



ECONOMIC DEVELOPMENT ADVISORY COMMISSION AGENDA

Thursday, July 25, 2024
9:30 a.m.

This meeting will be conducted virtually. At 9:30 a.m., join the meeting from your computer or tablet by clicking the link below:

<https://council.albanyoregon.gov/groups/edc/zoom>

Call: 1-253-215-8782 (long distance charges may apply)

Meeting ID: 813-8771-7764 Passcode: 372603

Please help us get Albany's work done.

Be respectful and refer to the rules of conduct posted by the main door to the Chambers and on the website.

Call to order (Staff)

Roll call (Staff)

Election of 2024 Chair and Vice-Chair Positions (Staff)

Approval of June 1, 2023, Minutes [Pages 2-3] (Chair)

Business from the public: (Chair)

Persons wanting to provide comments may:

- 1- Email written comments to sophie.adams@albanyoregon.gov, including your name prior to the meeting.
- 2- To comment virtually during the meeting, register by emailing sophie.adams@albanyoregon.gov prior to the meeting, with your name. The chair will call upon those who have registered to speak.
- 3- Appear in person at the meeting and register to speak.

Economic Development Project Review [Pages 4-11] (Adams)

Business from the Committee (Verbal)

Staff updates and issues (Verbal)

Next Meeting Date: TBD

Adjournment (Chair)

This meeting is accessible to the public via video connection. In-person attendance is available. For arrangements, please contact city staff at: sophie.adams@albanyoregon.gov or call 541-917-7654 at least 24 hours in advance of the meeting. If you have a disability that requires accommodation, please notify city staff at least 48 hours in advance of the meeting.

Testimony provided at the meeting is part of the public record. Meetings are recorded, capturing both in-person and virtual participation, and are posted on the City's website.





ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

MINUTES

June 01, 2023

12:00 p.m.

Hybrid

Draft: Approved

Call to Order

Economic Development Manager Seth Sherry called the meeting to order at 12:00 p.m.

Roll Call

Members present: Chris Hanson, Lisa Avery, Brent Stutzman

Members absent: Tim Weber (excused), Sherrie Payne

Election of Officers

12:01 p.m.

Nomination: Member Chris Hanson nominated himself for the position of chair. There being no other nominations Hanson was elected to the position of chair 3-0.

Nomination: Member Lisa Avery nominated herself for the position of vice chair. There being no other nominations Avery was elected to the position of vice chair 3-0.

Business from the Public

12:05 p.m.

None.

Scheduled Business

12:05 p.m.

- Albany Economic Development Background and Future

Economic Development Manager, Seth Sherry welcomed new commission members and made introductions. Sherry gave a brief history of economic development in Albany to date.

Sherry noted that there were no financing tools in place in 2001 to incentivize the economic changes that were envisioned, and this led to the creation of a Tax Increment Financing (TIF) District.

Albany used TIF as a financing tool for the Central Albany Revitalization Area (CARA) district, which included building renovations, public utility improvements, etc. Additional information was shared about the economic development changes and restructuring over recent years.

Commissioner Brent Stutzman inquired if there were any other TIF districts in Albany. Sherry replied that there were not any currently, and that they are in the process of being awarded a grant to do a feasibility study for two new potential districts.

Sherry explained that one of the primary challenges for economic development in Albany is having buildable lands.

Sherry next discussed the Economic Development Advisory Committee's role moving forward referring to the last page of the agenda packet* a charter for the group outlining the purpose and responsibilities of the committee. Sherry stressed the importance of having input and experience from others, and that knowledge and connections are critical to overall success.

Sherry described the current economic development strategy at the city which he believes needs to be updated to contain guiding strategies to retain and promote the recruitment and expansion of key industries and identifying specific tools to accomplish this.

In response to a question from Member Lisa Avery, Sherry discussed shopping locally and the importance of new revenue from tourists coming in, or trade sector business which sells goods and services outside of the community. Additional discussions about economy and tourism ensued.

Sherry next explained that in the coming months to a year staff and the commission should start to think about a new economic development strategic plan.

Community Development Director Matthew Ruetters added his appreciation for the group willingness to serve and that the aim is to make effective use of the Commissions time.

Member Hanson inquired about the possibility for the commission to serve as an ad hoc committee, which Sherry and Ruetters addressed.

Sherry suggested that a topic for the next EDAC meeting could be understanding what funds are available and making strategic recommendations for key economic development projects.

Member Hanson inquired about an update on the available land inventories, and additional discussions followed.

Member Avery questioned the lack of student housing and the connections between being able to bring people in, but not having available housing options for them. Ruetters provided additional information about affordable housing and discussed the Housing Implementation Plan.

City Manager Peter Troedsson expressed his appreciation to the group for serving on the Commission.

Next Meeting Date

The next regularly scheduled meeting date to be determined.

Adjournment

Hearing no further business, Chair Hanson adjourned the meeting at 1:05 p.m.

Respectfully submitted,

Reviewed by,

Kaitlin Martin
Administrative Assistant I

Sophie Adams
Interim Economic Development Manager

**Documents discussed at the meeting that are not in the agenda packet are archived in the record. The documents are available by emailing cityclerk@cityofalbany.net.*



MEMO

TO: Economic Development Advisory Commission (EDAC)

FROM: Sophie Adams, Economic Development Manager SA

DATE: July 17, 2024, for the July 25, 2024, EDAC Meeting

SUBJECT: Economic Development Project Review

Action Requested:

Provide feedback on program development.

Discussion:

The EDAC was established to assist and support staff in carrying out economic development activities and advise the City Council on the business climate, evolving priorities, and opportunities for investment and programming.

Albany's 2022-2026 strategic plan outlines the following goals for a "healthy economy:"

- Enhance the value and diversity of Albany's economy by attracting, retaining, diversifying, and expanding local businesses.
- Strengthen the area's role as a leading regional economic center through local and regional coordination and collaboration on economic development planning and projects.
- Focus on living-wage jobs, training, and education opportunities for Albany residents. Work to achieve a healthy balance of housing and jobs.
- Create a readily identifiable downtown core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.

At this group's July meeting, we'll have a high-level discussion on:

- Updates and perspectives from committee members
- City projects and activities:
 - Brief overview of current work.
 - Focus on multi-unit property tax exemption program and comprehensive plan refresh (see attachments) and receive feedback from group.

Budget Impact:

None.

SA:km

Attachments: 2



Multi-Unit Property Tax Exemption Program Overview

Background

The Multi-Unit Property Tax Exemption (MUPTe) is a tool designed to incentivize housing and mixed-use development within the Albany's current and future mixed-use centers by providing up to ten years of property tax exemption on new investment of multi-unit housing production within designated areas.

Eligible developments would assist Albany in accommodating the growing population in areas where residents can live, work, and recreate- creating vibrant mixed-use centers and helping to protect against developments far away from jobs, services, and activities.

This program is a recommended strategy in the Housing Implementation Plan, Albany's Housing Needs Analysis, Albany Comprehensive Plan, and as an incentive to create vibrant mixed- use centers in the East Albany Plan. It is currently being used throughout the state in cities like Eugene, Bend, Salem, Florence and Newport to bolster their housing along transit corridors and city centers. Corvallis has also recently adopted the program and is working toward opening applications from developers.

GOAL: make Albany competitive within the region. MUPTe would allow the City of Albany to promote and secure opportunities in appropriate designated areas and strategically create prospects for future investment.

Process

Governing jurisdictions approves guidelines and eligibility criteria ahead of enactment. Based on approved criteria, staff determines project eligibility and administers program.

- Mandatory eligibility meeting to provide applicant feedback
- Application submitted with fee to cover cost of third-party financial review (determines financial need of the proposed project)
- Application approved, approved with conditions, or denied within 180 days

The first year of exemption is the assessment year beginning January 1 immediately following the calendar year in which construction, addition or conversion is completed.

Eligibility Criteria

Project eligibility is determined by six factors: location, number of units, type of project, completion timeline, demonstrated need through third-party financial review, and public benefit.

1. **Location:** Projects must be located within a designated area where multi-unit and mixed use development is planned and within a quarter mile of a fixed route transit service.
2. **Number of Units:** Projects must include at least five dwelling units to qualify for exemption.
3. **Type of Project:** Development or redevelopment of multi-unit housing projects that are newly constructed, additions to existing multi-unit housing, or structures converted in whole or in part from another use to dwelling units are eligible. The land, improvements and commercial portion will continue to be taxed, unless the commercial portion of a project meets one or more of the stated public benefit criteria.
4. **Construction Timeline:** Project work must occur entirely with completion no later than January 1, 2032.
5. **Financial Review:** The City will contract with an independent, outside consultant to review the project's financial pro-formas submitted with the application to establish whether or not the project would be built in the absence of the MUPTTE benefit. The costs of that review will be paid for by the applicant within the application fee.
6. **Public Benefit:** Projects must include either option 1 or 2 below from Affordability and two or more of the additional public benefit options summarized:
 - **Affordability.** Housing is affordable when no more than 30% of household income is spent on housing costs including utilities
 1. Housing that is affordable to different household income levels with an affordability period of at least 30 years
 2. Make a commensurate "in-lieu-of" payment to the City that is equal to 15% of total forgone taxes on new eligible improvements. Fees must be used by the city to facilitate or develop affordable housing. Project owner can choose to pay the fee annually during the abatement period or upfront with a five percent discount.
 - **Placemaking, Open and Active Public Spaces.** The project provides public amenities beyond city standards and are accessible by the public such as a shared community space, plaza, green space as the centerpiece of the development, art, or spaces meant for people to spend time and build community.
 - **Public parking within the downtown core.** Parking is designed to provide, to the greatest extent possible, integrated shared-parking, electric car charging stations, locations for car sharing, and safe pedestrian/bicycle connections between parking and adjacent buildings and streets.
 - **Childcare facilities.** Provide childcare facilities within the proposed project
 - **Economic opportunities or catalytic effect.** The project will include spaces that have an economic catalytic effect that will be of bigger benefit to the community than a small set of individuals. The project

will work with contractors and/or companies that are owned by disadvantaged, minority women, or service-disabled individuals, or an emerging small businesses.

- **Transit amenities when applicable or transit or pedestrian-oriented design elements.** The proposal employs a mixture of project elements that encourage biking and transit use, enriches the streetscape, and supports community comfort and safety at all hours. Transit supportive amenities such as covered shelters, a bench to serve the transit stop, and improved lighting are eligible public benefits.
- **Development or redevelopment of underutilized or blighted property.** Applicant develops vacant, blighted or under-utilized sites, rather than sites where sound or re-habitable multiple-unit housing exists
- **Accessible units beyond code requirements.** Provide at least Five percent (5%) but not less than two dwelling units
- **Energy Efficiency/Green Building Certification.** The development is built using sustainable practices or green building programs or goes above and beyond building codes by at least ten percent (10%) for energy efficiency and sustainability.
- **Local Labor, Materials or Ownership.** To ensure that a substantial portion of the local tax benefit yields a benefit to the local community, projects must have a plan for ensuring that more than 50% of the dollar volume of the combined professional services and construction contracts are or will be from a business, organization or individual residing or doing business primarily in Linn County.

After a project is approved for a MUPTE, project owners must comply with a number of requirements before, during, and after construction.

Impacts

The MUPTE program does not cause a decrease in funds flowing to overlapping taxing districts; rather, it allows us to secure and promote investment in appropriate, designated areas where an incentive is proven necessary to make projects feasible.

Comprehensive Plan Definitions

Goal:

Definition - A general statement indicating a desired end or the direction the City will follow to achieve that end.

Obligation - The City cannot take action that opposes a goal statement unless: 1. It is taking action that clearly supports another goal. 2. Findings indicate that the goal being supported takes precedence (in the particular case) over the goal being opposed.

Policy:

Definition - A statement identifying a course of action or City position. Although more specific than goals, policies usually do not explain the exact method of implementing a goal.

Obligation - The City must follow relevant policy statements in making a land use decision or show cause why the Comprehensive Plan should be amended consistent with statewide goals. Such an amendment must take place following prescribed procedures prior to taking a land use action that would otherwise violate a Plan policy. However, in the instance where specific Plan policies appear to be conflicting, then the City must seek solutions that maximize each applicable policy objective within the overall content of the Comprehensive Plan and in a manner consistent with the statewide goals. In balancing and weighing those statements, the City can refer to general categories of policies and does not have to respond to each applicable policy. Also, in this weighing process, the City must consider whether the policy contains mandatory language (e.g., shall, require) or more discretionary language (e.g., may, encourage).

Implementation Method:

Definition - A statement that outlines a specific City project or standard to implement a goal or policy. Projects are statements that would require expenditure of funds and/or staff time, are specific as to what is to be done, and have a starting and ending point. Standards are statements indicating a proposed regulation or guideline.

Obligation - Completion of any project will depend on a number of factors such as specific City priorities, City financing, grant availability, etc. The City must periodically review project statements as part of a process to determine a priority list of projects to be completed. The list can be any length, and inclusion of an item on the list does not obligate the City to complete that project within the time period allocated. Since implementation methods are suggestions to future City decision-makers to implement the goals and policies set forth in the Plan, the listing of any particular implementation method in this Plan does not, by virtue of the listing alone, obligate the City to undertake any particular implementation method. Standards will be incorporated into City regulations and policies by separate action, given the constraints of staff time and City priorities, and will not be put into effect by virtue of this Plan alone. It may not be necessary for the City to incorporate a specific implementation method where it can be demonstrated that an alternative action or no action at all will better or equally accomplish the intent of the related goals or policies. The list of implementation methods is not exclusive, and the City will always have the power to adopt alternate methods for implementing the Plan's goals and policies.

DRAFT

GOAL 9: ECONOMIC DEVELOPMENT

GOALS, POLICIES & IMPLEMENTATION METHODS

ALBANY'S ECONOMY

GOALS

1. Enhance the value and diversity of Albany's economy by attracting, retaining, diversifying, and expanding local businesses.
2. Strengthen the area's role as a leading regional economic center through local and regional coordination and collaboration on economic development planning and projects.
3. Focus on living-wage jobs, training, and education opportunities for Albany residents. Work to achieve a healthy balance of housing and jobs.
4. Create a readily identifiable downtown core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.

POLICIES

1. Create and maintain a dialogue between business and civic leaders on what we can do as a community to improve our local economy.
2. Support the retention and expansion of existing businesses and industries, especially those that are locally owned.
3. Investment strategies will consider the location, business or industry type and needs, and other criteria for the use of public funds.
4. Effectively communicate City economic development and livability goals, policies, and regulations to Linn Economic Development Group (LEDG), Albany Area Chamber of Commerce (Chamber), Albany Downtown Association (ADA), Albany Visitors Association (AVA), Oregon Cascades West Council of Governments (OCWCOG), Small Business Development Center (SBDC), Business Oregon, and other agencies providing economic development advocacy and assistance.
5. Department will maintain an economic development strategy that outlines priorities and roles for the City and other economic development entities.
6. Annually review the City's economic development strategy and priorities.
7. Take into account the following factors when considering financial and regulatory incentives to help attract, retain, and expand businesses and industries in Albany:
 - a. What percentage of the jobs pay wages above average for Albany?
 - b. Will the business diversify the economy?
 - c. Does the business want to locate or expand in areas where the City wants to encourage development or redevelopment?
 - d. Is this an existing industry Albany would like to retain?
 - e. Will the business place significant demands on utility or transportation systems?

- f. Is the business environmentally responsible?
- g. Will the business fill a need in the local supply chain or industry cluster?
- 8. Assist businesses in identifying new products and export markets.
- 9. Support efforts to improve local and regional coordination of economic development.
- 10. Cooperate with business and industry to examine measures to reduce the cost of starting or expanding a business.
- 11. Encourage business and industry to employ Albany's existing labor force using available job training and placement programs.
- 12. Support the area's educational resources as vital to the social and economic well-being of the community. Encourage opportunities for increasing skill levels of local workers.
- 13. Recognize and promote community events as:
 - a. Having potential positive economic impacts.
 - b. Important community promotion of activities that demonstrate the abilities, talents, and resources of the community and its residents.
 - c. Tools to develop local pride and community identity.
- 14. Recognize and support Albany's unique historic character as a cultural and tourist-oriented economic resource.
- 15. Pursue state and federal resources for the assessment and remediation of brownfields, wetlands, and other types of sites encumbered by barriers to highest and best use.

IMPLEMENTATION STRATEGIES

- 1. Participate in periodic community roundtables to define issues relating to the local economy and to identify remedies.
- 2. Prepare a written economic development strategy and responsibility matrix for the city, Chamber of Commerce, Albany Downtown Association, Linn Economic Development Group, and other economic development entities.
- 3. Assemble and maintain an advisory team to assess how new, expanding, or relocating businesses fit with the community and how Albany can meet their needs. Bring perceived financial and regulatory barriers to the attention of the advisory group.
- 4. Use input from the advisory group to periodically assess the economic development strategy and develop and evolve tools and programs.
- 5. Work with partners such as LEDG and Business Oregon to support the retention and expansion of existing businesses, including efforts to identify new products and export markets.
- 6. Use state and federal grant and loan programs, as appropriate, to encourage desired businesses to locate or expand in Albany.
- 7. Encourage investment in the area's local economy by local financial institutions.
- 8. Periodically review the Enterprise Zone boundaries and assess the impact of the Enterprise Zone on economic development and on the city's budget.
- 9. Develop and maintain a current "economic profile" of Albany that can be made available to individuals and businesses considering locating in Albany.

10. Maintain a marketing strategy for the area's industrial lands and to actively promote the development of all industrial properties.
11. Coordinate with Business Oregon to supply appropriate market and other information to international trade groups.
12. Lead and cooperate with area economic development entities to:
 - a. Maintain a current directory of ongoing economic activity.
 - b. Cooperate with economic development interests to assist them with information regarding location or expansion in the Albany area.
 - c. Maintain and make available current industrial site survey information such as available and projected public services; surrounding land uses and potential incompatibility issues; transportation characteristics and capabilities; and other economic profile information describing Albany's social, economic, and political characteristics.
 - d. Pursue local, state, federal, and other funding, and technical assistance to attract business to the Albany area.
 - e. Provide funding for the administration of economic development activities.
 - f. When desirable, give existing and potential businesses the advantages offered by the Albany Enterprise Zone and other local business incentives.
 - g. Maintain up-to-date information regarding the area's educational resources and the educational level of the local population to provide to businesses considering locating in Albany.
13. Support the cooperative efforts of all educational institutions to maintain high standards in all areas of educational opportunity.
14. Encourage Linn-Benton Community College to continue to offer training programs to local businesses and support and partner with them when appropriate.
15. Support major community events that have the potential for significant positive economic and social impacts. [Ord. 5957, 12/2/2020]
16. Encourage the Albany Visitors Association, the Albany Area Chamber of Commerce, Albany Downtown Association, and Linn Economic Development Group to develop and implement methods to promote Albany throughout the region.
17. Encourage Linn County and the Albany Visitors Association to promote the Linn County Fair and Expo Center for events that draw visitor dollars to Albany.
18. Maintain an inventory of the City's brownfield sites, remediation needs, and opportunities for redevelopment and help property owners navigate resources for remediating sites with barriers to development. [Ord. 5951 12/2/2020]