



CITY OF BEND

**BEND ECONOMIC DEVELOPMENT ADVISORY BOARD**

**Subject: MINUTES**

**Meeting date: June 7, 2016**

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The Bend Economic Development Advisory Board held its regular meeting on Tuesday, June 7, 2016 in the Council Chambers at 710 NW Wall, Bend, OR. The meeting was called to order at 8:04 AM by Chair Corwin.

Those present included:

Committee: Wally Corwin  
Erich Schultz  
Dale VanValkenburg  
Van Lewing  
Katie Tank  
Stephanie Senner  
Wendy McGrane  
Tom Rowley  
Jamie Christman  
Doug LaPlaca  
Steve Curley

Councilors: Casey Roats, Sally Russell

Staff: Carolyn Eagan, Economic Development Director; Ben Hemson, Bend Business Advocate; Kathy Montgomery, Administrative Specialist, Gillian Ochner

**Approve Minutes from May 3 and May 17<sup>th</sup> meetings**

Jamie requested wording to be changed to reflect correct terminology of Leadership and Advocacy Council in May 3<sup>rd</sup> minutes. Changes made. Both sets of minutes approved.

**Public Input**

Ron Boozell stressed importance of committees.

**IP 28 Overview & Discussion | Jamie Christman, Roger Lee & Erik Kancler**

Before presentation, Carolyn pointed out that it is an initiative petition and the City has no position on it. Presentation and discussion is informational only. BEDAB has three roles. To make policy recommendation to Council on issues in front of Council. To let businesses know about issues that affect businesses. To market Bend Wally – BEDAB should listen to and understand issues that affect businesses.

Erik said that proponents have enough signatures needed to get on November ballot. IP 28 proposes to change tax structure for businesses doing business in Oregon. 2.5% gross receipt tax on businesses that have gross receipts of over 20 million. C-Corps only. There will be changes. Katie asked who is promoting - public employee union backed effort.

Jamie – Chamber’s perspective. Passed out defeat tax information sheet. Chamber joined this group. Can only vote on how is written. As now written, funds go to general fund not schools, etc. No exemptions originally. Food, meds etc. Becomes a consumer tax because of supply chain.

Wally mentioned that consumption tax happens at each transfer of services so is not a sales tax. Product manufacturing, distribution, trucking retail. Multiplier effect. Different effect on locally owned versus multi state or international.

Wendy asked if there are any other states that have a gross receipts tax. Washington – 40 different categories but makes sure not a compounding affect. 4 other states; however, nothing close to 2.5%. Others are less than 1%. Tax on revenue not profits. Wally – usually across the board for all businesses. This is unusual in that it singles out certain businesses.

Ben will send out link on Friday with the Tax Foundation analysis. Wally is there anyone who wants to present other side?

Claims for schools, seniors but really unallocated. Goes to general fund and unfunded PERS mandate. Carolyn sent note to Damon asking how many C corps and S corps in Central Oregon.

Erik gave an overview of state beyond Central Oregon. Stated Governor does not have an official position. She is saying there will be ways to offset if passes. Neither side interested in compromise. Sector and regional impacts need to be looked out. Carolyn asked if there were other proposals to fund or reform PERS. Erik said hadn’t taken hold in Salem; however, Courts put out some proposed solutions. Everything seems to be on hold and a back seat to IP28.

Carolyn asked if there are any other modeling scenarios other than legislative report. Erik said state likely won’t do. Others may need to run.

Erik stated issue will keep going. If passes, legislature will try to ratchet back. If fails, employee unions will keep trying.

### **Climate Change Ordinance Update | Dale VanValkenburg & Gillian Ockner**

Wally what is an ordinance? Erik said is not a state law. It is a law at the local level. Enact code but not exceed state. Has to be within City’s charter.

Carolyn recapped process. Advocacy explores and may make recommendations to BEDAB who in turn may make recommendations to Council. Advocacy did discuss and BEDAB stated that needed more time to vet.

Gillian stated that on June 15<sup>th</sup> – council subcommittee will announce version they have at that time. Provide for review of Council and Public. Trying to figure out correct policy tool and scope

as well as how targets are set. Inventory needs to occur. Document will be released and ways that input will occur.

Casey Roats, Barb Campbell and Doug Knight are on subcommittee. Eric King has been clear that biennial budget timing needs to be taken into account. Will be tied to the budget process.

Erich recapped that on May 24<sup>th</sup> Advocacy met with members of the group that drafted the ordinance. BEDAB Advocacy was concerned that was an ordinance and that it did not have funding sources. Should be aspirational not punitive. We have a draft letter but has not been issued. Identify targets, funding sources. Steering committee should include all stakeholders. Should we wait or give opinion now? Gillian said draft letter was shared with subcommittee.

Gillian mentioned that City has a resolution about water which has been very powerful. Has guidance points. Input has been received already. Suggests waiting until 15<sup>th</sup> and see what comes out.

Wally stated the committee should be broad in scope. Major concern was that was an ordinance. He agreed that if BEDAB Advocacy draft letter was taken into account, then should wait. Carolyn agrees to see proposal for outreach and wait to make official input.

Casey Roats – says the sub-committee needs to hear from individuals, business community and other organizations importance of resolution versus ordinance. Don't wait around too long to advocate.

Wally agreed with Casey. Businesses should let Council know directly. BEDAB should be asked to weigh in on business side. Sally Russell mentioned that goal is to not engage in a battle but to pull together a broader conversation. More productive if not a combative. Wally stated business community is very diverse and that BEDAB goal is to provide information to the business community. If individual businesses want to weigh in, they should.

### **BEDAB Openings & Outreach | Carolyn Eagan**

Working with Council on BEDAB openings. Looking for a mix of industries. Tech, manufacturing with loss of Wally. Will keep open for most of summer. Ben will be happy to meet with people. Wally mentioned area of tourism (hotel, restaurant or touring company). Also that there are not many large manufacturers.

Will meet in July and take August off. Ben will send out information on BEDAB openings to community lists if provided to him. Send out to clusters. Maybe environmental groups list - green drink. Technically four positions are open: Erich, Van, Wally and Preston. Erich and Van have expressed interest in continuing. As few as one as many as four.

### **EDCO Update | Tom Rowley**

Tom shared highlights of information provided. Visited with 18 companies. Contacted 64. 4 approved adding 15 jobs. Feedback: manufacturing companies feel like they are not wanted. Industrial space is tight and workforce training is an issue. Wally stated that for manufacturing, land, transportation, and housing costs are issues. Juniper Ridge "dance" still continues. Casey said he hears the concerns.

Carolyn mentioned regarding Juniper Ridge, that there is a mismatch in that companies want leasable space. Generally don't want to build and own space. Don't want to hand over to developer. There is a mismatch of what businesses need and want and what city can offer. Also lack of plan for north interceptor.

Wally stated that land can become more valuable than business. Can happen if own. Juniper Ridge is an asset. Needs to be developed. Need to figure out how to leverage right way.

### **Introduce Visit Bend's Kevney Dugan & Valerie Warren | Doug LaPlaca**

Last BEDAB for Doug La Placa. Kevney is new Executive Director of Visit Bend. Has been with Visit Bend for 6 years. VP of Operations and Policy for VB – Valerie. She serves on many state boards.

Wally tremendous strides have been made. Thank you to Doug. Continued improvement.

### **Other topics:**

**Key Industry Coordinator:** Matt Sybrant gave a brief update on clusters and events. Outdoor Alliance. Also at Subaru outdoor games. Venture Out conference – 1<sup>st</sup> venture conference specific to outdoor industry. Bend Bio – Tech Forum resurrected. Bio in the High Desert Event. OSU Cascade ICE. Food cluster – finding financing for company panel. Food safety panel. Tech still going strong. TAO Tech Alliance Oregon officially launching. 11 breweries. Joint marketing. Maybe a distillery trail. Maybe trademark Oregon Whiskey. Aviation group also resurrected. 36 volunteers involved. All direction comes from industries themselves. 18 events in last 10 months. Educated and connected 2000 attendees.

Wally said our funding KIC is generating a return.

**Information provided about East Cascades Workforce Investment Board.** Mostly federal, a small bit from state. Focused on emergent workforce. Developing a sector partnership. Launching outdoor gear first. Partnering on some things with Oregon Outdoor Alliance. Partner with employment department. Oversees Worksource Oregon. Act requires that overall board must have majority of business stakeholders on board. Private industry. Workforce training rather than general training. Key strategy for Economic Development.

### **Mayor Clinton made a motion to discontinue City's membership in Bend Chamber.**

Motion seconded and passed 4:3. Sharing reactions we have heard. Should we have a strategy?

Reactions from BEDAB members that seems rash and that action is perceived as a negative message to send to the business community.

Wally did note that the Chamber is an advocacy group. He wondered why now. He did say that BEDAB should not take position. BEDAB has an ex officio member of chamber and should remain. Carolyn sat through conversation and says there seems to be confusion on what is status of Bend Chamber. What makes them different from others.

**ACTION: Possible follow-up for BEDAB.** Having a non-profit attorney explain how non-profits are organized could be useful. Difference between Chamber and political action committee. Donations are not specified. Also there is a difference between membership and payment of

funds. City Attorney: Difference in using general funds, other enterprise funds. Thoughtful in setting up. Should have good information. Wally agrees. BEDAB and CEDR needs to know.

Jamie stated that the Chamber is a 501c6 not a 501c3, a trade association not a non-profit. By design of membership. PAC is operating legally. Has a Board. Can opt out on your donation from PAC. Leadership Bend – if not member cannot take course. She thanked BEDAB for bringing up.

### **Adjournment**

Chair Corwin adjourned the meeting at 10:09 AM.