



ECONOMIC DEVELOPMENT FOR CENTRAL OREGON

Quarterly Report Prineville/Crook County Economic Development April, 2008

RECENT TRENDS

Crook County's unemployment rate topped double digits for the first time since February 2003 at 10.9%. Several areas lost jobs including state government (-15%), wood product manufacturing (-11.7%), retail trade (-6.9%), professional and business services (-5.9%), and construction (-2.4%). No industries showed gains.

The largest job loss in February for Crook County was in wood product manufacturing, where a total of 140 jobs have been lost since the first of the year. These numbers do not include a second round of layoffs at Contact Industries which included another 47 positions (55 positions were eliminated in January), and 27 positions at Pioneer Woodstock in March.

BUSINESS DEVELOPMENT

RECRUITMENT

- **Rock Solid Precast** – Approved Enterprise Zone exemption for this small business from Bend that manufactures cement blocks for building retaining walls. They have already leased a building in the Baldwin Industrial Park, with operations beginning sometime in April. To start, there will be three employees with an average wage of about \$12 per hour.
- **Data Center** – An unknown company has included Prineville on its "short list" of potential communities for expansion. The project would include a \$180-million dollar investment, the building of a 200,000sf facility, and the creation of 35-100 new jobs, with above average wages.
- **Fontana** – This truss-making company from Redmond is putting the final touches on its new facility north of Prineville. Operations are expected to begin sometime in April or May with about 90 jobs relocating to Prineville. Total investment: \$950,000.
- **Empire Construction Services** – This is a Bend company that specializes in industrial painting projects. I'm helping the owner locate a proper building, and seek out any possible incentives to help with the cost of relocation. The owner plans to hire from Prineville, if possible. Starting wage is \$20 per hour.

- **Biomass Plant** – This renewable energy plant is proposed in Crook County off Elliot Drive, across from the Stafford Chip Plant and Woodward Companies. The company is still state agencies like DEQ; negotiating power contracts, and will soon begin working on land-use, and permitting. Biggest concerns and hurdle to overcome is consistent supply of wood resources. Construction is scheduled for late 2008.
- **Rendering/Bio-fuels Plant** - Earth by Design is a company that's looking to build a rendering and bio-fuels plant in Crook County. The company continues to negotiate a possible lease agreement with the county by the landfill.

RETENTION/EXPANSION

Pending Expansion Projects

- **Project "Main Street"** – A local Prineville business, which has asked to remain anonymous for the time being, is working on a \$1.7 million dollar expansion, and the addition of 5-10 new employees. Starting wage will be \$13-\$15 per hour. I'm working with the company's General Manager on available incentives and tax credits.
- **MST Corp.** – A small Prineville business is undergoing an expansion, with the purchase of a new building and the addition of 2-3 employees within the next year. I've assisted the company with various needs, along with recent approval of Enterprise Zone exemption.

DONE DEALS

- **Pyrotec** - This is a small manufacturing company that makes custom fire-resistant racing suits for professional and racing car drivers. The company relocated operations from Oakland, California. The company is operating in the Baldwin Industrial Park, with five employees.

OTHER INITIATIVES & PROJECTS

Rural Renewable Energy Zone

A resolution was approved 3-0 by the Crook County Court for approval of a Rural Renewable Energy Development Zone for the entire county. This zone will help the county to attract renewable energy companies with property tax breaks of 3-5 years. The zone is very similar to the enterprise zone, but specifically promotes renewable energy in solar, wind, biomass, geothermal, and other non-conventional forms of renewable energy.

Woodgrain Property

Residential developers bought land several years ago just north of Woodgrain, with plans for housing. Due to past experiences with existing neighbors, Woodgrain was concerned about potential problems with future neighbors. Along with city staff, Woodgrain Management, DEQ and the developers, we helped to broker a deal where 300 feet of commercial property would be built to help provide a buffer between the mill and residential neighborhoods.

Contact Industries Grant Money

In light of the layoffs at Contact Industries, I reminded Bob Horton and Gene Schmidt about workforce training dollars available through the Workforce Response Team. I sent them the application, and put them in contact with COIC Director Andrew Spreadborough, who assisted them in filling out the application. After the workforce Response Team met in February, the committee granted Contact Industries \$6,500 toward its English as a Second Language Program (ESL). The money will help Contact teach English to its Hispanic workforce, to help provide them with better training.