



ECONOMIC
DEVELOPMENT

M E M O R A N D U M

To: Bend Economic Development Advisory Board

From: Ben Hemson, Bend Business Advocate

Re: BBA Budget & EDCO Contract Proposal

Date: March 6, 2017

On Friday, February 17th City Boards and Commissions along with invited community organizations presented feedback on where they thought the newly seated Bend City Council should focus their efforts during the next two years. The BEDAB focused on five items:

1. Focus on increasing housing availability & affordability
2. Continue to develop transportation infrastructure & options
3. Implement the adopted UGB & accompanying facility plans
4. Develop or expand infrastructure to better serve employment lands
5. Develop business friendly policies

These goals were echoed in some form by a number of different groups. The focus on transportation infrastructure and increasing housing availability and affordability were consistent themes and were first and second in a list of Council goals discussed at the March 1st City Council meeting. This has raised questions from BEDAB members about general fund support and next steps in the budget process, especially as it relates to the EDCO contract.

1. **General Fund Support:** In the current biennium approximately 65% of EDCO's City of Bend funding has come via the general fund. The remainder has been made up via Business Registration fees. Continuing to support EDCO at the current level would require a General Fund allocation.
2. **BEDAB's Role:** While economic development and business recruitment was not outlined as a specific goal by community groups the purpose of the BEDAB as outlined in City Code charges the Board with filling four roles:

1. Advocate – Provide input into City policy and procedures from a private sector perspective.
2. Facilitate – Broker entrepreneurial support among existing community resources.
3. Market – Brand and guide marketing efforts of Bend as “Open for Business.”
4. Coordinate – Organize and oversee city resources applied to economic development.

EDCO provides services that assist the BEDAB and City of Bend in all four of these areas.

3. **Alternative EDCO Membership Options:** When the Bend City Council canceled its Chamber membership and adopted a policy that affects membership organizations in 2016 it affected the nature of what type of financial relationships the City could enter into with non-governmental organizations. Here’s an interpretation from the City Attorney’s office on how that new policy relates to the EDCO agreement:

“The City would only be funding services or programs, not membership in organizations, with the exception of governmental organizations (such as League of Cities or COIC). As a non-profit, EDCO would be eligible for discretionary funding for a particular program or service (or a separate contract for services, which is unaffected by this policy). But particularly with its business members and interests, Council though the City should no longer use public funds to pay membership dues to belong to organizations like EDCO.”

4. **Next Steps:** BEDAB may decide whether to accept EDCO’s current proposal, ask for more information and provide feedback, or look at alternatives. The BBA budget and proposal will be submitted for review by the Council and their Budget Committee beginning in May. At that point BEDAB may weigh in on the importance of continued General Fund support through direct communication with Council and the Budget Committee.