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Brooks Resources Pioneers Bend Central District Vision

New BCD Project in Design Phase Set to Provide More Residential Options



RENDERING | COURTESY OF BROOKS RESOURCES

by **SIMON MATHER** — CBN Feature Writer

Long-term private real estate development company Brooks Resources is helping lead the way in new housing options for Bend's growing community with plans in the works for a new 139-unit, five-story, vertical mixed-use building to be called 181 Franklin.

The concept, now in the design phase, for a location in the Bend Central District (BCD) currently occupied by Blue Dog RV on Franklin Avenue is pioneering the vision of the city's new zoning for the area, including providing for more residential uses.

The BCD spans around 206 acres in total and is in the heart of Bend between downtown and Pilot Butte in Midtown and surrounding areas west to the Parkway and east including the Fourth Street area. City leaders says the creation of the zone is intended "to implement the goals and objectives for the creative redevelopment of the central Third Street Corridor."

Primary aims include to:

- Provide for a wide range of residential, commercial and office uses throughout the BCD that result in a walkable, vibrant, diverse mixed-use district, with an emphasis on commercial uses at street level on designated main streets.
- Provide a variety of residential development types and greater density of development, with a transition area adjacent to the existing residential neighborhood east of Fourth Street.
- Provide for development that is

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Central Oregon Manufacturing is Bouncing Back

by **RONNI WILDE** — CBN Reporter

Despite intense obstacles over the past year and eight months — including a global health crisis, labor dirge and supply chain shortage — the manufacturing sector in Central Oregon marches on. Every community in the region has craftsman-related businesses, and most are soldiering through regardless of the challenges they encounter along the way.

"Manufacturing in Central Oregon is certainly alive and well, despite major economic and operational shocks over the past year," says Roger Lee, CEO of Economic Development for Central Oregon (EDCO). "COVID and government reaction to the health crisis have impacted nearly every manufacturer in our region. Some broke sales and profit records in recent years, while others actually had to close their doors permanently — the fallout has been that divergent." He continues, "Manufacturing jobs overall, as measured by the Employment Department, were among the most adversely impacted sectors from the ongoing health crisis, losing a higher number and percentage of employees than all but a few industry categories. But our goods-producing businesses in the region have bounced back — many reaching pre-pandemic levels already. Others have accelerated their investments in machinery and robotics to further automate production processes, as finding people willing to work has proven stubbornly difficult."



PHOTO | PIXABAY

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15th Annual



2021

Accomplished under 40

Congratulations to This Year's Award Recipients!

by **JEFF MARTIN** — CBN President/CEO, Cascade Publications Inc.

It's hard to believe that we started this award 15 years ago. The alumni list of past winners is long and full of incredible people. The list of winners for 2018-2021 can be found on page 18 of this publication, and the lists for previous years' winners can be found online at CascadeBusNews.com. I'm sure you will recognize many of the names listed. You can also find profiles of this year's winners on pages 9-18.

We received over 30 nominations, and all are worthy of recognition; however, we are not able to award everyone, every year. Those chosen by the committee share a commonality of crushing it in their specific industry, and giving back to our Central Oregon community.

We've held the awards party at Mt. Bachelor Village,

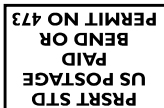
Broken Top Club, Tetherow and most recently the Oxford Hotel. Unfortunately, we will not be holding the event this year for obvious reasons. However, when things calm down a bit, CBN will host an Accomplished bash to honor the 2020 and 2021 recipients. Stay tuned.

Thank you to all of those who nominated! If your nominee wasn't selected this year, please do so again in 2022. Usually, it comes down to age or community involvement. Feel free to reach out for more clarification.

Thank you, class of 2021, for all you do for our community and beyond!

Cheers!

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Central Oregon Manufacturing

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"The manufacturing sector was hit hard in Central Oregon with the initial COVID lockdowns in spring 2020," reports Damon Runberg, East Cascades regional economist for the Oregon Employment Department. "However, there was a relatively quick rebound as producers adapted to the prevalent shortages and responded to increased demand. In Central Oregon, employment in manufacturing is only down around 3 percent from pre-COVID levels in 2019, a better position than the statewide manufacturing sector (-5.6 percent)." He adds, "The recovery began to level off in Central Oregon this past summer with little improvement since March, and the spring and summer employment data is still subject to revision. The most recent month using payroll records (March) showed monthly employment was only 1.5 percent shy of 2019 levels, but we have hovered around -3 percent for most of the summer. Even if we don't see significant revisions, however, the COVID recovery trend has been positive with the industry nearly recovered."

Lee says that the region has retained nearly all of its manufacturers, with very few closing operations permanently or relocating to other areas of the state or country. "At the same time, we have been able to attract new manufacturers like SmartyPits, Rainier Precision, Holy Kakow, Next Mile Meals, Volansi and

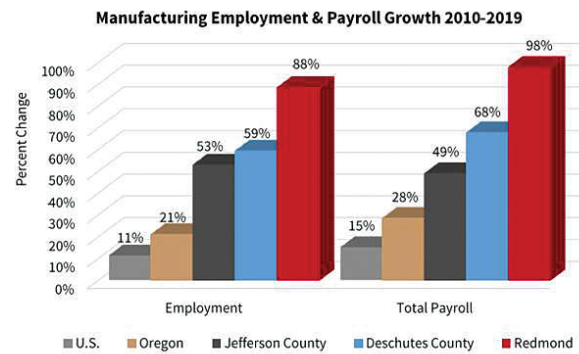
i3DMFG — none of which are in the same industry — that are helping further diversify our industry mix while providing some of the best-paying jobs in Central Oregon," he says. "We also have some exciting new manufacturers like Pawket Treats, Krah USA, Food for the Sole, Puffin and Metolius Tea. The vibrancy and innovation that these startups bring to our economy and manufacturing sector cannot be overstated, even though these are still small businesses."

Redmond Continues to Lead the Way

While the entire tri-county area is represented in the manufacturing arena, Redmond continues to outpace Bend and other areas in the goods-producing industry. "We've seen manufacturing grow in the country, but nowhere like it is here in Redmond," says Jon Stark, senior director of REDI (Redmond Economic Development Inc.). "There are reasons for this: One, there is widespread community support for this; two, we continue to invest in workforce development in this space; and three, we continue to provide adequate space, or locations, and infrastructure for this industry to grow."

Stark cites Wild Mike's as a good example. "There were 465 acres owned by three different entities in Redmond. We rezoned it to industrial, and then a 50-acre user came along to utilize it. Forward thinking is crucial. If we had not rezoned, Wild Mike's could not have come in." He adds, "It was an uphill battle to do this, but we were willing to roll up our sleeves and get the job done. As a result, a major employer came along, from another town, and brought jobs and industry here along with it in an industry we did not previously have (frozen pizza)."

Redmond, given its strength and acumen in traded-sector business development, has a strong future ahead, Stark says. "We have an incredible team of people working on this, at City Hall with planning, urban renewal, permitting and engineering staff; city leadership, including elected officials and staff; and the REDI Board of Directors." He continues, "Another example is i3DMFG; we built a relationship with the CEO and team and stayed in

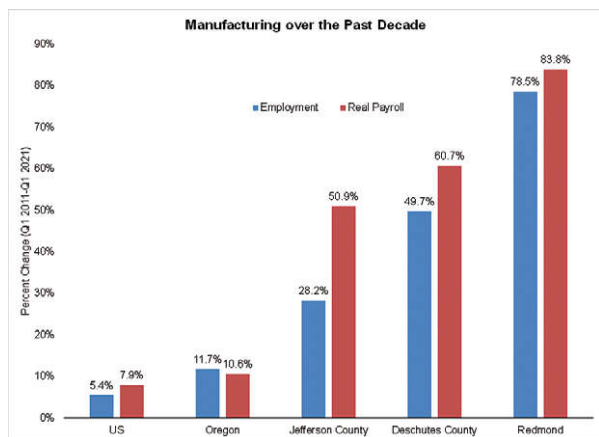


Redmond's and Deschutes County's manufacturing sector is adding jobs at a significantly faster pace than the rest of the state or nation - 88% at Redmond and 59% for Deschutes County from 2010 to 2019* compared to 21% in Oregon and just 11% for the U.S.

* Note: 2019 annual data most recent as of presentation date
CHARTS | COURTESY OF DAMON RUNBERG, EAST CASCADES REGIONAL ECONOMIST FOR THE OREGON EMPLOYMENT DEPARTMENT

touch with them until they were able to be here. It took a while, but they are here. We all collaborate. I talk with these people on a weekly and sometimes daily basis; we have a very symbiotic relationship that works." He adds, "We have really embraced the craftsman industry in Redmond; that's been Redmond for the long term. We build things here; we use our hands to get things done. Redmond has always embraced these types of manufacturing jobs and even celebrated them. Our growth in manufacturing is four times the state average and eight times the national average."

Runberg says that in terms of share of total employment, Redmond and Madras have the highest concentration of manufacturing jobs. "Manufacturing in those communities has mostly recovered from the COVID shock. With the establishment and growth of Laird Superfoods, we have seen some impressive gains from the manufacturing sector in Sisters. In fact, growth in manufacturing over the last year has largely negated losses due to COVID in Sisters, an impressive success story."



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Central Oregon Manufacturing

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Changes and Challenges

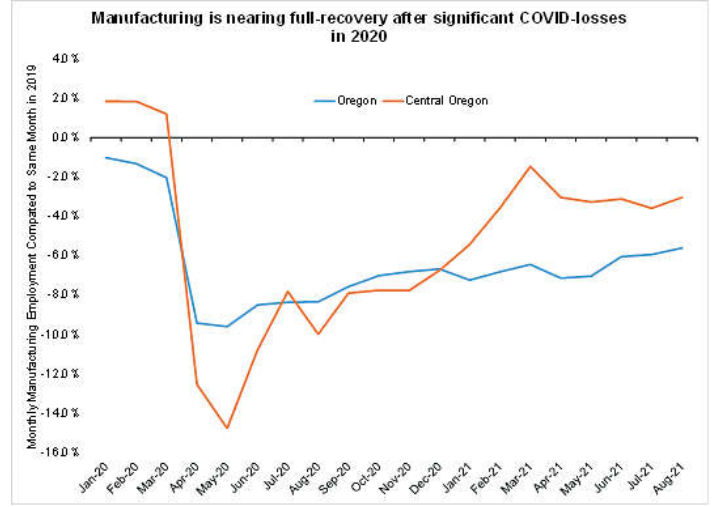
Workforce availability and skills misalignment have been the greatest headwinds to growth in the manufacturing sector in Central Oregon, Lee says. EDCO estimates that roughly 1,300 manufacturing jobs in our region are going unfilled today for the lack of applicants and workers. Since long before the pandemic, Lee says manufacturers small and large have been steadily marching towards automation. "COVID-19 has accelerated that pace, which has both short- and long-term implications for employment opportunities. We will need fewer jobs for the same production. That's also called productivity, and the U.S. has been leading the world on this front for decades, but we're certainly not alone." He adds, "Remember, it was a global pandemic, so that artificial pressure that has accelerated automation such as robotics, AI, machine learning, etc. in the U.S. is also happening abroad."

As this situation has evolved, Lee says there has been a recent realization within the industry that administrative, design, marketing, sales and other office functions of manufacturers can be effectively and efficiently done remotely. "I visited a large local manufacturer recently, and only a third of the desks at their headquarters were occupied. The majority of that part of the company's workforce was working

from home, or even a beach somewhere." However, Lee says that the owners and general managers of most goods-producing businesses with whom EDCO meets agree that having their teams work physically in the same location is a better model for communication, collaboration and innovation. "But in today's ultra-tight labor market, remote working is also a retention strategy," he says.

The other big obstacle to manufacturing growth right now is supply chain disruption, Lee says. Material costs across a broad spectrum of sectors has been a barrier for some industries, he says, citing aluminum, which has more than doubled in price over the past year, as one example. "Despite price increases, manufacturers are ordering greater volumes than in the past in anticipation of current or future material shortages — sometimes as much as 30 percent," he says. "That means that they are carrying larger inventories and overhead than pre-pandemic, which can require more capital and physical space." Stark adds that businesses are sometimes having to wait two to three times longer now to get the goods they need.

Runberg says that beverage manufacturing, primarily breweries, continues to lag, as many of these establishments supply the hard-hit restaurant sector. "Those breweries that have canning/bottling operations generally did better through COVID than those without, but it is has been a difficult 18 months for breweries." Another manufacturing sector that has struggled over the past 18 months, he says, is aviation and aerospace. "This sector posted significant losses and has seen little recovery. They were directly impacted by COVID, with a huge



CHARTS | COURTESY OF DAMON RUNBERG, EAST CASCADES REGIONAL ECONOMIST FOR THE OREGON EMPLOYMENT DEPARTMENT

decline in the demand for these goods. However, nearly every manufacturing sector has been impacted at least indirectly by COVID, largely due to the supply constraints." Fortunately, Runberg says supply chain constraints should be relatively short-lived and should begin to ease as we move into 2022. "Unfortunately, the labor supply constraints are baked into our future, with no good answer in the short-term except more in-migration."

One positive outcome of the pandemic is that it did increase the in-migration to Central Oregon, which can help boost the local economy. "There was acceleration during the pandemic; and companies are moving here too, not just individuals," says Stark. "They are moving to Redmond and Central Oregon because they couldn't find space in their own towns, so they came here. Many were already vacationing here, so now they are moving here. We have a place to put them." He says Rainier Precision, which was formerly located in Seattle, is a good example of this. "They started the moving process prior to the pandemic. They wanted to be somewhere else." He adds, "The pandemic created a sense of urgency for people; they realized they only have so much time and want to live out their lives in a place of beauty."

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Manufacturing (Q1 2011-Q1 2021)

	Employment	Real Payroll
US	5.4%	7.9%
Oregon	11.7%	10.6%
Jefferson County	28.2%	50.9%
Deschutes County	49.7%	60.7%
Redmond	78.5%	83.8%

Source: Oregon Employment Department & Bureau of Labor Statistics

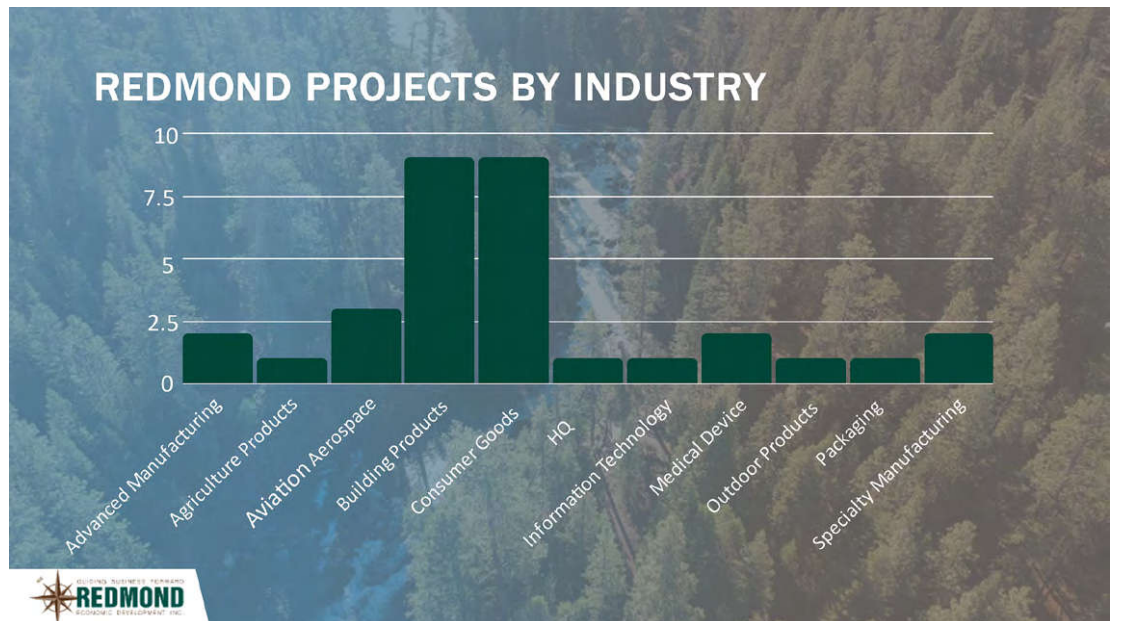
Diversification Has Been Key to Central Oregon Manufacturing

by RONNI WILDE — CBN Reporter

Central Oregon has a long history of manufacturing success, though prior to the 1990s, much of it was in wood product industries. "The region has continued to grow in manufacturing, and has since the 1980s, when we were largely dependent upon wood product industries," says Jon Stark, senior director of REDI (Redmond Economic Development Inc.). "That's really why EDCO (Economic Development for Central Oregon), and then REDI, were created in the late '80s, to diversify from wood products. Previous economic downturns showed us the need for this, so in the early 2000s, we began the process of diversification." As a result, following the Great Recession, Stark reports that a few industries, such as medical device and pharmaceutical companies, rebounded quickly, which helped pull the region out of the recession. "Those are industries that often weather economic storms because we continually need healthcare."

Roger Lee, CEO of Economic Development for Central Oregon, says EDCO is seeing strong activity across a variety of traded-sector manufacturing businesses, including advanced manufacturing, aviation/aerospace, building products, outdoor gear and apparel and specialty food products. "Even brewing and distilling, which saw significant shocks from COVID-related government closures and restrictions, is seeing a strong resurgence." He adds, "The bioscience industry, which has been dominated by pharmaceutical research, is moving more towards production, and we see this as one of the fastest-growing of all sectors in the years ahead. Similarly, our tech industry is heavily weighted to software; however, a number of products are manufactured here, including semiconductor components, electronics and instrumentation that could see growth as global supply chain interruptions trigger a shift to U.S.-made products."

Damon Runberg, East Cascades regional economist for the Oregon Employment Department, concurs that a diverse set of manufacturing sectors are experiencing success here, including food manufacturing, industrial manufacturing and wood products. "These are sectors that were less impacted by COVID and saw large upticks in demand. In fact, I am fairly optimistic for our wood product manufacturers, as a low supply of housing has created a renaissance in the national home-building sector. This bodes well for many of our wood product businesses that supply this sector with things like windows, doors and other wood products." One thing worth noting, Runberg says, is that across Central Oregon, there have been impressive



THIS CHART SHOWS THE DIVERSITY WITHIN THE MANUFACTURING SECTOR IN CENTRAL OREGON | CHART COURTESY OF REDMOND ECONOMIC DEVELOPMENT INC. (REDI)

employment gains, but that real (inflation-adjusted) payroll is growing even faster. "This means that manufacturing workers have more disposable income today than they did ten years ago."

In Redmond, Stark says there are not many start-up businesses at the moment, but there are a lot of recruitments and business expansions. "The REDI pipeline has 35 companies currently in the final stages of decision-making as to where to expand or relocate," he says, adding that he has also observed increased spending. "Consumer goods are strong in our region because there is a lot more money in the economy due to income that came in during the pandemic from federal stimulus funding and wage growth due to employee demand," he says. "This increased income gets spent. Building products are strong because we are building like crazy; lots of companies are running to serve this marketplace and are expanding, such as Performance Pro Supply and Pacific Coast Supply."

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