

# State of the City Address

Corvallis, Oregon

The Honorable Mayor Charles C. Tomlinson

Presented to the Corvallis City Council and the People of Corvallis

At The Rotary Club of Greater Corvallis

January 2009

Welcome to the 2009 State of the City Address. It is an honor to report last year's activity and outline a framework for this year's direction.

Citizens indicate they are pleased with our services. When traveling around the state, people often tell me how much they like our community, they like visiting here and they remark that we do things well. We are held in high regard.

The Mayor has a close working relationship with the City Council and City Staff and our community is well served by them. City Staff continues to implement Council policy direction efficiently and effectively.

The *Corvallis 2020 Vision Statement* serves as our roadmap for the future development of our community. This State of the City follows the seven sections of the Vision Statement, which is available on the City's website. Each section contains a Report Card and a 2009 Agenda.

## Central City

### **The Report Card**

We established a Downtown Commission last year to guide the implementation of the Downtown Strategic Plan. The Commission is a diverse group of citizens: housing, historic preservation, cultural arts, Oregon State University, land owners and merchants. The Council also affirmed its intent to establish an Urban Renewal District in the downtown area. An Urban Renewal District is an economic development tool that uses future tax revenues to enhance the District. These enhancements can be building loans for rehabilitation, streetscape improvements, park and trail improvements or historic preservation. The citizen benefit is higher assessments in the District's area as improvements are made, thereby increasing property tax collections and funding city services. Property

owners also receive higher property valuations at sale time because of the increased downtown improvements.

**2009 Agenda**

The Council will soon make a final decision about placing the Urban Renewal District on the ballot and when it is before the people, let's support and pass this economic development tool into law and continue to help our downtown thrive.

Cultural Enrichment and Recreation

**The Report Card**

A local group of citizens began working on new cultural initiatives in our community. These initiatives include more collaboration between arts agencies, a potential cultural arts commission and developing a closer link between the arts and economic development. Citizens did not support the bond measure for the Senior Center, softball fields and playgrounds. As I reported last year, there seems to be a limited amount of gym space in our community for youth and adult activities.

**2009 Agenda**

Let's continue to look at the Senior Center requirements; taking what we learned during the bond measure campaign to craft a plan that can be supported by a majority of voters. I support the creation of a cultural commission.

The City Council and Corvallis School Board have a committee that works on mutual opportunities. They have been working on the gym facilities issue all year. A positive step regarding this issue would be to bring a bond measure to voters and make the case for these additional facilities.

Economic Vitality

**The Report Card**

The Prosperity That Fits Steering Committee continues to implement the community's Prosperity That Fits Plan. Fallout from the national and international economic malaise is being felt in Corvallis. Housing remains stable, foreclosures are not as significant here as in other parts of Oregon although we are seeing softening in the business climate. The OSU Federal Credit Union received the National Community Credit Union of the Year award in 2008. Team Corvallis launched the Business is Good Here web site; an Internet presence that markets and brands our community as well as provides a place for local entrepreneurs and innovators to tell their stories. Interestingly, citizens responding to the 2008 Citizen Survey indicate that city economic development services are in most need of improving; I agree.

## **2009 Agenda**

Let's first look at the Community Sustainability Plan. Nominally, this plan represents a vision of a sustainable Corvallis. Viewed from an economic vitality standpoint, the Plan also represents a broad *research and innovation* roadmap and agenda that can lead to lower costs of doing business in Corvallis. As you would expect from a major research institution, Oregon State University faculty and students are working diligently on the research agenda to enhance our quality of life; they are effectively enabling elements of the Community Sustainability Plan. The Corvallis business community should also see the plan as an innovation 'call to action', leading to the development of new technologies that will make the plan a reality. As the plan's transportation and energy areas are implemented, for example, local businesses will benefit from reduced costs of operation. Therefore, I look for the business community to embrace the Plan as their guide to the future creative and innovative economy that Corvallis excels at. If you want a more global perspective on this call to action for innovation, read Thomas Friedman's book, *Hot, Flat and Crowded*.

A different economic development infrastructure needs to be considered for Corvallis to thrive in the future. This is not just because 'the survey said', even though it did; it is because the City's primary economic development partner, the Corvallis Benton Chamber Coalition, has a business advocacy mission that can conflict and compete with its economic development mission. This occurred last fall with the Business License Fee effort; the results of that effort, by all parties, were less than spectacular. The traditional chamber business advocacy work is necessary and vital. The implementation of the Prosperity That Fits Plan is also necessary and vital. But the conflict that can develop when a single organization delivers both of these services must be acknowledged and resolved. I look for the members of the Chamber Coalition board and members of the Economic Vitality Partnership to work through these issues to build and re-build relationships and trust. During economic times like these, our community requires unity of purpose.

At the Council's goal setting, I am asking the Council to consider adding a City economic development staff person. This person would provide marketing and demographic information to local businesses to help them expand their operations. Called Economic Gardening, it is an economic development model that focuses on local businesses, it is working elsewhere in Oregon and it fulfills the notion that the City should be directly vested in economic development.

On another front, the Business Enterprise Center, our local business accelerator, should be funded at levels that enable it to be the primary *regional* economic development engine. Primary because the BEC excels at

supporting *organic* job growth and wealth creation, something our community needs. I say regional because we should connect Linn and Benton counties for economic vitality. This is evident with the bio-chemistry traded sector cluster that spans both counties. The BEC, working closely with the University, the Oregon Signature Research Centers and Linn Benton Community College, can support small start-up companies and increase employment opportunities for our citizens.

Both of these strategies are consistent with the Prosperity That Fits Plan.

The Chamber Coalition has done a fine job providing entrepreneur development through the Strengths, Weaknesses, Opportunities and Threats process, various boot camps and this year's Willamette Angel Conference. Noting my previous remarks, I hope the Coalition continues to provide retention assistance regarding technology and entrepreneurial competence for our innovation-based economy and a recruitment strategy outlined in the Prosperity That Fits Plan.

### Education and Human Services

#### **The Report Card**

The pre-K to 20 education system is beginning to feel the impact of the state budget downturn. County provided human services are also under stress, both from a budget standpoint and the rising level of people requesting help. Benton County was again named a Top 100 County to raise children in the United States – we are blessed with a network of services for children and a willing population who works hard to keep our children safe. I want to recognize Chair Jay Dixon and the 10-Year Plan to End Homelessness Task Force for their continuing work.

#### **2009 Agenda**

The City Council may have a goal dealing with homelessness. Not knowing the goal's content, I believe it's important to enhance funding for Community Outreach Incorporated; both for current programs and for expanded services for homeless persons beyond those willing to participate in current COI services. COI has excellent programs and I hope COI is a partner in this potential goal that addresses the homeless who for addiction, mental health or other reasons are unable to participate in self-help programs.

### Governing and Civic Involvement

#### **The Report Card**

The number of people willing to serve on City Boards and Commission has risen over the past year. Thirty people interviewed for the fourteen positions on the Downtown Commission. For the second year in a row, Corvallis was named the safest city in the country by Farmers Insurance Company. The Corvallis City Club is thriving and providing a forum for community

discussion. The City budget has a nine million dollar reserve and the Council has set minimum and maximum surplus targets. We manage our tax dollars carefully.

### **2009 Agenda**

The City's most significant challenge will be to manage its budget going forward. The Council and staff are working closely together to keep our operating budget in balance but rising costs and constrained property tax growth will continue. The Governor's Revenue Restructuring Task Force predicts that over the next ten years, local governments across Oregon will face a combined two billion dollar budget shortfall.

The Planning Commission is a Council-appointed land-use body of citizens that reviews development applications. Citizens are encouraged to apply later this spring to serve on the Commission and thus have an active voice in the development of our community.

The City of Corvallis should continue to offer citizens alternative modes of transportation, including working with regional jurisdictions to make an enhanced regional commitment to transit. The Oregon Department of Transportation has been working on a Van Buren Bridge replacement project for many years. Traffic models for this project indicate that a new parallel bridge to the existing Van Buren Bridge and a northern bypass are required to bring the Van Buren traffic corridor into compliance with the State Highway Design Manual. An alternative to this massive building project, for which there is no current funding, is needed. The Project Management Team has asked ODOT to consider and evaluate mass transit across the Route 34 corridor and I hope local governments across the mid-Willamette valley will continue to work on a transit solution to the Van Buren Bridge congestion situation.

Another solution to our transit needs is either intra-city passenger rail or a much enhanced bus-based Corvallis Transit System. Existing rail lines run from the Grand Oaks area to Oregon State, the Airport, downtown, Ninth Street and Hewlett Packard. Using this infrastructure to transport people requires much work and cooperation between the existing users of the rail system. Last year, we expanded routes and times for the Corvallis Transit System and further service enhancements would help people get out of their cars. In summary, we need to make transit the mode of choice for travel in Corvallis.

Protecting Our Environment

**The Report Card**

In April, Corvallis was named the greenest city in the nation. University students passed and OSU administration implemented a renewable energy incidental fee that will purchase 67 million kilowatt hours of renewable energy each year. This purchase is double our current community's commitment to renewable energy. The Corvallis Sustainability Coalition completed the Community Sustainability Plan, after three town hall meetings and numerous group discussions.

### **2009 Agenda**

The Corvallis Sustainability Coalition begins Plan implementation activities this year. I expect this implementation will proceed on two parallel tracks: the Council's public policy discussion and the Coalition's focus on accomplishing actions. I look forward to both activities.

Let's cover two areas of the Community Sustainability Plan, transportation and energy. Both these areas provide opportunities for sustainable economic development.

#### **Transportation**

We need to revolutionize our private and commercial transportation fleet by changing the fleet from a petroleum-based fuel model to an alternative-energy fuel model. The current model pollutes the environment; it contributes 400 billion dollars a year to our national balance of payments deficit and it negatively impacts national security. We need to change quickly but purposefully. My Mayor Mobile electric car gets the equivalent of 200 miles per gallon and costs \$15 per thousand miles driven. It's efficient, clean and inexpensive – even when you consider burning coal provides much of our local electricity. The solar panels on our house will supply all of our home electrical needs, power the Mayor Mobile and provide a 12,000 mile range for our anticipated plug-in hybrid electric vehicle. This fleet change is both the right thing to do and is an economic development opportunity.

#### **Energy**

The conversion of our vehicle fleet to electricity will drive a need for a greener and more resilient electric grid. Corvallis is well-positioned to provide the innovation for smart electric meters and battery technology; Corvallis-based Perpetua Power Source, a former BEC client, is working on advanced battery technology. Perpetua's Jon Hofmeister was named Entrepreneur of the Year at Celebrate Corvallis this year.

Citizens and organizations in Corvallis purchase significant renewable energy through programs like Blue Sky. I am beginning conversations with the Oregon Public Utility Commission and our electric utilities to localize this revenue stream. The revenue stream leaves our community to pay for renewable energy production in far away places. In the past, these models

have been effective but why not keep this revenue stream local and see the results of our renewable power investment?

## Where People Live

### **The Report Card**

Our neighborhoods are important to us. The Council focused on and passed a Chronic Nuisance Ordinance that will help us deal with properties and situations that are in need of attention. City staff continues to work on rental issues and Willamette Neighborhood Housing Services completed more affordable housing units in 2008.

### **2009 Agenda**

Buildings represent a significant carbon footprint and a reduction of this carbon footprint is critical for our sustainability efforts. There are many standards being implemented to achieve net-zero carbon neutral building design. The Corvallis Land Development Code can be modified to offer more efficient building design options, in conjunction with programs like the Earth Advantage home. My conversations with residential and commercial building contractors indicate their desire to improve building envelopes; let's work with them and move to greater building efficiency.

## Conclusion

At the Oregon Business Plan Summit in December, our state economist said he did not know how long or how deep the current recession will be. Locally, we do not know the full impact of the national economic problems on our community although we know we are being impacted.

Community leadership, from the economic, environmental and social sectors, is vital to seeing us through this crisis and placing Corvallis on a trajectory of sustainable economic vitality. All of you play a part in our community's well-being. Lead where you can and in a role that benefits all.

It is critical to focus on our community's economic vitality and our vision of a sustainable community. Whatever the economic dislocation, I believe Corvallis will emerge stronger and more vibrant than before as we are well positioned in the education, health care and technology sectors. We need measured outcomes that matter in both the Prosperity That Fits Plan and the Community Sustainability Plan. Let us strengthen our commitment to our community, ensuring Corvallis continues to be a special place to live, work and play.