

CENTRAL OREGON STRATEGIC BUSINESS PLAN

Leadership Summit Discussion Draft, December 5, 2016

Anchored by the cities of Madras, Redmond, Prineville, Sisters, Bend, and La Pine, Central Oregon enjoys one of the most dynamic economies in the state. In a state with a history of blazing trails, Central Oregon represents the economy of Oregon's future. Over the past decade, Central Oregon has expanded from an economic profile in services and hospitality to a diverse and robust range of enterprises featuring new tech companies, manufacturers, research facilities, entrepreneurs, and venture capitalists. Bend was ranked first by *Forbes* among small metropolitan areas for business and career development. Deschutes County is growing at a rate of nearly 3 percent per year, with Redmond, Prineville, and La Pine ranked in the top 25 fastest growing cities in the state. Bend will likely top 88,000 residents in 2016, a growth rate of rate of 13.5 percent since 2010¹.

Continued growth while maintaining a high quality of life and healthy natural systems is central to the planning decisions of the Central Oregon business community. To spotlight commitment to these values, in 2016 a group of Central Oregon business leaders worked together to prioritize economic policy goals that they believe contribute to the overall health and prosperity of the region.² The Oregon Business Plan endorses their efforts, and agreed to incorporate them into the Business Plan and Leadership Summit agenda.

Central Oregon Business Priorities

Continue to establish and expand the Oregon State University Cascades Campus. Higher education is essential to training and maintaining a highly skilled workforce. Central Oregon continues to attract some of the brightest and most promising tech companies in the country. This burgeoning tech sector and the rest of Central Oregon's businesses will look to OSU Cascades to train the workers for tomorrow's economy. This will require additional funding to develop the new campus and firmly establish OSU Cascades within the local community. In addition to what is likely to be approved in the state capital construction budget for 2017, local business and elected leaders are working to assemble a combination of private and public funding to build out the new campus.

OSU Cascades receives its state funds as part of the overall funding package awarded OSU. As it continues to fulfill its role as the state's premier university east of the Cascades, we believe that it's time for OSU Cascades to be funded separately for its operating and capital budgets. Additionally, funding levels need to meet the campus' financial needs to achieve the expected enrollment growth. Central Oregon business leaders will work closely with OSU to secure separate funding for the Cascades Campus.

Expand Sewerage Infrastructure. Central Oregon is experiencing extensive growth and renewal. New development and redevelopment requires local jurisdictions to address key environmental issues include: protecting the public health and maintaining the quality of the water environment in Central Oregon, providing ongoing sewerage system capacity and reliability to minimize the risk of Sanitary Sewer Overflows, and expanding existing sewerage systems as capacity and service are needed in rapid growth areas (UGB). Existing collection systems consists of a combination of gravity sewers, pressure sewers, and pump stations. Due to their age and size, current systems lack capacity to support projected sewage flows. Upgrades to the existing core systems must be made including the construction of a network of interceptors to accommodate growth and relieve capacity deficiencies. Geologically, Central Oregon consists of rock and welded tuff. Requirements for gravity sewer lines and systems in some cases must be installed at

¹ Elliot Njus, "Bend among nation's fastest-growing metros, Census Bureau reports," *The Oregonian*. March 26, 2015. "Bend's population hits 87,104," *The Bulletin*. May 19, 2016.

² The business leaders include: Donna Barnes; Benny Benson, PE; Knute Buehler, M.D.; Jamie Christman; Wally Corwin; Lisa Hale Dzubay; Brian E. Fratske, CCM; Kyle Frick; Craig Horrell; J. Kenneth Katzaroff, J.D.; James McConnell; Wesley B. Price, CPA; Kirk Schueler; Dino Vendetti.

great depths to provide flow to the sewer treatment facility. In most cases, the budget required to support the increasing infrastructure costs unique to Central Oregon soil conditions is greater than that of areas west of the Cascades.

Update aging irrigation systems. Water districts throughout the state have launched ambitious plans to update their aging irrigation systems. Oregon needs to assist them in their efforts by creating new programs that help districts 1) generate revenue through renewable energy generation, 2) expand access to clean water revolving loan funds, 3) invest in planning, feasibility, and implementation of water resources projects that meet our current and future in-stream and out-of-stream water needs, and 4) balance legitimate environmental concerns important to all central Oregonians.

Modernize the transportation infrastructure. A modern and efficient transportation infrastructure is critical to economic development, and it should also anticipate major seismic events. From adding more lanes in key road sections to improving rest stops to meet the needs of truckers, Oregon must dramatically improve Highway 97. We will work hard to make sure that any transportation package does that.

Accommodate flexibility in regional planning. Central Oregon's rapid expansion and unique quality of life make it difficult to capture in statewide planning policies. Rapidly expanding communities, like Bend and the rest of Central Oregon, need greater flexibility in terms of land use planning. While the state is responsible for the overall framework, we believe that certain decisions could be handled more efficiently locally, allowing communities to determine how to grow responsibly and maintain their distinct local values.

Localize workforce training. Decisions regarding the expenditure of funds for workforce training must be further decentralized, allowing the businesses responsible for creating jobs to use funds for training. Oregon should create an independent review committee to analyze the current system and make recommendations for changes to the Workforce Centers. We cannot continue to spend 90 percent of our workforce dollars on non-workforce training processes. Workforce funds should be flexible enough to allow regional businesses to invest in training tailored to the jobs created in each region of the state.

Put brownfields back to work. Brownfields represent one of the most underutilized sources of potentially productive land in many of our communities. There are thousands of properties around the state – and many in Central Oregon – that sit vacant due to various cleanup risks and costs. Every property that is restored not only opens up more land for economic development and affordable housing, but it also returns the property to productive use, creating a positive impact on the tax base and on the environment. With new forms of financing the state can help revitalize much of this currently idle land. Enhanced financing options include methods similar to urban renewal bonds, which can monetize the unrealized value of the property, and local land banks designated to finance brownfield cleanup. Further, the state could eliminate uncertainty and mitigate risk for private property owners by adopting similar application and approval processes as the system used in Pennsylvania.