



CITY OF BEND

## **Meeting Summary**

### **Bend Economic Development Advisory Board (BEDAB)**

**Monday, February 6, 2017**

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**Roll Call:** Erich Schultz - Chair, Katie Tank - Vice Chair, Dan McCarthy, Dale VanValkenburg, Jamie Klopp, Keith Dodge, Stephanie Senner, Wendy McGrane.

Tom Rowley, Jamie Christman, Kevney Dugan, Steve Curley - ex officio

#### **1. Public Input**

Ron Boozell commented that lack of councilor representation concerns him. Also concerned that we are reaching out to people to come (businesses and visitors) and spending money on bringing them in. Stephanie asked if the economic/business growth of those already here is fine. Ron said yes. Ben noted that new council liaison is Sally Russell and that she is out of town.

#### **2. Approve January Meeting Minutes**

Approved as amended. Corrected word to traded sector.

#### **3. Background: Enterprise Zones, Visit Bend Contract, & EDCO Contract**

Carolyn explained that Enterprise Zones were created in US to address urban blight in cities. Move businesses into communities with lower income levels. Impoverished census tracts. Oregon has strict criteria. Invest in rural areas as well as cities is standard. Special – rural, commerce and tribal. Due to income problems, want to create tax abatements and other incentives to entice.

2010 – Bend had some of highest unemployment. Bend qualified. Expansion in 2012. All of commercial/industrial area around 3<sup>rd</sup> street and Juniper Ridge.

Standard abatement (existing or new business). Traded sector. If new business must hire at least one employee. If in business already, must increase employment by 10%. Successful applicants still pay property taxes on land. Must fulfill employment qualifier before taxes are abated. 3 year. If wages are more than 150% of Deschutes County Average wage. (56k roughly), agree to abate taxes for 5 year. Terminates in 2021. Only incentive City has to offer businesses. If expanding an applicant must meet income requirements from when the zone was adopted. Census geography. Katie asked if a local government can have own incentives. Carolyn said City has the right. 25 companies (some twice) have met criteria. 5 year abatements are improved individually by Council. EDCO is the enterprise zone manager.

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EDCO background: Professional service agreement with EDCO. Every two years, EDCO presents to BEDAB and then goes to City Council. EDCO does scope of services. Typically would do an RFP. Determined that no other group that could provide these services so was done with a sole source justification. For 2017-2019, there are deliverables in scope of service that are measurable.

Visit Bend background: Began November 2014. New contract goes through November 2017. Visitor information center, tourism promotion. Amount used is per code. Must have a reserve. Prepare 2-4 progress reports. If collections higher, must present business plan. Might want to extend current contract to end of fiscal year. Written based on existing code. State law says tourism promotion and tourism facilities. City code only mentions promotion. Other cities do 5 year contracts because of length of time to bring and arrange for big events like cross country nationals.

#### **4. EDCO Contract Proposal**

Roger Lee: Funding request for FY 17-19. \$121,500, which includes six months of Key Industry Coordinator position carrying over from prior biennium authorization. Most people moving here not based on jobs, EDCO wants to balance out and create jobs. Jobs for future generations and industry diversification. Amount requested less due to prior funding that was one time funding such as the KIC position.

Bend Economic Development Program: Trying to include things in work without requesting additional money. Move/Start/Grow. State legislative oversight. Internship program. Venture Catalyst Program. Regional support to Bend program. (IT, Communications, etc.). Key Industry Development Support. Into second year. Successful. Industry being the driver is a success. Technology Association of Oregon has a half time person. Bio also has half time. Same hope for Outdoor Alliance. Food Cluster still needs support. Looking at 3<sup>rd</sup> party contractor. More specialty foods in Bend. Aviation industry. Hold 3-4 meetings a year with their leadership. Bend Venture Conference Sponsorship: decided not to include in this contract this year.

Strategic Plan (whole region) (65 pages) has how accomplish 4 goals. Deliverables: each has numbers and dates as deliverables. Objectives. Have others but aren't measurable.

Partial list of targets and objectives. Green on target. Red needs improvement. Success Highlights: 618 jobs. \$65.8 million in taxable capital investment. Defined as spent considerable amount of time with and acknowledged by company. Also have assists as opposed to done deals. Ranked #1 by Forbes and Milken Institute. Number of jobs and diversification.

Questions: Katie - does City track businesses coming to town? Ben – business registration plus Damon's numbers. Revised at end of month, geocoded at end of summer. Stephanie mentioned that Damon is willing to do specific research someone may want. Dan – what kind of attrition do you track? Roger – yes, do track. Some due to family retirement, through acquisition or just plain moving. Fairly rare only a few a year. Tom meets with companies. Keep them happy and local. If not, then at least in

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region. Keith – how attractive is an enterprise zone? \$1 million in taxable investment. Save \$30-32,000 over the three years. KIC – does EDCO want to continue work? Roger -yes, but want industries to eventually take over on their own. His understanding was funds not available. Katie do you see any other clusters emerging? Roger - Secondary wood products industry. May not want to be organized. Have about 1,000 jobs. Let companies dictate. Carolyn asked about titles of Bend Director vs Manager. Roger said that likely changing, not official yet. Maybe managing directors. It was noted that deliverables are through 2018; however, funding is through 2019. City's and Board's fiscal years are out of alignment. Each City in region is different. Actually 6 months. Measure by quarter. Carolyn said deliverables need to match with funding. Add two more quarters. Don't want anything to get held up due to mismatch.

Stephanie – Objective 1.4. More information on why recruiting Bay Area and Southern California. Roger – is a market where can attract great companies that have great wages. High cost of doing business. Focus resources. Pending numbers on last page, they have contacted EDCO. From all parts of country, even international. **Revisit at next meeting. Ben will bring budget numbers.**

## **5. Visit Bend Update**

Kevney Dugan: Per contract, have to do updates. First 6 months of their fiscal year. Another awesome year with 11.6% growth. Right on what was projected. October and November carried. July was down in occupancies; however, rates were around 88%. Summer research shows as mature market, lots of repeat visitors. Good for stability of industry. Improving economic diversity. Tourism 18% of GDP. Statewide average around 16%. Much better than other resort type areas.

July – November: first time amounted to over \$4 million. Beneficial to City services. Occupancy graphs for October and November show strong growth in the shoulder seasons which helps businesses. Average daily rate also coming in higher. At a more steady rate rather than ebbs and flows. Media buys are minimal in spring and summer, just enough to keep name out. Off a bit this year due to election. Costs too high. 10<sup>th</sup> Month helped. Shorter lead time is required because Bend is a drive to destination. Social media very powerful. High percentage engage in content. Leveraging. Not just followers. Working with Pandora. Can target specific demographics and locations. Working with Trip Advisor – streamline and update Bend content/information/photos. Partnerships with COVA (ad campaigns), EDCO/Bend Chamber (relocation), Mt. Bachelor (Board positions, ski shows), Visit Like a Local (sustainable tourism - summer effort).

Updates:

Regional Cooperative Tourism Program (RCTP): Used to be 15-150k. This year 625k. By July 1 must be a proposal on how to spend.

Bend Cultural Tourism Fund (BCTF): \$200-225k. Conferences, festivals, film. Generated during shoulder months.

COFO – early January met with entire Board. Drafted an agreement that COFO has and their board is reviewing. Feels that is fair. Good conversation.

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What to expect moving forward: Level occupancy curve out (shoulder months). New destination video coming out. More sustainable and responsible tourism messaging. April/May voluntourism month. Busiest half year for group sales (USA National Snowshoe Championship, Senior Games, Duathlon National Championships, Cross Country National Championship.)

Leverage assets of photos, etc. Redesign visitor guide and website.

8% year over year. 2017/18. Additional hotel rooms. Same for 18/19.

## **6. January Advocacy Meeting Update**

Skipped. Ben will do by email.

## **7. BEDAB Council Goal Setting Input & Business Feedback**

Key themes. February 17<sup>th</sup> Council Meeting - 10 minutes.

- -Focus on increasing housing availability and affordability.
- -Continue to develop transportation infrastructure and options.
- -Implement the approved UGB and accompanying facility plans.
- -Develop and expand infrastructure to better serve employment lands.
- -Develop business friendly policies. (adequate time/estimated time/ childcare – system development charges, trips, zoning)

Amend 3<sup>rd</sup> point to include opportunity areas

Feedback gives talking points. Chamber has viewed and approved. Katie and Stephanie motioned and seconded. All were in favor.

## **8. Adjourned at 2 pm**

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