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2017 CENTRAL OREGON

PROFILE

Economic Development for Central Oregon

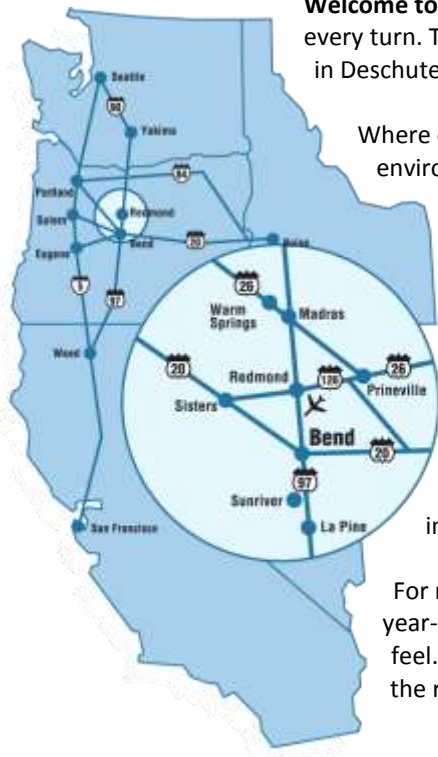
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WELCOME TO CENTRAL OREGON!



Welcome to Central Oregon! Where the commute times are short and breathtaking views await you at every turn. The region features dramatic snow-capped mountain ranges and high desert plateaus within Deschutes, Crook, and Jefferson counties.

Where companies are fueled both by their surroundings and one of the most business-friendly environments in the Northwest. Recently, the Bend-Redmond MSA was crowned the Milken Institute's "**#1 U.S. Best-Performing Small City**" for 2016.

For a relocating business, Central Oregon has a reputation for welcoming new companies. The region has some of the lowest operating costs in the Pacific Northwest and accomplishes this without sacrificing workforce, talent, quality health care, transportation, or telecommunications infrastructure.

Central Oregon has led the state's population growth over the last two decades; with Deschutes County continually named one of the fastest-growing areas in the country. Additionally, our region has topped the state in job growth over the past ten years, creating a region that's characterized by dynamic small businesses and entrepreneurial activity.

For most new residents, Central Oregon is a lifestyle choice, offering a friendly environment, year-round recreation options, and world-class amenities—all with a hassle-free, small town feel. From a ranch in Prineville to an upscale urban condo in Bend (and all options in between), the region presents a rare diversity of places to live, all within close range.

TOP EMPLOYERS & INDUSTRIES

According to the Oregon Employment Department, 78% of Oregon establishments have nine or fewer employees and the average private establishment employs 11 people. To an even greater extent than the state, Central Oregon's business environment is typified by innovative, small companies, producing niche-market products and services.

Still, a number of large employers operate successfully here, tapping into Central Oregon's ever-expanding workforce, the overall low cost of doing business and business-friendly local governments. Over the last year, the region's Top 50 Private Employers collectively added over 3,500 jobs, employing over 23,600 Central Oregonians.

- **Advanced Manufacturing**
- **Bioscience** (pharmaceuticals, medical device)
- **Brewing & Distilling** (craft beer, cider, spirits, kombucha)
- **Building Products** (doors, windows, molding, furniture)
- **High Technology** (electronics, software, data centers)
- **Outdoor Gear & Apparel**
- **Specialty Food Products**

Healthcare is led by St. Charles Medical Center, the largest private employer in the region. St. Charles owns and operates hospitals in Bend, Redmond, Madras, and Prineville. Additionally, Bend Memorial Clinic is the largest of nearly 100 private clinics and practices in the area. Overall, the health care sector employs over 12,000 Central Oregonians.

Headquarter operations play a prominent role among top employers and include Keith Manufacturing, Les Schwab Tires, Deschutes Brewery, Hydro Flask, and many others.

Administrative/call/data centers including Apple, Consumer Cellular, Facebook, IBEX Global, and Navis are also among the largest private employers in the tri-county area.

Employment in **tourism and hospitality** reflects the importance of this sector to the region. Central Oregon has the largest concentration of destination resorts in the Pacific Northwest and includes Riverhouse on the Deschutes, Brasada Ranch, Pronghorn Resort, Sunriver Resort, Mt. Bachelor, Eagle Crest (Resort Acquisition Partners), Kah Nee Ta Resort, and Indian Head Casino.

Central Oregon's Top 50 Private Employers

2017 Rank	2016 Rank		Employees		
			2017	2016	2015
1	1	St. Charles Health System - regional	4437	3057	2830
2	5	Safeway - regional	1013	828	590
3	2	Sunriver Resort	1000	936	900
4	3	Les Schwab (HQ & CO Stores) - regional	926	871	880
5	4	Bright Wood Corporation - regional	915	855	870
6	6	Mt. Bachelor	770	769	775
7	7	McDonald's - regional	748	735	668
8	11	Fred Meyer - regional	652	564	528
9	8	Bend Memorial Clinic - regional	634	701	652
10	9	Walmart - regional	628	639	574
11	14	Northview Hotel Group	605	450	450
12	12	IBEX	540	545	595
13	10	Consumer Cellular	500	580	585
14	29	Opportunity Foundation	413	221	392
15	13	JELD-WEN Windows and Doors	400	517	460
T-16	18	PCC Schlosser	396	347	305
T-16	19	Bend Research	396	334	264
19	16	Black Butte Ranch	352	378	360
20	17	Deschutes Brewery	341	358	295
21	22	Costco	310	296	285
22	23	Mosaic Medical	304	268	243
23	46	Brasada Ranch	300	172	172
24	27	Home Depot - regional	290	239	235
25	21	BendBroadband / TDS Telecom	280	297	261
26	25	Bank of the Cascades - regional	264	243	237
27	38	G5	260	194	192
28	24	Lowe's - regional	256	259	262
29	20	Bi-Mart - regional	252	317	265
30	28	The Center (Ortho/Neuro Care & Research)	243	238	213
31	26	Contact Industries	229	240	225
32	33	Epic Air	226	210	160
33	T-35	PacificSource	223	200	162
34	34	Keith Manufacturing Co.	210	205	190
35	32	Albertson's - regional	209	216	216
T-36	T-35	Athletic Club of Bend	200	200	200
T-36	44	Facebook Data Center	200	178	157
T-38	35	The Riverhouse	195	200	200
T-38	43	Touchmark at Mt. Bachelor Village LLC	195	180	178
40	39	Neighbor Impact - regional	187	189	196
41	41	Indian Head Casino	185	186	168
42	31	Navis	171	217	211
43	45	Medline ReNewal	165	175	153
44	30	Ray's Food Place - regional	161	220	143
T-45	40	The Bulletin	150	188	190
T-45	T-49	Target - Bend	150	150	105
47	N/A	U.S. Bank - regional	142	106	71
T-48	T-49	Hooker Creek Companies	130	150	150
T-48	N/A	Rebound Physical Therapy - regional	130	98	110
50	N/A	Western Heavy Haul & SMAF	129	115	93

WAGES INFORMATION FOR SELECT OCCUPATIONS

Below are average hourly wages in Oregon and Washington. The East Cascades region's wages are typically below those of Oregon, often 10 to 20%. Wages in Washington are typically higher than Oregon, while as of the latest comparison data, California wages routinely run at least 20% higher than those in Oregon.

Wage Comparison for Selected Occupations (annual average, \$ per hour)				
Occupation	OR	East Cas- cades	CA	WA
Accountant/Auditor	32.03	28.82	39.79	36.35
Architect, except Landscape & Naval	34.36	33.75	47.74	36.63
Carpenter	22.48	20.19	26.49	26.29
Chef & Head Cook	22.52	20.54	22.45	25.84
Clinical, Counseling, and School Psychologist			42.10	33.34
Computer-Controlled Machine Tool Operator	19.14	20.03		28.45
Computer Programmer	37.67	35.64	44.95	58.06
Computer User Support Specialist	24.83	22.13	30.16	28.24
Computer Systems Analyst	41.83	37.60	48.48	45.91
Customer Service Representative	17.14	15.19	19.76	18.03
Dental Hygienists	37.58	38.41	45.83	43.35
Electrician	32.96	28.07	32.72	31.69
Electrical Engineer	44.50	33.03	56.56	51.06
Financial Manager	54.76	47.69	72.15	58.29
Food Service Manager	24.20	22.19	24.99	26.04
General & Operations Manager	49.16	39.67	63.22	58.61
Graphic Designer	24.27	20.20	28.98	27.04
Industrial Machinery Mechanic	26.93	24.55		27.89
Industrial Production Manager	44.08	41.21	54.61	52.91
Landscape Architect	29.44	28.58	37.82	34.96
Marketing Manager	55.57	46.38	79.52	68.16
Mechanical Engineer	42.24	39.54	48.44	44.72
Medical Transcriptionist	18.90	18.44	21.57	20.98
Network and Computer Systems Administrator	35.98	29.77	44.88	41.51
Paralegal	26.43	22.09	28.89	27.92
Physical Therapist	39.75	35.61	46.48	42.97
Police/Sheriff Patrol Officer	32.31	31.12	45.87	36.36
Receptionist/Information Clerks	14.15	14.39	15.42	15.49
Registered Nurse	40.87	41.77	49.39	38.10
Secretary/Administrative Assistant, except Legal, Medical, & Executive	17.46	16.29	19.71	19.45
Software Developer, Applications	48.21	39.96	60.43	58.74
Software Developer, Systems Software	50.44	30.98	61.73	55.51
Supervisor, Administrative & Office Workers	26.00	24.07		28.10
Supervisor, Retail Sales Workers	19.09	19.74		22.32
Truck Driver, Heavy & Tractor-Trailer	20.28	22.53		22.17
Urban/Regional Planner	37.95	35.51	40.37	38.05

Sources: [Oregon Employment Department](#), [Washington State Employment Security Department](#), and [California Employment Development Department](#). The data used to create these estimates came from the Occupational Employment Survey. Data is for Q1 2016 – the most recent data available

COVERED EMPLOYMENT AND PAYROLL

Below is employment by sector, payroll, and average annual pay in the tri-county region. Average annual pay is the total of all covered wages paid during the year divided by the monthly average number of covered jobs during the year. Covered employment refers to jobs that are eligible for unemployment insurance, so it is a good barometer of wage and sector trends. Note that while most employees are covered, notable exceptions include the self-employed, those who work solely on commission and some agricultural workers.

Relative to last year (2015 data), all measurements—the number individuals employed, the associated payroll, and average annual pay—increased across the board, demonstrating a broad return to a healthier economy. In terms of sheer numbers employed, the big gains in industry sectors in Deschutes County were construction, manufacturing, professional and business services, and education & health services. Similarly, payroll in Deschutes County expanded by 9% and average annual pay registered an improvement of 3%. The average annual wage for Central Oregon is \$41,748, while the average annual wage for all of Oregon is \$49,452.

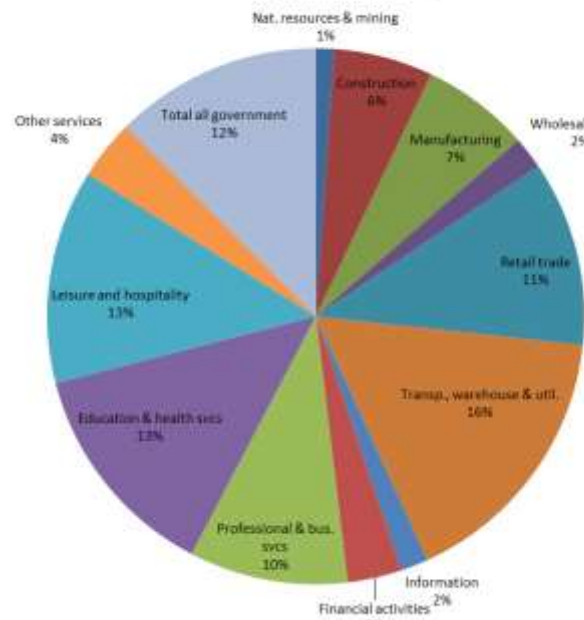
Industry	Deschutes County			Crook County			Jefferson County		
	Employees	Wages	Avg. Annual Wage	Employees	Payroll	Avg. Annual Wage	Employees	Payroll	Avg. Annual Wage
Total all ownerships	76,682	\$ 3,217,752,382	\$ 41,962	6,042	\$ 270,438,107	\$ 44,759	6,661	\$ 243,430,059	\$ 36,545
Total private coverage	67,521	\$ 2,763,592,304	\$ 40,929	4,767	\$ 210,869,187	\$ 44,235	4,241	\$ 143,203,516	\$ 33,766
Natural resources and mining	530	\$ 24,099,606	\$ 45,470	186	\$ 6,819,277	\$ 36,662	428	\$ 15,290,222	\$ 35,724
Construction	5,701	\$ 265,373,617	\$ 46,548	298	\$ 15,634,860	\$ 52,465	121	\$ 6,060,870	\$ 50,089
Manufacturing	5,098	\$ 239,422,452	\$ 46,963	546	\$ 21,944,479	\$ 40,191	1,076	\$ 43,979,911	\$ 40,873
Trade, transportation and utilities	14,544	\$ 522,195,672	\$ 35,904	1,556	\$ 77,099,918	\$ 49,550	842	\$ 26,455,394	\$ 31,419
Information	1,527	\$ 96,017,015	\$ 62,879	130	\$ 23,354,344	\$ 179,648	29	\$ 967,531	\$ 33,363
Financial activities	3,140	\$ 169,966,264	\$ 54,129	124	\$ 5,316,630	\$ 42,876	108	\$ 4,094,359	\$ 37,910
Professional and business services	9,353	\$ 442,252,099	\$ 47,284	282	\$ 10,879,659	\$ 38,580	187	\$ 6,996,952	\$ 37,416
Education and health services	12,490	\$ 670,684,250	\$ 53,697	641	\$ 28,085,793	\$ 43,815	579	\$ 24,859,428	\$ 42,935
Leisure and hospitality	11,992	\$ 242,985,815	\$ 20,262	700	\$ 14,718,937	\$ 21,027	598	\$ 9,719,221	\$ 16,252
Other services	3,128	\$ 89,405,214	\$ 28,582	305	\$ 6,998,623	\$ 22,946	271	\$ 4,725,499	\$ 17,437
Total all government	9,161	\$ 454,160,078	\$ 49,575	1,275	\$ 59,568,920	\$ 46,720	2,420	\$ 100,226,543	\$ 41,415
Total federal government	905	\$ 60,427,339	\$ 66,770	289	\$ 18,493,001	\$ 63,989	125	\$ 6,963,760	\$ 55,710
Total state government	1,189	\$ 56,221,065	\$ 47,284	253	\$ 9,282,299	\$ 36,688	382	\$ 19,126,361	\$ 50,069
Total local government	7,067	\$ 337,511,674	\$ 47,758	734	\$ 31,793,620	\$ 43,315	1,913	\$ 74,136,402	\$ 38,754

Source: Oregon Employment Department QualityInfo.org

INDUSTRY MIX

Central Oregon has a very diverse mix of industries that create the employment foundation for the regional economy. For example, in 2007, construction accounted for more than 11% of total payroll, while today it is much closer to national averages. A large slice of the overall pie, government, has seen its share of payroll disperse to other sectors such as education and health services (the fastest growing sector). Information, which includes software, IT services, and data centers, has grown by 30% over the past decade. Tourism (leisure and hospitality) has also seen gains in the past 10 years.

2016 Central Oregon Industry Composition



Manufacturing Employment Growth

Statistical Area	Manufacturing Employment Growth (2012-2016)
Bend-Redmond MSA	32.6%
Oregon	9.5%
U.S.	3.3%

Deschutes County and Redmond's manufacturing sectors are adding jobs at a significantly faster pace than the rest of the state or nation. Source: Oregon Employment Department

BUSINESS COSTS

Oregon has achieved national status for being a cost competitive location for business. The table below compares the cost of doing business in Oregon, Washington, and California. Major contributing factors to the Oregon advantage are no sales tax, no inventory tax, an affordable property tax system, and affordable labor costs. Across the country on average, taxpayers pay the most in taxes to their own state and local governments.

BUSINESS COST COMPARISON				
Business Factor		Oregon	California	Washington
Average Industrial Electricity Rate (May 2017; ¢/kWh)		6.05¢	12.29¢	4.61¢
Average Industrial Rate for Natural Gas (Jan. 2016, \$/kcf)		\$5.73	\$6.90	\$7.39
Average Annual Wage for Production Worker (Q1, 2016)		\$37,460	\$37,110	\$44,580
Base Unemployment Insurance, range of rates (As of July 1, 2015)		.015 – 5.4%	.016 – 6.2%	0.17 – 5.84%
State Unemployment Insurance Tax Rates (As of July 1, 2016)		(base: \$36,900)	(base: \$7,000)	(base: \$44,300)
	Minimum	1.2%	1.5%	.13%
	Maximum	5.4%	6.2%	5.72%
Average Annual Premium for Employer Sponsored Single Person Health Insurance (2014 data)		\$4,793	\$4,4712	\$4,973
Workers' Comp premium index rate (as of Dec, 2016)		\$1.28	\$3.24	\$1.97
State Individual Income Tax Rates (As of July 1, 2016)	Lowest	5.0% (\$0)	1.0% (\$0)	None
	Highest	9.9% (\$125,000)	13.3% (\$1,000,000)	None
State Corporate Income Tax Rates (As of July 1, 2016)	Lowest	6.6% (\$0)	8.84%	None
	Highest	7.6% (>\$1M)		
State/local gross receipts, operations-based business tax (2017)		None	None	0.13-3.3%
State & Local Sales Tax Rates (As of July 1, 2016)	State	None	7.5%	6.5%
	Local	None	(Average) 0.91%	(Average) 2.42%
	Combined	None	8.41%	8.92%
Sales or Use Taxes on Construction Costs (FY 2013)		None	4.07%	8.87%
State Sales Tax Collections Per Capita (July 1, 2014)		\$0	\$889	\$1,604
State Gasoline Tax Rates (cents per gallon) (As of Jan, 2017)		31.12¢	38.13¢	49.4¢
State & Local Tax Burden Per Capita (2012; U.S. Average = \$4,420)		\$4,094	\$5,237	\$4,541
State Property Tax Collection Per Capita (As of July 1, 2016)		\$1,285	\$1,365	\$1,350
Real Estate Transfer Tax		None	0.11%	1.28% of sales price + local taxes
State Business Tax Climate Index (2017 Tax Foundation)		#10	#48	#17

[Tax Foundation](#), [Bureau of Labor Statistics](#), [Oregon Employment Department](#), [Washington State Employment Security Department](#), [California Employment Development Department](#), [US Energy Information Assoc.](#), [Employer Health Benefits Survey](#), [Oregon Insurance Division](#), [National Conference of State Legislatures](#)

Perhaps one of the greatest assets in Oregon is the structure of how corporations are taxed, known as the Single Sales Factor. The tax rate on corporate income of firms doing business in the state is the greater of a minimum tax based on relative Oregon sales (\$150-\$100,000, approximately 0.1% of sales by the entity) or an income-based levy of 6.6% on taxable income up to \$1 million and 7.6% above that.

Relative Oregon sales are responsible 100% in determining U.S. corporate income taxable in Oregon. This single interstate factor stands in contrast to states that also use factors for property and payroll to apportion taxable income. It is advantageous to a business headquartered or producing tangible goods in Oregon (and selling products throughout the country, or the world, where it also operates), because its business Oregon tax liability is proportional only to its Oregon customer base, and that liability does not grow directly as a result of greater investment or employment in Oregon.

How the single sales factor works:

In its Oregon tax return, the business takes the ratio of Oregon sales to total U.S. sales and applies that ratio to its consolidated federal income. The result is Oregon taxable income. Oregon sales are based on where the greater cost of performance occurs for intangible sales. In the case of tangible goods, Oregon sales include the throwback of sales to customers where the entity would not otherwise be taxable. (Source: [Business Oregon](#))

This tax policy is a major reason why Oregon is home to Intel's largest global employment and capital investment. The single sales factor also plays an important role for Nike, Columbia Sportswear, Keen, and other outdoor gear and apparel manufacturers' continued growth of headquarters, R&D and warehouse operations.

Oregon offers more incentive programs to traded-sector businesses (companies that sell products or services outside of the area) than Washington and California combined. Attempting to understand all cost factors in different states and how those impact your specific business can be a daunting task. Some cost factors such as the efficiency and approach of regulatory oversight (i.e. implementation of federal EPA rules) can be dramatically different from state to state, but virtually impossible to place a dollar value on for comparison purposes.

WORKERS' COMPENSATION INSURANCE



According to the [Workers' Compensation Division of Oregon OSHA](#), Oregon workers' compensation costs will drop for the 4th straight year in 2017 and are 31% below the national mean.

Workers' compensation costs in Oregon are the 7th lowest in the country, highly favorable compared to other states. The "pure premium" is the portion of the premium employers pay insurers to cover anticipated claims costs for job-related injuries and deaths. State officials attribute the decrease to a focus on improving worker safety, getting injured workers treated and back on the job quickly, as well as the initial impact of medical cost control strategies. The "pure premium" rate has either remained the same or decreased for 23 of the past 25 years. At \$1.28, it's currently the lowest it has been in 20 years, making this cost among the lowest in the country for employers.

For manufacturers in places like California, the cost savings of workers' compensation insurance in Oregon can be substantial. Even a company with 50 employees can realize six-figure annual savings on this one cost factor alone.

EMPLOYMENT TRENDS

Oregon's Gross Domestic Product (GDP) grew by 3.3% in 2016 according to the Bureau of Economic Analysis. This was more than double the pace of national growth (1.5%) and the second-fastest among all states. A year earlier, in 2015, Oregon's growth tied with Texas for the fastest in the nation at 4.5%, while during that same year, Central Oregon's GDP Grew by 6.9%.

Additionally, Bend-Redmond MSA's total annual wages grew 9.1% from 2015-2016, while the U.S. average grew by only 3%.

Area	2015	2016	Gain/Loss	% Change
Bend-Redmond MSA	72,432	76,658	4,226	5.83%
Portland MSA	1,097,738	1,129,566	31,828	2.90%
Salem MSA	164,144	168,896	4,752	2.90%
Medford (Jackson County)	82,441	85,163	2,722	3.30%
Eugene-Springfield (Lane County)	146,776	151,454	4,678	3.19%
Oregon	1,787,398	1,840,980	53,582	3.00%
U.S. Average	139,491,699	141,866,449	2,374,750	1.70%

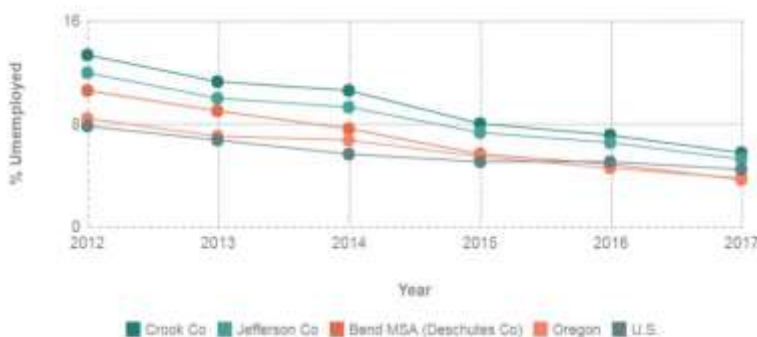
Source: Oregon Employment Department; QCEW & BLS CPS, 2017

UNEMPLOYMENT TRENDS

Regarded as a lagging indicator by most economists, this chart provides a five-year perspective on unemployment in the Tri-County area. Since early 2011, unemployment rates have been reduced significantly. Central Oregon is currently experiencing some of the lowest unemployment rates ever recorded in the region. As of May 2017, Deschutes County's unemployment rate dropped to its lowest ever at 3.6%, with Crook County at 5.7%, and Jefferson County's rate at 5.2%, its lowest since June 2008 and a statistically significant decline.

Because of Central Oregon's sustained strong in-migration, job creation typically lags population growth, a reason why historically, Oregon's unemployment rate tracks higher than the national rate. However, that is no longer the case.

Recent Trends in Unemployment Rates



HOUSING / REAL ESTATE TRENDS

Average Monthly Rent

The Central Oregon rental market continues to face heightened demand in the midst of constrained supply. According to the Central Oregon Rental Owners Association, current vacancy rates have shrunk to 1.04% as of 2016, down substantially from 12.4% in 2009.

The high demand has exerted pressure on prices and a growing interest in multi-family residential construction, particularly in Bend and Redmond. In the last year, two and three bedroom rental houses increased more on a percentage basis than apartments and duplexes. 2016 average rent prices for a three bedroom home were up slightly from 2015 in all but one Central Oregon community. Our expectation is that 2017 annual rental figures will be up sharply in Bend, Redmond, Prineville, and Sisters amidst strong in-migration and near record low vacancies.

Home Prices

As with much of the country, residential property prices peaked to all-time highs in 2006- 2007 and declined in value by as much as 40% in the following years. Prices have rebounded substantially; both median and average home prices increased in 2017 across the region and are currently at or above all-time highs. (Note: Prices in Sunriver and Sisters include a higher percentage of high-end homes and homes on acreage than comparable prices in Bend or Redmond).

Average Monthly Rent (3 Bedroom House, listed in \$)						
Area	2011	2012	2013	2014	2015	2016
Bend	1012	1231	1110	1,221	1,354	1,438
Redmond	911	975	952	1014	1094	1246
Madras/Culver	817	800	765	859	646	951
Prineville	847	835	755	895	835	880
La Pine	861	889	838	880	900	1000
Sunriver	896	1086	1066	1180	1241	1221
Sisters	850	922	875	898	N/A	2850

Source: Central Oregon Rental Owners Association (COROA); May 2017



Home Prices of Existing Single Family Homes (residential, less than one acre, \$)												
Median Sales Price												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Crook County	195,500	199,450	177,500	112,000	91,100	77,750	87,000	127,113	132,450	157,750	188,000	205,000
Bend	351,978	345,000	289,450	212,000	191,750	190,000	220,790	269,000	289,950	327,478	360,000	389,950
Redmond	262,749	250,000	216,000	147,500	123,450	116,000	132,500	175,000	195,605	223,266	255,000	280,000
La Pine	183,500	215,000	160,000	109,000	99,900	88,500	94,900	133,000	149,900	185,000	197,250	226,000
Sisters	460,000	415,000	367,450	286,250	223,750	198,500	245,000	300,000	269,078	330,000	372,000	379,000
Sunriver	575,000	548,547	555,738	402,000	417,500	375,000	347,500	364,000	367,500	375,000	390,500	485,000
Jefferson County	165,080	177,950	139,950	89,900	69,950	68,000	72,500	85,000	111,000	121,000	140,000	164,000
U.S.	221,900	217,900	196,600	172,100	173,200	166,200	176,800	197,100	208,300	222,400	235,500	254,600*
Average Sales Price												
Crook County	406,122	224,151	206,874	145,040	120,537	96,344	113,980	148,108	162,753	198,455	217,064	254,932
Bend	292,268	426,044	353,142	266,319	245,069	238,312	263,317	317,902	344,720	385,657	421,405	453,304
Redmond	202,331	286,543	245,204	170,739	142,402	137,304	148,117	197,186	217,126	244,904	275,938	305,456
La Pine	514,259	237,665	180,153	126,606	110,632	108,438	100,940	146,802	159,070	187,896	214,578	249,788
Sisters	627,345	526,626	437,636	372,483	295,488	248,953	292,960	317,442	316,253	376,894	420,843	397,854
Sunriver	170,228	637,734	628,979	458,614	455,550	398,948	381,259	408,326	407,426	421,927	447,299	516,865
Jefferson County	268,200	187,367	144,146	145,040	78,376	74,724	83,152	96,185	127,344	128,783	144,037	167,495
U.S.		266,000	242,700	216,900	220,000	214,300	225,500	245,500	225,300	226,400	276,900	295,800*

Sources: Central Oregon Association of Realtors (COAR), National Association of Realtors, July 2017. 2017 Data is through Q2. *May 2017, not yet seasonally adjusted

Commercial and Industrial Real Estate Market Trends

Central Oregon's commercial real estate market is marked by substantial positive absorption trends. In their quarterly POINTS report, Compass Commercial Real Estate observes that 2014 marked the beginning of the end of the recession for the office market. Retail and office sectors are experiencing historically low vacancy rates in all commercial real estate sectors in Bend and Redmond. In 2017, 2,380 acres were added to Bend's UGB with room to grow commercial, industrial and retail land by 815 acres. Absorption of Bend's 2.5 million sq. ft. of office space has picked up, with the current vacancy rate falling again from 4.6% to 3.7%, with nearly 434,000 sq. ft. of space leased since the fourth quarter of 2010.

Activity in the industrial market (approximately 5.72 million sq. ft. in Bend and Redmond) has been strong. As of the end of the first quarter in 2017, Bend's citywide industrial vacancy rate dropped yet again to 4.6%. The Redmond industrial market has also performed well in the recovery, with a current vacancy rate of 2.9% at the end of Q1. Ten of the last eleven quarters have shown increasing occupancy in the Redmond industrial market.

Building activity is steadily increasing throughout Central Oregon. As a result, the number of building permits issued for new commercial construction, remodels, additions, and repurposing is increasing rapidly. Construction prices are on the increase and rents, particularly for newer properties, are climbing.

Land Prices, Lease Rates & Construction Costs

Land costs in the region are rebounding after seeing as much as 50% value reductions resulting from the Great Recession. Costs do vary by community, with Crook and Jefferson Counties generally having lower land

Business Costs Across the Region (all costs expressed as costs per square foot ¹)						
Category	Deschutes County				Crook County	Jefferson County
	Bend	Redmond	Sisters	La Pine		
Industrial land costs	\$7.00-\$13.00	\$2.00-\$6.00	\$2.00-\$6.00	\$1.00-\$2.00	\$1.00-\$3.00	\$1.00-\$2.50
Lease rates ²						
Industrial	\$0.55-\$1.00	\$0.45-\$1.00	\$0.50-\$0.76	\$0.15-\$0.25	\$0.25-\$0.45	\$0.25-\$0.55
Commercial	\$1.00-\$2.35	\$0.80-\$2.00	\$0.65-\$1.51	\$0.80-\$1.00	\$0.55-\$0.85	\$0.50-\$0.85
Retail	\$1.00-\$3.00	\$0.85-\$1.50	\$0.90-\$1.51	\$0.50-\$1.00	\$0.45-\$1.75	\$0.55-\$1.25

Source: Compass Commercial Construction Services, July 2017. The table is meant to represent a range of costs and may be negotiable. Please contact EDCO with your specific project requirements.² Assumes base rent excluding NNN costs

and lease costs. In Deschutes County, La Pine costs are lowest and comparable with Crook and Jefferson Counties. Several years of strong demand for retail, office, and light industrial space are pushing vacancies down and rents higher in 2017.

FINANCIAL SERVICES

Central Oregon is home to 16 financial institutions which collectively have 64 branches in the region. In addition to these banks and credit unions, there are a number of alternative financial resources that can be found on [EDCO's website under incentives](#). Alternative financing includes a number of organizations with local offices that work closely with banks and credit unions including Business Oregon, Craft3, and Oregon Certified Business Development Organization.

The total FDIC-insured deposit base as of June 30, 2016 (the most current data available) was \$3.06 billion. Reflecting higher than average deposit wealth, Central Oregon also supports a significant number of financial planning and investment firms. Many of these firms also provide wealth management for clients nationwide.

Financial Institutions Deposits in Central Oregon (in millions)							
County	2008	2012	2013	2014	2015	2016	% Growth 2015-2016
Crook County	\$270	\$206	\$205	\$237	\$234	\$264	11.4%
Deschutes County	\$1,623	\$2,351	\$2,450	\$2,682	\$3,000	\$3,235	7.83%
Jefferson County	\$133	\$139	\$146	\$143	\$143	\$148	3.5%
Tri-County Total	\$2,678	\$2,696	\$2,801	\$3,063	\$3,377	\$3,647	8%

Source: FDIC Summary of Deposits as of 6/30 for each year.

POPULATION

Oregon's population growth of 1.56% from 2015 to 2016 was again dominated by net migration (movers-in outpaced movers-out). Similarly, but even more dramatic, in-migration trends prevail in the Tri-County area. Deschutes County experienced the largest year-over-year percentage gain (3.5%), making it the fastest growing county in Oregon.

Deschutes County grew dramatically between the 1990 and 2000 Census and even more so between 2000 and 2010. In 2016, it was the 6th fastest growing county in the U.S. Bend more than doubled in size between 1990 and 2000 and grew by 47% between 2000 and 2010. While growth flattened between 2010 and 2012, signs over the past 24 months point to a pickup of in-migration and business activity across the region. Since 2010, Crook County has grown at a very slow pace after dramatic growth between 1990 and 2010. Since 2000, Jefferson County has grown at a steady rate that exceeds that of Oregon and the nation.

The [United States Census](#) recently released population figures that vary from PSU's more conservative population estimates.

In March 2015, Portland State University (PSU)'s Oregon Population Forecast Program released a population forecast for the Tri-County region of an estimated 416,764 people by 2065 – the first of its kind in many years.

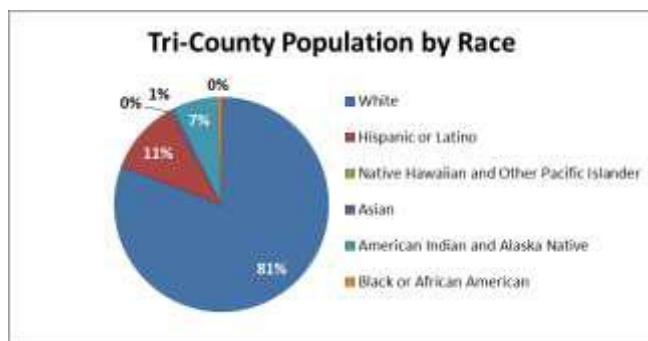
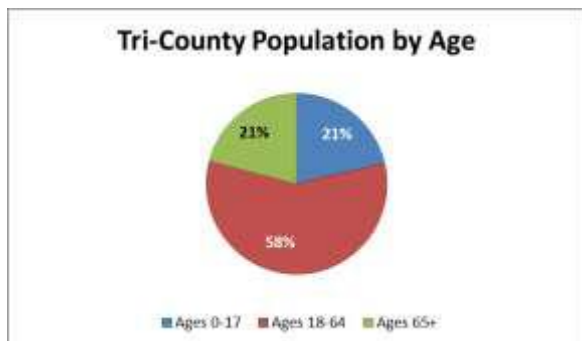
Deschutes County, the fastest growing county in the state, will be home to about 357,345 people in 2065, with 194,793 of them in greater Bend, increasing the city by an estimated 133% over today's population. The population in Jefferson County in 2065 will reach an estimated 33,779, 48% over today's population. By 2065, an expected 25,640 will call Crook County home, a 19% increase over 2016. Overall, population forecasters expect the region to continue to be a very dynamic part of the state and country.

Population Totals for Central Oregon							
Area	1990	2000	2010	2013	2014	2015	2016
Oregon	2,842,321	3,421,399	3,837,300	3,919,020	3,962,710	4,013,845	4,076,350
Crook County	14,111	19,184	21,020	20,690	20,780	21,085	21,580
Deschutes County	74,958	115,367	157,905	162,525	166,400	170,740	176,635
Bend	20,447	52,029	76,740	78,280	79,985	81,310	83,500
La Pine	Not yet incorporated		1,660	1,670	1,670	1,670	1,675
Redmond	7,165	13,481	26,225	26,590	26,770	27,050	27,595
Sisters	708	959	2,040	2,115	2,190	2,280	2,390
Unincorporated	46,638	48,898	51,240	53,570	55,785	53,151	61,475
Jefferson County	13,676	19,009	21,750	22,040	22,205	22,445	22,790
Tri-County Total	102,745	153,560	200,675	205,225	209,385	214,270	221,005

Source: Population Research Center, PSU. 1990 and 2000 Census numbers are for April 1 of that year; 2013-2016 data are for July 1 of that year.

Population Projections 2015-2065						
Area	2015	2025	2035	2045	2055	2065
Tri-County Total	214,547	258,899	300,926	340,739	379,237	416,764
Crook County	21,135	22,404	23,916	24,962	25,457	25,640
Prineville UGB	11,256	11,935	12,845	13,472	13,593	13,383
Outside UGB	9,879	10,470	11,071	11,489	11,864	12,257
Deschutes County	170,606	210,826	249,037	285,908	322,045	357,345
Bend UGB	85,737	109,546	132,209	154,719	176,003	194,793
La Pine UGB	1,687	2,263	3,014	3,872	4,816	5,836
Sisters UGB	2,315	3,431	4,375	5,320	6,266	7,212
Redmond	27,715	33,282	39,812	47,167	55,373	64,785
Outside UGBs	53,151	62,305	69,627	74,830	79,587	84,719
Jefferson County	22,806	25,669	27,973	29,869	31,735	33,779
Madras	7,484	8,700	9,815	10,867	11,832	12,749

Source: PSU Oregon Population Forecast Program, Preliminary Forecasts, March 2015.



EDUCATION

Public Schools

Central Oregon schools in Deschutes, Crook, and Jefferson County School Districts serve an area greater than 7,800 square miles and include urban centers such as Bend and Redmond along with smaller towns and rural areas. Over 32,000 students attend 64 schools. Tri-County districts operate 32 elementary schools, 14 middle schools, and 18 high schools, as well as a diverse array of charter and community schools. Of the area’s teachers, nearly 99% meet Highly Qualified standards and over 65% hold a Master’s Degree or higher.

The largest school district is Bend-La Pine with over 18,000 students enrolled and more than 1,850 staff members. Its attendance area spans more than 1,600 square miles - the seventh largest in the state. In the 2013-2014 State School Report Card, 86% of our schools in the Bend-La Pine received overall ratings of 4 or 5, with 25% of our schools rated in the top 10 of Oregon schools. In 2016, the Sisters School District was ranked in the Top 10 in the state.

Since 2000, students in the Bend-La Pine School District have continually scored higher on SAT tests than their peers, currently an impressive 130 points higher than the U.S. Average.

Private Schools

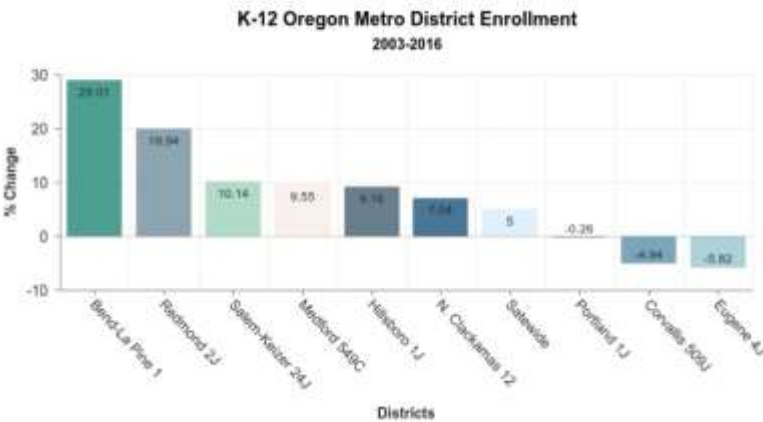
Private schools in Central Oregon have developed a reputation for high academic achievement and a focus on giving personalized attention to each individual student. There are 30 private schools in Central Oregon; 12 of these are faith-based and represent a variety of Catholic and Protestant denominations. In addition, two institutions, J Bar J and New Leaf Academy, offer therapeutic education services to at-risk youth in need of support. While a diverse range of educational methods and services are present in private schools throughout Central Oregon, several institutions stand out for reputation and large student population, including Trinity Lutheran School, Seven Peaks, and Cascades Academy in Bend, plus Central Christian School in Redmond.

2016-2017 Public School Enrollment Breakdown			
School District	Students	Schools	Website
Crook County			
Crook SD	3,006	7	crookcounty.k12.or.us
Deschutes County			
Bend-La Pine SD	18,034	31	bend.k12.or.us
Redmond SD	7,269	13	redmond.k12.or.us
Sisters SD	1,082	3	sisters.k12.or.us
Jefferson County			
Jefferson SD 509J	2,963	8	jcsd.k12.or.us
Culver SD	682	3	culver.k12.or.us
Tri-County Total	33,036	65	

Source: Oregon Department of Education; local school districts

2015 Average SAT Scores	
Bend-La Pine	1614
Washington	1488
Oregon	1545
California	1476
U.S. Average	1484

Sources: College Board & Bend-La Pine School District



Demand for Higher Education

The populace of Central Oregon has a strong interest in pursuing higher education and improving their vocational skills. The last several years, demand for higher education has been driven by several forces: Central Oregon’s growing population base, a recovery from the national economic recession, and job training and re-training. Additionally, OSU-Cascades Campus is gaining in reputation, attracting more students, and expanding its program offerings.

EDCO works in partnership with Central Oregon Community College (COCC) and OSU-Cascades to ensure that program offerings align with business needs. Both institutions have top leaders that serve as Directors on EDCO’s Board.

Central Oregon Community College

Central Oregon Community College (COCC) operates campuses in Bend, Redmond, Madras, and Prineville. Founded in 1949, COCC (www.cocc.edu) is Oregon’s first and oldest community college. COCC offers two-year associate degrees, transfer/lower division programs, career and technical education degrees and certificates, developmental courses, continuing education and community learning classes, industry-specific training programs, and business management assistance. The COCC District covers a 10,000-square-mile area that encompasses all of Crook, Deschutes, and Jefferson counties, the southern part of Wasco, and the northern portions of Klamath and Lake Counties. A seven-member board of directors governs the College, with members of that board elected from geographic zones in the District.



The 201-acre Bend campus includes 26 buildings totaling 575,000 sq. ft. under roof. The newest buildings are the Jungers Culinary Center, opened in 2011 and funded primarily by private donations, and the Health Careers Center and Science Center, funded by a voter-approved bond measure, both opened in fall 2012.



The Small Business Development Center (SBDC), operated by COCC, provides active support for Central Oregon’s small businesses. SBDC provides programs such as counseling and market research assistance for entrepreneurs at the earliest stages of development. COCC’s Continuing Education department delivers industry-specific courses and workshops tailored to business and industry’s changing needs.

COCC’s Business and Employee Development department deliver industry-specific courses and workshops tailored to businesses changing needs. The College also offers a wide range of continuing education for personal and professional development.

The COCC Redmond Campus sits on 25-acres near the Redmond Airport including four buildings serving students with

a variety of career programs, educational opportunities, and transfer eligible classes. This past year, approximately 2,400 students enrolled in one or more credit classes in Redmond. In addition to the wide range of services and college courses offered, COCC’s Redmond Campus is home to the region’s Manufacturing and Applied Technology Center, a 26,000 sq. ft. technical training facility with certificate and degree programs readying students for jobs in the manufacturing field. Redmond is also home to COCC’s Veterinary Technician program.

The COCC regional Technology Education Center offers classes for Central Oregon’s business and workforce population at the Redmond Campus. This 34,000 sq. ft. facility, planned and developed with industry participation, is home to a two-year degree option in Automotive Technology in Electronics and Diagnostics (TED). For more information: www.cocc.edu/redmond or 541-504-2900.



COCC Technology Education Center in Redmond

Enrollment at COCC has increased dramatically over the years, doubling in the last few years as increasing numbers of area residents turned to the College for education and training after the economic downturn. A record number of students have been earning certificates and degrees, then transferring to four-year colleges and universities or moving into jobs locally using skills learned in the career and technical education programs.

Oregon State University – Cascades

With a campus so new the paint is still drying, their first 1,200 students, 3,000 alumni, and community supporters are realizing a 30-year, grassroots effort to bring a four-year university to Central Oregon.

OSU-Cascades opened its 10-acre campus in Bend at the start of 2016’s fall term. Located in the heart of Central Oregon, a vast natural laboratory, OSU-Cascades offers 16 undergraduate and four graduate degrees, including signature programs in Energy Systems Engineering, Tourism, and Outdoor Leadership, and Hospitality Management.

The Energy Systems Engineering Management program is unique in the state, preparing graduates for a broad range of careers in the energy industry. The Computer Science degree was developed with considerable industry input from many of the region’s software firms. OSU-Cascades is now offering an executive leadership MBA program through OSU’s College of Business. The MBA takes about



two years and is delivered in a hybrid format, blending face-to-face with online sessions and is designed for busy professionals. The university also aims to launch additional MBA programs.

OSU-Cascades' enrollment is slated to grow to 3,000-5,000 students by 2025 to meet state educational attainment goal. The campus will serve students from everywhere, including our back yard to across the globe.

UTILITIES SERVING CENTRAL OREGON

Electric Companies

Central Oregon providers of electric power are:

- Pacific Power (PPL), 888-221-7070
- Central Electric Cooperative (CEC), 541-548-2144
- Midstate Electric Cooperative (MSE), 541-536-2126

Average 2016 Electricity Rates (in cents, per kWh)			
Service Class	U.S.	CA	OR
Industrial	6.75	12.07	6.16
Commercial	10.37	15.15	8.87

Source: U.S. Energy Information Administration March 2017 data.



For all sectors, Oregon's electrical rates are well below the national average. For industrial customers, Central Oregon providers offer rates up to nearly 16% below the U.S. average and nearly 50% below those in neighboring California. The region is primarily served by one of the largest and most robust transmission systems in the country that is operated by the Bonneville Power Administration (BPA), a federal department. BPA is the source of most power generation for Central Electric and Midstate Electric cooperatives, although there are a number of other smaller scale renewable energy production facilities within the region including hydro and solar.

Natural Gas

Natural gas is widely available throughout Central Oregon and is supplied by Cascade Natural Gas Corporation (CNGC) at 888-522-1130. Headquartered in Kennewick WA., CNGC serves more than 50,000 local industrial, commercial, and residential customers from a regional operations base in Bend.

Natural Gas Rates			
User	Base Charge	Cost Per Therm	Delivery Charge/Therm
Commercial	\$4.00	\$0.624	\$0.262
Industrial	\$12.00	\$0.553	\$0.206
Large Volume-General*	Included	\$0.513	\$0.166

*Requires specific contract and usage conditions; 1 therm = 1,000 BTUs.
Source: www.cngc.com, Feb 2017

Potential users for the Large Volume-General Service rate should contact EDCO for additional information about potential usage conditions. Transmission to the region is provided by 36 and 42-inch high capacity lines that run from Canada to southern California.

Water System & Rates

Cities in the region have invested in the latest technology for the least environmental impact and greatest savings to residents and businesses. Rates vary between communities in the region. Commercial and industrial rates are typically based on meter size; please contact EDCO for specifics.

TELECOMMUNICATIONS

Built largely over the last decade, Central Oregon's telecommunications infrastructure is one of the Northwest's most technologically advanced, meeting requirements for capacity, redundancy, and reliability. The region has high-end data services typically offered only in large metro areas, including Ethernet rates up to 10 GB. Several local providers focus purely on the commercial market.

Services are delivered across a number of access options including landline (copper), high-speed fiber optics, and wireless (WiFi, WiMax, and secure microwave). Many providers offer DSL, ISDN, Frame Relay, ATM, and Metro Ethernet services, along with the traditional high capacity TDM services (T1, T3, OCx). All Local Exchange Carrier central offices use digital electronic switches and the entire system is on a redundant, self-healing fiber optic network.

Telecom Resources in Central Oregon	
Carriers & Providers	BendBroadband, BendTel, CenturyLink, FatBeam, LS Networks, Quantum Communications, Electric Lightwave
Wireless Internet	Community Broadband, Webformix, Yellowknife Wireless
Cable	BendBroadband, Chambers Cable, Crestview Cable, DirecTV
Resellers & Integrators	Integra Telecom (Internet & voice)
Telephone Interconnect	ACT Cascades, CascadeTel
Cellular	AT&T, Sprint, T-Mobile, US Cellular, Verizon

SERVICES

Health Services

Top quality health care is one of Central Oregon's crown jewels. With four hospitals and more than 4,400 employees, St. Charles Health System is the largest provider of medical care in Central Oregon. St. Charles has pledged to partner with the communities it serves to achieve an ambitious vision: Creating America's healthiest communities, together. Today, St. Charles provides healthcare services within a 32,000-square-mile area in Central and Eastern Oregon, with medical centers in Bend, Redmond, Prineville, and Madras. Medical centers in Bend and Redmond are accredited while St. Charles Bend is Oregon's only Level II Trauma Center east of the Cascades.

Additionally, St. Charles is working on several major projects, including a \$16 million addition plus renovations to St. Charles Madras, a third linear accelerator in the St. Charles Cancer Center, and a new patient tower at St. Charles Bend.

St. Charles Bend is a fully accredited, 256-bed hospital that includes 24-hour emergency care, intensive/cardiac care, physical, respiratory and nutritional therapy, radiology, surgery and an on-campus rehabilitation center. In addition, they offer quality care services including cancer care, cardiology, neurology, orthopedics, stroke care, and weight loss surgery. High-tech leading-edge services are also present in St. Charles' telemedicine and da Vinci Surgery programs.



St. Charles Bend Cancer Center

As a private, nonprofit Oregon corporation, St. Charles is Central Oregon's largest employer with more than 4,400 employees in Bend, Madras, Redmond, Prineville, and Sisters combined. More than 400 active medical staff members and 250+ visiting medical staff members also make it possible for St. Charles to deliver a wide range of excellent care in a compassionate, healing environment.

Media

- **Print:** *The Bulletin* is the dominant daily newspaper while local papers cover Madras, Redmond, Prineville, Sisters, and La Pine. *Cascade Business News*, a bi-weekly business publication, *1859*, Oregon's first cultural magazine, and *The Source*, an alternative weekly newspaper, round out the print news options.
- **Radio:** Three privately-held companies (Horizon Broadcasting Group, Bend Radio Group, and Combined Communications) collectively own 15 radio stations plus there are two independent operators. Spanish language station, Radio La Bronca, addresses the region's Latino population.
- **Television:** KTVZ TV 21 is the NBC affiliate, KOHD TV 51 is the ABC affiliate, KFXO TV 39 is the Fox affiliate, KBNZ TV 7 is the CBS affiliate, and KOAB TV 11 is the PBS station. BendBroadband airs local original programming through COTV 11, its community cable channel, which provides in-depth local news, sports and information.

TRANSPORTATION



Commercial Airport

Redmond Municipal Airport (RDM; www.flyrdm.com) provides commercial air service with 23 daily flights to Denver, Los Angeles, Phoenix, Portland, Salt Lake City, San Francisco, and Seattle via four carriers (Alaska, American, Delta, and United). Considerable investment has been made at RDM in recent years including a \$40 million terminal expansion, expanded passenger parking (to over 1,000 places) and tarmac and runway reconstruction.

The Airport is home to the USDA Forest Service Redmond Air Center, Cascade Aviation Management, Life Flight, Butler Aviation, Les Schwab, Bonneville Power, RDD Enterprises, Lancair, and Henderson Aviation. RDM also provides air cargo services and hosts general aviation traffic, including extensive corporate and business travel. Fed Ex, United Parcel Service, and the USPS provide air freight and package express services.

General Aviation Airports

- The **Bend Municipal Airport**, owned and managed by the City of Bend, is located just outside the Bend city limits in Deschutes County. The 415-acre airport has a single 5,200-foot runway with parallel full-length taxiways on the east and west sides. A total of 77 separate structures reside at the airport, 15 city-owned and 62 privately owned with new construction occurring. There are currently 15 businesses located at the airport. Aircraft manufacturing, aircraft parts manufacturing, fixed wing and helicopter flight training comprise the greatest commercial activity at the airport. The airport supports over 400 jobs and distributes approximately \$17 million in payroll from airport businesses. The construction of a new Helicopter Operations Area is in progress and will enhance both the safety and efficiency of airport operations.
- The **Prineville/Crook County Airport** is located three miles SW of Prineville and has two well-maintained, lighted, intersecting asphalt runways that are able to accommodate small aircraft and corporate jets. The primary runway is 5,751' in length and 75' wide and is equipped with GPS instrument approaches. The crosswind runway is 4,054' long and 40' feet wide. An automated weather observation system was installed in the fall of 2013. In February 2013, Hillsboro Aviation began using the Prineville/Crook County airport as a flight training center for international students. Hillsboro picked Prineville because of the favorable weather conditions and services the airport and community provides.
- The **Madras Municipal Airport** and industrial site is a fast-growing Category 4 airport for general aviation and business use. Owned by the City of Madras, the airport is on the National Plan of Integrated Airport Systems (NPIAS) and is surrounded by a 125-acre industrial park plus an additional 2,100 acres of flat, open land with utilities for future aeronautical and industrial use. In 2015 the 5,100' paved runway underwent a complete rebuild and is able to accommodate a wide variety of general aviation aircraft. In 2017, work on a 5,000' grass runway was completed, a unique feature not found at many airports. The airport is also home to one of the world's largest private collections of flying warbirds; The Erickson Aircraft Collection and Erickson Aero Tanker operating fire-fighting aircraft, MD87s, and DC7s.
- The **Sunriver Resort Airport** is a general aviation airport located 17 miles south of Bend in the heart of the critically acclaimed Resort. With a recently upgraded and refinished 5,500' long paved and lighted airstrip, the Resort airport is the third busiest in the state and is one of the longest private airstrips in the West. The airport serves a wide range of aircraft from small pri-

vate planes to corporate jets. Also prominent among these high-end services is luxury auto rental provided by Kendall Automotive as well as full services to pilots and flight crews.

- **Sisters Airport:** At 3168', Sisters Eagle Airport is a Category IV airport located one mile north of downtown Sisters. While privately-owned by Sisters Airport Property LLC., the airport is open to public use. It is also used for EMS and wildfire aircraft support. The runway dimensions are 3550' x 60' / 1082 x 18 m. Originally built in 1936, the Sisters Airport was re-paved, updated, and improved in 2013 and is fast becoming a center for local businesses. Several successful traded-sector companies, including ENERGYneering, have their headquarters at the airport. In the spring of 2014, the airport property was annexed to the City of Sisters. Through this public-private partnership, the airports and its key companies, have plans to expand commercially, industrially, and with an array of benefits for pilots.

TRAVEL DISTANCES

With U.S. Highway 97 running north to south through Bend, and U.S. Highway 20 running east to west through Bend, travel to other areas in Oregon is relatively straightforward. Using either the northern Highway 26 or the more southern Highway 20 route, Portland is a three-hour drive from Bend, while Medford is about four hours away. Outside Oregon, Seattle can be reached in less than six hours and parts of the Bay Area can be accessed in eight hours. Los Angeles, at nearly 13 hours, tests the outer limit of a day's drive.

COMMUTE TIME

Averaging just under 20 minutes, drive times for Central Oregon are very manageable. For the majority of people living and working in the same urban center, most commute times are often less than 15 minutes. However, because the workforce throughout the Tri-County area is truly regional, it is common for people to commute between Redmond and Bend or between Sisters and Bend. Commute times in Central Oregon are substantially lower than average commute times in Portland, Seattle, San Francisco, Boise, Los Angeles, and many other urban centers.

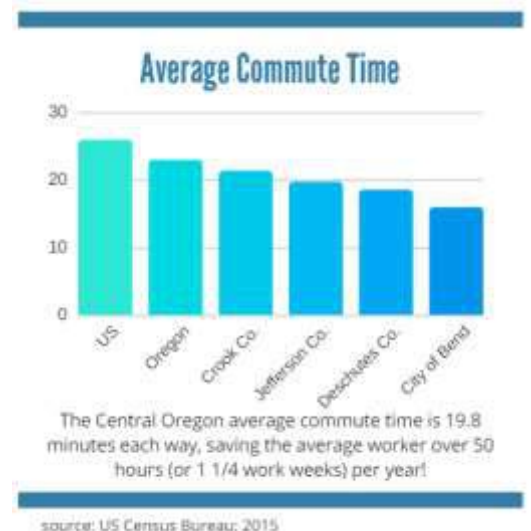


Additional Transportation Services

- For **air freight**, Central Oregon is served by Federal Express, United Parcel Service, and US Postal Service Express mail.
- To move **motor freight**, U.S. Highways 97 and 20, both of which run through Central Oregon, are two of the state's major trucking routes. To reach the Northwest's metro areas, trucking companies that operate in Central Oregon use Hwy 97 to access Interstate 5 (north-south) and Interstate 84 (east-west).
- In terms of **rail service**, Burlington Northern-Santa Fe, Union Pacific and the City of Prineville Railway provide direct rail connections for shipping to any market in the United States, Canada, and Mexico. Amtrak provides passenger rail service to Central Oregon via the Chemult station, about 60 miles south of Bend on Hwy 97.

Transit within Central Oregon

- Cascades East Transit (CET) operates the regional bus system, providing service throughout Deschutes, Jefferson, and Crook counties. For more information, visit www.cascadeseasttransit.com.
- Among the most relevant **intra-city bus options**, Central Oregon Breeze, a division of CAC Transportation, provides service 362 days a year between Bend, Redmond, Madras, Gresham, and Portland. The Breeze connects Central Oregon residents with Amtrak, the MET, and the Portland International Airport.
- **Uber** and **Lyft** are now available throughout Bend and Redmond, adding an easy transportation option to the airport and around town.



TOPOGRAPHY & CLIMATE

Every community in Central Oregon has its own variations of temperature and precipitation, relative to its elevation and proximity to the mountains. The region is known for its vast amount of sunshine, averaging just two weeks fewer sunny days than San Diego, CA. Interestingly, the region lies on one of the nation's largest rain gradients: Redmond receives an average of 8.6 inches of precipitation and is only 60 miles from a region in the Cascades that receives over 120 inches.

The geographical climate for Central Oregon is predominately High Desert. Summer temperatures range from an average high of 82° to a low of 40° F, while winter temperatures range from average highs in the 40s to lows in the 20s. Average precipitation is 11.5 inches, falling mostly in the form of snow during the winter months.

City	Elevation
La Pine	4,300'
Sunriver	4,100'
Bend	3,623'
Sisters	3,200'
Redmond	3,077'
Prineville	2,868'
Madras	2,242'
Warm Springs	1,575'

Bend, Oregon Weather Profile												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average High (°F)	41°	44°	51°	57°	65°	72°	82°	81°	74°	62°	47°	39°
Average Low (°F)	24°	24°	28°	30°	36°	42°	47°	46°	40°	33°	28°	23°
Mean (°F)	33°	34°	39°	44°	51°	57°	65°	64°	57°	47°	38°	31°
Average Precipitation (inches)	1.5	1.1	0.8	0.8	0.9	0.7	0.6	0.5	0.4	0.6	1.4	2.2

Source: [U.S. Climate Data](#)



CHAMBERS OF COMMERCE & OTHER BUSINESS RESOURCES

Chambers of Commerce		Other Organizations
Bend Chamber 541-382-3221 www.bendchamber.org	Prineville/Crook Co. Chamber 541-447-6304 www.visitprineville.com	Visit Bend 877-245-8484 www.visitbend.com
Crooked River Ranch Chamber 541-923-2679 www.crrchamber.com	Redmond Chamber 541-923-5191 www.visitredmondoregon.com	Central Oregon Visitors Assoc. (COVA) 800-800-8334 www.visitcentraloregon.com
La Pine Chamber 541-536-9771 www.lapine.org	Sisters Area Chamber 541-549-0251 www.sisterscountry.com	Confederated Tribes of Warm Springs Business and Economic Development 541-553-3468 www.warmsprings.com
Madras/Jefferson Co. Chamber 541-475-2350 www.madraschamber.com	Sunriver Chamber 541-593-8149 www.sunriverchamber.com	

BUSINESS RESOURCES

Listed below is a sampling of the broad variety of business support organizations (BSO) that cover the continuum of business development - from early to growth stage. More resources are available, so contact EDCO for a complete list including local resources or customized assistance that brings our longstanding relationships with these organizations.

Oregon Resources	County Resources
Business Oregon www.oregon4biz.com	Central Oregon Intergovernmental Council (COIC) (541) 548-8163 www.coic2.org
Inventor's Northwest (541) 317-1154 www.coinventorsgroup.ning.com	Central Oregon Workforce Coordinating Council 541-504-3306
NEW (Network of Entrepreneurial Women) www.networkwomen.org	City Club of Central Oregon 541-633-7163 www.cityclubco.com
Oregon Employer Council Central Oregon (541) 408-4557 www.oregon.gov/EMPLOY/OEC	Crook County www.co.crook.or.us
OMEP (Oregon Manufacturing Extension Partnership) www.omep.org	Deschutes County www.deschutes.org 541-388-6584
Vocational Rehab (541) 388-6336	Jefferson County www.co.jefferson.or.us
Worksource Bend (Oregon Employment Department) www.worksourceoregon.org	Small Business Development Center (SBDC) (541) 383-7290 www.cocc.edu/sbdc

Tri-County Resources	
Abilitree (541) 388-8103 www.abilitree.org	Opportunity Knocks www.opp-knocks.org
COCC (Central Oregon Community College) www.cocc.edu	OSU-Cascades (Oregon State University—Cascades) www.osucascades.edu
COIC (Central Oregon Intergovernmental Council) (541) 548-8163 www.coic2.org	SBDC (Small Business Development Center) (541) 383-7290
EDCO (Economic Development for Central Oregon) www.edcoinfo.com	SCORE (Service Corps of Retired Executives) www.centraloregon.score.org
Grow 3° www.grow3degrees.org	BendTECH www.coworking.bendtech.com
HRACO (Human Resource Association of Central Oregon) www.HRCentralOregon.org	Technology Association of Oregon (503) 228-5401; www.techoregon.org
Oregon Bioscience Association (503) 548-4432; www.oregonbio.org	

CENTRAL OREGON'S ENTREPRENEURIAL LANDSCAPE

In December 2016, Bend-Redmond MSA ranked **#1** on **Milken Institute's** list of **Best Performing Small Cities**. "Bend-Redmond has been able to continually diversify its economy, with seven high-tech industries concentrated in the metro. The central Oregon economy is vibrant and has been able to diversify its economic base with new waves of innovation." ([Milken Institute](#))



In addition, an increasing level of startup activity is being seen across Central Oregon. Numerous industry clusters are coalescing in such areas as high technology, bioscience, outdoor recreation and consumer goods, and brewing & distilling. This activity is driven both by entrepreneurs relocating to the region and local entrepreneurs embarking on their own enterprises. The region is large enough to support the resources and access to capital that help new entrepreneurs get started, while still being small enough that those resources are interconnected to support businesses as they grow. Unique to Central Oregon are the numerous community resources and assets that are available. A few of these assets managed by EDCO include the **Central Oregon PubTalk**, **Stable of Experts** and the **Bend Venture Conference (BVC)**.

The **Stable of Experts (SOE)** is a searchable database of over 120 experts that span multiple industries and disciplines. These experts have agreed to dedicate a certain number of hours to helping entrepreneurs fill their skills gaps and mentor young leaders. The SOE helps to fill in these missing pieces for new businesses and increase their probability of success.



Central Oregon PubTalk is a monthly happy hour held at McMenamins in Downtown Bend. These events are a showcase for entrepreneurs to pitch their business ideas, and for previously showcased businesses to provide an update on their progress. Keynote speakers are brought in to add an educational component to the event. A successful pitch is an integral component of securing funding, and PubTalk offers a platform for emerging businesses to practice and perfect the pitch with coaching sessions conducted by EDCO prior to the event.

The event has more than doubled since FY 2014 to over 2,000 in FY 2017.

BVC is the largest angel conference in the West and has become a marquee event for the entrepreneurial community. Now in its 14th year, this annual event takes place each October. 2016 was a pivotal year for the conference, with nearly \$4M in funding invested in ten companies, and over 600 attendees including investors, entrepreneurs, service, professionals, students, and more.



ABOUT EDCO

Central Oregon Business Begins with EDCO

Founded in 1981, EDCO is a non-profit corporation supported by private and public members and stakeholders. Our mission is to create a diversified local economy and a strong base of middle-class jobs in Central Oregon. To do this, we focus on helping companies do the following:

Move. We guide employers outside the region through the relocation process as a resource for regional data, incentives, talent, site selection, and more.

Start. We mentor and advise scalable young companies from concept to exit on issues such as access to capital, critical expertise and strategy.

Grow. We help local traded-sector companies expand by finding suppliers, workforce sourcing, permitting, and incentives.

In addition, EDCO also works to improve the region's business climate by influencing state legislation and local policy making, improving our transportation and information links to the rest of the world (air service, telecom) and catalyzing other critical infrastructure or community development needed to be prepared for successful business development.

Board of Directors

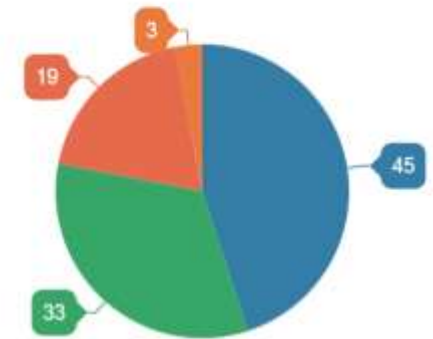
EDCO is a membership organization with roughly half of its funding coming from public entities (counties, cities and higher education) and the other half coming from private companies and individuals. The organization is guided by a 43-member board drawn from across the tri-county area of Crook, Deschutes, and Jefferson, representing a wide variety of industry sectors.

Focused on Results

At EDCO, we keep close tabs on economic indicators such as job growth, total payroll and new capital investment made by traded-sector companies. The results of the last five fiscal years are as follows:

EDCO's RESULTS				
Fiscal Year	Companies	Jobs (new & retained)	Payroll (estimated)*	New Capital Investment
2016-2017	47	565	\$27.7 million	\$534.4 million
2015-2016	36	266	\$12.9 million	\$24.2 million
2014-2015	35	594	\$24.4 million	\$102.6 million
2013-2014	30	590	\$25.9 million	\$210.9 million
2012-2013	29	1,136	\$40.1 million	\$340.0 million
TOTALS	177	3151	\$131 million	\$1.21 billion

EDCO's Funding Sources



EDCO Platinum Members

- AmeriTitle
- Bend Memorial Clinic
- BendBroadband
- Cascade Natural Gas
- Central Electric Cooperative, Inc
- Central Oregon Community College
- CenturyLink
- City of Bend
- City of La Pine
- City of Prineville / Crook County
- City of Madras / Jefferson County
- City of Redmond
- City of Sisters
- Combined Communications
- Deschutes County
- First Interstate Bank
- Mid Oregon Credit Union
- OSU-Cascades
- Pacific Power
- Schwabe, Williamson & Wyatt
- SGA CPA's & Consultants
- St. Charles Health System

EDCO Contact Information

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Redmond, OR 97756
541-923-5223

Prineville/Crook County
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510 SE Lynn Blvd.
Prineville, OR 97754
541-233-2015

Sisters
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520 E Cascade Street
Sisters, OR 97759
541-977-5683

Madras
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Madras, OR 97741
541-390-6275

La Pine/Sunriver
Director: Ryan Culp
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541-536-1432 x5