



# CITY OF EAGLE POINT

*"Gateway to the Lakes"*

OREGON

JOINT MEETING OF THE CITY OF EAGLE POINT  
CITY COUNCIL AND ECONOMIC DEVELOPMENT COMMISSION

NOVEMBER 5, 2012

WORKSHOP

1. CALL TO ORDER – 5:00 P.M.
2. DISCUSSION REGARDING AN ECONOMIC DEVELOPMENT PLAN AND THE POTENTIAL INCLUSION OF EAGLE POINT PROPERTIES INTO JACKSON COUNTY'S ENTERPRISE ZONE
3. ADJOURN

**BUSINESS OF THE CITY COUNCIL AND  
ECONOMIC DEVELOPMENT COMMISSION  
EAGLE POINT, OREGON**

**AGENDA STATEMENT**

**Item Number: 2**

**Meeting Date: November 5, 2012**

**ITEM TITLE:** Discussion regarding an Economic Development Plan and the potential inclusion of Eagle Point properties into Jackson County's Enterprise Zone.

**SUBMITTED BY:** Mike Upston, Principal Planner (541) 826-4212, ext 111

**SUMMARY EXPLANATION:** The purpose of this workshop is to engage the City Council and Economic Development Commission in two separate, but somewhat related discussions: first, regarding an Economic Development Plan and, second, regarding the potential inclusion of certain properties within Eagle Point into Jackson County's Enterprise Zone. This workshop will be an opportunity for Councilors and Commissioners to get together with staff from the City and Southern Oregon Regional Economic Development, Inc. (SOREDI) to discuss these items and provide further direction.

**Economic Development Plan**

The following are highlights from recent meetings between City staff and SOREDI regarding the potential development of an Economic Development Plan for Eagle Point. These are issues that are relevant to Eagle Point and have been identified as appropriate for initial discussion with the City Council and Economic Development Commission prior to moving forward. City staff and SOREDI's Ron Fox will be on hand to provide additional information.

**I. Three-Pronged Economic Development Approach**

**1) Retail/ Local Service Strategy**

- In parallel with a method for linking up with SOREDI's regional approach.
- Fits well with Eagle Point's high number of residences and expected population growth.
- Look into the federal Main Street USA program.

**2) Traded Sector Strategy**

Mr. Fox is planning to show a short video about Traded Sector and why it's important. He has described this to staff as being the best, short explanation on what traded sector is and why it is important to a community.

### 3) E-Commerce Strategy

- This would add e-commerce businesses to the current mix of industrial and commercial businesses meeting the criteria to receive property tax incentives within Enterprise Zones. (Note that Jackson County's Enterprise Zone may have an e-commerce category added to it in future.)

We may opt to work with SOREDI and a selected consultant to develop a better understanding of our economic development opportunities and specific ways to most gainfully apply them. SOREDI is available at no cost to assist with a traded sector strategy (#2 above), but they would defer to a consultant to help with the retail/local service strategy and the e-commerce strategy (#'s 1 & 3 above).

## II. Leakage Study

Consider what things residents leave town to get; products, services, entertainment, etcetera. Then think of ways to provide those things here. There are consultants with expertise in conducting leakage studies and providing other related economic development assistance as mentioned above.

## III. The Role of Geography

- Consider the positive economic development implications of being at the north end of the planned highway 62 bypass.
- Look at the advantages of Eagle Point's proximate highways (Hwy 62, Hwy 140, Hwy 234, and I-5).
- The Rogue Valley is on the I-5 corridor connecting San Francisco and Portland. Look at building on our ability and success in capturing the resources that are constantly migrating along this corridor.
- Take advantage of our location as the "Gateway to the Lakes" and presence within the broader Southern Oregon tourism, recreational and outdoors opportunity area.
- Capitalize on our location as part of the Rogue Valley rather than as an isolated outpost. We are within 15 minutes of most places and activities in the valley.

## **Enterprise Zone**

Enterprise Zones are a commonly used incentive to attract companies to a particular area. While the Enterprise Zone incentive was established by the Oregon Economic & Community Development Department, local jurisdictions sponsor the program and provide the respective property tax exemption benefit. Key points regarding Enterprise Zones are:

- There are currently 59 Enterprise Zones in Oregon with two of those in Jackson County. Other Enterprise Zones in our area of the state include Grants Pass, the Illinois Valley, commercially and industrially zoned sites in Josephine County, Medford, White City, Butte Falls, Rogue River, and some rural portions of Jackson County. SOREDI manages the Enterprise Zones within Jackson and Josephine Counties.

- Enterprise Zones are created for up to a maximum of ten years, with the potential for renewal in ten year increments.
- Qualifying businesses may be eligible for three years of property tax abatement for capital improvements. This can be increased to five years if the average compensation for newly hired employees is at least 150 percent of the local average wage. For Jackson County, this incentive can be earned when average new hire compensation is at least \$49,301 (2012 dollars).
- The tax abatement only applies to the assessed value in building and site improvements – not to vacant land. Therefore, it would not be possible for someone to purchase vacant land and receive the property tax exemption associated with Enterprise Zones.
- In addition to being required to be located within an Enterprise Zone, a business must also trade outside the area and be a bonafide jobs creator. It must be a “Traded Sector Enterprise.” These are companies that export a majority of their product and bring outside capital into the community. Examples include companies that deal in electronics, software, wood products, bioscience, etc.

Staff has mapped out a six-step process which we believe should lead to success in convincing the County to include Eagle Point properties within their Enterprise Zone, as follows:

Step 1. Identify the Eagle Point zoning districts, areas, and/or individual parcels that seem most suitable for inclusion within Jackson County’s Enterprise Zone. The focus needs to be on industrial and commercial zones and the specific tax lots that Eagle Point would like to have added to the zone. Refer to Attachment A: City of Eagle Point Zoning Map – Proposed Enterprise Zone Parcels.

Step 2. Discuss with the Economic Development Commission and City Council the potential areas to be included within Jackson County’s Enterprise Zone. Describe the areas proposed and what sort of approach we used to identify them. The November 5th workshop serves as this step.

Step 3. Have the City Council endorse the selected properties by signing a resolution asking the County to amend the existing boundaries of its Enterprise Zone to add the proposed Eagle Point tax parcels. This could occur as soon as Council’s next regular meeting on November 13th.

Step 4. Forward the resolution and attached list of tax parcels that are requested to be added to the Enterprise Zone to the Jackson County Development Services Director.

Step 5. City staff and a City Council member attend a Jackson County Board of Commissioners work session to present our proposal to be included in the County’s Enterprise Zone. The proposal would be accompanied by a map and a list of tax parcels, along with the resolution.

Step 6. If the Jackson County Board of Commissioners is favorable as to inclusion of the proposed Eagle Point parcels, we would begin the formal adoption process with County staff. This includes holding City and County public meetings with required noticing.

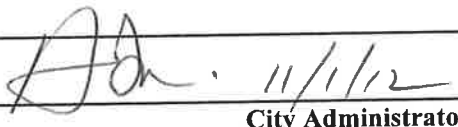
The process is concluded if/when the County approves the Enterprise Zone boundary changes and sends them to *Business Oregon* to be added to their maps and amend their website information.

Note: *Business Oregon* works to create, retain, expand and attract businesses that provide sustainable, living-wage jobs through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs. The agency's activities are overseen by the Oregon Business Development Commission to ensure a coherent, integrated approach to economic development.

At the November 5<sup>th</sup> workshop, staff will provide introductory remarks and Ron Fox from SOREDI will present more detailed information on both discussion items. Then Councilors and Commissioners will be provided time to engage in questions and general discussion. The workshop will conclude with direction to staff on both the Economic Development Plan and the Enterprise Zone.

No action is sought. The purpose of the workshop is for the Council and Commission to receive and consider the information presented. No decision is requested and no public input will be received, though the workshop is open to the public. However, as described above, the Council and Commission members may agree to request staff preparation of a resolution related to the Enterprise Zone for Council adoption at an upcoming City Council meeting.

The workshop will begin at 5:00 p.m. and last approximately one to two hours. If you have any questions about the Economic Development Plan or Enterprise Zone, please contact me.

<b>Resolution:</b> _____	<b>Ordinance:</b> _____	<b>Contract:</b> _____	<b>Other:(specify)</b> _____
_____			
<b>Funding Source:</b> _____			
<b>APPROVED FOR SUBMITTAL:</b> _____			
 City Administrator			

**STAFF RECOMMENDATION:** No staff recommendation is provided at this time. This workshop is solely for the purpose of providing information and generating discussion. However, as mentioned above, Council and Commission members may agree to request that staff prepare a resolution related to the Enterprise Zone for the Council to adopt at an upcoming City Council meeting.

**COMMISSION RECOMMENDATION:** No Commission recommendation is provided at this time.

**COUNCIL OPTIONS:**

1. Direct staff to begin work on an Economic Development Plan and to prepare a resolution regarding the Enterprise Zone; or
2. Direct staff to schedule another workshop and bring back additional information; or
3. Provide alternate direction to staff.

**ATTACHMENTS:**

Attachment A: City of Eagle Point Zoning Map – Proposed Enterprise Zone Parcels

# Attachment A: City of Eagle Point Zoning Map Proposed Enterprise Zone Parcels

