



ADMINISTRATIVE SERVICES COMMITTEE

Agenda

Wednesday, July 9, 2014
3:30 pm

Madison Avenue Meeting Room
500 SW Madison Avenue

- | | |
|------------------------------------|---|
| Discussion/ Possible Action | I. Enterprise Zone Application: Block 15 Brewing Company, Inc. (Attachment) |
| Discussion/ Possible Action | II. Council Policy Review and Recommendation: 96-6.03, "Economic Development Policies" (Attachment) |
| Information | III. Other Business |

Next Scheduled Meeting

Wednesday, July 23, 2014 at 3:30 pm

Madison Avenue Meeting Room, 500 SW Madison Avenue

Agenda

None at this time.

Memorandum



To: City of Corvallis Administrative Services Committee
From: Tom Nelson, Economic Development Manager
Date: July 2, 2014
RE: Enterprise Zone Application from Block 15 Brewing Company, Inc.

Background:

An Enterprise Zone application was received by the Corvallis / Benton County Economic Development office on June 23, 2014 from Block 15 Brewing Company, Inc. This company is known by most from its restaurant in Downtown Corvallis. The company plans to expand its operations and develop a production facility in Corvallis Industrial Park on Deschutes St. in South Corvallis. A preauthorization meeting was held on July 2, 2014 with staff from the assessor's office, the applicant, and the Enterprise Zone Advisory Committee. The application and sustainability requirements are attached.

The purpose of the meeting was to review and consider recommendation of approval of the application for Enterprise Zone Tax Abatement to assure the applicant could meet the jobs, investment, and sustainability criteria. Staff and the committee were unanimous in their consensus that the applicant could successfully meet the criteria, and recommends approval.

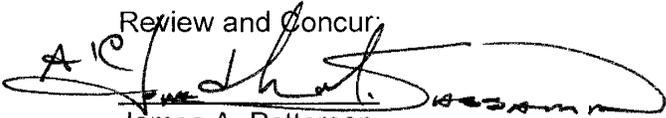
Next Steps:

The process calls for the city of Corvallis to place consideration of approval for the extended tax abatement for 5 years on the agenda of the Administrative Services Committee (ASC) for their screening and recommendation to the full city council. If approved, the matter will be forwarded to the Corvallis City Council, and with their approval, forwarded to the Assessor to include as an agenda item for the standard 3 year exemption approval from the Benton County Board of Commissioners.

Staff Recommendation

Staff recommends approval of the application.

Review and Concur:


James A. Patterson
City Manager

OREGON ENTERPRISE ZONE AUTHORIZATION APPLICATION

• Complete form and submit to the local enterprise zone manager **before** breaking ground or beginning work at the site. • Please type or print neatly.

APPLICANT

Enterprise Zone or Rural Renewal Energy Development Zone (where business firm and property will be located) South Corvallis Enterprise Zone		County Benton	
Name of Business Firm Block 15 Brewing Company, INC		Telephone Number (503) 804-8772	
Mailing Address 300 SW Jefferson Ave	City Corvallis	State OR	ZIP Code 97333
Location of Property (street address if different from above) 3415 SW Deschutes St	City Corvallis	State OR	ZIP Code 97333
Map and Tax Lot Number of Site 12514bc00600	Contact Person Chris Heuchert	Title General Manager	

My firm expects to first claim the standard property tax exemption in the following year(s): 2015

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: _____
- Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.
- Check here if you are requesting an **extended abatement** of one or two additional years of exemption. This is subject to minimum average annual "compensation" for employees and written agreement with local zone sponsor. Sponsor may request additional requirements.

Zone Manager Use Only (after written agreement but before authorizing firm):			
County Average Annual Wage: \$ _____	For Year _____	Total Exemption Period: <input type="checkbox"/> 4 or <input type="checkbox"/> 5	Consecutive Years (check one)

BUSINESS ELIGIBILITY

Eligible Activity—Check all activities that apply to proposed investment within the enterprise zone:

- Manufacturing Fabrication Bulk Printing Shipping Agricultural Production Energy Generation
- Assembly Processing Software Publishing Storage Back-office Systems
- Other—describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm): _____

- Check here if your business firm does or will engage in **ineligible activities** within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and their physical separation from "eligible activities" checked above: Ancillary Tap room for retail sales of bottled and draft beer

Special Cases—Check all that apply:

- Check here if a **hotel, motel, or destination resort** in an applicable enterprise zone.
- Check here if a **retail/financial call center**. Indicate expected percent of customers in local calling area: _____ %.
- Check here if a **"headquarters" facility**. (Zone sponsor must find that operations are statewide or regional in scope and locally significant.)
- Check here if an **electronic commerce investment** in an e-commerce enterprise zone. (This also provides for an income tax credit.)

EMPLOYMENT IN THE ENTERPRISE ZONE (see worksheets on last page)

Do **not** count temporary, seasonal, construction, FTE, part-time jobs (32 hours or less per week), or employees working at ineligible operations.

Existing Employment—My business firm's average employment in the zone over the past 12 months is 0 jobs.

New Employees—

- Hiring is expected to begin on (date or month and year): 12/2014
- Hiring is expected to be completed by (month and year): 3/2015
- Estimated total number of new employees to be hired with this investment is: 2

Commitments—By checking all boxes below, you agree to the following commitments as required by law for authorization:

- By April 1 of the first year of exemption on the proposed investment in qualified property, I will increase existing employment within the zone by one new employee or by 10 percent, whichever is greater.
- My firm will maintain at least the above minimum level as an annual average employment during the exemption period.
- When the exemption claim is also filed by April 1 following each calendar year of exemption, total employment in the zone will not have shrunk by 85 percent at one time or by 50 percent twice in a row, compared to any previous year's figure.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended agreement, (2) zone sponsor resolution(s) waiving required employment increase, or (3) an urban enterprise zone's adopted policy, if applicable.
- My firm will verify compliance with these commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.
- My firm will enter into a **first-source hiring agreement** before hiring new eligible employees. (This **mandatory** agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

OREGON EMPLOYMENT OUTSIDE THE ENTERPRISE ZONE

Check only those that apply:

- Check here if your firm or a commonly controlled firm is, or will be, closing or curtailing operations in the state **beyond 30 miles of the zone's boundary**. Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

- Check here if you are transferring any operations into the zone from site(s) **within 30 miles of the zone boundary** (existing businesses only):
My firm's average employment at the site(s) over the past 12 months is 50 jobs.
- Check here if your firm commits to increase the combined employment at the site(s) (within 30 miles) and in the zone to 110 percent of the existing combined level by April 1 and on average during the first year of exemption.

PROPOSED INVESTMENT IN QUALIFIED PROPERTY

Anticipated Timing--Enter dates or months/years

Action	Site and Building & Structures			Machinery and Equipment		
	Preparation	Construction*	Placed in Service	Procurement**	Installation	Placed in Service
To commence or begin on	9/2014	11/2014	4/2015	8/2014	2/2015	4/2015
To be completed on	11/2014	3/2015		3/2015	3/2015	

* And/or new reconstruction, additions to, or modifications of existing building(s) or structure(s).

** May precede application by up to three months.

Special Issues:

- Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease or closing documents).
- Check here for **Work-in-Progress** tax exemption for qualified property that is not yet placed in service and is located on site as of January 1. (Attach description and list of such probable property. See "Special Issues Worksheet," on the last page.)

Qualifying Property: Estimates of cost (please attach a preliminary list of machinery and equipment).

Type of Property		Number of Each/Item	Expected Estimated Value	Check if any item will be Leased
Real Property	Building or structure to be newly constructed	1	\$ 1,000,000	<input checked="" type="checkbox"/>
	New addition to or modification of an existing building/structure	1	\$ 400,000	<input type="checkbox"/>
	Heavy or affixed machinery and equipment	3	\$ 82,000	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more	1	\$ 145,000	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)	30	\$ 251,400	<input type="checkbox"/>
Total Estimated Value of Investment			\$ 1,878,400	

Additional Description: In addition to what is explained elsewhere, briefly comment below (or in an attachment) on the scope of your investment, the particular operations and output that are planned, and the intended uses of the qualifying property.

This property will serve as a production brewing & bakery facility for Block 15. The additional beer will be turned into offsite sales through packaged products (bottles & cans) as well as kegs distributed throughout the state. Through our baking program we plan to increase what is made in house as well as have bread available for bulk purchasing to our customers.

DECLARATION

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285C) and complies with all local, Oregon, and federal laws that are applicable to my business.

MUST BE SIGNED BY AN OWNER, COMPANY EXECUTIVE, OR AUTHORIZED REPRESENTATIVE OF THE BUSINESS FIRM

Signature X Chris Mureta Date June 23, 2014
 Title (if not an owner or executive, attach letter attesting to appropriate contractual authority)
General Manager

Local enterprise zone manager and county assessor must approve this application (with Enterprise Zone Authorization Approval, form 150-303-082)

Benton County Enterprise Zone Tax Abatement Goals

Applicant Information

Date: 06/23/2014

Business Name: Block 15 Brewing Company, INC

Contact Person: Chris Heuchert

Phone: 503.804.8772 Email: chris@block15.com

Overarching goal: Businesses are desired that encourage or demonstrate using resources in a manner that protects the environment while providing for a vigorous economy and meeting community needs now and in the future.

New Businesses:

To receive a tax abatement for years 1-3 a business must fit into one of the categories in Section I and have (3) Yes's in Section II, III or IV. If a business does not fit into one of the categories in section I it must have (5) Yes's in Section II, III or IV. The Year 4 and 5 optional tax credit would be awarded to those companies that have made progress over years 1-3 in meeting the goals listed below.

Existing or Start-up Business:

If a business already in the Enterprise Zone or a startup with no operational history does not meet the new business requirements to receive the tax abatement for years 1-3, it may submit a plan to move its organization toward becoming more sustainable based on items in the criteria. The plan will need approval and the business must report annually on its progress toward that plan. The Year 4 and 5 optional tax credit would be awarded to those companies that have made progress over years 1-3 in meeting the goals below.

Section I: Product / Services: Our company offers products or services that fit in the following business clusters. Please check one that applies:

- Green Building: (e.g. businesses that provide products or services to the green building market - insulated concrete forms, non-toxic building products, consulting services that support green building, etc.).
- Energy: Alternative energy and/or efficiency (e.g. wind, wave, solar, hydro, biofuels, energy conservation services. software/hardware to reduce energy usage, etc).
- Local Food production and processing. (using sustainable agricultural practices to reduce chemicals, water and non-renewal energy).
- Green technology: (manufacturing processes that create no hazardous substances while reducing resource use - computerized controls that reduce resource use, such as for wood processing, soil remediation, environmental sensors).
- Recycled and/or Replacement Products: (e.g. flower pots made from waste paper pulp, plastic lumber, twine made from recycled plastics).
- Sustainable Forest and Wood Products
- Other sustainable business cluster

Section II: Business Practices: Our company focuses on protecting resources and meeting community needs while enhancing the economy. Check all those that apply.

- We train our personnel to meet these goals in all business aspects.
- These goals are integrated into our business planning.
- We track our business performance with a sustainability management system. Please Identify (_____).
- We measure energy use and waste per unit of production
- Other sustainable business practices Composting waste, and sending grain to local animal

Section III: Operations (Check all those that apply)

Design

Our company:

- Redesigns products so that they meet enterprise zone goals.
- Conducts Life Cycle Analyses on our product(s)/services
- Has reduced our product packaging by at least 20%
- Encouraged and engaged suppliers to redesign their products and services to meet enterprise zone goals.
- Other sustainable design practices: _____

Operations

Our company:

- Is locally owned.
- Routinely conducts process or facilities energy audits.
- Has reduced energy 10% per unit of production. (e.g. watts/widget).
- Has reduced green house gases to 1990 levels.
- Routinely/periodically conducts resource efficiency audits to reduce waste and raw materials.
- Routinely/periodically conducts efficiency audits for water usage.
- Routinely/periodically conducts employee satisfaction surveys with an action and implementation plan that follows.
- Has completed a chemical inventory that ranks toxic and hazardous materials and developed a plan to eliminate all persistent bio toxins (PBT's).
- Takes responsibly for our product at end of its useful life (e.g. takes back a computer to disassemble, recycle and or reuse components for a new product).
- Other sustainable operational strategies: _____

Section IV: Facilities

Our company:

- Intends to build to LEED (Leadership in Energy and Environmental Design) U.S. Green Building Standards or other "green" building standards.
- Will retrofit existing facilities to LEED or LEED Existing Building standards or equivalent.

Memorandum



To: Administrative Services Committee
From: Tom Nelson, Economic Development Manager *W*
Date: July 1, 2014
RE: Review of the Council Economic Development Policy

I. ISSUE

Council Policy 96-6.03, Economic Development Policies, is scheduled for review every two years. The Policy was last reviewed in December 2010.

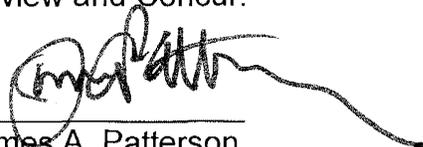
II. DISCUSSION

The Corvallis City Council reviewed and revised the Economic Development Policies on December 6, 2010. Much of the work dictated by the Policy has been accomplished, but most is on-going. The Economic Development Commission reviewed the Policy on May 27, 2014, and recommended amendments to Section 6.03.80 (attached). Staff also included formatting changes for consistency purposes.

III. ACTION REQUESTED

Staff requests that the Administrative Services Committee review the current Policy, include any additional changes, and recommend the City Council amend Council Policy 96-6.03, Economic Development Policies.

Review and Concur:



James A. Patterson
City Manager

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 6 - COMMUNITY DEVELOPMENT

CP 96-6.03 **Economic Development Policies**

<u>Adopted</u>	<u>July 19, 1989</u>
Amended	June 4, 1990
Affirmed	October 7, 1991
Revised	April 17, 1995
Revised	December 16, 1996
Reviewed	November 5, 2001
Revised	November 18, 2002
Revised	May 5, 2003 (funding section only)
Revised	December 17, 2007
Revised	December 15, 2008
Revised	December 21, 2009
Revised	December 6, 2010

6.03.010 **Purpose**

To establish comprehensive policies directing the Economic Development function of the City of Corvallis and to support the creation of long-term Economic Development strategies for the Corvallis community.

6.03.020 **Mission**

To preserve and enhance community livability, and thus improve the quality of citizens' lives, through active City participation in Economic Development actions which address: economic stability; moderate economic growth; and economic, social, and environmental sustainability.

6.03.030 **Goals**

Success in achieving focused goals concerning the creation of new economic activity will enhance the economic vitality of the local

community. The **City** Council should provide prioritized support to activities and programs which:

- a. Provide for a diverse local economy through programs which start, develop, retain, and expand enterprises which will, in turn, increase the supply of family-wage jobs and expand the property tax base;
- b. Attract private and public capital investment to create, enhance, and maintain local infrastructure;
- c. Provide facilities, services, and programs that attract visitors to the Corvallis community.

Note: The Economic Development Commission may identify other goals to recommend to the City Council for inclusion in the Policy.

6.03.040 Definitions

The following definitions are supplied here to provide a common basis of understanding when discussing Economic Development policy.

6.03.041 a. Economic Development. The addition of economic activity; new activity may replace what has been lost;

6.03.042 b. Goal. A statement of intention expressing community values intended to provide a guide for action by the community;

6.03.043 c. Policy. A decision-making guideline for actions to be taken in achieving goals and the community's vision;

6.03.044 d. Infrastructure. Structures that support an economy such as roads, water, sewers, buildings, power grids, and telecommunications;

6.03.045 e. Visitor. A person who visits for reasons of friendship, business, duty, travel, or the like;

6.03.046 f. Economic Sustainability. A dynamic concerning specification of a set of actions to be taken by present persons that will not diminish the prospects of future persons to enjoy levels of consumption, wealth, utility, or welfare comparable to those enjoyed by present persons;

6.03.047 ~~g.~~ Economic sStability. A preferable state owing to an absence of excessive fluctuations in the local economy as measured against state and national benchmarks;

6.03.048 ~~h.~~ Economic Indicators. A set of measured statistics about the economy allowing analysis of economic performance and predictions of future performance;

6.03.049 ~~i.~~ Baselines. Beginning points of reference used as a basis of comparison for subsequent measurements of economic data;

6.03.050 ~~j.~~ Benchmarking. The process used by organizations to evaluate various aspects of their processes in relation to best practices within their own sector.

6.03.051 ~~k.~~ Plan. An officially adopted document used to focus long-range planning efforts.

6.03.052 ~~l.~~ Family-Wage Job. A job paying a wage sufficient to support a family in Benton County.

6.03.0560 Policy

The following policies are intended to assist and direct the City Council in making decisions designed to fulfill both mission and goals as stated in CP **Sections** 96-6.03.20 and 96-6.03.30.

6.03.0561 City Council Leadership

The City Council, in its leadership position, sets an example by adopting an active role in furthering Economic Development and by attempting to make resources available to enhance this effort.

6.03.0562 Infrastructure

The City shall plan for and invest in public infrastructure that serves the needs of current and prospective employers.

6.03.0563 Land Resources

The City shall designate sufficient amounts and appropriate locations of commercial and industrial land through the land use planning process.

6.03. 0564 Public Partners

The City shall maximize the effectiveness of Economic Development resources through partnerships with local and regional government agencies, and not-for-profit groups. The City shall also seek cooperation with local educational institutions in areas such as technology transfers.

6.03. 0565 Economic Development Commission

An Economic Development Commission shall be appointed and shall advise the City Council on all matters pertaining to Economic Development.

6.03. 0566 Measurement

The City shall develop and refine methods using benchmarks, baselines, and measurable indicators by which the success of the Economic Development program in achieving community economic goals will be measured and reported.

6.03. 0567 Regulatory System

The City shall consider the impact on existing and prospective businesses, and citizens of Corvallis in developing and implementing policies, regulations, and programs, such as fees, land use standards, and environmental requirements. The City shall take an active role in monitoring and evaluating the impacts of fFederal and sState requirements on local business and take action as appropriate.

6.03. 0568 Economic Development Services

The City shall support activities that enhance the Economic Development mission and goals. Examples of such activities include:

- a. Increasing the proportion of spending in the local community by residents and visitors;
- b. Strengthening the role of Downtown Corvallis as the vital economic, social, and cultural heart of the community;
- c. Providing facilities and services that support business start-ups;

- d. Providing local companies with business-critical information that will assist in achieving success;
- e. Recruiting companies from outside the local area within targeted industry sectors;
- f. Providing technical and financial assistance to support the retention and expansion of existing businesses;

6.03.0569 Incentives

The City may use incentives to achieve Economic Development goals.

6.03.0670 Sustainability

The City recognizes that sustainability includes environmental, social, and economic factors and acknowledges that economic strength is required to finance the community's social and environmental programs. This policy directly addresses economic sustainability.

6.03.0671 Funding Policy

The City of Corvallis shall continue to invest in Council-identified strategic initiatives which produce measurable, strategic outcomes.

6.03.0780 Supporting Documents

The Corvallis community has developed guidance documents providing direction for Economic Development as noted below. These documents are cited herein to provide guidance on the intent of Council ~~as regards~~ **regarding** Economic Development.

- a. Corvallis **2020** Vision 2020 **Statement**
- b. Corvallis Comprehensive Plan
- c. Prosperity That Fits Plan
- d. **Economic Development Ordinance 2010-28**
- d. **Economic Development Strategy**

6.03.0890 Review and Update

~~These policies shall be reviewed every two years upon adoption or sooner, by Council request, in the event of significant change in the~~

~~general economic well being of the community. Goals and policies may be amended or suspended by the City Council at any time after following existing procedural rules for public notice and participation.~~

The Economic Development Manager will prepare the Council Policy review every four years for Council approval.

REGION: South Valley

Business/Cluster Development

Regional Goal: Active support of regional industry clusters in advanced manufacturing, food processing, software, high technology, wood and construction products, distribution and logistics

Regional Initiatives

- Business retention and expansion
- Regional recruitment
- Regional food consortium

Innovation & Entrepreneurship

Regional Goal: Develop the South Willamette Valley Research Corridor; Support an active entrepreneurial climate and growth of emerging businesses

Regional Initiatives:

RAIN accelerators and mentoring network *

Tech transfer and commercialization efforts and innovation centers, including Signature Research Centers

Regional seed funding and angel investment

Infrastructure:

Regional Goal: Ensure the region has the transportation, industrial land and community infrastructure to support economic growth;

Regional Initiatives:

- | | |
|--|---|
| - Certified industrial sites and land readiness projects | - Wetlands permit streamlining |
| - Rapid rail route selection | - Downtown revitalization |
| - Community infrastructure assessments and projects | - Transportation connections to key sites |

Talent:

Regional Goal: Strengthen workforce development programs and infrastructure

Regional Initiatives:

- Recruit entrepreneurial, management and technical talent needed to scale companies (From OED/LWIB forums)
- Support of incumbent worker and OJT programs
- Concierge service for employers connecting workforce & economic programs
- Enhanced vocational, career technical education tied to regional industries

Economic Policy and Regulatory Environment

Regional Goal: Create a business climate that allows businesses to innovate, grow and thrive

Regional Initiatives:

- Business incubation at university facilities
- Regional general permit for wetlands

Mullens, Carrie

From: Day, Emely
Sent: Thursday, July 10, 2014 8:15 AM
To: Mullens, Carrie
Subject: FW: Administrative Services Committee

-----Original Message-----

From: Leonard Higgins [mailto:Leonard.Higgins@]
Sent: Wednesday, July 09, 2014 5:31 PM
To: Day, Emely
Subject: Administrative Services Committee

Hi Emely, here's a copy of my comments made at today's ASC meeting.

Thanks,
-Leonard
503-

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Administrative Services Committee

Councilors Brauner, Hirsch and Traber

My name is Leonard Higgins? I am here to oppose the suggested change to the Review and Update section for the following reasons:

The proposed 4 year review cycle would cause the Economic Development Policy and corresponding City Council guidance and oversight of Economic Development staff to lag behind changes during the 4 year cycle such as:

- changes in the general economy (economic downturns are happening more frequently than in the past
- turnover in City Councilor positions - a new Councilor joining City Council in the next term would not have input into or review of the policy during the entire two year term they serve
- changes in the guidance documents for Economic Development, such as the 2020 Vision Statement, the Comprehensive Plan, and the Prosperity That Fits Plan may require updates to the Economic Development Policy
- the Pacific Northwest is projected to have very large growth as populations from other states experiencing an increasing number of droughts, wildfires, extreme weather events, and clean water shortages are drawn to the moderate climate, abundant water and high livability index of Oregon and Washington state.

In my opinion, the the proposed edit is going in the wrong direction. I think the City Council will need to be frequently updated and nimble in their guidance of Economic Development Policy as we enter a more volatile period of regional growth and change.

Sent from my iPad

Attachment 3

Input to Administrative Services Committee on their review of
**CP 96-6.03 - Economic Development Policies and
Ordinance 2010 – 28**

By Richard Hervey, Ward 3 Corvallis City Councilor

Background – As you may be aware, I have been a supporter of our Economic Development Policy since its current origin. You may also be aware that my support has been more narrowly focused than many of my fellow councilors. My goals for economic development in Corvallis have been:

- 1) To make it possible for current residents wanting to work in Corvallis to do so.
- 2) To strengthen the following business sectors:
 - a. Food Growing, Processing and Storage.
 - b. Energy generation
 - c. Energy conservation
 - d. Local investment by non-accredited investors in local businesses
- 3) Maintain the value of our sustainable community branding.

Those goals are derived by my understanding of the direction of our economy based upon the impacts of global warming and resource depletion, creating a need to be more food and energy independent locally.

When I first began espousing this viewpoint, it might have been considered counterculture or “Green”.

Now, major conservative organizations are beginning to make similar calls. Those include the US Department of Defense <http://www.defense.gov/news/newsarticle.aspx?id=121237> and the World Bank <http://www.worldbank.org/en/news/feature/2014/06/23/study-adds-up-benefits-climate-smart-development-lives-jobs-gdp>, <http://documents.worldbank.org/curated/en/2014/06/19703432/climate-smart-development-adding-up-benefits-actions-help-build-prosperity-end-poverty-combat-climate-change-vol-1-2-main-report>

Comments / Amendments to CP 96-6.03 - Economic Development Policies

Title – Why is this policy called “Policies”?

6.03.020 Mission – I am not recommending a change to this policy, as I am certain that the majority of council agrees with the call for “moderate economic growth”. I would like to note, however, that property values are likely to rise in the not too distant future as people relocate to our moist, lower risk climate from the south and Midwest. Thus we are likely to achieve moderate economic growth without direct action.

6.03.030a Goals – In general, I support the goal phrase “increase the supply of family-wage jobs and expand the property tax base”. My concern is that this can be construed to mean that we would not encourage businesses that do not do both of these, or ones that provide a mix of family wage jobs and lesser jobs. Many of my constituents would be happy to have a job that does not meet the “family-wage job” definition in this policy. Likewise many software companies do not have traditional facilities that significantly expand the property tax base. I recommend amending “a” to read:

“Provide for a diverse local economy through programs which start, develop, retain, and expand enterprises. Emphasis is to be placed on enterprises which increase the supply of family-wage jobs and expand the property tax base.”

6.03.030c Goals – Our definition section defines “goal” (section 6.03.042) as “A statement of intention expressing community values intended to provide a guide for action by the community.” I’m not clear that we have a basis for determining that attracting visitors to the Corvallis community is a community value. Do we have 2020 vision statements or comprehensive plan statements to that effect?

6.03.046 Economic Sustainability (definition) – Having taken some time to find a better definition for Economic Sustainability, I have some appreciation for why we settled for this awkwardly worded sentence. However, the inclusion of the phrase “will not diminish the prospects of future persons to enjoy levels of consumption ... comparable to those enjoyed by present persons” does not fit for my understanding of any kind of sustainability. I support economic development that works to provide the same quality of life as we currently experience, but reject the idea that to do so requires the very unsustainable current “levels of consumption”.

I suggest this alternate definition provided from <http://www.wisegeek.org/what-is-economic-sustainability.htm>

“Economic sustainability is the term used to identify various strategies that make it possible to use available resources to their best advantage. The idea is to promote the use of those resources in a way that is both efficient and responsible, and likely to provide long-term benefits. In the case of a business operation, it calls for using resources so that the business continues to function over a number of years, while consistently returning a profit.”

The proposed definition aligns much better with CP 04-1.08 Organizational Sustainability. I’ll provide excerpts from CP 04-1.08 as an attachment.

6.03.067 Regulatory System – I recommend deleting the second sentence. As a practical matter we perform the state level of this monitoring and evaluation via our association with the League of Oregon Cities and follow up through our Legislative Committee. I do not see that the City has the resources to do this monitoring on its own for Federal requirements, or dedicating staff to do active monitoring outside of the LOC framework.

6.03.068 Economic Development Services (section e) – I do not see where Council has provided guidance in this document as to the industry sectors that we are targeting. That may now appear in the ED Strategy prepared by the EDC. A word search of that the ED Strategy did not pull up similar phrases. I would welcome a Council discussion on which targeted sectors we feel recruitment from outside of the local area is appropriate. Failing providing that guidance, I recommend deleting this section.

6.03.070 Sustainability – This section is far from the spirit of CP 04-1.08 Organizational Sustainability as well as my perception of the original 2003 council goal on sustainability and the branding we have done (as in the Airport Enterprise Zone) for being a city that emphasizes sustainable businesses. Rather than debate changes to the section, I recommend deletion. We have dealt with “Economic Sustainability” elsewhere in the policy.

6.03.080 Supporting Documents – I did not anticipate the inclusion of the Economic Development Strategy into this policy by reference, and have not had time to do a thorough re-review of that document. Also, I believe that pushing for an immediate review of that document at this time would not be productive. However, assuming that many of my recommendations are included as revisions to the policy and that Council chooses to provide direction regarding “targeted sectors”, I would welcome the EDC reviewing the EDS in light of those changes.

Ordinance 2010 -28

My concern with the ordinance establishing the Economic Development Commission is that in my view it has not provided the diverse set of commissioners we intended when we enacted it. I completely agree with our direction that "Appointments to the Commission should reflect expertise and experience in business, technology, strategic planning and public policy development." However, my perception is that these criteria have resulting in the recruitment of a commission consisting primarily of corporate and corporate like non-profit executives. I believe that we would be better served with more diversity by including members from businesses differing in size and form, more sole proprietors and partners and more technical people. I am not clear how best to incorporate that into the Ordinance, as making such changes are well within the Mayor's purview in the Ordinance is currently written.

Section 1.16.337 Economic Development Commission, item 3)

One way to address my interests in targeted sectors might be to revise item 3) Membership. I am no expert in the technical meanings of the "interests" identified, but taking them at face value, I suggest

1) Replacing General Business with Energy Production / Conservation

2) Replacing Retail with a small business educator (assuming that the Higher Education spot is likely to stay with an OSU representative, I'd like to see a LBCC or some such small business educator on the Commission.) {I realize that this to some extent goes against my call for a greater variety in size of businesses represented. So adding the small business educator in addition to the Retail may be appropriate.}

3) Specifying that the community-at-large member be selected from candidates provided by the Corvallis Sustainability Coalition. I believe that the strongly held community value of social and environmental sustainability is not addressed by the current list of the "interests".

Attachment to
Input to Administrative Services Committee on their review of
**CP 96-6.03 - Economic Development Policies and
Ordinance 2010 – 28**
By Richard Hervey, Ward 3 Corvallis City Councilor

Excerpts from CP 04-1.08 Organizational Sustainability

1.08.030 Goals

1.08.031 Encourage, develop and support connections between environmental quality, economic vitality and social equity.

1.08.043 ‘Triple bottom line’ is a framework for measuring and reporting organizational performance against environmental, economic, and social parameters. The term is used to capture the set of values, issues and processes that organizations must address to minimize harm and create environmental, economic, and social value

1.08.052 Economic sustainability

The City values wise use of public funds and considers the full cost or life-cycle cost implications of its efforts.

1.08.052 Economic sustainability

The City values wise use of public funds and considers the full cost or life-cycle cost implications of its efforts. The organization seeks to enhance economic sustainability through purchasing parameters and guidelines that ensure an analysis of sustainably preferable options occurs with each purchase. Decisions take into consideration the time frame within which any incremental initial costs will be paid back from the benefits achieved by environmental or social investments and the need to maintain a healthy financial situation to ensure continued services to the community.

1.08.050 Policy

The City uses a triple-bottom-line framework to enhance sustainability in all aspects of the organization’s activities. City departments, through changes in daily operations, ongoing programs and long-range planning are able to simultaneously have a significant positive impact on the environment, the economic efficiency of municipal government and the social character of the workplace. Departments promote actions which are environmentally and socially beneficial while also being economically intelligent.