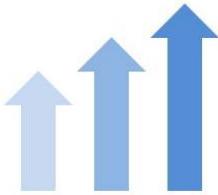




Economic Development Committee



AGENDA

VENETA ECONOMIC DEVELOPMENT COMMITTEE

June 16, 2025 3:30 PM

Veneta City Hall – J.W. “Bill” Smigley Room
88184 8th
Street, Veneta, Oregon

City of Veneta Public Meetings can be accessed via teleconference. To listen to or participate in this meeting, call 541-935-2192 (Participant Code 793738#).

1. CALL TO ORDER
2. PUBLIC COMMENT
 - a. Speaker will be limited to 3 minutes each.
3. MINUTES APPROVAL
 - a. Approval of the May 19, 2025 Minutes (pgs. 1-8)
4. COMMITTEE MEMBER UPDATES
 - a. General Updates from EDC Members (verbal)
5. STAFF REPORTS
 - a. City Management Intern Jillian Liebersbach
 - (1) Economic Report – June 2025 (pgs. 9-11)
 - (2) Economic Brand Rollout Report (pgs. 13-18)
 - b. Management Analyst Jacob Thode
 - (1) Commercial Development Incentive Program Revisions (pgs. 19-26)
 - (2) Fiscal Year Changes – updates to Programming / Website (verbal)
 - (3) Update on awarded grants throughout the previous fiscal year (handout)
6. OTHER
7. NEXT MEETING
 - a. July 21, 2025 at 3:30 p.m.
8. ADJOURN

To access Veneta Economic Development Committee materials please go to
<http://www.venetaoregon.gov/>

Times are approximate. This meeting will be digitally recorded. Location is wheelchair accessible (WCA). Individuals needing special accommodations, such as sign language or foreign language interpreters, should make such requests by contacting the City Recorder at 541-935-2191(voice) or by e-mail at: mmichel@ci.veneta.or.us. Requests made after 10:00 a.m. two working days prior to a meeting may not be accommodated.

Los tiempos son aproximados. Esta reunión se grabará digitalmente. La ubicación es accesible para sillas de ruedas (WCA). Las personas que necesiten un alojamiento especial, tales como lenguaje de señas o intérpretes de idiomas extranjeros, deben hacer tales peticiones poniéndose en contacto con el registrador de la ciudad en 541-935-2191 (voz) o por correo electrónico a mmichel@ci.veneta.or.us. Las solicitudes hechas después de las 10:00 a.m. dos días hábiles antes de una reunión no pueden ser acomodadas.



CITY OF VENETA ECONOMIC DEVELOPMENT COMMITTEE

MEMBERS:

HERB VLOEDMAN (CHAIR)
BRITTANY LEHMAN (VICE-CHAIR)
JOHN TRIBOLET
RIC INGHAM
AARON GARCIA

GINA HALEY-MORRELL
LEN GOODWIN
ROBBIE MCCOY (LIAISON)
LEWIS RUCKER
AARON GARCIA

MINUTES

Economic Development Committee Meeting

Wednesday, April 9, 2025, 2:00 PM

Veneta City Hall — J.W. "Bill" Smigley Room
88184 8TH Street, Veneta, Oregon

Present: Chair Herb Vloedman, Vice Chair Brittany Lehman, Council Liaison Robbie McCoy, Member Lewis Rucker, Member John Tribulet (phone), Member Len Goodwin, Member Ric Ingham, Member Arron Garcia
Absent: Member Gina Haley-Morrell, Lewis Rucker (excused)
Staff: City Administrator (CA) Matt Michel, Management Analyst (MA) Jacob Thode, City Management Intern (CMI) Jillian Liebersbach
Other: Heather Blake, RAIN Catalysts (phone)

1. CALL TO ORDER/REVIEW AGENDA

Chair Vloedman called the meeting to order at 2:04 p.m. and reviewed the agenda.

2. PUBLIC COMMENT

There was no public comment.

3. MINUTES APPROVAL

a. Approval of the April 9, 2025, meeting minutes.

MOTION: Member Goodwin **made a motion to accept the April 9, 2025, minutes with the discussed changes.** Vice Chair Lehman seconded the motion. **The motion passed unanimously (7-0).**

4. COMMITTEE MEMBER UPDATES

Member Tribolet shared the Dog Park Grand Opening was a great success, the Pickleball Clinic had a good turnout, and the Arbor Day Memorial celebration for Matt Laird was very heart-felt.

Council Liaison McCoy also shared that the Grand Opening of the Dog Park took place on Saturday May 10th and was a very fun event with awards given to five different dog events.

Council Liaison McCoy shared the Veneta Fern Ridge Chamber of Commerce was planning a Pickleball Tournament this summer. Date and time to come soon.

5. STAFF REPORTS

a. City Management Intern

i. Economic Brand Rollout

Chair Vloedman asked for the staff report.

CMI Liebersbach reminded members that the Economic Brand Rollout was the project that completed last year to create a cohesive brand for the City and a consistent identity for Veneta businesses.

CMI Liebersbach announced the Fern Ridge Chamber of Commerce was spearheading the social media posts and utilizing the videos produced by Altar Media, the vendor used for the Economic Identity Project.

CMI Liebersbach shared she received lots of positive feedback from businesses and also announced Dairy Queen was interested in integrating the new logo into a poster that would be visible to customers; she further stated they intend to provide drafts to the City.

CMI Liebersbach provided the committee with how Dairy Queen may use the logo in their own branding, and how they worked with the City/Chamber to get approval.

Chair Vloedman asked to have the DQ logo designs available at the next EDC meeting.

CMI Liebersbach announced that she, along with MA Thode, researched the water well bills discussed at the last meeting and shared the bills cover water and electric usage and monitoring. She further stated there was no movement on these bills and concluded the Committee would be updated when reports on these bills were due

Economic Development Committee
Wednesday, April 9, 2025

September.

MA Thode stated the bills were in the reading stages and he would update the committee when reports were published.

Member Goodwin mentioned it was possible the bills did not survive the May 16, 2025 deadline.

b. Management Analyst

Chair Vloedman asked for the staff report.

i. Eligibility for the Business Grant Programs

MA Thode summarized his memorandum regarding the Business Grant Programs and shared additions were made to the programs based on the direction of the Committee.

MA Thode stated grant applicants would be eligible for up to a \$10,000 in awards if they create, retain or support up to a one full-time equivalent position.

MA Thode shared applicants could be eligible for up to the \$25,000 award amount if they create, retain or support two or more full-time equivalent positions.

MA Thode concluded projects supporting up to one full-time equivalent position may be eligible for up to the \$25,000 amount if they also meet two or more of the program's economic preference criteria.

MA Thode turned the floor back to Chair Vloedman.

Chair Vloedman asked Vice Chair Lehman if these changes were helpful to the Business Assistance Committee (BAC).

Vice Chair Lehman explained how the BAC reviewed the applications for these awards and believed these changes would be helpful in their review and final award decisions.

Chair Vloedman asked for questions or comments.

Member Ingham pointed out an error in the grant program's packet and stated the fiscal year for the city runs July through June and asked for that update in the document.

Chair Vloedman asked for a motion on this agenda item.

MOTION: **Member Goodwin made a motion to recommend City Council approve staff's revisions to the Business Grants Program.** Member Tribolet seconded the motion. **The motion passed unanimously (7-0).**

ii. Eligibility for the Commercial Development Incentive Program

Chair Vloedman asked for the staff report.

MA Thode announced he was seeking direction from the Committee on revisions to the Commercial Development Incentive Program's eligibility criteria and program name.

MA Thode shared background on the different grant programs and reminded members the Redevelopment Toolkit would be eliminated because of a decrease in funding for the year.

MA Thode shared that the Committee also directed staff to revise the program's name to the Commercial Development Incentive Program: Transportation SDC Fee Reduction to clearly indicate the purpose of the program to potential applicants.

MA Thode stated the purpose of the changes were to differentiate criteria from the Business Grant Program and better clarify eligibility for both applicants and the Business Assistance Committee.

MA Thode summarized the changes to includes criteria that included a physical business location within Veneta's dedicated commercial zones specified in the Veneta Zoning and Development Code. Eligible projects must include new construction or substantial improvement to the commercially zoned site to support economic activity, and must be consistent with or conform with the City's priorities for commercial development as established by Veneta's Comprehensive Plan.

Member Ingham asked to add an "s" to the word consistent on pg. 21 of the agenda packet.

Member Goodwin stated that the "City Priority" goal should state that a project is aligned rather than consistent with the City's priorities.

Member Ingham asked how many applications were submitted last year for this program last year and wondered if the \$1,000 application fee was prohibitive.

MA Thode stated the City did not receive many applications for this program and stated the last applicant was Iron Clad Storage; he further stated he would do more research on application fees for this type of program.

Member Ingham wondered if this was a good tool and if there was historical data on applications.

Economic Development Committee

Wednesday, April 9, 2025

CA Michel responded that a retrospective look had been completed a few years ago and at that time it was changed from a loan program. He further stated the application fee could be evaluated and changed by the Committee.

Vice Chair Lehman shared the packet language was confusing and was concerned that there was no limit on the amount of money to be awarded.

MA Thode stated the limit would be \$25,000 and that language was there to inform applicants of that possible amount.

Vice Chair Lehman believed the language was misleading in regards to the SDC reduction as well.

CA Michel explained how the SDC was determined and agreed the language needed to be cleaned up as the City cannot assure a 50% SDC reduction.

CA Michel stated the 50% reduction language should be removed throughout the program packet and that language stating the award could “add up to \$50,000 “ would address the City’s cap on the award.

Discussion ensued about the funding for this program.

CA Michel confirmed the \$50,000 amount was moved over to the General Fund and was the cap for this program.

Member Goodwin suggested an alternative to the \$1,000 fee and recommended the application fee be added as a rebate to the total amount either in full or in part.

MA Thode asked if that \$1,000 application fee would make the total award \$26,000.

CA Michel stated the fee could be refundable upon a successful award and the Committee could agree on a different award amount other than the full \$25,000.

CA Michel stated a match does not work for this program because typically projects were much bigger than the \$50,000 cap.

CA Michel shared in the case of a large developer negotiations would occur and ultimately larger SDC reductions could be permitted.

Chair Vloedman asked if there were further questions.
There were none.

Chair Vloedman asked for a motion on this agenda item.

MOTION: Vice Chair Lehman made a motion to recommend staff make changes to the Commercial Development Incentive Program, along with including removing the 50% SDC language and clarifying the funding cap, as well as, a as well as a rebate to the application fee for a successful grant award. Member Goodwin seconded the motion. The motion passed unanimously (7-0).

iii. Economic Opportunity Analysis

MA Thode shared the Economic Opportunity Analysis project was discussed at the work session with Council and BAC and staff was directed to research ways the City's economic reports could be updated and included in the City's Comprehensive Plan. He further stated there were two other reports that were out of date including the Residential Buildable Lands and Housing Needs Analysis and the Retail Market Analysis.

MA Thode stated Veneta's economic opportunity analysis was last updated by the University of Oregon's Institute of Research, Policy, and Engagement (IPRE) in 2020.

MA Thode highlighted the scope of work and costs ranging from \$40,000-\$60,000, to update a 5-Year Strategic Plan and SWOT Analysis. He further stated that the Oregon Department of Land Conservation and Development offered a technical assistance grant program designed to help cities update these documents. He planned to apply for this grant in October.

MA Thode shared the proposed timeline for this project with the awarding of a contract in March 2026.

MA Thode turned the floor back to Chair Vloedman.

Chair Vloedman asked if members had any questions.

Member Ingham asked if the City could pay for the analysis if the grant was not awarded.

MA Thode stated the City would budget for the Economic Analysis for the 5-Year Strategic Plan regardless of external funding.

Member Goodwin believed the costs would be much more expensive than the current estimate.

MA Thode was hopeful the grant would be successful and would update the Committee on his progress in the coming months. He turned the floor back to Chair Vloedman.

Economic Development Committee
Wednesday, April 9, 2025

Chair Vloedman asked if there were further questions.
There were none.

iv. Downtown Lot Development Progress

MA Thode reminded members that the report for the Downtown Lot Development Project would be added to the City's website and he was developing a communications plan to inform the public of their findings and continue to move forward with this project.

Member Ingham shared some caution in developing focus groups and creating aspirations that may not come to fruition.

MA Thode thanked Member Ingham for his feedback and would move forward cautiously.

Chair Vloedman asked if there were further questions or comments.
There were none.

6. OTHER

Council Liaison McCoy announced the Memorial Day Celebration at 11:00 a.m. at City Park on Saturday, May 24.

Vice-Chair Lehman shared that on June 14, 2025, her organization was supporting a Veteran's BBQ at City Park and there would be music and food provided for Veterans and their families as well as attendees; the event was scheduled from 11:30 a.m. to 2:00 p.m.

Chair Vloedman asked if there were any other items to be discussed.
There were none.

7. NEXT Meeting

a. The next meeting was scheduled for June 16, 2025, at 3:30 p.m.

8. ADJOURN

Chair Vloedman adjourned the meeting of the Veneta Economic Development Committee at 4:32 p.m.

Chair Herb Vloedman

ATTEST:

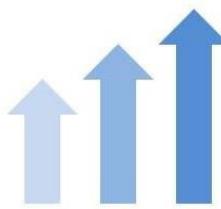
Economic Development Committee
Wednesday, April 9, 2025

Jennifer Mirabile, City Recorder

AGENDA ITEM SUMMARY



Economic Development Committee



TITLE/TOPIC: Brief Economic Report – June 2025

Meeting Date: June 16, 2025

Department: Economic Development

Staff Contact: Jillian Liebersbach,
City Management Intern
Email: JLieberbach@venetaoregon.gov

ISSUE STATEMENT

Information Only.

BACKGROUND

Attached to this memo is a brief summary of Oregon's economic state through the lens of how it effects Veneta as of May 14, 2025 and how it relates to the overall current and projected conditions of the economy as per the Oregon Office of Economic Analysis (OEA). As of this report, there are multiple factors influencing both the State and Federal Governments that may have unpredictable impacts and consequences on the economy that cannot be accurately mapped out yet, similar to the Q1 report. Policy choices at the federal level are materially impacting the national economic outlook by sowing uncertainty among a wide range of economic entities, including households, businesses and investors. Confidence toward the economic outlook is a critical catalyst of consumption, hiring and investment, and history shows that periods of acute uncertainty can depress such activity. Vital economic statistics pertaining to output, inflation and hiring are unlikely to begin showing tariff impacts until at least mid-year.

There has been no new collected data on Veneta's labor force since the March Economic Report, but this month's report examines the demographic makeup of Veneta residents and anticipated business conditions following the economic factors and impacts mentioned above. Veneta residents consist of differing demographics when compared to Oregon's statistics, including the share of Veterans, mean age, the share of residents on SNAP assistance and below the poverty line, and the overall unemployment rate.

Overall, the outlook is neutral, with the OEA giving the baseline scenario, a growth recession, a 55% probability of occurring. This takes place when the economy is not growing fast enough to balance labor conditions, therefore resulting in increased economic slack, or unused resources. OEA's report anticipates slower growth relative to the prior forecast, but sees a recession narrowly avoided as unemployment is anticipated to gradually rise.

ATTACHMENTS

1. Veneta Economic Report - June 16th, 2025

Veneta Economic Report—June 16th, 2025

Population and People

According to the United States Census Bureau's American Community Survey (ACS), Veneta consists of a unique combination of demographics, with many of its averages differing from the state statistics. Some of these differences include socioeconomic factors relating to poverty, unemployment and federal assistance reception, as well as general demographic descriptors such as age and veteran status. The key comparisons are highlighted below:

City of Veneta vs. Oregon Demographics					
	Below Poverty Line	SNAP Assistance	Unemployment Rate	Veterans	Median Age
Veneta	8.6%	28.5%	4.9%	9.4%	47.5 years
Oregon	12.2%	16.8%	4.6%	6.8%	40.7 years

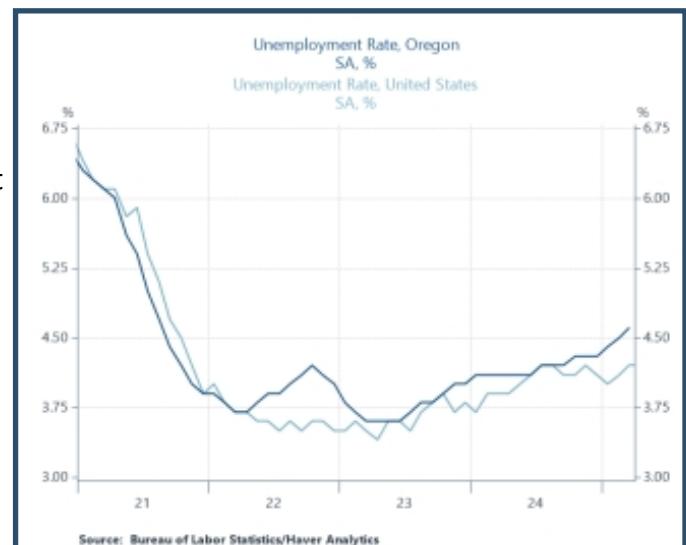
The federal policies that are creating such an uncertain climate for the economy right now have the potential to disproportionately effect some groups more than others. And according to the Oregon Office of Economic Analysis' (OEA) Q2 Report, single-party control of the executive and legislative branches at the federal level create the opportunity for bold policy decisions, raising the probability of alternative scenarios to the baseline, which is a neutral, or, growth recession outcome.

Another valuable note from the OEA's report includes updates to the Oregon population forecasts, which have been revised lower from previous reporting. This forecast incorporates the 2024 mid-year population estimate and revisions released by Portland State University Population and Research Center. The population is expected to grow by an annual average of 0.5% through the forecast horizon. With Oregon's revised forecast it is possible for Veneta to see slowed growth as various factors such as job market, housing and fertility rates impact the migration into and population growth of Oregon overall.

Job Market Outlook

Anticipated job creation and personal income are now revised lower compared to the previous Q1 report in part due to the expectation that growth will slow under the growth recession outlook.

The unemployment rate has also been revised higher in the near term and is projected to reach a peak of 5.2% in 2027.



Near to Medium Term Forecast Risks for Veneta

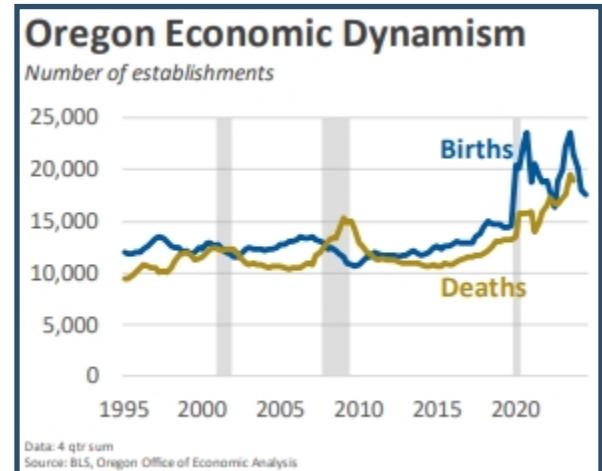
Wildfires:

While staff has identified wildfires as the second largest natural hazard risk to the City of Veneta via the 2024 Multi-Jurisdictional Natural Hazard Mitigation Plan, a federal funding freeze on prevention programs heightens concerns about the 2025 season. Beyond the tangible destruction of property, wildfires worsen air quality. Prolonged exposure to wildfire smoke contributes to health issues and respiratory problems, and the economic toll includes increased absenteeism, reduced worker productivity and more medical costs. Sectors like tourism are particularly vulnerable, because of declines in travel and decreases in safety corresponding to the wildfire externalities.

New Business Formation:

Veneta has numerous grants and resources available for new businesses at entrepreneurs' disposal. Unfortunately, in the decades leading up to the pandemic, the OEA reports that start-up activity was declining.

Since the pandemic, the number of private sector establishment births in Oregon has been volatile and in recent quarters, the number of deaths has continued to rise. This context is something to keep in mind when vetting and examining grant applications and reviewing grant processes.



Business Oregon Climate Report

The university of Oregon's Institute for Policy Research and Engagement collaborated with Business Oregon to compile a report on the business climate and overall attitudes in Oregon. They received 393 survey responses with a range of size, employee base and sector areas. Some of their key findings are rather shocking: 24% of businesses reported being recruited by out of state agencies, 68% of businesses contacted reported moving or expanding out of state, and the recruitment rates have increased over the past three years. Oregon ranked 48th in Business Friendliness according to CNBC, and ranked 28th overall. They used metrics such as workforce, infrastructure, economy, quality of life, and six others to calculate the rank. These measures indicate that there is work to be done to increase business retention and strengthen partnerships across Oregon which could have a myriad of economic and social benefits.

New Businesses

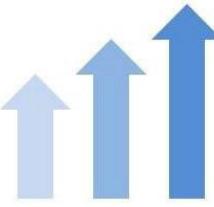
Since the last Economic Report presented to the EDC, Veneta has had three new business registrations. Delphina solutions is located on 88267 Territorial, and will be providing medical billing services to providers. Finley's Precision Rifles LLC is a gunsmithing business located on 87584 Placid St. Finally, Sun Frog Products Inc. is a wholesale and retail establishment located at 25189 Jeans Rd.

This page left intentionally blank.

AGENDA ITEM SUMMARY



Economic Development Committee



TITLE/TOPIC: Regional Branding Initiative Rollout Report

Meeting Date: June 16, 2025

Department: Economic Development

Staff Contact: Jillian Liebersbach,

City Management Intern

Email: JLiebersbach@ci.veneta.or.us

Telephone Number: 541-935-2191

ISSUE STATEMENT

Information Only.

BACKGROUND

This memo is a summary of the outcomes of the Regional Branding Initiative, undertaken by the City of Veneta in collaboration with the Veneta-Fern Ridge Chamber of Commerce. In 2022, the City's Economic Development Committee conducted a Business Retention and Expansion (BR&E) Survey, which revealed that 61% of participating businesses expressed a desire for the City to develop a unified and regionally recognizable identity or brand.

In response, the City entered into a contract with Altar Media in March 2024 to begin the development of a new regional brand. Over the course of nine months, this effort culminated in the creation of a cohesive brand identity designed to encourage local shopping, strengthen community pride, and support small businesses.

To oversee and guide the implementation of this initiative, a committee consisting of members from City staff and Veneta-Fern Ridge Chamber of Commerce was established. The committee, lovingly and deliberately named Logo Launchers, developed rules and guidelines for the brand, and to date has successfully planned and executed initial rollout efforts. To date, over 700 branded items have been distributed, including window clings, pens, coasters, coffee sleeves, and more. Additionally, the Chamber has sold \$632 worth of merchandise to date, with other orders in processing. Twenty sponsorships were also secured for branded banners that were recently displayed along Broadway Street.

Several local businesses have already embraced the new brand identity, including, but not limited to, the local veterinary office, Dairy Mart, and Dairy Queen. Notably, Hillbilly Brews distributed all 200 branded coffee sleeves provided by the City and Chamber. In just three months, our committee was able to accomplish this incredible and ever-evolving feat.

Next steps in this ongoing initiative include maintaining an active and engaging presence on both the City's and Chamber's social media platforms, continuing support of the Chamber's related efforts, refining business engagement strategies, and promoting consistent adoption of the new brand.

Staff is seeking the EDC's recommendation to expand the CDIP to offer a reduction of up to \$25,000 to all City SDCs, along with reducing the program's application fee from \$1,000 to \$50.

RELATED CITY POLICY

City of Veneta Economic Development Strategy 2021 – 2025. Goal 2 - Leverage the Unique Bioregional and Cultural Assets of Veneta - Fern Ridge to celebrate local identity for current residents and differentiate the community to prospective businesses and workers

- Goal 2.4.2 - *Identify key imagery and messaging associated with Veneta and the Fern Ridge bioregion*
- Goal 2.4.3 - *Create a guiding document that creates a "brand kit" for Veneta's identity*

ATTACHMENTS

1. Examples of Local Business Involvement





Attachment 1. Examples of Local Business Involvement

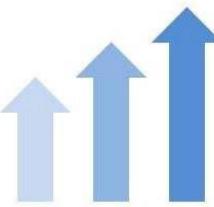




AGENDA ITEM SUMMARY



Economic Development Committee



TITLE/TOPIC: Commercial Development Incentive Program Revisions

Meeting Date: June 16, 2025

Department: Economic Development

Staff Contact: Jacob Thode

Email: Jthode@ci.veneta.or.us

Telephone Number: 541-935-2191

ISSUE STATEMENT

Should the EDC recommend City Council approve revisions to the Commercial Development Incentive Program to allow reductions of up to \$25,000 across all City SDCs, and reduce the program's application fee from \$1,000 to \$50?

BACKGROUND

On May 19, 2025, the Economic Development Committee (EDC) approved staff's revisions to the Commercial Development Incentive Program (CDIP) to revise the program's name and eligibility criteria and update the grant's award amount. See Attachment 1. The program currently offers a 50% reduction in a commercial development's transportation system development charges (SDC). The committee directed staff to revise the program to instead offer a reduction of up to \$25,000 for eligible commercial development and to specify that a maximum of \$50,000 will be available throughout the fiscal year. The committee also recommended adding language to allow for a rebate to successful applicants to reduce barriers to applying.

These proposed changes to the CDIP reflect the shifts in the City's economic development funding. In August of 2024, the EDC was informed that funding previously allocated to the Redevelopment Toolkit in Veneta's Urban Renewal Agency's (URA) 2024-2025 budget would not carry forward into the next fiscal year. This was due to the URA's funds being fully committed to large capital projects, including the Bolton Hill Sports Complex, Commercial Development on West Broadway, and reimbursements to the Attic Redevelopment. The URA is anticipated to raise \$7 million by the end of fiscal year 2030, while total costs for the above-mentioned projects are expected to exceed \$11 million.

Following this shift, Veneta City Council decided to maintain the URA's Signage, Streetscape, and Façade Improvement Programs by funding them through the City's general fund while eliminating the remaining Redevelopment Toolkit programs, including the SDC Fee Reduction program. The SDC Fee Reduction Program, similar to the CDIP, offers up to \$25,000 in SDC fee reduction across the City's Water, Sewer, Parks, Transportation, and Drainage SDC fees towards new commercial development.

Before City Council considers final approval of updates to the CDIP, staff has identified two additional recommended changes for the EDC to consider, based on a recent example from a current applicant. First, staff recommends expanding the program to offer an SDC fee reduction across all City SDCs, and secondly, reducing the program's application fee.

Expanding the CDIP to Offer SDC Fee Reduction Across All City SDC's

Staff recommends that the EDC update the CDIP to offer SDC reductions of up to \$25,000 across all SDCs, including Water, Sewer, Parks, Drainage, and Transportation. This follows a recent example from an applicant to the CDIP who received their SDC estimate from the City's engineer. City SDCs are calculated based on a project's square footage, water and sewer meter size, and expected trip generation. See Attachment 2.

In this example, the project is not expected to generate significant traffic. It would, however, result in a new commercial building and anticipates bringing 2-5 high-wage industrial jobs into the City. After receiving their estimated fees from the City engineer, their Transportation SDCs were expected to be approximately equal to their other SDC costs. Upon reviewing the City's two current SDC programs, the applicant would receive substantially less funding from the CDIP than the Redevelopment Toolkit's SDC Fee Reduction Program, even without a 50% reduction to their Transportation SDC fee.

While Transportation SDCs are often higher for commercial developments, since they are not a flat rate and are based on a project's expected trip generation, not all commercial development projects generate a significant fee compared to the rest of their SDC costs. To better incentivize all commercial development projects within City limits, staff is advising that the EDC recommend that City Council proceed with eliminating the CDIP's 50% reduction to the Transportation SDC fee and replace it with a flat reduction of up to \$25,000 across all eligible City SDCs.

Reducing the Program's Application Fee

Following last month's meeting, staff conducted further research regarding the CDIP's application fee, currently set at \$1,000. The City's only other incentive program with an application fee is the Business Grant Program (BGP), which charges only \$50. Staff could not find a particular reason for the CDIP's rate. For comparison, the only other fees the City charges for similar applications are \$40 for a City Street Closure Permit and \$35 to rent the amphitheater in City Park.

In reviewing similar programs to the CDIP, most economic development grants do not require an application fee. However, some programs, like Eugene's business growth loans, require a \$50 application fee. This appears to be consistent with similar loan programs but not generally true for city grant incentives.

Staff recognizes that the BGP likely had a fee set before it was converted from a loan to a grant program in 2011 to cover administrative costs and to limit frivolous applications. The CDIP likely also had its fee set at \$1,000 for similar reasons. However, this is no longer the case. Staff recommends that the EDC reduce the program's fee to \$50 to be consistent with the BGP.

Staff is seeking the EDC's recommendation to expand the CDIP to offer a reduction of up to \$25,000 to all City SDCs, along with reducing the program's application fee from \$1,000 to \$50.

RELATED CITY POLICY

Economic Development Five Year Plan – Goal 2.3.2

Economic Development Five Year Plan – 3.2

COMMITTEE CONSENSUS OPTIONS

1. Recommend City Council approve staff's revisions to the Commercial Development Grant Program.
2. Recommend City Council approve staff's revisions to the Commercial Development Grant Program, with suggested changes [STATE CHANGES].
3. Direct staff to prepare and bring forward a revised Commercial Development Grant Program to the EDC with additional changes to the program [STATE CHANGES].
4. Do not recommend City Council make any revisions to the Commercial Development Grant Program at this time.

SUGGESTED MOTION

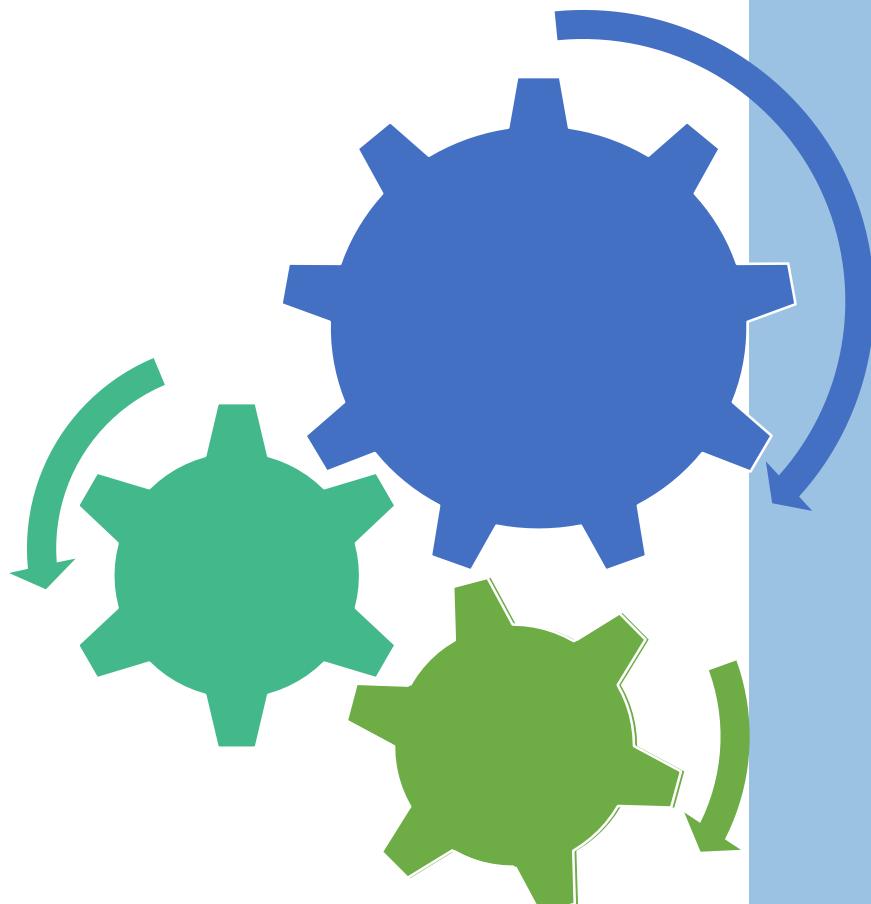
1. *"I make a motion to recommend City Council approve staff's revisions to the Commercial Development Grant Program."*

ATTACHMENTS

1. Revised Commercial Development Incentive Program Application Packet
2. Estimated System Development Charges – City of Veneta

City of Veneta

Commercial Development Incentive Program: Transportation SDC Fee Reduction



Introduction

The City of Veneta is proud to offer a Commercial Development Incentive Program to developers within Veneta's Urban Growth Boundary. The overall goals of the City's Commercial Development Incentive Program are to encourage business expansions and startups which create or retain job opportunities in Veneta, and add to a vibrant business climate. Eligible developers may apply to receive a transportation system development charge (SDC) reduction of up to **50% \$25,000**. A **maximum of \$50,000 in reductions is available for all grant projects throughout the current fiscal year**. The application process is intended to provide the Business Assistance Committee and Veneta City Council with the information necessary to determine which applicants are awarded transportation SDC reductions.

How to Submit a Grant Application

- Applicants may begin the process to submit a CDIP application after holding a pre-development conference with the City Planning Department, submitting a transportation impact report, and receiving an estimate of the transportation SDC fees associated with the proposed development. Contact the Planning Department in-person at Veneta City Hall or by phone at 541-935-2191.
- After a preliminary interview, interested persons may begin to complete the application packet which includes:
 - Site map
 - Transportation SDC Fee as Calculated by the City Engineer
 - Formal Request for Specified SDC Reduction Amount
 - Narrative Explaining Why the Developer Needs the Requested Discount
 - Estimated Number of Jobs Created by the Commercial Development Project
 - CDIP Application Form
- Applications may be submitted in person at Veneta City Hall or (**preferably**) by email at jthode@ci.veneta.or.us
- Applications will not be reviewed by staff, the Business Assistance Committee, or Veneta City Council until the required application fee has been submitted to Veneta City Hall. Fee details can be found in this document under the Eligibility, Criteria, & Fees section (Part F. Fees & Charges).
- Upon successful staff review, applicants will be considered by the Business Assistance Committee (BAC). The BAC will review applications in detail and make recommendations to Veneta City Council. Sensitive personal and business information from applicants will be kept confidential at this meeting to the extent requested by the applicant and possible under Oregon statute.

- Positive BAC recommendations will be considered by City Council at the next possible Council Meeting. City Council will award transportation SDC reductions at their discretion. Sensitive personal and business information from applicants will be kept confidential at this meeting to the extent requested by the applicant and possible under Oregon statute.

After Being Awarded a Reduction

- The business will receive a specified reduction in transportation SDC fees for a commercial development project.

Eligibility, Criteria, & Fees

The standards described below apply to the performance of the CDIP as a whole. The selection of a recipient of the CDIP will be based on its ability to meet the following standards. Individual CDIP awards may vary up to ~~50%~~ \$50,000 of the transportation SDC fee. Less than the specified performance on one or all of the standards may be acceptable in such cases.

- Location:** Projects that have a physical location must be located within Veneta's ~~designated commercial zones, as specified in Veneta's Zoning and Development Code (Residential Commercial, Broadway Commercial, Highway Commercial, Industrial Commercial, Medium Industrial, Light Industrial). UGB.~~
○ The organization/applicant receiving funds must be located within, or relocating to, within ~~one of Veneta's commercial zones. UGB.~~
- Employment Ratio:** One full time equivalent job will be created, retained, or supported for each \$25,000 of transportation SDC fees reduced. A maximum of \$50,000 in reductions is available for all grant projects throughout the current fiscal year.
- Demonstration of Need:** Businesses must demonstrate that they are not able to fund a project through traditional means or that funding a project through traditional means would be cost prohibitive.
- Construction/Development:** Eligible projects must include new construction or substantial improvement of a commercially zoned site that will support economic activity within City limits
- Aligned with City Priorities:** Businesses must demonstrate that a project is aligned with the City's priorities for commercial development, as established in Veneta's Comprehensive Plan, land-use regulations, and strategic plans regarding commercial development.
- Other Economic Objectives/Benefits:** Other elements which will receive consideration in the selection of applicants for the program are:
 - Linkages with the area's existing economy which would permit a business to absorb displaced or underemployed skilled workers in the area labor force, particularly for the low and moderate income.

- Companies whose markets appear to indicate the opportunity for significant expansion or production, and employment, over the short term.
- Significant opportunities for the development and/or expansion of minority or female-owned and operated small business concerns.

F. Fees and Charges

- There will be a \$1000 fee charged to applicants of the CDIP. **A full refund may be awarded to successful applicants at the time of their first reimbursement distribution.**
- Applications will not be reviewed by staff, the Business Assistance Committee, or Veneta City Council until the application fee has been delivered to the City of Veneta.
- Applicants must submit their application fee in person at Veneta City Hall or by mail to PO BOX 458 Veneta, OR 97487. All checks should include “CDIP Application Payment” in the memo.

Administrative Elements

A. Business Assistance Committee

The Business Assistance Committee (BAC) reviews all applications in detail and makes recommendations to the City Council to award incentives to applicants. The BAC consists of three members, one of which is a City Councilor, an alternate, and a non-voting member representing the Veneta Economic Development Committee. The alternate is a voting member during any temporary absences or conflict of interest disqualifications of regular members. BAC appointments are made by the Mayor and approved by the Council for terms of two years. Preference is given to the appointment of commercial lending and/or accounting professionals.

The Business Assistance Committee reviews Commercial Development Program applications on a monthly basis, elects its own Chairperson, has its own by-laws, and receives legal services “as needed”.

B. Staff Operation

The operation of the Commercial Development Incentive Program (CDIP), or parts thereof, may be performed by the staff of the City of Veneta or by any agent or entity with whom an agreement may be entered into for such purposes.

The primary activities of the staff with respect to the Program are as follows:

- Publicize CDIP objectives and availability in the Veneta community.
- Invite promising candidates to submit detailed applications.
- Assist applicants throughout the submission process.
- Monitor ongoing operations of award recipients.

**Attachment 2.. Estimated System Development Charges – City of Veneta
CITY OF VENETA SYSTEMS DEVELOPMENT CHARGES AND OTHER FEES
FOR NEW SINGLE FAMILY DWELLING**

SYSTEMS DEVELOPMENT CHARGES - MEDIUM RESIDENTIAL				
(Based on square footage of home 1,001 to 2,999 & standard 5/8" water meter)				
Effective January 1, 2025				
CHARGE	AS OF JANUARY 1, 2024		AS OF JANUARY 1, 2025	
		with 4% Admin Fee		with 4% Admin Fee
WATER	SFR-8,554.15 Multi-5,816.82 1,937.00	8,896.32 6,049.49	SFR- 8,631.13 Multi-5,869.17	8,976.37 5,921.99
SEWER (5/8" meter)	7,479.15	7,778.32	7,546.46	7,848.32
PARKS	SFR – 6,445.47 MULTI 6,180.02 3,470.47	6,703.28 6,427.22	SFR – 6,503.47 MULTI – 6,235.64	6,763.60 6,485.06
TRANSPORTATION	0.99=4,327.25 1,837.49	4,500.34	0.99=4,366.19	4,540.84
DRAINAGE	243.13	252.86	245.31	255.13
Total before 4% Administration fee	27,049.15 10,648.74		27,292.56	11,137.18
4% Administration fee	1,081.96		1,091.70	
TOTAL SDC	11,074.69	SFR-28,131.11		SFR-28,384.26

Note: SDCs for Parks, Transportation, Drainage, Sewer, and Water increase annually on January 1st of each year based on the Engineer News Review Construction Cost Index as of December of the previous year.

OTHER PERMIT REVIEW INFORMATION & FEES

SCHOOL EXCISE TAX

New Residential Construction	\$1.23 per sq. ft.
New Commercial Construction	\$0.61 per sq. ft. up to \$30,700.00
<u>WATER METER</u>	\$1,000.00
<u>SEWER CONNECTION</u>	\$250.00
<u>RIGHT-OF-WAY PERMIT</u>	\$ 40.00
<u>SIDEWALK INSPECTION</u>	
First 150' linear feet	\$ 50.00
Each additional 150 feet (i.e. corner lots)	\$ 25.00

DRAINAGE SDC varies based on size of home and impervious surface (see Resolution 899)

SEWER SDC varies based on size of water meter:

Sewer SDC Meter Size		
Meter Size	Meter Flow Factor	Meter SDC
Residential 5/8"	1.00	\$ 7,546.46
3/4"	1.50	\$ 11,319.69
1"	2.50	\$ 18,866.15
1 1/2"	5.00	\$ 37,732.30
2"	8.00	\$ 60,371.68
3"	16.00	\$ 120,743.36
4"	25.00	\$ 188,661.50
6"	50.00	\$ 377,323.00