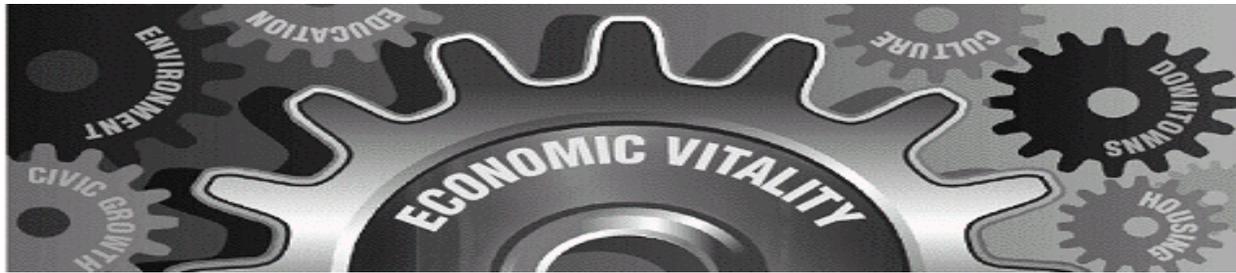


PROSPERITY THAT FITS ACTION PLAN

ANNUAL PROGRESS REPORT 2008-2009

Prepared by:
Prosperity That Fits Steering Committee



November 30, 2009

To Our Fellow Community Members and Prosperity That Fits Investors:

On behalf of the Corvallis-Benton County Economic Vitality Partnership (EVP) and Prosperity That Fits Steering Committee (PTF), I am pleased to present the 2008-2009 Prosperity That Fits Report and Action Plan Annual Progress Report.

This is our second Annual Progress Report, and we are proud to confirm that implementation efforts for the PTF Action Plan are on-track. Overall, 34 of 48 Prosperity That Fits actions are now underway or complete, in line with expectations set forth in the initial time line.

Some of the many implementation highlights from 2008-2009 are listed in the Annual Report section entitled "Year in Review." We hope you enjoy reading about some of the wonderful things happening under the umbrella of Prosperity That Fits.

In closing, I want to thank you for your continued support of Prosperity That Fits and express our appreciation for our partners' leadership in making Prosperity That Fits – the community's plan – a priority and a reality.

Sincerely,

Elizabeth French
Chair, Prosperity That Fits Steering Committee

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I. Introduction

PROSPERITY THAT FITS PLAN OVERVIEW

The Corvallis-Benton County Economic Vitality Partnership (EVP) unveiled the Prosperity That Fits (PTF) Strategic Economic Development Plan in October 2006. The plan was produced by and for the people who live and work in our community. The planning process involved dozens of community interviews and strategy sessions, two community-wide surveys and two interactive Town Hall meetings attended by hundreds of residents.

“Prosperity That Fits” is not just a title, but also the guiding principle behind all actions set forth in the PTF Plan. We understand people who live in Benton County place a premium on the extraordinary quality of life our region offers, and that they are not willing to sacrifice that quality just to “get ahead.” At the same time, we recognize that economic vitality underlies our prosperity and does not happen by accident. Continued economic health, and by default the high quality of services and amenities we value, are not in any way guaranteed without careful planning and strategic action.

With this plan, we have sought to identify the most effective means for building and extending economic prosperity while minimizing impacts to the quality of life features that make us proud to call this community home. In short, we believe these initiatives will foster “prosperity that fits.”

Many challenges may have startled us into the planning process, but the opportunities that emerged thereafter inspired us to continue, and with the community’s help, craft a path to a stable and prosperous future. For example, what if job losses at Hewlett Packard could be converted to additional small business development? What if we could help businesses understand that certain socially and environmentally-beneficial operational adjustments were also beneficial to fiscal bottom-lines?

What if a place blessed with a world-class educational institution, renowned research facilities and highly-active community organizations could collaborate to ensure economic health? These are but a few of the questions and opportunities visited during the Prosperity That Fits planning process.

The plan outlines opportunities to enhance community identity, connections and livability. During the plan’s development, 18 community partners agreed to take the lead on one or more of the actions. Many of these actions identified have required the formation of public-private partnerships. Implementation of the Prosperity That Fits Report and Action Plan continues to be a community-wide effort.

The Economic Vitality Partnership is grateful to all the individuals and organizations that contributed time, energy and resources toward completion of actions under this plan. It truly was a community-wide effort and, we trust and believe, reflects the values and priorities of Corvallis and Benton County citizens, businesses and all interests in between. With help from the various implementation partners who have agreed to lead various initiatives proposed within, we believe the community stands to enjoy continued economic prosperity for years to come.

II. Year in Review: Highlights from 2008-2009

PROSPERITY THAT FITS IN ACTION

The “Year in Review” provides an overview of implementation highlights from the past year. The Steering Committee hopes to convey the many different ways community partners are improving our community by implementing their piece of the Prosperity That Fits Report and Action Plan. Collectively, these efforts are helping to ensure Benton County remains a place we and our children are proud to call home for years to come.

Highlights include:

Barrier Busters – Development Resources and Resolution Team (Action Items 1.1, 5.2, 14.1, 14.3):

A Blue Ribbon Panel consisting of planners, engineers, policy-makers, developers and other technical resource folks was created to look at potential permitting and development, and annexation process improvements. The panel, chaired by Lyle Hutchens, is known as the Development Resources and Resolution Team, or DR2.

The panel is providing a variety of “plan review” services for businesses seeking to develop or redevelop property in Corvallis or Benton County. By pooling a range of experienced land use experts, they offer one-stop-shopping for anyone with questions about local permit processes and development requirements. The depth of the DR2 team ensures technical resources are available for issues ranging from a single building permit to the appropriateness of a variance, to actual land annexations.

One outcome was the proposal for the creation of a “permit partner” position at the City of Corvallis. Pending an improved economic situation, this Council-approved position will ensure a liaison is in place to help developers through the permit process and provide a stronger measure of certainty, if not a more efficient timeframe for the permitting of priority projects.

A subset of the DR2 has been established as the “Receiving Team” called for in Prosperity That Fits Plan action 6.2. When a business expresses interest in a particular site, they can now be connected to a collection of local business and land use experts who can answer early questions.

Urban Renewal District (Action Item 1.2):

After a 4 year public engagement process, the case for Urban Renewal went before the voters in May 2009. Many of the PTF partners were actively promoting its passage, as an integral component of sustainable economic development that could help renovate portions of the downtown and attract additional investments into Corvallis. The proposed Urban Renewal District was rejected by the voters. The Steering Committee will review its recommendations and determine if revisions are needed to the PTF Plan or if another outcome will be sought.



Niche Markets for Tourism (Action Items 2.1, 2.2, 13.2):

Corvallis Tourism has been developing niche visitor markets, recently implementing campaigns to promote birding, culinary and bicycling opportunities. Advertising inquiries have increased about 20%, reaching



nearly 25,000 hits last year. Tourism is also working county-wide to develop agri- and eco-tourism markets. This

includes: creating and promoting the Alsea Trail program; promoting the Farm Stay program at Leaping Lamb Farm; coordinating with Benton County wineries in preparation for Corvallis Culinary Week; and promoting the newest initiative, Bounty of Benton County, which was held over Labor Day Weekend.

Community Calendars (Action Items 2.4, 11.2):

Corvallis Tourism also created a new community calendar database on its new website, where people can upload and view upcoming events. The website presents a new arts and culture calendar on the front page called “The Scene.” The Chamber Coalition also developed a new community calendar focused on



business events, where any business in Benton County can see what’s coming up or post their own event notice. The Gazette-Times, also has a community calendar on the front page of their website, as well as detailed info about events and artists in “The Entertainer.” The Gazette Times, Corvallis Tourism and Chamber Coalition are helping to fulfill this specific PTF promise – making sure people know about things to do when they’re not working.

Business Incubation Planning (Action Item 3.1):

Under the leadership of Dr. Ilene Kleinsorge, Dean of OSU’s College of Business, a Task Force formed to create a ‘business incubation to hatching’ program. The Task Force members represent a wide range of partners: OSU, Chamber Coalition, Business Enterprise Center, City of Corvallis, Willamette Neighborhood Housing Services Micro Enterprise, Corvallis Independent Business Alliance, Downtown Corvallis Association, ONAMI, Hewlett Packard, Linn Benton Community College Small Business Development Center, SIGA, State and Federal agencies and local businesses.

The taskforce met throughout the fall of 2008 and conducted an incubation analysis that identified available resources, incubation requirements, gaps between incubation needs and resources, alternative ways to fill resource gaps and ways the incubation taskforce could collaborate and leverage its combined strengths. Subgroups developed concise reports summarizing information on: Facilities and technology tools, Incubation models, Management talent, and Development capital. These reports can be viewed in detail on our website at www.prosperitythatfits.us

Regional Healthcare (Action Item 3.3):

Benton County is a partner on regional health care issues. The County has established three family health centers (primary care) in Benton County and one in Linn County. These health centers provide a medical ‘home’ for those individuals who cannot access other health care facilities and are a vital part of health care delivery in the region. The Centers are governed by a citizen board of directors and is part of Benton County government.



Local Partnerships (Action Item 4.1, 9.2):

Local organizations have come together to partner on numerous projects and events within the community. A few examples of these partnerships are: *Experience Exchange* – A partnership between Chamber Coalition, Downtown Corvallis Association, Corvallis Independent Business Alliance, Willamette Neighborhood Housing Services Micro Enterprise and Linn Benton Community College to match mentors



(seasoned business owners) with protégé’s (brand new business owners); and *Technology Events Coordinator* – After several years of cooperative events, Software Association of Oregon - Corvallis and the Chamber Coalition have jointly committed funds to hire a staff person to co-manage

partnered events; while partnering with The BEC and other organizations on executing these events. Events include: High Tech After Hours, Entrepreneur’s Forum, Business Bootcamp, Ignite Corvallis, Beaver BarCamp, Tech Pubs and Willamette Angel Conference.

Industrial Lands Inventory (Action Item 5.1, 5.3):

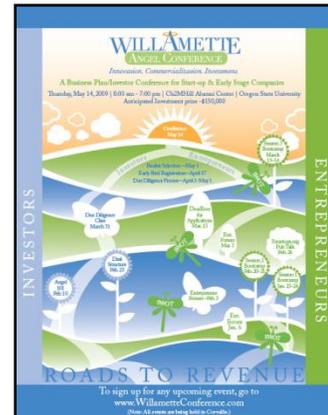
Prosperity That Fits calls for the creation of a commercial and industrial lands inventory. The purpose was to identify if there is an adequate supply of commercial and industrial lands to serve future employment needs, not merely to market what's available.

Under the leadership of John Sechrest from the Chamber Coalition – and with considerable input from the City of Corvallis, that inventory is now complete and available sites are listed on-line at www.oregonprospector.com. Interested parties can view property descriptions and pull up hybrid maps that show where the property is located relative to other area landmarks. Along with the inventory of lands, site visitors can access information such as current and projected population numbers, household income distribution, labor force numbers and other demographics pertinent to businesses in the area or considering moving to the area.

Emerging Tech Forum (Willamette Angel Conference) (Action Item 6.1):

Another way to grow local businesses is by connecting them to one another and to likely investors. To that end, the Prosperity That Fits Plan called for an “emerging tech forum.” On May 14, 2009, the first emerging tech forum was held in the form of the “Willamette Angel Conference.”

Expanding beyond Benton County, the Willamette Angel Conference was the result of a five-county partnership with collaboration from the Corvallis-Benton Chamber Coalition, Eugene Chamber of Commerce, University of Oregon, Oregon State University, Linn Benton Community College, The BEC and many other partners. The conference was, in many respects, the culmination of several other business development activities, including:



- Beaver Barcamp - an ad-hoc gathering for people to share and learn in an open environment. It is an intense event with discussions, demos, and interaction from attendees.
- Business Bootcamp - an intense small group experience to help entrepreneurs connect to the ideas and resources they need to be successful starting a new company
- Smartups - a new entrepreneurial support group focused on education, networking and capital development for emerging Willamette Valley businesses.
- SWOT – a bi-monthly gathering of serial entrepreneurs, investors, executive head hunters and technical experts who analyze business pitches and provide constructive advice
- And, several Chamber Coalition-supported investor education programs, including Angel 101, Due Diligence, Deal Structures, Willamette Valley Investors Network (WVIN) and Valley Venture Group (V2G).

The best and brightest from all of these programs converged on May 14 for the Willamette Angel Conference. Over 43 submissions were received, and of those, 15 companies were selected to compete in the contest. The grand winner was CenterSpace Software, a company that provides numerical components for financial, engineering, and scientific applications. (www.centerspace.net). The winner of Best Presentation was Floragenex, Inc., a genomics research and tool company founded in 2006 from University of Oregon research. (www.floragenex.com).

Local Housing Issues (Action Item 8.2):

The Corvallis CDBG/HOME Program Consolidated Plan is focused on creating and retaining affordable opportunities for Corvallis renters and owners. In fiscal year 08-09 HOME Investment Partnerships (HOME) Program provided \$158,000 to Benton Habitat for Humanity to acquire two adjacent lots on SW Tunison. Also through the Consolidated Plan a Community Development Block Grant (CDBG) of \$122,649 was provided to Samaritan Village, a Senior/Affordable housing complex for safety and accessibility upgrades.

Opportunities for Students (Action Item 9.1):

Under the auspices of the Oregon State University Austin Entrepreneurship Program at the College of Business, OSU students have initiated a number of programs designed to engage with the community. The Austin Entrepreneurship Program also included an open community segment within many of its speaker programs and invited the community to participate.



Approximately 2,500 hours of community service outreach programs have been provided through Austin Entrepreneurship Program since summer 2008 and additional community service outreach programs will be provided going forward. These projects have engaged community members and students.

LBCC Workforce Training and Employment Needs Survey (Action Item 9.3, 9.5):

Linn Benton Community College has continued to expand its “after work” incumbent worker training programs, and ensure they’re both accessible and cost-effective. Over 300 on-line classes are available through the college, including content in supervision, management, languages, lean manufacturing, industrial technologies, computer software instruction, reading financial statements and staff and organizational development. LBCC Accelerated Short Term training is tailored to provide job ready training for technicians in:

- Pharmacy and Veterinarian medicine;
- Diagnostic and polysomnographic imaging; and
- Phlebotomy.



LBCC has also developed a regular business employment needs survey titled “LBCC Sector Needs Assessment.” It is an annual sector specific needs assessment conducted in collaboration with regional industry partners and other sector experts. The purpose is to strengthen LBCC’s and the sector’s capacity to quickly respond to the existing and changing educational needs of our community by better understanding the strengths and gaps in the current delivery system. Areas of focus are: Industry/Workforce Trends, Education/Training Needs, Education/Training Opportunities and Barriers and Awareness of LBCC/Strength of Partnerships.

509J Vocational Education Opportunities (Action Item 9.4, 12.4):

The 509J School District is working hard to ensure students are prepared to enter the workforce. It offers nearly 40 high school courses that deal with vocational education programs and provides internship opportunities, cadet teaching, structured work experience, a pre-apprenticeship program for laborers and service-learning projects where classes go help a business as a class project.

Sophomores can also participate in a program called Career Job Shadows to get a feel for jobs they are interested in. Juniors meet with career speakers and participate in mock interviews, while seniors work on an Extended Application to look further into their career interests after high school. District staff has visited over 60 businesses and continue to recruit partners willing to help students define and meet their career needs.

Transportation (Action Item 10.1, 10.3):

In September 2008, Corvallis Transit Services increased services hours by 10%, including later operating hours on three routes. CTS moved Linn-Benton LOOP for 4th Street to 9th street to accommodate passengers



going to Sam Health. CTS also implemented single fare service on four transit systems and Coast to Valley service two days per week.

Increases in transportation at the airport include a new medical helicopter service and increased flight training service. Airplane repair and maintenance service at the airport has experienced increased demand and has increased employees.

Sustainable Industry Cluster (Action Item 12.2):

A committee, led by John Sechrest of the Chamber Coalition and Bruce Hecht of The Natural Step Network, worked on creating criteria for what would eventually become the “Sustainable Enterprise Zone” located in south Corvallis. The committee worked with City and County leaders to get input and, ultimately, unanimous Council and community support for this important designation. The State approved the zone, making it the first sustainable enterprise zone in the state, and the first enterprise zone of any kind in Benton County.



For the coming year, the focus for this action item will be on: 1. Exploring how to support Benton County’s food growing and processing cluster; 2. Staying connected with regional sustainable business leaders and organizations – for example, there is some direct overlap between some of the items the PTF is trying to implement, and

the goals and priorities of the Corvallis Sustainability Coalition; 3. How best to market the Sustainable Enterprise Zone. The committee is also exploring the development of local sustainable clusters, including Green Building; Alternative Energy; Local Food; Green and Clean Technology; and Recycled and Sustainable Replacement Products.

III. 2009 Annual Prosperity That Fits Town Hall

OVERVIEW

As part of its charge, the Prosperity That Fits Steering Committee hosts “an annual Town Hall meeting for public discussion of the *Prosperity That Fits Report and Action Plan*.” In preparing to undertake this charge, the PTF Steering Committee has six goals for this community event:



- To publicize the Prosperity That Fits Report and Action Plan implementation progress
- To recognize PTF Plan action item implementation successes
- To promote on-going PTF Plan action item implementation
- To encourage citizen awareness and involvement
- To elicit community feedback regarding implementation
- To provide additional information and input for the Annual Progress Report

The 2009 Annual Prosperity That Fits Town Hall was held at the Oregon State University CH2M HILL Alumni Center on May 7, 2009. The theme of the event was *Investing in a Sustainable Economy*, with a presentation from Keynote speaker Dr. Robert Young.

The event started at 6:00 pm with an introduction from Mike Corwin, Economic Vitality Partnership Chair and Elizabeth French, Prosperity That Fits Committee Chair. Then the project's consultant, Jason Robertson of Barney & Worth, presented the Plan’s progress report and implementation highlights.

Robertson went over a summary of all the work that has been accomplished over the last year. The plan

has a total of 48 total actions to be implemented in the next 6+ years. 15 of those actions are underway and 19 have been implemented or are on-going.



A summary of action highlights includes: business incubation planning, an emerging high tech forum, Blue Ribbon Panel (Development Resources & Resolution Team – DR2), industrial lands inventory, sustainable industry cluster, Urban Renewal District, online community event calendars, workforce training, and vocational education opportunities.

Keynote speaker, Dr. Robert Young, followed Robertson with a discussion on the historical context for the current national and Oregon-specific economic situations, and to outline how upcoming federal investments can help shape a more sustainable, resilient and green economic future for Oregon.

The event ended with a community discussion where the audience answered the questions: What is the single most important step or investment (you define) we can take or make to foster sustainable economic prosperity? To see the results of this discussion go to www.prosperitythatfits.us.

IV. Acknowledgments

ECONOMIC VITALITY PARTNERSHIP and PROSPERITY THAT FITS COMMITTEE 2008-2009

Alan Fudge*, Linn Benton Community College
Annabelle Jaramillo*, Benton County
Bob Baird*, Corvallis Independent Business Alliance
Kate Lindberg*, Corvallis Independent Business Alliance
Pat Sardell*, Corvallis Independent Business Alliance
Brian Weldon*, Software Association of Oregon
Bruce Hecht*, Oregon Natural Step Network
Charlie Tomlinson*, City of Corvallis
Curtis Wright*, Citizen at Large
Mike Brown, Business Enterprise Center
Kathleen Hutchinson*, Business Enterprise Center
Ilene Kleinsorge*, Oregon State University
Steve Youngblood*, 509J School District
Jim Moorefield*, Willamette Neighborhood Housing Services
John Hope-Johnstone*, Corvallis Tourism
Jon Nelson*, City of Corvallis
Elizabeth French*, Corporate Roundtable
Mike Corwin, Citizen at Large
Pat Lampton*, Downtown Corvallis Association
Dave Gazeley, Corvallis Benton Chamber Coalition
Mark O'Brien*, City of Corvallis

* Shared Membership with the Economic Vitality Partnership and the Prosperity That Fits Steering Committee

LEAD PARTNERS 2008-2009

509J School District
Benton County
City of Corvallis
Corvallis Benton Chamber Coalition
Corvallis Independent Business Alliance
Corvallis Tourism
Downtown Corvallis Association
Gazette Times
Linn Benton Community College
Oregon Natural Step Network
Oregon State University
Willamette Neighborhood Housing Services

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Lynn Roylance, EVP Coordinator