

RESOLUTION NO. 2816

A RESOLUTION ADOPTING THE BEND ECONOMIC DEVELOPMENT ADVISORY BOARD (BEDAB) STRATEGIC PLAN

Findings

A. The City Council asked BEDAB to recommend measures that would demonstrate a commitment from the City to businesses in Bend. BEDAB presented those recommendations in the BEDAB Strategic Plan during the October 20, 2010 City Council Work Session.

B. The BEDAB Strategic Plan identifies the mission of BEDAB as follows:

“The Bend Economic Development Advisory Board will develop and maintain a strategic plan to ensure that long-term City of Bend planning promotes a supportive and innovative business environment which fosters economic growth, coordinated by the efforts of governmental agencies, community groups and business organizations.”

C. A transparent and business friendly local government environment is vital to meeting various City of Bend goals, including increasing retention of businesses that are already in the community.

D. The City Council believes that the strategic plan identifies high-quality short and long term priorities and outcomes for a comprehensive economic development strategy for the City of Bend.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF BEND RESOLVES AS FOLLOWS:

1. The City of Bend formally adopts the BEDAB Strategic Plan (attached).
2. The City Council supports the strategic plan objective related to hiring a Bend Business Advocate, and further acknowledges that \$100,000 of General Fund savings in FY2010-11 will be reallocated for the purpose of hiring the limited term / contracted employee.
3. The City Council directs staff to work with the BEDAB to formulate a recommendation for long term funding of the Bend Business Advocate position and program, to be presented during the 2011-13 Biennial Budget process.
5. This resolution shall be effective upon adoption.

Adopted by the City Council the 3rd day of November 2010.

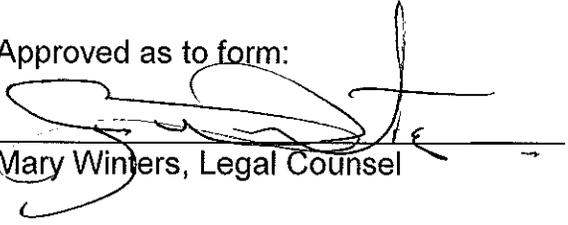
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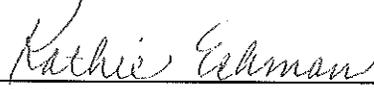
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ABSTAIN: 1

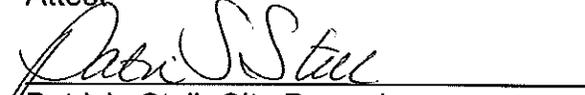
Authenticated by the Mayor the 3rd day of November 2010.

Approved as to form:


Mary Winters, Legal Counsel


Kathie Eckman, Mayor

Attest:


Patricia Stell, City Recorder

BEND ECONOMIC DEVELOPMENT ADVISORY BOARD (BEDAB)
STRATEGIC PLAN

INTRODUCTION

This document has been prepared to define and set forth a draft Strategic Plan for Economic Development for the City of Bend.

The Bend Economic Development Advisory Board's strategic plan focuses on building a community-wide structure that facilitates doing business in Bend to promote growth of existing companies and attract new companies in a variety of sectors. The plan focuses on owner-operated businesses with 20 or fewer employees; those that have the flexibility to operate in a smaller metropolitan area, will grow with the community, and share similar values and appreciate the Bend lifestyle.

BEDAB MISSION STATEMENT

The Bend Economic Development Advisory Board will develop and maintain a strategic plan to ensure that long-term City of Bend planning promotes a supportive and innovative business environment which fosters economic growth, coordinated by the efforts of governmental agencies, community groups and business organizations.

BEDAB PRIMARY GOALS

***Advocate** – Provide input into city policy and procedures from a private sector perspective.*

***Facilitate** – Broker entrepreneurial support among existing community resources.*

***Market** – Branding and guiding marketing of Bend as "Open for Business".*

***Coordinate** – Organize and oversee city resources applied to economic development.*

BEDAB SECTOR REPRESENTATION

Manufacturing, education, finance, economic development, commercial real estate, software, workforce, tourism, City of Bend, small business

BEND ECONOMIC DEVELOPMENT ADVISORY BOARD
STRATEGIC PLAN

GOAL 1: ADVOCATE FOR BUSINESS

Provide input into city policy and procedures from a private sector perspective

Objective 1: Engage and connect with the Bend business community through in part, announcing the BEDAB's formation, its mission, and its proposed plan of action. Charter the BEDAB to become a standing City board capable of providing input and direction on economic development topics.

Status: No statement of purpose or similar message has yet been issued by the BEDAB to the business community.

Project: Prepare a City Council work session presentation.

Project: Coordinate with the City's Communication Division to develop a *City Edition* production to raise community awareness of the BEDAB and its purpose. Combine this production with other BEDAB initiatives as identified herein.

Project: Each sector representative shall prepare an overview assessment of the status and health of his or her sector, with recommendations for how the BEDAB can advocate for that sector's success. These assessments shall be updated annually, and shall form the basis for the BEDAB's Annual Report to the Bend City Council.

Project: Charter the BEDAB to become a standing City board capable of providing input and direction on economic development issues.

Project: Develop a process to include additional business sectors for input into BEDAB's decisions.

Objective 2: Establish a Bend Business Advocate (BBA) position at the City of Bend.

The BBA will serve as a liaison between existing and new small businesses and City Administration, providing advocacy and facilitation services. The BBA will identify and prioritize pertinent city services provided to the small business community, and will advocate for process improvement wherever appropriate or necessary. This position will be guided by the BEDAB board and their strategic plan and report to the City Manager.

Status: No BEDAB action yet taken.

Project: Actively participate with the Community Development Department to develop and enact a variety of Development code upgrades targeting ease of use and simplification of code guidelines. This program is to include a simplification of the signage ordinance.

Project: The BBA will identify and prioritize pertinent city services provided to the small business community, and will advocate for process improvement wherever appropriate or necessary.

Project: The BBA will establish a board seat relationship with EDCO. Through that board seat, the BBA will link with Central Oregon community representatives to learn, share ideas and represent Bend in regional economic development.

Objective 3: Inventory and prioritize City policies that affect businesses. Develop an action plan of existing processes or codes that need to be altered or removed minimizing impediments to doing business with the City of Bend.

Status: No BEDAB action yet taken.

Project: To be determined by the BEDAB and BBA.

GOAL 2: FACILITATE RETENTION, RECRUITMENT AND GROWTH OF BUSINESS

Broker entrepreneurial support among existing community resources.

Objective 1: Develop supportive services that improve bottom line performance, customer service skills, competitiveness and market penetration.

Status: no BEDAB action yet taken.

Project: Develop a retention/expansion strategy for existing businesses to grow and expand.

Project: Develop and expand the Available Properties Database to include pertinent physical characteristics such as building size, zoning, occupancy classification, vacant available properties, undeveloped lots, size of electric service, size of water service, size of sewer service, number of parking spaces, SDC payment history, and other relevant data. Promote available properties and undeveloped land in Bend's existing facility and land inventory.

Project: Establish a program for discounting the cost of interior construction building permits for like-use, in-city projects for relocating businesses.

Project: Identify, promote and support the presence of the Independent Knowledge Worker (IKW) community in Bend.

Project: Establish and maintain a Bend Small Business Supplier Directory, promoting companies to search for services locally before sending business outside Central Oregon. Create and maintain this directory through the Business License database.

Project: Develop a business education and information clearinghouse.

Objective 2: Research the concept of economic gardening by studying communities that have implemented initiatives.

Status: no BEDAB action yet taken.

Project: To be determined by BEDAB and BBA.

Objective 3: Advocate for the advancement of workforce education and training including higher education, community college, trade schools, industry consortiums and private institutions.

Project: Use the findings of the Higher Education Assessment Team (HEAT) to support initiatives for higher education in Bend.

Project: Replicate the High Desert Enterprise Consortium and Central Oregon Bioscience Industry Consortium models to service industries. The consortium model provides for effective networking, education and strengthening of industry groups through sharing of ideas.

Objective 4: Provide access to capital.

Status: no BEDAB action yet taken.

Project: Manage the Bend Small Business Opportunity Fund.

Project: Work with EDCO's venture catalyst to direct startup and early stage companies to investment, business support and advice from a local "stable of experts".

GOAL 3: MARKET BEND AS BUSINESS FRIENDLY

Branding and guiding marketing of Bend as "Open for Business".

Objective 1: Brand Bend as a unique place to live, work, raise a family, and excel in small business.

Status: The BEDAB has spent considerable time in the past 4 months on this initiative and has drawn various conclusions on an appropriate direction.

Project: Draft and issue a white paper on this topic setting forth the conclusions reached. (Appendix A and B)

Objective 2: Promote the *Bend Feel* as a perfect match between lifestyle and business opportunity to generate recruitment leads.

Status: Visit Bend's current marketing add-on program will help visitors focus on the final point. Given our community's attributes, this should be viewed as a promotional campaign with no end date.

Project: Implement Visit Bend / EDCO business marketing initiative. Coordinate with other Bend business organizations to use marketing collateral in their own efforts.

Status: BEDAB has endorsed this program and Council has approved the expenditure of funds. Visit Bend is executing the plan. The BBA will monitor and be included in all pertinent follow up.

Project: Work with marketing professionals to rebrand Bend as business friendly. In conjunction, with the business advocate, drive cultural change in city. Create web sites and print collateral consistent with the brand message. Create brand training materials for city staff that enable them to understand and consistently convey and execute the brand message. Create a brand usage guide which may be used for all future collateral.

GOAL 4: COORDINATE CITY RESOURCES APPLIED TO ECONOMIC DEVELOPMENT

Organize and oversee city resources applied to economic development.

Objective 1: Maintain a strategic and coordinated working relationship with EDCO.

Status: The City of Bend and EDCO are on the second year of a two year contract.

Project: EDCO and the City of Bend will work with the BEDAB to define EDCO's role and future contract for economic development services.

Project: In conjunction with EDCO, promote the development of additional traded sector industry consortia. Prepare a draft statement of objectives for this initiative, defining the targeted groups, possible consortia structure, etc. for EDCO and BEDAB review.

Project: In conjunction with EDCO, promote the recruitment of "traded sector" businesses to Bend that represent a good match to the BEDAB's targeted characteristics.

Objective 2: Identify and connect organizations that impact small business development in Bend.

Status: No BEDAB action yet taken.

Project: Create a map of all governmental, nonprofit, and for-profit organizations that plan a role in service delivery to small businesses in Bend.

Project: Categorize the services or product offered, record contact information and create a means, such as a web site, for small businesses and service providers to access and update information.

Project: Identify and fill gaps in needed services for small business development by encouraging organization, collaboration and expansion.

Objective 3: Create and maintain infrastructure to promote business development

Status: No BEDAB action yet taken.

Project: Support continued development at the Bend Airport through a coordinated and open master plan process. Include the Bend Airport Council in the decision making process.

Project: Upon completion of the current Zone Change initiative, the BEDAB will formulate and issue a statement of support for the Juniper Ridge project.

Project: Ensure that the urban growth boundary meets the demand requirements for commercial and industrial land. Develop an annual land inventory process.

Project: Promote Business License Enrollment and expand the Business License Database (BLD) as a vehicle for capturing and tracking a wide variety of small business data points. Review and expand the enrollment application to provide more useful business tracking data.

Project: Ensure that public facility planning anticipates business development needs. Hold annual business summits that invite business organizations to learn City development plans.

Objective 4: Establish and maintain a leadership role in the development and execution of the Central Area Plan.

Status: Dependant on grant funding to continue planning effort.

Project: To be determined by BEDAB and BBA.

Objective 5: Increase participation and involvement in the recreation/tourism sector.

Status: No BEDAB action yet taken.

Project: Endorse the work hard/play hard lifestyle by supporting recreation initiatives. Cultivate a strategic and coordinated working and board seat relationship with the Recreation Advisory Committee (RAC) and Visit Bend.

APPENDIX A. WORK DONE BY THE BEDAB TO DEVELOP THE STRATEGIC PLAN

Environmental Analysis

Environmental analysis examines the external or situational trends that directly or indirectly affect our strategy.

Trends

- Coming off of a recession at a very slow recovery
- Continued Adoption of social media and development of new social media platforms
- Larger companies not relocating. Smaller owner-operated companies have flexibility to move.
- Companies waiting to make decisions – unsure of future economy, holding on to cash.
- Collaboration increasing and paramount. Co-working, co-innovation, co-partnering on projects.
- Access to capital is difficult.
- Business owners looking to efficiency gains for productivity instead of hiring.
- Access to business resources is a common hurdle for new businesses
- Existing companies making up majority of job growth.
- Four year University needs exist, but the community has strong higher education components.
- Telecommuters attracted to Bend for lifestyle.
- Escape from metropolitan areas for more wholesome lifestyle, particularly in California.
- Infrastructure issues (specifically water and wastewater) prevent large recruitments.
- Transportation, infrastructure and land use hurdles will continue to challenge the development of employment lands.
- Continued focus on cost containment and cash flow for small businesses.

Factors

- Bend perceived as tough place to do business (permitting, sign ordinance, fees). Oregon perceived as unfriendly to business given recent tax increases (measures 66 and 67)
- The City is facing major challenges with infrastructure.
- Although Juniper Ridge will provide some much needed larger parcels, there is ample opportunity for smaller footprint project. Bend has more than 100 commercial/industrial properties available.
- A shift in the economic landscape from survival to revival as the worst gets behind us.
- Increased capital investment for solid companies
- Small companies need more help in the relocation process. Leasable space, incentives, and good customer service from the City are required.
- Increased taxing on small businesses

- Constant changes in the rules: i.e. tax increases, healthcare benefit incentives, environmental regulations
- Playing financial makeup from an extremely poor revenue year in 2009
- Challenge of securing funding for expansion and operations
- Bend is the Apple of the company location market – quality and time is where we can compete.
- Migration from metropolitan areas like Seattle, Portland, Southern California and the Bay Area are bringing tech-oriented workers to Bend. Telecommuters in high tech, sales, web development, customer service and startup businesses find Bend to be the perfect place to locate.

Market Analysis

Key Sectors Positioned for Growth Based Upon Current Trends

- A. Manufacturing
 - Specialty Manufacturing (supply chain companies)
 - Renewable Energy
- D. Education & Health Services
 - Medical Technology
- E. Trade, Transportation & Utilities
 - IT Software
- F. Public Sector (based upon funding opportunities)

Attractive Markets

Target California metropolitan areas that have been hard hit by the recession

- Sectors
 - Manufacturing
 - Aviation
 - Renewable Energy
 - Web Developers
 - High Technology/Software
 - Recreational Equipment
 - Single Owner Home Office (SOHO)

1) Size and Growth

Small owner-operated companies make up 80% of businesses in most of the U.S. The market is huge with many different business sectors. Focus is on traded sector companies (those that sell the majority of their goods outside the region). These companies pay higher salaries, offer strong benefits and are not affected by local economic downturns.

2) Key Success Factors

- 1.) Skilled workforce
- 2.) Desirable lifestyle
- 3.) Ability to lease space

3) *Cost Structure*

4) *Barriers to Entry*

- *Costs associated with moving a business is the main barrier to recruitment of these smaller companies. Equipment, trucking, halt to production and lease down payments all add up to amounts that negatively affect the bottom line.*
- *Access to capital for sustained growth is difficult in the current economic climate.*
- *Leaving employees*

5) ROI?

6) Distribution Systems?

CUSTOMER ANALYSIS

Customer Definition

Owners who operate businesses with fewer than 20 employees in Bend or outside Bend and looking for a new community to improve lifestyle and grow their business.

Demographic

- Prior visit to area
- Second home connection
- Family connection
- Movable business
- Tourism is the gateway drug"

Psychology

- Extroverted
- Seeks social connections
- Looking for roots
- Young, new family
- Reactive (ready, fire, aim)
- Looking for help
- Aware of weaknesses
- Interested in growth and learning
- Acting on the world
- Risk taker
- Frequent changes
- Mobile (independent of location)
- Myers-Briggs: NTJ or STJ

Product and Services Needed

- Basic business statistics, schools, business costs
- Guidance through permitting process
- Professional services (accounting, legal)
- Locate leasable buildings
- Tactical business support and maturity
- Access business support organizations
- Hiring qualified workforce
- Identify incentives
- Raising capital
- Banking services
- Transportation(Air, Truck)
- Seeking Lifestyle/environment
 - River
 - Mountain
 - Recreation

- Safety
- Community size
- Friendliness/Social Connections
- Health Care

Marketing to Customer

- Connect emotional points
- Menu of attractions
- Direct contact with target
- Welcome package for potential target
- Business relocation concierge service

Competitor Analysis

Top Competing Communities for Recruitment Projects

Boise, ID
 Post Falls/Coeur D'Alene, ID
 St. George, UT
 Boulder area, CO

SCA ANALYSIS

What is a SCA?

Sustainable Competitive Advantages (SCAs) are key aspects of a service or product offering which define and differentiate us to consumers. SCAs should merge values, mission and vision with customer needs. SCAs must be:

- Sustainable: SCAs must be possible to accomplish and difficult to copy
- Competitive: SCAs must be different from competitors
- Advantage: SCAs must be a preferred and unmet need of some market segment

Proposed SCAs

Bend has experienced exponential growth in the past decade that has brought with it big city amenities one would not expect in a city of 80,000 people. Top-rated restaurants, boutique shops mixed with national retailers, a vibrant music scene, and year-round festivals give tourists and locals plenty to do. Add to this unparalleled access to outdoor recreation, an award-winning parks system, and a sound school system, it's no wonder Bend is constantly at the top of any list for livability. Far from an "Aspen" or "Jackson Hole", Bend's lifestyle and quality workforce is a draw for many successful companies in the aviation, manufacturing, renewable energy, high-tech, and recreation equipment sectors. Many of Bend's companies are owner-operated and in the small to midsize range, typically with 10 to 50 employees. Companies like Breedlove Guitars, PV Powered, G5 Search Marketing, Deschutes Brewery and Bend Research provide solid employment and bring in vital traded-sector dollars to Bend's economy. Further,

because the city has attracted significant managerial and C-level talent, the area has been a hotbed of entrepreneurial activity in technology, biosciences, renewable energy, and related fields with small business start-ups.

- *Position in the market: wide-ranging, wholesome*
- *Rich Lifestyle: Incredible lifestyle choice with access to quality recreation, metropolitan amenities, good schools and friendly community.*
- *Business Connections: A wealth of business resources and professional services for early stage and small business support.*
- *Affordability: Favorable fees, taxes, labor, improved real estate and land/building inventory create better business affordability.*

- **Promise**
 - Active Outdoor Lifestyle
 - Mountain Town for Grownups
 - Nurturing Business Community
- **Visible SCAs**
 - Bend is a place to work and play hard.
 - Doing business in Bend is easy.
 - Bend offers a comprehensive fabric of support and services to support small businesses excellence.
 - Bend reaches out to prospective and existing businesses in order to create an inclusive business environment.
- **Supporting SCAs**
 - Bend's municipal government values economic development and the people that drive it.
 - Bend has lower business operating costs than most comparison cities.
 - Bend provides access to the capital small businesses need to grow.
 - Bend supports growth through incentives focused on small business recruitment and development.
 - Bend takes advantage of local and natural attractions to convert visitors into neighbors and employers.

Price/Value

Description

1. *Compared to cities of similar size, we offer amenities, attractive labor, housing, and business costs.*
2. *State business taxes and total business costs are low compared to other western states.*
3. *Competitive incentive package.*
4. *Bend considered a "good deal" after recession.*

SCA

*Bend has lower business operating costs than comparison cities.
Bend provides access to the capital small businesses need to grow.
Bend supports growth through incentives focused on small business recruitment and development.*

Innovation/Product Originality

Description

1. *Can make a difference in the community – easy to get involved and participate.*
2. *Entrepreneurial spirit.*
3. *Business expertise, maturity, intellectual capital.*
4. *Climate*
5. *Pace of life – walk, bike, short commutes.*
6. *Family values, stability, maturity, “Mountain town for grown-ups”.*
7. *Air service.*
8. *Recreation environment – skiing, cycling, fishing, hunting, golf, mountains, desert.*
9. *Easy access to coast and Portland.*

SCA

Bend is a place to work and play hard.

Doing business in Bend is easy.

Bend offers a comprehensive fabric of support and services to support small businesses excellence.

Bend's municipal government values economic development and the people that drive it.

Bend takes advantage of local and natural attractions to convert visitors into neighbors and employers.

Service and Quality

Description

1. *Business support and professional services.*
2. *Collaboration, networking of business in the community.*
3. *Medical services.*

SCA

Bend reaches out to prospective and existing businesses in order to create an inclusive business environment.

APPENDIX B. Summary of Headwaters Economics Report

Improving Deschutes County's Competitiveness:

Business Location and Retention Factors

Summary of a report by Headwaters Economics
in partnership with Economic Development for Central Oregon
July, 2010

Contact Ben Alexander, 406-599-7423, ben@headwaterseconomics.org
<http://www.headwaterseconomics.org/deschutes>

Introduction

Almost all of the highest flyers in the West during the past several decades have struggled during the most recent national recession. Nowhere is this contrast between economic boom and subsequent decline more dramatic than in Central Oregon's Deschutes County. In the early 1990s, Deschutes County reinvented itself from a timber and related wood-products manufacturing economy into a real estate and construction, hospitality, and service economy. By doing so, it developed into one of the fastest growing micropolitan areas in the country and experienced an economic transformation that was the envy of many in the West. The national recession that began at the end of 2007, however, pointed out the weakness of this new economy: Deschutes County now has one of the worst unemployment rates in the region and the highest among similar fast-growing peers across the West. This report analyzes the reasons behind this reversal of fortune and then turns to how Deschutes County can facilitate its economic recovery by exploring what makes the region a compelling place to conduct business and how Central Oregon can increase its long-term economic diversity and resiliency. We achieve this by reviewing a wide variety of trends and data for Deschutes County and four peer counties in the West. We also interviewed local businesses leaders and company owners, and talked to economic development experts across the West. We asked them what the most important factors are in their region for business and employee location and retention decisions. The responses paint a clear picture of competitive strengths and weaknesses for Deschutes County. They point to the importance of a mix of traditional location and retention factors such as base costs (e.g., land and transportation prices) and non-traditional quality of life factors (e.g., open space and trails, and low crime rates). What brought many individuals and businesses to Central Oregon is not necessarily what sustains enterprises. Understanding the right mix of cost and quality factors is important to retain current businesses while building a more diverse and resilient economy in the region as a tentative economic recovery begins.

Recommendations

The recession experience, local interviews, and discussions with experts in peers point to a number of approaches and action items worthy of consideration for Deschutes County. The research for this report has made it clear that a heavy reliance on real estate, construction, and related finance is perilous. This economic foundation is too narrow by itself to sustain long-term resilience and competitive strength. Another way to put this is that the region should focus on taking advantage of its desirability as a place to live to create a broader range of industry diversity. Of course, this is more easily said than done. The companies in Deschutes County are already more innovative and the economy more developed in higher-skill sectors than in similarly sized Washington County, Utah and Kootenai County, Idaho. The leap to compete with larger urban centers such as Boise and Boulder raises issues of scale, depth, skills, and access that must be resolved in order to compete on this higher plane. If Deschutes County wants to take an ambitious step forward, there will have to be levels of cooperation not seen today—to increase efficiencies, support more mature clusters, maximize existing talent, bring in new talent, protect and promote the area's compelling mix of amenities, and build new research and educational institutions. Below is a list of recommendations, some of which are already in circulation, that we believe will serve Central Oregon well. In most cases, recommendations apply to supporting the growth of existing businesses as well as to attracting new companies, and to the need for more skilled labor.

Housing: Deschutes County remains unaffordable for too many families and workers. Although housing prices have fallen significantly during the current recession, they still put the region at a competitive disadvantage, especially when area wage rates are considered. More affordable housing, more varied types of housing, and new or renovated housing located near existing downtowns and work locations will make it easier to retain and attract the workforce the region will need as it emerges from this recession.

Amenities: The example of Boise and Boulder point to the importance of developing amenities to attract skilled workers and their families. Boise's system of green spaces and trails is a crucial element in that city's ability to appeal to younger technology workers in particular. And Boulder complements its incredible open space and trails with a vibrant downtown, diverse cultural scene, and excellent restaurants. Communities in Central Oregon, Bend in particular, have the ability to compete at this level if there is a continued commitment to green infrastructure, downtown development, and a lively arts and entertainment scene.

Capital: Accessible sources of public and private capital, whether for operations or planned expansions, will help businesses through the recession and grow as the broader economic recovery develops. Fiscal tools like Oregon's low interest loans and development bonds, enterprise zones conferring tax and fee abatements, and locally supported loan forgiveness programs tied to specific performance are all worth continuing and expanding as resources permit. Some banks are lending little while others with healthier balance sheets are more active. Businesses need to know where to go for short-term capital needs. A bank index or some other way of ranking banks by their willingness and capacity to lend to business will help firms who need loans to keep their doors open and to reposition as the recession ends. Securing capital for firms trying to significantly advance a concept or product requires skills and connections that many companies lack internally. New efforts like EDCO's Venture Catalyst program are designed to meet this need. PubTalk and the Bend Venture Capital conference are also good avenues to expose companies to investors. More generally, firms can use assistance to match their business strategy to the expectations of investors, and then to find the right investor.

Networks: Peer-to-peer business networks such as Opportunity Knocks and more industry-specific groups like Central Oregon Bioscience Consortium and High Desert Enterprise Consortium are critical to keeping businesses connected with each other and allowing for the

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exchange of ideas and talent. Regular meetings should be continued with the goal of pushing ambitious companies forward and sustaining an open culture of innovation and talent sharing. A number of business owners mentioned material sciences as an emerging business cluster in Central Oregon, noting the spin-offs from Bend Research as well as newer entrants into this field. Developing such a business cluster could be an important competitive strength. We recommend convening a focused discussion to determine what building blocks are missing to overcome potential disadvantages such as distance from primary centers for this field, the need for a highly educated labor force, and the limits of available venture capital.

Collaboration: A number of firms admitted to being overwhelmed by the range of business organizations in Central Oregon and expressed a desire for more coordination between groups like the Small Business Administration, Chambers of Commerce in the region, and the Small Business Development Center. A common clearinghouse of information and coordination of activities will create a clear entry point for business new to the area or looking for assistance. Coordination between firms also should strive to plug leaks in the local economy by creating a directory that will allow companies to search for services locally before sending business outside Central Oregon. This could be accomplished in part with a "support each other" campaign that emphasizes how local cooperation supports global competitiveness. In the interviews we regularly heard that the lack of employment opportunities and connection to place for spouses impedes efforts to recruit skilled workers. Coordination between hospitality groups and business advocates should focus on the needs and interests, including jobs, culture, and recreation, of spouses. This type of support could evolve into a job bank or referral arrangement for spouses to minimize the downsides of a smaller labor market for professional couples.

Marketing: Central Oregon has a high profile surrounding its great recreation and tourism opportunities, high quality of life, and booming economy of recent decades. While Deschutes County remains strong on the first two counts, anyone paying attention knows that the economy is not booming now and may have an unduly negative impression of what's happened to the region's economic strengths during the current recession. Interests in the county should counter any negative impressions with positive news about the economic environment in Central Oregon and how in many ways the region is more competitive now than at the peak the last business cycle. A number of excellent marketing ideas were suggested by business owners in the interviews. These include: appealing to families with younger children who may be attracted to the wholesomeness of Central Oregon; reaching out to active professionals working in occupations or for companies that are relatively footloose; contacting "career harvesters" who have expertise as well as mature networks and may be looking for the high quality life offered in Deschutes County and willing to mentor younger entrepreneurs; and utilizing area people with specific talents/skills to reach out to professional peers around the country to market what Central Oregon has to offer. Almost every business owner we talked to for this report visited Deschutes County first as a tourist, and there is evidence from around the West to confirm a connection between pleasure and business travel-stimulated entrepreneurial migration.²⁴ It makes sense to focus on this link by developing ways to target visitors as potential future business owners and workers in the region. Visit Bend is just embarking on this type of effort with its "Job-Creation and In-Migration Through Tourism" plan and needs resources to succeed.

Access: Compared to peers examined in this report, Deschutes County is isolated both geographically and by virtue of the air, rail, and highway connections to larger cities. Commercial air service is excellent for the size of the population base in Central Oregon, but its future cannot be taken for granted. Travel bank investments (in which travelers pre-buy tickets) and airline revenue guarantees are good ways to sustain or improve service. Diversifying air freight options will give companies more ways to move products in a time-sensitive manner.

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More convenient railroad cargo service schedules and depot locations, and more competitive pricing will help businesses with bulkier products. Passenger rail service to Portland also will make this important city much more accessible.

Education: Expanding higher education in the region is important for Central Oregon to wrestle with and come up with specific strategies to resolve. Almost every interview we conducted reaffirmed the interest in a larger university presence—for all the reasons that the University of Colorado is important to Boulder (skills, partnerships, idea incubation, spin-offs, innovative culture, etc.) Expansions of Central Oregon Community College and OSU-Cascades are possibilities, as are partnerships like OSU-Cascades has initiated with Cornell University's School of Hotel Administration on hospitality training. Successfully increasing the intellectual capital of the community and skills in the workforce over the long-term may well hinge on this question.

APPENDIX C. BEND 2030 VIBRANT ECONOMY VISION STATEMENT AND VISION ELEMENTS

The BEDAB has included the "Vibrant Economy" segment of the Bend 2030 Vision Statement, because that body of work has been extensively vetted by the public, and formally adopted by Bend's City Council as a community guideline. It is the BEDAB's opinion that the planning set forth must correlate to, and further refine, the thinking set forth in the Bend 2030 document.

BEND 2030 VIBRANT ECONOMY VISION STATEMENT:

In the year 2030, Bend has a diversified economy that provides healthy work environments and sufficient living wage jobs to support our local population. Our economic vision has attracted people, resources, and investment focused on diverse industries that offer economic opportunity, longevity in the global market, and a clean and sustainable environment. Bend is a leader in 'green' building materials and technology, and sustainable energy. An established university and a research center in Bend promote creativity, innovation, and entrepreneurship that empower and advance a skilled and competitive local workforce. Our access to the global marketplace is efficient and viable due to enhancements of local and regional communications and transportation systems including air, rail, highways, and alternative modes of travel.

BEND 2030 VISION ELEMENTS

ECONOMIC DEVELOPMENT

- 1 – Incentives for Healthy Economic Growth. Bend has worked to develop and implement a comprehensive regional approach that provides incentives to foster healthy economic growth.
- 2 – Living Wage Jobs. The Bend economy produces a sufficient number of living wage jobs to support its population, offering all local residents the opportunity to achieve a basic standard of living.
- 3 – Targeted Industries. Bend has a comprehensive program to recruit, retain and expand targeted business and industry, focusing on diverse and desirable industries that provide economic opportunity, longevity in the global market, and a clean environment.
- 4 – Intellectual Capital. Bend uses its intellectual capital as a catalyst to build success within economic clusters. A business campus links workplaces with research and development, manufacturing and marketing.
- 5 – Support for Small Businesses and Entrepreneurs. Bend promotes and supports its existing and potential small businesses and entrepreneurs with information, technical assistance and resources.

BUSINESS INFRASTRUCTURE

- 6 – Transportation Access. Regional transportation access and efficiency in Central Oregon has been increased through comprehensive enhancements to air and rail service, a new interstate system, the local highway system, and north-south and east-west arterial roads and commuter options.
- 7 – Available Industrial and Commercial Lands. Bend maintains an ample supply of available serviced industrial and commercial land that enhances business recruitment and allows for the expansion of existing businesses.
- 8 – Robust Communication infrastructure. Bend is served by a robust communication and technology infrastructure that supports business, government, education and citizen needs. Residents are fully connected locally, regionally, statewide, nationally and globally. The communication network offers competitive costs and is easily accessible throughout the region.

WORKFORCE

- 9 – Workforce Education and Training. Bend's local educational infrastructure supports its future economic needs and provides a skilled labor pool for local businesses and targeted industries. The community has expanded higher education programs and facilities, professional technical education, and trade school and training programs, providing the local and migratory workforce with improved employment opportunities.

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10 – Safe, Healthy Work Environments. Bend has safe and healthy work environments that are drug-free, boost employee morale, productivity and knowledge, and enhance the quality of their products and services.

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SUSTAINABLE INDUSTRIES

11 – Tourism Benefits to Community. Bend promotes and supports year-round tourism based on its natural beauty and outdoor recreation opportunities. Visitors to Bend find a diverse mix of attractions including arts and culture, sports, clean air and water and environmentally focused tours and programs.

12 – ‘Green’ Building Leader. Bend is a nationally recognized leader in the research, development, manufacture and application of environmentally friendly ‘green’ building materials and technology.

13 – Investment in Sustainable Energy. Bend is a leader in developing sustainable energy and associated technologies. Bend has promoted and attracted substantial investment in the development and production of renewable and sustainable energy which supports economic growth.

14 – Health-Conscious Businesses. Bend uses its natural environment and healthy lifestyles to attract and develop holistic, health-conscious businesses. Such investment inspires community interest in preserving Bend’s scenic assets, environmental quality, and sustainable practices.