

**PHILOMATH COMMON COUNCIL**  
**MINUTES**  
**October 29, 2014**

**1. CALL TO ORDER/ROLL CALL**

The common council of the City of Philomath was called to order on Monday, October 29, 2014, at 7:00 p.m. in the Philomath City Hall Council Chambers by Mayor Rocky Sloan.

Present:

Mayor Rocky Sloan  
Councilor Angie Baca  
Councilor Charla Koeppel  
Councilor Jason Leonard

Excused:

Councilor Matt Bierek  
Councilor Sean Manning  
Councilor Nolan Bartlow

Staff Present:

City Manager Chris Workman  
Finance Director Joan Swanson  
City Recorder Ruth Post

**2. APPLICATION FOR DESIGNATION OF PROPOSED ENTERPRISE ZONE**

Amy Jauron, Economic Development Officer, Corvallis-Benton County Economic Development Department – Ms. Jauron stated there are very few economic incentive programs in the state of Oregon for businesses interested in locating or expanding operations. She described the 3-year property tax abatements available in an enterprise zone. She stated that there are two enterprise zone designations available from the State at this time and there are three cities applying: Philomath, Oregon City and Tigard. She described the state requirements for a business to qualify for an enterprise zone and gave examples of additional requirements some cities have added to their criteria. Ms. Jauron described benefits of an enterprise zone, including incentives for businesses currently looking to locate in Philomath, long-term property tax base growth and reporting requirements for companies.

Ms. Jauron explained that areas in an enterprise zone do not have to be contiguous. She clarified that Corvallis has one enterprise zone with three separate areas, including Sunset Research Park, the Airport area and the HP campus. Councilor Leonard questioned negative aspects of an enterprise zone. Ms. Jauron stated that public perception can view programs such as this as a take away from programs such as schools, firemen and police when it's really a delay of receiving those property taxes. She explained the 10 year term for an enterprise zone; and if it isn't used in 10 years, it expires. She explained that Port Orford is going to lose their enterprise zone if nothing is located there by January 15.

Jim Kildea, Chair, Philomath School Board – Mr. Kildea asked when the 10-year term begins. Ms. Jauron explained it begins when you get approved by the state. She further explained that a business wishing to locate in the enterprise zone and take advantage of the tax break must be approved by the governing body.

Sam Hull, Resident, Philomath, OR – Mr. Hull questioned how an enterprise zone would impact land use zoning already in place. Mr. Workman explained the

1 enterprise zone would overlay on top of the existing zoning. Prospective  
2 businesses would still have to meet those zoning requirements.

3  
4 Bill Mayer, Owner, Mill Pond Business Park – Mr. Mayer questioned how the end  
5 of the 10 year term impacts businesses that locate within the enterprise zone  
6 during that period. Ms. Jauron explained that as long as someone locates within  
7 the enterprise zone, it stays active. If it isn't used within the 10 year period, then  
8 the sponsoring agency must reapply to keep it. Mr. Workman stated that the  
9 sponsoring agency does have the option of terminating the enterprise zone if  
10 they so desire.

11  
12 Ms. Jauron noted that there are three anticipated applications for the two zones  
13 the state has available. If the city is not awarded an enterprise zone during this  
14 opening, there are up to four enterprise zones coming up in early 2015, two of  
15 which have not been used during their 10 year term at Oakridge and Port Orford.

16  
17 Tamera Hull, Resident, Philomath, OR – Ms. Hull questioned if Corvallis added  
18 the hotel option to their enterprise zone. Ms. Jauron said that Corvallis has not  
19 used their enterprise zone for any commercial entities. She stated that Corvallis'  
20 enterprise zones only overlay industrial zoned properties. Mr. Workman  
21 explained that upon approval of the enterprise zone by the State, the city has six  
22 months to determine final criteria and consider options such as the inclusion of a  
23 hotel component.

24  
25 Doug Edmonds, Resident, Philomath, OR: Mr. Edmonds questioned if the  
26 boundaries can be changed once an enterprise zone is approved. Mr. Workman  
27 stated that the governing body can submit paperwork to the state to change the  
28 boundaries. He described the state's qualification requirements for a new  
29 enterprise zone.

30  
31 Tom Phelps, Chief, Philomath Fire & Rescue: Chief Phelps questioned how a city  
32 includes property outside of their city limits, such as the Corvallis enterprise zone  
33 near the airport. Ms. Jauron explained that the City of Corvallis owns the property  
34 in that zone and it is sponsored jointly with Benton County. She explained the  
35 extra steps required for approval of a business in this scenario. Mr. Workman  
36 explained that the city can have either a co-sponsor or the consent of another  
37 governmental property; however, since all of the proposed properties for the  
38 Philomath enterprise zone are within the city limits, this isn't necessary.

39  
40 **2.1 Review of draft map and application** – Mr. Workman described the use of  
41 census tracts to meet the state criteria and the decision to include all of the city's  
42 industrial zoned property. He explained that if property zoning changed, it would  
43 require approval and submission of the change of boundaries to the state. He  
44 summarized the application included in the packet.

45 **2.2 Questions and answers for local taxing districts** – No additional questions.

46 **2.3 Recognition of written comments** – None received.

47 **2.4 Statements by taxing district representatives** –

48 Jim Kildea, Chairman, Philomath School Board – Mr. Kildea stated that Board  
49 member Don Cruise was also in attendance. He thanked Mr. Workman for  
50 attending the most recent school board meeting and providing information about  
51 the enterprise zone. He stated the Board's primary concern is about impacts on  
52 their local option levy. He stated that the Board in endorsing the application and  
53 could put together a formal resolution if the city desires.

1 Don Cruise, Member, Philomath School Board – Mr. Cruise stated the School  
2 Board is very excited that the city has a vision for the future.

3  
4 Dave Henderson, Vice President, Finance and Operations, Linn-Benton  
5 Community College, Albany, OR – Mr. Henderson stated his board has not  
6 addressed this specific issue but states it fits with their vision of job creation. He  
7 stated the opportunity to advance training programs is exciting.

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9 Tom Phelps, Fire Chief – Chief Phelps stated that his Fire Board supports the  
10 application and would be happy to pass a resolution of support if desired.

11  
12 **2.5 Discussion of major issues**

13 Barb Hartz, Owner, Philomath Realty – Ms. Hartz stated she has been involved  
14 with the Chamber and community for a long time and has seen business location  
15 opportunities come and go and would like to not see the city lose out on  
16 opportunities in the future. She described the Philomath Solutions project that  
17 created a database of available properties. She stated the city has a system in  
18 place but lacks incentives. She encouraged the application for an enterprise  
19 zone. (Supplemental agenda item #2.5)

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21 Amy Jauron – Ms. Jauron stated it is a pleasure to work with the city of  
22 Philomath.

23  
24 Eric Niemann, Resident, Philomath, OR – Mr. Niemann asked for examples of  
25 businesses taking advantage of the Corvallis enterprise zone. Ms. Jauron  
26 described examples of Block 15, Two Towns Cider, and NuScale Power.

27  
28 Bill Mayer – Mr. Mayer stated that Natural Point is another good example of a  
29 locally grown firm that located in the Corvallis enterprise zone.

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31 Tom Phelps – Chief Phelps questioned if each new expansion by a business  
32 starts a new three year property tax abatement period. Ms. Jauron stated that a  
33 company approved for the enterprise zone has three years to implement the  
34 approved construction or expansion but can apply for a two year extension,  
35 provided they meet the established criteria.

36  
37 Bill Mayer – Mr. Mayer stated there are no negatives associated with the  
38 enterprise zone. He stated that even without those property taxes, employees  
39 are going to locate here, buy homes, use utilities, and enroll kids in the schools.  
40 He stated that bringing in new people energizes the community and this throws  
41 out the welcome mat. He stated this balances the scale with Corvallis down the  
42 road. He stated that small businesses are the backbone and Philomath is a  
43 working class community.

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45 **3. ADJOURNMENT**

46 **3.1 Adjournment** –Seeing no further business, Mayor Sloan adjourned the meeting  
47 at 7:44 p.m.

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49 SIGNED:  
50 Rocky Sloan, Mayor

ATTEST:  
Ruth Post, MMC, City Recorder