



ECONOMIC DEVELOPMENT FOR CENTRAL OREGON

Manager's Quarterly Report Prineville/Crook County Economic Development October, 2008

RECENT TRENDS

The county's unemployment rate decreased to 8.5 percent in September, down 0.4 percentage points from August. The county gained 100 jobs in September, after losing 70 jobs in August.

The private sector showed employment gains and losses in September. The industries adding jobs in September were educational and health services (+20) and other services (+10). Meanwhile, leisure and hospitality lost 20 jobs in September, and manufacturing, retail trade, financial activities, and professional and business services each lost 10 jobs in September.

CRITICAL ISSUES

Prineville Sawmill

Prineville Sawmill was recently forced to lay off 15 people due to market conditions. Not only has the price of lumber dropped, but the amount of work has also subsided. Thankfully, the company still has enough employees to keep its enterprise zone exemption intact. I will continue to work with Jacque Wheeler, the Office Manager, to keep apprised of the situation and respond when necessary.

Premiere Finishes

This Prineville company does manufacturing and R&D in Custom Designed Coatings. They specialize in UV Indicator Inks, Marking Inks, Disappearing Inks, and more. I recently discovered that the company is thinking about moving and relocating elsewhere in Central Oregon or Portland. Two of their biggest issues are cost of freight and building size/lease rate. I'm working with the railroad to see if there are any options, along with assisting them to find a possible lower lease rate in Prineville.

BUSINESS DEVELOPMENT

NEW RECRUITMENT PROJECT

- **Project Olay** – This is a possible relocation for a manufacturing company from within Central Oregon to Prineville. The company has about 60 employees, and is looking at building a new 30,000 – 45,000sf building, or leasing existing space. I have responded by providing land purchase, building, and lease options. I also worked with Crook County GIS to provide a map to the company.

NEW EXPANSION PROJECT

- **Project Blaze** – A Prineville company is looking at expansion of its facility in the next few months, but is moving more quickly on the need to upgrade equipment to become more efficient and reduce natural gas/water bills. The company would qualify for Business to Energy Tax Credits (BETC), as well as possible financing through the State of Oregon. Phil Change from COIC and Clark Jackson from the state are assisting me with this project.

PROJECT UPDATES

- **Biomass plant** – Ochoco Power has been in negotiations with Portland General Electric (PGE) to sell its power. The company was able to make a “short list” of companies that PGE will choose from. I’m working with the company to get them certified through the Renewable Energy Zone in Crook County, which would help provide tax incentives for the first 3-5 years of operation. Construction is estimated for summer 2009.
- **Woodgrain pellet expansion** – This project is now a “done deal” as Woodgrain is producing and selling wood pellets for residential and commercial uses. I coordinated efforts to get the company qualified for Business to Energy Tax Credits (BETC), and grant money through the state of Oregon for the project. The expansion cost was \$1.8-million, and Woodgrain expects sales in the first year to be \$2.5-million.

CURRENT PENDING & COMPLETED PROJECTS:

Business	Investment	Proposed Jobs	Incentives
Project Empire	\$80,000,000	600 (5 years)	E-zone, OIA, SDC's
Pacific Wind Power	\$210,000,000	10	RREDZ
Biomass Facility	\$20,000,000	100	RREDZ, BETC
*Woodgrain Expansion	\$1,800,000	10	BETC, Forgivable Loan
*MST Corp.	\$1,039,000	3	Enterprise Zone
*Rohrer Manufacturing	\$300,000	3	Enterprise Zone
Project Sunset	Expansion Plans	??	Enterprise Zone
TOTAL	\$313,139,000	726	

**Rohrer Manufacturing, Woodgrain, and MST Corp. are now “DONE DEALS.”*

OTHER INITIATIVES & PROJECTS

- **Prineville Water Tower** - The City of Prineville is nearing capacity in its existing water storage tanks for future use. With SDC dollars unavailable due to a slowing economy, the city is unable to pay for the cost of the infrastructure at this point. Since there is only a certain number of EDU's available for future development, there's a need to coordinate and find a solution so developers can move forward with projects. I'm working with city staff and several local developers to see what might work best, whether it's the city forming a local improvement district (LID), or the developers forming a consortium.
- **EDA Funding** – The Economic Development Administration has grant funds available for assisting with infrastructure projects that help with economic development projects. I'm working with the EDA, and Andrew Spreadborough from the Central Oregon Intergovernmental Council (COIC), to see if funding would be available for the City of Prineville for efforts related to future expansion at the sewer plant. Andrew and I are working with Public Works Director Jerry Brummer.