.
10. A supervisory Use of Force Report shall be completed when the Taser is used, other than during a training session. The serial number of the Taser shall be documented in the report.
11. The supervisor completing the Use of Force Report shall download the use information from the Taser used. A printout of the Taser usage history shall be attached to the Use of Force report.

E. Impact Weapons

1. Uniformed officers below the rank of Lieutenant will have a Police Department-issued retractable police baton available for use while on duty. (i.e. available in the duty bag, police vehicle, etc.) Officers have the option of wearing the baton on the duty belt.
2. A police baton shall only be used when a suspect is not under physical control and s/he imposes an immediate threat of inflicting injury upon an officer, a citizen or her/himself.
3. To reduce the possibility of inflicting a lethal or permanently disabling blow, a strike is not to be directed to the head, side of the neck, armpit or chest cavity unless deadly physical force is justified.
4. Other forms of impact weapons should not be used except in emergency situations.

- F. Chemical Agents
 1. Tear gas will only be used in extreme circumstances where a serious danger to life and property exists and all other methods of control or apprehension would be ineffective or more dangerous.
 2. Use of tear gas can only be authorized by a Division Manager or designee.
- G. Other Less-lethal Weapons

Other forms of less-lethal weapons should not be used except in emergency situations. However, in all cases the weapon/force used shall be in compliance with Section 1.3.1. A and B. The Canine Team shall be utilized in accordance with G.O. 41.4.1
- H. Extended Range Impact Munitions
 1. Specialty impact munitions shall only be used when a suspect is not under physical control and s/he poses an immediate threat of inflicting injury upon an officer, a citizen or her/himself.
 2. To reduce the possibility of inflicting a lethal or permanently disabling blow, specialty impact munitions shall not be fired directly at the head or neck unless deadly physical force is justified.
 3. Specialty impact munitions may be used on an animal as a deterrent to aggressive behavior when it poses an immediate threat of inflicting injury to an Officer or others.
 4. Use of specialty impact munitions can only be authorized by an on-duty supervisor.
 5. Only personnel who are trained to use the device(s) are authorized to utilize the specialty impact munitions.
 6. A Use of Force investigation is required when specialty impact munitions are utilized.

1.3.9 Containment/Restraint Devices

- A. Control is achieved by placing devices on the suspect's limbs to temporarily restrict the suspect's movement. Examples include handcuffs and leg restraints. Except in emergency situations, officers should only use department-approved restraint devices which they have been trained to use.
- B. Any officer taking a person into physical custody shall utilize handcuffs to control that person as soon as practical. Handcuffs are to be checked for proper tightness and double-locked as soon as practical after application. Suspects will be handcuffed with their hands behind their backs unless unusual circumstances prohibit that positioning.
- C. Leg restraints are to be applied only when a prisoner is or has been struggling or kicking and there is a risk of injury to any person or damage to property. At no time shall a handcuffed prisoner be placed in a prone position with their restrained feet tied to their handcuffs or waist area (i.e. hogtied).

1.3.10 Use of Force to Apprehend a Fleeing Felon (CALEA Std 1.3.2)

An officer may use deadly force to affect the arrest or prevent the escape of a suspected felon where the officer has probable cause to believe that the suspect poses a significant imminent threat of death or serious physical injury to the officer or others. Under such circumstances, a verbal warning should precede the use of deadly force, where feasible.

1.3.11 Policy Training (CALEA Std 1.3.2, 1.3.11)

- A. A sworn Police Officer shall be instructed in and have access to both electronic and hard copies of General Order 1.3, Use of Force, prior to being authorized to carry a firearm.
- B. A Police Officer and/or member authorized to carry or use a firearm shall receive a minimum of biannual firearms training, which will include classroom instruction.
- C. Police Officers below the rank of Lieutenant will receive training annually in Defensive Tactics, which will include a review of policy, procedure, and State Statutes pertaining to the Use of Force; impact weapons techniques, Taser, and Oleoresin Capsicum procedures.

- D. The Professional Standards Lieutenant/designee will determine the frequency and type of training for specialized weapons and specialty impact munitions.
- E. Use of Force training will be presented annually, documented and recorded in each sworn employee's training file by the Professional Standards Lieutenant/designee.

1.3.12 Relief From Field Duty (CALEA Stds 1.3.8, 22.2.1, 22.2.6)

- A. When any employee, whose action(s) or use of force in an official capacity results in death or serious injury, that employee will, as soon as practical, be released from field duty or duty having contact with the public by the supervisor pending a complete investigation of the incident.
- B. The relieved employee may, at the discretion of the Chief of Police, be placed on Administrative Leave or be assigned other duties Monday through Friday, 8:00 a.m. to 5:00 p.m. pending the outcome of the investigation. Relief from duty shall not be considered a suspension or disciplinary action taken against the employee. It is for the purpose of relieving the employee from further field duties while undergoing the extreme emotional stress of having used deadly force or taken some action resulting in serious physical injury or death, and permitting time to conduct an objective investigation into the incident.
- C. The Investigations and Support Services Division (ISSD) Manager will ensure that the involved employee consults with the Police Department psychologist within 72 hours of the incident. The confidentiality of privileged communication between patient and client will apply. The ISSD Manager will be notified only that the consultation has occurred.

1.3.13 Use of Force Report (CALEA Stds 1.3.5, 1.3.6, 1.3.7, 1.3.13)

- A. A member using physical force shall:
 - 1. Obtain medical assistance for subjects who have sustained injuries or complained of injury, or have been rendered unconscious;
 - a. Injured persons need to be closely monitored and then examined by medical personnel to verify the extent of their injury. Care shall always be taken to place persons in custody in a position to avoid positional asphyxia.
 - 2. Immediately notify his/her supervisor prior to leaving the scene unless exigent circumstances delay notification of reportable force as outlined in Section C;
 - 3. Document any use of force above the level of persuasion, including the complete circumstances and details of the incident in his/her investigative report;
 - 4. Complete the investigative report and have the report reviewed and approved by a supervisor during the shift.
- B. Any member observing the use of force who does not believe the spirit and intent of the reporting requirements are being met shall promptly notify their supervisor.
- C. In every reportable use of force situation, once notified, the on-duty supervisor shall respond to the scene immediately. The on-duty supervisor will investigate the use of force incident and complete a use of force report and investigation prior to the end of shift. Use of force investigations will be necessary when:
 - 1. Use of deadly physical force,
 - a. In the case of an officer involved shooting or other use of deadly physical force, the on-duty supervisor will conduct a brief summary investigation only. The Professional Standards Lieutenant will submit the administrative review; which shall include the Use of Force Report.
 - 2. Use of Vascular Neck Restraint,
 - 3. Use of baton,
 - 4. Use of O.C. and/or Chemical Agents,
 - 5. Use of Specialty Impact Munitions,

6. Use of the Taser
 7. Use of force which causes any visible or apparent physical injury, or which results in the subject saying s/he was injured.
 8. A member uses any other type of less-lethal object to strike a blow to a subject.
 9. Any other incident that the on-scene supervisor determines a use of force report is necessary.
- D. The use of force investigation will include a narrative about the incident and any interviews and statements of victims, witnesses and suspect(s). A copy of the police report will be attached to the use of force report, as well as photographs of injuries, copies of doctor's reports and communications tapes when appropriate.
- E. The narrative should describe the use of force, whether the force was appropriate and no further action is required or further investigation is warranted.
- F. The completed report will be forwarded to the Chief of Police via the chain of command for review and approval.
1. Each supervisor and manager will sign off on the report for concurrence or make a recommendation to the Division Manager for corrective action or discipline, if necessary.
 2. The Chief of Police will forward the completed documents to the Management Assistant who is responsible for maintaining the use of force files.
 3. A copy of the completed Use of Force report will be provided to the involved employee(s) by the Management Assistant.
- G. The Professional Standards Lieutenant will annually review each Use of Force report, recording the type and resulting effectiveness/ineffectiveness of the force used, as well as compliance with this policy. The review will focus on patterns which may identify any training deficiencies, such as improper methods in the application of the force, i.e. incorrect handcuffing, hand holds, etc., and will make recommendations for additional training or to discontinue a particular method of force being used by the Police Department. This report will be forwarded to the Chief of Police and to the Use of Force Instructors.
- H. The Management Assistant shall maintain all completed Use of Force reports for at least three years following the date of incident.

By Authority of:



Gary Boldizar, Chief of Police

C. Staff Reports

City Manager Nelson referenced from the meeting packet a memorandum from Public Works Director Rogers regarding a solar power project at the WWRP. Staff hopes the project will generate annual savings equal to 50 percent of the WWRP's power needs.

Mr. Nelson announced that farewell receptions for Parks and Recreation Director Conway would be held March 5th for City employees, Council members, and advisory body members; and March 7th for the general public. He thanked Ms. Conway for her service to the community.

Mr. Nelson confirmed for Councilor Hamby that the solar project at the WWRP would be reviewed again by Urban Services Committee.

VIII. & IX. STANDING COMMITTEE REPORTS AND ORDINANCES, RESOLUTIONS, AND MOTIONS

A. Human Services Committee – February 20, 2008

1. Social Services Semi-Annual Report

Councilor Brauner reported that the Committee received reports from staff and United Way of Benton and Lincoln Counties Executive Director Moore, who administers the social service funds. The report indicated that all funds were being disbursed per the contract schedule.

Councilors Brauner and Wershow, respectively, moved and seconded to accept the social services semi-annual report for Fiscal Year 2007-2008. The motion passed unanimously.

2. Deadly Physical Force Policy

Councilor Brauner reported that Police Chief Boldizar presented to the Committee a draft policy, which is required by Oregon Senate Bill 111. The Bill was adopted during the last Legislative Session and will become law July 1, 2008, requiring every Oregon county to develop a deadly physical force policy. Benton County representatives have been developing a policy, with participation by Chief Boldizar and other members of Corvallis Police Department. The Council is required to take action on the draft policy, after the Benton County Board of Commissioners (BOC) conducts a public hearing and makes any amendments. The County public hearing will be held March 18th, and the Council will hold a public hearing April 7th.

Councilors Brauner and Wershow, respectively, moved and seconded to review the Benton County Use of Deadly Physical Force Plan, as amended, during the April 7th Council evening meeting.



Councilor Brauner clarified for Councilor Grosch that today's Council decision would approve conducting a public hearing and potentially taking action April 7th; the Council cannot approve the plan until it is forwarded by the County.

Councilor Grosch questioned whether the Council could amend the draft policy, after the County's public hearing, noting that he had several questions and opining that a public hearing should be held before the Council takes any action. He further opined that the draft policy was significant and warranted public review.

Councilor Brauner presumed that the Council would not be forced to adopt the County's policy. The policy was developed by a committee comprised of representatives of the Corvallis Police Department and the Benton County BOC, Sheriff's Office, and District Attorney's Office. The policy would be a county-wide, coordinated guideline. The Council is not forced to adopt any document it receives; the Council could submit to the County suggested policy amendments.

Mr. Nelson added that the policy is a statutory requirement but is prompted by Benton County. Two-thirds of the governing bodies within the county must approve the policy in an approve-or-reject format. Staff interpreted this provision to mean that any proposal from the County must be approved or rejected as presented.

Councilor Brauner commented that the Council could reject the policy and specify reasons for the rejection.

Councilor Grosch acknowledged the reason for the policy's development. The Council's first review of the draft policy was via Human Services Committee's report. He did not have enough opportunity to review the policy and understand the requirements outlined in it. He believes the Council needs opportunity to review the policy and receive public input.

Councilor Brauner noted that Council members could testify during the County's public hearing.

Councilor Beilstein observed that the policy addressed investigation and reporting responsibilities but did not address the "rules of engagement" officers apply to determine use of force in the field. The City policy that outlines "rules of engagement" was included in the staff report. The County policy would become an addendum to the City policy. He encouraged Council members to review the City policy, which provides insight into the rationale and parameters for procedures. He did not find anything in the County's draft policy to be controversial and believes it should supplement the City policy without problems. He noted that Senate Bill 111 was prompted by law enforcement situations in the Portland, Oregon, area.

Councilor Daniels added that the committee that drafted the County's policy included two elected officials: Sheriff Simpson and District Attorney Haroldson. She expressed understanding that Senate Bill 111 was intended to ensure that all law enforcement jurisdictions in an area have procedural consistency.

Councilor Grosch acknowledged the purpose of the draft policy. He said several community members question the credibility of all law enforcement agencies in the community in terms of how they conduct investigations. The draft policy would establish specific, stringent guidelines regarding investigations and responsibilities. Many citizens believe that investigations are intended to exonerate police departments and their officers. The draft policy was developed by a committee that included elected officials charged with defending the groups that are representing themselves. He urged that the Council have opportunity to conduct a full public hearing on the draft policy to determine how the policy might impact current practices and to ensure that any situation involving use of deadly force is fully investigated and that the investigation is available for public review and comment.

The motion passed unanimously.

VI. VISITORS' PROPOSITIONS

Reed Wilson reviewed a prepared statement (Attachment D). He spends a lot of his spare time hiking in nearby forests seeking endangered species.

Rana Foster distributed for the Council to view photographs of group hikes through areas that would be affected by the Western Oregon Plan Revisions (WOPR). She reviewed her written testimony (Attachment A). She announced that she submitted a copy of the WOPR to the Library's reference section. She offered to provide other information to the Council and to conduct hikes and slide presentations.

Chris Foulke reviewed his prepared statement (Attachment E).

Mahogany Aulenbach lives outside Monroe near Alsea Falls and has been a Benton County resident for 19 years. He would like more trails developed in area forests, which he considers opportunities for people to explore old-growth trees. The Alsea Falls area has bicycle trails with many old-growth trees more than 200 years old. His group conducts hikes every Sunday and will schedule other hikes as requested.

In response to Councilor Daniels' inquiry, Mr. Wilson stated that his group had not spoken with Benton County regarding the WOPR. The Board of Commissioners approved the WOPR with conditions. He clarified that the Oregon and California Railroad Act of 1937 (O&CRA) was the basis for the WOPR and a lawsuit from the timber industry. He added that the lawsuit was defeated but was settled upon appeal. The O&CRA was developed to prevent destruction by logging practices on Oregon and California Railroad lands. The Act was intended to provide permanent forest production, sustainable logging, protection of watersheds, and recreational facilities.

Councilor Grosch suggested that the WOPR be referred to the City Legislative Committee for review, allowing for additional public testimony. He said the WOPR would affect Corvallis because the eastern slopes of the Coast Range drain into the Long Tom and Willamette Rivers, which are sources of drinking water for Corvallis. The WOPR could affect drinking water quality and may exacerbate existing river problems involving water temperature and sediment.

**HUMAN SERVICES COMMITTEE
MINUTES
FEBRUARY 20, 2008**

Present

Councilor Stewart Wershow, Chair
Councilor Mike Beilstein
Councilor Hal Brauner

Staff

Jon Nelson, City Manager
Ken Gibb, Community Development Director
Gary Boldizar, Police Chief
Kathleen Matthews, Management Assistant
Carla Holzworth, City Manager's Office

Visitors

Jennifer Moore, United Way of Benton and Lincoln Counties

SUMMARY OF DISCUSSION

<u>Agenda Item</u>	<u>Information Only</u>	<u>Held for Further Review</u>	<u>Recommendations</u>
I. Social Services Semi-Annual Report			Accept the Social Services Semi-Annual Report
II. Deadly Physical Force Policy			Approve the Benton County Use of Deadly Physical Force Plan following a public hearing at the March 17 evening Council meeting
III. Other Business			

Chair Wershow called the meeting to order at 12:01 pm.

CONTENT OF DISCUSSION

I. Social Services Semi-Annual Report (Attachment)

Mr. Gibb requested that the Committee recommend Council acceptance of the Social Services Semi-Annual Report. He noted that new reporting requirements became effective this fiscal year. Distribution to agencies and the United Way of Benton and Lincoln Counties (UWBLC) totals \$379,580.

Ms. Moore said all agency reports were completed and submitted on time. As part of refining its own process, UWBLC will establish agency narrative guidelines to improve the report's structure and consistency. Each agency appears to be making good use of its funding.

Councilor Brauner observed that agencies submitting complete reports on time speaks well of UWBLC, as well as the agencies themselves. Ms. Moore noted that the FY 2008-09 process is in progress. Letters of intent are due on February 22 and agency orientation and feedback meetings are being held.

The Committee unanimously recommends that Council accept the Social Services Semi-Annual Report for Fiscal Year 2007-08.

II. Deadly Physical Force Policy (Attachment)

Chief Boldizar said Oregon Senate Bill 111 (SB 111), which becomes law on July 1, 2008, requires each Oregon county to create a planning authority charged with developing a Use of Deadly Physical Force Plan. The Plan must be approved by at least two-thirds of the governing bodies, which for this region includes the Corvallis City Council, the Benton County Board of Commissioners, the Philomath City Council, and the Albany City Council.

Chief Boldizar reviewed the Plan's five required elements discussed on page 2 of the staff report. The purpose the Plan is to ensure all counties address deadly use of force issues in the same manner. Staff requests that the Committee recommend Council approval of the Plan following a public hearing.

In response to Councilor Brauner's inquiry, Chief Boldizar said members of the planning authority unanimously approved the draft Plan being submitted. He did not have information about where the other governing bodies are in their review and approval process.

Councilor Beilstein said he is comfortable recommending the Plan's approval. In response to his inquiry, Chief Boldizar said the Legislature passed SB 111 in part due to use of deadly force incidents in Portland that were not handled consistently, including what information was released, how officers were treated, and grand jury decisions.

Chair Wershow noted that the Corvallis Police Department's Use of Force policy should be attached to the Plan. City Manager Nelson indicated the policy (Attachment A) will be attached to the Plan, staff report, and HSC minutes going to Council.

Chief Boldizar noted that at least one public hearing is required prior to approval of the Plan. The Committee agreed to recommend scheduling the public hearing for the evening Council meeting on March 17 because the March 3 Council meeting will not have an evening meeting.

In response to Chair Wershow's inquiry, Chief Boldizar agreed to correct an error on page 2 of the staff report as follows:

*Additionally, the planning authority shall conduct at least one public hearing in the county before submitting a plan, or a revision of the plan, to the **Attorney General's Office** governing bodies in the county.*

The corrected paragraph will be reflected in the staff report that goes to Council.

In response to Chair Wershow's inquiry, Chief Boldizar confirmed that the report elements required by statute, including gender, race, and ethnicity of the decedent will continue to be met.

The Committee unanimously recommends that Council approve the Benton County Use of Deadly Physical Force Plan following a public hearing at the March 17 evening Council meeting.

[Following the meeting, staff learned that the Countywide public hearing will not be held until March 18, 2008, so City Council action will be scheduled for April 7, 2008.]

III. Other Business

The March 4 Human Services Committee meeting is canceled. The next meeting is scheduled for 12:00 pm on Tuesday, March 18, 2008 in the Madison Avenue Meeting Room.

Respectfully submitted,

Stewart Wershow, Chair

***** MEMORANDUM *****

MARCH 11, 2008

TO: MAYOR AND CITY COUNCIL

FROM: JON S. NELSON, CITY MANAGER

**SUBJECT: SEVENTH STREET STATION COMPREHENSIVE PLAN AMENDMENT
AND REZONING**

I have asked staff to reschedule the April 2, 2008 Planning Commission hearing on the Seventh Street Station Comprehensive Plan Amendment and Rezoning direction by City Council based upon new information.

A necessary element in the Comprehensive Plan Amendment and Zone change from Medium Density/RS-12 to Mixed Use Employment is a transportation planning rule analysis of the site. This will cost in the neighborhood of \$10,000 and is estimated to take five weeks to complete.

We have learned from the owner's representative that the owner intends to make application for an RS-12 use the first week of April 2008. Given this information and the cost of the analysis, staff intends to ask Council at your April 7, 2008 meeting whether we should continue with the Comprehensive Plan and zone change, and associated costs, for the purpose of a change that, if successful, will result in creating a non-conforming use.

Unless directed otherwise, we will not proceed with hiring a firm to do the analysis pending the April 7, 2008 City Council check-in.

Thank you.

4020

4/2/08
Excavation + grading permit application
received by Dev. Services.
JSN

1. City Manager's Report – February 2008
2. Council Request Follow-up Report – March 13, 2008

Mr. Nelson noted the Think Permit marketing program which acknowledges the statewide campaign drawing attention to the value of obtaining permits.

In response to Councilor Beilstein's comments about the multi-use path, Mr. Nelson said the issue is gaining permission for an access gate on private property to make the connection at NW Cornell Avenue. Staff will continue discussions with the property owner.

Mr. Nelson referred to a memorandum regarding 7th Street Station Comprehensive Plan amendment and rezoning. Staff discovered that proceeding with Council direction will require a traffic impact analysis costing approximately \$10,000. Mr. Nelson suggested delaying further action until the April 7 City Council meeting when staff anticipate receipt of a RS-12 development application.

Mr. Nelson announced that the City recently become a member of the Housing Alliance.

Mr. Nelson said the 9-1-1 Center Final Report is complimentary to the Police Department. Next steps include a discussion with the 9-1-1 users group about prioritizing the 25 action items and how chosen items will be funded.

3. Code Enforcement Program Update

Community Development Director Gibb noted that the staff report should have read staff received 164 complaints during the last four months compared to 68 for the same time period last year.

In response to Councilor York's inquiry, Code Enforcement Supervisor Westfall said the criteria in the staff report is prioritized as listed; however, the last three items are evenly valued. Mr. Gibb added that the list is situational in all cases.

VI. VISITORS' PROPOSITIONS

Betty Griffiths, Corvallis Sustainability Coalition (CSC), said 100 people have registered for the March 31 Community Sustainability Town Hall meeting. She recommended early registration online at www.sustainablecorvallis.org or by calling (541) 250-1186. The Web page also includes a survey to help identify sustainability project interest.

Ann Schuster, CSC, commended the City for their sustainability efforts. She said the town hall meetings will be used to engage the community in discussions about Corvallis' social and environmental sustainability vision. The March 31 meeting begins at 6:00 pm at the CH2M Hill Alumni Center. Future town hall meetings are scheduled for June 22 and October 2.

Ms. Griffiths submitted copies of the CSC E-Update that includes information about the Corvallis Energy Challenge launched in early March (Attachment E).



Office of the Mayor
501 SW Madison Avenue
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Corvallis, OR 97339-1083
(541) 766-6985
FAX: (541) 766-6780

e-mail: mayor@council.ci.corvallis.or.us

PROCLAMATION

ARBOR MONTH

APRIL 2008

WHEREAS, Corvallis' urban forest of public and private woodlands and green spaces is part of a larger ecosystem that extends from coastal foothills to the Willamette River and is essential to our region's water quality; and

WHEREAS, We all live downstream, and there is much we can do to prevent pollutants from harming habitat and ruining our streams; and

WHEREAS, The City of Corvallis recognizes that its citizens do much to enhance the natural systems and the livability of their neighborhoods through the stewardship of trees, green spaces, streams, and watersheds; and

WHEREAS, Our urban forest includes a diversity of trees that grace our city streets, parks, and open spaces; provide habitat for wildlife; soften hardscapes; clean the air; protect water resources; and ensure that everyone can experience natural beauty where we live, work, and recreate; and

WHEREAS, Corvallis' urban forest is the very signature of our livable community.

NOW, THEREFORE, I, Charles C. Tomlinson, Mayor of the City of Corvallis, do hereby proclaim **April 2008** as **Arbor Month** in the City of Corvallis and encourage people throughout the entire City to become more involved with the planting and preservation of the urban forest.

Mayor Charles C. Tomlinson

Date





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**PROCLAMATION
NATIONAL LIBRARY WEEK
APRIL 13 - 19, 2008**

- WHEREAS,** Our nation's school, academic, public, and special libraries make a difference in the lives of millions of Americans, today, more than ever; and
- WHEREAS,** Librarians are trained professionals, helping people of all ages and backgrounds find and interpret the information they need to live, learn, and work in the 21st Century; and
- WHEREAS,** Libraries are part of the American Dream—places for opportunity, education, self-help, and lifelong learning; and
- WHEREAS,** Library use is up nationwide among all types of library users, continuing a decade-long trend; and
- WHEREAS,** Libraries play a vital role in supporting the quality of life in their communities;
- WHEREAS,** Libraries can help you discover a world of knowledge, both in person and online, as well as provide personal service and assistance in finding what you need when you need it; and
- WHEREAS,** Libraries are a key player in the national discourse on intellectual freedom, equity of access, and narrowing the "digital divide"; and
- WHEREAS,** Libraries, librarians, library workers, and supporters across America are celebrating National Library Week; and
- WHEREAS,** The Corvallis-Benton County Public Library is one of the busiest libraries its size in the United States, checking out more than 1.5 million items annually.

NOW, THEREFORE, I, Charles C. Tomlinson, Mayor of the City of Corvallis, do hereby proclaim **April 13-19, 2008,** as **National Library Week,** and I encourage all residents to visit our Library this week to take advantage of the wonderful library resources available and thank their librarians and library workers for making information accessible to all who walk through the Library's doors. Let's join the circle of knowledge at our Library.



Charles C. Tomlinson, Mayor

Date



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**PROCLAMATION
DAYS OF REMEMBRANCE**

April 27 - May 4, 2008

- WHEREAS, Days of Remembrance are set aside each year to remember the Holocaust and to remind Americans of what bigotry, hatred, and indifference can do to civilized people; and
- WHEREAS, The United States Holocaust Memorial Museum has designated **Do Not Stand Silent: Remembering Kristallnacht 1938** as the theme for the 2008 Days of Remembrance in remembrance of the anti-Jewish pogrom on November 9-10, 1938; and
- WHEREAS, The people of the City of Corvallis, Oregon pay tribute to those who work tirelessly for the cause of justice, both then and now; and
- WHEREAS, Reflection on the prosecution of Nazi perpetrators reminds us that we must take action to prevent atrocities and vigorously pursue justice for the victims of such acts of hatred and inhumanity, not only for their sake but for the sake of present and future generations; and
- WHEREAS, Today, more than ever before, individual and communal willingness to seek justice after the Holocaust serves as a powerful example of how our nation can -- and must -- respond to unprecedented crimes; and
- WHEREAS, Pursuant to an Act of Congress (Public Law 96-388, October 7, 1980) the United States Holocaust Memorial Council designates the Days of Remembrance of the Victims of the Holocaust to be Sunday, April 27, through Sunday, May 4, 2008, including the international Day of Remembrance known as *Yom Hashoah*, May 2;

NOW, THEREFORE, I, Charles C. Tomlinson, Mayor of Corvallis, Oregon, do hereby proclaim **Days of Remembrance** in the City in memory of the victims of the Holocaust, and in honor of the survivors, as well as the rescuers and liberators, and urge all citizens to strive to overcome intolerance and indifference through learning, remembrance, and action. We remember the past for the sake of the future.

Charles C. Tomlinson, Mayor

Date

0034



Date: March 28, 2008
To: Corvallis City Council
Jon Nelson, City Manager
From: Mayor Charles C. Tomlinson *CCT*
Subject: APPOINTMENTS TO THE ECONOMIC ALLOCATION COMMITTEE

The following individuals are appointed to the Economic Allocation Committee. As you recall, Council President Hal Brauner has agreed to serve as a third Council member on the Committee.

Matt Johnen
3931 NW Clarence Circle
Corvallis, OR 97330

Liz Foster
Re/MAX
365 NW Harrison Blvd
Corvallis, OR 97330

Jeff Barricks
Safeway
5270 SW Philomath Blvd
Corvallis, OR 97333

COUNCIL REQUESTS

FOLLOW-UP REPORT

APRIL 3, 2008

1. Beaver Bus Transit System (Brown)

A Ward 4 constituent recently suggested the cancellation of the Beaver Bus late-night transit service, a joint venture between the Associated Students of Oregon State University (ASOSU) and the City of Corvallis, citing high costs and low ridership. Fiscal Year (FY) 2007-2008 represents the second year of operation of the Beaver Bus service, which operates Thursday through Saturday from 8:45 pm until 2:45 am when OSU is in session. Under the FY 2007-2008 agreement, ASOSU funds 70 percent of the service, and CTS funds the remaining 30 percent. The City's contribution is \$20,000 for FY 2007-2008; the FY 2006-2007 contribution was \$21,000. From its inception, the service has been designed, promoted, and operated in close cooperation with ASOSU.

Ridership for September through March in FY 2007-2008 averaged 210 rides per week, a nearly 21-percent increase over FY 2006-2007. Recent months have produced an increase of 39 percent over the prior year. This is typical for a start-up of a public transportation service. Growing familiarity and satisfaction with the service are likely reasons for the increase. Staff expects the upward trend in ridership will continue in the future.

ASOSU secured funding for the continuation of the service in FY 2008-2009, and the Budget Commission recommended \$20,000 to fund the City's portion for FY 2008-2009.

2. Rural Fire Protection District Contract (Nelson)

The attached memorandum from Fire Chief Emery explains the status of negotiations between the City and Corvallis Rural Fire Protection District.

3. Homelessness in Parks (York)

The attached memorandum from Acting Parks and Recreation Director Emery outlines activities and average costs for City staff to respond to homelessness-related issues in City parks.


Jon Nelson
City Manager

*** MEMORANDUM ***

April 1, 2008

TO: Jon Nelson, City Manager
FROM: Roy Emery, Fire Chief
SUBJ: Corvallis Rural Fire Protection District Contract Negotiations

Background

The Corvallis Rural Fire Protection District (CRFPD) has contracted with the City of Corvallis for fire protection since March 16, 1942. CRFPD comprises a 33-square mile area which fully encircles the City of Corvallis and reaches approximately three miles into Linn County.

CRFPD is governed by a five-member Board of Directors, serving staggered four-year terms, elected at large:

Tom Nelson, Chair; 5285 NW Bellhaven Drive
Hal Lindsley, Vice Chair; 1380 NW Ribier Place
George Mears, Treasurer; 1540 NW Lewisburg Road
Bob Conder, Secretary; 2601 NW Michelle Drive
Henry Boone, 1399 NW Moselle Place

CRFPD owns one station (at 544 NW Lewisburg Avenue) and two water tenders. One tender is currently in service at the Lewisburg station and the other is in the process of being sold.

For a number of years, CRFPD has contracted with the City at a rate of \$2.20/\$1,000 of TCv, based upon the previous year's assessed value. Over time, and with the passage of Measure 47/50 and the CRFPD's establishment of a \$1 million tax base (approved by voters in the early 1990s), the contract fee has become a percentage (80 percent) of the tax revenues collected by Benton and Linn Counties and paid to CRFPD during each contract year (July 1 through June 30). The contract currently provides approximately 20 percent of the Fire Department's revenue.

Historically, contract negotiations with CRFPD have typically involved the Fire Chief and the CRFPD Board. During periods of negotiations, the Fire Chief consults with the City Manager, Risk Manager, and the City Attorney; and the Board consults with its attorney. Negotiations, although amicable, have not been without contention in the past.

Current Status

The current contract, with an original expiration date of June 30, 2007, was extended through June 30, 2008, at the request of CRFPD. The rationale for this extension was due to leadership change within Corvallis Fire Department and also for CRFPD to initiate the negotiation process earlier in the City's budget process.

Interest based bargaining training was conducted in August 2008 for both parties (Fire Chief and

all CRFPD Board members). CRFPD decided that all Board members would be present at each negotiating session. I was the representative for the City. Negotiation sessions were scheduled for twice a month starting in September through December. At the end of December, the Board decided that further sessions would be attended by the Board's Chair and Treasurer. These sessions were schedule on a weekly basis in January and February.

At this time, we have a draft contract that has been reviewed and approved by both party's attorneys. Two points are worth highlighting:

- Proposed contract term is seven years. This provides stability for both entities and affords the opportunity for better planning in our out years.
- Apparatus purchases. CRFPD has been concerned over the City's elimination of the fire department equipment reserve fund and the adequate funding to replace apparatus that delivers service to the rural area. To address this issue, we propose that CRFPD purchases two tenders and four brush apparatus during the life of the proposed agreement. Purchases are governed by the fire department's apparatus replacement schedule. Contract payments to the City would be reduced approximately \$153,530 for each year of the contract. This also benefits the City by removing six vehicles from our replacement schedule.

The final steps remaining in this negotiation process is approval by the CRFPD Board and our City Council. Staff requests review of the proposed agreement by the Administration Services Committee.



MEMORANDUM

To: Jon Nelson, City Manager
From: Karen Emery, Acting Director
 Steve DeGhetto, Parks Operations Supervisor
Date: April 2, 2008
Subject: Homeless Impact to Parks Operations

Issue:

The homeless and transients' use of the Corvallis Parks system has created the need for additional routine maintenance tasks as part of regular Parks operations.

Background:

The Parks Division has observed the guidelines set forth in the City of Corvallis Administrative Policy AP 2005-1.11 Removal of Homeless Persons Camping On Public Property, since September 2, 2005. There are four primary services that are performed routinely within the Parks Division with regard to the homeless/transient issue:

- Monthly checks of parks sites to locate illegal camps and ordinance posting
- Cleanup of camp debris
- Disposal of camp debris, and
- Responding to citizen complaints about new camps or illegal homeless behaviors; i.e., alcohol and tobacco use.

Responding to citizens and posting takes place on a year round basis. Cleanup services may occur monthly; however this varies with seasonal access to inhabited sites.

Another area for consideration, although not exclusively a homeless issue, is the habitation of the homeless in the Riverfront restrooms. Parks and Recreation contracts services with a local security company which costs \$2400 annually.

Discussion:

The operational impact for providing the four primary services within the Parks system are represented in this table as an average. This does not include the time Corvallis Police Department contributes for enforcement.

Service	Number of employees	Rate	Total
Inspection / posting	2 x 6hrs/mo. x 12 months	\$15/hr.	\$2,160
Cleanup	5 x 5hrs/mo. x 12 months	\$15/hr.	\$4,500
Citizen call out	2 x 1hr x 12 times / year	\$15/hr.	\$360
Disposal (Dump Fees)	N/A	\$22.00/ 1000lbs. 10,000lbs. annually	\$220
Security (Restroom closure)	N/A	\$200/mo.	\$2,400
	AVERAGE TOTAL/YR		\$9,640

***** MEMORANDUM *****

APRIL 1, 2008

TO: MAYOR AND CITY COUNCIL
FROM: JON S. NELSON, CITY MANAGER 
SUBJECT: CASCADE VIEW INDUSTRIAL PROPERTIES AND FEDERAL EARMARK

Attached is a letter from the property owners regarding land values and the status of wetland delineation efforts. This information was received by April 1, 2008.

Also attached are City Council minutes from your last discussion and the staff report which includes the memorandum of understanding.

City Council alternatives include referring the packet to Urban Services Committee (USC) for a recommendation on proceeding, Council decision to proceed with the next step being a project scope coming back to Council through USC, or Council decision not to proceed with the direction to investigate alternative uses of the earmark, understanding both State and Federal officials, including Representative DeFazio's office, would be involved.

Attachments

3023

March 31, 2008

To: Corvallis City Council
From: CVIP Landowners
Re: Land Pricing and Wetland Delineation Report

The attached land values are the result of a Comparable Market Analysis that encompassed over 20 comparable Industrial zoned parcels in western Oregon from Medford to Hillsboro. Lands in Central and Eastern Oregon were reviewed but not included in the analysis. Parcel size, existing infrastructure, wetlands and access to transportation routes were a consideration.

These values on the 662.53 acres of industrial zoned land in South Corvallis are not meant to reflect an expected sales value. They are a negotiable starting point and will be greatly influenced by the eventual determination of how many acres are truly developable and/or annexed to the city.

Unfortunately, the wetland delineation on this land, being done by CH2M-Hill, is still inconclusive. The preliminary report shared with the property owners was somewhat encouraging; however, additional data on precipitation events and hydrology continues to be analyzed. In addition, altered and blocked historic drainage flow patterns have been identified which may have influenced hydrology data.

We, the property owners, are disappointed by this delay, as is possibly the City of Corvallis. As in the past 15+ years, we remain a cohesive group of four ownerships interested in making our land available for development.

Respectfully,

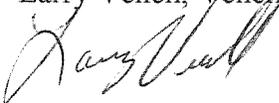
Lynn Nordhausen, Caldwell South Farm LLC



Don Herbert, Lor-Rene Acres, FLP



Larry Venell, Venell Farms Inc. & Chintimini Lands Inc.



Elwell Krause



CASCADE VIEW INDUSTRIAL PROPERTIES
LAND VALUES

Land values are assigned per acre according to city zoning as follows:

General Industrial	\$85,000.00
Limited Industrial - Office	\$175,000.00
Mixed Use Employment	\$250,000.00

Caldwell South Farm LLC:

General Industrial

T.L 12-5-10 #700 & 12-5-15 # 100 = 60.1 AC @ \$85,000.00 =
\$5,108,500.00

T.L. 12-5-15 #600 = 39.98 AC @ \$85,000.00 = \$3,398,300.00

Krause, Elwell:

General Industrial, Limited Industrial–Office & Mixed Use Employment

T.L. 12-5-14 #'s 801 & 800 = 64.45 AC

General Industrial-- approximately 33 AC @ \$85,000.00 = \$2,805,000.00

Limited Ind.-Office -- approximately 24AC @ \$175,000.00 = \$4,200,000.00

Mixed Use-Employ. -- approximately 7Ac @ \$250,000.00 = \$1,750,000.00

Lor-Rene Acres, FLP:

General Industrial, Limited Industrial-Office & Mixed Use Employment

T.L. 12-5-22 #1300 = 186 AC

General Industrial -- 157 AC @ \$85,000.00 = \$13,345,000.00

Limited Ind.-Office -- 22 AC @ \$175,000.00 = \$3,850,000.00

Mixed Use-Employ. -- 7AC @ \$250,000.00 = \$1,750,000.00

Venell Farms Inc.:

General Industrial

T.L. 12-5-15 #'s 200,501,500 = 258AC @ \$85,000.00 = \$21,930,000.00

Chintimini Lands Inc.:

General Industrial, Limited Industrial-Office & Mixed Use Employment

T.L. 12-5-22 # 400 = 54AC

General Industrial -- 30AC @ \$85,000.00 = \$2,550,000.00

Limited Ind.-Office -- 22AC @ \$175,000.00 = \$3,850,000.00

Mixed Use-Employ. – 2AC @ \$250,000.00 = \$500,000.00

Total Acreage -- 662.53 AC
Total Value -- \$43,106,800.00

Contact persons:

Lynn Nordhausen, Caldwell South Farm LLC.
2773 SW Titleist Circle
Corvallis, OR 97333
541-757-8106
Fax 541-757-1972

Or

Larry Venell, Venell Farms, Inc.
3042 Venell Lane
Corvallis, OR 97333
541-752-2446
Fax 541-752-2875

Councilor Grosch explained for Councilor Hamby that the City's housing assistance programs are provided for citizens earning 50 to 80 percent of the local median income, which is a very small population segment.

Councilor Grosch referenced from the meeting packet his memorandum requesting information regarding the Police Department. He elaborated that he received consistent comments about Police Department practices before stop data was gathered a few years ago. He questioned how the Council would know that the Department's actions and policies are followed daily. He said his inquiry was not focused on the issue of driving under the influence of intoxicants and encompassed the broader issue of the Council knowing that the Police Department was carrying out the Council's policies in an appropriate manner.

C. Staff Reports

1. 2007 Citizen Attitude Survey

Mr. Nelson explained that Citizen Attitude Survey results are typically reviewed in depth during the first Budget Commission meeting each January.

Mr. Nelson noted that the Land Use Board of Appeals remand regarding the Whiteside Theater development proposal was included in the meeting packet. The January 22nd Council meeting will include a follow-up report from Community Development and the City Attorney's Office regarding analysis and options.

Mr. Nelson referenced from the meeting packet a letter from Amalgamated Transit Union International Vice President Heintzman inquiring as to the Council's intentions regarding the City's contract with Laidlaw's successor relative to a requirement that public transit negotiations be forwarded to binding arbitration, rather than a strike vote. Public Works, the City Attorney's Office, and Assistant City Manager Volmert will provide additional information to the Council.

2. Council Request Follow-up Report – January 3, 2008

Mr. Nelson reviewed issues addressed in the Report and provided additional information regarding the Cascade View Industrial Properties Federal earmark:

- 2002 – The program began with the Corvallis-Benton County Economic Development Partnership (EDP) working with South Corvallis property owners and the City to develop more economic diversification and resulting economic vitality.
- 2003-2004 – The City requested a Federal earmark for street and anticipated rail access for the Rivergreen Industrial site. The property evolved into Cascade View Industrial Properties. Five property owners, the City, and the EDP supported the Federal earmark of approximately \$800,000.
- 2006 – To achieve economic diversification, a wetland delineation of the property was needed to determine property value. The delineation was delayed for various reasons.

- Current – Community discussions have addressed how \$800,000 could assist economic diversification efforts for other industrial parks, such as Corvallis Municipal Airport Industrial Park and OSU Innovation Park.

Mr. Nelson said, barring Council direction otherwise, staff will continue anticipating receipt of the delineation report from the Cascade View property owners. Resulting land value should be known by April 1st. Staff will schedule for Urban Services Committee's April 10th meeting discussion, with the property owners, of 'next steps.' If the property owners are unable to present a single price or a range of prices for the property, staff will utilize the Committee meeting as an opportunity to discuss options to transfer the Federal earmark to another opportunity.

Councilor Brown requested the raw data from the Citizen Attitude Survey for his analysis.

Mr. Nelson clarified for Councilor Hamby that a State program allowed the State to provide wetland delineation for the Cascade View Industrial Properties, based upon pre-qualified contractors. The property owners hired CH2M Hill to conduct the delineation.

Councilor Daniels concurred with staff's proposal regarding the Cascade View Industrial Properties, noting that the City worked with the property owners toward achieving the community's economic diversification goals. Other properties could benefit from the Federal earmark.

Councilor Brauner noted that the Federal earmark was allocated specifically for the Cascade View Industrial Properties land. It may not be possible to transfer the funding to another property.

Councilor York added that changing the target property of a Federal earmark can be detrimental for future funding applications.

VIII. & IX. STANDING COMMITTEE REPORTS AND ORDINANCES, RESOLUTIONS, AND MOTIONS

A. Human Services Committee – December 18, 2007

1. Council Policy Review: CP 94-4.07, "City-Owned Art Objects on Private Property"

Councilor Beilstein reported that the Committee reviewed staff's suggested Policy amendments, including Council approval of acquisitions and the addition of language to comply with the Visual Artist Right Act of 1990, which ensures that the art creator retains some rights.

Councilors Beilstein and Brauner, respectively, moved and seconded to amend Council Policy CP 94-4.07, "City-Owned Art Objects on Public Property." The motion passed unanimously.

COUNCIL REQUESTS

FOLLOW-UP REPORT

JANUARY 3, 2008

1. Minor in Possession Legislation Change – Impacts on Police (Wershow)

House Bill 2147 – Youth Driving Privilege Denial for Alcohol: Expands the age range for courts to deny driving privileges for offenses involving alcohol from youths ages 13 through 17 years to youths ages 13 through 20 years.

House Bill HB 2148 – Class A Violation for Minor in Possession While Driving: Amends Oregon Revised Statutes 471.430 to make possession of alcohol while operating a motor vehicle a Class A violation for underage persons (under 21 years of age).

These Bills will have little or no enforcement impact. Under House Bill 2147, the Court will continue to be responsible for notification of Driver and Motor Vehicle Services Division (DMV) for offenses now impacting drivers ages 13 through 20 years; with House Bill 2148, Officers now will merely follow the bail schedule for a Class A violation, instead of a Class B violation.

2.

Cascade View Industrial Properties Federal Earmark Update (Nelson)

Beginning in 2003, the City and Economic Development Partnership, in the interest of economic vitality, pursued Federal funding for transportation improvements into what were called Rivergreen Industrial Lands. The 2005 Federal Highway Bill provided for 25 percent (approximately \$200,000) increments over the next four years (2006 through 2009) to fund access improvements. Congressman DeFazio championed the effort. A memorandum of understanding with the property owners was developed with a goal of wetland delineation and land sales price by Summer 2006. The project missed a delineation season, and Council did not object to a Spring 2007 delineation schedule.

The fieldwork delineation was completed in the Spring, but the formal report has been delayed and is not expected until mid-January 2008. (Jay Lorenz e-mail and background material attached.)

Council Request Follow-up
January 3, 2008
Page 2

Following the delineation, the next step is determining a land sales price for all of the properties. Staff believes this should be accomplished by April 1, 2008. Unless directed otherwise, the issue will be placed on the Urban Services Committee agenda for April 10, 2008, to confirm land sales price and discuss next steps. Should the property owners be unable to meet the April 1st deadline, the Committee will be briefed on the steps involved with attempting to move the earmark to another project.

The purpose of this report is to update you on the status of the project and seek further direction.



Jon Nelson
City Manager

Nelson, Jon

From: Jay.Lorenz@ch2m.com
Sent: Thursday, December 20, 2007 12:08 PM
To: Nelson, Jon
Cc: lynnnord@msn.com
Subject: RE: <web>Web Request

Jon,

I need to explain our process to explain the delay in finalizing the report.

Our wetland delineation was conducted by a combination of field work and "desk top" mapping. The actual delineation or mapping of wetlands is being conducted in the office---"desk top".

We hired a contractor to provide topographic mapping with one foot contours. Contour mapping was conducted using LiDAR technology. Use of this technology is about one-half the cost of traditional ground survey.

For accurate topographic mapping the LiDAR needs to bounce signals off of the ground. Crops (ryegrass or ryegrass) obscures the ground. We had to wait until crops were harvested, providing good exposure to the ground. Our vendor conducted the aerial survey in the late summer after crops were harvested.

A lot of work goes into reducing and ground-truthing the LiDAR data. Our vendor provided the topographic survey to me only 3 weeks ago. We did extensive sampling of soils and hydrology in the spring of 2007. We are now in the process of relating breaks between wetland soils and wetland hydrology with topography. We then map the wetland boundaries in the office, following contours.

Due to scheduling with other high priority projects and holiday vacation schedules our staff will not be able to finalize the written report for several more weeks.

Please let me know if you need further explanation.

Jay

Jay R. Lorenz
CH2MHILL
2020 SW Fourth Ave.
Portland, OR 97201
503-235-5000 X4033 (office)
503-784-4748 (cell)
503-736-2000 (fax)

-----Original Message-----

From: Nelson, Jon [mailto:Jon.Nelson@ci.corvallis.or.us]
Sent: Thursday, December 20, 2007 10:48 AM
To: Lorenz, Jay/PDX
Subject: RE: <web>Web Request

Hi Jay,

I do need an explanation that can be shared with elected officials please.

The delineation work was originally targeted for 2006. City Council agreed with a staff recommendation allowing for the delineation to occur in 2007. The expectation was for field work in the Spring, report and topos completed by the summer, and land prices established soon thereafter.

So we need to know why the report is 9 months removed from the field work.

On the table is an \$800,000 federal earmark secured by the City for street extension into this industrial site. There is sentiment in the community to attempt to move the earmark to another site because the owners have not met the extended time commitment. Hence the

detail I am asking for so the City Council has a complete picture.

Thank you.

Jon

-----Original Message-----

From: Mullens, Carrie On Behalf Of City Manager
Sent: Thursday, December 20, 2007 7:24 AM
To: Nelson, Jon
Subject: FW: <web>Web Request
Importance: Low

-----Original Message-----

From: Jay R. Lorenz [mailto:jlorenz@ch2m.com]
Sent: Wednesday, December 19, 2007 5:11 PM
To: City Manager
Subject: <web>Web Request
Importance: Low

This is an enquiry e-mail via %s from: Jay R. Lorenz (jlorenz@ch2m.com)

Jon,

This is a note to inform you of the status of the wetland delineation study for Cascade View Development, Venell Farms et al.

CH2MHILL has completed its field work and detailed topographic mapping of the subject property. The wetland delineation report writing is in progress. The wetland delineation report is expected to be completed shortly after the holidays--mid-January 2008.

Please do not hesitate to contact me if you have additional questions.

Jay

3. Cascade View Industrial Properties

Mr. Nelson reported that the City received a federal earmark of \$840,000 via Representative DeFazio's office through an application filed by Public Works. The monies are to be distributed to the State of Oregon Department of Transportation over the next four years. Part of the Memorandum of Understanding (MOU) the City holds with the four property owners is that the monies will be used for infrastructure improvements to the industrial site, and that certain wetland delineation would be completed this year. The property owners were not able to accomplish the wetland delineation this year and are asking for an extension to complete the delineation in the spring of 2007. Staff is agreeable to carrying forward the criteria into next year. If the property owners are not able to complete the delineation next year, the City will bring the discussion back to committee with staff from Representative DeFazio's office to look for other resource needs.

Councilor Zimbrick said he supports moving the delineation forward into 2007 as long as the property owners understand the work must be accomplished in the spring of 2007.

Acting Mayor Griffiths added that if the delineation goes past the spring of 2007, the City may have difficulties keeping the monies or may be forced to apply the funds to another project.

4. City Manager's Report – July 2006

Councilors can contact Mr. Nelson if they have any questions or concerns about the report.

Mr. Nelson referred to a handout on Team Building and Goal Setting Services (Attachment B). The handout is consistent with recent Council discussions and includes contracting with Joseph Bailey to facilitate the sessions. Mr. Nelson reviewed the meeting dates and discussion topics.

In response to Councilor Gándara's inquiry, Mr. Nelson confirmed that the sessions with the new Councilors will capture current goals and major initiatives, including code enforcement, parks, and others.

VIII. & IX. STANDING COMMITTEE REPORTS AND ORDINANCES, RESOLUTIONS, AND MOTIONS

A. Human Services Committee – August 8, 2006

1. Social Services Policy Review

Mr. Nelson reported that the review of the Social Services Policy was postponed until after the needs assessment was completed. The Committee reviewed a process and time line for the policy review that includes the Committee sponsoring a meeting with social services providers to discuss policy; the definition of

RECEIVED

AUG 17 2006

CITY MANAGERS
OFFICE



August 16, 2006

To: City Manager, Jon Nelson
From: Lynn Nordhausen
Re: Memorandum of Understanding
Cascade View Industrial Properties

Dear Jon:

This letter is to confirm that the property owners of CVIP intend to proceed with wetland delineations in the Spring of 2007. Subsequent evaluation of mitigation feasibility will allow for establishing development potential and land price. We regret that due to unfavorable conditions this work was not performed in the Spring of 2006 and that the objective of achieving "shovel ready" status slipped back a year. The property owners are aware that the Federal infrastructure investment is currently planned for calendar year 2008 and hope that the appropriation of those funds has not changed.

Sincerely,



Lynn Nordhausen, representing CVIP
2773 SW Titleist Circle
Corvallis OR 97333
541-757-8106

**** MEMORANDUM ****

JULY 25, 2005

TO: MAYOR AND CITY COUNCIL

FROM: JON S. NELSON, CITY MANAGER 

**SUBJECT: COUNCIL GOAL: PURSUE ECONOMIC VITALITY – SOUTH
CORVALLIS INDUSTRIAL LANDS SHOVEL READY**

Attached is a recently signed Memorandum of Understanding (MOU) between Economic Development Partnership, the City, and the Cascade View Industrial property owners.

The MOU captures the interests, challenges, opportunities, and timeline associated with this effort. We will keep you posted as the project components progress.

Attachment

2056

MEMORANDUM OF UNDERSTANDING

I. PARTIES

The parties to this Memorandum of Understanding are the Economic Development Partnership (EDP), City of Corvallis (City), and the owners of the property zoned General Industrial in South Corvallis known as Cascade View Industrial Properties. Cascade View Industrial Properties are owned and principally represented by Lynn Nordhausen, Caldwell South Farm, LLC; Don Herbert, Lor-Rene Acres, FLP; Elwell Krause; and Larry Venell, Venell Farms, Inc., and collectively referred to as the "Property Owners."

II. INTERESTS

The parties collectively support implementation actions that will make the Cascade View Industrial Properties shovel ready for economic development purposes. Property Owners are interested in a return on their land investment, and EDP and the City recognize the role the Cascade View Industrial Properties play in achieving Economic Vitality goals in the Corvallis 2020 Vision Statement.

III. CHALLENGES

The Cascade View Industrial Properties face significant challenges in making the property shovel ready including:

- Determining a land sales price when wetland delineation and mitigation, planning, and infrastructure costs are unknown,
- Impacts from wetlands,
- Annexation of property outside the present City limits,
- Transportation access including rail crossings and access to and from Highway 99W,
- Planned development zoning overlay requiring public review of any development plan, and
- Funding associated with developing the Lands, especially wetland delineation and infrastructure access.

IV. OPPORTUNITIES

The parties recognize that the challenges may be addressed by working together. To that end, the following immediate opportunities exist and require support from the parties:

- State of Oregon financial assistance in completing wetlands delineation,
- Establishing a land sales price which signals land availability, recognizing that land sales price may be updated at any time based upon market conditions,
- Federal funding (~\$800,000) towards infrastructure such as street, sidewalk, bike lane, signal controlled intersection, and a controlled railroad crossing,
- A comprehensive planned development (PD) overlay process using a refinement plan approach where a one-time public review process would establish development standards for future individual development projects, and
- Strategies for annexation of land outside the City limits.

The Property Owners recognize the State, Federal, and Local planning and infrastructure support significantly lower the development costs associated with the property, thus increasing profit margins. The EDP and City recognize the State, Federal, and Local planning and infrastructure support, and the availability of developable industrial land, positively impact Corvallis efforts towards economic vitality.

V. TIMELINE

The parties agree that accessing State funds for wetland delineation or performing this work without State assistance is the first step. The goal is to have wetland delineation completed by the Spring of 2006, so development feasibility and mitigation costs are known.

The parties agree that establishing a land sales price signals intent to develop. Property Owners will establish a land sales price by the Summer of 2006 after wetland mitigation, planning and infrastructure cost estimates are refined. Alternatively, Property Owners may communicate a land sales price range prior to the Summer of 2006 with the understanding that several factors (wetland mitigation, planning, infrastructure) may change the price as costs are refined.

The parties agreed that the City will track and be responsible for the Federal infrastructure investment currently planned for calendar year 2008. The parties agree that the planned development overlay refinement plan process is planned for Fiscal Year 2006-2007 (July 1, 2006 - June 30, 2007). The parties understand that State and Federal decisions may impact time frames.

VI. NATURE OF AGREEMENT

The parties recognize that this agreement is non-binding. As such, the Property Owners, individually or collectively, may choose to not participate in any State or Federal funding opportunity associated with wetlands or infrastructure, or in any local land use process designed to facilitate shovel ready status. EDP and the City, individually or collectively, may also choose to end their support of State or Federal funding requests, or facilitating the land use planned development overlay process, based upon actions of the Property Owners or higher prioritized economic development needs for the community.

VII. TERM

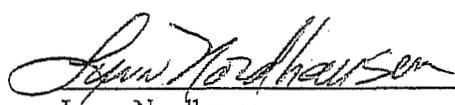
This Memorandum of Understanding may be terminated, individually or collectively, by the Property Owners, EDP, or City.

VIII. SIGNATURES



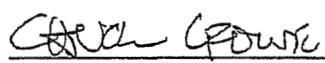
Don Herbert

Elwell Krause 

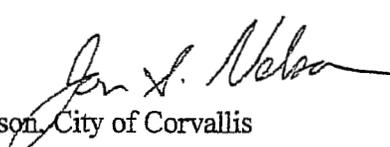


Lynn Nordhausen

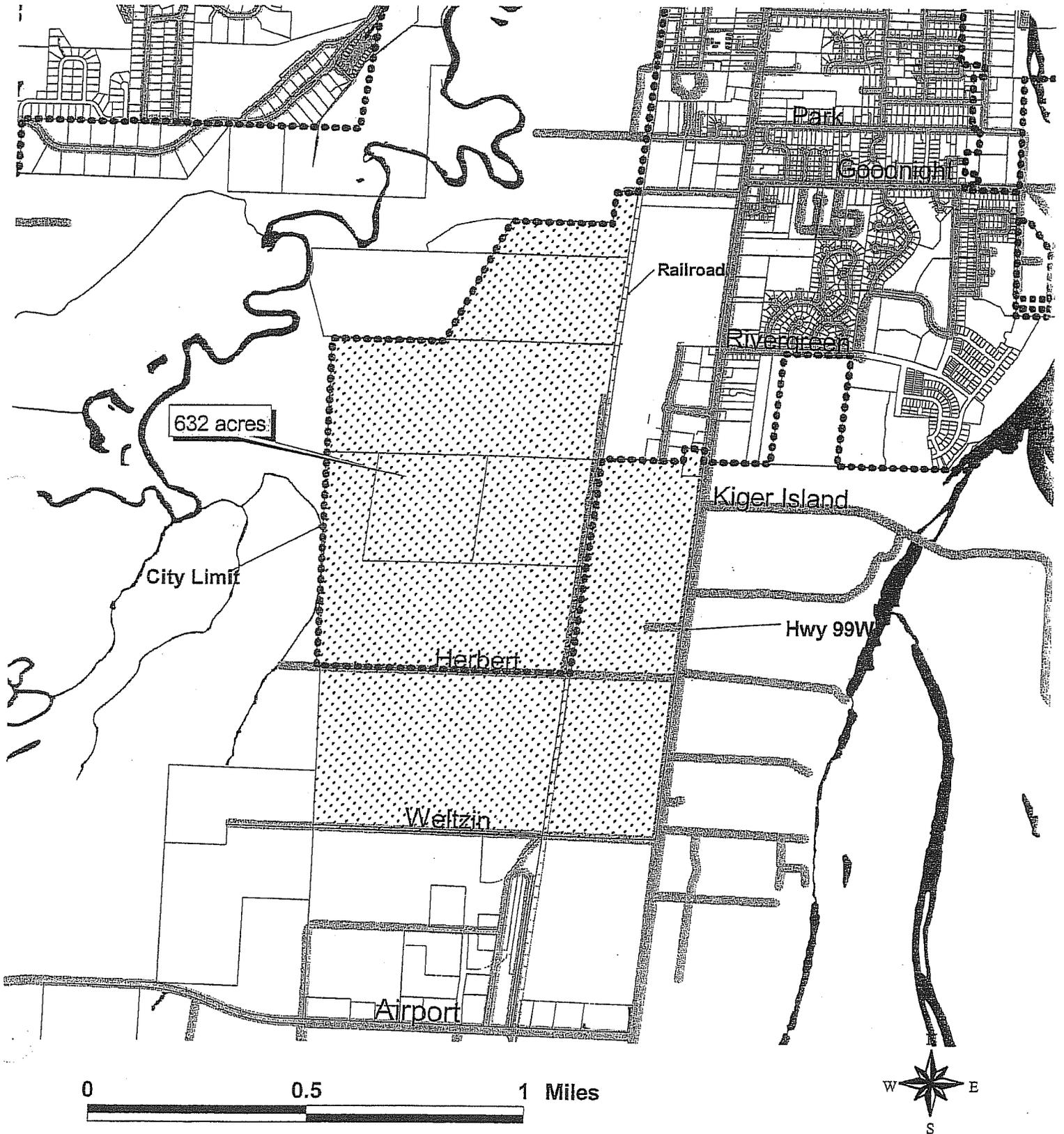
Larry Venell 



Rich Holdren, EDP
CHUCK CROWE, CHAIR

Jon S. Nelson, City of Corvallis 

Cascade View Industrial Properties



MEMORANDUM

March 31, 2008

TO: Mayor and City Council

FROM: Ken Gibb, Community Development Director



RE: New location of the Corvallis Daytime Drop In Center (formerly Circle of Hope)

Since the beginning of December, the Corvallis Daytime Drop In Center has been sharing space with the Corvallis Homeless Shelter Coalition's winter shelter at 2685 NW Taylor. With that facility closing, the Drop In Center is preparing to enter into a lease for another facility at 240 SW Washington, directly behind the Beanery. The Drop In Center provides a day use facility for people who are homeless and/or have a mental illness, operating between the hours of 10:00 and 5:00 Monday through Friday. The Center offers various activities, computer access, and food and meal preparation.

The City provides funding to the Drop In Center through the CDBG Human Services Fund (\$7,000 for FY 07-08, and \$12,000 proposed for FY 08-09) to cover a portion of its costs for rent and utilities, and is also providing Social Services Funding (\$7,500 in FY 07-08) to cover a portion of operating costs. Funding from both sources will be used to support the Center's costs of occupying its new space on SW Washington, which representatives estimate will run approximately \$4,400 per month, with rent making up \$3,000 of that total.

The Drop In Center's current plans would limit the use of the SW Washington facility to daytime services only, and representatives do not intend to share the space with other service providers or use it for overnight shelter. The Drop In Center has been advised to contact the City's Development Services Division prior to occupying the new building to make certain their intended uses are consistent with the Land Development Code and building codes.

**ADMINISTRATIVE SERVICES COMMITTEE
SCHEDULED ITEMS**

April 3, 2008

MEETING DATE	AGENDA ITEM
April 10	<ul style="list-style-type: none"> • Economic Development Allocations Second Quarter Reports • Land Use Application Fee Review • daVinci Days Loan Agreement Status Annual Report • Fund Balance Financial Policy Review
April 24	<ul style="list-style-type: none"> • Allied Waste Services Annual Report • Oregon Economic and Community Development Department Loan for Airport Industrial Park Wetlands Mitigation
May 8	<ul style="list-style-type: none"> • Council Policy Review: CP 95-4.10, "Public Library Gifts and Donations Policy" • Economic Development Allocations Orientation • Potential Revenue Alternatives
May 13 (special)	<ul style="list-style-type: none"> • Economic Development Allocations Presentations
May 15 (special)	<ul style="list-style-type: none"> • Economic Development Allocations Deliberations
May 22	
June 5	<ul style="list-style-type: none"> • Third Quarter Operating Report • Senior and Community Center/Park Facilities Bond Measure Draft Ballot Title Language Review
June 19	<ul style="list-style-type: none"> • Funding Agreement Annual Report – Corvallis Multi-Cultural Literacy Center
July 10	<ul style="list-style-type: none"> • Economic Development Allocations Third Quarter Reports
July 24	
August 7	<ul style="list-style-type: none"> • Senior and Community Center/Park Facilities Bond Measure Explanatory Statement Review
August 21	<ul style="list-style-type: none"> • Solid Waste Franchise
September 4	<ul style="list-style-type: none"> • Fourth Quarter Operating Report
September 18	
October 9	<ul style="list-style-type: none"> • Council Policy Reviews: <ul style="list-style-type: none"> • CP 04-1.09, "Public Access Television" • CP 91-2.01, "Meeting Procedures" • CP 91-2.03, "Expense Reimbursement"
October 23	<ul style="list-style-type: none"> • Council Policy Reviews: <ul style="list-style-type: none"> • CP 91-3.01, "Appointment of Acting City Manager" • CP 91-3.02, "City Compensation Policy" • Economic Development Allocations Fourth Quarter Reports

MEETING DATE	AGENDA ITEM
November 6	<ul style="list-style-type: none"> • Utility Rate Annual Review • Economic Development Application Process and Calendar • Funding Agreement Annual Report – Corvallis Environmental Center
November 20	<ul style="list-style-type: none"> • Comprehensive Annual Financial Report (CAFR)
December 4	
December 18	<ul style="list-style-type: none"> • Economic Development Allocations First Quarter Reports • First Quarter Operating Report

ASC PENDING ITEMS

- Corvallis Rural Fire Protection District Agreement Fire
- Council Policy Reviews: CP 10.01 through 10.08, "Financial Policies" Finance
- Economic Development Process Review Community Development
- Potential Revenue Alternatives – Business License Fee Finance
- Potential Revenue Alternatives – City Services Fee Finance
- Potential Revenue Alternatives – Entertainment/Admissions Tax Finance
- Potential Revenue Alternatives – Restaurant/Meal Tax Finance

Regular Meeting Date and Location:

Thursday following Council, 12:00 pm – Madison Avenue Meeting Room

HUMAN SERVICES COMMITTEE SCHEDULED ITEMS

April 3, 2008

MEETING DATE	AGENDA ITEM
April 8	<ul style="list-style-type: none"> • Willamette Neighborhood Housing Services Second Quarter Report • Communications Plan Enhancement • Municipal Code Revisions to Chapter 1.16, "Boards and Commissions," related to Commission for Martin Luther King, Jr.
April 22	<ul style="list-style-type: none"> • Majestic Theatre Annual Report • Boys and Girls Club Annual Report
May 6	<ul style="list-style-type: none"> • Council Policy Review: CP 99-4.13, "Internet Access Policy for Corvallis-Benton County Public Library" • Liquor License Annual Renewals
May 20	<ul style="list-style-type: none"> • Corvallis Fall Festival Annual Report
June 3	<ul style="list-style-type: none"> • Boards and Commissions Sunset Review: <ul style="list-style-type: none"> • Housing and Community Development Commission • Public Art Selection Commission • Corvallis Farmers' Markets Annual Report
June 17	<ul style="list-style-type: none"> • Social Services Allocations – Fiscal Year 2008-2009
July 8	
July 22	<ul style="list-style-type: none"> • Willamette Neighborhood Housing Services Third Quarter Report
August 5	<ul style="list-style-type: none"> • Parks and Recreation Annual Fee Review
August 19	<ul style="list-style-type: none"> • Social Services Semi-Annual Report
September 3	
September 16	<ul style="list-style-type: none"> • Rental Housing Program Annual Report
October 7	<ul style="list-style-type: none"> • Council Policy Reviews: <ul style="list-style-type: none"> • CP 91-1.02, "Liquor License Approval Procedures" • CP 91-1.03, "Naming of Public Facilities and Land" • CP 91-4.01, "Guidelines for Selling in Parks"
October 21	<ul style="list-style-type: none"> • Council Policy Reviews: <ul style="list-style-type: none"> • CP 93-4.11, "Public Library Policy for Selecting and Discarding Materials" • CP 99-4.14, "Use of City Hall Plaza and Kiosk" • CP 95-1.07, "Policy Regarding the City Flag"
November 4	<ul style="list-style-type: none"> • Willamette Neighborhood Housing Services Fourth Quarter Report
November 18	
December 2	
December 16	

HSC PENDING ITEMS

- Noise Ordinance Review

Police

Regular Meeting Date and Location:

Tuesday following Council, 12:00 pm – Madison Avenue Meeting Room

**URBAN SERVICES COMMITTEE
SCHEDULED ITEMS**

April 3, 2008

MEETING DATE	AGENDA ITEM
April 10	No Meeting
April 24	<ul style="list-style-type: none"> • Downtown Commission • Traffic Calming: Circle Boulevard - Dogwood/ Lantana • Safety Sidewalk Program Review • Street Tree Maintenance in the Right-of-Way
May 8	<ul style="list-style-type: none"> • Council Policy Review: CP 95-7.12, "Integrated Vegetation Pest Management (IVPM) Program" • Rivergreen Drive/Hwy 99 Intersection Improvements
May 22	<ul style="list-style-type: none"> • Solar Power Project at Wastewater Treatment Plant
June 5	<ul style="list-style-type: none"> • Boards and Commissions Sunset Review: Watershed Management Advisory Commission
June 19	
July 10	
July 24	
August 7	
August 21	
September 4	
September 18	
October 9	<ul style="list-style-type: none"> • Council Policy Reviews: <ul style="list-style-type: none"> • CP 04-1.08, "Sustainability" • CP 91-7.05, "Capital Improvement Program" • CP 91-7.06, "Engineering and Administrative Costs for Assessment Projects"
October 23	<ul style="list-style-type: none"> • Council Policy Reviews: <ul style="list-style-type: none"> • CP 91-7.04, "Building Permits" • CP 91-7.08, "Sidewalk Policy"
November 6	
November 20	
December 4	
December 18	

USC PENDING ITEMS

- Building Code Amendment
- Cascade View Industrial Properties
- Fire Protection Services in Health Hazard Residential Areas

Community Development
CMO
Fire

Regular Meeting Date and Location:

Thursday following Council, 4:00 pm – Madison Avenue Meeting Room

UPCOMING MEETINGS OF INTEREST



City of Corvallis

APRIL - SEPTEMBER 2008

(Updated April 3, 2008)

APRIL 2008

Date	Time	Group	Location	Subject/Note
3	7:15 pm	Committee for Citizen Involvement	Madison Avenue Mtg Rm	
4	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
5	10:00 am	Government Comment Corner	Library Lobby - George Grosch	
7	12:00 pm	City Council	Downtown Fire Station	
7	7:00 pm	City Council	Downtown Fire Station	
8	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
8	7:00 pm	Historic Resources Commission	Downtown Fire Station	
8	7:00 pm	Ward 9 (Brauner) meeting	Osborn Aquatic Center Activity Room	City sponsored
8	7:00 pm	Ward 7 Candidates Forum	Fire Station 5	
9	8:15 am	Citizens Adv Cmsn on Transit	Madison Avenue Mtg Rm	
10	8:00 am	Citizens Adv Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
10	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
10		No Urban Services Committee		
12	10:00 am	Government Comment Corner	Library Lobby - David Hamby	
16	12:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
16	5:30 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	
16	7:00 pm	Planning Commission	Downtown Fire Station	
17	6:30 pm	Parks, Nat'l Areas, and Rec Bd	Downtown Fire Station	
19	10:00 am	Government Comment Corner	Library Lobby - Patricia Daniels	
21	12:00 pm	City Council	Downtown Fire Station	
21	7:00 pm	City Council	Downtown Fire Station	
22	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
22	12:00 pm	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
22	7:00 pm	Historic Resources Commission	Madison Avenue Mtg Rm	
23	8:30 am	City Legislative Committee	City Hall Meeting Room A	
23	5:00 pm	Downtown Parking Cmsn	Madison Avenue Mtg Rm	
23	7:00 pm	Planning Commission	Downtown Fire Station	
24	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
24	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
26	10:00 am	Government Comment Corner	Library Lobby - Charles Tomlinson	

MAY 2008

Date	Time	Group	Location	Subject/Note
1	4:00 pm	Downtown-Economic Development Plans Implementation Committee	Madison Avenue Mtg Rm	
1	7:00 pm	Budget Commission	Downtown Fire Station	receive proposed budget
1	7:15 pm	Committee for Citizen Involvement	Madison Avenue Mtg Rm	
3	10:00 am	Government Comment Corner	Library Lobby - TBD	

Date	Time	Group	Location	Subject/Note
5	12:00 pm	City Council	Downtown Fire Station	
5	7:00 pm	City Council	Downtown Fire Station	
6	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
6	7:00 pm	Budget Commission	Downtown Fire Station	public hearing on proposed budget, deliberations
7	8:30 am	City Legislative Committee	City Hall Meeting Room A	
7	7:00 pm	Planning Commission	Downtown Fire Station	
7	7:30 pm	Library Board	Library Board Room	
8	8:00 am	Citizens Adv Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
8	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
8	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
10	10:00 am	Government Comment Corner	Library Lobby - Lisa Corrigan	
13	5:30 pm	Econ Dev Allocations Committee	Madison Avenue Mtg Rm	presentations
13	7:00 pm	Historic Resources Commission	Downtown Fire Station	
13	7:00 pm	Ward 4 (Brown) meeting	Senior Center Game Rm	City sponsored deliberations
15	4:30 pm	Econ Dev Allocations Committee	Madison Avenue Mtg Rm	
15	6:30 pm	Parks, Nat'l Areas, and Rec Bd	Downtown Fire Station	
17	10:00 am	Government Comment Corner	Library Lobby - Mike Beilstein	
19	12:00 pm	City Council	Downtown Fire Station	
19	7:00 pm	City Council	Downtown Fire Station	
20	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
21	12:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
21	7:00 pm	Planning Commission	Downtown Fire Station	
22	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
22	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
24		No Government Comment Corner		
26		City Holiday – all offices closed		
27	11:30 am	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
28	8:30 am	City Legislative Committee	City Hall Meeting Room A	
31	10:00 am	Government Comment Corner	Library Lobby - Dan Brown	

JUNE 2008

Date	Time	Group	Location	Subject/Note
2	12:00 pm	City Council	Downtown Fire Station	
2	7:00 pm	City Council	Downtown Fire Station	
3	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
3	5:30 pm	City Council	Madison Ave Mtg Rm	tentative PIng Cmsn/Historic Res Cmsn interviews
4	5:30 pm	City Council	Madison Ave Mtg Rm	tentative PIng Cmsn/Historic Res Cmsn interviews
4	7:00 pm	Planning Commission	Downtown Fire Station	
4	7:30 pm	Library Board	Library Board Room	
5	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
5	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
5	7:15 pm	Committee for Citizen Involvement	Madison Avenue Mtg Rm	
7	10:00 am	Government Comment Corner	Library Lobby - Patricia Daniels	
10	7:00 pm	Historic Resources Commission	Downtown Fire Station	

Date	Time	Group	Location	Subject/Note
12	8:00 am	Citizens Adv Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
14	10:00 am	Government Comment Corner	Library Lobby - Charles Tomlinson	
16	12:00 pm	City Council	Downtown Fire Station	
16	7:00 pm	City Council	Downtown Fire Station	
17	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
18	12:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
18	7:00 pm	Planning Commission	Downtown Fire Station	
19	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
19	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
19	6:30 pm	Parks, Nat'l Areas, and Rec Bd	Downtown Fire Station	
21	10:00 am	Government Comment Corner	Library Lobby - TBD	
24	11:30 am	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
28	10:00 am	Government Comment Corner	Library Lobby - TBD	

JULY 2008

Date	Time	Group	Location	Subject/Note
2	7:00 pm	Planning Commission	Downtown Fire Station	
2	7:30 pm	Library Board	Library Board Room	
4		City Holiday – all offices closed		
5		No Government Comment Corner		
7	12:00 pm	City Council	Downtown Fire Station	
7	7:00 pm	City Council	Downtown Fire Station	
8	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
8	7:00 pm	Historic Resources Commission	Downtown Fire Station	
10	8:00 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
10	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
10	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
12	10:00 am	Government Comment Corner	Library Lobby - George Grosch	
16	7:00 pm	Planning Commission	Downtown Fire Station	
17	6:30 pm	Parks, Nat'l Areas, and Rec Bd	Downtown Fire Station	
19	10:00 am	Government Comment Corner	Library Lobby - TBD	
21	12:00 pm	City Council	Downtown Fire Station	
21	7:00 pm	City Council	Downtown Fire Station	
22	11:30 am	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
22	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
24	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
24	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
26	10:00 am	Government Comment Corner	Library Lobby - TBD	

AUGUST 2008

Date	Time	Group	Location	Subject/Note
2	10:00 am	Government Comment Corner	Library Lobby - TBD	
4	12:00 pm	City Council	Downtown Fire Station	
4	7:00 pm	City Council	Downtown Fire Station	
5	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
6	7:30 pm	Library Board	Library Board Room	
7	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
7	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	

Date	Time	Group	Location	Subject/Note
9	10:00 am	Government Comment Corner	Library Lobby - David Hamby	
14	8:00 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Room	
16	10:00 am	Government Comment Corner	Library Lobby - TBD	
18	12:00 pm	City Council	Downtown Fire Station	
18	7:00 pm	City Council	Downtown Fire Station	
19	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
21	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
21	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
21	6:30 pm	Parks, Nat'l Areas, and Rec Bd	Downtown Fire Station	
23	10:00 am	Government Comment Corner	Library Lobby - TBD	
26	11:30 am	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
30		No Government Comment Corner		

SEPTEMBER 2008

Date	Time	Group	Location	Subject/Note
1		<i>City Holiday – all offices closed</i>		
2	12:00 pm	City Council	Downtown Fire Station	
2	7:00 pm	City Council	Downtown Fire Station	
3	12:00 pm	<i>Human Services Committee</i>	<i>Madison Avenue Mtg Rm</i>	
3	7:30 pm	<i>Library Board</i>	<i>Library Board Room</i>	
4	12:00 pm	<i>Administrative Services Committee</i>	<i>Madison Avenue Mtg Rm</i>	
4	4:00 pm	<i>Urban Services Committee</i>	<i>Madison Avenue Mtg Rm</i>	
6	10:00 am	<i>Government Comment Corner</i>	<i>Library Lobby - Charles Tomlinson</i>	
11	8:00 am	<i>Citizens Advisory Cmsn on Civic Beautification and Urban Forestry</i>	<i>Parks and Rec Conf Room</i>	
13	10:00 am	<i>Government Comment Corner</i>	<i>Library Lobby - Blake Rodman</i>	
15	12:00 pm	City Council	Downtown Fire Station	
15	7:00 pm	City Council	Downtown Fire Station	
16	12:00 pm	<i>Human Services Committee</i>	<i>Madison Avenue Mtg Rm</i>	
18	12:00 pm	<i>Administrative Services Committee</i>	<i>Madison Avenue Mtg Rm</i>	
18	4:00 pm	<i>Urban Services Committee</i>	<i>Madison Avenue Mtg Rm</i>	
18	6:30 pm	<i>Parks, Nat'l Areas, and Rec Bd</i>	<i>Downtown Fire Station</i>	
20	10:00 am	<i>Government Comment Corner</i>	<i>Library Lobby - Mike Beilstein</i>	
23	11:30 am	<i>Cmsn for Martin Luther King, Jr.</i>	<i>City Hall Meeting Room A</i>	
27	10:00 am	<i>Government Comment Corner</i>	<i>Library Lobby - Bill York</i>	

Bold type – involves the Council ~~Strikeout~~ type – meeting canceled *Italics* type – new meeting

TBD To be Determined

Louie, Kathy

From: Bill York [ward1@council.ci.corvallis.or.us]
Sent: Friday, March 28, 2008 3:44 PM
To: corins@teleport.com
Cc: ward1-web-archive@council.ci.corvallis.or.us; Louie, Kathy
Subject: Re: <web>Business Tax

Peter,

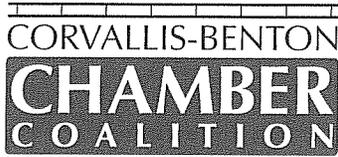
I'll make sure this is included in the Council packet for our next meeting. I'll be presenting a brief overview of the committee's proposal at that time.

Regards,

Bill York
Councilor - Ward 1

>
> This is an inquiry e-mail via %s from: Peter Ball
> (corins@teleport.com) I am writing to voice my opinion against the
> business tax for several reasons. The main reason and the reasons I
> have given to the DCA and CIBA are listed below.
>
>
> "Prosperity That Fits" is not more government intrusion into business
> by placing more controls or taxes on existing business.
>
> Prosperity is allowing business to be creative and to create an
> environment that encourages business by offering cost-effective
> solutions for businesses to locate, expand or network in our community.
>
> Many businesses that will be taxed under the proposed plan are private
> non-profit organizations that provide what used to be government
> supported social services. Does an additional tax benefit them in any
> way? What about the in-home business that could locate virtually
> anywhere but currently live in the Corvallis Area? Would we encourage
> urban sprawl by taxing only those businesses in the city and
> encouraging others to move out of town?
>
> My dream is that the operation of local government would be designed
> to make it simple, efficient and cost-effective for business to grow.
> They would provide enough properly zoned location options to create a
> competitive market so businesses would have a choice. Shovel ready
> and zoning without planned development overlays or micro-management
> through the permitting process should be the norm not the exception.
>
> We should attempt to create networking opportunities with
> participation from regulatory officials to deal with potential
> businesses interested in considering development, incubation or
> expansion in our community. There should be support for the commercial
> real estate market and that market should be the driving force in
> marketing property in our community. This should not be a government funded process.
>
> The largest employers in the Corvallis area are mostly government
> agencies and the medical service community. If you count schools, OSU
> and Good Samaritan Hospital you have a significant employment base.
> The good news is this is a fairly stable employment base. The
> potential to leverage the knowledge base and ideas into products and
> businesses is significant. As a community, we can build on this base without direct
> government funding.
> Build the environment and they will come if the reality becomes a
> cost-effective and easy process to locate in the Corvallis area.
>

> Thanks for your consideration in voicing an opposition to a business
> license fee (tax) proposed to be a minimum of \$250,000 per year for
> five years. That represents \$1,250,000 of your dollars that can be
> used to expand or develop your business.
>
> In addition to these previously submitted items, the definition of
> business is different for different people. An LLC or trust formed for
> the ownership of real property could be considered a business. By that
> standard, a parent who buys a piece of property for their child to
> live in while attending OSU could be considered a business. The
> multitude of private non-profit research entities fractured out of OSU
> could be considered businesses but are really a guise to attract grant
> monies. This logic goes on ad infinitum. Please help scale in the
> scope of our government and get them out of the economic development
> business. Please submit this information at your council hearings. Thanks.
>



March 26, 2008

RECEIVED

MAR 27 2008

CITY MANAGERS
OFFICE

*Thank you to our
Platinum Star Members*

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

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

RE: Urban Renewal District

Dear Mayor and City Council,

The Corvallis Benton Chamber Coalition Board of Directors would like you to know we sincerely appreciate your efforts to evaluate and enhance the economic environment toward the promotion of a healthy, sustainable and vibrant economy.

Thank you for your recent work on the creation of an Enterprise Zone. We look forward to supporting the Enterprise Zone application through the process with Oregon Community and Economic Development Department.

The Board of Directors would also like to encourage your continued exploration of an Urban Renewal District. Deciphering whether an Urban Renewal District is a good fit for Corvallis is a serious task and we would like to support your continued efforts in this area.

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

March 4, 2008

U.S. Army Corps of Engineers
ATTN: CENWP-OD-GP (Ms. Jaimee W. Hammit)
P.O. Box 2946
Portland, Oregon 97208-2946

MCC
FYI
RECEIVED

MAR 18 2008

CITY MANAGERS
OFFICE

Dear Ms. Hammit::

In reference to Corps of Engineers Action ID: NWP-2008-41 (Applicant 1901 13th Avenue LLC.
).

I want to go on record as opposing the developer's desire to build on the 6.25 acres that are wetlands. Please see enclosed information concerning the Ashwood Preserve Development proposed to be built upstream in Corvallis. Pay attention to the many letters opposing this development especially the one written by Dr. Greg Lominicky - aquatic ecologist for Dynamac Corp., associated with the EPA in Corvallis.

I own a tri-plex at 1000, 1002, 1004 SW Gale Street adjoining the land to be built on. I have no problem with the developer building on non wetlands but I do have a huge problem building on wetlands. We are losing wetlands at a very alarming rate nationwide and this short term action causes all of us huge long term problems in the future. You only need to look at the 1996 flood to see how we nearly lost Corvallis and Portland to flooding that year. We had terrible losses in New Orleans because of similiar thinking and planning. Since 1996 we have had huge developments upstream of Portland all causing negative effects for all folks downstream. We must stop all filling in of wetlands!

Sincerely:



Ray Chesbrough
3800 SW Country Club Drive
Corvallis, Oregon 97333
(541) 753-8383



US Army Corps
of Engineers
Portland District

PUBLIC NOTICE

for PERMIT APPLICATION

Issue Date: February 19, 2008

Expiration Date: March 20, 2008

Corps of Engineers Action ID: NWP-2008-41

30 Day Notice

Oregon Department of State Lands Number: 39793

Interested parties are hereby notified that an application has been received for a Department of the Army permit for certain work in waters of the United States, as described below and shown on the attached plan.

Comments: Comments on the described work should reference the U.S. Army Corps of Engineers number shown above and should reach this office no later than the above expiration date of this Public Notice to become part of the record and be considered in the decision. Comments should be mailed to the following address:

U.S. Army Corps of Engineers
ATTN: CENWP-OD-GP (Ms. Jaimee W. Hammit)
P.O. Box 2946
Portland, Oregon 97208-2946

Applicant: 1901 13th Avenue LLC

Location: A 15.65-acre parcel located north of 15th Avenue and west of Hop Street in Albany, Linn County, Oregon (Section 12, Township 11 South, Range 4 West)

Project Description: To construct a 46-lot single-family residential development with associated residential streets and a stormsewer system on a 15.65-acre parcel in Albany, Oregon. The applicant's wetland consultant delineated 6.25 acres of wetlands on the property. The parcel is vacant with a couple of remaining buildings. There are residential neighborhoods to the east and south. To the west are railroad tracks and to the north is vacant land through which drainage from the property continues off-site.

The applicant proposes to impact 1.29 acres of palustrine emergent (PEMC) and scrub-shrub (PSSC) wetlands for the proposed development. The applicant proposes to mitigate for these impacts through the purchase of mitigation bank credits from the Mid-Valley Wetland Mitigation Bank.

If a permit is issued, the Corps will determine what is appropriate and practicable compensatory mitigation. The amount of compensatory mitigation required shall be commensurate with the anticipated impacts of the project.

Purpose: To build a residential development in the growing area of Albany, Oregon.

Drawing(s): Eight (8) drawings are attached.

Chesbrough, Helen

From: Gregg Lomnicky [glomnicky@comcast.net]
Sent: Monday, February 11, 2008 4:23 PM
To: emely.day@ci.corvallis.or.us
Subject: Testimony for Ashwood Preserve

Mayor, City Councilors, and City Planners,

Like many others, I am writing to express my concern regarding the planned development, as proposed, of the Ashwood Preserve Subdivision. I am an aquatic ecologist working at the Environmental Protection Agency for the Dynamac Corp. and live in the neighborhood of the project, just east of 35th St. For the past several years I have been actively researching the effects of human disturbance on our Nation's surface waters including streams, rivers and wetlands. One recent and relevant document is the Western Pilot Project Assessment (2005) produced by the local Corvallis Laboratory. This document highlights the changes in ecological condition of our waterways resulting from varied anthropogenic disturbance including urban development.

Below I highlight concerns that I hope the City Council has or should consider prior to allowing or denying the development to occur as proposed and offer some suggestions.

Floodplain Constriction:

The proposed Retaining wall (30') will constrict floodplain, thus creating a loss of retention capacity. Floodplains attenuate large storm events decreasing the magnitude and periodicity of erosive flow events downstream. More recently due development upstream in the Dunawi watershed, local residents have noted the increased frequency with which Dunawi Cr. floods, most evident by downstream flooding on the bike path just upstream of Research Technology Loop. This water, which is now draining off increased impermeable surfaces including roofs, pavement and other compacted surfaces is quickly routed into the creek along with associated oils, fertilizers and other chemicals. The proposed retention wall will constrict the floodplain only a little more, but this area is one of the few remaining locations in this tributary where The City can allow unrestricted flooding. Further floodplain constrictions will cause local peak flow conditions to be further exacerbated, potentially causing increased erosive force as the creek passes between homes downstream of 35th St.

Allowing this wetland function properly to clear the creek of silt and chemicals, and to attenuate localized flooding seems prudent. At a minimum, I would propose restricting the development footprint to the upland area so that no wetland or floodplain area is directly impacted.

Daylight/Shading, Compaction

Impacts occur beyond the direct footprint of the project. Three story buildings will shade portions of the wetland immediately north of the proposed complex. This will likely affect the health of the nearby wetland, creating an impact to the recognized natural features beyond the actual footprint. Drainage to and through the wetland will be impaired by compaction and water collection and dispersal resulting from the project. The proposed pervious pavement will plug over time and, even when newly installed, will not stop surface flow which will be collected and point discharged into the wetland by the developers. The volume of water created by the point discharges will more quickly be routed to the creek without wetland filtering thus increasing conveyance of sediment and polluting chemicals to the stream.

Drainage Effects:

Change in drainage due to compaction and loss of pervious soils. The site sits on a sloping surface at the base of the small hill topped by the Country Club. Already increased overland flows will only be exacerbated by the increase in impervious surface and compaction of the proposed project. Ashwood Preserve is very high density when defined by counting units on the buildable portion of the site. An ecologically fair comparison was not made at the Appeal Meeting between the number of units per acre for Ashwood Preserve and the highlighted section of Stonybrook. The large percentage loss on site in true permeable surface will further increase immediate storm flows to the creek. I would urge the City Council to reconsider the design so that more open space can be retained on the buildable portion of the site. At the appeal meeting on February 4th, I heard that a number of variances have already been allowed for the developer. Perhaps another would be to not hold the developer to the density requirement for the whole site so that a more environmentally friendly design with increased permeable surface can be created which is more closely tied to the buildable acres.

I am not suggesting that the area remain undeveloped though that would be my first choice were it an option. However, I do believe a smaller scale, less invasive project on the upland portion of the site would be more suited to this property. The site has been identified as having significant natural features, and is considered one of the best remaining wetlands, though fragmented, still existing in Corvallis. Please carefully reconsider your decision regarding the ultimate development of this property.

Communication:

Though I have checked with a number of local residents, I still have not spoken with a single person who received or knew of individuals who received the notice that The City said should have been mailed. Is it possible that this was an oversight in the process as happened recently in SE Corvallis?

Whether the notice was sent or not, the entire audience at the meeting heard that funds are limited for contacting nearby residents regarding proposed projects. Why not require the developer or project owner to bear the cost of notification? The City can still come up with the list of those to be notified. Perhaps this could be tied to the permitting process. Mailing costs incrementally add up for the City with many development projects around town,

... just like cumulative effects born by the environment and ultimately by us all.

Sincerely,

Gregg Lomnicky, Ph.D.
 Aquatic Ecologist
 3350 SW Knollbrook Ave.
 Corvallis, OR 97333
 541.754.4472

Citation

Stoddard, J. L., D. V. Peck, S. G. Paulsen, J. Van Sickle, C. P. Hawkins, A. T. Herlihy, R. M. Hughes, P. R. Kaufmann, D. P. Larsen, G. Lomnicky, A. R. Olsen, S. A. Peterson, P. L. Ringold, and T. R. Whittier. 2005. *An Ecological Assessment of Western Streams and Rivers*. EPA 620/R-05/005, U.S. Environmental Protection Agency, Washington, DC.

Statesman Journal

smanJournal.com

SERVING SALEM, KEIZER AND THE MID-VALLEY

Friday

March 14,
2008

50 CENTS

Willamette needs preventive maintenance

We all were made aware by the media of the very real possibility of a repeat of the devastating flood of 1996 and the \$285 million in property damage here in the valley.

This year, our snowpack is more than twice as deep as it was in February '96. Warmer weather is coming and more rain forecast, so we're not out of danger yet. Considering that 1 inch of rainfall and/or 1 foot of snowmelt raises the river level by 3 feet, you can appreciate how quickly the Willamette could reach flood stage.

The only flood protections we have currently are the 10 Corps of Engineers dams built during the 1950s. However, the Corps readily admits that it can only control 25 percent of the water entering our river. The Willamette has



**RICHARD
CHESBROUGH**

Guest Opinion

16,000 miles of tributaries carrying water out of a 12,000-square-mile basin, all of which ends up in the river.

So what can be done to further protect our Willamette Valley? The best and least expensive answer is preventive maintenance.

As captain/owner of the Willamette Queen Sternwheeler for the past 10 years, I know the importance of vessel maintenance to ensure the safety of both our passengers and vessel while navigating the Willamette River with her strong currents and numerous gravel bars.

The Willamette River also needs a maintenance program for the safety of those residents either recreating upon her or living close to her banks.

Our river was maintained up until the mid-1970s by the Corps of Engineers but nothing beyond. Since then, the river has filled with gravel, raising the riverbed elevation with the resultant effect that the river channel has less capacity to carry flood water

away quickly before spilling up and over her banks.

The Corps estimates the cost of maintaining a 60-foot-wide by 5-foot-deep center channel from Albany to Newberg at only \$1.2 million per year. If the gravel deposits were sold, there would be no cost at all. Our schools would benefit because a royalty on every cubic yard of gravel sold must by law be given to them by the State Lands Department that actually owns the riverbed.

This is a simple and easily accomplished win-win solution for everybody, which would positively mitigate the threat of another 1996 disaster and the hundreds of millions of dollars another major flood would cost us.

We can't afford to ignore the need for a river maintenance program any longer. Mother Nature is unforgiving.

Capt. Richard Chesbrough of Salem can be reached at (503) 371-1103.

F57083

such as wetlands.

Whereas developers want maximum density and return on investment and the city wants maximum tax increases, neighbors and citizens want livability, peace and safety.

Remember 1996, when our Corvallis and Portland riverfront areas nearly flooded? Do city officials go with ill-advised regulations because they are afraid of being sued by developers? Does greed rule in our fair city? Are we so hell-bent on preventing sprawl that we approve plans destined to become urban blight? What about democracy here?

Yes, my friends, we do have trouble, trouble, trouble, right here in River City. Why are we paying taxes for such poor planning decisions and services? I want my money back.

Ray Chesbrough
Corvallis

We have trouble here in River City

A standing-room only crowd appeared at the public hearing appealing Ashwood Preserve.

Among attendees, only one person supported the project, one was neutral and everyone else opposed it for reasons including density, traffic safety issues in an area of senior living/elementary schools, and, most importantly, building over flood-mitigating, life-sustaining wetland.

Although the Planning Department informed us that 12 single-family residences could be built on this property without loss of floodplain, our elected officials rubber stamped their approval of the plan for 28 three-story attached apartments (destined to become rentals).

Ominously, Ashwood Preserve will be the first implementation of Minimum Assured Development Area regulations, allowing developers to build over natural features

MARCH 17
2008
GT

mlcc, FYI - gn.



RECEIVED

MAR 27 2008

CITY MANAGERS
OFFICE

DISTRICT ATTORNEY

John M. Haroldson
120 NW 4th Street
Corvallis, OR 97330-4788

Criminal Law Division (541) 766-6815
Child Support Unit (541) 766-6817
FAX (541) 766-6701

March 21, 2008

Mr. David E. Picray
236 NE Azalea Drive
Corvallis, OR 97330

Re: Request for Public Records/Fee Reduction

Dear Mr. Picray:

On March 17, 2008, the Benton County District Attorney's Office received your request for public records and waiver and/or reduction of fees. The specific records requested in your letter are as follows:

1. All officer incident reports and notes, related to my stop and detention on the morning of May 11, 2007, and related to my subsequent formal complaint against Officer Sapp and Officer Rehnberg.
2. All documents provided to the Community Police Review Board by the Corvallis Police Department relating to the complaint which I filed against Officer Sapp and Officer Rehnberg.
3. Any related video or audio recordings made immediately prior to or in the course of the stop.
4. The names of all witnesses who were passengers in any of the three police vehicles which were present when I was detained as specified above.

I have reviewed your letter to the Benton County District Attorney. In the letter, you reference a letter you received from Corvallis Police Captain Jon Sassaman in December, responding to your original request. I have also reviewed Captain Jon Sassaman's letter. From the two respective letters, I am able to conclude you originally made a public records request to the Corvallis Police Department asking for the above-enumerated records. Furthermore, in your original request, you requested notification of charges prior to sending materials in order for you to consider viewing the documents instead of being provided with copies. The Corvallis Police Department honored your request, and provided you with a written notification of the estimated fees which would be charged. The written notification consisted of three fee estimates:

1. Material to be viewed: \$100.00
2. Material to be picked-up: \$131.90
3. Material to be mailed: \$141.30

The estimates, procedures, and policies of the Corvallis Police Department are in keeping with ORS 192.440(3), which provides (with emphasis added in bold):

(3)(a) **The public body may establish fees reasonably calculated to reimburse the public body for the public body's actual cost of making public records available, including costs for summarizing, compiling or tailoring the public records, either in organization or media, to meet the person's request.** (Emphasis added).

(b) The public body may include in a fee established under paragraph (a) of this subsection the cost of time spent by an attorney for the public body in reviewing the public records, redacting material from the public records or segregating the public records into exempt and nonexempt records. The public body may not include in a fee established under paragraph (a) of this subsection the cost of time spent by an attorney for the public body in determining the application of the provisions of ORS 192.410 to 192.505.

(c) **The public body may not establish a fee greater than \$25 under this section unless the public body first provides the requestor with a written notification of the estimated amount of the fee and the requestor confirms that the requestor wants the public body to proceed with making the public record available.** (Emphasis added)

(d) Notwithstanding paragraphs (a) to (c) of this subsection, when the public records are those filed with the Secretary of State under ORS chapter 79 or ORS 80.100 to 80.130, the fees for furnishing copies, summaries or compilations of the public records are those established by the Secretary of State by rule, under ORS chapter 79 or ORS 80.100 to 80.130.

(4) **The custodian of any public record may furnish copies without charge or at a substantially reduced fee if the custodian determines that the waiver or reduction of fees is in the public interest because making the record available primarily benefits the general public.**

(5) A person who believes that there has been an unreasonable denial of a fee waiver or fee reduction may petition the Attorney General or the district attorney in the same manner as a person petitions when inspection of a public record is denied under ORS 192.410 to 192.505. The Attorney General, the district attorney and the court have the same authority in instances when a fee waiver or reduction is denied as it has when inspection of a public record is denied.

(6) This section does not apply to signatures of individuals submitted under ORS chapter 247 for purposes of registering to vote as provided in ORS 247.973. [1973 c.794 §5; 1979 c.548 §4; 1989 c.111 §12; 1989 c.377 §2; 1989 c.546 §2; 1999 c.824 §5; 2001 c.445 §168; 2005 c.272 §1]

The Corvallis Police Department complied with your request, however, you failed to follow through with the necessary request to proceed with making the public record available. See ORS 192.440(3)(c). Instead of requesting to proceed with making the public record available, you chose instead to challenge the fee estimates under ORS 192.440(4). Your request for a waiver was subsequently denied, and you now petition, under ORS 192.440(5), for an order waiving or reducing fees associated with the requested public records.

In response to your petition, I have reviewed the Corvallis Police Department's records regarding their costs and fee calculations. After reviewing the itemized costs and calculations associated with your request, I find them to be reasonable, and within the purview of ORS 192.440. Moreover, by my calculations, the Corvallis Police Department's estimates favor you to the extent they are actually lower than the actual costs incurred by your request. I further find, after reviewing the particulars of the underlying case, that the public interest in the subject matter covered in the requested records is insufficient. The requested reduction or waiver of fees would be of primary benefit to you, rather than the public. See Conklin v. U.S., 654 F Supp 1104 (D Colo 1987) (applying pre-1986 statute); Diamond v. F.B.I., 548 F Supp 1158 (SD NY 1982); and Public Records Order, October 14, 2004, Jeans (see App F-56). I find that the Corvallis Police Department has met its burden regarding the denial of fee reduction or waiver.

For the above state reasons your petition for waiver or reduction of fees is denied.

The denial of your petition only serves to deny the waiver or reduction of fees. You still retain the right to have the Corvallis Police Department proceed with making the public records available, subject to the fee estimates.

Very truly yours,

John M. Haroldson
Benton County District Attorney
(541) 766-6815

cc: Captain Jon Sassaman, Corvallis Police Department

**HUMAN SERVICES COMMITTEE
MINUTES
March 18, 2008**

Present

Councilor Stewart Wershow, Chair
Councilor Hal Brauner
Councilor Mike Beilstein

Staff

Jon Nelson, City Manager
Gary Boldizar, Police Chief
Jim Brewer, Deputy City Attorney
Carrie Mullens, City Manager's Office

SUMMARY OF DISCUSSION

<u>Agenda Item</u>	<u>Information Only</u>	<u>Held for Further Review</u>	<u>Recommendations</u>
I. Anti-Smoking Ordinance			Direct the City Attorney to draft Municipal Code amendments for Council action repealing provisions regulated by the Oregon Indoor Clean Air Act and adding a clause allowing Corvallis to re-enact any provisions the State does not regulate in the future
II. Other Business			

Chair Wershow called the meeting to order at 12:00 pm.

CONTENT OF DISCUSSION

I. Anti-Smoking Ordinance (Attachment)

Deputy City Attorney Brewer said the new Oregon Indoor Clean Air Act, effective January 1, 2009, directs enforcement to counties with State enforcement funding. The State expressed concern about Corvallis' non-smoking enforcement regulations and requested clarification to more closely match their regulations. In comparison, the State Act is more stringent in some areas and less in others. Mr. Brewer outlined options for Committee recommendation:

1. Propose amendments to mirror the Oregon Indoor Clean Air Act.
2. Propose amendments repealing those provisions regulated by the Oregon Indoor Clean Air Act.
3. Take no action.

Councilor Beilstein said cultural change has already occurred in Corvallis. He opined that repealing the ordinance would not result in a return of smoking in taverns or other public places.

Councilor Brauner said mirrored regulations would require the City to make amendments every time the State amends the Act. He would agree to repealing the provisions regulated by the new Act without repealing other provisions set by Corvallis.

In response to Chair Wershow's inquiry, Mr. Brewer said there is nothing in the Act prohibiting local government from having additional regulations.

In response to Councilor Brauner's comments, Mr. Brewer said language could be added clarifying that the City's regulations could be reinstated if the State no longer regulates specific provisions repealed by Corvallis.

Mr. Brewer clarified that "hooka bars" are most likely not allowed by City regulations and prohibited by State law as of January 1, 2009.

In response to Councilor Beilstein's inquiry regarding the matrix attached to the staff report, Mr. Brewer explained that City of Philomath enforcement includes a fine plus \$50 assessment fee payable to the State. A retaliation clause would cover an employee making a complaint against their employer.

Chief Boldizar noted that only one citation has been issued since Corvallis enacted the no smoking law. Enforcement issues are done informally and/or through the Benton County Health Department's education process.

The Committee unanimously recommends that Council direct the City Attorney to draft Municipal Code amendments for Council action repealing provisions regulated by the Oregon Indoor Clean Air Act and adding a clause allowing Corvallis to re-enact any provisions the State does not regulate in the future.

II. Other Business

The next Human Services Committee meeting is scheduled for 12:00 pm on Tuesday, April 8, 2008 in the Madison Avenue Meeting Room.

Respectfully submitted,

Stewart Wershow, Chair



CORVALLIS CITY ATTORNEY
456 SW Monroe, #101
Corvallis, OR 97333
Telephone: (541) 766-6906
Fax: (541) 752-7532

**CITY ATTORNEY'S OFFICE
MEMORANDUM**

To: Human Services Committee
From: Jim Brewer, Deputy City Attorney 
Date: March 4, 2008
Subject: Amendments to Oregon Indoor Clean Air Act

Issue

Should the City take action to amend or repeal the Corvallis Municipal Code provisions that regulate the sale of tobacco and prohibits smoking in places of employment, given the January 1, 2009 implementation of Senate Bill 571 amendments to the Oregon Indoor Clean Air Act?

Background

In 1997, Corvallis enacted Ordinance 1997-16, which regulated the sale of tobacco and prohibited smoking in places of employment within the City limits. The ordinance was the result of the work of a coalition devoted to community health issues. The ordinance was appealed to the Court of Appeals, at least partially on the basis that it was preempted by the Oregon Indoor Clean Air Act. The Court of Appeals found that the City's Ordinance was valid, but the legislature prohibited other Cities from passing similar local ordinances enacted after July 1, 2001.

In the 2007 legislative session, the legislature passed Senate Bill 571, which substantially amended the Oregon Indoor Clean Air Act. With the amendments from Senate Bill 571, the Oregon Indoor Clean Air Act now substantially mirrors Corvallis' Ordinance. There are some elements of the statute which are more stringent than the local ordinance, and some elements of

the local ordinance which simply differ from the state law. In other instances, the local ordinance is silent regarding issues the state law regulates.

Under the state law, counties will be delegated the authority to enforce the Indoor Clean Air Act. Under Corvallis' ordinance, the County Health Department was largely responsible for determining if there was a violation of the ordinance, and for an education component, but not directly for enforcement. Benton County is now concerned that in 2009, loopholes in the Corvallis Ordinance will make the County's enforcement activities difficult to apply uniformly throughout the County.

County Counsel Vance Croney sent a letter to our office outlining this situation. That letter, along with an analysis paper from the State of Oregon describing the differences between the State law and local ordinance, is attached. So are copies of SB 571 and Ordinance 1997-16.

Discussion

Corvallis' ordinance has been an effective tool for community health. Enforcement has not been a great burden, with only one citation issued since the ordinance was adopted.

Statewide regulations that are at least as stringent as Corvallis' Ordinance will have the great benefit of being uniform, so that visitors from other places in Oregon will not be surprised by a local ordinance. From an enforcement standpoint, it makes sense for Corvallis to at least amend its ordinance so that it is substantially the same as the Oregon Indoor Clean Air act. In particular, the City should avoid any situation where someone could argue that they can violate state law because Corvallis' ordinance allows behavior that the State prohibits. Review of the text of the ordinance and the text of the statute would allow the City Council to amend the ordinance to match the state law.

Another option is to repeal the local ordinance, or at least those portions of the ordinance that regulate behavior the Indoor Clean Air Act also regulates. This is the option that would likely take the least amount of staff time and effort. A repeal of those provisions with an effective date of January 1, 2009 would avoid any conflict or disparity. Since enforcement of the local ordinance is already a cooperative effort with the County, allowing the County to enforce the state law without consideration of any differences in the City limits may be the most reasonable choice for the City Council.

A final option is to take no action. This option potentially leads to some confusion regarding enforcement.

Staff will communicate with citizens and affected businesses regarding the City Council's decision.

Conclusion

Staff seeks direction from the City Council on whether to:

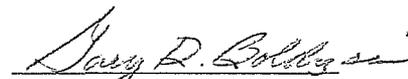
- (1) review Ordinance 1997-16 in order to propose amendments that mirror the Oregon Indoor Clean Air Act;
- (2) review Ordinance 1997-16 in order to propose repeal of those provisions that the Oregon Indoor Clean Air Act regulates; or
- (3) take no action.

Should the City Council direct staff to pursue options (1) or (2), staff will return to the Human Services Committee with proposed language for amendments or repeal.

Review and Concur:



City Manager



Police Chief



OFFICE OF COUNTY COUNSEL

408 SW Monroe, Suite M209

P.O. Box 3020

Corvallis, OR 97339-3020

(541) 766-6890

FAX (541) 766-6014

January 9, 2008

Jim Brewer
Corvallis City Attorney
456 SW Monroe Avenue #101
Corvallis, OR 97330

Re: Anti-Smoking Ordinance

Dear Jim:

On Thursday, January 3, 2008, I met with representatives of the Benton County Health Department and the State of Oregon to discuss implementation of Senate Bill 571, otherwise known as the Oregon Indoor Clean Air Act. Although enacted by the 2007 legislature, Senate Bill 571 will not become effective until January 1, 2009.

The new legislation mirrors anti-smoking ordinances in Corvallis to a large extent. The differences are not significant, but it would be beneficial to the county, as well as the city to review those differences.

Under Senate Bill 571, the State of Oregon will delegate its statutory enforcement authority to Benton County. In the vast majority of cities around the state, such a delegation will not be a problem. However, because Corvallis currently has an anti-smoking ordinance on the books, some loopholes created by the overlap of the local ordinance with the statute will present challenges to Benton County.

In order to minimize and, if possible, eliminate any loopholes, I would like to meet with you and Jon Nelson and any other city official you believe would be interested in this topic, to discuss the gaps between the city's ordinance and state law. To illustrate the difference between the ordinance and state law, I have enclosed copies of Senate Bill 571 and an analysis paper put together by Jill Thompson of the State of Oregon. I believe the analysis paper will be a good starting point for our discussion.

Again, I don't believe this will pose a significant concern to the city, but there are some small points that should be clarified, and hopefully resolved, before Benton County begins enforcing the new law in early 2009.

I look forward to hearing from you soon.

Very Truly Yours,

Vance M. Croney
Benton County Counsel

VMC/tmf

Enclosure

cc: Charlie Fautin
Tatiana Dierwechter

JAN 11 2008

*** DRAFT *** DIFFERENCES BETWEEN SENATE BILL 571, THE CORVALLIS SMOKEFREE WORKPLACE ORDINANCE AND PHILOMATH SMOKEFREE WORKPLACE ORDINANCE

SB 571	CORVALLIS ORDINANCE NO. 98-04	PHILOMATH ORDINANCE #684
Exempts CIGAR BARS (under certain conditions)	Does not exempt cigar bars	The treatment of bars (in general) in the Philomath ordinance is left to assumption. While bars are defined in the definition section #684, they are not specifically mentioned elsewhere in the ordinance; they are not included in the list of workplaces affected (as are restaurants) but they are also not included in the list of businesses that are exempted. Is it therefore that they are not exempted?
Exempts SMOKE SHOPS if they: 1. have at least 75% of gross revenues of the business resulting from tobacco sales 2. are a stand-alone business with no other businesses or residential property attached and 3. prohibit anyone under the age of 18 from entering	Exempts "retail tobacco stores"	Exempts "retail tobacco stores"
Defines ENCLOSED AREAS as: All space between a floor and a ceiling that is enclosed on three or more sides by permanent or temporary walls or windows, exclusive of doors or passageways, that extend from floor to ceiling.	Defines enclosed areas as: All space between a floor and a ceiling which is exposed on all sides by solid walls or windows (exclusive of doors or passageways) which extend from the floor to the ceiling.	Defines enclosed areas as: All space between a floor and a ceiling which is exposed on all sides by solid walls or windows (exclusive of doors or passageways) which extend from the floor to the ceiling.

SB 571	CORVALLIS ORDINANCE No. 98-04	PHILOMATH ORDINANCE #684
Limits the percent of HOTEL OR MOTEL sleeping rooms where smoking is allowed to 25%	Does not limit the percent of hotel or motel sleeping rooms where smoking is allowed.	Does not limit the percent of hotel or motel sleeping rooms where smoking is allowed.
Applies to VEHICLES (with more than one user) operated in the course of employer's business	Applies only to public transportation	Applies only to public transportation
Violation punishable by a FINE of not more than \$500 per day. Fines imposed against a single employer under this subsection may not exceed \$2,000 in any 30-day period.	Violation punishable by a FINE a. Not less than 50.00 or more than \$100.00 for a first violation within any 12 month period b. Not less than \$100.00 nor more than \$200.00 for a second violation in any 12 month period of time c. Not less than \$200.00 nor more than \$500.00 for each additional violation within any 12 month period	Violation punishable by a FINE a. Not less than fifty dollars (\$50.00) exclusive of Unitary Assessment nor more than one hundred dollars (\$100.00) for a first violation within any twelve (12) month period; b. Not less than one hundred dollars (\$100.00) exclusive of Unitary Assessment nor more than two hundred dollars (\$200.00) for a second violation within any twelve (12) month period; c. Not less than two hundred dollars (\$200.00) exclusive of Unitary Assessment nor more than five hundred dollars (\$500.00) for each additional violation of this section within any twelve (12) month period.
Has NO NON-RETALIATION CLAUSE	Has a non-retaliation clause	Has a non-retaliation clause

Enrolled
Senate Bill 571

Sponsored by Senators AVAKIAN, BURDICK, BATES, DEVLIN, Representatives ROSENBAUM, TOMEI; Senators COURTNEY, GORDLY, METSGER, MONNES ANDERSON, MONROE, MORRISETTE, PROZANSKI, WALKER, Representatives GELSER, GREENLICK, NATHANSON

CHAPTER

AN ACT

Relating to smoking; creating new provisions; amending ORS 192.660, 433.835, 433.840, 433.845, 433.850, 433.855, 433.870, 433.990, 441.030, 441.815 and 441.990; repealing ORS 433.863 and 433.865; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 433.835 is amended to read:

433.835. As used in ORS 433.835 to 433.875:

(1) "Cigar bar" means a business that:

(a) Has on-site sales of cigars as defined in ORS 323.500;

(b) Has a humidor on the premises;

(c) Allows the smoking of cigars on the premises but prohibits the smoking of all other tobacco products in any form including, but not limited to, loose tobacco, pipe tobacco, cigarettes as defined in ORS 323.010 and cigarillos as defined by the Department of Human Services by rule;

(d) Has been issued and operates under a full on-premises sales license issued under ORS 471.175;

(e) Prohibits persons under 21 years of age from entering the premises and posts notice of the prohibition;

(f) Does not offer video lottery games as authorized under ORS 461.217;

(g) Has a maximum seating capacity of 40 persons;

(h) Has a ventilation system that is certified by the assistant to the State Fire Marshal described in ORS 476.060 for the jurisdiction in which the cigar bar is located as adequate to remove the cigar smoke in the cigar bar and vents the smoke from the cigar bar in a manner that prevents the smoke from entering any other establishment; and

(i) Requires all employees to read and sign a document that explains the dangers of exposure to secondhand smoke.

[(1)] (2) "Enclosed area" means all space between a floor and a ceiling that is enclosed on [all] three or more sides by [solid] permanent or temporary walls or windows, exclusive of doors or passageways, that extend from the floor to the ceiling[, including all space therein screened by partitions that do not extend to the ceiling].

[(2)] (3) "Place of employment" means every enclosed area under the control of a public or private employer that employees frequent during the course of employment, including but not limited to work areas, employee lounges, vehicles that are operated in the course of an employer's

business that are not operated exclusively by one employee, rest rooms, conference rooms, classrooms, cafeterias, [and] hallways, meeting rooms, elevators and stairways. "Place of employment" does not include a private residence unless it is used as a child care facility as defined in ORS 657A.250[,] or a facility providing adult day care as defined in ORS 410.490 [or a health care facility as defined in ORS 442.015].

[(3)] (4) "Public place" means any enclosed [indoor] area open to [and frequented by] the public, except those public places subject to ORS 441.815, including but not limited to restaurants, as defined in ORS 624.010, retail stores, banks, commercial establishments, educational facilities, nursing homes, auditoriums, arenas, meeting rooms and grocery stores].

(5) "Smoke shop" means a business that:

(a) Is primarily engaged in the sale of tobacco products and smoking instruments, with at least 75 percent of the gross revenues of the business resulting from such sales;

(b) Prohibits persons under 18 years of age from entering the premises;

(c) Does not offer video lottery games as authorized under ORS 461.217, social gaming or betting on the premises;

(d) Does not sell or offer on-premises consumption of alcoholic beverages; and

(e) Is a stand-alone business with no other businesses or residential property attached to the premises.

[(4)] (6) "Smoking instrument" means any cigar, cigarette, pipe or other smoking equipment.

SECTION 2. ORS 433.840 is amended to read:

433.840. The people of Oregon find that because [the smoking of tobacco creates a health hazard to those present in confined places,] exposure to secondhand smoke is known to cause cancer and other chronic diseases such as heart disease, asthma and bronchitis, it is necessary to reduce exposure to tobacco smoke by [requiring nonsmoking areas in certain] prohibiting smoking in all public places and places of employment.

SECTION 3. ORS 433.845 is amended to read:

433.845. (1) [No] A person [shall] may not smoke or carry any lighted smoking instrument in a public place or place of employment except in areas designated as smoking areas pursuant to ORS 433.850.

(2) A person may not smoke or carry any lighted smoking instrument within 10 feet of the following parts of public places or places of employment:

(a) Entrances;

(b) Exits;

(c) Windows that open; and

(d) Ventilation intakes that serve an enclosed area.

(3) [Smoking is prohibited] A person may not smoke or carry any lighted smoking instrument in a room during the time that jurors are required to use the room.

SECTION 4. ORS 433.850 is amended to read:

433.850. (1) [Except as provided in subsection (2) of this section,] An employer shall provide a place of employment that is free of tobacco smoke for all employees.

(2) [The following areas are not subject to the smoking restrictions in] Notwithstanding subsection (1) of this section:

[(a) Retail businesses primarily engaged in the sale of tobacco or tobacco products.]

[(b) Restaurants posted as off-limits to minors or areas of restaurants posted as off-limits to minors under rules adopted by the Oregon Liquor Control Commission.]

[(c) Bars or taverns posted as off-limits to minors under rules adopted by the Oregon Liquor Control Commission.]

[(d) Rooms or halls being used by a charitable, fraternal or religious organization to conduct bingo games under a license issued pursuant to ORS 464.270.]

[(e) Bowling centers.]

[(f) Rooms designated by the owner or person in charge of a hotel or motel as rooms in which smoking is permitted.]

[(g) Employee lounges designated by an employer for smoking if:]

[(A) The lounge is not accessible to minors;]

[(B) The air in the lounge is exhausted directly to the outside by an exhaust fan and not recirculated to other parts of the building;]

[(C) The lounge is in compliance with ventilation standards established by rule by the Department of Human Services;]

[(D) The lounge is located in a nonwork area where no employee is required to enter as part of the employee's work responsibilities. For purposes of this paragraph, "work responsibilities" does not include custodial or maintenance work carried out in a lounge when it is unoccupied; and]

[(E) There are sufficient nonsmoking lounges to accommodate nonsmokers.]

(a) The owner or person in charge of a hotel or motel may designate up to 25 percent of the sleeping rooms of the hotel or motel as rooms in which smoking is permitted.

(b) Smoking of noncommercial tobacco products for ceremonial purposes is permitted in spaces designated for traditional ceremonies in accordance with the American Indian Religious Freedom Act, 42 U.S.C. 1996.

(c) Smoking is permitted in a smoke shop.

(d) Smoking is permitted in a cigar bar that generated on-site retail sales of cigars of at least \$5,000 for the calendar year ending December 31, 2006.

(3) An employer, except in those places described in subsection (2) of this section, shall post [appropriate] signs that provide notice of the provisions of ORS 433.835 to 433.875.

SECTION 5. ORS 433.855 is amended to read:

433.855. (1) The Department of Human Services, in accordance with the provisions of ORS chapter 183:

(a) Shall adopt rules necessary to implement the provisions of ORS 433.835 to 433.875 and 433.990 (4);

(b) Shall be responsible for compliance with such rules; and

(c) May impose a civil penalty not to exceed the amount specified in ORS 433.990 (4) for each violation of a rule of the department applicable to ORS 433.845 or 433.850, to be collected in the manner provided in ORS 441.705 to 441.745. All penalties recovered shall be paid into the State Treasury and credited to the [General Fund] **Tobacco Use Reduction Account established under ORS 431.832.**

(2) In carrying out its duties under this section, the Department of Human Services is not authorized to require any changes in ventilation or barriers in any public place or place of employment. However, nothing in this subsection is intended to limit the authority of the department to impose any requirements under any other provision of law.

(3) In public places which the Department of Human Services regularly inspects, the Department of Human Services shall check for compliance with the provisions of ORS 433.835 to 433.875 and 433.990 (4). In other public places and places of employment, the Department of Human Services shall respond in writing or orally by telephone to complaints, notifying the proprietor or person in charge of responsibilities of the proprietor or person in charge under ORS 433.835 to 433.875 and 433.990 (4). If repeated complaints are received, the Department of Human Services may take appropriate action to [insure] ensure compliance.

(4) When a county has received delegation of the duties and responsibilities under ORS 446.425 and 448.100, or contracted with the Department of Human Services under ORS 190.110, the county shall be responsible for enforcing the provisions of ORS 433.835 to 433.875 and 433.990 (4) that are applicable to those licensed facilities and shall have the same authority as the Department of Human Services for such enforcement.

SECTION 6. ORS 433.870 is amended to read:

433.870. The [regulations] rules authorized by ORS 433.855[,] and 433.860 [and 433.865] are in addition to and not in lieu of any other law regulating smoking.

SECTION 7. ORS 433.990 is amended to read:

433.990. (1) Violation of ORS 433.004 or 433.008, 433.255, 433.260 or 433.715 is a Class A misdemeanor.

(2) Violation of ORS 433.010 is punishable, upon conviction, by imprisonment in the custody of the Department of Corrections for not more than three years.

(3) Violation of ORS 433.035 is punishable upon conviction by a fine of not less than \$10 nor more than \$100, or by imprisonment for not less than 10 days nor more than 30 days, or by both.

(4) Violation of ORS 433.850 is a Class [D] A violation punishable by [*finer totaling*] a fine of not more than [*\$50*] \$500 per day[.]. **Fines imposed against a single employer under this subsection may not [to] exceed [*\$1,000*] \$2,000 in any 30-day period.**

(5) Violation of ORS 433.345 or 433.365 is a Class B violation. Failure to obey any lawful order of the Director of Human Services issued under ORS 433.350 is a Class C misdemeanor.

(6) Any organizer, as defined in ORS 433.735, violating ORS 433.745 is punishable, upon conviction, by a fine of not more than \$10,000.

SECTION 8. ORS 441.815 is amended to read:

441.815. [(1) *No hospital employee, patient or visitor shall smoke any cigar, cigarette or tobacco in any form in any.*]

[(a) *Room of the hospital in which more than one patient is accommodated, unless the room is specifically designated for smoking; or*]

[(b) *Other areas where patient care is provided in the hospital.*]

[(2) *The administrator or person in charge of a hospital shall designate reasonable areas in lobbies and waiting rooms where smoking is not permitted.*]

[(3) *The administrator or person in charge of the hospital shall designate a reasonable number of rooms in the hospital where smoking is not permitted.*]

[(4)] (1) As used in this section, "hospital" has the meaning given the term in ORS 442.015.

(2) **The administrator or person in charge of a hospital may not permit a person to smoke tobacco:**

(a) **In the hospital; or**

(b) **Within 10 feet of a doorway, open window or ventilation intake of the hospital.**

(3) **The Director of Human Services may impose a civil penalty of not more than \$500 per day on a person for violation of subsection (2) of this section. Civil penalties imposed against a person under this subsection may not exceed \$2,000 in any 30-day period. Civil penalties imposed under this subsection shall be imposed in the manner provided by ORS 183.745.**

(4) **The Department of Human Services may adopt rules necessary for the administration of this section.**

SECTION 9. ORS 441.990 is amended to read:

441.990. (1) Violation of ORS 441.015 (1) is a violation punishable, upon conviction, by a fine of not more than \$100 for the first violation and not more than \$500 for each subsequent violation. Each day of continuing violation after a first conviction shall be considered a subsequent violation.

[(2)(a) *Violation of ORS 441.815 (1) is a violation punishable by a fine of \$10.*]

[(b) *Violation of ORS 441.815 (2) or (3) is a Class D violation.*]

[(3)] (2) Any person who willfully prevents, interferes with, or attempts to impede in any way the work of any duly authorized representative of the Department of Human Services in the lawful carrying out of the provisions of ORS 441.087 (1) is guilty of a Class C misdemeanor.

[(4)] (3) The removal of the notice required by ORS 441.030 (5) by any person other than an official of the department is a Class C misdemeanor.

SECTION 10. ORS 441.030 is amended to read:

441.030. (1) The Department of Human Services, pursuant to ORS 479.215, shall deny, suspend or revoke a license in any case where the State Fire Marshal, or the representative of the State Fire Marshal, certifies that there is a failure to comply with all applicable laws, lawful ordinances and rules relating to safety from fire.

(2) The department may deny, suspend or revoke a license in any case where it finds that there has been a substantial failure to comply with ORS 441.015 to 441.063, 441.085, 441.087, 441.990 [(3)] (2) or the rules or minimum standards adopted under those statutes.

(3) The department may suspend or revoke a license issued under ORS 441.025 for failure to comply with a department order arising from a health care facility's substantial lack of compliance with the provisions of ORS 441.015 to 441.063, 441.084 to 441.087 and 441.990 [(3)] (2) or ORS 441.162 or 441.166, or the rules adopted thereunder, or for failure to pay a civil penalty imposed under ORS 441.170 or 441.710.

(4) The department may order a long term care facility licensed under ORS 441.025 to restrict the admission of patients when the department finds an immediate threat to patient health and safety arising from failure of the long term care facility to be in compliance with ORS 441.015 to 441.063, 441.084 to 441.087 and the rules adopted pursuant thereto.

(5) Any long term care facility which has been ordered to restrict the admission of patients pursuant to subsection (4) of this section shall post a notice of such restriction, provided by the department, on all doors providing ingress to and egress from the facility, for the duration of the restriction.

SECTION 10a. If Senate Bill 84 becomes law, section 10 of this 2007 Act (amending ORS 441.030) is repealed.

SECTION 11. ORS 192.660 is amended to read:

192.660. (1) ORS 192.610 to 192.690 do not prevent the governing body of a public body from holding executive session during a regular, special or emergency meeting, after the presiding officer has identified the authorization under ORS 192.610 to 192.690 for holding the executive session.

(2) The governing body of a public body may hold an executive session:

(a) To consider the employment of a public officer, employee, staff member or individual agent.

(b) To consider the dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent who does not request an open hearing.

(c) To consider matters pertaining to the function of the medical staff of a public hospital licensed pursuant to ORS 441.015 to 441.063, 441.085, 441.087 and 441.990 [(3)] (2) including, but not limited to, all clinical committees, executive, credentials, utilization review, peer review committees and all other matters relating to medical competency in the hospital.

(d) To conduct deliberations with persons designated by the governing body to carry on labor negotiations.

(e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

(f) To consider information or records that are exempt by law from public inspection.

(g) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations.

(h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

(i) To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

(j) To carry on negotiations under ORS chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.

(k) If the governing body is a health professional regulatory board, to consider information obtained as part of an investigation of licensee or applicant conduct.

(L) If the governing body is the State Landscape Architect Board, or an advisory committee to the board, to consider information obtained as part of an investigation of registrant or applicant conduct.

(m) To discuss information about review or approval of programs relating to the security of any of the following:

(A) A nuclear-powered thermal power plant or nuclear installation.

(B) Transportation of radioactive material derived from or destined for a nuclear-fueled thermal power plant or nuclear installation.

(C) Generation, storage or conveyance of:

(i) Electricity;

(ii) Gas in liquefied or gaseous form;

(iii) Hazardous substances as defined in ORS 453.005 (7)(a), (b) and (d);

(iv) Petroleum products;

(v) Sewage; or

(vi) Water.

(D) Telecommunication systems, including cellular, wireless or radio systems.

(E) Data transmissions by whatever means provided.

(3) Labor negotiations shall be conducted in open meetings unless negotiators for both sides request that negotiations be conducted in executive session. Labor negotiations conducted in executive session are not subject to the notification requirements of ORS 192.640.

(4) Representatives of the news media shall be allowed to attend executive sessions other than those held under subsection (2)(d) of this section relating to labor negotiations or executive session held pursuant to ORS 332.061 (2) but the governing body may require that specified information be undisclosed.

(5) When a governing body convenes an executive session under subsection (2)(h) of this section relating to conferring with counsel on current litigation or litigation likely to be filed, the governing body shall bar any member of the news media from attending the executive session if the member of the news media is a party to the litigation or is an employee, agent or contractor of a news media organization that is a party to the litigation.

(6) No executive session may be held for the purpose of taking any final action or making any final decision.

(7) The exception granted by subsection (2)(a) of this section does not apply to:

(a) The filling of a vacancy in an elective office.

(b) The filling of a vacancy on any public committee, commission or other advisory group.

(c) The consideration of general employment policies.

(d) The employment of the chief executive officer, other public officers, employees and staff members of a public body unless:

(A) The public body has advertised the vacancy;

(B) The public body has adopted regular hiring procedures;

(C) In the case of an officer, the public has had the opportunity to comment on the employment of the officer; and

(D) In the case of a chief executive officer, the governing body has adopted hiring standards, criteria and policy directives in meetings open to the public in which the public has had the opportunity to comment on the standards, criteria and policy directives.

(8) A governing body may not use an executive session for purposes of evaluating a chief executive officer or other officer, employee or staff member to conduct a general evaluation of an agency goal, objective or operation or any directive to personnel concerning agency goals, objectives, operations or programs.

(9) Notwithstanding subsections (2) and (6) of this section and ORS 192.650:

(a) ORS 676.175 governs the public disclosure of minutes, transcripts or recordings relating to the substance and disposition of licensee or applicant conduct investigated by a health professional regulatory board.

(b) ORS 671.338 governs the public disclosure of minutes, transcripts or recordings relating to the substance and disposition of registrant or applicant conduct investigated by the State Landscape Architect Board or an advisory committee to the board.

SECTION 12. ORS 433.863 and 433.865 are repealed.

SECTION 13. This 2007 Act takes effect on January 1, 2009.

Passed by Senate May 22, 2007

Repassed by Senate June 18, 2007

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Secretary of Senate

.....
President of Senate

Passed by House June 15, 2007

.....
Speaker of House

Received by Governor:

.....M., 2007

Approved:

.....M., 2007

.....
Governor

Filed in Office of Secretary of State:

.....M., 2007

.....
Secretary of State

ORDINANCE 97- 16

AN ORDINANCE RELATING TO THE DISTRIBUTION, SALE, AND CONSUMPTION OF TOBACCO, AMENDING MUNICIPAL CODE CHAPTERS 5.03 AND 8.03, AND ADDING A NEW CHAPTER 8.10, "TOBACCO RELATED LICENSES"

WHEREAS, the City Council has held a public meeting to review the information included in the staff report titled "Second Hand Tobacco Smoke and Tobacco Regulation," dated August 14, 1997, and

WHEREAS, the City Council has reviewed the written findings included in that staff report regarding fees, and

WHEREAS, the City Council has determined that the fees identified in this ordinance:

1. Meet the definition of a fee as identified in §456.F.2 of SB 1215 (1997), and
2. The revenue from the fee will not fund a qualified government product or service as defined in §456.F.8 of SB 1215 (1997), and
3. The proposed use of monies from this fee do not constitute a shift from property tax funding during the initial implementation period.

NOW THEREFORE THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. Chapter 8.10, "Tobacco Retail Licenses," is hereby added to the Corvallis Municipal Code as follows:

Chapter 8.10 Tobacco Retail Licenses

8.10.010 Definitions.

- 1) License - A license issued by the City of Corvallis for the retail sale of tobacco products.
- 2) Licensee - The holder of a valid license for the retail sale of tobacco products.
- 3) Minor - Any person under 18 (eighteen) years of age.
- 4) Self service displays - Open display of tobacco products that the public has access to without the intervention of a store employee.
- 5) Tobacco product - Any tobacco cigarette, cigar, pipe tobacco, smokeless tobacco, chewing tobacco, or any other form of tobacco which may be utilized for smoking, chewing, inhalation, or other means of ingestion.
- 6) Vendor-assisted - Only a store employee has access to the tobacco product and assists the customer by supplying the tobacco product; the customer does not take possession of the tobacco product until after it is purchased.

8.10.020 License requirement.

- 1) It shall be a violation of this chapter for a retailer to sell tobacco products unless that retailer holds a valid license from the City of Corvallis for each location in which tobacco products are sold. All such licenses shall be renewed annually on or before March 1.

2) Any license issued in accordance with the provisions of this chapter shall remain the property of the City, and upon expiration, revocation, or suspension it shall be returned to the City. If a license is lost or destroyed, it may be replaced upon the payment by the applicant of a fee as set forth in section 8.10.030.

8.10.030 License fee.

No tobacco retailer's license shall be issued or continue to be valid unless the holder thereof has paid the fees as required by Chapter 8.03.

8.10.040 Non-transferability of license.

A license is non-transferable, except a new license will be issued upon application to an eligible tobacco retailer who changes locations.

8.10.050 Sales to minors.

It shall be a violation of this chapter for a retailer to sell tobacco products to minors under eighteen (18) years of age.

8.10.060 Vendor-assisted sales.

It shall be a violation of this chapter for any person, business, or tobacco retailer to sell, permit to be sold, or offer for sale any tobacco product by means of self-service displays or any means other than vendor-assisted sales.

8.10.070 Non-retaliation.

It shall be a violation of this chapter for any person or employer to discharge, refuse to hire, or in any manner retaliate against any employee, applicant for employment, or customer because such employee, applicant, or customer reports or attempts to prosecute any violation of this chapter.

8.10.080 License holder penalties.

1) Any license holder who violates any provision of this chapter other than section 8.10.020 shall be assessed penalties and/or have their license suspended as follows:

a) In the case of a first violation within two years, the licensee shall be fined two hundred dollars (\$200.00) and shall be notified in writing of penalties levied for further violations.

b) In the case of a second violation in any two year period, the licensee shall be fined three hundred and fifty dollars (\$350.00) and the license shall be suspended for forty-five (45) days.

c) In the case of three or more violations within any two year period, the licensee shall be fined five hundred dollars (\$500.00) and the license shall be revoked and the revoked retailer shall be ineligible to apply for a new license for six months after the effective date of the revocation.

2) Failure to pay a fine levied under this chapter within thirty (30) days of the date the fine becomes effective shall result in the suspension of the licensee's license until such fines are paid.

3) During any suspension or revocation of a license under this section, the retailer so suspended may not sell tobacco products and must remove all tobacco products from all retail areas. In addition, any new application for a license while a retailer is suspended under this chapter shall be denied.

8.10.090 Selling tobacco without a license penalty.

Violators of section 8.10.020 are subject to a fine of five hundred dollars (\$500.00) for each day a violation occurs.

8.10.100 Notice.

1) Unless otherwise provided, prior to the revocation or suspension of a license issued under this chapter, the City Manager shall provide a notice to the holder of said license. The notice shall contain the following information:

- a) The name and title of the person issuing the notice;
- b) The date on which the fine, suspension, or revocation will become effective;
- c) The reason for the fine, revocation, or suspension;
- d) That the licensee may request a hearing regarding the fine, revocation, or suspension;
- e) That the request for a hearing must be made in person or in writing and received by the City Manager within ten (10) days after receipt of the notice;
- f) That failure to appear in person or through mail received by the City Manager within ten (10) days after receipt of the notice or by the notice's return by the Postal Service shall act as a waiver of the right to a hearing and the fine, revocation, or suspension will, if applicable, become effective on the date included in the notice.

8.10.110 Hearing.

1) Upon request for a hearing as provided in section 8.10.100, a hearing shall be held before a Hearings Officer appointed by the City Manager. The hearing shall be set and conducted within forty-eight (48) hours of receipt of the request, holidays, Saturdays, and Sundays not to be included. The hearing can be set for a later day if the applicant or licensee so requests.

2) At the hearing, the applicant or licensee may contest the denial, fine, revocation, or suspension.

3) If the Hearings Officer finds that the applicant is not eligible for a license, the Hearings Officer shall declare the license application denied. If the Hearings Officer finds that the fine, suspension, or revocation is in accordance with this chapter then that fine, suspension, or revocation shall take effect immediately. The action of the Hearings Officer is final.

4) If the applicant or licensee does not appear at the scheduled hearing, the Hearings Officer shall enter an order supporting the denial, fine, revocation, or suspension of the licensee or applicant.

Section 2. Corvallis Municipal Code Chapter 8.03 is amended as follows to establish fees for the issuance and maintenance of licenses for the sale of tobacco.

8.03.290 Tobacco license fees.

1) The fees applicable to the processing of a tobacco retailer's license shall be paid by the applicant at the time the application is presented to the City and shall be as follows:

- a) Original tobacco retailer's license application - \$35.00;
- b) Application for renewal or change of ownership location or privilege - \$35.00;
- c) Application for renewal or change of ownership location or privilege in conjunction with application for liquor license - \$41.00.

Section 3. Corvallis Municipal Code Chapter 5.03 is amended by the addition of a new section 5.03.080.160 "Tobacco products and smoking."

5.03.080.160 Tobacco products and smoking.

6.03.080.160.01 Definitions.

1) Bar - An area which is devoted to the serving of alcoholic beverages for consumption by guests on premises and in which the serving of food is only incidental to the consumption of such beverages.

2) Business - Any sole proprietorship, partnership, joint venture, corporation, or other business entity, including retail establishments where goods or services are sold as well as professional corporations and other entities where professional services are delivered.

3) Employee - Any person who is employed by any employer in the consideration for direct or indirect monetary wages or profit, and any person who volunteers his or her services to a non-profit entity.

4) Employer - Any person or entity who employs the services of one or more individuals.

5) Enclosed area - All space between a floor and a ceiling which is exposed on all sides by solid walls or windows (exclusive of door or passageways) which extend from the floor to the ceiling, including all space therein screened by partitions which do not extend to the ceiling or are not solid, "office landscaping" or similar structure.

6) Place of employment - Any enclosed area under the control of a public or private employer which employees normally frequent during the course of employment, including, but not limited to, work areas, employee lounges and rest rooms, conference and class rooms, cafeterias and hallways. A private residence is not a "place of employment" unless it is used as a child care, adult day care, or health care facility.

7) Public place - Any enclosed area to which the public is invited or in which the public is permitted including but not limited to banks, education facilities, health facilities, laundromats, public transportation facilities, reception areas, restaurants, retail food production and marketing establishments, retail service establishments, retail stores, theaters, and waiting rooms. A private residence is not a "public place" unless it is used as a child care, adult day care, or health care facility.

8) Restaurant - Any coffee shop, cafeteria, sandwich stand, private or public school cafeteria, and any other eating establishment which gives or offers for sale food to the public, guests, or employees, as well as kitchens in which food is prepared on the premises for serving elsewhere, including catering facilities.

9) Retail tobacco store - A retail store utilized primarily for the sale of tobacco products and accessories and in which the sale of other products is merely incidental.

10) Service line - Any indoor line, or any portion of an indoor line that extends out of doors, at which one or more persons are waiting for or receiving services of any kind, whether or not such services involves the exchange of money.

11) Smoking - Any inhaling, exhaling, burning, or carrying any lighted cigar, cigarette, weed, plant, or other tobacco like product or substance in any manner or in any form.

12) Sports arena - Any sports pavilion, gymnasium, health spa, swimming pool, roller rink, bowling alley, and other places where members of the general public assemble either to engage in physical exercise, participate in athletic competition, or witness sports events.

13) Tobacco product - Any tobacco cigarette, cigar, pipe tobacco, smokeless tobacco, chewing tobacco, or any other form of tobacco which may be utilized for smoking, chewing, inhalation, or other means of ingestion.

5.03.080.160.02 Smoking prohibited in public places.

1) Smoking shall be prohibited in all enclosed public places within the City or located on City owned property, including, but not limited to the following places:

- a) Elevators;
- b) Rest rooms, lobbies, reception areas, hallways, and any other common-use areas;
- c) Buses, taxicabs, and any other means of public transportation under the authority of the City;
- d) Service lines, or within 10 feet of a service line that extends out of doors;
- e) Retail stores;
- f) All areas available and customarily used by the general public located in all businesses patronized by the public, including non-profit and public businesses. Affected businesses include, but are not limited to, professional offices, banks, laundromats, hotels and motels;
- g) Restaurants;
- h) Any facility which is primarily used for exhibiting any motion picture, stage or drama production, lecture, music recital or other similar performances, except performers when smoking is part of a stage or drama production;
- i) Sports arena, including bowling facilities and convention halls;
- j) Every room, chamber, place of meeting or public assembly, including school buildings under the control of any board, council commission, committee, including joint committees, or agencies of the City or any political subdivision of the City during such time as a public meeting is in progress, to the extent such a place is subject to the jurisdiction of the City;
- k) Waiting rooms, hallways, wards, and semiprivate rooms of health care facilities, including, but not limited to, hospitals, clinics, physical therapy facilities, doctor's and dentist's office;
- l) Lobbies, hallways, and other common areas in apartment buildings, condominiums, trailer parks, retirement facilities, nursing homes, and other multiple-unit residential facilities; and
- m) Polling places.

2) Notwithstanding any other provision of this section, any owner, operator, manager or other person who controls any establishment or facility may declare that entire establishment or facility as a non-smoking establishment.

5.03.080.160.03 Smoking prohibited in places of employment.

It shall be the responsibility of employers to provide a smoke-free work place for all employees, but employers are not required to incur any expense to make structural or other physical modifications.

5.03.080.160.04 Smoking prohibited outside entrances.

Smoking shall not occur within a reasonable distance, not to be less than ten (10) feet, of any entrance of any enclosed area where smoking is prohibited or of any service line that extends out of doors.

5.03.080.160.05 Places where smoking is not regulated.

1) Notwithstanding any other provision of this section to the contrary, the following areas shall not be subject to any smoking restrictions contained within this section:

- a) Private residences, unless the private residence is used as a child care, adult day care, or health care facility;
- b) Rented motel/hotel rooms that are designated in some manner as smoking allowed rooms by the owners of the establishment renting the rooms;
- c) Private rooms rented for an occupancy that exceeds one month and that are not located in a private residence used as a child care, adult day care or health care facility;
- d) Bars;
- e) Bar portions of bar and restaurant combinations so long as the bar is separate from the restaurant and the ventilation system does not permit smoke to enter the restaurant section;
- f) Retail tobacco stores.

2) Exceptions d) and e) of this section will expire July 1, 1998 for those bars and bar portions of bar and restaurant combinations which are unable, to the City Manager's or the City Manager's designee's satisfaction, to assure that employees and non-smoking patrons are not exposed to second hand smoke.

5.03.080.160.06 Posting "no smoking" signs.

1) "No smoking" signs or the international "no smoking" symbol (consisting of a pictorial representation of a burning cigarette enclosed in a red circle with a red bar across the cigarette) shall be clearly, sufficiently, and conspicuously posted in every building or other area where smoking is prohibited by this article, by the owner, manager, or other person having control of such building or other area, including private residences used as a child care, adult day care or health care facility.

2) Every public place where smoking is prohibited by this section shall have posted at every entrance a conspicuous sign stating that smoking is prohibited.

5.03.080.160.07 Non-retaliation.

It shall be a violation of this section for any person or employer to discharge, refuse to hire, or in any manner retaliate against any employee, applicant for employment, or customer because such employee, applicant, or customer reports or attempts to prosecute any violation of this ordinance.

5.03.080.160.08 Smoking in or near entrances to publicly owned buildings.

- 1) No person shall smoke anywhere within any publicly owned building.
- 2) No person shall smoke within 10 feet of any entrance to a publicly owned building.
- 3) A violation of this section is a Class B infraction.

5.03.080.160.09 Tobacco sales to minors prohibited.

1) No person, other than a minor's custodial parent or guardian, shall sell or otherwise provide tobacco products to a minor under the age of eighteen (18) years old.

2) A violation of this section is a Class A infraction.

5.03.080.160.10 Other violations and penalties.

1) It shall be a violation of this section for every day any person who owns, manages, operates or otherwise controls the use of any premises, subject to regulation under this section, fails to comply with any provisions herein.

2) It shall be a violation of this section for any person to smoke in any area where smoking is prohibited by the provisions of this section.

3) Any person who violates this section shall be guilty of an infraction, punishable by a fine:

- a) Not less than fifty dollars (\$50.00), nor more than one hundred dollars (\$100.00) for a first violation within any 12 (twelve) month period;
 - b) Not less than one hundred dollar (\$100.00), nor more than two hundred dollars (\$200.00) for a second violation within any 12 (twelve) month period;
 - c) Not less than two hundred and fifty dollar (\$250.00), nor more than five hundred dollars (\$500.00) for each additional violation of this section within any 12 (twelve) month period.
- 4) Notwithstanding any other provision of this section, an employer or private citizen may file a citizen complaint to enforce this section under chapter 5.03.010.080.

5.03.080.160.11 Severability.

If any provision, clause, sentence, or paragraph of this section or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this section which can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.

5.03.080.160.12 Other laws.

This section shall not be interpreted or construed to permit smoking where it is otherwise restricted by other applicable laws.

Section 4. Effective date.

This ordinance shall be effective January 1, 1998.

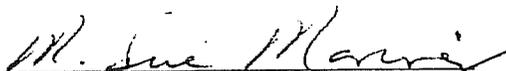
PASSED by the Council this 18th day of August, 1997.

APPROVED by the Mayor this 18th day of August, 1997.

Effective this 1st day of January, 1998.

ATTEST:


Mayer
(acting)


City Recorder

ORDINANCE 2008- _____

AN ORDINANCE AMENDING CORVALLIS MUNICIPAL CODE CHAPTER 5.03, "OFFENSES," AS AMENDED, AND STATING AN EFFECTIVE DATE

Whereas, the 2007 Legislature of the State of Oregon has enacted Senate Bill 571, amending the Oregon Indoor Clean Air Act, with an effective date of January 1, 2009; and

Whereas, the legislature has empowered the Oregon Department of Human Services to enforce the terms of the amended Oregon Indoor Clean Air Act, and the Department of Human Services has delegated authority to the various Counties to enforce the Oregon Indoor Clean Air Act and has expressed concern that the Corvallis ordinances regulating indoor smoking may conflict or be inconsistent with the terms of the State law; and

Whereas, Corvallis Municipal Code Section 5.03 contains provisions regulating smoking in the City Limits of Corvallis; and

Whereas, it is in the public interest to allow uniform enforcement of smoking regulations within Benton County, including the City of Corvallis; and

Whereas, it is in the public interest for the City of Corvallis to continue to regulate smoking in the parks and recreational facilities, and to require retail tobacco sales licenses; and

Whereas, it is in the public interest to allow the City of Corvallis to continue to regulate smoking should the state law be repealed or amended in a manner that it no longer effectively meets this public need; accordingly, it is not yet in the public interest to repeal the ordinances regulating smoking, but is instead appropriate to allow a hiatus on enforcement of certain provisions of the Corvallis Municipal Code;

THEREFORE, THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. Section 5.03.080.160.13 is hereby added as follows:

5.03.080.160.13 Hiatus on enforcement.

1) Purpose. The purpose of this hiatus is to allow for uniform enforcement of the Oregon Indoor Clean Air Act within Benton County.

2) Scope. Except for those provisions specifically set out in subsection 3), below, in order to be consistent with the terms of Senate Bill 571, amending the Oregon Indoor Clean Air Act, Section 5.03.080.160.01 through Section 5.03.080.160.12 shall not be enforced, or enforceable by the City of Corvallis until such time as the City Council shall affirmatively act by ordinance to repeal this section.

3) Exceptions. This hiatus does not effect the enforcement of regulations:

a) prohibiting smoking within City-owned or managed park and recreation facilities, as defined in Section 5.03.080.160.01, set forth in Section 5.03.080.160.02.2) and 5.03.080.160.02.4). Violations of these sections will remain subject to the penalties set forth in Section 5.03.080.160.10 of the Corvallis Municipal Code.

b) requiring tobacco retail licenses as set forth in Section 8.10.010 through Section 8.10.020. Violations of these sections will remain subject to the penalties set forth in Section 8.10.080.

4) Biennial review. This section shall be reviewed every two years by the City Council.

Section 2. Effective Date.

The general welfare of the public will be promoted if this ordinance does not take effect until January 1, 2009.

PASSED by the Council this ____ day of _____, 2008.

APPROVED by the Mayor this ____ day of _____, 2008.

EFFECTIVE the 1st day of January, 2009.

Mayor

ATTEST:

City Recorder

**ADMINISTRATIVE SERVICES COMMITTEE
MINUTES
March 20, 2008**

Present

Councilor Dan Brown, Chair
Councilor Bill York

Staff

Ellen Volmert, Assistant City Manager
Nancy Brewer, Finance Director
Roy Emery, Fire Chief
Will Bauscher, EMS Division Chief
Carla Holzworth, City Manager's Office

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Ambulance Rate Review			<ul style="list-style-type: none"> * Increase base rate for Speciality Care Transports to \$880 * Increase base rate for Advanced Life Support 2 to \$880 * Increase base rate for Advanced Life Support 1 to \$855 * Increase base rate for Basic Life Support to \$775 * Increase rate for Evaluation and Treatment/No Transport to \$385.25 * Increase Fire-Med membership to \$50 per year
II. Potential Revenue Alternatives	*		
III. Other Business	*		

Chair Brown called the meeting to order at 12:00 p.m.

CONTENT OF DISCUSSION

I. Ambulance Rate Review (Attachment)

Fire Chief Roy Emery distributed an updated version of the comparator spreadsheet (Attachment 1), which includes Corvallis Fire's current ambulance rates and the percentage change compared to proposed rates. Chief Emery said during their annual review, staff surveyed all mid-Willamette Valley fire departments and Corvallis' rates continue to fall in the middle of the comparators. The most significant rate increase is proposed for evaluation of treatment where no transport is required.

In response to Councilor York's inquiry, Chief Emery confirmed that the titles used to describe fee services in the spreadsheet are Medicare terms that are used consistently by all agencies.

In response to Chair Brown's inquiry, Chief Emery said about 45% of total charges are writeoffs for Medicare and Medicaid. Around 35% of CFD's clients are on Medicare. Ms. Brewer added that the writeoff is therefore subsidized by the City.

In response to Councilor York's inquiry, Mr. Bauscher clarified that cash customers pay the full rate and those with insurance are responsible for the portion their insurance does not cover.

The Committee unanimously recommends that Council increase the base rate for Speciality Care Transports to \$880; increase the base rate for Advanced Life Support 2 to \$880; increase the base rate for Advanced Life Support 1 to \$855; increase the base rate for Basic Life Support to \$775; increase the rate for Evaluation and Treatment/No Transport to \$385.25; and increase Fire-Med membership to \$50 per year.

II. Potential Revenue Alternatives (Attachment)

Finance Director Nancy Brewer outlined the Fee Review Schedule in her staff report. She noted that the most significant fees are reviewed on a regular schedule, with some going to Administrative Services Committee and some to Human Services Committee. Franchise fees are negotiated in a 20-year agreement, so there is no immediate opportunity for change in that area. Ms. Brewer explained that some fees are means tested, where a fee that has been designed to cover a certain set of costs is reviewed annually and adjusted accordingly.

In response to Councilor York's observation about capacity in the rental housing fee, Ms. Brewer said that the fee was established after careful study by a stakeholder group. She added that any discussion of expanding the fee would need to go through stakeholders, as well as the Council. Past experience has shown that those who pay the fee want the collected funds to go directly to rental housing activities.

In response to Chair Brown's inquiry, Ms. Brewer said fees designed to cover total costs include water, sewer, storm water, building permit plan review, rental housing code, Systems Development Charges (SDCs), 911, and the Transportation Maintenance Fee (TMF) for projects identified in the TMF plan.

In response to Councilor York's question, Ms. Brewer confirmed that Council could adjust the 50% taxpayer-funded figure designated in the Council Policy regarding land use planning fees.

In response to Councilor York's inquiry, Ms. Brewer confirmed that she also understood the TMF would not change during its five year life. The idea was to make it predictable and to only raise money for the identified projects. In response to Councilor York's follow up question about the TMF's sunset, Ms. Brewer said the

Urban Services Committee is expected to discuss general transportation issues, including the sidewalk safety program. The discussion will most likely include conversations about the TMF and whether a new, separate fee should be established for the sidewalk safety program, or if it should be combined with the TMF.

In response to Chair Brown's inquiry, Ms. Brewer said adjustments to photocopy charges are not proposed. She clarified that the most significant portion of fees for copies of public records relate to the cost of staff's time to locate the record, review it, and remove any portion that is not public record. This is especially true for police records, as a lieutenant or captain's time may typically be involved, as well as review by the City Attorney.

Ms. Brewer reviewed the Revenue Alternatives matrix attached to her staff report. She noted that while some revenues might be legally feasible, they may not be politically viable. Ms. Brewer said the City could administratively raise the 5% franchise fee it currently charges itself on City utilities, but it would likely result in an increase on utility bills. In response to Councilor York's inquiry, Ms. Brewer confirmed that Oregon State University could be included if a special district was established.

Councilor York thanked Ms. Brewer for the information she provided. He said he is somewhat supportive of a restaurant/meal tax because it is a tax on discretionary spending and he would like to pursue discussion of that revenue. He would like to review the business license fee after the Downtown and Economic Vitality Plans Implementation Committee's upcoming discussion about the topic, as well as the entertainment/admissions tax, and the general category of the city services fee and surcharge. Councilor York observed that fees will work themselves out during regular reviews, so he does not wish to pursue discussion about them.

Chair Brown summarized that the Committee will isolate the four revenues outlined by Councilor York for individual discussion at future Administrative Services Committee meetings. In response to Chair Brown's inquiry, Councilor York said he does not have any priority preferences. Councilor York suggested that Chair Brown ask Council for their reactions about the specific revenues recommended for further consideration when gives his Standing Committee report to Council.

In response to Ms. Brewer's request for clarification, the Committee agreed that information about the four revenues should include revenue projections, administrative impacts, political challenges and public perceptions. Ms. Brewer was encouraged to invite key stakeholders to Committee meetings.

The item is for information only.

Administrative Services Committee
March 20, 2008
Page 4

III. Other Business

The next regular Administrative Services Committee meeting is scheduled for 12 pm, Thursday, April 10, 2008 in the Madison Avenue Meeting Room.

Respectfully submitted,

Dan Brown, Chair

**CORVALLIS FIRE DEPARTMENT
MEMORANDUM**

400 NW Harrison Blvd.
Corvallis, OR 97330

541 766-6961
541 766-6938 (fax)

To: Administration Service Committee
From: Roy Emery, Fire Chief 
Subject: Ambulance Rate Review
Date: February 22, 2008

Background:

In an effort to provide responsive, efficient, and self-funded emergency medical services, Corvallis Fire Department continually works to maintain a balance between the cost of delivery and revenue. Over the last several years, market and inflationary factors continue to impact cost of essential ambulance service components, including medical and pharmacological supplies, personnel, maintenance, and fuel. User fees, offsetting reliance on general fund dollars, are the primary funding source for ambulance services. Unfortunately, the trends seen in ambulance service reimbursements, which have driven much of the ambulance service financial woes, have not changed significantly, and will likely not change in the foreseeable future. Impact from the un- or under-insured and overall healthcare system debates tend to confound these issues. Nevertheless, in order to maintain more affordable ambulance transport services, the Corvallis Fire Department continues to promote community participation in the Fire-Med program and has completed an annual review of ambulance rates, in keeping with City Council's desire to recover costs while maintaining affordability of ambulance services.

Findings:

Utilizing phone and other survey data collected by a regional billing service, staff has compiled rate information for agencies within Benton, Linn, Lane, Yamhill, Polk, and Marion Counties. The areas and agencies were selected in an effort to obtain a representative sample of agencies of similar size and/or areas served within the Mid-Willamette Valley. A summary of the survey results can be found in Attachment A. Ambulance rate recommendations over the last three years have been driven by the following principal factors:

1. Market and inflationary influences increasing service delivery costs.
2. Reimbursement rates resulting in decreased revenues to offset costs
3. Ongoing investigation of revenue collection rates and alternative funding sources.

Over the three-year period, rate increases have ranged from 4 to 8 percent per year. These increases were an attempt to maintain some consistency with regional rates, while maintaining City Council's desires. The 2008 review indicates Corvallis falls at or below the median rate values for the Mid-Willamette Valley. Therefore, the following represents the rate recommendations for FY 2008/2009.

Proposal:

- Increase base rate for Specialty Care Transports from \$879 to \$880 (0.11%).
- Increase base rate for Emergency & Non-Emergency Advanced Life Support 2 from \$808 to \$880 (8.18%)
- Increase base rate for Emergency & Non-Emergency Advanced Life Support 1 from \$798 to \$855 (6.67%)
- Increase base rate for Emergency & Non-Emergency Basic Life Support from \$772 to \$775 (0.39%)
- Increase rate for Evaluation and Treatment/No Transport from \$249.50 to \$385.25 (35.24%)
- Increase Fire-Med membership rate from \$45 per year to \$50 per year (10%)

Summary:

The proposal outlined will align Corvallis Fire Department's ambulance fee schedule with regional median values, while also addressing the principal factors noted above. Future ambulance rate reviews will continue to concentrate on these factors as the driving force behind staff recommendations, while maintaining responsive, efficient emergency medical services to the City of Corvallis and Benton County.

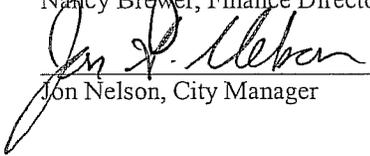
Recommendation:

Staff recommends approval by the Administrative Services Committee and adoption by motion for the City Council.

REVIEWED and CONCUR:



Nancy Brewer, Finance Director



Jon Nelson, City Manager

	<i>Fire-Med Membership</i>	<i>Specialty Care Transport</i>	<i>ALS 2 Emergency & Non-Emergency</i>	<i>ALS 1 Emergency</i>	<i>ALS 1 Non-Emergency</i>	<i>BLS-Emergency</i>	<i>BLS Non-Emergency</i>	<i>Evaluation & Treatment No Transport</i>	<i>Transport Mileage (per mile)</i>
Corvallis Fire (Proposed)	\$50.00	\$880.00	\$880.00	\$855.00	\$855.00	\$775.00	\$775.00	\$385.25	\$15.00
Eugene Fire & EMS	\$52.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$450.00	\$15.00
Lane Rural Fire district	\$52.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$575.00	\$15.50
Springfield Fire & Life	\$52.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$575.00	\$15.50
Albany Fire**	\$50.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$350.00	\$16.25
Jefferson Fire District**	\$50.00		\$900.00	\$800.00	\$800.00	\$700.00	\$700.00	\$400.00	\$15.00
Lebanon Fire District	\$50.00	\$854.63	\$854.63	\$854.63	\$854.63	\$743.80	\$743.80	\$274.28	\$13.74
Sweet Home Fire	\$50.00	\$700.00	\$700.00	\$700.00	\$700.00	\$700.00	\$700.00	\$177.50	\$10.00
Salem Fire Department	\$50.00	\$791.00	\$791.00	\$764.50	\$764.50	\$553.00	\$254.75	\$385.25	\$11.75
Marion County Fire District #1		\$791.00	\$791.00	\$764.50	\$764.50	\$553.00	\$254.75	\$385.25	\$11.75
Keizer Fire District	\$50.00		\$700.00	\$676.50	\$676.50	\$489.50	\$489.50	\$341.00	\$10.50
Idanha-Detroit Fire District				\$975.00		\$775.00			\$16.50
St. Paul Vol. Fire Dept. Amb			\$975.00	\$937.00	\$937.00	\$837.00	\$837.00	\$468.50	\$18.00
Woodburn Ambulance		\$975.00	\$975.00	\$937.00	\$837.00	\$837.00	\$837.00	\$660.00	\$18.25
Dallas Fire Department**	\$50.00		\$715.00	\$715.00	\$715.00	\$570.00	\$570.00	\$360.00	\$12.00
Polk County Fire District #1**			\$860.00	\$760.00	\$760.00	\$525.00	\$525.00	\$250.00	\$12.00
McMinnville Fire**	\$50.00	\$905.00	\$905.00	\$905.00	\$905.00	\$775.00	\$775.00	\$905.00	\$15.00
Newberg Fire Department			\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$300.00	\$13.75
Sheridan Fire District			\$1,225.00	\$1,150.00		\$1,000.00			\$15.00

Attachment 1

	<i>Fire-Med Membership</i>	<i>Specialty Care Transport</i>	<i>ALS 2 Emergency & Non-Emergency</i>	<i>ALS 1 Emergency</i>	<i>ALS 1 Non-Emergency</i>	<i>BLS-Emergency</i>	<i>BLS Non-Emergency</i>	<i>Evaluation & Treatment No Transport</i>	<i>Transport Mileage (per mile)</i>
Corvallis Fire (Current)	\$45.00	\$879.00	\$808.00	\$798.00	\$772.00	\$772.00	\$772.00	\$249.50	\$15.00
Corvallis Fire (Proposed)	\$50.00	\$880.00	\$880.00	\$855.00	\$855.00	\$775.00	\$775.00	\$385.25	\$15.00
Percent Change	10.00%	0.11%	8.18%	6.67%	9.71%	0.39%	0.39%	35.24%	0.00%
Eugene Fire & EMS	\$52.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$900.00	\$450.00	\$15.00
Lane Rural Fire district	\$52.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$575.00	\$15.50
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Sheridan Fire District			\$1,225.00	\$1,150.00		\$1,000.00			\$15.00

MEMORANDUM

March 7, 2008

TO: Administrative Services Committee
FROM: Nancy Brewer, Finance Director *NB*
SUBJECT: Revenue Alternatives

I. Issue

The Administrative Services Committee has asked for information about revenue alternatives and fee reviews.

II. Revenue Alternatives

The City has examined revenue alternatives several times in the past using the matrix included as Attachment A. Items on the revenue alternatives matrix focus on revenues that are significant – with the potential to produce \$250,000 or more of revenue in a year. The matrix has been updated to reflect work that has been done on some of the alternatives by either the Downtown/Economic Vitality Plan Implementation Committee (DEVVIC) or the Core Services Committee. While not an all-inclusive list of the types of revenues that other governments use, this is a good representation of the fees that are used by many other governments.

Also attached to this memo are the minutes from Core Services and DEVVIC meetings where revenue alternatives were discussed.

III. Fee Review Schedule

The Committee also asked for information on fees the City charges and the schedule for review of those fees. Major fees are reviewed as follows:

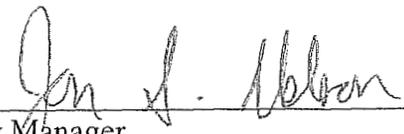
Fee	Review Period
Water, Sewer, Storm Water	These fees are reviewed each year in the fall; new rates implemented February 1.
Parks & Recreation Fees	These fees are reviewed in late summer with recommendations to HSC, usually for implementation in the following season. This includes fees for park use, recreation programs, senior center programs, and the aquatics center.
Ambulance Fees	These fees are reviewed each year in the spring, with recommendations for changes brought to the ASC for implementation.
Land Use Planning Fees	These fees are reviewed every other year with recommendations brought forward to ASC.

Fee	Review Period
Building Permit/Plan Review Fees	These fees are tested each year for whether or not the fees are covering costs; when fees are no longer covering costs a stakeholder group works through the issues and makes recommendations to Council.
Rental Housing Code Fee	This fee is tested each year to see if the fee is covering costs of the program. When fees do not cover costs of the program, the issue would be forwarded to Council for recommendations.
Franchise Fees	Each franchise has its fee set in the franchise ordinance adopted by the City Council. Franchises are generally in effect for 20 years, so any changes in rates are considered when the franchise is up for renewal.
Systems Development Charges	The fees is updated annually based on a couple for inflationary factors. The SDC plan is more thoroughly reviewed every five years (for a basic update) and revised every ten years (for a complete update) with rates revised commensurately.
9-1-1 Fees for Service	These fees are assessed each year to using agencies in an amount necessary to meet the service demands of those customers. Allocations are based on call volume for each agency.
Parking Fees	These are fees for parking lot permits and parking meters. While the fees, combined with fines for parking violations, need to cover the costs for the Parking program, fee reviews are instigated more as a matter of managing parking – encouraging more availability for shoppers, etc. – than as a need to ensure costs are fully covered.
Transit Fees	Transit rider fees are reviewed each year. This is a fee where there is an effort to maintain the fee at the lowest level possible to encourage increased ridership.
Airport T-Hanger, Landing Fees, etc.	These are reviewed with the Airport Commission when there is a need to do so. Most of the airport agreements include an annual inflationary adjustment.
Transportation Maintenance Fee	The TMF was implemented July 1, 2006 with specific purposes for the use of the fee, a limited time for the fee to be assessed, and a specific plan to not change the fee during that five year period. Thus far, the fee is generating the anticipated amount of revenue each year, and the capital projects that are funded with the TMF have been occurring as planned.
Small Fees	The City has dozens of small fees that are generally designed to cover the cost of providing a small good or service (alarm fees, Police patch fees, liquor license application fees, etc.). These fees are reviewed from time-to-time and will be increased at the point that costs exceed the fee amount and the fee increase can be done in whole dollars (i.e., moving from \$5 to \$6 rather than \$5.15 for a 3% increase). In total, these fees provide about 0.3% of revenue to the City.

IV. Requested Action

Review this information and provide direction to staff on a preferred course of action.

Review & Concur:



City Manager

REVENUE ALTERNATIVES

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
City Utilities Franchise Fee	<p>City imposed franchise fee on City Utilities for public right of way use.</p> <p>Revenue: Unrestricted; currently in the General Fund.</p>	<p>Using projected operating revenue from charges for service for FY 06-07, and a rate of 5% of metered revenues, franchise fee revenue from the City's utilities is projected to be \$370,980 from Water; \$389,050 from Wastewater; and \$84,910 from Storm Water for a total of \$844,940, or about \$168,990 per percentage point.</p>	<p><u>Administration:</u> Local</p> <p><u>Equity:</u> Capture additional revenues from non-taxpaying entities such as OSU and non-profit entities which requires City services.</p> <p><u>Precedent:</u> This is a common practice in Oregon cities. Cities imposing franchise fees on public utilities above 5% include Portland (which has had a City utility rate of 7.5%, but is in the process of decreasing the rate to 5%), Pendleton (7%), and Oregon City (6%).</p>	None.	<p>The City Council adopted and implemented a 5% franchise fee on January 1, 2002.</p> <p>The Franchise Fee rate could be increased to provide additional revenue. However, it would require an increase in rates for the utilities.</p>
Non-City Utilities Franchise Fees	<p>City imposed franchise fee on non-City owned utilities (Pacific Power, Qwest, Comcast etc.) for their use of the publicly owned right-of-way.</p> <p>Revenue: Unrestricted.</p>	<p>All utilities that use the City's right-of-way currently have franchise agreements. Most have a rate of 5% of gross revenue.; Qwest has a 7% rate of only local exchange. If the rate was increased to 7% for all other utilities, revenues would increase by around \$1.3 million annually.</p>	<p><u>Administration:</u> Local</p> <p><u>Equity:</u> Would cause utility rates to increase. Would capture additional revenue from non-taxpaying entities such as OSU and non-profit entities which require City services.</p> <p><u>Precedent:</u> Medford is currently negotiating to increase rates on non-City owned utilities from 5% to 6% or 7% and has already increased PP&L to 7%. Pendleton charges all utilities a 5% franchise fee.</p>	<p>Negotiations with utilities as franchise agreements come up for renewal means that this would not be an immediate increase in revenue.. The corresponding increase will show as an additional line item charge on the utility bill.</p>	<p>No action has been taken to increase the rate yet.</p>

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
Community Development Fee	A rate times the real market value of new construction. Communities charging this fee use the revenue to support the Planning Department. Revenue: Unrestricted.	With an average of \$100 million per year in new construction, a 1.5% CD Fee would raise \$1.5 million annually.	<u>Administration:</u> Local. <u>Equity:</u> <u>Precedent:</u> Jackson County, and Ashland both have this fee, and Medford is considering it.	The 2007 legislature authorized schools to create a construction excise tax, and placed a ban on cities implementing this kind of fee for 10 years.	No action taken.
City Services Fee	A fee assessed on the City's utility bill, like the utility charge, or the Transportation Maintenance Fee (TMF). The fee is set based on a series of criteria that usually means different types of properties will pay different amounts each month. Revenue: Restricted only as much as the City's legislation authorizing the fee.	It would depend on how the fee was established. The TMF, set at \$1.36 per month for single family customers with varying rates for commercial properties raises around \$400,000 annually.	<u>Administration:</u> Local. <u>Equity:</u> The level of progressivity would be tied to the method used to establish the fee and tie the fee to the service used. Entities that do not pay property tax would pay the City services fee. <u>Precedent:</u> There are several communities that have a fee on their monthly utility bill for specific services (i.e., Tigard has a transportation maintenance fee similar to Corvallis').	No legal restrictions that staff is currently aware of.	The City implemented the TMF on July 1, 2006.

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
City Services Bill Surcharge	<p>A surcharge is a set amount charged per month for each utility customer.</p> <p>Revenue: Restricted only as much as the City's legislation authorizing the fee.</p>	<p>The City currently has around 15,500 utility customers. A fee of \$0.60 per month would raise \$9,300 per month or around \$111,600 for a year.</p>	<p><u>Administration:</u> Local.</p> <p><u>Equity:</u> This would likely be a more regressive tax since it is not related to a usage based mechanism, and would not assess a multiple dwelling unit with a single monthly bill differently than a single family home.</p> <p>Entities that do not pay the property tax would pay the surcharge.</p> <p><u>Precedent:</u> There are several communities that have a fee on their monthly utility bill for specific services (i.e., Newberg's Fire Vehicle Fee which charges \$1.50 per month per EDU; Medford charges \$2.87 per unit per month for Parks Development (used to pay for bonds currently) and \$2.60 per unit for public safety per month used to hire 5 firefighters and 5 police officers).</p>	<p>There are no legal restrictions staff is currently aware of.</p>	<p>No action has been taken on this alternative.</p>
Sale of City Assets	<p>The City has substantial land holdings with significant value. The recent Watershed Stewardship Plan adoption process included public testimony advocating consideration of asset sale and resulting investment cash flow.</p>	<p>Using the Watershed as an example, a \$60 million asset sale earning 4% would yield \$2.4 million a year.</p>	<p><u>Administration:</u> Local</p> <p><u>Equity:</u> Since this alternative does not cost individuals, it may be the most equitable from the taxpayer's perspective. However, supporters of the City's land assets may feel that this is not an equitable solution.</p> <p><u>Precedent:</u> Other cities have sold assets for a wide variety of purposes.</p>	<p>Additional research on the sale of City assets would be required. Charter and federal restrictions may apply.</p>	<p>No action.</p>

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
PILOT (Payment in Lieu of Taxes)	<p>Payment made by charitable and non-profit agencies (property tax exempt) to local taxing authorities. It may include state reimbursement to local municipalities with extensive holdings of publicly owned property.</p> <p>A PILOT can be a fee which is assessed based on the insured value of real property and then applied, similar to a tax rate, to the City service received (fire and/or police protection).</p>	<p>OSU is the largest tax exempt property in Corvallis, with an estimated insurance value over \$700 million. If OSU paid for Fire protection, using the FY 06-07 proportion of the City's levy that went to Fire (\$1.6736 per \$1,000 of value), the revenue would be around \$1.2 million.</p>	<p><u>Administration:</u> Local. This could be implemented voluntarily by State agencies, but that is unlikely to occur since most state agencies in Corvallis have previously been approached for PILOT payments.</p> <p><u>Equity:</u> Any "in lieu of tax" should be based on factors such as the size and value of the property and the amount of City service provided to that property.</p> <p><u>Precedent:</u> None in Oregon except for Transit services in Lane County. Common in other states.</p>	<p>Nothing in State law currently prohibits state institutions from paying PILOTS, but the institutions themselves have not made these payments based on their priorities and ability to receive corresponding funds from the legislature.</p>	<p>Legislation proposed at the 2001 legislature providing for a PILOT to fund transit failed.</p>
Local Option Property Tax Levy	<p>The City may increase property taxes for operating costs if a majority of the electors approve the levy.</p>	<p>Using the current assessed value, a local option levy would produce:</p> <p>Tax rate \$0.50/\$1,000 = levy of \$1,806,510 Tax rate \$1.00/\$1,000 = levy of \$3,613,016 Tax rate \$1.50/\$1,000 = levy of \$5,419,525</p> <p>Approximately 2.5% of the levy would be projected as lost through discounts; another 3% would be identified as uncollectible each year. Following the first year, an additional amount of revenue would be collected from prior year delinquent taxes.</p>	<p><u>Administration:</u> Benton County</p> <p><u>Equity:</u> Property taxes are generally regressive and do not take into account people's ability to pay. As the total tax rate increases, properties with a RMV/AV ratio over 82% will pay less than the full amount. Industrial property usually has a RMV/AV ratio of 100%, so when the total taxes paid equals \$10 per \$1,000 of real market value these parcels will not pay any additional tax, shifting more of the burden for a local option levy to residential tax payers.</p> <p><u>Precedent:</u> A number of communities statewide have had local option levies approved.</p>	<p>The election must be held at either a general election (Nov. even numbered years) or must meet the 50% voter turn-out requirement.</p> <p>The max length of a levy would be five years, but a four-year levy would work better for meeting future renewal general election dates.</p>	<p>The City Council placed a local option levy of \$0.585 on the November 2002 ballot. To fund a variety of services. The levy failed 8,410 to 9,167.</p>

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
Special District	<p>A special district could be created under ORS 198 (plus other chapters depending on the district) to provide for a set of local services.</p> <p>In the last several years, the City has explored a Transit District and a Law Enforcement District. There is currently a Library Service District and the City contracts to provide services to the Corvallis Rural Fire Protection District. Potential services to be considered for a separate district are Parks and Recreation and Ambulance.</p> <p>A Special District would have to be established with a specific border which can be different than the City's border.</p> <p>Revenue: Restricted</p>	<p>There are several alternative revenues special districts could pursue, depending on formation. Major sources of revenue could include ad valorem and payroll taxes, vehicle registration fees, (for Transit) grants, and charges for service.</p> <p>A \$.50 tax rate on the City's Assessed Value would create a revenue stream of around \$1.8 million beginning in FY 08-09.</p> <p>A \$0.50 tax rate on a district that shared boundaries with the Library District would create a revenue of around \$2.9 million beginning in FY 08-09.</p> <p>See Payroll Taxes (below) for projections on revenues.</p>	<p><u>Administration:</u> If a property tax levy was approved, administration would be as with all other property taxes. Income or payroll taxes would most likely be administered by the Department of Revenue. A new district would require a governing body.</p> <p><u>Equity:</u> This would charge all residents of the district the same property tax or income tax rate, regardless of use of the system. Property taxes are generally considered to be regressive. Income taxes are generally progressive.</p> <p><u>Precedent:</u> Transit, Parks & Recreation, and Library districts are common in Oregon.</p>	<p>An election may be required to form the district and identify the "board" in charge of the district. For some districts, the Board would be separately elected; for other district types the County Board of Commissioners is the Board.</p> <p>The property tax rate would be subject to the \$10 per \$1,000 M5 limit for non-school govts in each County the District is part of.</p>	<p>No districting discussions are currently underway.</p>

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
Business/ Corporate Income Tax	A flat or graduated tax based on business <u>net</u> income earned within the City. Alternatively, tax could apply to corporations only. Revenue: Unrestricted	Staff is currently unable to obtain statistics for a revenue calculation. State agencies do not track corporate or business income by location.	<u>Administration</u> : Local or State Dept of Revenue <u>Equity</u> : Reasonably fair tax, applied only to net profits, unlike property or gross receipts taxes. Depending on structure and exclusions allowed, it can be progressive, proportional or regressive. <u>Precedents</u> : Multnomah County and City of Portland use a business license tax based on net income.	Needs further research to determine if there are any legal prohibitions.	No action.
Business License Fee	An annual fee imposed on a business for the privilege of operating within the City. Usually a set dollar amount per business, but alternatives include a per-employee fee, or a net income base. Revenue: Unrestricted	The City has 1,600 businesses currently in operation, based on utility billing records, which does not include home based businesses. A Business License fee of \$100 per business would produce an estimated \$160,000 annually. Total employment in Benton County in January 2007 was 38,620. Assuming that employment follows general population split trends, staff estimates approximately 76% of the County wide employment statistic is employed in Corvallis for a total of 29,351. A Business License fee of \$10 per employee would produce \$293,510 annually.	<u>Administration</u> : Local.; additional staff support would be necessary, as would a database system of some kind. <u>Equity</u> : Would shift tax burden partially back to businesses, is a deductible business expense, not based on, or related to, business profitability. Also allows the City to charge itinerant merchants. <u>Precedent</u> : Lake Oswego and Tigard both use a business tax based on number of employees.	ORS 696.365 exempts real estate sales persons and associate brokers. A Business License fee which is based on net or gross income may be restricted for corporations.	The Downtown Economic Vitality Plan Committee (DEVPIC) discussed a BLF as an alternative for funding economic development. A work group, headed by the Chamber, is working on this issue, including how the fee would be set, collected, and expended.

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
Personal Income Tax	<p>A tax on earned and unearned income received by residents of Corvallis and non-residents earning income in Corvallis.</p> <p>Revenue: Unrestricted</p>	<p>Per capita personal income in Benton County in 2004 was \$33,988 (OR. Employment Dept). Assuming a conservative 2% increase in per capita income, an adjusted rate for 2007 would be \$36,790. With a population of 53,165, an estimate of personal income in 2007 would be \$1.955 billion. A .25% personal income tax would return around \$4.75 million annually.</p>	<p><u>Administration:</u> Probably contracted for a fee with State Dept of Revenue</p> <p><u>Equity:</u> Generally designed to be progressive (especially if established as surcharge to state income tax), but structure of tax can increase or decrease progressivity.</p> <p><u>Precedent:</u> None in Oregon..</p>	<p>Research is needed to determine whether or not this tax falls outside of the Home Rule Doctrine.</p> <p>Further research is also needed to get to a better revenue estimate.</p>	<p>The City has taken no action on this issue. However, Benton County placed a local income tax on the ballot in September, 2003 to fund schools. The measure was projected to produce around \$9 million annually. It failed.</p>

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
Payroll Tax/Head Tax	<p>A tax on wages and salaries earned within the City. When collected via payroll deduction, commonly called a payroll tax; when collected from employer based on total number of people on payroll often called head tax.</p> <p>Revenue: Unrestricted</p>	<p>No specific revenue estimates are available. Ballpark estimates can be made using some older statistics and some analytical techniques. For example, in 1997 the total Payroll in Benton County was \$1,126,300,000. Estimating around 75% of the employment is in the City of Corvallis, total payroll in Corvallis would be around \$844 million. A 1% payroll tax would result in \$8.4 million annually.</p> <p>To obtain a more accurate revenue estimate we will need to know the proportion of Benton County employment which is based within the City limits of Corvallis.</p>	<p><u>Administration:</u> Probably by State Dept of Revenue, with the City paying the collection costs.</p> <p><u>Equity:</u> A payroll tax is assessed against the employer based on the total wages/salaries they pay. This could be regressive for small companies which pay high wages.</p> <p><u>Precedent:</u> Used by transit districts in Eugene and Portland. This tax is often called a commuter tax and is used to fund the services and infrastructure that are necessary when a large proportion of the working population lives elsewhere. Transportation service and infrastructure are most often funded via a payroll tax.</p>	<p>If the tax is based upon number of individuals employed or some formula which factors in the number of employees, the tax would be considered a head tax which is prohibited by Art. IX Sec 1a of the Ore. Constitution.</p>	<p>Council did not discuss this revenue alternative in detail.</p> <p>Updated figures:</p> <p>Benton County payroll in 2002 = \$1,254,285,000. If Corvallis is 75% = \$940,713,750. so a 1% payroll tax would return \$9.4 million annually.</p>

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
Transient Lodging Tax Increase	<p>Currently a 9% tax is charged on the rent of a hotel/motel/B&B room. FY 06-07 audited revenues totaled \$1,002,657.</p> <p>Revenue: Restricted</p>	<p>Based on FY 2006 audited figures, a 1 percentage point increase in the current rate would result in an estimated \$83,550 in additional tax revenue (net of collections costs withheld by property owners).</p> <p>Revenue the City could use for direct City operations would be restricted by ORS 320.350 to 30% or roughly \$25,065. 70% of the proceeds from the additional tax would be required to be expended on tourism promotion.</p>	<p><u>Administration:</u> Local and most likely no additional City administrative costs. Any change in rate would require the City to allow property owners to keep 5% of the amount collected for their administrative costs.</p> <p><u>Equity:</u> Taxes the service users, mainly people from out of town who use City Services but do not pay for them. May place Corvallis at a competitive disadvantage.</p> <p><u>Precedent:</u> Used widely in Oregon</p>	<p>9% may be approaching the upper limit of the tax because it decreases the competitiveness of hotel/motels with those outside the city. Portland's tax is 11.5%. In the last survey the City did, most Mid-Valley cities were at 9%.</p>	<p>The DEVPIC looked at this alternative in-depth, but decided not to pursue it since the additional revenue to the City is so small, and the limitations on the 70% of additional revenue to be expended on tourism would not be available for most of the DEVPIC funded programs.</p>
Restaurant or Meal Tax	<p>Tax on sales of food and non-alcoholic beverages by restaurants in Corvallis paid by the customer. Alternatively, could be paid by a restaurant based on gross receipts.</p> <p>Revenue: Unrestricted</p>	<p>No information is available at this time.</p>	<p><u>Administration:</u> Local</p> <p><u>Equity:</u> Proportional and not necessarily based on the ability to pay. Restaurants in Corvallis may be placed at a disadvantage compared to those outside the city. Tax is paid by tourists, residents and non-residents.</p> <p><u>Precedent:</u> Ashland, Oregon. has one; Medford has looked at one but faced stiff opposition from the Restaurant industry and did not pursue this revenue alternative.</p>	<p>A meal tax cannot be imposed on alcoholic beverages.</p>	<p>DEVPIC looked at this alternative also, but with fairly stiff opposition from the restaurant industry, decided not to pursue this.</p>

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
General Sales Tax	<p>A tax on the retail sale of goods and services (usually a percentage), to be collected at the point of sale.</p> <p>Revenue: Unrestricted</p>	No information is available at this time.	<p><u>Administration:</u> Local or possibly with State Dept of Revenue. Since there is no current sales tax anywhere in Oregon, administration is likely to be complex and costly.</p> <p><u>Equity:</u> Technically proportional (all payers pay the same rate), but somewhat regressive depending on exclusions. Everyone pays, including tourists. May capture some of the “underground economy”.</p> <p><u>Precedent:</u> None in Oregon</p>	Preliminary research indicates no specific legal prohibition. In fact, bills introduced in the Oregon Legislature to authorize a statewide sales tax have included provisions to prohibit local governments from having a general sales tax (i.e., 1999’s failed HB 2900).	No action.
Gross Receipts Tax	<p>An excise tax on the privilege of engaging in business and is measured by gross income, gross proceeds of sales, or the value of products resulting from activities conducted within the jurisdiction.</p> <p>Revenue: Unrestricted</p>	No information is available at this time.	<p><u>Administration:</u> Local or possibly with State Dept of Revenue.</p> <p><u>Equity:</u> Depending on structure and exclusions allowed, can be progressive, proportional or regressive.</p> <p><u>Precedent:</u> None in Oregon. Used in Washington State and it varies by type of business.</p>	It is kin to an income tax and needs further research to determine whether or not this would be legal.	No action.
Real Estate Transfer Tax	<p>Tax imposed when real property changes ownership; a fixed small percentage of the value of the property.</p> <p>Revenue: Unrestricted</p>	n/a	<p><u>Administration:</u> Possible collection by title companies or by Benton County.</p> <p><u>Equity:</u> Proportional tax imposed only on property transfer.</p> <p><u>Precedent:</u> Washington County</p>	ORS 306.812 specifically prohibits local governments from establishing a real estate transfer tax unless it was in place by March, 1997, or if the tax is to fund certain County functions.	No action.

Type of Tax/Fee	Description	Projected Revenue	Administration – Equity – Precedence	Legal Restrictions/Other	February 2008 Status
Entertainment or Admissions Tax	<p>An excise tax on the sales price of admission to an event or performance, video tape rentals and purchases of movie tickets. Alternatively, could be a gross receipts tax on companies providing entertainment services.</p> <p>Revenue: Unrestricted</p>	<p>It is unclear what the administrative costs would be. It is unlikely that an entertainment tax would produce adequate revenue to offset the costs of administration unless the tax was set prohibitively high, or OSU agreed to participate, substantially increasing revenue.</p>	<p><u>Administration:</u> Local <u>Equity:</u> Taxes non-essential services, not based on ability to pay and would be paid by tourists, residents and non-residents who use City services. Movie theaters and video rental stores may be placed at a disadvantage with similar businesses outside of Corvallis. May reduce access for youth, elderly & low-income. <u>Precedent:</u> Hult Center imposes \$1 per ticket. Salem has implemented an entertainment tax on movies, theatres, etc.</p>	<p>Could be a problem with taxing athletic events at OSU since it is a State Institution. If it were not taxed and local businesses were, there could be problems with differential taxation.</p> <p>If OSU was not exempt, football would likely be the highest single revenue producer.</p>	<p>In 2003 the City Council directed staff to develop more information on this alternative. Revenue estimates at the time were between \$287,000 and \$387,000. This was before Carmike theaters opened and OSU expanded Reeser Stadium.</p> <p>Preliminary Council discussion had proceeds funding non-City services such as festivals and other entertainment venues. No action was taken.</p> <p>The DEVPIC examined this revenue alternative in 2007. Preliminary rev projections could be anywhere from \$0.5 M to \$2M, depending on number of tickets sold. OSU has explicitly stated that they would not participate unless they received a proportion of the proceeds to fund their needs, including debt.</p>

**CITY OF CORVALLIS
DOWNTOWN AND ECONOMIC VITALITY
PLANS IMPLEMENTATION COMMITTEE
MINUTES**

June 28, 2007

The regular meeting of the Downtown and Economic Vitality Plans Implementation Committee of the City of Corvallis, Oregon, was called to order at 4:03 pm on June 28, 2007, in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon, with Mayor Tomlinson presiding.

I. ROLL CALL

PRESENT: Mayor Charles Tomlinson, City Manager Jon Nelson, Finance Director Nancy Brewer; Committee Members Elizabeth French, Larry Plotkin, Pat Lampton, Patricia Daniels, Julie Manning, Dave Livingston, Elizabeth Foster and Jay Dixon.

ABSENT/EXCUSED: Belinda Batten, Judy Corwin, Pam Folts, Dave Gazeley, Linda Modrell, Vincent Remcho, Barbara Ross and Scott Zimbrick.

II. REVIEW AND APPROVAL OF MINUTES

It was pointed out that Patricia Daniels, not Mayor Tomlinson, chaired the May 24 meeting, as reflected in paragraph 3 on page 1 of the May 24, 2007 minutes. The word EID on page 2, paragraph 3 should be replaced by Business License Tax; the name Lampton in the last sentence of the fifth paragraph on page 4 should be replaced by Plotkin; and the word *be* should be deleted from the first sentence of the second paragraph on page 7. Minutes approved as revised.

City Manger Jon Nelson introduced intern Andrew Bartlett (working on the Instant Runoff Voting issue that the Council asked for more information about) and Assistant City Manager Ellen Volmert. Mayor Charlie Tomlinson related that he asked Rich Carone to join the committee; Mr. Carone is considering it.

III. PUBLIC COMMENT None.

IV. REVIEW INFORMATION

Finance Director Nancy Brewer reported getting more responses from her comparator survey and doing more research on cities' websites. Almost all non-Oregon cities are doing urban renewal and working to make their downtowns more hospitable and welcoming; almost all budgets had discussions about economic development and the need to address parking, bring people into the downtown and get anchor tenants. Most comparator cities had a business license fee, which came in different forms, but most were based on either revenues or the number of employees. Information on administrative costs was hard to find. Most cities have ongoing city-focused economic development activities, supported by different numbers of city employee FTE's. All non-Oregon cities make economic development grants to outside organizations, supported by a wide range of funding sources. Most have a transient

room tax, featuring different rates and supporting a range of activities, such as tourism, civic centers, etc.

Ms. Brewer reported that fees in non-Oregon cities included an annual vehicle registration, an athletic contest tax and street vendors tax. Fees in Oregon cities are not consistent; only some of them have urban renewal districts; also, there was less emphasis on economic development as a city-focused activity and more emphasis on outside organizations doing so. Most Oregon cities have a transient room tax; there is little discussion on raising the rates of those taxes. The Corvallis rate, at 9%, is on the high end of them, but is lower than Portland's.

Ms. Daniels related that in her discussion with Ashland's mayor, the city is contemplating raising the tax from the existing 7%; however, hotels and motels there have always retained 5%.

Ms. Brewer related that the amount that business license fees raise in Oregon comparator cities is wide ranging. Corvallis is one of the few Oregon cities that give out economic development grants to outside organizations from city general funds.

Ms. Daniels stated that it would be useful to get information on Ashland's restaurant tax to the Core Services Committee. The amount raised there in FY 2006 was over \$1.8 million, which comes to about \$14,000 per year per establishment. A similar tax in Corvallis, based on the existing 92 restaurants, would generate over \$1,270,000.

Mr. Lampton asked, based on what other cities are doing, what level of funding for economic development would be reasonable for a city of Corvallis' size. Ms. Brewer replied that while the city doesn't have an economic development office, it does give out grants to outside organizations. Also, City of Corvallis-funded projects that could be considered economic development projects include improvements at the airport, which is being managed by staff at Public Works and Community Development. As this shows, characterizing other cities' level of funding economic development activity is probably similarly cloudy. She added that while the city's investment in Riverfront Park is an economic driver, from another standpoint, it was a sewer project that included road improvements and green space.

Ms. French asked if there was a typical model for funding economic development corporations; Mr. Nelson replied that it varies widely. Ms. French asked if transient room occupancy taxes were relatively new; Mr. Nelson replied that they have been around for a long time. He added that in previous cities he'd worked in, the business communities had asked for business license fees for use in targeted economic development as well as for taxing itinerant merchants who come into town, taking away from businesses with long-standing commitments to the community.

Mr. Plotkin worried whether some businesses might see business license tax funding for economic development as creating competition. Ms. Daniels replied that acceptance may partly depend on what the money raised is used for and how it is proposed to be distributed. If some of it were used for creating a downtown urban renewal district, for example, it would not be creating competition for existing businesses. Mr. Lampton added that moderately successful businesses generally welcome competition. Ms. French emphasized that she would like to see a tax that is equitable. Mr. Plotkin stated that proponents will need to be ready to justify why a tax or fee is a good thing. Mayor Tomlinson related he heard from a CEO that other businesses coming to town puts him at a

competitive disadvantage in hiring employees; he has the potential of losing current employees to the new businesses; and in the face of higher demand, he must pay more in order to retain employees.

Mr. Lampton stated that no one solution will fit everyone. He noted that in the case of urban renewal, fewer retail dollars leave the city; local businesses capture those dollars for the community's benefit. He added that compared to similar communities, downtown Corvallis land values are currently much lower than they should be. Ms. Manning emphasized that those points should be part of the global messaging that is part of the Prosperity That Fits Plan, which was based on a broad community outreach effort.

V. REVENUE ALTERNATIVES RATINGS SHEET COMPILATION

Finance Director Nancy Brewer noted there were only six responses to the revenue alternatives survey she sent out to committee members and these were not all filled out completely, so the compiled point averages may not be meaningful. Mr. Lampton stated that a column should be added for the pain threshold that must be endured needed to implement revenue alternatives. Ms. Daniels noted she had difficulty in matching the previous discussions to the questions that were being asked; however, one of the questions did relate to the level of pain required of each alternative.

Mayor Tomlinson asked staff to give their perspective on funding alternatives. Manager Nelson stated that the City Utilities Franchise Fee is attractive; however, the failure of the recent telecommunications services tax is cautionary. He added that it is a funding source that the Core Services Committee (CSC) is considering (but probably only for police and fire services); it is a pass-through to ratepayers.

The Community Development Fee is also being considered by the CSC. However, a state law is being considered that would limit the ability to use an assessed value tax on new construction unless it is dedicated to schools. A City Services Fee is also being considered by the CSC, especially as it relates to the transit system, which is seeking to expand routes and frequency of service.

A City Services Bill Charge was proposed several years ago to support an infrastructure improvement fund through very small charges. The proposal was advertised to the business community, highlighting the proposal's funding for downtown projects, the Business Enterprise Center, infrastructure for industrial parks, etc. However, at a City Council hearing, the proposal received a drubbing from the public, who instead favored having the business community fund such improvements; the proposal was dead on arrival.

Mr. Nelson stated that Sale of City Assets, such as the City Watershed, would probably require three to five years of education before a vote on selling a particular city asset could occur.

The alternative of Payment in Lieu of Taxes was tried with OSU for over a decade in respect to transit services; however, it didn't materialize and the city eventually unsuccessfully sought relief in the legislature.

The Local Option Property Tax Levy is being considered by the CSC; it is a big effort and the last attempt failed.

Mr. Nelson stated that the Core Services Committee is considering Special District options, such as for Parks and Rec or for an ambulance district; however, it would entail a two or three-year process to enact it.

A Corporate Business Income Tax is a huge effort and is at least a five year effort, requiring a public information program prior to a public vote. The Business License Fee option has potential, particularly if it is supported and designed by the affected parties that are paying for it. The Personal Income Tax and Payroll Tax options would require a huge effort over a period of years.

A Transient Lodging Tax increase loses money in a couple of different ways. If the increase went from the current 9% to 11%, for example, half of the first percent of dollars received from the extra 2% would go back to the 5% that motels use to administer the tax. Also, state laws are very strict that any increases are tied to tourism. Lastly, an increased rate would be even more above market compared to nearby communities. Because of these reasons, his previous optimism of this option has dimmed.

The Restaurant (or Meal) Tax, is similar in its potential to the Business License Fee, if affected parties buy into and support the design and how the monies are used. He suggested that a referral to voters could be successful; the tax has long been in place in Ashland. Ms. Daniels added that Yachats has just passed such a tax.

Mr. Nelson stated that a General Sales Tax would require a huge, multi-year effort. A Gross Receipt Tax is not unlike a Business Tax, and would require a huge effort. A Real Estate Transfer Tax is a good idea but is prohibited by O.R.S. statutes.

There is potential for an Entertainment (or Admissions) Tax, but those who would pay must be able to see the benefit of participating. The idea was considered in the past and it was found that OSU would be affected; OSU administrators were open to it but noted ticket revenue funds the debt service needed to pay for all the improvements that were being made. OSU would want to have a voice in how funds from a surcharge on game tickets were spent; they would probably recognize the benefits of elements of the EVP Plan.

Mr. Nelson summarized that in terms of matching sources, uses and potential sizing, the revenue options that seem to have the most potential are the Business License Fee, the Restaurant Tax and the Entertainment Tax.

Ms. Manning stated that an increase to the Transient Room Tax is one of the options that the committee was asked to consider. She suggested considering this option, since it is already there and is already funding economic development and, in her mind, meets many of the criteria. She suggested using the funds remaining after the allocation to Corvallis Tourism to fund the City's requirement for funding EVP implementation and with the remaining funds from *that*, setting up a process for funding projects that demonstrate that they address EVP implementation.

Mr. Livingston noted that about \$1 million comes in from the Transient Occupancy Tax, about half of which goes to the General Fund. He suggested using the entire sum for economic vitality and tourism purposes. Mr. Nelson related that following the failure of the 2002 levy, the City Council increased the amount going into the General Fund from 35% to the current 50%. He noted that the Council reasoned that the tourism industry receives the benefits of general fund services, including police, fire, parks

and recreation, the library, transit, planning, etc. Ms. Brewer noted that by diverting 50% of the Transient Occupancy Tax to economic vitality and tourism, the Core Services Committee would then have to make up that \$500,000 somehow. Mr. Livingston replied that for philosophical and logical reasons, the committee is trying to tie money to use; the TOT money is already better connected to economic vitality than any other source.

Ms. Manning noted the committee could recommend a 50:50 split on TOT funds, but stipulate that the City's EVP funds come out first, with a lesser amount allocated to other things. She added she would like the committee to first consider existing funding sources before it considers new funding sources.

Ms. French observed that the existing 9% Transient Occupancy Tax was already near the high end and adding a 2% increase would barely break even. She suggested the committee determine the amount of funding that is needed, whether \$175,000 or also funding other groups' EVP work as well.

Ms. Manning noted that the DCA and the Majestic Theater are among the groups that currently receive economic development awards. She asked whether they were among the groups that could potentially benefit from an urban renewal district downtown. Mr. Lampton cautioned that the Downtown Corvallis Association would not benefit; Ms. Brewer added that urban renewal is not designed to fund operating costs, only capital costs. Mr. Lampton added that while urban renewal funds could be used to hire an urban renewal district manager, the district's work would not do any of the things that the DCA does.

Mr. Plotkin stated he concurred with Mr. Livingston's proposal to reallocate the Transient Occupancy Tax split. In terms of trying to rationalize a funds' source with its use, one could argue, for example, that an Entertainment Tax should be used to fund law enforcement. A Restaurant Tax represents a lot of money picked up from people from out of town.

Ms. Daniels related that the City Council changed the TOT allocation because at the time, they were faced with the choice of losing services versus losing 15% in economic development funds. The Council will still not likely be in favor of putting city services on the block in favor of economic development. If the committee is going to be recommending removing revenue that is currently funding core services, then this committee needs to find another suggestion that the CSC feels would be reasonable.

Ms. Foster suggested that the simplicity of Mr. Livingston's proposal may make it more understandable and digestible to the public. Mr. Livingston added that it would show good faith to not simply remove funds from the TOT but also to have the business community implement something like a business license tax. Ms. Daniels suggested choosing four or five revenue options for staff to further investigate and bring back to the committee at its next meeting; these could include the Transient Occupancy Room Tax, the Business License Tax and a Restaurant Tax.

Mr. Nelson stated that if the committee would like to recommend that a larger portion of the Transient Room Tax go toward economic vitality partnership action items, it needs to recognize that it needs to be tied to another funding source to backfill those lost funds. Consideration of funding sources should also recognize timing issues and how they relate to the multi-year funding options that the Core Services Committee is considering.

Ms. Manning stated that the committee could recommend today that it recommends taking another \$175,000 out of the already existing monies for economic development; at this point, the committee's charge would be complete. The philosophical question is if the city wants to make the choice to make those funds available to other economic development groups in the community; it is not *obliged* to do so. She stated that the committee's philosophical leaning is that the pot should be made bigger than the \$175,000, because there are a number of organizations who also need funds to try to achieve their part of the EVP Plan. Mr. Lampton asserted that the committee would not be doing its job if it only considered the City's portion. He stated that a reasonable tie between source and use would be the Business License Fee; also, it would be easier to pass, since there are fewer businesses than voters and should be stable over the long term.

Mr. Livingston stated that the Council would find it difficult to give up any portion of the \$500,000 TOT unless matching funds, perhaps from the business community, are found to replace funds that belonged to economic vitality funds in the first place.

Mayor Tomlinson summarized that options so far include Ms. Manning's suggestion to take \$175,000 from the TOT (though it presents issues for the CSC and the City of Corvallis). Ms. Manning noted the real impact would be on groups that apply for TOT funds. Ms. Daniels noted that the whole idea of PTF is that all of those groups getting this extra money would benefit from certain things in it.

Mr. Tomlinson said there seemed to be sentiment to send staff to do analysis on some of the revenue alternatives and their capacity, implementation and cost of implementation to bring back for committee consideration. Alternatives include the Restaurant Tax, the Entertainment Tax and the Business License Fee. He noted that while urban renewal has been mentioned, it is tax incremental financing on its own, which creates incremental tax revenues for debt service for capital projects in an urban renewal district; this could be taken to voters later on. He added that there also needed to be a capacity analysis on Ms. Manning's suggestion for broader funding of PTF tasks.

Ms. Daniels encouraged the committee to provide decision makers with a range of options, rather than just one revenue alternative, since council deliberation may produce results that the committee does not expect. She suggested including Ms. Manning's suggestion to simply use \$175,000 in existing TOT funds as one end of the spectrum. Ms. Daniels summarized that options for the TOT include raising it; using all the TOT money, including all that is now going into general funds, for economic development and backfill that money from the general fund from some other source; or continue to use the amount of TOT funds for economic development that are already used for the City's share of the PTF Plan. Mr. Plotkin clarified that the second suggestion was to return to the previous state in which only 35% of TOT funds go to the general fund and 65% goes to tourism and economic development allocations, backfilling the lost general funds with a source that is targeted towards its use.

Ms. French said the core problem of a TOT reallocation approach is that those funds are now already being used; the end result will be a net loss of funding. She added that it didn't make sense to backfill with a Business License Fee that ends up going into the general fund; it's a shell game.

Mr. Plotkin stated it was his understanding that a Business License Tax would be used to increase the overall amount of available economic vitality funds, with a source like the Entertainment Tax used to backfill the funds taken out of the TOT. He estimated that the Business License Tax could bring in

about \$150,000, though that probably does not represent its full capacity. Mr. Nelson added that staff will bring back some estimated ranges for different revenue options.

Mr. Tomlinson related that the Core Services Committee has now heard all the departmental presentations and is now considering a process to use for determining the next steps. Mr. Nelson added the CSC is also considering funding needed for budget enhancement requests.

Ms. Manning noted that the city currently supports community organizations, such as those which provide social services, which are not city services; she asked where those funds came from. Ms. Brewer replied that that funding (roughly \$400,000) came from property taxes. Ms. Manning suggested that at its next meeting the committee could explore the idea of the city supporting community organizations from one pot of money. She noted that PTF is not just about growing business, it's about livability and quality of life. She asserted that for many people, how different services are funded from different sources is very confusing. She recommended having a discussion on how to get the TOT dedicated to purely PTF use; it will be difficult to adequately explain rationale for backfilling. Perhaps social services could be part of PTF. Ms. French asked if Ms. Manning was suggesting having social services compete with economic development; Ms. Manning replied that she was. She cited Ms. Folts' statement about the need to enlist the buy-in of the broader community and pull economic development out of its silo, since a vibrant economy promotes improved livability and social services.

Ms. Foster related that she and Rich Carone made a streamlined presentation to her Rotary Club regarding the Core Services Committee and found that there was a lot of confusion about the process. She reminded the committee that doing outreach is part of its mission and encouraged members to take part in doing the important education of the community that is needed. She stated the committee could recommend using the TOT for economic vitality and replace the lost funds with a Restaurant Tax or Business License Fee.

Ms. Daniels noted that one of the issues that came up at the last meeting that the committee felt should be addressed was looking at who is paying and who benefits. There was also a separate question about the breadth and width of the benefit. (More community interests might benefit from some things than others; for example, the TOT is paid for, in most part, by people who don't live here).

VI. OTHER INFORMATION

Minutes from the June 14, 2007 Core Services Committee and the May 29, 2007 Prosperity That Fits Committee meetings were distributed.

VII. NEXT MEETING

The next Committee meeting will be July 26th at 4:00 pm.

VIII. PUBLIC COMMENT. None.

IX. ADJOURNMENT. The meeting was adjourned at 5:45 pm.

**CITY OF CORVALLIS
DOWNTOWN AND ECONOMIC VITALITY
PLANS IMPLEMENTATION COMMITTEE
MINUTES**

July 26, 2007

The regular meeting of the Downtown and Economic Vitality Plans Implementation Committee of the City of Corvallis, Oregon, was called to order at 4:04 pm on July 26, 2007, in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon, with Mayor Tomlinson presiding.

I. ROLL CALL

PRESENT: Mayor Tomlinson, Committee Members Larry Plotkin, Pat Lampton, Patricia Daniels, Scott Zimbrick, Julie Manning, Dave Gazeley, Dave Livingston, Pam Folts, Liz Foster, Jay Dixon

ABSENT: Committee Members Belinda Batten, Judy Corwin, Elizabeth French, Linda Modrell, Barbara Ross, Bennett Hall

II. REVIEW AND APPROVAL OF JUNE 28, 2007, MINUTES

Ms. Daniels asked staff to verify the statements in the third paragraph of page 4 of the June 28th Committee meeting minutes regarding the Transient Room Tax (TRT) increase. City Manager Nelson noted that State legislation allows lodging properties to retain five percent of the TRT, which would equate to one-half of a one-percent increase in the current TRT rate. If the City increased the TRT rate by one percent, the City would lose TRT revenue; it would gain a small amount of revenue from a two-percent TRT rate increase. The minutes were approved, based upon staff verifying the cited statements.

III. PUBLIC COMMENT – None.

IV. REVIEW INFORMATION

A. Review Alternatives Follow-up

1. TRT, Restaurant, Business Licenses, Entertainment

Finance Director Brewer distributed updated charts regarding business license fee and entertainment tax alternatives.

During the June meeting, the Committee asked staff to evaluate four revenue alternatives: TRT, restaurant/meals tax (RMT), entertainment/amusement tax (EAT), and business license fee (BLF). The Committee had not determined a desired revenue level to achieve but had discussed \$250,000, which staff used as a basis for its projections under the different revenue alternatives.

Staff Presentation

Transient Room Tax

Projected revenues were amended after staff consulted with the City Attorney's Office (CAO). Calculation timing during the year results in different revenue projections. Staff reviewed State laws approved during the 2003 Legislative Session. Lodging property owners are allowed to retain five percent of their TRT collections to cover administrative costs, if the rate is increased; this retention practice is not currently followed.

The portion of TRT revenue dedicated to tourism must remain at its current level. The City allocates 30 percent of TRT revenue to Corvallis Tourism (CT), which would receive 30 percent of any new TRT revenue rate.

Seventy percent of the increased TRT revenue would be dedicated to tourism-related activities, including the 30-percent allocation to CT. A one-percent TRT rate increase would produce a slight increase in revenue to the City. No more than 30 percent of the TRT revenue increase could be used for general governmental purposes.

The TRT increase projections chart in the meeting packet was based upon Fiscal Year 2005-2006 audited figures, assuming the same level of room revenue throughout the year, regardless of room rates. A TRT increase could result in a decrease in local room occupancy.

Deducting the lodging properties' five-percent share of the TRT results in a net revenue, 70 percent of which would be dedicated to tourism, including 30 percent to CT. A ten-percent TRT rate would generate approximately \$16,693 in additional revenue for the City; an 18-percent TRT rate would generate approximately \$270,685 in additional revenue for the City. CT would gain approximately \$270,685 in revenue from an 18-percent TRT rate, with an additional \$360,913 available for various tourism activities. The chart is based upon no decrease in room rental or occupancy rates.

Mr. Zimbick recalled that the Council allocated \$213,650 for economic development purposes, and 50 percent of the TRT revenue was credited to the General Fund. He inquired whether the 50 percent credit was from the \$1,002,657 in current TRT revenue.

Ms. Brewer confirmed, clarifying that she reviewed figures from a fiscal year basis; however, the economic development allocations are based upon the calendar year. Economic development agencies needed to know at the beginning of the calendar year the approximate amount of funding available at the beginning of the fiscal year. One-half of the City's TRT revenue is allocated to economic development agencies. She stated that the cost of collecting TRT revenue may be split between

the General Fund and the economic development allocations, but this would require further review. The collection costs would be based upon the gross revenue.

Restaurant/Meals Tax

Data from the State's Web site is not specific enough to allow staff to calculate projected revenue with any degree of certainty. Most Corvallis restaurants have gross annual sales of less than \$500,000; only four Corvallis restaurants have gross annual sales of \$2.5 to \$5 million. It is difficult to know where the Corvallis restaurants rank in the sales ranges. Predicting alcohol sales is also a challenge. Most restaurants with lower gross annual sales do not sell alcohol. It is difficult to know the level of alcohol sales for restaurants with higher gross annual sales; restaurants at the higher end of the upper sales range probably sell more-expensive wines and mixed drinks. The RMT projections chart is based upon broad assumptions and not scientific analysis.

Five percent is the common meal tax rate and would generate \$3,950,625 in revenue, based upon projected annual meal sales of \$79,012,500. Raising \$250,000 in revenue would necessitate a RMT rate of .3164 percent.

OregonProspector.com, maintained by the Oregon Economic Development Department, includes demographics for Corvallis and projects Corvallis meal sales without alcohol of \$66.2 million. A five-percent RMT on this projection would result in \$3.3 million in revenue, equating to a RMT rate of less than .4 percent to raise \$250,000.

A survey of local restaurants or requesting data from the Oregon Restaurant Association would be required to obtain information that is more accurate.

In response to Mr. Lampton's inquiry, Ms. Brewer said she did not include in the projections chart any collection or administrative costs, which the Committee would need to discuss before pursuing a RMT.

Mr. Zimbrick noted that, based upon Ms. Brewer's projections, a \$45 restaurant bill would result in a 14-cent tax.

Ms. Brewer noted that several issues must be considered regarding a RMT, including whether grocery store deli food, restaurant take-out food, or take-and-bake pizza would be considered a meal subject to a RMT. A RMT would not apply to liquor sales.

Ms. Daniels commented that Ashland, Oregon, applies a RMT to prepared food, whether from a grocery store deli or a restaurant.

Entertainment Tax

Much of the staff report information is based upon 2003 staff research in response to a Council request. The information also encompasses various actions of other communities. EATs are not common in Oregon. Few entities that would be subject to collecting an EAT are willing to divulge their sales activities, leaving staff to estimate potential sales volumes. Oregon State University (OSU) provided average ticket sales and prices for the last year. The numbers of OSU home events are based upon Web site information for athletic events for which admissions are charged. OSU provided information but was not supportive of an EAT, unless it would receive a portion of the EAT revenue, as OSU would be a primary source of EAT revenue. OregonProspector.com reported Corvallis fees and admissions for 2006 at \$14 million, so the cited average of \$20 million may be a little high; the source of OregonProspector.com's data is unknown. The Committee would need to determine whether an EAT would apply to OSU, to participants, and to spectators.

Mr. Plotkin said it would be interesting to know what OSU expected to receive in exchange for the EAT revenue collection.

Ms. Brewer referenced staff's 2003 conversations with OSU officials, indicating that OSU has a significant amount of debt and many athletic events to support. OSU would be interested in how collecting EAT revenue for the City might aid OSU with debt payment or funding for athletic events, scholarships, or facilities.

Business License Fee

Staff investigated BLF models related to employee count, square footage, acreage, and facility value. Many issues must be considered, such as whether a BLF would apply to OSU, non-profit entities, and governmental entities. Available employment data is based upon Benton County information; it is estimated that 70 percent of Benton County's employment is within the City Limits.

Square footage of many commercial facilities is available from the Transportation Maintenance Fee (TMF) research. Much of the acreage data is from the Benton County Assessor's Office but could be challenged by non-profit and governmental entities, which are not taxed; because of this non-taxable status, the Assessor's Office has not closely reviewed the properties' assessment records for accuracy. Property values for non-profit and governmental entities is not available from the Assessor's records. The chart with the staff report provides examples of the BLFs that would be assessed to different sizes of facilities. The suggested square footage BLF rates are based upon an assumed total square footage of developed property, as used in calculating the TMF, calculated to achieve \$250,000 in BLF revenue.

The acreage BLF rates are based upon acres of land within the City Limits and determining a rate that would generate \$250,000 in BLF revenue. Staff does not have information regarding OSU's large amount of acreage.

The assessed values cited in the staff report chart are the total value for a property, including land and structures. The real market values cited reflect structures only.

The BLF alternatives charges provide examples of how the BLF could be assessed but do not indicate a scenario preference.

A BLF could be based upon the number of employees per business, with a rate per employee, a rate for a range of employee count, or a graduated rate per range of employee count.

Mr. Livingston noted that the Corvallis-Benton Chamber Coalition (Chamber) bases its business membership fees on employee counts. Rich Carone offered that the Chamber's annual budget from membership fees is \$250,000.

Discussion

Transient Occupancy Tax

Ms. Manning expressed interest in considering the TRT option.

Ms. Brewer reviewed for Ms. Foster that 70 percent of the TRT allocation to tourism would include the 30-percent of new revenue allocation to CT. A one-percent TRT rate increase would generate \$16,693 in additional revenue to the City. Mr. Nelson noted that the State requirements of compensating lodging properties for collecting the TRT and allocating 70 percent of TRT revenue to tourism significantly reduce potential revenue to the City. The City's current TRT rate of nine percent would need to be doubled to generate \$250,000 in additional revenue to the City.

Mr. Plotkin said that, after reviewing the staff report, it appeared a TRT rate increase was not an appropriate revenue alternative. The current TRT rate is somewhat high, and increasing the rate would not generate significant additional revenue for the City.

Mr. Livingston concurred but indicated that the TRT revenue alternative should be considered, since it is the City's primary funding source for economic development allocations. Increasing the TRT rate would not be beneficial, but the TRT should still be considered a revenue source.

Mr. Zimbrick said the incremental revenue difference for the different TRT rates is not enough to justify the additional effort involved in collecting the fee. CT could invest its allocation in developing more tourism opportunities, thereby generating more lodging bookings and producing more revenue. He would not support increasing the TRT rate.

Mr. Lampton suggested developing criteria for evaluating the revenue alternatives, including the relationships of those who pay and those who benefit, whether the

alternative supports the community's values, equity of application, and impact upon payers.

Ms. Manning referenced a breakdown of Fiscal Year 2007-2008 TRT revenue from Ms. Brewer's July 18th memorandum in the meeting packet regarding "Conceptual Framework for Economic Vitality." The City is already receiving more than \$1 million in TRT revenue with a direct connection to economic development. Other decisions by Council and policy directions have diverted much of the TRT revenue away from basic City services. One-half of the revenue is related to economic development allocations. She is uncertain about the Committee's potential success in suggesting another new revenue-generation model until it knows what the Core Services Committee will propose regarding funding needs. She would have difficulty explaining to citizens that the City was seeking another new revenue source, when it already receives more than \$1 million in TRT revenue. After deducting economic development and social services allocations and Economic Vitality Partnership (EVP) Plan implementation expenses, the City would have a net loss of \$51,210 from its TRT revenue. Increasing the TRT rate to 11 percent would generate an additional \$48,442 for the City, bringing the TRT to a positive balance.

Mr. Nelson noted that Ms. Manning's scenario would create a \$50,000 "hole" that could be "filled" with the additional TRT revenue. The scenario does not include what the Council often dedicates to economic development initiatives beyond the allocations process.

Mr. Nelson commented that staff found a 1973 memorandum to the Mayor and Council regarding new revenue sources, including a TRT, which was considered a new revenue to provide for City services. The 1973 Council minutes indicated that the visitors' industry assertively lobbied the Council to pay the five-percent fee to the lodging properties and to dedicate all of the resulting occupancy tax revenue to the Convention and Visitors' Bureau. The TRT was created as a general revenue for City services with the visitors' industry applying to the Council for funding to operate the Bureau. The 1973 Council did not support dedicating all of the revenue to the business community for business purposes.

Ms. Manning referenced the \$500,000 in economic development allocations made during Fiscal Year 2006-2007 and opined that the policy regarding economic development should be more closely connected to implementing the EVP Plan and that the revenue can be more closely connected to helping facilitate the EVP Plan implementation by other economic development organizations via policy or the application process.

Mr. Nelson suggested that some of the community festivals that attract visitors to Corvallis could be eligible for the dedicated portion of the TRT revenue. Ms. Daniels added that the State legislature specifically names festivals as being eligible recipients of TRT revenue.

Mr. Plotkin said the TRT calculations chart makes it appear that money has appeared, although discussions indicate that the revenue is being spent and the City is seeking \$170,000 in revenue. If revenue is shifted from another funding source and expenses are paid from the General Fund, it appears that more funding is available.

Referencing the chart Ms. Manning cited, Ms. Brewer explained that the economic development allocations are paid from the TRT revenue, and the balance of the TRT remains in the General Fund as a non-designated revenue. Social service allocations are funded in the General Fund from non-designated revenues but not necessarily from the TRT. The General Fund includes TRT, property tax, and state revenue sharing funds as undesignated revenue. The City's share of EVP Plan implementation costs is a new expense, which increases costs and decreases money available in the General Fund, resulting in a net loss in the General Fund. The City must determine how to fund other entities' EVP Plan implementation initiatives and Council-directed funding allocations.

Mr. Plotkin expressed uncertainty about increasing the TRT rate, unless the City can gain flexibility in increasing the TRT rate and being able to use the TRT revenue more creatively.

Mr. Lampton commented that someone will suffer under the suggested revenue alternative. Either the City would gain revenue from people not currently paying the TRT, or the sources for funding existing programs would be re-designated. The Committee is responsible for determining a potential funding source.

Mr. Livingston questioned which of the revenue alternatives under consideration was most likely to deter customers and businesses from Corvallis. He believes a TRT increase would be most likely to deter customers.

Mr. Plotkin inquired as to which of the revenue alternatives would be least offensive to payers. An annual business license fee of \$60 would not have much impact on his business. A RMT would be a nuisance for restaurant owners and patrons.

Ms. Daniels opined that a BLF would be most equitable in terms of spreading the fee throughout the community. The TRT is paid by people who do not live in Corvallis and would not be paid by local residents. Each revenue alternative has unique advantages and should be reviewed with a perspective of flexibility. Equity in tax or fee application is important. She suggested that the Committee provide the Council with a range of options.

Mr. Livingston suggested a combination of taxes and fees.

Ms. Manning commented that, from data gathered before Hilton Garden Inn opened, business travel represented approximately 70 percent of people coming to Corvallis. Business travel costs are often paid by businesses. She believes there may be more

downsides to the RMT and EAT, including administrative issues; so she does not want to consider those revenue alternatives. She is uncertain about a BLF. She opined that the Committee must have a strong justification for not focusing on a TRT rate increase because it is directly connected to economic development. She had not heard actions needed to justify to the community proposing another type of revenue alternative before considering the \$1 million-plus in TRT revenue already received by the City.

Mr. Plotkin opined that the City would need to raise \$220,000 to "fill" the "hole" created by Ms. Manning's earlier-described scenario. Increasing the TRT rate would not be sufficient without another revenue source.

Ms. Daniels noted that the City has an economic development allocations process with subjective criteria for allocation awards. She inquired whether Ms. Manning suggested re-examining how economic development allocations are determined in accordance with the Prosperity That Fits (PTF) Plan, which would provide the criteria for allocation applicants to meet. Ms. Manning said she would make the recommendation summarized by Ms. Daniels, regardless of the Committee's revenue alternative recommendations, as the Council had adopted the PTF Plan.

Mr. Gazeley expressed support of Ms. Manning's suggestion and inquired about reviewing the social services allocation process. Ms. Manning responded that the agencies receiving social service allocations from the City are not directly related to economic development. Without further exploration of identified and dedicated funding sources for the EVP Plan implementation, the Committee would be straying from its assignment.

In response to Mr. Zimbrick's inquiry, Ms. Brewer clarified that funding social services allocations from TRT revenue would free \$379,580 from the General Fund. The TRT revenue (\$1,032,400) less economic development allocations (\$534,120), social services allocations (\$379,580), and the City's costs for EVP implementation (\$170,000) results in the \$51,210 that must be funded by another means, unless the TRT is increased enough to generate that missing revenue.

Mayor Tomlinson inquired whether the Committee wanted staff to present various increases in TRT rates and how those increases would mesh with the conceptual framework for economic vitality. He noted that the current TRT allocation to CT could be assigned to specific festivals.

In response to Ms. Folts' inquiry, Ms. Brewer confirmed that TRT rates in Portland are 11 to 12 percent; Eugene's TRT rate is nine percent, and Albany's TRT rate is five percent. Ms. Folts concurred with considering a TRT rate increase and recommending reviewing the economic development allocation policy. She would like the TRT revenue alternative explanation and calculations simplified for the Committee's next meeting.

Mayor Tomlinson noted that staff's analysis could also indicate the potential impacts on property tax-supported funding.

Mr. Nelson noted that staff could explore one or more of the revenue alternatives without committing the Committee to one option. Staff would need more information from potentially impacted groups before investing a considerable amount of time in researching the options. The Council could consider the options during its September work session, when it will be updated regarding the discussions of the Committee and the Core Services Committee.

Ms. Manning noted that the PTF Action Plan includes a series of recommended actions related to increasing visitor volume, developing and promoting niche markets, and improving convention rates and booked conferences. She opined that there is a potential win-win situation in terms of advancing the PTF Action Plan and involving other interested parties. Some of the additional revenue that would be generated through the PTF Action Plan activities would help the organizations achieve the objectives of the Plan. She emphasized that the Committee is charged with funding the City's activities related to implementing the Plan while helping other organizations do the same.

Mr. Livingston volunteered to meet with staff, Corvallis Tourism's Executive Director, and the Oregon Lodging Association regarding a possible increase in the TRT.

Restaurant/Meal Tax

Ms. Folts, Ms. Foster, and Mr. Lampton indicated opposition to the RMT revenue alternative.

Mr. Livingston suggested that the RMT was worth considering.

Ms. Daniels said the RMT would raise revenue from those who have discretionary spending to eat in restaurants.

Mr. Zimbrick said he would be interested in considering a RMT but with the understanding that restaurant owners should be compensated for collecting the revenue.

Mr. Lampton said he would not support a RMT; however, he would consider the option, provided he had information regarding collection and administrative costs.

Mayor Tomlinson suggested a consultation with the Oregon Restaurant Association.

Mr. Nelson said staff has provided information from Ashland, Oregon, regarding its RMT.

Ms. Manning moved to remove the restaurant/meal tax revenue alternative from consideration. Ms. Folts seconded the motion.

Ms. Manning concurred with Ms. Brewer's reference to issues that must be decided, such as types of food and/or meals that would be subject to a RMT. She believes it would be difficult to administer a RMT and that a RMT would not be necessary.

Ms. Daniels believes the City could learn from Ashland's experience, which has had a RMT for ten years. She said it would be helpful to know how Ashland overcame various difficulties and what challenges remained. She was reluctant this early in the process to remove a revenue alternative from consideration without more information, when the alternative could generate significant revenue.

Mr. Plotkin concurred that it was too early to remove a revenue alternative from consideration. He believes a RMT has significant income potential and represents a "luxury" tax.

Mr. Livingston opined that more information was needed before the RMT option was removed from consideration.

Mr. Lampton suggested not removing the RMT option from consideration until information from Ashland was reviewed. He cautioned that Ashland's economy is based upon tourism.

Ms. Folts said the RMT revenue alternative never appealed to her. She believes more options are available that might be less politically acceptable but are more directly related to economic development. She noted that the restaurant business is difficult, and a RMT would be another encumbrance. She would prefer other revenue options.

Mr. Carone offered that, for one business he knows well, the RMT would result in a tax of \$300 per month collected at 14 cents per ticket. The restaurant owner would simply pay the tax, rather than passing it to patrons as it would cost more to collect and transmit the tax than would be generated.

The motion failed four to six as follows:

Ayes: Folts, Lampton, Manning, Foster

Nayes: Plotkin, Zimbrick, Dixon, Daniels, Gazeley, Livingston

Mr. Dixon requested additional information from Ashland regarding the RMT it collects, the scenarios to which the RMT applies, the collections procedure, and issues it encountered.

Mr. Livingston suggested talking with a variety of Ashland restaurant owners comparable to Corvallis' restaurant profile.

Mr. Nelson offered to schedule a consultation with the Oregon Restaurant Association.

Mr. Plotkin said he would like to hear some of the "horror stories" from Ashland and whether there is a threshold at which it is reasonable to collect a tax from patrons. If only 14 cents would be collected on a restaurant bill, it is not practical to impose a RMT. He noted that the Committee is considering a series of revenue alternatives to fund economic development. As Ms. Manning stated, the Committee is considering revenue options to generate more than \$170,000 for economic vitality to a greater degree.

Mr. Livingston asked that the same questions posed of Ashland restaurant owners be presented to local restaurant owners.

Staff will provide additional information regarding the Ashland RMT at a future meeting.

Entertainment/Activity Tax

Ms. Manning moved to remove the entertainment/activity tax revenue alternative from consideration. Ms. Folts seconded the motion.

Ms. Manning observed that OSU generates a majority of the local entertainment, and she does not want to pursue this revenue alternative.

Mr. Livingston questioned the harm in considering an EAT.

Ms. Manning responded that OSU would have a legitimate claim to questioning what it would gain from an EAT. She said an EAT is far removed from the Committee's objective.

Mr. Livingston countered that the TRT is still considered the City's primary revenue source for economic development. An EAT would provide funding for the significant costs for police and security, roads, and bridges that facilitate people accessing OSU events.

In response to Ms. Folts' inquiry, Mr. Livingston said there was not a direct link between the EVP Plan activities and OSU. One-half of TRT revenue goes to the General Fund to support basic City services, such as Police and Fire/Emergency Medical Services for the various OSU athletic events that attract people to Corvallis. He believes those services should be paid from the General Fund, rather than TRT revenue. He suggested that economic development allocations could be paid from TRT revenue, and an EAT could be credited to the General Fund to pay for basic City services.

The motion passed five to four, with one absent, as follows:

Ayes: Folts, Manning, Foster, Zimbrick, Dixon
Nays: Plotkin, Daniels, Gazeley, Livingston
Absent: Lampton

Business License Fee

Ms. Daniels said this revenue alternative had not been extensively discussed; and she requested postponing discussion of the option until more of the business members of the Committee were present, noting that Mr. Lampton had left and that Mr. Gazeley and Mr. Livingston needed to leave.

Mr. Dixon asked that the suggested BLF option be narrowed in scope with clarification regarding the rate calculation models.

Mr. Plotkin opined that only the employee-based scenario seemed reasonable.

Mr. Livingston noted that one scenario equates to a property tax.

Ms. Daniels moved to narrow the Committee's discussion of a business license fee to a model based upon employee counts. Ms. Folts seconded the motion. The motion passed unanimously.

In response to Ms. Folts' inquiries, Mr. Livingston opined that a BLF would be the only direct approach toward funding economic development. If the Committee supports a BLF, he would keep the TRT option open for consideration. He does not believe there is one solution to the funding issue and expects that a combination of revenue sources will be needed.

Mayor Tomlinson referenced the PTF Plan statement that BLF was envisioned to be a small revenue-generating opportunity to better understand businesses within Benton County. It was not intended to be a large funding source. The Committee could consider a TRT and the narrow PTF Plan view of a BLF and present to the Council a dual recommendation. He suggested that the concept of a BLF be discussed with the local business community, and he said he would meet with business representatives regarding the subject.

Mr. Carone offered to conduct an on-line survey of Chamber members.

Ms. Foster suggested that the Committee conduct presentations to neighborhood groups regarding the funding options.

Mayor Tomlinson suggested that the option of a BLF be discussed with representatives of the community, such as the Chamber's Corporate Round Table, to understand the business community's view of the idea.

Ms. Manning offered to present information regarding the BLF revenue alternative to the Chamber's Governmental Affairs Committee, of which she is a member.

Mr. Gazeley suggested that someone discuss the BLF option with the chairs of the Downtown Corvallis Association (DCA) and the Corvallis Independent Business Alliance.

Mr. Livingston referenced a suggestion that a BLF be proportioned. He expressed concern that a BLF assessed in the same manner as the Chamber's membership fee might negatively impact the Chamber's membership.

Mr. Nelson said staff wanted to give the revenue alternative information to a committee to develop information tools to present to community groups that could associate their potential benefits from the options and what services might be lost without a new revenue source. He expressed concern with asking citizens or business owners whether they wanted to be assessed another tax without the accompanying information. He suggested that, in continuing to consider the BLF option, Committee representatives meet and develop information pieces before presenting to the community.

Ms. Foster volunteered to meet with community business representatives.

Mr. Dixon urged conveying to the business community how they would benefit from a BLF.

B. Conceptual Framework

1. Economic Development Allocations, Social Service Allocations, Prosperity That Fits, City, and Other Action Items

Mr. Nelson inquired whether the Committee had enough interest in the conceptual framework for staff to present the information at the Council's September work session for discussion of EVP action items, economic development and social services allocations, and whether additional work should be undertaken.

Mr. Zimbrick opined that the Council needs to discuss policy elements regarding economic development and social services allocations and any desired policy amendments.

In response to Mr. Livingston's inquiry, Mayor Tomlinson clarified that the social services allocations are not related to TRT revenue. Mr. Zimbrick added that the social services policy could be amended to clarify details and decrease the funding deficit.

Mr. Nelson said at previous meetings the committee reviewed the PTF Plan and its action items for the community, recognizing that businesses and social service agencies comprise the profile of Corvallis and how the community will achieve the "2020 Vision Statement" objectives. A discussion was held regarding the best funding source that matches the PTF Plan, economic development activities and social service allocations. Committee members suggested that the TRT was the

most appropriate funding source to pay for economic development, social services, and PTF Plan activities.

Ms. Manning added that social services affect the livability and quality of life in the community, which attracts businesses to locate in Corvallis.

Mr. Livingston said he would associate social services more with the General Fund than TRT revenue, as it would spread the services throughout the community, rather than through economic vitality.

V. OTHER INFORMATION

A. Prosperity That Fits Committee Meeting Notes – June 25, 2007

Mayor Tomlinson referenced the minutes, noting that the Committee is progressing.

VI. NEXT MEETING

August 23, 2007, 4:00 pm.

VII. PUBLIC COMMENT

Luis Perez, representing Elmer's restaurant, referenced the suggested RMT and said the average person spends \$10 for a restaurant meal. A RMT would require him to increase meal prices by 35 cents per meal. He said many retired members of the community are on fixed incomes and would be negatively affected by a RMT. He expects that people might decide to eat in Albany to avoid a RMT in Corvallis.

Ms. Brewer clarified that a RMT of .3164 percent on a bill of \$10 results in a three-cent tax.

In response to Mr. Livingston's inquiry, Mr. Perez said a three-cent tax on a \$10 dinner bill would probably not create a significant impact.

Steve Hessel of Clodfelter's said a one-percent tax (three times the suggested RMT rate) would result in an annual tax assessment of \$4,000. He would pay the assessment, rather than passing it to his customers at the rate of five cents per hamburger.

Mr. Hessel said he was always bothered that 30 percent of the property owners around his business do not pay the same business tax he pays.

Mayor Tomlinson summarized that Mr. Hessel had stated that very low RMT rates may not be passed to patrons.

Mr. Plotkin inquired about the threshold at which a RMT rate would be passed to patrons.

Mr. Hessel said he would probably not pass a one-percent RMT to his patrons. He suggested that a sales tax for general revenue be termed as such. In response to Mr. Plotkin's further inquiry,

Mr. Hessel said he did not expect OSU students to go to Albany to eat, rather than going to Clodfelter's. He added that he did not know the cost to collect the suggested RMT.

Mr. Livingston proposed the scenario of each restaurant in Corvallis imposing a two-percent tax and keeping one-percent as administrative costs.

Mr. Hessel responded that at some point the RMT becomes a sales tax. He would consider a RMT rate of less than one percent to be a tax on his business, rather than his patrons; and he questioned the fairness of such a tax.

Gary Evans, manager of Clodfelter's, noted that the restaurant pays fees to Benton County Health Department and Oregon Liquor Control Commission. While a one-percent RMT seems small, it is combined with various other fees and taxes that a restaurant must pay, totaling a significant amount. Restaurants with sidewalk cafés also pay a permit fee to use the public sidewalk. A one-percent RMT would probably not be passed to patrons, but a much higher rate (15 or 18 percent) would be passed to patrons.

Greg Little of Squirrel's referenced the suggested BLF and said he pays real and personal property taxes, some of which should be used to fund economic vitality. He is investing money in improving the value and appearance of his business and the Downtown area, which equates to economic vitality by creating a positive image of the neighborhood. He believes he is being penalized for taking appropriate action. He questioned whether full-time or part-time employees would be included in an employee-based BLF. He questioned the source and determination of \$250,000 for economic vitality by the City. He suggested that voters be asked to support the economic vitality initiatives through a levy, noting that spreading \$250,000 among all community members would result in a small contribution by everyone. He believes a levy or bond should be easily supported by voters, making them aware of actions in the community and efforts to maintain a vital, positive community. Most of his patrons are local residents. He would like conference packages to generate the revenue as conference attendees come to town, so the community can enjoy the "fruits of the labors" of people coming to visit Corvallis.

Mr. Little urged the Committee to not impose fees and taxes on business operators who are already paying taxes. He absorbed cost increases (products and payroll) for two years before increasing his prices. Local people, who are the primary source of his restaurant's business, have the option of staying home and not paying a RMT. He urged the Committee to consider that businesses would likely absorb a new, low-rate tax for a while, as they are creating an image of the Corvallis community, encouraging citizen involvement in businesses. He is focused on drawing more people to Corvallis. There are more restaurants, taverns, and boutiques in the Downtown area; and more local residents need to be drawn to those businesses. Revenue from outside the community cannot be depended upon to support the businesses. If the same number of people are the only people supporting local businesses, their support will be diluted as more businesses open. He urged the Committee to find ways to get more people involved. He is contributing through the Downtown Economic Improvement District and as a member of the DCA, and the suggested RMT or BLF would amount to an additional tax on his business. He urged the Committee to consider how the costs of economic development could be spread over more people.

VIII. ADJOURNMENT

The meeting was adjourned at 6:04 pm.

*** MEMORANDUM ***

AUGUST 14, 2007

TO: DOWNTOWN-ECONOMIC VITALITY PLANS IMPLEMENTATION COMMITTEE

FROM: JON S. NELSON, CITY MANAGER *JN*

SUBJECT: FOLLOW-UP INFORMATION ON A TRANSIENT ROOM TAX (TRT) INCREASE; CONSOLIDATED ECONOMIC DEVELOPMENT ALLOCATIONS (ED), SOCIAL SERVICES ALLOCATIONS (SS), AND PROSPERITY THAT FITS (PTF) USING TRT

I. TRT INCREASE

The Committee's questions included checking with the City Attorney's Office (completed) and implications to existing economic development allocations if a TRT increase occurred. The analysis assumes a two-percent TRT increase.

1. Current TRT: 9%

2. Assumptions: \$11,400,000 annual room revenue
9% = \$1,002,600
50% General Fund = \$501,300
30% Corvallis Tourism (CT) = \$300,780
20% ED Allocations = \$200,520

3. Increasing TRT from 9% to 11%:

11% = \$1,225,400 (\$11,400,000 x 11%)
Less: 61,270 (ORS required collections reimbursement of 5%)
\$1,164,130
Less: 113,071¹ (ORS required 70% "new" [after collection fee] dedicated to tourism)
\$1,051,059 Available for "general distribution"; a \$48,459 increase above \$1,002,600

¹ - ORS also requires that the tourism promotion provider not receive a lesser percent of funding as a result of the increase. So CT would receive \$48,459 of the \$113,071 (\$1,164,130 x .3% = \$349,239; \$349,239 - \$300,780 = \$48,459). In addition to the CT minimum allocations, \$64,612 must also be spent on tourism-related activities.

4. 11% TRT Reformatted

General Fund (50% of 9%)	\$ 501,300	
Corvallis Tourism	349,239	(ORS required)
"Other" Tourism	64,612	(ORS required)
Collections 5%	61,270	(ORS required)
ED Allocations/PTF	<u>248,979²</u>	
	\$1,225,400	

² - Compared to Fiscal Year 2007-2008 allocations, assuming everything else stays the same, a two-percent increase in TRT to 11 percent results in \$48,459 towards the \$170,000 in City action items in the PTF Plan. This roughly \$50,000 may be increased \$20,000 to \$35,000 (depending upon the year analyzed), if elements in the economic development allocations (Fair, Fall Festival, Da Vinci Days, Majestic Theatre), are moved into the "other" tourism category.

II. USE TRT TO FUND ED, SS, AND PTF

The Committee requested information on the General Fund impact if ED, SS, and PTF were all funded from TRT.

This assumes the TRT is increased to 11 percent under the assumptions in Section I. The first determination is whether 11 percent will support ED, SS, and PTF. The second is to determine the impact on the General Fund.

1. Feasibility:

Revenue	<u>\$1,225,400</u>	
Expenditures	349,239	Corvallis Tourism
	61,270	Collections 5%
	400,000	Social Services allocations
	64,612	"Other" tourism (festivals, fairs, etc.)
	170,000	PTF/City action items
	<u>192,000</u>	ED allocations – non-tourism
	\$1,237,121	
	< \$ 11,721 >	Difference

Under the above assumptions, an 11-percent TRT can support ED, SS, and PTF (City). Administering a consolidated program would most likely require a full-time-equivalent employee, but a major share of the costs are recoverable from the above allocations.

2. General Fund Impact:

TRT Revenue Reduction	\$501,300 (50 percent of 9%)
SS Allocations Expenditures Reduction	<u>400,000</u>
General Fund Negative Impact	< \$101,300 >

However, factoring in recent years' City Council allocations for related Council goals (EVP, DCA Strategic Plan, DCA action items) outside of the ED allocations process results in close to a neutral impact, assuming City Council directs all future requests to the consolidated program.

MEMORANDUM

July 18, 2007

TO: Downtown/Economic Vitality Plan Implementation Committee
FROM: Nancy Brewer, Finance Director *NB*
SUBJECT: Revenue Alternative Analysis

I. Issue

To refine the revenue estimates associated with selected alternatives.

II. Discussion

At the last meeting of the D/EVPIC, the Committee discussed focusing on using the full Transient Room Tax (TRT) plus some additional funding that would total around \$250,000. The Committee requested staff to review and develop further information on:

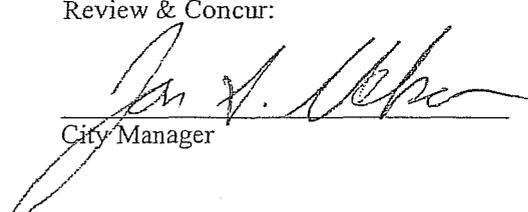
- Increases to the Transient Room Tax;
- Implementing a Restaurant Meal Tax;
- Implementing an Entertainment or Amusement Tax; and
- Implementing a Business License Fee.

Staff has developed the attached information to provide information to the Committee. In no case is there a single complete report. Rather, each report identifies the need for additional committee direction, and in some cases indicates that the revenue estimates are still in the "ballpark" range rather than a hard, known number. These reports provide some information on an "order of magnitude" basis, with a targeted annual revenue for each revenue alternative of \$250,000. However, we will also note that a combination of several of these alternatives may meet a total revenue goal without all revenue coming from a single source. In some cases, the ability to obtain more accurate information will require seeking information from entities that are likely to oppose the City's action, and as a result may not be willing to provide the information to the City.

III. Requested Action

Review the information in the attachments, and provide direction to staff on which alternatives to further develop.

Review & Concur:



City Manager

Transient Room Tax (TRT) Projections

During the 2003 legislative session, the rules about local transient room taxes were changed, along with the implementation of a statewide 1% TRT tax that goes to the State Tourism office. Pertinent sections of the ORS have been included as Attachment 1: In summary, if the City increases the TRT, certain actions are required:

1. Property owners must be allowed to keep at least 5% of the amount collected for their administrative costs of collection (ORS 320.345 (3)). The calculation for the 5% is on all TRT monies collected, and not just the increase that results from a higher rate. This calculation is shown on line d of Attachment 2. Line e shows the net revenue to the City after accounting for the collection monies.
2. Of the amount of increased revenue, the allocation percentage of monies to tourism facilities that existed before the increase must not change (ORS 320.350 (3)). The City currently allocates 30% of the TRT received in one calendar year to Corvallis Tourism in the following fiscal year as part of the Economic Development Allocation. That percentage allocation could not change if the TRT is increased. Line h shows the calculation of 30% of the net revenue for Corvallis Tourism.
3. At least 70% of the increased tax revenue must go to tourism (ORS 320.350(6)). Staff has checked with the City Attorney's Office to confirm that the increased revenues paid to Corvallis Tourism would count toward (not in addition to) the 70% of new revenues allocated to tourism. Line j shows the amount that would be required to be allocated to tourism activities (above the 30% allocated to Corvallis Tourism) and line k shows the total amount of the TRT that would be allocated to all tourism related activities.
4. No more than 30% of the increased TRT revenue could be used for general governmental purposes (ORS 320.350 (5)(b) and (6)). This calculation is shown on line l of Attachment 2.
5. Line j represents the non-Corvallis Tourism dedicated revenue that is still required to be spent on tourism.

The City Council has the authority to increase the TRT. In order to reach an additional revenue target of \$250,000 per year it would be necessary to double the TRT, with the probably unrealistic assumption that the TRT rate would not impact occupancy..

320.345 Lodging provider collection reimbursement charges.

- (1) On or after January 1, 2001, a unit of local government that imposed a local transient lodging tax on December 31, 2000, and allowed a transient lodging provider to retain a collection reimbursement charge on that tax, may not decrease the percentage of local transient lodging taxes that is used to fund collection reimbursement charges.
- (2) A unit of local government that imposes a new local transient lodging tax on or after January 1, 2001, shall allow a transient lodging provider to retain a collection reimbursement charge of at least five percent of all collected local transient lodging tax revenues. The percentage of the collection reimbursement charge may be increased by the unit of local government.
- (3) A unit of local government that increases a local transient lodging tax on or after January 1, 2001, shall allow a transient lodging provider to retain a collection reimbursement charge of at least five percent of all collected local transient lodging tax revenues. The collection reimbursement charge shall apply to all collected local transient lodging tax revenues, including revenues that would have been collected without the increase. The percentage of the collection reimbursement charge may be increased by the unit of local government.
- (4) A unit of local government may not offset the loss of local transient lodging tax revenues caused by collection reimbursement charges required by this section by:
 - (a) Increasing the rate of the local transient lodging tax;
 - (b) Decreasing the percentage of total local transient lodging tax revenues used to fund tourism promotion or tourism-related facilities; or
 - (c) Increasing or imposing a new fee solely on transient lodging providers or tourism promotion agencies that are funded by the local transient lodging tax. [2003 c.818 §10]

320.350 Local transient lodging tax moratorium; exceptions; uses of revenues.

- (1) A unit of local government that did not impose a local transient lodging tax on July 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition of the local transient lodging tax was approved on or before July 1, 2003.
- (2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July 1, 2003.
- (3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may not decrease the percentage of total local transient lodging tax revenues that are actually expended to fund tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local government that agreed, on or before July 1, 2003, to increase the percentage of total local transient lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities, must increase the percentage as agreed.
- (4) Notwithstanding subsections (1) and (2) of this section, a unit of local government that is financing debt with local transient lodging tax revenues on November 26, 2003, must continue to finance the debt until the retirement of the debt, including any refinancing of that debt. If the tax is not otherwise permitted under subsection (1) or (2) of this section, at the time of the debt retirement:
 - (a) The local transient lodging tax revenue that financed the debt shall be used as provided in subsection (5) of this section; or
 - (b) The unit of local government shall thereafter eliminate the new tax or increase in tax otherwise described in subsection (1) or (2) of this section.
- (5) Subsections (1) and (2) of this section do not apply to a new or increased local transient lodging tax if all of the net revenue from the new or increased tax, following reductions attributed to collection reimbursement charges, is used consistently with subsection (6) of this section to:
 - (a) Fund tourism promotion or tourism-related facilities;
 - (b) Fund city or county services; or
 - (c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative costs incurred in financing or refinancing that debt, provided that:

(A) The net revenue may be used for administrative costs only if the unit of local government provides a collection reimbursement charge; and

(B) Upon retirement of the debt, the unit of local government reduces the tax by the amount by which the tax was increased to finance or refinance the debt.

(6) At least 70 percent of net revenue from a new or increased local transient lodging tax shall be used for the purposes described in subsection (5)(a) or (c) of this section. No more than 30 percent of net revenue from a new or increased local transient lodging tax may be used for the purpose described in subsection (5)(b) of this section. [2003 c.818 §11]

TRT Increase Projections

	Current	Increase to:								
		10%	11%	12%	13%	14%	15%	16%	17%	18%
a Room Revenue	11,140,633	11,140,000	11,140,000	11,140,000	11,140,000	11,140,000	11,140,000	11,140,000	11,140,000	11,140,000
b Tax Rate	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%
c TRT Produces (a*b)	1,002,657	1,114,000	1,225,400	1,336,800	1,448,200	1,559,600	1,671,000	1,782,400	1,893,800	2,005,200
d 5% to owners for collection (b*.05)	n/a	55,700	61,270	66,840	72,410	77,980	83,550	89,120	94,690	100,260
e Net TRT Revenue (c-d)	1,002,657	1,058,300	1,164,130	1,269,960	1,375,790	1,481,620	1,587,450	1,693,280	1,799,110	1,904,940
f Net New Revenue (e-1,002,657)	-	55,643	161,473	267,303	373,133	478,963	584,793	690,623	796,453	902,283
g 70% of the net new revenue (f*.7)		38,950	113,031	187,112	261,193	335,274	409,355	483,436	557,517	631,598
h 30% of TRT allocation to CTS (e*.3)	300,797	317,490	349,239	380,988	412,737	444,486	476,235	507,984	539,733	571,482
i Additional Allocation to CTS (f*.3)		16,693	48,442	80,191	111,940	143,689	175,438	207,187	238,936	270,685
j Balance of Tourism Allocation (g-i)		22,257	64,589	106,921	149,253	191,585	233,917	276,249	318,581	360,913
k Total allocated to Tourism (h+j)	300,797	339,747	413,828	487,909	561,990	636,071	710,152	784,233	858,314	932,395
l Net additional revenue to the City (f*.3)	-	16,693	48,442	80,191	111,940	143,689	175,438	207,187	238,936	270,685

Restaurant/Meal Tax Estimates

Staff is able to obtain some information on restaurant sales from the State Labor Department, based on 2002 economic statistics. Although the list of restaurants is thorough, it does not contain names of some of the newest restaurants in town, but includes some that have closed. The data gives annual sales in ranges of "Less than \$500,000" "\$500,000 to \$1 million" "\$1 million to \$2.5 million" and "\$2.5 million to \$5 million". This creates challenges in making revenue estimates since it is difficult to tell where each restaurant is on the continuum. In addition, the sales data likely includes alcohol sales, which are already taxed by the State and local governments cannot also tax alcohol taxes. As a result, staff has made the following assumptions:

- An average of the mid-point in the sales range was used. For restaurants with less than \$500,000 in annual sales, this is likely a relatively good assumption since with 83 restaurants in this category there is more likely to be balance between the high and low ends of the range. However, this is probably not as an accurate assumption to make for the four restaurants that are in the \$2.5 million to \$5 million in annual sales.
- Staff has assumed that a higher proportion of the sales for the restaurants with the higher level of annual sales is from alcohol than the lower level of annual sales. In part, this assumption is based on the menus of the restaurants at the higher level of sales and the likelihood for both more expensive alcohol sales (i.e., fine wine and mixed drinks) and the number of restaurants at the lower end of annual sales which do not sell alcohol at all (i.e., fast food and sandwich shops). Other than this assumption, staff has no basis for the proportion of sales estimated to be attributed to alcohol.
- Staff has run an estimate for a 5% meal tax which is a fairly common rate for local governments in other states where sales tax is more common. Staff has also calculated the rate that would be necessary to reach the \$250,000 revenue mark previously discussed. Ashland has a 1% meal tax which provides around \$1.8 million in annual revenue.

The City Council has the authority to implement a restaurant/meal tax. In order to obtain more accurate revenues, staff will need to seek information from other than existing sources (i.e., the Oregon Restaurant Association), and would explore that course if the Committee wished to pursue this as a revenue alternative.

Restaurant Tax Projections

Annual Sales	# of Restaurants	Total Sales - Low	Total Sales - High	Total Sales - Average	Discount for Liquor Sales	Estimated Meal Taxable Sales
Less than \$500,000	83	\$ 8,300,000	\$ 41,500,000	\$ 20,750,000	10.00%	18,675,000
\$500,000 to \$1,000,000	37	\$ 18,500,000	\$ 37,000,000	\$ 27,750,000	15.00%	23,587,500
\$1,000,000 to \$2,500,000	20	\$ 20,000,000	\$ 50,000,000	\$ 35,000,000	25.00%	26,250,000
\$2,500,000 to \$5,000,000	4	\$ 10,000,000	\$ 20,000,000	\$ 15,000,000	30.00%	10,500,000
Total	144			\$ 98,500,000		\$ 79,012,500
5% Meal Tax						3,950,625
Meal Tax Rate to Raise \$250,000						0.3164%

OREGON PROSPECT.COM
 PUTS SALES w/o
 Alcohol @
 66,229,000.
 @ 5% = 3,311,450

Entertainment Tax

Most of the following data was compiled in 2003 when the City Council asked staff to develop information about an Entertainment Tax that would go into an Entertainment Fund. The table on the last page has been updated. When last explored with OSU Administrators, the City was informed of the importance of ticket revenue to the university's facilities plans, and should a tax be pursued, the benefit connect to the university.

Finance Department staff members attempted to gather information about an entertainment tax (most often called an admissions tax because it is assessed on ticket prices for admission to events). A web search led to a number of other cities and a few states that have an admissions tax. Organizations and businesses in Corvallis were contacted to obtain information about the size of venue (number of seats), average ticket prices, and number of events in order to estimate revenues from a 5% admissions tax. Finally, staff prepared information on potential administrative costs.

A. Other Cities

There are a number of other cities that have an admissions tax (AT). A partial list of cities includes: Las Vegas; Norfolk and Roanoke, Virginia; Cincinnati and Springdale, Ohio; Lakewood and Seattle, Washington; Santa Cruz and Irwindale, California. A survey of cities indicates the following:

- The most common rate for an AT is 5%, although rates are as low as 3% and as high as 10%. Staff has not found any entity that charges a flat rate for lower price ticket (i.e., \$0 for tickets from \$0.01 through \$4.99; \$1.00 for tickets from \$5.00 through \$19.99). However, at least Seattle has a minimum AT of 10¢.
- Most of the time the rate is applied consistently, but in some cases a City may charge a higher rate on events held in a city-owned civic center.
- The AT appears to be a more popular tax in cities where there are professional sports and/or where the city is more of a destination-type community where people go to attend sports/theatre events, or the city has a major civic center.
- The AT rate is applied to the base ticket price, but in some cities the advertised ticket price may include the AT (i.e., the price can be stated as \$15 plus AT for a total of \$15.75, or the price can be stated as \$16 and the vendor remits 80¢ and keeps \$15.20).
- There is no consistency over what is exempt. For example, in some cities events held as fund raisers for non-profits are exempt, in other cities they are specifically subject to the AT. In some cities events at municipal facilities are exempt, while in other cities municipal facilities charge a higher AT than privately owned facilities. In some cities, amateur athletic events are exempt, in others they are subject to the AT. In some cities, the person may be exempt (i.e., under 5 over 65). In some cities tickets that are comped are still assessed the AT.
- There is some consistency that the AT is only applied to charges for non-participatory events. For example, bowling alleys, golf courses, and tennis centers are frequently exempt for the participants, but would charge an AT for people observing an event (i.e., no AT on the entrance fee for a tennis match, but an AT is charged for attendees there to watch). However, there are cities where activities such as bowling are charged the AT.
- There is also general consistency in that the AT is charged for events where people go to observe. In a brief search we did not find an admissions tax on either video-rentals or pay-per-view type events. Staff surmises that this is because people are not paying to be admitted to a venue, but rather are paying for entertainment consumed at home.
- Some entities allow the vendors to keep a percent of the AT collected as a cost of collection and obtaining a surety bond. The amount kept for collection costs is most often 5% of collections.
- Several states charge a statewide AT. The revenue appears to go to the state's General Fund. There is more variation in what an AT is used to fund for cities. In most cases, the AT is used for General Fund purposes. In

some cases, the AT is used to retire debt for construction of a sports arena or civic center. In 2005, 20% of Seattle's AT that comes from all except men's professional basketball began to be used to fund an Arts program.

B. Revenue Projections

Revenue projections for an AT are difficult to make. Finance Department staff have attempted to contact local entities that would most likely be included in an AT and obtain information on average revenue, ticket sales, etc. For most events, obtaining this information in a way that translates to a revenue estimate has been a challenge because there are not simple answers to revenue estimation questions. For example, OSU Football, most likely the largest single AT revenue producer, has a dozen different prices for tickets and a number of tickets are comped each year for which OSU does not obtain direct revenue. The number of home games will vary each year for each major sport, and that will have an impact on the revenue produced. In addition, although OSU has more sports programs than those identified on the attachment, most of the smaller sports programs no longer charge admission because it cost OSU more to staff a ticket booth than was collected for the game. For this update, the City did not get information from the OSU athletic office to provide maximum seating for Reser Stadium, so the 45,000 is an estimate. In addition, staff is unable to estimate an average ticket price based on a wide variety of pricing plans (i.e., season, family plans, half-home game plans). As a result, the average ticket price is also an estimate.

For other entities, staff members have experienced a reluctance to share information with the City about the average number of tickets sold, annual or monthly revenue, or even capacity of the facility. In some cases, private entities consider the information to be confidential, and refused to provide information.

Attached is a table of some revenue estimates. Staff made efforts to gather information from a representative sample of entities, either based on total revenue, or an estimate of the number of seats, average prices for tickets, and then complete a high- low- and average-estimate for attendance. Information for OSU athletics came from discussions with OSU about average ticket sales.

In general, it is clear that OSU football would provide the majority of the revenue from an AT. This is both because the average price for tickets is higher than most other venues, and because of the large number of tickets sold. It is also clear that the revenue could fluctuate substantially depending on whether attendance at OSU football was at capacity or substantially below capacity.

Finance staff members were unable to obtain information from Regal or Carmike Cinemas on their facilities. As a result, staff estimated the total number of seats at Regal at 800 (100 each in the two smaller theaters and 300 each in the two larger theaters). Staff estimates the total number of seats at Carmike at 3,500 (two theaters with 400 seats, eight with 300 and two with 150). Staff also assumes an average of four shows each day at both Regal and Carmike; two matinees and two full priced shows. The highest attendance would be all seats full for four showings each day for 365 days per year. While it is possible that there are some days each year when one or two theaters have sold out seats for all four shows (a summer block buster), most weeks each year do not have all theaters sold out for all showings. As a result, staff calculated a high figure at 50% of capacity and further assumed that the majority of the time the attendance would reflect average to low figures. The lowest attendance figure assumes 10 seats sold per show, four shows per day in each theater, 365 days per year. Of note, if all theater seats were full for all four shows per day every day of the year, the movie theater would produce more revenue than OSU Football.

Staff included events at the Benton County Fairgrounds in the estimates, but notes that the Fairgrounds are not inside the City limits. However, neither is the Crescent Valley High School facility but presumably events at that facility would be charged an AT if other 509J events were charged an AT.

At the time of writing, staff had not been able to obtain estimates from the 509J School District for their events, or from OSU theater. If that information becomes available, staff will add it to the estimates presented here.

Finally, staff estimated the revenue from an AT on live-music cover charges based on limited experience with most of the venues which offer live music and charge a cover.

Staff estimates an AT in Corvallis could raise between as much as \$412,000 annually, although \$282,000 to \$387,000 annually are probably better estimates based on the Regal Cinemas discussion above. Depending on the seating capacity of the Carmike Theaters (under construction), the revenue from movies could be higher.

C. Administrative Costs

Administrative costs will vary based on the processes the City Council would use to implement the Entertainment Fund. Issues the Council would have to determine would include:

- What the application process for funds would be, and whether that would be City staff supported or whether it would be managed by some other entity.
- Whether monthly or quarterly reports would be required from the funded entities, and City staff's role in the reporting process.
- Whether audits of the entities participating in collecting the AT will be required and if so, how frequently, and by whom.
- The mechanism used to ensure entities paid the AT. Alternatives could include placing a lien on the property for collections (similar to the transient room tax), citing entities into Municipal Court, or turning the amounts due over to a collection agency.

Staff can provide some estimates of costs for basic information. These costs do not include significant ramp-up costs associated with staffing a new program and developing the internal controls and systems that will be necessary to manage the monies correctly.

Costs to collect monies monthly – This would be done by Finance Department staff. With an estimate of 25 reporting entities, staff projects costs of \$1,200 to \$1,400 to collect and report on monies monthly, reconcile amounts owed to amounts paid, and minimal follow-up with delinquent entities. If additional collection work is required (i.e., sending accounts to collections or pursuing foreclosure as the city does for unpaid transient room taxes), additional costs would be incurred.

Costs to audit entities – If the audits were performed as they are for transient room taxes, the Finance Department anticipates completing two to three audits each year, at an estimated cost of \$500 to \$650 annually.

Costs to complete an annual allocation process – Assuming that the process would follow the same basic outline as the current Economic Development process, staff time would be around 80 hours annually, or \$3,000 annually, including staff time and benefits, plus copy, advertising, and other miscellaneous costs.

Costs to complete quarterly financial reporting – Assuming that the process would be similar to the current Economic Development quarterly reporting process, staff time would be around 40 hours annually at an estimated cost of \$1,500 for time and materials to make copies, etc.

Costs to make payments – Assuming that there is a contract negotiated through the granting process identified above, costs to process payments either monthly or quarterly would be less than \$1,000 annually.

In total, staff estimates costs at \$7,200 to \$7,550 per year, and our initial attempt would be to fit the work into existing staff portfolios. Costs would increase if City staff were unable to incorporate the basic tasks identified or the work was expanded.

Program/Location	Attendance per Event			Avg \$	# of Events	Ticket Rev			5% Admissions Tax Rev		
	High	Low	Avg			High	Low	Avg	High	Low	Avg
OSU - Men's Football	45,000	22,500	33,750	\$ 50.00	6	\$ 13,500,000	\$ 6,750,000	\$ 10,125,000	\$ 675,000	\$ 337,500	\$ 506,250
OSU - Men's Basketball	10,400	5,200	7,800	\$ 30.00	23	7,176,000	3,588,000	5,382,000	358,800	179,400	269,100
OSU - Women's Basketball	10,400	5,200	7,800	\$ 20.00	16	3,328,000	1,664,000	2,496,000	166,400	83,200	124,800
OSU - Baseball	2,300	1,150	1,725	\$ 10.00	23	529,000	264,500	396,750	26,450	13,225	19,838
OSU - Softball	750	375	563	\$ 10.00	20	150,000	75,000	112,500	7,500	3,750	5,625
OSU - Women's Gymnastics	10,400	5,200	7,800	\$ 10.00	6	624,000	312,000	468,000	31,200	15,600	23,400
OSU - Theatre	-	-	-	-	-	-	-	-	-	-	-
City P&R - Osborn	-	-	-	-	-	-	-	-	-	-	-
Majestic Theatre	300	100	200	\$ 10.00	100	300,000	100,000	200,000	15,000	5,000	10,000
Highland Bowl	2,738	1,065	1,902	\$ 5.00	20	273,800	106,500	190,150	13,690	5,325	9,508
Regal Cinemas (est)	400	40	220	\$ 7.40	1,460	4,321,600	432,160	2,376,880	216,080	21,608	118,844
Carmike Cinemas (est)	1,750	120	935	\$ 7.40	1,460	18,907,000	1,296,480	10,101,740	945,350	64,824	505,087
Fairgrounds - County Fair	39,000	39,000	39,000	\$ 5.00	1	195,000	195,000	195,000	9,750	9,750	9,750
Fairgrounds - Other	-	-	-	-	-	-	-	-	-	-	-
509J - High School Plays	-	-	-	-	-	-	-	-	-	-	-
509J - Sports	-	-	-	-	-	-	-	-	-	-	-
daVinci Days	12,000	6,000	9,000	\$ 12.50	1	150,000	75,000	112,500	7,500	3,750	5,625
Live Music - cover charges	30	10	20	\$ 5.00	150	22,500	7,500	15,000	1,125	375	750
Total						49,476,900	14,866,140	32,171,520	2,473,845	743,307	1,608,576

Rate to Raise \$250,000 Annually

0.50529%

1.68167%

0.77708%

OREGON PROSPECT. COM
 REPORTS FEES → Admissa
 FOR '06 OF 14,741,000
 WHICH 5% WOULD
 BE \$737,050.
 NOT SURE ROLE OF
 OSU IN THIS #.

Business License Fee

There are several models that cities have used to establish a business license fee. Staff has explored these alternatives and calculations to develop estimates for what a business license fee might look like in Corvallis. Based on the Committee's discussion at the last meeting, the calculations have been developed to raise \$250,000 annually.

Models examined include:

- Employment: This model is used by several Oregon cities as either a flat fee plus an amount per employee or a flat rate that is tiered (i.e., \$50 for 1-10 employees; \$100 for 11 to 50 employees).
- Square Footage: This model is based on a rate per square foot of business space.
- Acres of Land: This model is based on a rate per square acre of land.
- Value Based: This model is based on either assessed or real market value of a business. There are several alternatives, including using the value of the land, improvements to the land, or both.

As with the other revenue alternatives, each of the models presented some challenges in getting to a revenue estimate. Most of the challenges involve the accuracy of data, but also what would be included. Highlights of issues and methodology that would need to be addressed include:

- Overall – Will the business license fee apply to OSU, governments, school districts, churches, and other non-profits such as United Way?
- Employment Based – The data from the State employment department is presented for Benton County and not for Corvallis. As a result, staff estimated that about 70% of Benton County's employment is in Corvallis. Rates can be set on a per employee basis that would raise a targeted level of revenue (in this case \$250,000), but it is more difficult to translate that to a range rate that would raise the same amount of revenue without doing a complete assessment of the number of employers with employees in the identified ranges.
- Square Footage – Staff has the data on square footage based on the Transportation Maintenance Fee, and is able to target a rate that would produce a specific amount of revenue (in this case \$250,000). The TMF includes fees charged to all governmental entities as well as non-profits.
- Acres of Land – this statistic is available through property tax records even for exempt properties, but the data may not be completely accurate for exempt properties since the Assessor's Office spends little time on these.
- Value – each parcel of taxable property has assessed value, real market value of land and real market value of structures. Staff used both assessed value and the real market value of structures for this assessment since the RMV of structures may have more of a link to economic vitality.

If the Committee pursues a business license fee, the first step is identifying the model to use and then develop forecasts based upon different assumptions.

Business License Fee Alternatives

Business Type	Square Footage Based			Acres of Land			Assessed Value			RMV - Structure		
	Rate	Sq Footage	Annual Cost	Rate	Acres	Annual Cost	Rate	AV	Annual Cost	Rate	RMV	Annual Cost
Industrial	0.301956		\$0	138.52	178.54	\$24,731	0.0005	11,113,934	\$5,557	0.0005	380,618,500	\$190,309
9th Street business	0.301956	19,000	\$5,737	138.52	0.65	\$90	0.0005	1,297,901	\$649	0.0005	1,247,853	\$624
Downtown retail	0.301956	15,500	\$4,680	138.52	0.36	\$50	0.0005	1,340,608	\$670	0.0005	1,218,733	\$609
Non-Profit operation	0.301956	3,685	\$1,113	138.52	n/a		0.0005	n/a		0.0005	n/a	
City of Corvallis	0.301956	252,133	\$76,133	138.52		\$0	0.0005	n/a		0.0005	n/a	
9th Street business	0.301956	3,152	\$952	138.52	0.21	\$29	0.0005	132,224	\$66	0.0005	61,754	\$31
Grocery store	0.301956	48,000	\$14,494	138.52	4.65	\$644	0.0005	2,520,120	\$1,260	0.0005	2,756,978	\$1,378
Downtown office	0.301956	5,087	\$1,536	138.52	0.12	\$17	0.0005	270,112	\$135	0.0005	282,090	\$141
Church	0.301956	17,500	\$5,284	138.52	0.61	\$84	0.0005	n/a		0.0005	n/a	

Business Type	Employee Based			
	Rate per Employee	# of Employees	Annual Cost Est.	Range Rate (below)
Industrial	10.16	2,500	\$25,388	\$500
9th Street business	10.16	7	\$71	\$50
Downtown retail	10.16	7	\$71	\$50
Non-Profit operation	10.16	7	\$71	\$50
City of Corvallis	10.16	600	\$6,093	\$500
9th Street business	10.16	15	\$152	\$100
Grocery store	10.16	75	\$762	\$500
Downtown office	10.16	75	\$762	\$500
Church	10.16	15	\$152	\$100

Rate Ranges based on number of employees:

0-9	50.00
10-19	100.00
20-49	200.00
50 and over	500.00

Employment - Data from OregonProspector.com

Number of Employees	Benton County	Corvallis (assume 70%)	Rate	Revenue
1 to 4	1,996	1,397	\$60	\$83,820
5 to 9	505	354	125	44,250
10 to 19	303	212	175	37,100
20 to 49	187	131	225	29,475
50 to 99	64	45	375	16,875
100 to 249	31	22	550	12,100
250 to 499	8	6	1,500	9,000
500 to 999	2	1	2,500	2,500
1000+	3	3	5,000	15,000
				\$250,120

Note: The three employers with 1,000 + are OSU, H-P and Good Sam, which are all in Corvallis.

Business License Fee Alternatives

Business Type	Square Footage Based			Acres of Land			Assessed Value			RMV - Structure		
	Rate	Sq Footage	Annual Cost	Rate	Acres	Annual Cost	Rate	AV	Annual Cost	Rate	RMV	Annual Cost
Industrial	0.301956	1,800,000	\$543,521	138.52	178.54	\$24,731	0.0005	11,113,934	\$5,557	0.0005	380,618,500	\$190,309
9th Street business	0.301956	19,000	\$5,737	138.52	0.65	\$90	0.0005	1,297,901	\$649	0.0005	1,247,853	\$624
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Church	0.301956	17,500	\$5,284	138.52	0.61	\$84	0.0005	n/a		0.0005	n/a	

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Business License Fee Alternatives

Revised July 26, 2007

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500 to 999	2	1	2,500	2,500
1000+	3	3	5,000	15,000
				\$250,120

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Revised July 25, 2007

Program/Location	Attendance per Event			Avg \$	# of Events	Ticket Rev			5% Admissions Tax Rev		
	High	Low	Avg			High	Low	Avg	High	Low	Avg
OSU - Men's Football	45,600	22,500	29,000	\$ 34.50	6	\$ 9,439,200	\$ 4,657,500	\$ 6,003,000	\$ 471,960	\$ 232,875	\$ 300,150
OSU - Men's Basketball	10,300	5,150	3,338	\$ 13.20	23	3,127,080	1,563,540	1,013,417	156,354	78,177	50,671
OSU - Women's Basketball	10,300	5,150	1,037	\$ 4.25	16	700,400	350,200	70,516	35,020	17,510	3,526
OSU - Baseball	2,400	1,200	1,505	\$ 8.80	23	485,760	242,880	304,612	24,288	12,144	15,231
OSU - Softball	1,000	500	1,000	\$ 3.00	20	60,000	30,000	60,000	3,000	1,500	3,000
OSU - Women's Gymnastics	9,000	4,500	6,750	\$ 5.90	6	318,600	159,300	238,950	15,930	7,965	11,948
OSU - Volleyball	10,300	5,150	356	\$ 3.80	11	430,540	215,270	14,881	21,527	10,764	744
OSU - Wrestling	10,300	5,150	630	\$ 3.75	7	270,375	135,188	16,538	13,519	6,759	827
OSU - Theatre	-	-	-	-	-	-	-	-	-	-	-
City P&R - Osborn	-	-	-	-	-	-	-	-	-	-	-
Majestic Theatre	300	100	200	\$ 10.00	100	300,000	100,000	200,000	15,000	5,000	10,000
Highland Bowl	2,738	1,065	1,902	\$ 5.00	20	273,800	106,500	190,150	13,690	5,325	9,508
Regal Cinemas (est)	400	40	220	\$ 7.40	1,460	4,321,600	432,160	2,376,880	216,080	21,608	118,844
Carmike Cinemas (est)	1,750	120	935	\$ 7.40	1,460	18,907,000	1,296,480	10,101,740	945,350	64,824	505,087
Fairgrounds - County Fair	39,000	39,000	39,000	\$ 5.00	1	195,000	195,000	195,000	9,750	9,750	9,750
Fairgrounds - Other	-	-	-	-	-	-	-	-	-	-	-
509J - High School Plays	-	-	-	-	-	-	-	-	-	-	-
509J - Sports	-	-	-	-	-	-	-	-	-	-	-
daVinci Days	12,000	6,000	9,000	\$ 12.50	1	150,000	75,000	112,500	7,500	3,750	5,625
Live Music - cover charges	30	10	20	\$ 5.00	150	22,500	7,500	15,000	1,125	375	750
Total						39,001,855	9,566,518	20,913,183	1,950,093	478,326	1,045,659

Rate to Raise \$250,000 Annually

0.64100% 2.61328% 1.19542%

NOTE: OregonProspector.com reports fees and admissions for 2006 in Corvallis at \$14,741,000 which would raise \$737,050 at a 5% tax and a tax rate of 1.7% to raise around \$250,000. It is not clear what OSU's role is in this figure.

DRAFT

**CITY OF CORVALLIS
DOWNTOWN AND ECONOMIC VITALITY
PLANS IMPLEMENTATION COMMITTEE
MINUTES**

August 23, 2007

The regular meeting of the Downtown and Economic Vitality Plans Implementation Committee of the City of Corvallis, Oregon, was called to order at 4:02 pm on August 23, 2007, in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon, with Mayor Tomlinson presiding.

I. ROLL CALL

PRESENT: Mayor Charles Tomlinson, City Manager Jon Nelson; Committee Members Rich Carone, Judy Corwin, Pam Folts, Elizabeth French, Dave Gazeley, Pat Lampton, Julie Manning, Dave Livingston, Elizabeth Foster, Vincent Remcho, Scott Zimbrick and Jay Dixon; Recorder Mark Lindgren.

ABSENT/EXCUSED: Belinda Batten, Patricia Daniels, Linda Modrell, Barbara Ross, Bennett Hall and Larry Plotkin.

II. REVIEW AND APPROVAL OF MINUTES

July 26, 2007 minutes approved as presented.

III. PUBLIC COMMENT

Brandon Dale, Broken Yolk Café, 119 SW 3rd, stated he wanted the committee to explore funding options other than just taxing restaurants. Also, he wanted to know where that money would go and who would distribute it.

David Dowrie, Creekside Coffee, 5210 SW Philomath Boulevard, stated he was present to learn about the process.

John G. Booker, Jr., West Corvallis Burger King, stated he wanted more information and clarification, since it would affect his business. He wanted to know if there were other funding options than the ones he'd heard about to fund economic vitality. He said he was concerned about his company shouldering additional expenses, especially if an economic downturn occurs.

Reiner Bohlen, Solstice Café, 121 SW 3rd Street, said it was difficult to argue against economic vitality, but was concerned about a broad mandate being funded by a narrow constituency instead of a broad tax base (by the community as a whole). Similarly, a narrow tax should benefit that narrow tax base. He expressed concern about the lack of notification about the meeting to the base of people that might be taxed; he only read about the meeting by chance in the Gazette-Times. Goals and funding should be consistent.

Amy Weinstein, New Morning Bakery, 219 SW 2nd Street, stated she didn't see why restaurants should be focused on for taxation. She noted that approach would make more sense if Corvallis had a tourist-based economy and a tax was being proposed to support tourism. She expressed concern that a tax would raise prices for her small customer base and drive them to Albany or Philomath. She said it made no sense to only tax restaurants to fund economic vitality.

John Howe, Red House Coffee Company, 3rd Street, expressed support for economic vitality. However, most small businesses like his are struggling with rising costs, such as milk, and are struggling to break even most months. Economic vitality should rest on a broad base of taxation.

Pat Lampton said the committee was also discussing the possibility of a business tax; he asked Mr. Howe what he thought of that. Mr. Howe replied he liked the funding check-off on utility bills and added he was in favor of a solution where all businesses participate. He said he opposed business fees.

Elizabeth French asked for feedback on administrative costs incurred by tallying gross receipts, such as for a sales tax. Mr. Howe stated that the idea of equity was important; for example, small restaurants with only two tables pay an annual \$50 fee for sidewalk seating, but restaurants with nine tables pay \$100, only \$50 more. He stated his tax should not be the same as that levied on, say, Starbucks.

Joy Hagler stated she was currently an employee of Solstice Café and had both owned and worked in several local restaurants over the years. She noted that restaurants incur a lot of costs, including increasing fees and taxes and are generally unable to pay employees good wages or provide benefits. Even the owners themselves often do not make a living wage. She predicted that a third of local restaurants would go out of business in a likely recession.

Mayor Tomlinson outlined the agenda and summarized the committee's history. He said the community has been engaged for the last two years in a conversation about economic vitality, driven by the Economic Vitality Partnership (EVP). The EVP is a group of about sixteen organizations that met over two years, had two town hall meetings, focus groups and finally developed an economic vitality plan, dubbed Prosperity That Fits (PTF) (available on the city's website). The plan has 49 action items that have been deemed important to secure economic vitality in Benton County and Corvallis, as well as a public process to implement them.

He related the City Council and Benton County Commissioners accepted the PTF plan in late 2006. The Council charged this committee to determine how to fund the city's portion of the PTF Plan action items (\$170,000). Mayor Tomlinson noted the committee has also looked at funding other action items, as well, since other coalition partners will also have costs to implement their part of the plan, too. Staff has brought back to the committee a number of funding options to support that, including property taxes, income taxes, etc. The committee has by now eliminated all but three of them and gotten more information on them from staff. It is now seeking feedback from the community on the three potential revenue generators, which include a meals tax for restaurants; an increase in the Transient Room Tax that lodging properties charge their guests; and a business license fee.

He emphasized that no decisions have yet been made; the committee has an investigative role on how to fund an economic vitality plan and is trying to find out what is possible and what makes sense. Pam

Folts added that the committee is only serving an advisory function; its recommendations go to the City Council, which makes the final decision.

Mayor Tomlinson noted that while the city's portion of funding the PTF Plan is \$170,000, it has been considering broadening that, perhaps up to \$250,000 but probably less than \$500,000. The PTF Plan has some action items that occur over the first two years and others that happen in years 3 through 5. However, funding for items such as the Business Enterprise Center are probably long-term. Also, administrative costs have generally not yet been determined.

IV. REVIEW REQUESTED FOLLOW-UP INFORMATION

City Manager Jon Nelson highlighted the August 14 memo in members' packets, which sought to give the information they had requested on two issues: the implications of a Transient Room Tax (TRT) increase and the feasibility of using all TRT monies to fund Economic Development Allocation, Social Service Allocations and PTF City action items.

Mr. Nelson related that the city currently receives just over \$1 million on a TRT of 9%. While the 2% TRT increase that has been discussed would initially seem to generate an additional \$225,000, staff have found that it actually only generates an additional \$50,000 available for funding economic vitality action items. This is because the 2003 legislature established filters for TRT use. For example, if the tax is increased by 2%, if a city is not already reimbursing the lodging industry for collecting and submitting the tax, the industry must be paid 5% off the top (\$50,000 to \$60,000 for a 2% increase). Then, 70% of the remainder of new revenue must be spent on tourism-based industry (about \$113,000).

He noted that there had been some inquiry about perhaps finding some existing economic development allocation funds within dedicated tourism dollars. However, staff learned in discussions with the Oregon Lodging Association staff that it is not a given that festivals, the Majestic Theater, ArtCentric, etc. are eligible for those funds and that the OLA has engaged attorneys in other jurisdictions to ensure that the State law is properly followed.

Manager Nelson related that the committee had also asked staff to investigate the possibility of wrapping all Transient Room Taxes (assumed at an increased 11%, generating about \$1,225,000) to fund social services, economic development allocations and Prosperity That Fits. If Council allocations for related Council goals, such as EVP, the DCA strategic plan and DCA action items are factored in outside of the ED allocations process, it results in a roughly neutral impact. Currently the General Fund receives about \$500,000 of the TRT; this is used for police, fire, parks and recreation, transit and library services. Also, it is likely that additional funding sources must soon be sought for those services, or else those services must be reduced. Social service allocations are approximately \$400,000 per year.

Mayor Tomlinson highlighted the figures on page 2 of Mr. Nelson's memo, noting that the \$170,000 of PTF City action items and \$192,000 of Economic Development (non-tourism) allocations (often rounded to \$200,000) would leave about \$48,000 of additional money for PFT action items, if Economic Development, Social Services and Prosperity That Fits are all funded by the TRT. He clarified that all these programs would be competing for those funds under this system.

Ms. Folts asked if the Council had had any discussions yet about funding PTF within economic development funding; Mr. Tomlinson replied that it had not. He related that the Council will be hearing a report from the Core Services Committee at its September 10 work session. That committee, meeting since January, is looking at how to fund city services. The CSC got an economic forecast in August that indicated that the city's financial outlook is stable over the next two years, with budget issues arising likely two fiscal years out. The DEVPIC may also decide to make a presentation on various scenarios to the Council at its September 10 meeting.

Elizabeth Foster asked for a breakdown on the 20% ED Allocations (\$200,520) listed on page 1 of Manager Nelson's memo. Mr. Nelson replied that major (non-Corvallis Tourism) allocations include Willamette Neighborhood Housing Services; the Chamber Coalition's Economic Development Partnership; and the Downtown Corvallis Association; minor allocations include Fall Festival; DaVinci Days; the fair; Majestic Theater; and others.

Ms. French asked who determines what qualifies under O.R.S. as tourism. Mr. Nelson related that OLA representatives indicated that they would oppose efforts to fund ArtCentric, DaVinci Days, Fall Festival, etc. with tourism-related funds. Both OLA and City attorneys would examine the issue, but the concept may be more difficult to implement than originally thought. Mayor Tomlinson added that the criteria of what constitutes "tourism" are from O.R.S. language. Also, the OLA related that it intends to tighten up the criteria in the next legislative session.

V. MEETING REPORTS

Mayor Tomlinson related several committee members met this Monday with Bill Perry of the **Oregon Restaurant Association (ORA)**, along with several local restaurateurs, to discuss a possible **restaurant tax**. Rich Carone related Mr. Perry stated that the ORA would strongly oppose a tax (perhaps with a referendum or other means), but would not necessarily oppose a general business tax. Mr. Perry contended the meals tax would be a broad benefit from a narrow base; also, it is regressive, affecting the poor more than the rich.

Ms. Foster added that she heard at the meeting that while the tax was intended to get funds from a largely out of town clientele, such as those attending football games; actually, Corvallis residents would be the ones paying the tax. Also, it would significantly hurt the banquet business. So, the tax would actually hurt economic development. Many restaurants lack the point of sale accounting software that would be needed; they are not set up for such a tax and upgrading the software would be expensive. She related that Mr. Perry had research on traffic patterns that showed that game attendees go out of town after games, not into town.

Jon Nelson added that Mr. Perry shared the uniqueness of Ashland that allows it to successfully implement a meals tax there. Also, Mr. Perry stated that restaurant taxes elsewhere in the country tend to benefit bigger chains, working against the independents: Since independents are less able to invest in setup costs, such as accounting; they are at a competitive disadvantage.

Ms. Foster related that Mr. Perry stated that Corvallis was not really a tourist town, so a restaurant tax would impact the two-income family Corvallis residents that most restaurants try to target. Mr. Carone added that there are no hard numbers to document this, though. Mayor Tomlinson said that he heard that the revenue in the meal industry mostly comes from low-priced meals, not from higher-end

restaurants, so a meal tax would tend to be regressive. The equity issue was probably the single biggest issue voiced by the ORA at the meeting and is used to oppose similar efforts in other cities. He added the ORA stated that funding for economic development should be paid by all, since it benefits everyone.

Mayor Tomlinson related that some committee members met with Greg Mindt of the **Oregon Lodging Association (OLA)** to discuss the **Transient Room Tax (TRT) increase** proposal, along with John Hope-Johnston of Corvallis Tourism and Dehn Blunt of the Holiday Inn Express and Hilton Garden Inn.

Dave Livingston (noting he was biased- he manages six corporate apartments, that are assessed the TRT) reported there was discussion at the meeting about the hypothetical 2% increase in the TRT. He related that Mr. Hope-Johnston asked whether it was worth it for Corvallis to become known as the town with the second-highest TRT in the state (behind Portland). There were also concerns voiced about individuals' discomfort about the total costs of a room, including the TRT. There was also a concern that corporate meeting planners, who also look at the total cost, might shift some meeting attendees to nearby communities. Some pointed out that business travelers are a major source of income and that the largest employers (including H-P and OSU) facing budget constraints of their own, might become sensitive to these costs.

There was an overall concern about the equity of looking to the lodging industry for additional revenues. The TRT already contributes over \$1 million to the city, in addition to property taxes; motel visitors also spend money on restaurants and shopping, too; while only 30% of the TRT now comes back to support the tourism industry.

It was pointed out that the largest motels, the Holiday Inn and the Hilton Garden, are supporters of local events and provide free rooms to Corvallis festivals. He related that Mr. Mindt stated that the OLA is watching carefully cities' tendency to re-label activities as tourism, so it would probably be a battle to do so. Mr. Livingston related that Mr. Hope-Johnston stated that the additional \$48,000 to Corvallis Tourism from a 2% increase in the TRT was not worth Corvallis getting a reputation for having a high motel tax.

Similarly, Dehn Blunt was not interested in starting to get reimbursed for collecting the TRT, as he would if a 2% increase were implemented; rather, he was more concerned about the response of both small and corporate customers. Mr. Livingston related that Mr. Blunt was more open to the idea of a general business tax, which would spread the burden more broadly. Also, in terms of implementing a business tax, one based on the number of employees would not unfairly burden small or emerging businesses.

Mayor Tomlinson reported that neither a 1% nor 2% increase to the TRT was received well. There was real concern about the customer issue and the competitiveness of the community. Ms. Manning asked Mr. Hope-Johnston about who uses local lodging; he replied that about 38-39% was corporate and about 9% was government.

Mayor Tomlinson related that a number of **business owners** were asked about a potential **business license fee**. The equity issue repeatedly comes up; if the community is going to benefit, then the costs should be spread somehow to be borne by the community. He added that there are also concerns of

equity between different business districts of the city; e.g., downtown, 9th Street, Circle Boulevard, Monroe Avenue, etc. There were concerns about the process and equity of doing economic allocations of any kind of revenue. He will be meeting with the Corporate Roundtable on September 4.

He noted that when he presented to the Kiwanis Sunrises this morning, none of the participants had heard of the Economic Vitality Partnership. There is a community awareness issue, even with the preceding two years of community outreach. A lot of work remains to be done if a business license fee is to be proposed to generate economic vitality funds.

Ms. French said her company, CH2MHill, has 150 regional offices. In her communications with some of them, she found that there were wide variations on whether business license fees were imposed; whether they were implemented by the city or county; how they were implemented; and the orders of magnitude. Bellevue has a gross receipts tax, which are expensive to calculate, and in her business, were hard to identify as originating in a given location. The taxes vary from tens of thousands of dollars to \$2 per employee. Most are restricted in their design to economic development purposes and are generally scaled to try to avoid negatively impacting small, independent businesses, including administrative costs.

Mayor Tomlinson recalled that the original intent of the business license fee in the Prosperity That Fits Plan was to begin to get information tracking regarding Corvallis businesses. Ms. French asked whether that information was already available via the \$10 Oregon business license fee. Mysty Rusk, Chamber Coalition, replied that for various reasons, that information was largely useless for EVP purposes.

Judy Corwin asked if a dollar figure had been placed on business license fee revenues yet; Mayor Tomlinson replied that it had not been. The committee has looked at models that are based on gross receipts, square footage, etc to determine the variable portion of a fee, as well as a baseline fee. The committee has been cautioned that gross receipts is very sensitive information for some businesses, especially for multi-state businesses.

Ms. Rusk suggested that with any taxation or fee structure on business, the city should list benefits. These could include creating an incentive program for business development; creation of a revolving loan fund; a flex building at the airport; citywide wireless; a recruiting fund; a sustainable infrastructure fund; an SDC assistance fund, based on need; and income or property tax rebates for businesses. She emphasized that any local taxation or fee is a direct cost to local businesses.

Ms. Manning highlighted Manager Nelson's August 14 memo, which stated that if the \$400,000 to social services moved to TRT money, it would have a neutral impact to the general fund. Mr. Nelson cautioned that some economic allocations are coming to the Council and are being accepted as special requests; therefore, if the Council decides to make revised funding process revenue neutral, the Council would have to be firm on not setting up a separate request process.

Ms. Manning, highlighting the August 14 memo, noted that the TRT already provides \$1 million of potentially dedicated funds for economic vitality-related activities. By an earlier action, the Council made a determination that half that money would go into the general fund to support other activities. She suggested the committee explore recommending to the Council that economic vitality comprises a continuum of services, including tourism, economic vitality and social services, so that all of the \$1

million from the TRT could be a pure funding source for economic vitality. She noted that some of the PTF action steps include sustainability, housing and enhancing social infrastructure. The allocation process for TRT funds could be tied to PTF Plan criteria. The only money that would have to come off the top, by statute, would be the \$300,000 to Corvallis Tourism; the remainder would potentially be available for economic vitality, including the city's \$170,000 for its action items. Mr. Carone concurred.

Ms. Corwin stated that discussion should focus on whether a 9 or 11% TRT is being contemplated; and whether social services belong in economic development or vice versa. Ms. French expressed concern that the lodging tax doesn't address the equity issue. Combining social services with economic development will be a hard sell with the community and the Council.

Ms. Manning argued that non-profits providing social services have a lot of options to build capacity for their programs; however, there are fewer options for how economic development can be funded. She and Ms. Corwin preferred the current 9% TRT rate.

Mayor Tomlinson cautioned that putting social services allocations on the table to compete with economic vitality is a huge political decision to make. Mr. Lampton stated that the community would probably not embrace the idea and it does not seem to be politically possible; it would result in spending a lot of political capital. Ms. Manning suggested it could be phased in over several years.

Councilor Zimbrick stated he did not support putting economic vitality on the back of social services. The idea of the Chamber Coalition gaining and Food Share losing felt odd. He noted that social services agencies are already struggling and doing all they can to raise funds. Ms. Folts concurred but also supported a strategic approach to allocation of funds.

Mayor Tomlinson asked whether the committee wanted to present the proposal to the Council on September 10. Ms. Manning stated that it was not developed enough. She asked Manager Nelson to present social service allocations for the next year to the committee at its next meeting.

Ms. French moved and Ms. Manning seconded that the committee recommend that the restaurant tax be taken off the table; motion passed unanimously. There was consensus to leave the business license tax on the table.

Ms. Foster noted that the word "Downtown" in the name of the committee could create future problems.

VI. OTHER INFORMATION

Minutes from the July 12 and August 2, 2007 Core Services Committee and the July 23, 2007 Prosperity That Fits Committee meetings were distributed.

VII. NEXT MEETING

The next Committee meeting will be September 20, 2007 at 4:00 pm.

VIII. PUBLIC COMMENT

Bob Baird, Book Bin, highlighted the failed telecommunications fee and cautioned against predicting fiscal train wrecks in the future that don't occur. He noted that people often have price point resistance; for example, a 9.99% TRT might be acceptable, where a 10% rate would not. He stated he was completely in favor of a business license fee, especially a reasonable flat fee. He noted that while most restaurants have a number of employees, they are low-wage. He cautioned against a structure that would have high administrative costs. He noted Oregonians have repeatedly voted against sales taxes.

Mark O'Brien, American Dream Pizza, stated he would prefer that the community as a whole fund economic vitality, since everyone benefits.

David Dowrie said the city should fund economic vitality from existing funding sources.

Reiner Bohlen advocated aiming economic vitality efforts at local businesses, since that money circulates many times, rather than being taken out of the community (as it would with a national company). He suggested using a graduated income tax for businesses, which would have little administrative cost. He stated that a flat fee, such as \$99 per year, would be regressive.

John G. Booker, Jr. stated that many social service agencies help the community; shifting funds away from them could create a gap. Social services are already squeezed by funding whose base is declining. He said that while a graduated business license fee was acceptable, a flat fee was not; he wanted more information on how it would be implemented. He emphasized that the city should be looking at ways of encouraging businesses other than coffee shops and fast food to come to Corvallis.

Dehn Blunt, Holiday Inn and Hilton Garden Inn, opposed raising the existing 9% TRT; he stressed the inequity of placing more of an economic development burden on the TRT. He noted that his industry already imposed an additional 1% statewide tax on rooms to promote tourism.

He stated he was skeptical of mixing economic development and social services. He observed that in his experience, the figure for corporate travel was more like 70%, not 38% and that local businesses would end up shouldering the burden of an increased TRT. He cautioned that an increase in the TRT would cause price resistance and result in business going to outlying areas.

IX. ADJOURNMENT. The meeting was adjourned at 6:26 pm.

CC Work Session
9/10/07

also supports Dial-A-Bus, which has recently moved into temporary modular offices due to the lack of available space.

Councilor Wershow: A good FAQ would be the percentage of facility use by seniors and non-senior groups, and a breakdown of park and field use participants.

- ▶ Ms. Conway: The Department has looked at five other facilities to address the need for softball fields and discussions are being held with Oregon State University and the Corvallis School District.

Councilor Brown requested information about the utilization of the Center and how improvements will improve delivery and services. He will make arrangements to tour the facility.

Councilor Brauner expressed support for the project. He would prefer developing a bond measure for the May 2008 election, but will support the November 2008 recommendation.

Councilor Zimbrick concurred with Councilor Brauner and expressed concern about including this item on the November ballot with the Presidential and City Council elections.

Councilor Brown noted that earlier this year the Core Services Committee was formed to look at this project along with an overall plan for the City. He inquired how Council's decision to support a November 2008 bond measure will impact the Core Services Committee.

Councilor Zimbrick responded that Core Services has discussed this project. If Council recommends a November 2008 bond measure, the project will also go through CIP and the Budget Commission. He said staff is only seeking guidance.

Mr. Nelson said staff will present an election calendar and other requested information during the second Council meeting in October. A formal Council decision will be requested at that time.

2. Downtown-Economic Vitality Plans Implementation Committee (D-EVPIC)

Councilor Zimbrick reported that D-EVPIC was charged with locating \$170,000 toward economic vitality funding. The Committee narrowed revenue generating ideas to two viable options – business licenses and Transient Occupancy Tax (TOT) allocation amendments. Currently, one-half of the TOT is placed into the General Fund, 30 percent is allocated to Corvallis Tourism, and 20 percent is applied toward economic development. D-EVPIC discussed using all TOT funds for the economic vitality plan and economic and social services allocations. The proposal is based on the current TOT, without increase. The Committee will discuss business licenses during the September meeting.

Councilor Zimbrick said he concurs with Councilor Daniels' written comments about not supporting the inclusion of social services allocations in the funding mix.

(Councilor Grosch arrived at this time.)

Councilor Brauner said citizens have made it clear that additional taxes should not be obtained from one type of business. He noted that almost every city in Oregon has business license fees. Each city varies on the cost of the fee, how the fee is charged, and how the funds are used. Corvallis can institute a business license fee and tie the revenue to something specific such as the funds needed for economic vitality.

Councilor Brauner stated opposition for combining the TOT revenue for economic vitality and social services funding. The General Fund portion of the TOT is used to support police, fire, parks, the library, and community development. By using TOT funds for economic vitality and social services, the City would be giving special status to those funds instead of vital department funding.

Councilor York said he agreed with the decision to remove restaurant and entertainment tax as a viable option to fund economic vitality. He added that the Core Services Committee is continuing to explore those revenue sources on a more long-term basis.

Councilor Beilstein referred to Councilor Daniels' written comments about removing consideration for any revenue option at any sign of opposition. He said everyone wants more money, but no one wants to contribute. He noted that a business license fee may also be a solution for Core Services to consider. He would support an annual business license fee based on the number of employees, which will capture commuters that use Corvallis services, but do not help pay for them.

Councilor Zimbrick said the charge of D-EVPIC was to explore how to fund the City's portion of the downtown and economic vitality plans. The group has not easily dismissed ideas or suggestions without heated discussions and obvious conclusions. Recommendations from D-EVPIC and Core will be ultimately decided by Council.

Councilor Wershow reminded Council that the social services allocation increases each year according to policy. If the TOT is used as one large fund for all allocations, the social services increases will continue to decrease the total available allocations.

3. Core Services Committee

Councilor York said Committee members are comprised of a broad community representation with varying degrees of City budget-process knowledge. The Committee has taken the last few months to understand where revenues are generated from and how the funds are spent. Each department presented a financial summary and business plan.

Councilor York reported that the Committee recently received updated financial projections that push the critical needs out another year. It is clear that the City will

not be sustainable over the long-term. The Committee just began focusing on potential revenue enhancements. They made it clear that they are not interested in an operating levy. Casual revenue enhancement discussions have included tourism, discretionary spending taxes, various ranges of meal taxes (two to four percent), entertainment tax, and TOT uses and increases.

Councilor Brauner said the Committee was originally charged with making a recommendation to Council by November 2007. New financial projections have removed the urgency to solve the financial problem this year; therefore, the time line could be removed based on the new financial projections. Council can instruct the Committee to continue to develop a financial plan based on the new projections. Councilor Brauner said, because the Committee is comprised of members with strong, divergent opinions, it would take a long time and a lot of work to develop one recommendation.

Ms. Brewer reviewed the budget projections attached to the August 2, 2007 Core Services Committee meeting minutes.

Councilor Zimbrick referred to the enhancement list and noted that Council has not discussed these items. He said although the items are most likely in the business plans, he cautioned against publicizing this type of list. Ms. Brewer said the enhancement list includes items that have been identified in departmental business plans for a number of years. They have not been forwarded to the Budget Commission due to the lack of funding resources. Staff has focused on enhancement packages requested by Council. Other items stay in the business plans.

Mr. Nelson said departments feel penalized for not being able to bring enhancement requests forward from their business plans, and then watch others obtain funding for their requests. Staff will be asking Council to consider a change on business plan enhancements.

Councilor Zimbrick said the charge of the Core Services Committee was to find funding solutions for the City's short-fall. He expressed surprise to see an enhancement list when the Committee is trying to solve financial issues.

Councilor Brauner responded that the Committee reviewed departmental business plans that included the items in the enhancement list. The Committee wanted to see the high and low funding issues, but it does not mean they will recommend funding the items on the list.

In response to Councilor Grosch's inquiry, Assistant City Manager Volmert said the City does not yet know how the changes in the public safety laws will impact the City financially. If collective bargaining moves to arbitration, the arbitrator has to choose one total package.

Councilor Beilstein opined that the enhancement list can be narrowed down to a shorter list for budgeting purposes. Councilor York added that the Committee agreed that it was not their role to prioritize the enhancement list.

Councilor Brauner said Council gave the Core Services Committee a deadline of November 2007 to make a recommendation to correct the financial burden expected in Fiscal Year 2008-2009. The assumption was that the City needed additional revenue or to make reductions in services. The deadline is no longer appropriate per the newest budget projections.

Councilor Grosch said Council must be willing to take a stand; the City is either going to seek additional revenue or cut services. That decision belongs to Council and is not the responsibility of others. He opined that the Committee has completed its task.

Councilor Wershow said the Committee is not moving forward and the issue needs to be brought back to Council. He added that staff should prioritize the enhancement list as they know the projects best.

Councilor York said the Committee finally understands the budget process and has developed preliminary opinions. They have not yet had a chance to devote any energy to solving the financial picture. The Committee can serve as a community sounding board and bring recommendations back to Council.

Councilor Brauner added that having monthly meetings to quickly solve a problem will not work with this Committee. He expressed respect for the time members have served and said some may want to continue to help develop a broad financial strategy. The original charge for this Committee is no longer necessary.

Councilor Grosch said the Committee has done a good job, but the issue continues to be raising revenues and decreasing services. He stated preference for relying on staff to figure out the best strategic plan and then asking the voters.

Councilor Brown said he liked the idea of the Core Services Committee and thought it would be a good process to show the community choices on revenues and services. An alternative would be to go the voters to make sure their choices are being met. There may be a benefit in having the Committee continue working toward the November deadline.

Councilor Beilstein agreed that the current charge no longer applies. Since the Committee has educated themselves with background information, it makes sense to develop a new charge. The Committee could serve as an outreach body to bring more citizenry into the process.

Mayor Tomlinson said he appointed a cross-section of the community to this Committee, all with a diverse approach to government spending. The original charge was to review financial strategies. He said he would like the Committee to

work on a long-term strategy for the City's financial future and take the strategy into the community for feedback.

Councilor Hamby said he would like to see the Committee develop a multi-year financial strategy that includes something beyond additional revenues. He said the minutes indicate that nothing has been explored beyond alternative revenues.

Councilor Grosch said Council and the Budget Commission make these kinds of decisions and Council is asking volunteers to do an impossible job. The City's core financial strategy has always been to obtain revenue or reduce services.

Councilor Wershow expressed concern about continuing a committee that includes Budget Commission members who will be addressing some of the same issues.

Mr. Nelson explained that the model for this Committee was based on the Transportation Alternatives Task Force (TATF). The TATF was focused, dealt with a smaller fund, and was very successful. Using the same model for a larger fund with a multi-focus and involving more stakeholders has not worked as well. The make up of the group will make it difficult to come to one recommendation. Circumstances have changed and by the time Council makes a decision about any financial recommendation, a different Council will be making the final decision. The Committee could focus on developing a financial strategy versus developing individual tactics.

Councilor Brauner said he will explain the situation to the Committee and let them decide if they want to meet less frequently to work on strategy without duplicating functions of the Budget Commission and Council.

Councilor Grosch added that Council will need to approve any alternative approach the Committee might want to explore.

4. Consistent Messaging

Ms. Volmert reported that a community choice message can be joined with existing Communications Plan key messages such as using tax dollars wisely and providing good value. The message is an attempt to condense D-EVPIC and Core Services discussions with recent changes to the financial projections, and to eliminate portrayal of a crises that no longer exists.

Councilor York said he supports a consistent message for staff but it would be difficult for nine diverse Councilors to state the same message.

Councilor Brauner said Councilors can express their opinions, but when Council decides on a strategy or approach, the message should be similar. It is important to disseminate factual information and explain how and why projections change.

Councilor Brown suggested several revisions to the submitted statement. He concurred that Council is aware of the issues and is working toward a solution.

DRAFT

**CITY OF CORVALLIS
DOWNTOWN AND ECONOMIC VITALITY
PLANS IMPLEMENTATION COMMITTEE
MINUTES**

September 20, 2007

The regular meeting of the Downtown and Economic Vitality Plans Implementation Committee of the City of Corvallis, Oregon, was called to order at 4:05 pm on August 23, 2007, in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon, with Acting Chair Zimbrick presiding.

I. ROLL CALL

PRESENT: Acting Chair Scott Zimbrick, Committee Members Rich Carone, Judy Corwin, Elizabeth French, Pat Lampton, Julie Manning, Dave Livingston, Elizabeth Foster, Belinda Batten, Larry Plotkin, Barbara Ross

STAFF: City Manager Jon Nelson, Finance Director Nancy Brewer, Assistant City Manager Ellen Volmert

ABSENT/EXCUSED: Pam Folts, Dave Gazely, Vincent Remcho, Patricia Daniels, Linda Modrell, Bennett Hall, Larry Plotkin, Mayor Charles Tomlinson.

II. REVIEW AND APPROVAL OF MINUTES

August 23, 2007 minutes approved as presented.

III. PUBLIC COMMENT

Cynthia Spencer, Fall Festival Director, noted the partnership benefits that Fall Festival and daVinci Days receive from the City and business organizations. She noted the importance of stable economic development funding and how cultural events enhance Corvallis, generate tourism dollars, and provide fund raising opportunities for community organizations. She thanked committee members for their work.

IV. REVIEW REQUESTED FOLLOW-UP INFORMATION

City Manager Nelson reviewed the Fiscal Year 2007-2008 Social Services grant allocations and process. In response to questions, it was noted that the allocations process and focus is reviewed annually by Council and the dollar volume of requests for Fiscal Year 2007-2008 was fairly typical.

V. FEEDBACK FROM SEPTEMBER 10, 2007 CITY COUNCIL WORK SESSION

Acting Chair Zimbrick reviewed his notes from the work session. He indicated Council cannot vote in a work session setting, but his sense of the discussion was that Council was not in support of an increase in the Transient Room Tax. Similarly, he said Council is not in favor of Social Services

allocations being added to a combined economic development and Prosperity That Fits allocations model.

Acting Chair Zimbrick noted that Council understood the connection between a business license fee and the action items in the Downtown Strategic and Prosperity That Fits Plans. He advised the committee that based on reviewed financial information, the Core Services Committee was sunsetted. Committee discussion points included the committee's work being narrowed or "boxed" as a result of Council feedback, whether there was capacity within the City's operating budget for the \$170,000 in City action items, and the business community's willingness to consider a business license tax as long as they are at the table on how it is developed and what it will fund. It was noted that the business community will not favor a business license tax dedicated to the General Fund.

VI. NEXT STEPS

Transient Room Tax – Larry Plotkin and Rich Carone, respectively, moved and seconded to remove a Transient Room Tax (TRT) increase from further committee consideration. Discussion points included the marginal return realized if an increase is pursued and the lack of multiple options to present to Council if a TRT increase is no longer under consideration. The motion passed unanimously.

Business License Fee – Barbara Ross and Belinda Batten, respectively, moved and seconded for the committee to consider a business license fee through a subcommittee working with City staff. Discussion points included:

- The committee only having one proposal to present to Council;
- The subcommittee should include stakeholders not participating on the committee (example - non-profits);
- Any fee/tax should have clear requirements – scalable, capped, measurable, easy to administer, business activities only focus, appropriate order of magnitude;
- Clear in what the funding will be used for;
- If establishing as long-term funding source, tailored to be used for shorter term action items;
- Form and reporting requirements depend upon what information the business community wants to compile; and
- Consideration of appropriate collections authority (City, County, Coalition).

The motion passed unanimously.

Acting Chair Zimbrick inquired whether any members would be willing to serve on a business license fee subcommittee. Rich Carone, Larry Plotkin, Elizabeth French, and Pat Lampton volunteered. Barbara Ross noted that while she may not be able to represent CIBA on the subcommittee, it would be important to include CIBA representation.

Mayor Tomlinson will consider subcommittee appointments in October.

Consolidated Economic Development, Social Services, and Prosperity That Fits Program – Pat Lampton and Judy Corwin, respectively, moved and seconded that Council consider a comprehensive consolidated allocations (ED, SS, PTF) program model. The motion passed unanimously.

DRAFT

Committee discussion points included:

- The idea merits further policy review and discussion, and
- 100% of TRT funds could fund all three programs.

No further committee work on a consolidated program is anticipated.

VII. OTHER INFORMATION

Minutes from the August 27, 2007 Prosperity That Fits Committee meeting were distributed.

VIII. NEXT MEETING

The October 25, 2007 meeting was cancelled pending subcommittee work on a business license fee.

IX. PUBLIC COMMENT – None.

X. OTHER BUSINESS

- Rich Carone asked that future meeting times be revised to not conflict with Corvallis Benton Chamber Coalition meetings that he chairs.
- Pat Lampton asked that the committee name be discussed and City Manager Nelson noted it was scheduled to come back on a future agenda. Mr. Lampton also noted the work on the urban renewal district.

XI. ADJOURNMENT. The meeting was adjourned at 5:30 pm.

V. DISCUSS NEXT STEPS (CONTINUED DISCUSSION)

Mayor Tomlinson stated that it would be beneficial for Council to review the financial projections and provide some direction for this Committee. He requested members state their opinions regarding the financial projections and Committee future to be shared with Council during their work session on September 10.

Councilor York said he was pleased with the revised outlook, but understands the City cannot put off making tough decisions. The sooner the City begins to deal with the problem, the better. He opined that the Committee should further develop non property tax revenues and begin collecting additional revenues now. Councilor York expressed concern that D-EVPIC is covering the same issues and reviewing the same revenue sources. He suggested interaction between the two Committees.

Ms. Schreck said Corvallis is a quality community and no one wants to change that. She prefers non property tax revenue enhancements that are palatable, fair, and help the City move in a positive direction. She said she is glad the time line has increased some and noted that in two years the Country will have a different President and could be looking at things differently, which will impact Corvallis. She requested direction from Council about the December time frame and said if Council wants the Committee to continue, further discussions need to include revenue enhancements.

Mr. Detweiler said he is against raising taxes and suggested that the Police Department items on the enhancement list be pushed further out until the City decides what to do. He opined that there is no reason to expand the Senior Center as most seniors he knows do not use the Center. Mr. Detweiler said the OAC belongs to the School District and they should be providing capital improvements. He opined that the energy calculation at OAC is a number crunch that does not mean much without the Internal Rate of Return (IRR).

Ms. Ridlington said the departmental presentations revealed that departments operate very responsibly. She said she has always supported raising revenue and it is obvious that departments need additional revenue sources.

Mr. Cadman said the charge of the Committee is not a tactical solution, but a strategy to help the Budget Commission and Council develop a tactical solution. The Committee moves too quickly to solutions instead of focusing on strategy. Because budget numbers consistently change, the time would be better spent developing a robust strategy that includes when and how service enhancements and/or reductions are brought forward, whether staff recommendations are responded to differently than community recommendations, kinds of fund balances the City should retain, and how to handle mitigating expenditures that show-up throughout the year. These discussions would help drive strategic choices that could then be used in a tactical manner by the Budget Commission and Council.

Mr. Detweiler requested that the words "revenue enhancements" not be used. The terms are "taxes" or "user fees." He opined that there is no such thing as a "revenue enhancement."

Mr. Wilson said everyone talks about averages, but no one thinks they are average. Corvallis is not an average community and he resists attempts to reduce Corvallis to average. Mr. Wilson opined that there is nothing to be gained by increasing fire response time except in certain areas. He has little concern about raising property taxes, as they are the only tax deductible item for individuals. He said the Committee is identified as Core Services, but it feels like the Property Tax Fund Committee. Per the charge, there are many core services the Committee is not dealing with such as water, sewer, police, fire, and roads. He opined that raising property taxes would be easier; however, revenue enhancements are most likely the only answer.

Mr. Daniels said he agrees with Councilor York's comments about having a reasonable ending fund balance at the end of five years. He opined that the City would need to add revenues to make that happen. Adding revenues cannot occur without Council providing leadership in prioritizing the enhancement list and deciding what to fund over the next five years. Mr. Daniels said he thought the City was reviewing how to reduce its reliance on property taxes to fund services. He does not believe the City should be looking at taking funds currently in the General Fund to use elsewhere when the funds have not been replaced. He suggested forming a subcommittee to discuss districts and intergovernmental collaboration. Mr. Daniels noted that the Senior Center is frequently used by outside organizations.

Doug VanPelt noted that the City provides an excellent array of services and he does not want those services to be reduced. It may be feasible to have a county-wide ambulance district where everyone shares the cost, similar to the Library district. Another idea would be for the Rural Fire District to annex the City; the Rural Fire District would collect the City's portion of the property tax designated for Fire, and everyone would pay the same rate. Unless City taxes were reduced, it would translate to a tax rate increase within the City. Mr. VanPelt said he would prefer to identify revenue enhancements and tax increases to sustain the current services, understanding that there will be more services in the future.

Mr. Tom Nelson concurred with Mr. VanPelt's comments and added that the Rural Fire District's tax base is \$2.114/\$1,000, and he thought the share of the City's tax rate that went to Fire was \$1.53.

Mr. Stephens agreed with Mr. Cadman's comments related to strategy versus tactics. He opined that the Committee needs to step back and look at strategy and various funding sources to increase revenues. Mr. Stephens said where he grew up (Reno, Nevada), almost everything is paid for by gaming, restaurants, and lodging. He favors restaurant and entertainment taxes as enhanced revenues.

In response to Mr. Stephens inquiry, Ms. Brewer said the financial projections do not take into account the forming of an Urban Renewal District (URD) currently being pursued by the Downtown Corvallis Association. The City cannot estimate the loss value due to forming the URD until the boundaries are finalized. The value of the URD will reduce growth in the City's value, changing the financial projections. Mr. Jon Nelson commented that the increment will not be that great compared to the total assessed value.

Ms. Schreck said a concern as Chair of the CIP, is that very few property tax revenues are dedicated for capital improvements. The largest deduction from property taxes was the street fund, now being recouped by the Transportation Maintenance Fee, but with a finite time for collection. When the finite time is over, the City is back to \$400,000 less to fund streets. The City has placed high value on infrastructure and capital needs of the community, which is a part of core services, but not this Committee. The CIP spring outreach letter resulted in community responses about capital needs and enhancements to the community. Ms. Schreck opined that the Committee needs to include community responses to capital needs as a part of the committee philosophy. She inquired how capital needs will be funded in the future if not covered by Systems Development Charges (SDCs) or utility revenues. Ms. Schreck opined that the City needs strategic direction for future funding of CIP.

VI. PUBLIC COMMENT

None.

IX. OTHER MINUTES

Mayor Tomlinson referenced the June 28, 2007 Downtown/EVP Plans Implementation Committee (D-EVPIC) minutes. He said the charge of the D-EVPIC is to find a revenue source to fund the City's portion (\$170,000) of the Downtown and EVP Strategic Plans. The D-EVPIC discussed broadening the charge and funding other projects that are in the Prosperity That Fits plan. Revenue sources discussed by D-EVPIC included Transient Room Tax, Business License Fee, and Restaurant Meal Tax. Entertainment Tax was discussed and removed from consideration. Staff is discussing these options with the Oregon Lodging Association and the Oregon Restaurant Association. Mayor Tomlinson noted that the Oregon Revised Statutes restrict how Transient Room Taxes are spent. A 5% restaurant meal tax in Corvallis is estimated to generate \$4 million, which is more than what Core Services is looking for in revenues. The Business License Fee was identified not to generate significant revenue, but to provide business demographics. D-EVPIC discussions have not evolved into defining "business."

(Councilor York left the meeting at 5:30 pm.)

Mayor Tomlinson added that D-EVPIC also looked at the current utilization of transient room taxes in the City's budget. Currently, transient room taxes (approximately \$1 million) are divided for distribution by policy: 50% to General Fund, 30% to Corvallis Tourism, and 20% for economic development allocation funds. D-EVPIC discussed focusing the \$1 million on economic development and social services. The current \$370,000 social service allocation is derived from property tax funds.

Mayor Tomlinson reported that D-EVPIC recommendations come through Core Services before a final recommendation is made to Council.

In response to Ms. Ridlington's inquiry, Mayor Tomlinson said no other committees report back to Core Services, nor are other committees reviewing new revenue sources.

Mr. Jon Nelson added that D-EVPIC is attempting to locate \$170,000 in revenues and understands the magnitude of Core Services charge. D-EVPIC is very focused on the business aspect, the Prosperity That Fits plan, and has not discussed any revenue ideas presented by Mr. Daniels. As a committee created by City Council, the D-EVPIC recommendations will be forwarded to the City Council. The recommendations will be shared with Core Services Committee for their input prior to any final action by D-EVPIC. Ultimately, Council will decide on any recommendations brought forward by Core or D-EVPIC.

Ms. Schreck added that any outreach to the community needs to be credible. She prefers D-EVPIC and Core strategize with the community together.

Mayor Tomlinson referred to the June 25 Prosperity That Fits committee minutes included in the meeting materials.

X. NEXT MEETING

Mayor Tomlinson suggested cancelling the August 16 Core Services Committee meeting so that Council has an opportunity to review the most recent financial projections during their September 10 work session. He clarified that members could attend the Council work session and/or submit written materials for consideration. The work session is for discussion purposes only; Council will not make any decisions.

The next Committee meeting will be September 13, 2007 at 4:00 pm in the Downtown Fire Station at 400 NW Harrison Boulevard.

The meeting adjourned at 5:36 pm.

NON-Property Tax Revenue Sources

<u>Source</u> <u>City Council Decision</u>	<u>Rev. Est./yr.</u>	<u>Comments</u>
1. City util. franchise fee to 7.5 %	\$ 405,000	Now 5%
2. Non-city utility franchise fees to 7%	\$1,300,000	Now mostly 5%
3. City services bill surcharge \$3/mo.	\$ 558,000	Could be more of less per month
4. Transportation Maint. Fee to \$3/yr.	\$ 482,000	Now approx. \$1.36/mo
5. Devel. planning charges to 100%	\$ 150,000	Ken Gibb presentation
6. Housing code fee to \$16/unit/yr.	\$ 120,000	Ken Gibb presentation
7. Fee/fine increases all depts.	\$ 100,000	Kent's estimate
8. Transient lodging fee to 11%	\$ <u>222,000</u>	Now 9%
Subtotal	\$3,337,000/yr.	
<u>Voter approval required (?)</u>		
1. 5% restaurant meal fee	\$ 750,000	Based on Ashland model
2. 5% entertainment fee	\$ 400,000	Rev. estimate needs research
3. Business License fee	\$ <u>300,000</u>	\$10/employee
Subtotal	\$1,450,000/yr.	
TOTAL	\$4,787,000/yr.	

*Kent Daniels
Case Services Comm
8/10/07*

NOTES

1. Almost all of these estimates are from information provided to the committee by staff (see Brewer 4/3/07 memo especially).
2. Please be aware that many of these estimates are based on a % charge that could be higher or lower.
3. Some estimates would require additional research for verification (such as the restaurant and entertainment fees)
4. Possible uses for most of these revenues could vary widely.
5. There are other non-property tax sources of revenue than those listed here. For example, the formation of a transit district could generate significant additional non-property tax revenue.

ATTACHMENT 1

MEMORANDUM

December 9, 2003

5/10/07
Committee Request
JAN
Cole Services

TO: Mayor and City Council
FROM: Nancy Brewer, Finance Director
SUBJECT: Entertainment Tax

I. Issue

To present information about the possibility of creating an Entertainment Fund with an entertainment tax as the revenue.

II. Discussion

Finance Department staff members have attempted to gather information about an entertainment tax. A web search led to a number of other cities and a few states that have an admissions tax. Organizations and businesses in Corvallis were contacted to obtain information about the size of venue (number of seats), average ticket prices, and number of events in order to estimate revenues from a 5% admissions tax. Finally, staff prepared information on potential administrative costs.

A. Other Cities

There are a number of other cities that have an admissions tax (AT). A partial list of cities includes: Las Vegas; Norfolk and Roanoke, Virginia; Cincinnati and Springdale, Ohio; Lakewood and Seattle, Washington; Santa Cruz and Irwindale, California. A survey of cities indicates the following:

- The most common rate for an AT is 5%, although rates are as low as 3% and as high as 10%. Staff has not found any entity that charges a flat rate for lower price ticket (i.e., \$0 for tickets from \$0.01 through \$4.99; \$1.00 for tickets from \$5.00 through \$19.99). However, at least Seattle has a minimum AT of 10¢.
- Most of the time the rate is applied consistently, but in some cases a City may charge a higher rate on events held in a city-owned civic center.
- The AT appears to be a more popular tax in cities where there are professional sports and/or where the city is more of a destination-type community where people go to attend sports/theatre events, or the city has a major civic center.

- The AT rate is applied to the base ticket price, but in some cities the advertised ticket price may include the AT (i.e., the price can be stated as \$15 plus AT for a total of \$15.75, or the price can be stated as \$16 and the vendor remits 80¢ and keeps \$15.20).
- There is no consistency over what is exempt. For example, in some cities events held as fund raisers for non-profits are exempt, in other cities they are specifically subject to the AT. In some cities events at municipal facilities are exempt, while in other cities municipal facilities charge a higher AT than privately owned facilities. In some cities, amateur athletic events are exempt, in others they are subject to the AT. In some cities, the person may be exempt (i.e., under 5 over 65). In some cities tickets that are comped are still assessed the AT.
- There is some consistency that the AT is only applied to charges for non-participatory events. For example, bowling alleys, golf courses, and tennis centers are frequently exempt for the participants, but would charge an AT for people observing an event (i.e., no AT on the entrance fee for a tennis match, but an AT is charged for attendees there to watch). However, there are cities where activities such as bowling are charged the AT.
- There is also general consistency in that the AT is charged for events where people go to observe. In a brief search we did not find an admissions tax on either video-rentals or pay-per-view type events. Staff surmises that this is because people are not paying to be admitted to a venue, but rather are paying for entertainment consumed at home.
- Some entities allow the vendors to keep a percent of the AT collected as a cost of collection and obtaining a surety bond. The amount kept for collection costs is most often 5% of collections.
- Several states charge a statewide AT. The revenue appears to go to the state's General Fund. There is more variation in what an AT is used to fund for cities. In most cases, the AT is used for General Fund purposes. In some cases, the AT is used to retire debt for construction of a sports arena or civic center. In 2005, 20% of Seattle's AT that comes from all except men's professional basketball will be used to fund an Arts program.

B. Revenue Projections

Revenue projections for an AT are difficult to make. Finance Department staff have attempted to contact local entities that would most likely be included in an AT and obtain information on average revenue, ticket sales, etc. For most events, obtaining this information in a way that translates to a revenue estimate has been a challenge because there are not simple answers to revenue estimation questions. For example, OSU Football, most likely the largest single AT revenue producer, has a dozen different prices for tickets and although the stadium holds more people than the 32,000 high ticket sales, the balance of tickets are comped each year and OSU does not obtain direct revenue from the tickets. The number of home games will vary each year for each major sport, and that will have an impact on the revenue produced. In addition, although OSU has more sports programs than those identified on the attachment, most of the

smaller sports programs no longer charge admission because it cost OSU more to staff a ticket booth than was collected for the game.

For other entities, staff members have experienced a reluctance to share information with the City about the average number of tickets sold, annual or monthly revenue, or even capacity of the facility. In some cases, private entities consider the information to be confidential, and refused to provide information.

Attached is a table of some revenue estimates. Staff made efforts to gather information from a representative sample of entities, either based on total revenue, or an estimate of the number of seats, average prices for tickets, and then complete a high- low- and average-estimate for attendance. Information for OSU athletics came from discussions with OSU about average ticket sales.

In general, it is clear that OSU football would provide the majority of the revenue from an AT. This is both because the average price for tickets is higher than most other venues, and because of the large number of tickets sold. It is also clear that the revenue could fluctuate substantially depending on whether attendance at OSU football was at capacity or substantially below capacity.

Finance staff members were unable to obtain information from Regal Cinemas on their facility. As a result, staff estimated the total number of seats at 800 (100 each in the two smaller theaters and 300 each in the two larger theaters). The highest attendance would be all 800 seats full for four showings each day for 365 days per year. While it is highly likely that there are some weeks each year when one or two theaters have sold out seats (i.e., Lord of the Rings) for all four shows, it is also likely that most weeks each year do not have all four theaters sold out for all showings. As a result, staff calculated a high figure at 50% of capacity and further assumed that the majority of the time the attendance would reflect average to low figures. The lowest attendance figure assumes 10 seats sold per show, four shows per day in each of four theaters, 365 days per year. Of note, if all theater seats were full for all four shows per day every day of the year, the movie theater would produce more revenue than OSU Football.

Staff included events at the Benton County Fairgrounds in the estimates, but notes that the Fairgrounds are not inside the City limits. However, neither is the Crescent Valley High School facility but presumably events at that facility would be charged an AT if other 509J events were charged an AT.

At the time of writing, staff had not been able to obtain estimates from the 509J School District for their events, or from OSU theater. If that information becomes available, staff will add it to the estimates presented here.

Finally, staff estimated the revenue from an AT on live-music cover charges based on limited experience with most of the venues which offer live music and charge a cover.

Staff estimates an AT in Corvallis could raise between as much as \$412,000 annually, although \$282,000 to \$387,000 annually are probably better estimates based on the Regal Cinemas

discussion above. Depending on the seating capacity of the Carmike Theaters (under construction), the revenue from movies could be higher.

C. Administrative Costs

Administrative costs will vary based on the processes the City Council would use to implement the Entertainment Fund. Issues the Council would have to determine would include:

- What the application process for funds would be, and whether that would be City staff supported or whether it would be managed by some other entity.
- Whether monthly or quarterly reports would be required from the funded entities, and City staff's role in the reporting process.
- Whether audits of the entities participating in collecting the AT will be required and if so, how frequently, and by whom.
- The mechanism used to ensure entities paid the AT. Alternatives could include placing a lien on the property for collections (similar to the transient room tax), citing entities into Municipal Court, or turning the amounts due over to a collection agency.

Staff can provide some estimates of costs for basic information. These costs do not include significant ramp-up costs associated with staffing a new program and developing the internal controls and systems that will be necessary to manage the monies correctly.

Costs to collect monies monthly – This would be done by Finance Department staff. With an estimate of 25 reporting entities, staff projects costs of \$1,200 to \$1,400 to collect and report on monies monthly, reconcile amounts owed to amounts paid, and minimal follow-up with delinquent entities. If additional collection work is required (i.e., sending accounts to collections or pursuing foreclosure as the city does for unpaid transient room taxes), additional costs would be incurred.

Costs to audit entities – If the audits were performed as they are for transient room taxes, the Finance Department anticipates completing two to three audits each year, at an estimated cost of \$500 to \$650 annually.

Costs to complete an annual allocation process – Assuming that the process would follow the same basic outline as the current Economic Development process, staff time would be around 80 hours annually, or \$3,000 annually, including staff time and benefits, plus copy, advertising, and other miscellaneous costs.

Costs to complete quarterly financial reporting – Assuming that the process would be similar to the current Economic Development quarterly reporting process, staff time would be around 40 hours annually at an estimated cost of \$1,500 for time and materials to make copies, etc.

Costs to make payments – Assuming that there is a contract negotiated through the granting process identified above, costs to process payments either monthly or quarterly would be less than \$1,000 annually.

In total, staff estimates costs at \$7,200 to \$7,550 per year, and our initial attempt would be to fit the work into existing staff portfolios. Costs would increase if City staff were unable to incorporate the basic tasks identified or the work was expanded.

D. Other Issues

In doing the research, staff discovered a number of issues that would need to be addressed and defined if Corvallis was to implement an Admissions Tax. Some of the items are discussed in the bulleted list under "Other Cities" above. If the Council directs staff to develop more information on an AT, staff would use the list as a starting point for discussion.

III. Next Steps

It is clear from the lack of information from some entities that the revenue estimates included here are not complete. However, it is likely that they are close to actual on an order of magnitude basis. Staff recommends the Council consider the following as possible next steps:

1. Council schedules a public hearing opportunity on the Admissions Tax/Entertainment Fund concept to see if there is support for having a Council Committee develop a program.
2. Refer this issue to a Council Committee to develop an outline of the Admissions Tax/Entertainment Fund legislation prior to a public comment period.
3. Council postpones an investigation of the Admissions Tax/Entertainment Fund concept until after a long-term financial strategy has been identified, or to a date certain time.

IV. Requested Action

Staff is providing some basic information to the City Council for the Council's consideration. Staff seeks Council direction for next steps.

Review & Concur:

City Manager

attachment

Program	Attendance Per Event			Avg \$	# of Events	Ticket Rev			5% Entertainment Fund Tax		
	High	Low	Avg			High	Low	Avg	High	Low	Avg
OSU - Men's Football	32,000	22,000	27,000	24	6	4,512,000	3,102,000	3,807,000	225,600	155,100	190,350
OSU - Basketball	3,400	1,500	2,450			800,000	500,000	650,000	40,000	25,000	32,500
OSU - Men's Gymnastics	500	200	350			30,000	20,000	25,000	1,500	1,000	1,250
OSU - Women's	500	200	350			30,000	20,000	25,000	1,500	1,000	1,250
OSU - Women's	500	200	350			30,000	20,000	25,000	1,500	1,000	1,250
OSU - Theatre											
City P&R - Osborn (not includ. memberships/15-visit cards; daily only)	53,000	50,000	51,500	3	1	172,250	162,500	167,375	8,613	8,125	8,369
Majestic Theater	300	100	200	7	100	210,000	70,000	140,000	10,500	3,500	7,000
Highland Bowling	2,738	1,065	1,901	3	20	164,250	63,875	114,063	8,213	3,194	5,703
Regal Cinemas (est.)	400	160	280	6	1,456	3,494,400	1,397,760	2,446,080	174,720	69,888	122,304
Fairgrounds - County Fair	39,000	39,000	39,000	5	1	195,000	195,000	195,000	9,750	9,750	9,750
Fairgrounds - other			0		1	0	0	0	0	0	0
509J - Highschool Plays			0		2	0	0	0	0	0	0
509J - Sports			0			0	0	0	0	0	0
Da Vinci Days	8,000	4,000	6,000	7	3	173,333	86,667	130,000	8,667	4,333	6,500
Red, White & Blue	2,000	500	1,250	5	1	10,000	2,500	6,250	500	125	313
Live music-cover charges	30	10	20	5	150	22,500	7,500	15,000	1,125	375	750
TOTAL									492,187	282,390	387,288



MEMORANDUM

To: Mayor and City Council
From: Karen Emery, Acting Director
Theresa Brand, Senior Center Supervisor
Date: March 26, 2008
Subject: Grant Funds from the Senior Citizens Foundation of Benton County -
Acceptance and Appropriation

Issue: The Parks and Recreation Department has been awarded a grant for \$10,356 from the Senior Citizens Foundation of Benton County to support 17 hours per week of additional casual staffing in the areas of Health Programs and Special Events for program coordination purposes.

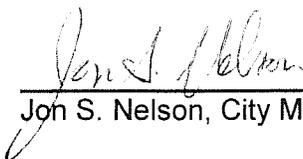
Discussion: Foundation board members have acknowledged the need for additional casual staffing at the Senior Center with a grant offer. This need for additional staff was evident due to the increased demands in the areas of health programs and special events with a limited staff. In addition, in order to increase revenue the Senior Center Recreation Coordinator's time is now focused on the Trip Program, another high demand area.

The \$10, 356 represents the first installment of an intended three-year commitment by the Foundation. In February of each year, the Foundation will re-evaluate approval of an additional year's funding. The intended use of the funds per the proposed agreement with the Foundation (see Attachment A) is as follows:

7 Casual Hours per week - Senior Center - Health Programs Coordination
10 Casual Hours per week - Senior Center - Special Events Coordination

Recommendation: Staff recommends City Council approval of this grant agreement, including adoption of a resolution authorizing the City Manager to execute the agreement, any future amendments relating to this agreement, and increasing appropriations accordingly.

Review and Concur:



John S. Nelson, City Manager Date 3/28/08



Nancy Brewer, Finance Director Date 3/27/08

Attachment

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE SENIOR CITIZENS FOUNDATION OF BENTON COUNTY
AND
THE CITY OF CORVALLIS PARKS AND RECREATION DEPARTMENT**

RECITALS

- A. Because the City, acting through its Parks and Recreation Department, works with other groups and organizations to enhance the recreational activities available to older adults in the community; and
- B. Because the Senior Citizens Foundation of Benton County expertise and financial resources to support programs and events for older adults;
- C. The following conditions are understood by both parties:

THE CITY SHALL:

- A. Use the foundation multi-year grant commitment to hire two casual part time Special Recreation Coordinators to expand program opportunities for older adults of Corvallis;
- B. Provide notification on program flyers and marketing brochures of the co-sponsorship of the Foundation through the use of a logo provided by the Foundation for this identified activity. The logo will be placed opposite to the City of Corvallis logo on the piece.
- C. Identify on the job description, when advertising, that the positions are grant funded and subject to annual review, approval and renewal by the Foundation Board.

THE SENIOR CITIZENS FOUNDATION SHALL:

- A. Make a grant donation of \$10,356 per year through April 15, 2010. Payment will be provided to the City in three installments of \$10,356 per year no later than April 15, 2008, April 15, 2009 and April 15 2010. On March 20, 2009 and March 20, 2010, the grant funding will be reviewed by the Foundation Board for second and third year funding.
- B. Submit a written letter by April 1, 2009 and April 1, 2010 to the Director of Parks and Recreation, if the Foundation chooses to not renew the second and third year grant award;
- C. Indemnify, protect, defend, and hold City, its officers, agents, volunteers, and employees harmless against any actions, claim for injury or damage and all loss, liability, cost or expense, including court costs and attorneys fees, growing out of or resulting directly or indirectly from the performance of this memorandum of understanding, except for that resulting from the sole negligence of the City.

BOTH PARTIES AGREE:

- A. Not to discriminate on the basis of age, citizenship status, color, familial status, gender identity or expression, marital status, mental disability, national origin, physical disability, race, religion, religious observance, sex, sexual orientation, and source or level of income in the performance of this contract.
- B. Not to assign any features of this memorandum of understanding, in whole or in part, or any right or obligation hereunder without the other party's prior written approval;
- C. That any modification of any of the terms of use may be negotiated and agreed upon in writing by the President of the Foundation and the Senior Center Supervisor.

Approved:

Karen Emery, Acting Director
Corvallis Parks and Recreation Department

Ellen Hooven, President
Senior Citizens Foundation of Benton
County Inc.

Date

Date

RESOLUTION 2008-_____

Minutes of the _____, Corvallis City Council meeting, continued.

A resolution submitted by Councilor _____ .

WHEREAS, ORS 294.326(2) allows the City Council to establish appropriations to authorize the expenditure of grants, gifts, or bequests after the budget has been approved; provided that the funds are for a specific purpose and that they were not anticipated at the time the budget was approved; and

WHEREAS, the City of Corvallis has received a grant totaling the amount of \$10,356 from the Senior Citizens Foundation of Benton County for the purpose of hiring 17 hours per week of additional casual staff at the Chintimini Senior Center; and

WHEREAS, the grant was unanticipated at the time the fiscal year 2007-08 budget was adopted;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS RESOLVES that the grant in the amount of \$10,356 for the purpose of hiring 17 hours per week of additional casual staff at the Chintimini Senior Center is accepted.

BE IT FURTHER RESOLVED that the Finance Director be authorized to make the proper adjustments in the budget appropriations.

<u>PARKS AND RECREATION FUND</u>	<u>AMOUNT</u>
Parks and Recreation	\$10,356.00

Councilor

Upon motion duly made and seconded, the foregoing resolution was adopted and the Mayor thereupon declared said resolution to be adopted.

To: City Council
From: Dan Brown

April 7, 2008

Sustainability Work Groups

1. Environmental

- Energy
- Water
- Waste
- Green Building
- Food
- Transportation
- Land Use
- Natural Resources

2. Social

- Education
- Arts and Culture
- Health and Human Services
- Housing
- Community Inclusiveness
- Neighborhoods

3. Economic

- Economic Vitality

Benton County Water Supply

“Establishing a Path Forward for a Clean and Sustainable Water Supply

Contact: Adam Stebbins, Benton County Water Project Coordinator
(541)766-6085; Adam.Stebbins@co.benton.or.us

How did this begin?

On September 13 2007, Benton County held a “kickoff meeting”. The question is, *“Will we have enough water in year 2050 for all uses, needs and users?”* More than 90 attendees from throughout the county engaged state and local water experts to discuss the current and future issues of water supply within western Oregon and Benton County. The disconnect between statewide planning goals and local land use and water planning drove the take home message of the day: Benton County needs a single, countywide, water supply policy and plan that builds on city and county plans to ensure a clean and sustainable water supply for its citizens and their environment.

What has happened so far?

◆ The Water Supply Project is initiated by Benton County Commissioners with intern funding provided by the Institute for Water and Watersheds at Oregon State University.

◆ Benton County seeks additional revenue to drive the project forward including a proposal to the USGS Small Grants Program to develop community learning events on issues and values around water supply within the county. *(Not granted.)*

◆ The County moves forward by meeting with local organizations, city governments, and the Oregon Water Resources Department (OWRD) to develop a **Phase I Water Data Collection and Analysis** process to form a countywide Water Supply Assessment that is based on current and projected water supply needs for all users and uses within Benton County.

Phase 2 will address alignment of water availability with population growth and possible effects of climate change. Also addressed will be identification of mitigation strategies for possible mismatches of availability and demand--including storage, protection, reuse and conservation.

◆ Collaboration with upstream and downstream stakeholders is ongoing throughout the project and will be instrumental in planning for the long term use of cross-county water supplies over time.

How can you participate?

Stay informed: As the project progresses, there will be several ways to participate in community events and to voice your values and issues in regards to water supply in Benton County. Be sure to check the website on a weekly basis at:

<http://www.co.benton.or.us/boc/water/>

MEMORANDUM OF COOPERATION

Between
Benton County
and the
City of Corvallis

Water Policy and Supply Plan

Purpose: The Memorandum of Cooperation (MOC) is intended to promote collaboration between the parties for the purpose of creating a cross-jurisdictional and cross-watershed water policy and supply plan to be considered by elected officials in the cities and counties from which data is collected in the upper Willamette Basin. This effort is consistent with the Governor's H2O Initiative and Oregon Water Resources Department's charge from the Governor and Oregon's Legislature.

The MOC includes:

- 1) Sharing a common interest in a sustainable water supply;
- 2) Acknowledging the collective goals of the Parties' to provide water to current and future generations of the county;
- 3) Desiring to promote and enhance social well-being, environmental quality, and sustainable economic development;
- 4) Desiring to promote public health and community welfare by fostering interdisciplinary scientific research;
- 5) Acknowledging the collaborative mission of the Parties' to establish broad policy;
- 6) Acknowledging the many municipalities and others have done admirable work to collect use data, develop management programs that speak to resource conservation, high quality drinking water, and adherence to federal and state law

Recognizing the Parties' mutual interest in working together with technical assistance and outreach from the Institute for Water and Watersheds at Oregon State University, to contribute to creating Water Supply Policy relationships with the City of Corvallis and water resource management organizations, including, but not limited to: the Oregon Water Resources Department, Watershed Councils, Private Water Utilities, Agriculture, Businesses of the region and participating Counties;

The City of Corvallis and Benton County do hereby simultaneously declare the following framework for the Parties' working relationship:

Article I

The Parties will use their best efforts to establish a long-term, collaborative working relationship to aid in forming a Benton County Water Supply Plan and Policy, starting with participation in completing water needs analysis and assessment.

The Parties are especially interested in pursuing cooperative opportunities in the following areas of common interest:

1. Clean water supply for current and future populations of Benton, Lane, and Linn Counties: Willamette River Headwaters communities
2. Sustainable water supply with efficient delivery systems for city residents, businesses, agriculture and other natural resources within the City's jurisdiction
3. Consensus building, public participation, and conflict resolution and management during working relationship forums that discuss water resource analysis and policy initiatives.
4. Sustainable management of both surface and groundwater resources
5. Public education and outreach regarding local water resource issues
6. Sustainable management of wastewater
7. Effects of climate change on future water supply

Article II

Each party shall designate a principal representative to serve as the primary point of contact between the parties on all matters arising under this Memorandum of Cooperation.

Article III

Any collaborative activity undertaken between the Parties shall only be done under the authority of the laws, regulations, and policies governing each party individually.

Article IV

Notwithstanding any other provision, nothing in this Memorandum of Cooperation shall be construed as binding. Further, nothing in this document shall be construed as either authorizing or obligating either party to commit funds or resources to any project or work except as otherwise authorized by the laws, regulations, and policies governing each party individually.

Article V

This Memorandum of Cooperation shall become effective when signed by all principal representatives.

Date

Date