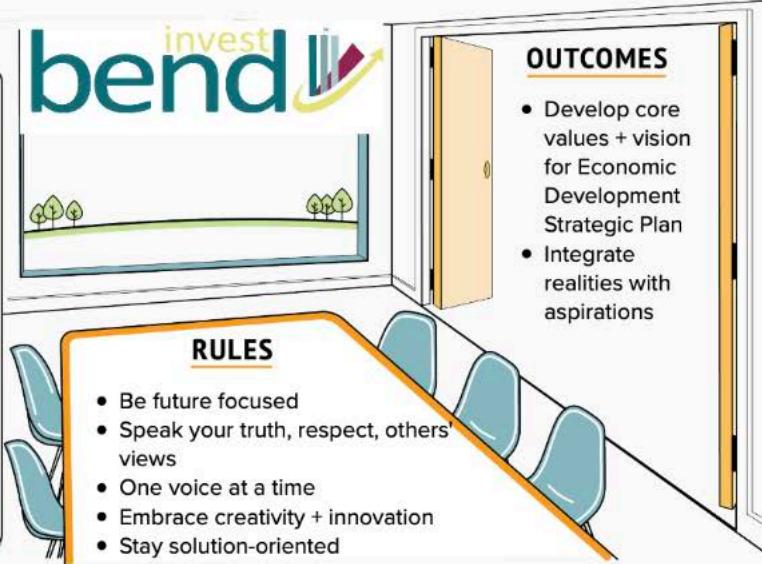


# INVEST BEND - WORKSHOP #2 7/10/25

## AGENDA

- 5:00 pm - Arrival + Dinner
- 5:15 pm - Welcome + Agenda Overview
- 5:20 pm - Data Overview
  - Review and discuss
- 5:50 pm - Problem Statement
- 6:30 pm - Break
- 6:35 pm - Core values discussion
- 7:20 pm - Vision statement development
- 7:55 pm - Preparing for workshop #3
- 8:00 pm - Adjourn



## OUTCOMES

- Develop core values + vision for Economic Development Strategic Plan
- Integrate realities with aspirations

## WORKSHOP #2 ATTENDEES

Peter Skrbek Deschutes Brewery	DaWayne Judd BEDAB	Gary North BEDAB	Rebecca Robinson OSU Cascades	Jeff Knapp Visit Bend	Ben Marsh Around the Bend Farm
Heather Ficht East Cascade Works	Leif Anderson Redmond Airport	Jeff England Parametrix	Katy Brooks Chamber/ City	Mike Richards St. Charles Health Systems	Jessica Pacific Power
Mark Buckley ECOnorthwest	Jon Stark EDCO	Tory Upham Puffin Drinkware	Kathryn Schiebet Lonza	Tammy Beney COIC	Alisa Dunlap Pacific Power
Mike Riley City Council	Steve Platt City Council	Matthew Stewart City staff	Kathy Bargain City staff	Kerry Bell City staff	Damien Syrnyk City Staff
Katy Brooks City staff	Johnathan Taylor City staff	Cyrus Mooney City staff			



## SESSION #1 RECAP + DATA PRESENTATION

### STAFF DATA PRESENTATION OVERVIEW—SEE INCLUDED SLIDE DECK

- Bend has experienced 4.73% growth since 2023, ranking 19th among U.S. metro areas for inbound moves (U-Haul, 2024).
- Net migration accounts for 88% of population growth, largely from Oregon and California.**
- Family sizes are shrinking, with more individuals living alone; the birth rate dropped 67% since 2019.
- Bend-La Pine schools report 1,200 fewer students since 2018–19, signaling changing demographics and fewer young families.
- The population is aging, compounding challenges related to housing and childcare costs.

#### Housing & Income

- Median household income rose 7% since 2019, with the largest increases among households earning 120% AMI and above.
- Income inequality is growing—top 5% earn 24% of all income in the region; the GINI Index exceeds state and national averages.
- Renters earning the area's median renter income (\$66K) can only afford housing in 4 areas, all with deed-restricted affordable housing.
- Homeowners earn a median of \$117K, reinforcing disparities between renters and owners.
- Employment & Workforce**

  - Unemployment stands at 4.24%, but there's an overreliance on seasonal employment.
  - Bend has higher business owner diversity than Portland and Oregon overall.
  - 25% of the workforce works from home, roughly double the national average; 5% of workers commute in, indicating a strong regional labor draw.
  - Employment grew in 85% of sectors, with professional and scientific services seeing the largest increases. Only administrative and waste management saw declines.
  - Wages increased across all sectors.

#### Commercial & Industrial Activity

- Commercial and industrial investment is up 160% from 2023, but growth is nuanced:
  - Demand for office space is low.
  - Retail demand is down, potentially skewed by large developments like Costco.
  - Industrial demand is variable, depending on multiple external factors.

#### Tourism & Spending

- Tourism is at a five-year high, though hotel occupancy is flat and daily rates have declined since 2022. Airbnb data is not included in official occupancy stats.
- Visit Bend is ramping up marketing, partly to offset wildfire smoke impacts.
- Consumer spending is down 8% since 2023, with locals accounting for 56% of it.
- Summer remains the peak spending season.

#### Other Key Insights

- Crook and Jefferson counties are primary sources of inbound workers (IRS data).
- Bend is the 4th largest and fastest-growing economy in Oregon, and was recently ranked by SmartAsset as the #1 economy in the U.S. despite Oregon ranking 44th overall.
- Bend experiences lower-than-average inflation compared to other U.S. cities.
- Need to analyze how long a dollar circulates locally, and how that's shifted since COVID (multiplier effects).
- Discussion of how some economic patterns are potentially reverting to pre-COVID norms.
- Clarification needed on economic assumptions and modeling methodologies used in the economic report.

#### KEY TAKEAWAYS

- Population Growth Driven by Migration, Not Births**Bend's growth is fueled almost entirely by inbound migration—primarily from California and Oregon—while birth rates and school enrollment are declining, signaling a shift toward smaller households and an aging population.
- Widening Economic Divide**While median income is rising, income inequality is growing. Renters are increasingly priced out of the market, and only high earners are seeing significant financial gains.
- Economic Momentum with Shifting Priorities**Bend's economy is expanding rapidly—commercial and industrial investment is up 160%—but demand is shifting away from office and retail toward flexible work and industrial use.
- Tourism High, Local Spending Down**Tourism is at a five-year peak, yet local consumer spending has dropped 8% since 2023, suggesting economic caution among residents despite strong visitor activity.

## STRATEGIC PROBLEM STATEMENT

### BREAKOUT SESSION SUMMARY

#### Workforce Development & Education Misalignment

- Disconnect Between Education and Employment Needs:** Participants questioned whether local higher education institutions (OSU-Cascades, COCC) and K-12 systems are aligned with current and future workforce demands. While Bend has a relatively high rate of 4-year degrees, **skill-based and vocational training pathways** are under-emphasized.
- Oregon's "40-40-20" education goal** (40% with 4-year, 40% with 2-year, 20% high school only) remains far out of reach. There's growing recognition that **not all careers require a 4-year degree**, yet the system is slow to adapt.
- Retention of locally educated students** is a concern—both in terms of cost and long-term community investment.
- Talent Attraction, Retention & Cost of Living**
  - High housing costs are pushing workers out—even middle managers earning \$65K–\$100K (e.g., Deschutes Brewery) are declining roles or commuting from Madras or Redmond.
  - Employers struggle to fill jobs due to lack of interest, but because **employees can't afford to live locally**.
  - The individual hourly wage needed to afford rent in Bend is \$30.77**, pricing out many essential workers.
  - Employers are resorting to creative staffing solutions—like **fractional consultants, out-of-state remote workers, and flexible schedules**—but these often lack benefits and full-time pay, limiting long-term sustainability.
- Business Attraction & Economic Diversity**
  - The current problem framing **focuses heavily on workforce** but lacks emphasis on **business attraction and retention**.
  - Stakeholders emphasized the importance of **economic diversity**—not just a variety of sectors, but also a **range of business sizes and types** (micro to macro level). This would help the region **better weather economic fluctuations**.
  - Too much reliance on a few major players limits **local value capture**. A more diverse ecosystem allows for circulation of dollars locally, strengthening the community's economic resilience.

#### Childcare & Workplace Flexibility Gap

- Childcare availability and affordability are significant barriers to workforce participation, especially for shift workers.
- Projects like the St. Charles and OSU childcare facilities stalled due to the pandemic or lack of workforce, highlighting the broader childcare labor shortage.
- While flexible work models (e.g., 2–3 days a week, remote options, flex time, PTO over pay) are being explored, they are not feasible for all industries, especially healthcare, hospitality, and trades.

#### Quality of Life, Equity & Social Isolation

- Participants emphasized the need for an **inclusive, human-centered vision**. Current economic strategies **do not adequately reflect the lived experience** of many residents, especially those facing food insecurity, rising costs, or limited job mobility.
- Shrinking household sizes and high costs contribute to social isolation**, which has ripple effects on health and productivity.
- Equity in workforce development, housing, and infrastructure is critical to ensuring **everyone—not just high-income earners**—can thrive in Bend.

#### Regional Coordination & Strategic Framing

- The group stressed that while the strategy may be **Bend-focused**, the solutions must be **regional**—including Madras, Redmond, and other parts of Central Oregon.
- Transportation, housing, and workforce issues cross city boundaries**, and must be addressed collaboratively.
- A **worker survey launching in September** will aim to better understand frontline employee perspectives; participants recommended framing future strategies and the problem statement around **real human experience** to improve community resonance and buy-in.

#### KEY TAKEAWAYS

- Education-Workforce Misalignment**There's a disconnect between local educational offerings and actual employer needs—especially in technical, vocational, and skilled trades. The region is over-indexed on 4-year degrees but lacks pathways for 2-year, certification, and trade-based careers.
- Housing Costs Undermine Talent Retention**Employers are losing mid-level talent because of Bend's high cost of living. Even workers earning \$65K–\$100K are commuting from outside the city or turning down jobs altogether.
- Childcare is a Critical Barrier**Lack of affordable, accessible childcare limits workforce participation—particularly for shift workers. Even planned childcare expansions remain underutilized due to staffing shortages.
- Bend's Economic Strategy Lacks Business Retention Focus**The current problem framing emphasizes workforce but overlooks business attraction and retention, which are vital to building a balanced, resilient economy.
- Economic & Social Diversity Needed for Resilience**Bend must strengthen its economic ecosystem by supporting a wider range of industries, job types, and income levels to better withstand economic shifts and foster inclusive prosperity.
- Regional Problems Require Regional Solutions**While the strategy may focus on Bend, solutions must include coordination with surrounding communities like Redmond and Madras. Regional alignment is essential for effective workforce, housing, and infrastructure planning.

## CORE VALUES + GUIDING PRINCIPLES

### EDUCATION & SKILLS DEVELOPMENT

- Broad Definition of Education:** Emphasis on both traditional (degrees, certification) and non-traditional (on-the-job learning, work-based programs) education models.
- Responsive Partnerships:** Programs like the COCC/St. Charles medical job training show success—employers need to be engaged in shaping programs based on real-time needs.
- Upskilling Incumbent Workers:** There is a **lack of funding** for professional development of current employees—the gap hinders workforce advancement.
- K-12 System Must Engage:** Focus on **student engagement, attendance, and teacher retention**.
- Education must be **hands-on, competitive, and tied to real-world outcomes** like internships.
- Retain Intellectual Capital:** Communities must better **capture, celebrate, and leverage student and employee success stories** to inspire broader participation and support.
- A Supportive & Business-Friendly Environment**
  - Permitting & Construction Delays:** Long and costly delays (e.g., **\$1.5M lost opportunity at Deschutes Brewery** at St. Charles) hinder both new and expanding businesses.
  - Need for Policy Reform & Responsiveness:** There's strong frustration over lack of action from government despite regular feedback collection. Follow-up, even without solutions, builds trust.
  - Data-Driven Decision-Making:** Access to **real-time, transparent data** is essential for evaluating policy impacts (e.g., free policy and economic development scoring).
  - Engaging Young Professionals:** It's difficult to keep the **25–35-year-old demographic** engaged due to housing, business costs, and a lack of career-building opportunities.

### INCLUSIVE ECONOMIC GROWTH

- Widening Inequities:** Economic growth has disproportionately benefited wealthy newcomers, while **lower-income residents and business owners struggle with upward mobility**.
- Support for Early-Stage Entrepreneurs:** The region must provide support for **early-stage, non-traditional business ideas**, particularly for those with "grit and potential" but limited access to capital or formal business knowledge.
- Regenerative Wealth Building:** Encourage reinvestment from local wealth holders into community initiatives, philanthropy, and startup ecosystems. Establish capital funds **specifically for Central Oregon** to serve diverse needs.
- Ownership & Asset Building:** Focus on converting **cash-flow businesses** (e.g., barbershops) into **appreciating assets**. Remove barriers to **land ownership and commercial development**, particularly for marginalized communities.

### ENVIRONMENTAL & GENERATIONAL SUSTAINABILITY

- Stewardship of Natural Assets:** Balance **economic development with protection of Bend's physical environment**—seen as a long-term community and economic asset.
- Young Retention & Reconnection:** Young people are leaving the area; reconnecting them requires addressing their values: entrepreneurship, purpose-driven work, and flexibility.
- Entrepreneurial Mindset in Education:** Schools and programs must foster entrepreneurship and provide pathways for youth to launch **homegrown businesses**.
- Collective Responsibility:** Bring together a **diverse cross-section of the community** to lead and co-own sustainability goals—**generational wealth** (e.g., land trusts) can persist beyond individual business success.

### KEY TAKEAWAYS

- Education Must Be Practical, Flexible, and Employer-Informed**A successful workforce strategy requires aligning education with real-world needs—through vocational training, certifications, and partnerships with employers to shape responsive, skill-based learning opportunities.
- Permitting and Policy Reform Are Critical to Business Growth**Long, costly permitting delays are discouraging business expansion and investment. Businesses want streamlined processes, follow-up on feedback, and a more responsive local government.
- Equity and Inclusive Growth Require Intentional Investment**Economic growth has created gaps—wealth is not reaching all residents. There's a need for tools, capital, and support for early-stage entrepreneurs and small business owners, especially in marginalized communities.
- Retaining Talent Means Addressing Cost of Living and Opportunity**High costs and limited upward mobility make it hard to retain younger and mid-career workers. Strategies must support wage growth, housing access, and career-building jobs to keep talent in the region.
- Support Ownership and Wealth Creation, Not Just Income**Help small business owners transition from cash flow to asset-building—through land access, commercial property ownership, and programs that convert income into long-term wealth.
- Balance Economic Development with Environmental Stewardship**Protecting Bend's natural environment is essential to its identity and economy. Development strategies must consider sustainability and engage youth, entrepreneurs, and diverse voices in shaping the future.

## VISION STATEMENT - FEEDBACK

### CLARITY AND MEMORABILITY

- A strong vision statement should be **short, clear, and easily repeatable**, with about 85% of people able to recall it consistently.
- It should provide a **clear destination**—you know when you've arrived.

### ASPIRATIONAL YET REALISTIC

- The vision must be **inspiring and ambitious but grounded and believable**.
- Avoid abstract or vague language; it should feel achievable within the timeframe.

### INCLUDE METRICS AND TIME BOUNDARIES

- Incorporate **measurable goals** (e.g., wage growth percentages, housing affordability metrics) and a **defined timeframe**, such as a 10-year horizon.
- This helps maintain focus and track progress.

### REFLECT BEND'S UNIQUE IDENTITY

- Highlight Bend's **human dimension**—quality of life, access to nature, and community character.
- Capture what makes Bend distinct from other regions.

### EMPHASIZE ECONOMIC EQUITY AND STABILITY

- Acknowledge challenges like **economic inequality, wage disparities, and housing costs**.
- Focus on **diversity and stability** in the economy to foster inclusive prosperity.

### BROADEN ASPIRATIONS BEYOND THE REGION

- Aim beyond the Pacific Northwest to aspire to **national or global benchmarks** for economic leadership.

### NEXT STEPS

- Schedule **Workshop #3** to develop the plan's general framework and draft objectives.
- Schedule **Workshop #4** in Sept/October for draft review and refinement.

