



APPROVED: July 27, 2016

**CITY OF ALBANY  
TLT AD HOC ADVISORY COMMITTEE  
City Hall, Santiam Room  
Wednesday, June 22, 2016  
5:00 p.m.**

**MINUTES**

CALL TO ORDER

Chair Scott Pierson called the meeting to order at 5:00 p.m.

ROLL CALL

Committee Members present: Scott Pierson, Mitch Langjahr, Chuck Leland, Mike Martin, Betsy Penson, Steve Reynolds

Committee Members absent: Julie Jackson

APPROVAL OF MINUTES

May 25, 2016

Pierson requested a correction on page 2, the last paragraph, the seventh line: change ADA to AVA.

MOTION: Chuck Leland moved to approve the minutes as corrected. Mitch Langjahr seconded the motion, and it passed 6-0.

SCHEDULED BUSINESS

Business from the Public

None.

Presentation – TLT Recipient: Albany-Millersburg Economic Development Corporation (AMEDC)

John Pascone, President of the Albany-Millersburg Economic Development Corporation (AMEDC), gave a presentation on AMEDC. The presentation was included in meeting packets. Highlights included the following:

- AMEDC was incorporated in 1982 as a 501-C4 with a 25-member Board of Directors. Listings of the original incorporators and current Board members are included in the presentation. The mission from the organization's bylaws is "To foster a healthy and viable economy in the Albany-Millersburg area."
- AMEDC's original strategy was job creation through recruiting and retention/expansion. In 1986, the strategy was expanded to include small businesses. The goal is to increase jobs and wages.
- AMEDC services include staffing of an office; working with existing local businesses; responding to inquiries for buildings and land; helping start-ups; representing the communities in meetings, forums, and boards; and managing the Enterprise Zone.
- The Enterprise Zone is an overlay zone under which a company can get three years of tax deferral for new investment. The Albany-Millersburg Enterprise Zone sunset in 1996 and the South Santiam

Enterprise Zone is set to sunset in 2018. The City of Albany is expected to discuss the potential of forming its own Enterprise Zone.

- AMEDC's budget for 2015-16 is \$124,805. Revenue sources include the City of Albany TLT Fund (\$49,700), City of Millersburg (\$30,000), Linn County (\$20,000), and private funding (\$17,500). Expenses include staff and payroll (\$99,500), occupancy/office (\$11,900), marketing (\$4,900), and other (\$3,000).
- Revenue from the City of Albany TLT program increases three percent each year, which has been very helpful. The TLT funding mechanism has worked well in allowing recipients to know the level of funding they will receive each year.
- AMEDC's Strategic Plan and Projects List are included in the presentation.
- AMEDC's impact includes jobs for residents and kids; payroll to support families and the community; and property taxes to support schools and government
- Of the approximately 20,000 local jobs in manufacturing, about nine percent were created through AMEDC efforts. The average wage from AMEDC projects is \$44,546. Assurant Call Center reduces this average; however, that business has been successful in providing over 400 good jobs for the community.
- Several of the top 20 taxpayers in Linn County were AMEDC projects and clients. Success stories include the Target Distribution Center, Panolam Industries, Metal Technology Inc. (MTI), SnoTemp, Chalet RV, Assurant Call Center, and Viper Northwest.
- AMEDC's wish list includes additional funding in the amount of \$81,000 for a support staff person (\$45,000); web master help (\$24,000); and marketing and outreach (\$12,000).

In response to questions from the Committee, Pascone provided additional information about Enterprise Zone incentives. He said that he spends the majority of his time on expansion and retention efforts. He gave examples of businesses that were considering locating in Albany and Millersburg but ultimately chose to locate elsewhere due to regulatory issues at the state level. He said that the wish list funding would allow for updates and maintenance of the website and social media platforms which is important because site selectors are connected to these platforms. Brief discussion followed regarding the current and historical TLT funding for AMEDC and the charge of this Committee to consider and recommend changes to the existing TLT policy.

Pascone agreed to contact Betsy Penson regarding potential uses of vacant space at Heritage Mall.

#### Presentation – TLT Recipient: City of Albany Economic Development

Economic Development and Urban Renewal Director Kate Porsche reviewed her background with the City of Albany. About ten years ago, she was hired as Urban Renewal Coordinator by then Economic Development Director Dick Ebbert. Mr. Ebbert passed away in 2008, and it was decided not to fill the position for budgetary reasons. In 2013, after earning her Master's degree, she was promoted to Economic Development and Urban Renewal Director. Funds were later added to the budget to hire Nathan Reid to assist on the urban renewal side.

At the request of the Committee, Nathan Reid reviewed his background, which includes an internship in Washington, D.C., and urban renewal experience at the state level.

Porsche distributed and reviewed a graphic of the Economic Development Budget 2016-2017. She noted that 19 percent of the budget is allocated to equipment replacement, 7 percent to reserves, 4 percent to operating costs, and 4 percent to the Collaborative Tourism Promotion (CTP), with the remaining 66 percent to the TLT recipients as shown on the graphic. Three-quarters of her salary and all of Reid's salary is funded from the urban renewal district; 25 percent of the Director's salary is funded through TLT revenues for work related to economic development.

Porsche said that she and John Pascone work together very well in a complimenting partnership. Because Pascone works for a nonprofit organization, he is able to be nimble and quick to respond, while there are some things the City can do that AMEDC cannot. Her goals include helping to eliminate barriers for

businesses and

shepherding high profile, job-creating projects through the system. She noted that AMEDC's project list includes many projects that were assisted in partnership with the Central Albany Revitalization Agency (CARA) or the City.

Porsche said that, along with expansion/retention and recruiting, AMEDC and the City have begun to focus on entrepreneurs, partnering with the Regional Accelerator Innovation Network (RAIN) to hold local events to spread information and provide entrepreneurs with the tools they need to create future traded sector businesses.

Porsche noted that the City Council has deemed a healthy economy to be a high priority, so much so, that it is Goal 3 in the City's Strategic Plan. She reviewed some of the goals, objectives, and metrics identified in the Strategic Plan Goal.

Mitch Langjahr initiated brief discussion about the CTP funding, which has been used for the Linn County Expo marketing position. Mike Martin said he will want to discuss whether that the position might be most effective as an employee that reports to the City and works to fill events throughout the community.

In response to a question from Penson, Porsche said AMEDC has a proposal packet and the City has a marketing packet for prospective businesses. Penson said that access to that information would be helpful to Heritage Mall, and potentially others, in trying to attract business to Albany.

#### Presentation – TLT Recipient

##### *City of Albany Public Works Operations Street Maintenance*

Public Works Operations Director Chris Bailey gave a presentation on the use of TLT funds in the Street Maintenance Program and the Albany Municipal Airport Capital Budget. The presentation was included in meeting packets.

Bailey said the Street Maintenance Program receives less than \$3,000 per year in TLT revenue as reimbursement for costs related to the Veterans' Day Parade. These costs include setup and takedown of barricades, equipment costs, and personnel including overtime pay.

##### *City of Albany Airport*

Bailey said the Albany Municipal Airport was established in the 1920s and grew to over 186 acres through the 1960s. Over time, 75 acres were sold or lost to I-5, the Linn County Fair and Expo, and hotel and restaurant properties. This impacted the ability of the Airport to generate its own revenue or expand operations. The previous TLT work group recommended that the Airport receive annual funds for capital projects. For FY 2016-17, the Airport received \$71,700. These funds provide the local ten percent match required for Federal Aviation Administration (FAA) grants, as well as funding for non-FAA grant eligible projects.

Bailey reviewed TLT revenue-funded building and facility repairs, including a new roof on City T-hangars, paving of the swept-wing aircraft parking area, match for Airport fencing project, match for Airport taxiway connector design project, match for GIS obstruction survey, and match for taxiway construction project. Future Airport capital projects include displaced threshold marking to extend useable runway length, automated weather observing system (AWOS), water/sewer utility expansion to unserved areas, parking apron paving and striping, additional aircraft fuel tank and pump facility, and development of a GPS approach which would make it safer for pilots to land on cloudy days.

Bailey said the 2014 Oregon Department of Aviation Plan estimated 12,650 annual flight operations (take-off or landing) at Albany, with a total impact on local businesses of \$5.48 million per year. Continued capital investment will increase these numbers over time. Longer runway, weather reporting, and new approach projects would be expected to result in more flights; improved utilities to underserved areas would be

expected to result in more private hangars; and the addition of Jet-A fuel would be expected to bring in additional turboprop and small jet aircraft.

Bailey said that the City Council has directed staff to optimize the Airport's operations and revenue. The Airport is intended by the Council to be self-supporting and it receives no General Fund support for operations or capital expenses. Without the TLT revenue source, there would be no funding for the local match for Airport projects.

In response to questions from the Committee, Bailey said the Airport doesn't charge landing fees at this time. There are some fuel sales; and a future project to add Jet-A fuel could add additional transient aircraft stops, fuel purchases, and perhaps even additional hangar business. Continued TLT funding for the Airport will provide for continued expansion of Airport facilities and capabilities; create possibilities for more flight operations and hangars; and continue the Council's direction of maximizing the Airport's potential.

The Committee briefly discussed Airport activities and potential revenue generators, including fuel sales, additional hangars, and land leases. Martin asked whether the City has looked at borrowing to build hangars given the potential payback from leasing them. Bailey said that the Airport Advisory Commission has asked those questions and that the Fixed Base Operator (FBO) has asked the City to build a better FBO hangar; however, the City hasn't yet gone down the path of considering borrowing.

#### Staff updates and issues

None.

#### BUSINESS FROM THE COMMITTEE

There was no additional business.

#### NEXT MEETING DATE

July 13, 2016, 3:00-5:00 p.m., City Hall Santiam Room.

#### ADJOURNMENT

Hearing no further business, Chair Pierson adjourned the meeting at 7:00 p.m.

Submitted by,

Reviewed by,

*Signature on File*

*Signature on File*

Teresa Nix  
Recorder

Kate Porsche  
Economic Development & Urban Renewal Director