



ECONOMIC DEVELOPMENT FOR CENTRAL OREGON

Prineville/Crook County

Year One Objectives Review

In setting up the newly-formed economic development position in Prineville, a group of local leaders, including EDCO Executive Director, Roger Lee, formulated a list of goals to be reached within the first three-years of the program, with specific benchmarks to be reached in year one, year two, and year three. The following is a summary of the benchmarks for year one:

The completion of at least five business development projects that entail business retention and recruitment in year one; business development projects shall be considered those in which economic development efforts played a significant role.

I am pleased to announce that those goals were met, and exceeded. Over the past year, much effort was devoted to building relationships within the community, and getting to know the businesses and sectors that are at the core of Crook County's economy. Making personal visits to various companies and spreading the word about the purpose of the program, was pivotal in determining the needs and opportunities for growth and expansion. While the goal in year one was to accomplish five business development projects, the Prineville program completed six, with another project (Woodgrain Millwork expansion) nearing completion. The program is already halfway to meeting its 24 month goal of at least \$10,000,000 in new capital investment (and has exceeded the task of creating at least 100 jobs by the end of year two, with a current total of 119 new jobs). The below chart gives a brief summary of the business development projects that were completed in year one:

Business	Investment	Jobs Created	Incentives
Proline Fabrication	\$743,000	4	Enterprise Zone
Fontana	\$900,000	90	E-zone, permitting
Prineville Sawmill	\$700,000	15	Enterprise Zone
Pyrotect	\$150,000	5	Logistics
Woodgrain Millwork	\$1,800,000	10 (Pending)	BETC, Forgivable loan
MST Corp.	\$1,039,000	3	Enterprise Zone
Rock Solid Precast	\$200,000	3	Enterprise Zone
Total	\$5,332,000	119 (Excluding Woodgrain)	

Fontana

- Fontana is a truss-making company that purchased property in Crook County in 2004, with the intention of relocating operations. Company officials ramped up plans for the project in the summer of 2007. Since August of last year, I helped Fontana through the permitting process with the county, which included numerous meetings, phone calls, and troubleshooting (the company ran into several hang-ups with permitting for not following county protocol). My job was to facilitate the communication between the company and the county to help project leaders understand the process they needed to follow. Fontana was finally able to get the necessary

permits this spring. The company moved its 90 employees and began operations at the beginning of May. Fontana was already authorized for enterprise zone exemption for three years, but since the project was under construction around January 1st, 2008, I assisted the company in filling out a Construction-in-progress (CIP) form, which pushes out the start of exemption to 2009.

2. Proline Fabrication

- This company manufactures custom flatbeds and bumpers for trucks. E-zone authorization was granted in April of 2007, which included the construction of a 15,700sf facility, and the creation of four new jobs. One of the company's largest accounts is Les Schwab. I've been working with the company to make sure all necessary and required forms are turned in on time as part of its e-zone exemption.

3. Prineville Sawmill

- In 2006, Prineville Sawmill began preparations for expansion, both in capital improvements and adding additional employees. Unfortunately, the company did not realize it was required to fill out an application for enterprise zone exemption before beginning construction, or hiring employees. The company contacted me in November of 2007, saying they were given misinformation about the process. In the rules that govern the e-zone, there is a provision that allows a company to appeal e-zone approval due to misinformation or miscommunication from local leaders about the process. An appeal was filed, with support from my office, EDCO Executive Director, Roger Lee; County Assessor Tom Green. The Department of Revenue reviewed the appeal, and awarded Prineville Sawmill e-zone exemption. The company will receive exemption in 2007, 2008 and 2009 on its \$700,000 project, and addition of 15 employees. Part of the decision requires Crook County to reimburse the company on any taxes collected that are directly related to that specific project.

4. Pyrotech

- This was the first project I worked on after being hired in June of 2007. This small company, which manufactures fire-resistant racing gear, was looking to move operations from Oakland, California, to Prineville. I helped the company with building options, and provided other important information about possible incentives and loan options. Ultimately, the company chose Prineville, and is now operating out of leased space in the Baldwin Industrial Park with about five employees. The company has plans to increase employment to near 30, within two-years.

5. Woodgrain Expansion

- Steve Forrester, General Manager of Woodgrain Millwork, approached me at the beginning of the year to assist the company with the expansion, which included the creation of a wood-pellet manufacturing division within the mill. The project includes \$1.8-million in investment, along with the hiring of 5-10 employees. I coordinated several meetings with Phil Chang from COIC, and Clark Jackson, with the State Economic Development Department. The company has applied for, and will most likely receive, \$800,000 in Business to Energy Tax Credits (BETC), and another \$30,000 in a forgivable loan through the Governor's office. Woodgrain is in the process of setting up the facility, and hopes to be operational sometime this summer.

6. MST Corp.

I contacted owner Troy Lackey back in the fall of 2007 to introduce myself and see if the company was in need of any business assistance. Turns out the company was in the process of developing plans for expansion, with the need to find a larger facility, buy new equipment, and

hire more employees. I explained the incentives through the e-zone, and offered help with finding an appropriate building. The company made its final decision in April, purchasing a new building down the street. I helped them get authorization for e-zone exemption for the purchase of a building and new equipment. The company will move operations to the new facility this summer.

7. Rock Solid Precast

- This is a small manufacturing company that produces concrete blocks for residential and commercial retaining walls. The company was looking at Prineville as a place to set up operations. I met with the owners to inform them about incentives through the enterprise zone, along with any other assistance with the permitting process. This was the first company I was able to authorize in the e-zone, with a \$200,000 investment, and the creation of three jobs. The company is in the process of ordering equipment, and hopes to be operational by June or July.

Other Business Development Projects

8. Contact Industries Workforce Training Grant

- Contact Industries was looking for help in funding its ESL (English as a Second Language) program, to help further train Hispanic workers. I was able to search out possible grants, and discovered a good fit within the Workforce Response Team at COIC. With help from Andrew Spreadborough, COIC's Director, Contact Industries was able to secure \$6,500 in funding.

9. Rural Renewable Energy Zone

- With approval and assistance from the Crook County Court, I facilitated the creation of a renewable energy zone, which helps to attract renewable energy companies by offering incentives through property tax breaks. The zone, which went into effect in April, encompasses all of Crook County and could offer immediate help to two future business development projects: A proposed Biomass Plant, and a proposed Wind Farm. Both of these projects could equal \$270,000,000 in new investment, with the possible creation of 100 jobs.

10. System Development Charges

- One of my first tasks when I started this position last summer was to work with the Prineville City Council on the issue of raising SDC fees, especially for sewer. At that time, the rate for sewer was \$4,089 per house. The original idea was to double that to \$8,667. I offered a compromise that would phase in the increase over a period of three years, starting with 75% of the original amount, which was \$6,500. The council agreed to this solution, and it was passed when the budget was voted in.

11. Woodgrain DEQ Permits

- Neighbors living near Woodgrain Millwork began complaining about the dust created from the mill. Some neighbors felt Woodgrain wasn't doing enough to mitigate the problem, so they filed a formal complaint to DEQ. In January of this year, there was a public hearing held as part of the protocol of DEQ when a complaint is filed. The hearing was to determine whether or not Woodgrain's DEQ permit should be renewed. I testified publically to the dire impacts shutting down the plant would have on the economy and area families. The company provided proof that it had already spent millions of dollars and hundreds of hours addressing the problem, so I suggested that DEQ continue to work with Woodgrain to help reduce the dust without shutting down the plant. (DEQ later granted the permit).