

Prosperity That Fits Plan Implementation Fund Policy – DRAFT

Purpose

The purpose of this funding policy is to create economic opportunities and economic stability for Corvallis by funding the strategies and actions in the Economic Vitality Partnership's (EVP) Strategic Economic Development Plan: Prosperity That Fits.

In partnership with businesses, citizens, community and regional organizations, this will be achieved through a balanced program that addresses retention and the creation of traded sector jobs and companies, infrastructure, sustainability, development and a vibrant retail environment.

Policy

In order to guide the creation and implementation of a business license fee to support the strategies and actions of the Prosperity That Fits Plan the following mission statement, goals and policies are adopted. These goals and policies may be suspended by the City Council after following existing procedural rules for public notice and participation.

Mission

To realize the goals set out in the Corvallis 2020 Vision Statement as they relate to economic vitality by implementing the Prosperity That Fits Plan as accepted by the City Council in November 2006. In partnership with citizens, community and regional organizations, this will be achieved through a balanced program that addresses the Plans four strategic focus areas:

- a. Strengthening and Expanding Existing Business and Industry
- b. Recruiting Targeted Business Icons
- c. Developing Human and Physical Infrastructure
- d. Integrating Sustainability and Economic Development

Goals

- a. Support retention and expansion of traded sector businesses, which are compatible with the community and provide a diverse economic base.
- b. Support entrepreneurial businesses and people through coordination of programs and support available to business startups, local product development and environmentally responsible modernization.
- c. Leverage existing investment in economic development pursuits and reward collaboration among business support organizations.
- d. Support all commercial and industrial districts as vital commercial areas in the community.
- e. Develop methods by which the success is defined by equally balancing economic, social and environmental responsibility.
- f. Develop the Airport Industrial Park and other industrial centers as attractive business locations which create quality jobs and provide resources necessary to continuously regenerate jobs and create wealth for the community.

- g. Support business development by planning for appropriate amounts and locations of industrial and commercial development by providing the necessary public infrastructure.
- h. Support business development by creating incentives appropriate for the community including but not limited to Enterprise Zones and Urban Renewal Districts.
- i. Support programs, projects and activities which encourage local spending.
- j. To strengthen existing business and industry by creating an environment where existing businesses can compete locally and globally.
- k. To embrace creative and innovative business and development opportunities for the benefit of the community.
- l. To support a healthy and vibrant business climate.

Funding Allocation of Business License Fee

Funding Source

- a. A business license fee shall be established for the sole purpose of raising approximately \$250,000 per year to support the realization of strategies and actions outlined in the Prosperity That Fits Plan. Every going concern physically located in the City of Corvallis as well as every going concern doing business in the City of Corvallis shall pay the business license fee at the rate prescribed below.

Number of Employees (FTE)	Rate/Yr
*Festivals & Fairs	\$50
0-9	\$50
10-19	\$175
20-49	\$275
50-99	\$750
100-249	\$1,000
250-499	\$1,500
500-999	\$2,500
1,000+	\$5,000

*Any festival or fair with business vendors that participate less than 1 day per week will be covered under a single \$50 annual fee unless said umbrella organization has an annual budget exceeding \$250,000.

- b. An increase in the rate is allowable, but should not exceed the United States Consumer Price Index for the previous year.
- c. As a one time allocation to manage the Prosperity That Fits Plan implementation, \$40,000, collected in the previous fiscal year shall be allocated to the City of Corvallis General Fund to purchase software specifically for the managing the fee collection for the Prosperity That Fits Plan implementation.

- d. To provide for the administrative activities of the Prosperity That Fits Plan implementation, \$10,000, collected in the previous fiscal year shall be allocated to the City of Corvallis General Fund to cover costs of assessing, collecting and enforcing a business license fee.
- e. To provide for the coordination activities of the Prosperity That Fits Plan implementation 15% of the business license fee collected in the previous fiscal year shall be allocated to the Corvallis Benton Chamber Coalition to manage the Prosperity That Fits Plan coordination activities.
- f. The remaining monies will be allocated to businesses and/or business support organizations or entities requesting funding through the annual Prosperity That Fits Plan Implementation Fund. Such requests shall be consistent with the purpose, mission and goals of the Prosperity That Fits Plan and improve the community's opportunity to realize the Economic Vitality section of the Vision 2020 Statement.
- g. In any given year, the Prosperity That Fits Plan Implementation Fund Allocation Committee (Allocation Committee), may target specific areas of the Plan through the allocation process.
- h. Applicants who are provided Prosperity That Fits Plan implementation monies shall meet the criteria for funding by addressing the Application Requirements in section XXXX of this policy, which are intended to measure and communicate outcomes as a result of the investment.
- i. The business license fee and Prosperity That Fits Plan Implementation Fund will automatically expire six (6) years from its adoption by the City Council. Any attempt to change the amount (Except as authorized in "b." above) or use of the funds during this time will result in an automatic public process to reengage the business community. The business community will be surveyed every 18 months to gauge support for the business license fee.

Eligible Activities

- a. Applicants should refer to and reference in their submittal the goals identified in section XXXX above.
- b. Applicants shall only apply for funds that relate directly to a specific strategy and action in the Prosperity That Fits Plan. Applicants shall refer to and reference in their submittal the strategy(s) and action(s) identified in the Prosperity That Fits Plan.
- c. Funds may not be used to repay indebtedness, create reserve or for the sole purpose of funding ongoing operations unless specifically identified in the Prosperity That Fits Plan.

Application Requirements

- a. Applicants should provide organizational information which includes a listing of board members, a statement about the purpose of the organizations, the address where the organization is housed and the names of paid staff if any.

- b. The applicant should submit evidence that for the two years proceeding the requested period of funding, success has been achieved in at least two (2) of the Prosperity That Fits Plan actions.
- c. Applicants shall submit a work plan for the requested funding period predicated on furthering at least two (2) of the Prosperity That Fits Plan implementation actions and one (1) or more indicators listed below. The applicant's work plan should incorporate an anticipated budget for activities which include funding. Work plans shall show direct connections between proposed activities, Prosperity That Fits Plan actions and economic indicators.
- d. Listed below are indicators of economic vitality. In addition to addressing the goals in section XXXX of this policy, applicants shall state how their proposals for funding address one or more of the following indicators of economic vitality:
 - 1. Community Indicators of economic vitality
 - a) Business Starts
 - b) Jobs created
 - c) Business longevity
 - d) Payroll Taxes
 - e) Unemployment rates – (combined Linn-Benton) compared to state and national
 - f) Non-agricultural jobs
 - g) Vacancy rates – commercial and residential
 - h) OSU and LBCC FTE Students – actual and projected
 - i) Median home sale prices – average days on market – historical perspective
 - j) Bank deposits – growth
 - k) County wide assessed tax values
 - l) Corvallis average property tax per \$1000
 - m) Water/sewer usage
 - n) Electric consumption
 - o) Natural gas consumption
 - p) DMV records – new licenses issued
 - q) Building permits issued
 - r) New business incorporations
 - s) Infant mortality
 - t) Jobs impacted
 - u) CPI for Benton County – compared to state and nation
- e. Applicants shall submit a plan to leverage business license fee monies to other matching sources, with a preferred goal of one business license fee dollar to three matching dollars. Leverage sources may include cash contribution or in-kind services. Applicants shall clearly identify all sources of income, direct or indirect, cash contributions, or in-kind services, including volunteer hours and activities.
- f. Applicants shall address one or more of the following objectives to demonstrate financial leverage:

1. Retaining or generating ten dollars (\$10) of local business gross sales per one dollar (\$1) invested, and/or
 2. Generating ten dollars (\$10) of payroll in the community for one dollar (\$1) invested, and/or
 3. Demonstrating increase in tax dollars collected, in excess of the allocation requested, as a result of business investment.
- g. These requirements are not intended to preclude innovative proposals from organizations or preclude consideration of funding for new organizations or collaborators working to achieve the strategies and actions outlined in the Prosperity That Fits Plan. Applications from new entities shall provide mission statements, goal statements, or other information on how the request furthers the Prosperity That Fits Plan initiatives.

Funding Process

- a. Prosperity That Fits (PTF) funding will be allocated by the City Council, upon recommendation of the seven (7) member PTF Allocation Committee.
- b. The mayor will appoint one (1) City Councilor to serve on the PTF Allocation Committee.
- c. Each of the fifteen (15) EVP partners may submit one (1) candidate for election to the PTF Allocation Committee. From all such submitted candidates, the PTF Steering Committee will use an open ballot process to elect six (6) participants to serve a single two year term. Participants shall not be a current employee or immediate relative of an employee of any organization requesting funds. Furthermore, participants must be a business person, who is currently in business.
- d. The mayor will review the proposed Allocation Committee to ensure businesses of various size and industry are represented and make suggestions to the EVP Steering Committee as needed.
- e. All applicants will present budgets and work plans for the coming year during the annual allocation process. This presentation will include the preceding year's activities and results.
- f. Recipients of funding will be expected to provide work progress narratives with related financial information on a regular basis as stipulated by the PTF funding allocation agreement.