



CITY of THE DALLES

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BUDGET ISSUE PAPER CITY OF THE DALLES

BUDGET YEAR AFFECTED	DEPARTMENT(S) AFFECTED	BUDGET DOCUMENT REFERENCE NUMBER
FY 14-15		

TO: Honorable Mayor and City Council

FROM: Nolan K. Young, City Manager *ny*

DATE: June 4, 2014

ISSUE: Budget Amendment for Business Recruitment Professional

BACKGROUND: The City's historic and current role in economic development has primarily been to provide infrastructure for development and incentive programs through enterprise zones and urban renewal. Our secondary role has been to assist the Port as called upon for specific recruitments. We have always considered the Port the primary economic development agency involved with business recruitment in the community.

Prior to November of 2012 most of our economic development activities were housed in the Community Development Department. In November of 2012 the Community Development Department was reorganized creating the Planning Department and moving economic development to a separate division in the City Manager's office. To assist the City Manager with economic development the four month Administrative Intern position was changed to a full year fellowship and the retiring Community Development Director Dan Durow was assigned to be an economic development specialist to specifically work on completion of the Riverfront Trail, administration of the City's enterprise zone, serve as the City's representative on the Wasco County Economic Development Committee, assistance with current and future urban renewal projects and other tasks as assigned under economic development. Under urban renewal the specialist specifically worked with the archeologist on the archeological and environmental reviews for the Granada Block and parking structure projects as well as the interest buy down program. Under Enterprise Zone the specialist worked with seven different business owners including a long term application, and an enterprise zone boundary amendment for an area outside the city limits in South County. Attached is a pie chart that illustrates the percent of time

spent on these projects over the last 18 months.

Shift in the City's Economic Development Role: Over the last few months Mayor Steve Lawrence and the City Manager have been meeting with officials from the Port of The Dalles to discuss the direction of economic development within the community. We have agreed to develop a core team that will be responsible for the economic development role in the community including business recruitment, retention and expansion. Business recruitment will be a new role for the City. In order to take an aggressive approach we propose that the City include in the fiscal year 2014-15 budget \$30,000 to acquire by contract the services of a professional business recruiter. This recruiter would work with the Core Economic Development Team of the City and Port to bring new businesses into the community. Potential duties would include the following with the Core Team continuing to develop this position's work plan:

- Member of the Core Economic Development Team
- Single point of contact for businesses wishing to locate or seeking information regarding locating in The Dalles
- Contact businesses identified for recruitment by the Core Team
- Attend trade shows to promote the community and recruit prospects
- Develop list of potential "target" businesses and pursue list with consensus of team
- Help Core Team develop economic development strategies, focus, and goals
- Involve other team members, direct, and other primary resources in location inquiries and recruitment

Our intent would be to enter into a six month contract with a recruitment professional, after the six months evaluate the process to see if it is providing the desired results.

BUDGET IMPLICATIONS: We propose to amend the current budget to add \$30,000 to the Economic Development Contractual Services line item by reducing contingency by \$30,000. We propose that when we start receiving the Google Enterprise Zone funds a portion of the \$115,000 of the annual fee that the City will receive that has not yet been committed will be used to bring the contingency up for the funds expended this year and could potentially be used if the program continues.

COUNCIL ALTERNATIVES:

1. *Staff recommendation: Postpone adoption of the fiscal year 2014-15 budget until June 23, 2014 to allow Council time to consider the proposed amendment to the Economic Development Department for a contractual business recruitment professional.*
2. Amend the fiscal year 2014-15 budget to include \$30,000 for contractual services for business recruitment, and then adopt the budget at the June 9, 2014 Council meeting.
3. Postpone adoption of the budget and ask the City Manager to bring back more information regarding this proposal.
4. Decline to pursue this proposal at this time.

Economic Development Specialist

Time use

