

Supporting Eastern Oregon's New Natural Resource Economy



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Final Report

Prepared by
The University of Oregon
Community Service Center
School of Planning, Public Policy, and Management

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About the Community Service Center

The Community Service Center (CSC) is a research center affiliated with the Department of Planning, Public Policy, and Management at the University of Oregon. It is an interdisciplinary organization that assists Oregon communities by providing planning and technical assistance to help solve local issues and improve the quality of life for Oregon residents. The role of the CSC is to link the skills, expertise, and innovation of higher education with the transportation, economic development, and environmental needs of communities and regions in the State of Oregon, thereby providing service to Oregon and learning opportunities to the students involved.

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Executive Summary

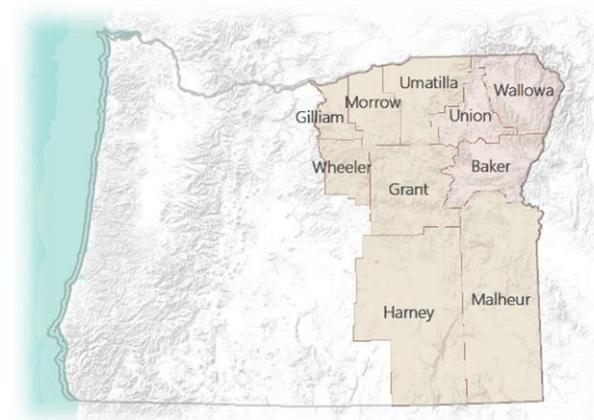
Eastern Oregon’s historic economic base in agriculture and natural resources continues to be important but, as with many rural regions, those activities are no longer sufficient to support the regional economy. However, a **New Natural Resource Economy (NNRE)** has emerged in the last 20 years that can help diversify the regional economy and make it more resilient.

This study seeks to broaden our understanding of the NNRE, to understand the specific needs of NNRE businesses, and to identify ways governments and economic development organizations can respond to these needs.

What is the NNRE?



The New Natural Resource Economy is a complement to traditional natural resource enterprises that can help diversify local economies. It consists mostly of very small businesses that use natural resources in innovative ways to create new products (such as biomass fuels and lumber from juniper) and tap into new markets (such as farm-to-table agriculture and ecotourism). NNRE businesses contribute simultaneously to resilient local economies and a healthy environment by emphasizing stewardship and restoration principles.



Key Findings

Based on 42 interviews with select NNRE businesses and economic development professionals and 43 responses to an online survey of NNRE business owners, we are able to paint a preliminary picture of the NNRE in Eastern Oregon, including a description of NNRE business types, how businesses interact with support services, and common barriers to success.

Characteristics of NNRE Businesses

Type	We categorize NNRE businesses into four groups: forest products, agriculture, tourism, and restoration. Many NNRE businesses fall into multiple categories (for example, a working farm that also provides agritourism homestays). Over half of survey respondents fell into the agriculture category, and just over one-quarter worked in tourism.
Size	NNRE businesses are often very small – the majority of survey respondents had 5 or fewer employees.
Customers	Most NNRE survey respondents served either retail customers or other businesses, with fewer working directly with the government.
Markets	NNRE businesses serve local, regional, and even nation or international markets, suggesting that NNRE businesses can have a broad reach.
Goals	While profitability is a priority for NNRE Businesses, environmental health and community well-being are also important goals. Survey responses suggest that businesses adopt a holistic approach to decision-making, weighing environmental, economic, and social impacts.

Key Findings, continued

Interactions with Business Support Services

Our investigation reveals that:

- › Eastern Oregon has a good foundation of general business support services, but **lacks capacity to deal with the more specific and technical issues** that businesses encounter in a format that resonates with businesses.
- › NNRE businesses **prefer “expert” assistance to “generalist” assistance**. Professionals such as lawyers and accountants often provide “expert” assistance, while economic development organizations often provide “generalist” services, such as help with navigating government regulations or obtaining grants.
- › NNRE businesses have a preference for having **direct relationships with those they interact with** for assistance.

Overall, some mismatch appears to exist between NNRE businesses’ needs and preferences and the capacity and service model of economic development organizations.

Concerns and Barriers

Over three-quarters of survey respondents indicated that they were either concerned or very concerned about their businesses’ ability to thrive. Top concerns include:

Regulations	NNRE businesses are concerned about the complexity of regulations and have a perception that assistance with navigating government processes is inadequate. Survey respondents do not always view government as being “on their side.”
Workforce	Both economic development specialists and NNRE businesses highlighted the lack of a skilled and reliable workforce as a major concern for business development.
Access to Peer Networks	Peers are a top source of support for NNRE businesses. Since many businesses expressed suspicion or skepticism about seeking help from “official” sources, peer networks are an important but underdeveloped mechanism for assisting NNRE businesses.
Technical Assistance	Many NNRE businesses expressed the need for more specialized support surrounding accounting, business management, marketing, and developing an effective internet presence. Many businesses also wanted to see more direct support for start-ups and entrepreneurs.
Unstable or Unfavorable Markets	Interviewed and surveyed NNRE businesses expressed concern about fluctuations in the markets for their products as well as the state of markets for land, utilities, and distribution services. Prices can be unstable and it can be difficult to access land.
Infrastructure	Survey respondents cited a lack of transportation services for their goods (such as rail or air), a lack of access to a USDA meat processing facility, and infrastructure disrepair as major concerns. The need for high speed internet came up frequently as well.

Conclusions and Recommendations

The interviews and survey responses show that NNRE businesses face challenges similar to those of any small rural business. The support programs currently offered by economic development organizations in Eastern Oregon already address many of these challenges, such as business management and funding. However, the results of our study also indicate that NNRE businesses do not always take advantage of the support services that are offered.

We identify two main reasons for this:

1. **Time, distance, and capacity constraints** make it problematic for business owners to take advantage of the services offered by economic development organizations, while these same constraints make it difficult for economic developers to offer a full range of specialized services and to be known and accessible to potential clients.
2. Since most NNRE businesses **lack a direct relationship with economic developers**, they often view economic development organizations as an extension of the government rather than as trusted members of the community. The result is that businesses are less likely to turn to economic developers for help.

To address these issues and better meet the needs of NNRE businesses, we suggest **adaptations**, designed to fit within the framework of economic developers' current offerings, rather than entirely new programs and services. And given the reality of resource limitations, this study's results indicate that any adaptations by economic development organizations should include **exploring ways to collaborate** in order to make more efficient use of scarce staff-time and funding.

This report includes recommendations aimed at addressing some of the concerns expressed by NNRE businesses related to **regulations, workforce, networking, and technical assistance**. We hope economic development organizations will consider these suggestions and move forward with **collaborative efforts** where interest and capacity exist.

NNRE is not a panacea for the economic problems facing small towns and rural regions. Nevertheless, it is a valuable contributor to jobs and wealth, to economic diversification, and to community and environmental well-being. As such, NNRE firms, individually and collectively, need to be a strong focal area for Eastern Oregon's local and regional economic development organizations.



Chapter 1: Introduction

Eastern Oregon’s historic economic base in agriculture and natural resources continues to be important but, as with many rural regions, those activities are no longer sufficient to support the regional economy. However, a wide range of other economic activities has emerged in the last 20 years – alternative agriculture, ecosystem restoration, community forestry, agro- and eco-tourism, value-chain differentiated products, and ecosystem services, to mention several examples – that can help diversify the regional economy and make it more resilient. We call this emerging sector, which complements but does not replace traditional natural resource uses, the **New Natural Resource Economy (NNRE)**.

Like much of the Eastern Oregon regional economy (e.g. Wendel, 2017), NNRE consists predominantly of very small firms. They are often overlooked but collectively they can add meaningfully to rural community socio-economic well-being. The purpose of this project is to identify and strengthen opportunities for growth in the NNRE.

What is the NNRE?



The New Natural Resource Economy is a complement to traditional natural resource enterprises that can help diversify local economies. It consists mostly of very small businesses that use natural resources in innovative ways to create new products (such as biomass fuels and lumber from juniper) and tap into new markets (such as farm-to-table agriculture and ecotourism). NNRE businesses contribute simultaneously to resilient local economies and a healthy environment by emphasizing stewardship and restoration principles.

Background

One of the most difficult challenges for economic development in the early 21st century is how to address the lagging socioeconomic health of rural communities. Rural areas cover 97% of U.S. land area but contain 19.3% of the population. This is

down from 54.4% rural in 1910. Despite the decline in the fraction of the population that is rural, there are 60 million rural dwellers in the U.S. (Fields et al. 2016), and they are less well-off than their urban counterparts. The gap in earnings per job between metro and non-metro workers was 26.3% in 1969; by 2008 it had increased to 32.9% (Castle et al. 2011). Per capita personal income in rural areas is 75.9% of urban areas (Nelson 2017).

The Oregon situation is similar to that of the nation as a whole. The 23 rural Oregon counties account for about 17% of the state’s population and 13% of the jobs (Nelson 2017). The 2015 gap in earnings per job between urban and rural Oregon was 28.5% (OR-REAP n.d.), and capita personal income in rural Oregon is 82.8% of urban Oregon (Nelson 2017).

How are we to explain the rural variance? Not all rural communities are in decline, of course. Those located in amenity-rich areas are experiencing unprecedented growth as centers for tourism, recreation, retirement, and long-distance commuting. But the economy of most rural areas centers on primary production in agriculture and natural resources; they are struggling.

Through most of the 20th century rural communities were tied economically to primary production. However, the rise to dominance of commodity production—the industrialized approach to agriculture and natural resource management including specialization, standardization, and consolidation in pursuit of increased efficiency—in the latter part of the century transformed the rural economy. It disconnected primary producers from rural communities. Commodity production encourages direct links between producers and urban centers, bypassing the rural communities that were once essential to primary producers. Thus, many rural communities have been uncoupled from the larger economy and made economically redundant (see, e.g., Lyson and Guptill 2004; Cochrane 2003; Robbins 2000; Stoll 1998; Hirt 1994). They are struggling to find new economic bases to fill

the gap left by the transformation in primary production.

The rise of NNRE is an important potential opportunity to help fill that gap. NNRE firms have found new uses for familiar natural resources and/or have found ways to utilize what were formerly thought of as waste materials. As they thrive, NNRE firms provide new sources of jobs and wealth for rural regions and their communities. However, though many of the constituent components of NNRE have received a good deal of attention, there has been no overarching analysis, no attempt to map the whole territory. That is the purpose of this project. Building on a scoping survey conducted in 2011 (Hibbard and Lurie 2013), we used open-ended interviews and a survey with NNRE entrepreneurs and economic development officials across Eastern Oregon to understand the barriers and opportunities presented by NNRE.



Source: CTUIR Tribal Native Plant Nursery. Native plant greenhouse.
<http://www.tribalnativplants.com/>

Purpose

This project began with the idea that the emerging NNRE has significant potential to increase prosperity in resource-based rural economies, with Eastern Oregon as a leading case example. The aim is to explain the contributions of NNRE businesses and to develop a framework for supporting their efforts in ways that will increase business diversity and economic resilience in rural communities. Specifically, this project seeks to identify ways governments and economic development organizations can respond to the needs of small, rural firms in Eastern Oregon that are finding

innovative ways to use natural resources to produce new products and reach new markets.

This project investigated opportunities for development of the NNRE in four main steps.

Project Components

- 1. Identifying existing NNRE activities** in each of two economic development districts, the Greater Eastern Oregon Development Corporation (covering Gilliam, Morrow, Umatilla, Grant, Wheeler, Harney, and Malheur counties) and the Northeast Oregon Economic Development District (covering Baker, Union, and Wallowa counties);
- 2. Pinpointing barriers and opportunities** faced by NNRE firms;
- 3. Proposing policy recommendations** aimed particularly at state, regional, and local governments that will enhance development of the NNRE sector in Eastern Oregon; and
- 4. Proposing strategies and tools to reduce barriers to entry** for innovative NNRE entrepreneurs and support NNRE business start-ups and expansions.

The proposed strategies and tools form the basis of a “toolbox” for economic developers to help support the NNRE. The toolbox will be shared in a series of workshops taking place in late summer, 2017, around Eastern Oregon.

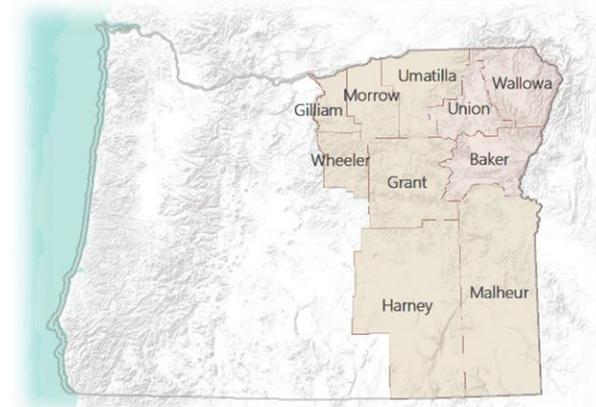
Methods¹

As noted previously, this study builds on a 2011 scoping survey (Hibbard and Lurie 2013) funded by the Ford Family Foundation (TFFF). Its purpose was to provide an initial operational description of NNRE and to identify barriers to its development. It utilized an online survey of community leaders participating in an ongoing statewide rural development program organized by an Oregon nonprofit organization. Fifty-nine people responded, including at least one from each county. The survey provided the first empirical exploration of NNRE activities, along with a discussion of needed policy and program actions.

¹ See Appendix A for a detailed description of the methods used in this study.

With further support from TFFF, along with the Meyer Memorial Trust (MMT) and Oregon Community Foundation (OCF), we were able to carry out this more extensive investigation of NNRE. The next step was to conduct 42 face-to-face, in-depth interviews with select NNRE businesses and economic development professionals across ten counties in Eastern Oregon during the summer of 2016. The interviews broadened the findings of the scoping report in three ways. They shed light on the breadth and depth of the sub-sectors that make up NNRE, identified a preliminary set of barriers facing NNRE entrepreneurs, and provided insight into the sources of support NNRE businesses are likely to use.

Study Area



The responses to the open-ended interviews informed the questions in a more extensive, focused online survey of Eastern Oregon NNRE businesses. Businesses were invited to participate in the survey either directly (when contact information was available) or through the “gatekeepers” of a number of Eastern Oregon business associations, organizations, and trade groups (who passed the survey on to their contacts). Forty-three firms from across Eastern Oregon responded to the survey. The survey responses allowed us to characterize the needs of existing NNRE businesses, understand barriers to businesses’ success, and identify businesses’ preferred support systems. Information from the interviews and the survey provided the foundations for developing recommendations aimed at supporting the NNRE sector.

Taken together, the scoping report, open-ended interviews, and survey gathered the views of a total

of more than 100 rural entrepreneurs and economic development professionals.

In addition to the interviews and survey, we also reviewed relevant planning documents and worked with business support service providers to understand the range and type of services available to NNRE businesses. We analyzed the comprehensive plan and economic development plan (if it existed) for each county in the study area, looking for policies that could impact NNRE businesses. In addition, we reviewed the Comprehensive Economic Development Strategies (CEDs) for NEOEDD and GEODC to provide context for the overall economic development goals of Eastern Oregon policy leaders.

We also spoke with economic development service providers to develop a more detailed understanding of their service offerings. This scan of existing policies, priorities, programs, and services allowed us to base our recommendations on existing efforts, and to better understand the disconnect between businesses’ perceptions of available services and the actual business support landscape.



Source: Sustainable Northwest. Juniper logs for milling, 2015. <http://www.sustainablenorthwest.org/blog/posts/proposed-bill-would-boost-oregon-juniper-harvests>

Organization of this Report

The remainder of this report is organized as follows:

Chapter 2: Background provides a history of Eastern Oregon’s economic development and introduces the emerging opportunities provided by NNRE.

Chapter 3: Findings presents an overview of the results of our research – the open-ended interviews and survey. We describe NNRE business types the research uncovered, where they go to for help with a variety of business issues, and barriers and concerns voiced by the respondents. The results are used to support the recommendations made in Chapter 4.

Chapter 4: Conclusions and Recommendations

includes our recommendations for adapting existing economic development strategies to more effectively support the success and growth of NNRE businesses.

In addition, there are two appendices:

Appendix A: Methods and Results provides a full explanation of our research methods – data collection and analysis.

Appendix B: The Business Assistance Landscape – A Review of Organizations, Policies, and Programs is a purposive sample of Eastern Oregon economic development organizations and the services they offer that are relevant to NNRE firms and entrepreneurs.

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Chapter 2: Background

This chapter explains the rise and evolution of commodity production in Eastern Oregon, discusses the effects of this transformation on rural communities, and chronicles the emergence of the New Natural Resource Economy (NNRE) as a diversifying influence. It lays the foundation for understanding NNRE and its economic development potential.

Eastern Oregon's Modern Economic Base Emerges

The re-settlement of Eastern Oregon (as Euro-Americans drove out the Native American peoples and/or confined them to reservations) began with classic western gold rushes in the 1860s. Commercial cattle ranching developed in southeast Oregon in the 1870s. The coming of the transcontinental railroad in the 1880s provided access to national and international markets for large-scale wheat production on the Columbia Plateau and for sheep (wool) producers around the region. Similarly, completion of the railroad provided an outlet through the national rail system for a network of large and small logging operations and sawmills utilizing the extensive pine forests of the Blue Mountains, beginning in the 1890s (Hibbard et al. 2014, Powell 2008, Robbins 1997, Lindeman 1992).

Although homesteading played a role, especially in the first two decades of the 20th century, small-scale dry land farming was largely a failure in Eastern Oregon and never became an important part of the regional economy (Robbins 2016). Commodity production in timber and agriculture – especially wheat, beef, and wool – was predominant. Commodity production entails the application of mass production principles to agriculture and natural resource management in search of increased efficiency, including the use of industrial and organizational technology, specialization, standardization, and consolidation (Hibbard and Lurie 2013).

The homesteaders were served by tiny villages that may have had only a grade school and a post office.

Most of them were short-lived. The communities that thrived – Burns, John Day, Fossil, and Enterprise are examples – were those that supported the commodity producers. These support communities were sites for processing (sawmills), transportation (grain elevators, warehouses), supply (equipment dealers), business services (banking, insurance), and the like.

The railroad and associated communication links – telegraph and later telephone – tied Eastern Oregon communities and commodity industries together and to the rest of the world, both economically and socially. Local support communities were tied to regional centers such as Pendleton, La Grande, and Ontario which in turn were linked to the Portland metropolis and its port as well to the Eastern U.S., and through them to the world at large. This network facilitated interaction among the players, building links between urban and rural, Eastern and Western Oregon, Eastern Oregon and the globe, that lasted into the latter years of the 20th century (Robbins 1997).

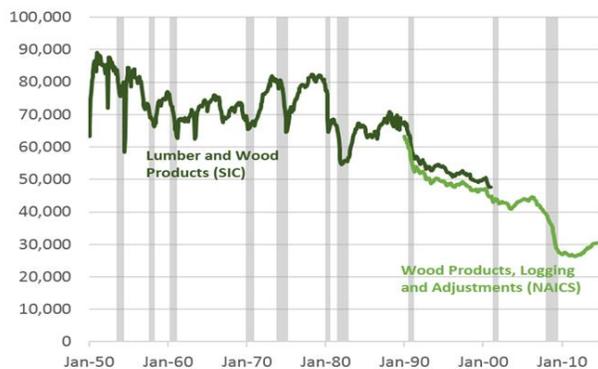
World War II and the post-war years of the 1950s and '60s saw a huge increase in the demand for raw materials from Eastern Oregon. Industrial and organizational technology evolved in response, enabling firms – from farms to mills to banks – to get larger and more efficient. As a consequence of new technologies, however, it took fewer and fewer workers in fewer and fewer operating units to produce more and more output.



Source: The Forest History Center / ODF Archives. Logging operation in Eastern Oregon, 1937.

The example of the timber industry is illustrative. Timber historically constituted a large fraction of Oregon’s gross domestic product, jobs, and wages. Demand for forest products skyrocketed in the post-war period, to supply the market created by rapidly expanding suburbanization, and the number of workers fluctuated around the 70,000 level. But beginning in the early 1990s, wood products employment began a steep decline (see Figure 1).

Figure 1. Oregon Wood Products Employment, 1950 – 2014



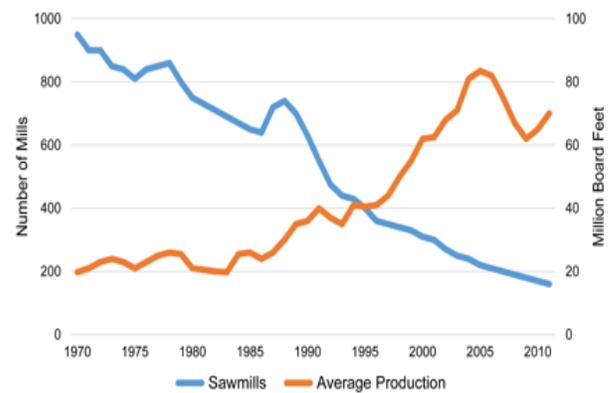
Source: Oregon Office of Economic Analysis.
<https://oregoneconomicanalysis.com/2012/01/23/historical-look-at-oregons-wood-product-industry/>

This is often attributed to environmental regulations and harvest limits on federal land but as Figure 2 and Figure 3 show, the more significant explanation is major advances in mill efficiency: as output per mill continues to rise, there has been a parallel decrease in the number of operating mills (Figure 2); and the increase in mill efficiency is associated with a rise in output per worker along with a parallel decline in the number of workers in the industry (Figure 3).



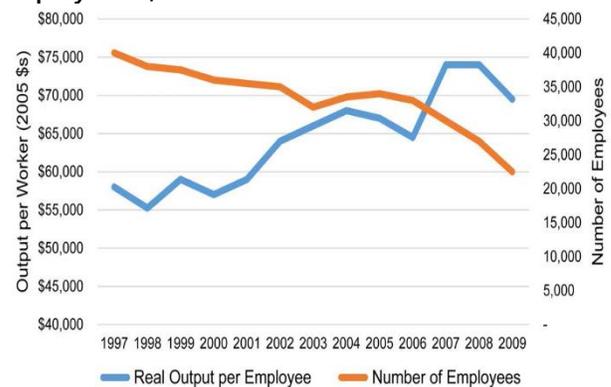
Source: The Willowa County Chieftain. Mill in Pilot Rock, OR, 2011.
<http://www.wallowacountychieftain.com/20110317/the-lifeblood-of-pilot-rock>

Figure 2. Western Sawmills and Timber Production, 1970 – 2010



Source: <https://headwaterseconomics.org/economic-development/trends-performance/changing-role-manufacturing/>

Figure 3. Oregon Wood Products Productivity & Employment, 1997 – 2009



Source: <https://headwaterseconomics.org/economic-development/trends-performance/changing-role-manufacturing/>

The commodity production model has similarly affected agriculture. Farms adopted new technologies and replaced labor in a move toward larger scale production. Government played a role in making food cheap and abundant through various policy tools; and, beginning in the 1990s, global trade agreements aligned government and private production standards across geographic and political boundaries. Output and farm size increased while the overall number of farms and ranches declined from a peak of seven million in the 1930s to less than half of that by the latter part of the twentieth century (Lurie and Brekken, in review).

More generally, as commodity production has become more efficient, it takes fewer farmers, loggers, miners, and ranchers to produce more wheat, timber, minerals, and beef. The upshot is that

there are a smaller number of larger operating units employing fewer workers. And as commodity production has been transformed, the businesses that support it – processing facilities, transportation networks, suppliers, and business services – have all become more and more centralized in urban areas. There has been a disconnect between primary producers and the local communities on which they once depended. The small communities and even the regional centers that developed to support commodity producers have experienced a serious erosion of their economic base. (Hayter, 2003; Hibbard 1999).

Changing Economic Opportunities

As the economic contribution from commodity production flowed more to urban areas, presenting significant challenges for natural resource dependent communities, a number of creative natural resource management and production trends began to emerge (Hibbard and Lurie 2013). Three distinct trends point to opportunities for jobs and wealth creation around natural resources for rural economies. First, collaborative forms of natural resource management, centered at the local level and focusing on sustainable use of resources such as timber and grazing forage, began to emerge in the 1990s. Captured under the umbrella term of Community Based Natural Resource Management (CBNRM), these local governance models have been known by a variety of names such collaborative stewardship, watershed management, grass-roots ecosystem management, community-based environmental planning, and civic environmentalism. They are flexible, place based, multi-interest, cooperative efforts linking private and public partners for natural resource management problem solving. Typically inclusive and consensus driven, CBNRM objectives are aimed at healthy, sustainable forest and range utilization with an equal emphasis on the local economy and community. Outcomes often include jobs and money flowing into the local economy through restoration and ancillary activities (Hibbard and Lurie, 2006).

A second trend is the movement toward buying local or regional products in timber and agriculture, historically Eastern Oregon’s two primary resources. The growing demand for local agricultural products

is a consumer reaction to the industrial “food from nowhere” model, with its perceived negative effects on human health, rural economies, and the environment. Consumers are often willing to pay a premium for local foods in order to support local farmers and ranchers and the local economy (Low et al. 2015). Restaurants often feature locally grown agricultural products, and farmers’ markets are becoming increasingly ubiquitous. In Oregon, this trend represents increased opportunities for small-scale rural agriculture (Lurie and Brekken, in review). Additionally, there is an emerging market for a range of wood products sourced from family forest lands and processed in locally owned mills (Kelly and Bliss 2012).



Source: The East Oregonian. The Pendleton Farmers Market, 2016. <http://www.eastoregonian.com/eo/local-news/20160321/pendleton-farmers-market-considers-return-to-main-street>

Third, consumers are increasingly interested in knowing the story and origin of the products they buy. Previously, the prevailing approach to consumers’ purchasing decisions was on thriftiness, value for the dollar. Now, however, many consumers take into account additional considerations such as whether the products they are purchasing are healthful and whether they meet criteria of social and environmental responsibility (e.g. Nielson, 2015, Blackburn 2007).

These trends provide the backbone for a new way to think about natural resource uses: the New Natural Resource Economy, or NNRE. While NNRE is a broad concept, two components begin to delineate the boundaries between activities that are NNRE, and those that are not: the healthy environment – healthy economy paradigm; and multi-functionality.

NNRE is firmly rooted in the concept that there is a positive economic value to the presence of a healthy environment. Healthy rivers and associated healthy fish populations bring rafters and anglers; thinning stands of trees for wildfire mitigation provides biomass for alternative heating sources. At the same time, these activities provide economic benefits to local individuals and communities. Watershed restoration is probably the most closely studied case. Nielsen-Pincus and Moseley (2013) found that each \$1 million invested in forest or watershed restoration generates between 15.7 and 23.8 jobs, and between \$2.1 and \$2.4 million dollars that circulates in the local economy. Hibbard and Lurie (2006) estimated that, for every dollar in support grants from the Oregon Watershed Enhancement Board, local watershed councils were able to generate an additional \$5.09, 80% of which remained in the local economy.

Other examples of NNRE businesses include a variety of value-added natural resource products; stewardship based farming and ranching; native plant nurseries for habitat restoration activities; innovative forest products from non-traditional sources such as highly water-consumptive juniper which, when removed for production, restores bird habitat and water tables; eco- and agri-tourism; and locally sourced products used in local enterprises such as distilleries, microbreweries, and restaurants.



Source: Farm Stay U.S. Wilson Ranches Retreat, Fossil, OR.
http://www.farmstayus.com/farm/Oregon/Wilson_Ranches_Retreat

Multifunctionality is the idea that landscapes can be managed for multiple purposes simultaneously. It entails conventional production along with consumption, using the landscape without using it up, as in tourism and recreation, and protection,

maintaining, conserving, and restoring the landscape. The added value of these simultaneous activities can preserve the desired livelihoods of NNRE businesses, while also meeting environmental goals.

A wide range of resource-based businesses and activities have emerged in the last 20 years in Eastern Oregon aimed at more environmentally conscious agriculture and natural resource management. They also have important socioeconomic implications for the rural communities in which the activities are carried out. NNRE firms tend to be very small, reflecting the reality of business in rural Eastern Oregon. About two-thirds of Eastern Oregon businesses have four or fewer employees, including 16.9% that have no employees (Wendel 2017). Small businesses tend to be more embedded in and committed to the communities in which they operate. Local enterprise owners generally exhibit a greater sense of responsibility to support the local community financially and through contributions of time and skills (Besser and Jarnigan, 2010; Hurst and Pugsley 2011). In some instances, local business owners are also more attuned to area environmental protection (Steiner and Atterton, 2015).

Conclusion

As the economy of Eastern Oregon continues to adjust to changing markets and realities, NNRE firms can begin to build back some of the investment, employment, and wages lost during the pivotal shifts of the natural resource economy in the late 20th century. NNRE businesses can help diversify local economies and add to economic resilience. Because they are rooted in their communities, they build capacity for self-direction while enhancing rural communities' environmental, social, and cultural assets (Hibbard and Lurie, 2013). The range of economic development organizations and enterprises across Eastern Oregon would do well to find the most effective policies programs, and tools to support NNRE entrepreneurs.

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Chapter 3: Findings

In this chapter we present the findings from our research – open-ended interviews conducted during late summer and fall of 2016 and a survey in the winter of 2017.² We provide a profile of the NNRE businesses in our sample, including a description of NNRE business types; we discuss businesses’ interactions with support services; and we describe the barriers and concerns voiced by respondents. Collectively, these findings inform the “toolbox” of recommendations presented in Chapter 4 for economic developers wishing to better support NNRE enterprises.

As stated in Chapter 1, in 2016 we conducted open-ended interviews with economic development specialists and purposively chosen NNRE entrepreneurs in the ten-county study region. We used the responses from those interviews to inform the survey which provided the results reported in this chapter.

While findings do not definitively apply to all NNRE businesses, scoping work, interviews, and surveys revealed common threads that provide a preliminary understanding of a range of NNRE enterprises in Eastern Oregon. The needs and preferences of NNRE businesses from interviews and the survey may not be representative of the entire sector; however, responses provide important insights into some of the issues NNRE businesses face. This research offers a starting place for further exploration and definition of Eastern Oregon NNRE businesses’ needs.

Characteristics of NNRE Businesses

NNRE businesses do not conform as a group to the standard categories of the North American Industry Classification System (NAICS). As well, they may not be captured in other data sources due to factors

² More information on interview and survey methodology can be found in Appendix A.

³ Removal and use of juniper can also qualify as a restoration enterprise: juniper removal restores habitat for species such as sage grouse; and, as juniper uses large amounts of water,

such as their very small size and atypical or innovative products. We have therefore organized NNRE businesses into a simple four-category typology: forest products, agriculture, tourism and restoration. These categories are just a starting place for understanding what the NNRE comprises, based on the responses to this research. They are also flexible as a number of enterprises fit into more than one category.

Examples in each category from the interviews include the following:

Examples of NNRE Businesses

Forest Products: Lumber and furniture from juniper;³ specialized wood products such as furniture from small-diameter trees not harvested in typical timber sales; custom log homes; biomass products such as wood pellets and briquettes.

Agriculture: Artisanal agriculturally based value-added enterprises such as micro-distilleries and craft breweries; certified organic products as well as products raised organically but without being certified; value-added products such as grass-fed livestock and specialty products such as gourmet garlic; raising and training draft horses for farming and for sale; native plant nurseries.⁴

Agri- and Eco-Tourism: Farm and ranch stays; guided bicycle tours; lodging catering to bicyclists or people trailering their horses for riding trips; cycling and agricultural/local food tours developed by the Eastern Oregon Visitors Association.

Restoration: Fuels reduction enterprises for wildfire mitigation; watershed and forest restoration activities and support services such as native plant nurseries (see Footnote 4).

removal restores water tables increasing the potential for more historic native flora.

⁴ Native plant nurseries that serve restoration projects are enterprise types that fit into more than one category as they represent both agriculture and restoration businesses.

Over half of surveyed businesses fell into the agriculture category, and just over one-quarter worked in tourism. Additionally, the vast majority of surveyed businesses had been in operation for at least three years (with over 60% operating for more than ten years), meaning that the perspectives of very new businesses may not be completely captured in the results. Keeping these filters and limitations in mind, survey responses provide insight into the characteristics of NNRE firms, including their operations, customers, markets, and goals.

Business Characteristics and Markets

Consistent with NNRE's focus on very small businesses—those with 10 or fewer employees—the great majority of survey respondents had five or fewer full-time employees. Close to one-third had no full-time employees. Just slightly over two-thirds of respondents operated year-round.

Most NNRE businesses surveyed served either retail customers or other businesses, with fewer working directly with government. Additionally, the majority of respondents reported regional customers (25 – 300 miles), with many also reporting a focus on the immediate local area (less than 10 miles) and Western States. These trends highlight the relationship that surveyed NNRE businesses have with their more immediate environment and communities. At the same time, nearly 30% of respondents sell in national markets, and over a quarter of respondents sell internationally, suggesting that NNRE businesses can also have a broad reach and do not necessarily focus exclusively on local markets.

Multifunctional Characteristics

Another defining characteristic of the NNRE is its multifunctional landscape emphasis. Multifunctional landscapes include *production* (such as agriculture or forestry); *consumption* (amenity-based landscape uses such as agri- and eco-tourism that do not use up the natural resources); and *restoration* (activities focused on returning landscapes to healthy states, such as though riparian and forest plantings).

Nearly a quarter of survey respondents indicated that their enterprises span production, consumption, and/or restoration. Examples included working

ranches that also offer homestays or other hospitality services, farmers who also provide marketing or environmental management consulting services, and landscape restoration combined with juniper logging.

Business Goals and Decision Making

In terms of business goals, surveyed NNRE businesses naturally want to be successful, but make business decisions based on more than just financial gain. Responses suggest that they adopt a holistic approach to decision-making, weighing environmental, economic, and social impacts. While profitability is, as might be expected, a priority, environmental health and community well-being are also important goals.

When asked about financial considerations that influenced their decision-making, typical objectives included increasing profits and reducing costs. Most respondents indicated, however, that getting rich, creating a business to sell, or building equity are much less important decision-making factors than achieving long term stability and providing for their families and their workers.

Interactions with Business Service Providers

In addition to better defining the range of NNRE business types and functions, this project seeks to document how economic developers are addressing challenges NNRE businesses face and how effective NNRE businesses perceive these support activities to be. To this end, the survey queried NNRE businesses about their perceptions of support activities provided by the various economic development entities in the region. Survey responses reveal that, while respondents are aware of many support services and the organizations that provide support, they aren't necessarily using those services. When they did use the services, businesses indicated some ambivalence about their helpfulness. At the same time, surveyed businesses stated they are much more likely to seek help from subject matter experts (such as lawyers, accountants, banks, etc.) or their peers before turning to the "generalist" services provided by business or economic development organizations.

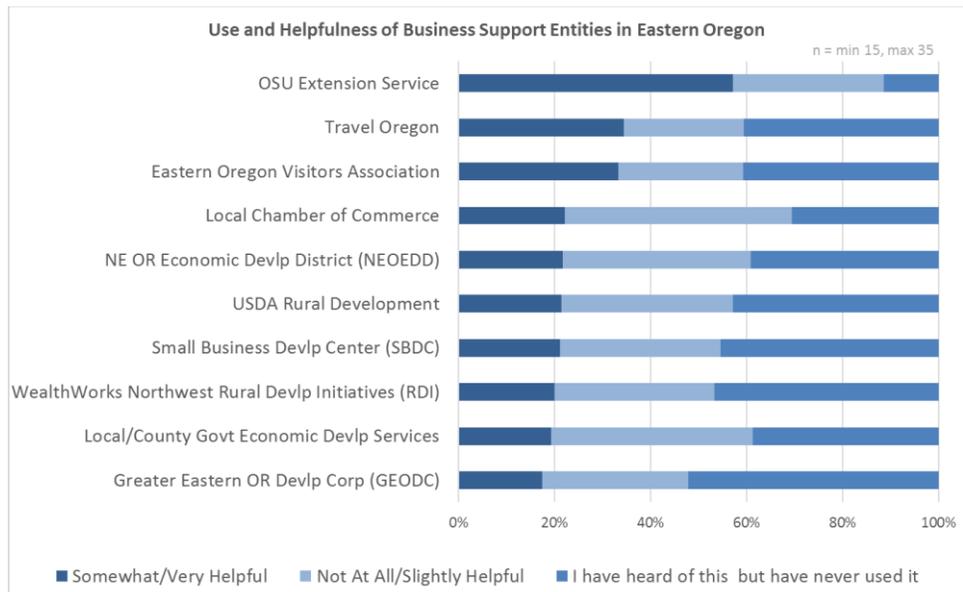
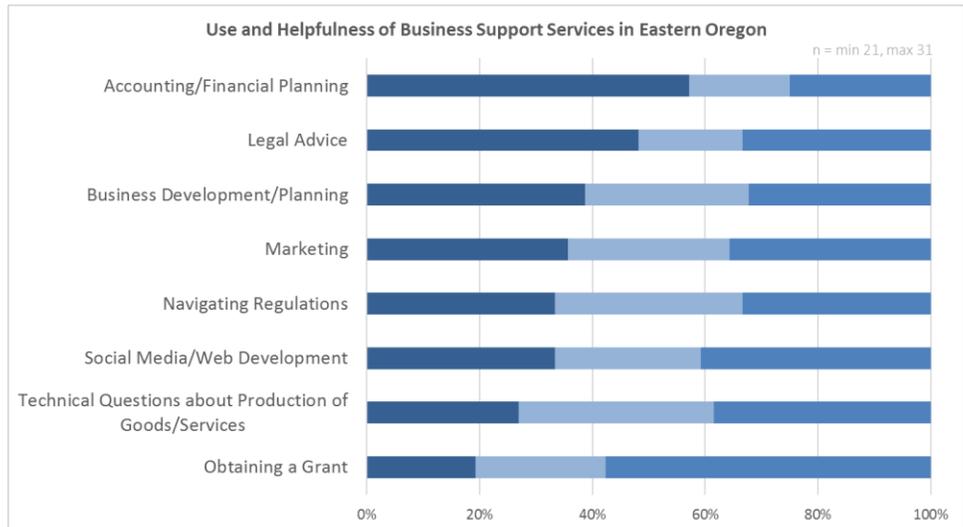
Awareness, Use, and Helpfulness of Existing Business Support Services

The survey asked businesses about their awareness and use of business support services and organizations as well as how helpful they found these services or organizations to be, if they had used them. The majority of respondents were aware of all the listed services, with particularly high awareness of business development and planning, marketing, and accounting and financial planning services. This implies that surveyed businesses are aware of support for the basics of starting and managing a business, perhaps because these services are better publicized or more widely available. NNRE businesses indicated greater difficulty getting assistance with more specific and complicated issues that are unique to the nature of their business. Regulatory complexity was a top concern for businesses; however, surveyed businesses had the lowest awareness of assistance with navigating regulations.

When asked about awareness of existing business support entities in Eastern Oregon, survey respondents showed the most awareness for organizations that are focused locally (chambers of commerce, local/county economic development departments) and those that focus on more basic business management issues (the Small Business Development Centers) or that have an extensive and effective outreach presence (OSU Extension Service and Travel Oregon). Businesses reported much lower awareness of regional service providers.

Beyond general awareness of services and organizations, survey responses suggest that one-quarter to one-half of businesses that are aware of such services have never used them. Businesses that had used services did not always find them to be particularly helpful. More than half of businesses that had received assistance with navigating regulations, answering technical questions, and obtaining grants found these services to be only slightly or not at all helpful.

When asked about the use and helpfulness of organizations, survey respondents indicated fairly low use and low helpfulness of many service providers. Only OSU Extension Service, Travel Oregon, and the Eastern Oregon Visitors' Association were viewed by the majority of their users as more helpful than unhelpful. For all other organizations,



more than half of their users said they were only slightly or not at all helpful. This indicates that surveyed businesses may have a fairly low opinion of the organizations attempting to provide them with support. With the exception of OSU Extension Service, service providers are not well-used, perhaps in part because those who have used their services did not find them to be particularly helpful and therefore did not “spread the word.”

Desired Services and Common Sources of Assistance

Interviewed NNRE businesses indicated that they want support services surrounding internet and social media, web design, and marketing. The survey similarly reflected a desire for assistance with technology (specifically related to online presence) and marketing. Businesses also expressed interest in assistance with navigating regulations, and requested workforce development programs and technical training through high schools and community colleges to assist young people interested in small-scale agriculture.

The survey also asked businesses to select which services and facilities might be useful for an entrepreneurship or business support center to offer. Responses indicated that businesses are not particularly concerned about access to space and materials; rather, they are interested in services that might provide specific technical assistance or access to peer networks. More than half of respondents thought workshops/trainings, business counseling/technical assistance, and networking opportunities would be useful for an entrepreneurship or business support center to provide.

When asked where they seek out assistance with their business, NNRE businesses indicated that they rely most on three sources:

Common Sources of Support

1. Their network of colleagues engaged in similar types of businesses (peers)
2. Their co-owners, friends, and relatives
3. Business services professionals such as accountants or lawyers

These results indicate that NNRE businesses typically are looking for direct, one-on-one help when they encounter a problem they cannot solve on their own. As evidenced by responses regarding awareness, use, and helpfulness of support services, businesses often believe they cannot obtain this type of assistance from many of the organizations that are supposed to provide it. Despite businesses’ perceptions, our investigation of existing services offered in Eastern Oregon found that more specialized and individualized services are available to businesses, should they seek them out. This suggests a disconnect between businesses and service providers, which may in part be explained by the format of service delivery.

Preferred Service Delivery Formats

Surveyed businesses selected their preferences for how support should be provided at a business support or entrepreneurship center. The top responses all involved direct access to a person, whether through an online interactive webinar or a physical space where business owners could go for help. This highlights the importance of direct contact and personalization of services. Unfortunately, many business support organizations do not (or cannot) provide this type of specialized attention. Many organizations cover large territories and have limited staff. These limitations help explain why businesses are not particularly engaged with service providers.

Summary

Our investigation reveals that Eastern Oregon has a good foundation of general business support services, but lacks capacity to deal with the more specific and technical issues that businesses encounter in a format that resonates with businesses. Businesses considered “expert” assistance often rendered by professionals, such as legal advice or financial planning, to be more helpful than services that “generalist” economic development organizations provide, such as navigating government regulations or obtaining grants. Businesses also expressed a preference for having direct relationships with those they interact with for assistance. Some mismatch appears to exist between NNRE businesses’ needs and preferences and the capacity and service model of economic development organizations.

Concerns and Barriers

Over three-quarters of survey respondents indicated that they were either concerned or very concerned about their businesses' ability to thrive. Respondents had the opportunity to rate their levels of concern for several pre-defined issues that might affect their abilities to achieve their business goals. The greatest number highlighted workforce issues, regulatory complexity, the price of energy, and taxes as top areas of concern.

The survey also asked businesses to define barriers to achieving their business goals. Write-in responses revealed significant concerns about the complexity and frustration of working through government processes and rules. Respondents also expressed concerns about the overall state of the economy, and price fluctuations in the markets for their goods and services. To a lesser extent, respondents identified the lack or low quality of important infrastructure (such as high speed internet and transportation networks), the difficulty of finding and keeping high quality employees, and the day-to-day challenges of operating a business.

Based on the survey responses and conversations during interviews, we have synthesized businesses' input about the challenges they regularly encounter into six main issues:

- Complexity of state and federal regulations
- Lack of a reliable workforce
- Access to peer support networks
- Access to applicable business and technical services
- Market instability or un-favorability
- Infrastructure challenges

Regulations



NNRE businesses are concerned about the complexity of regulations and have a perception that assistance with navigating government processes is inadequate. A majority of survey respondents stated explicitly that

federal and state regulations were a concern along with tax structures. As one survey respondent stated, their business suffers from “unfair

regulations, layers of bureaucracy, and unneeded, unproductive government regulations that are not updated.”

Approximately half of respondents also noted a lack of support from government officials as a concern, which indicates surveyed businesses do not always view government as being “on their side.” One interviewed economic development specialist speculated that businesses may not approach them for help because of a general suspicion of government, which economic development groups may represent or may be perceived to represent. If this is the case, it creates a Catch-22 situation in that, while economic development entities can be a source for help, businesses may avoid them. This suggests that, to the extent possible, avenues need to be created to build relationships. It should be noted that most agricultural producers have good relationships with their area Extension agents, who happen to be government employees.

Workforce



Both economic development specialists and NNRE businesses highlighted the lack of a skilled and reliable workforce as a major concern for business development. Interviewed and

surveyed NNRE businesses expressed concern about the “shallow employment pool” in Eastern Oregon. According to one respondent, “[the] available workforce is too small and pulled by multiple employers, more people [need] to move in locally.” Concerns generally fell into two categories: the need for a better ‘work ethic’ (attitude, reliability, and so on) and the lack of necessary skills to do the job.

Some survey respondents also commented that the cost of wages and health insurance weighed heavily on their businesses. Many NNRE employers care deeply about supporting their employees, but the costs of providing a living wage and benefits to employees can be challenging to a business with thin profit margins.

Access to Peer Networks



During interviews, NNRE businesses mentioned their contacts with peers as important resources for business-specific

help on technical issues, indicating a need for peer network structures to support them.

While the survey did not explicitly frame lack of peer networks as an issue, most surveyed NNRE businesses again noted that peer businesses were one of their top sources of support. For businesses that are well established, plugging into peer networks may be relatively easy; but for start-ups or business owners who are new to the area or to their field, it may be more challenging to get peer advice. Since many businesses expressed suspicion or skepticism about seeking help from “official” sources (“Eastern Oregonians are an independent people that do not ask for help. Although services may be available I would most likely not ask for their help.”), peer networks are an important but underdeveloped mechanism for assisting NNRE businesses.

Technical Assistance



While businesses do indeed interact with economic development entities for general business guidance, many expressed the need for more specialized support such as

accounting and marketing. Businesses are also eager for assistance with developing an effective internet presence. As one business owner put it, “I could learn all this faster and be more successful if I had a bit more access to one-on-one coaching with someone who had time to understand my business. I don't think we need another business development organization here—we just need more individualized help that is not one-size-fits all.”

In addition to a lack of targeted support, survey respondents indicated a lack of education and training programs aimed at small scale and NNRE startups. Sixty percent of survey respondents said that the business community and entrepreneurs in their area would benefit from an entrepreneurship/business support center. Interviewees and survey respondents felt that

current educational business programs often cater to large scale or conventional production, rather than small scale, specialized production.

Unstable or Unfavorable Markets



Interviewed and surveyed NNRE businesses expressed concern about fluctuations in the markets for their

products as well as the state of markets for land, utilities, and distribution services. In their write-ins, several survey respondents cited “the economy” as a source of concern, while others more specifically called out commodity price instability and uncertainty over demand for their products or services. In particular, some businesses felt that most people were unaware of the value of their offerings, and were therefore not buying their products or services. While market fluctuations are beyond anyone’s control, demand may be increased through awareness-raising campaigns and better marketing and advertising.

Businesses also stated that there was a lack of basic “opportunity resources,” such as affordable land and water for small-scale agriculture. Nearly half of respondents expressed either moderate or deep concern about the availability and price of land to buy, lease, or to utilize under a special use permit. Survey respondents additionally noted the high costs of energy and distribution services as concerns. As with market instability, it would be difficult for anyone to significantly influence the markets for land, energy, or distribution services, but it is important to acknowledge their impact on business operations.

Infrastructure



NNRE businesses reported a lack of infrastructure (e.g., abattoirs, cold storage, warehousing, shipping) in interviews. These issues were reinforced by survey

responses: approximately one-third of respondents identified infrastructure or related technical issues that affected their ability to thrive. Specifically, respondents cited the lack of transportation services for their goods (such as rail or air), the lack of access to a USDA meat processing facility, and

infrastructure disrepair. A majority of respondents also said they were moderately or very concerned about the availability of high-speed internet connections. Internet, transportation, and processing facilities are critical to businesses' success, but are also extremely challenging issues to address in rural areas as they are high-cost and large-scale. While it may be beyond the ability of economic developers to bring about significant near-term improvements, it is critical for governments and their partners to continually work toward supporting infrastructure that better meets businesses' needs.

Conclusion

NNRE businesses have the potential to create a more resilient economy and environment in Eastern Oregon. They provide a diversified range of economic activities to complement existing sectors, and they recognize that a robust natural resource economy is tied to a healthy environment. By carving out new markets and supporting the health of the land, NNRE businesses are helping Eastern Oregon adapt to major changes that have been affecting the region's economy since the mid-1900s. Long-term, these adaptations will translate to healthier communities and more stability for the region.

Because NNRE businesses support this paradigm, it is in the interest of local economic development entities to support the growth and expansion of NNRE businesses. All but one surveyed NNRE business said that they saw some potential for growth of their businesses, yet 76% said they were either concerned or very concerned about their businesses' ability to thrive. Many businesses face growing pains, and smaller, non-traditional businesses in particular may encounter obstacles. It is important for service providers to understand the underlying issues that may be inhibiting growth of these enterprises.

Our interviews and survey of NNRE businesses have illuminated several distinct issues that affect them. We believe these issues likely apply to small business in general, and not just those focused on natural resources. The issues fall into the following categories:

Top issues for NNRE Businesses

- Complexity of state and federal regulations
- Lack of a reliable workforce
- Access to peer support networks
- Access to applicable business and technical services
- Market instability or un-favorability
- Infrastructure challenges

In the next chapter, we address these issues with a "toolbox" of recommendations designed to help economic developers and their partners better support NNRE businesses. Our recommendations rely on businesses' expressed preferences for service delivery and the type of specialized, personalized services businesses requested. While the toolbox is aimed primarily at the NNRE sector, they may also be broadly applicable to addressing the needs of any very small business.

Chapter 4: Conclusions & Recommendations

To sum up, the aim of this study is to identify and understand the barriers and opportunities facing NNRE firms in Eastern Oregon and to propose recommendations for how to better serve them. In this chapter, we offer some brief conclusions from our data collection and analysis about NNRE firms and their relation to economic development organizations. Then – the culmination of the study – we sketch out a “toolkit” of recommendations for policy makers, community leaders and economic development organizations.

NNRE Firms and Economic Development

The open-ended interviews and survey results reported in Chapter 3 reveal the challenges facing Eastern Oregon’s NNRE businesses and the economic development organizations that strive to support them. Addressing these challenges effectively will help leverage the positive benefits of the new natural resource economy for the region as a whole. Eastern Oregon NNRE business owners who participated in this study reported that their business objectives include a strong desire to improve the health of their communities and the environment. This is consistent with the scholarly literature summarized in Chapter 2, which found that small businesses tend to be more embedded in and committed to the communities in which they operate and are more attuned to area environmental protection. Thus, working to support the success of NNRE businesses provides an effective framework for enhancing community development more broadly.

The interviews and survey responses show that NNRE businesses face challenges similar to those of any small rural business. The support programs currently offered by economic development organizations in the region already address many of these challenges, such as business management and funding. However, the results also indicate that NNRE businesses do not always take advantage of the support services that are offered.

There seem to be two main reasons for this underutilization of services. The first is that due to the nature of agriculture and natural resource based work, NNRE businesses are spread thinly across the region, often located outside of town. This creates time and distance constraints that make it problematic for business owners to take advantage of the services offered by economic development organizations. At the same time, economic development organizations have limited resources for staffing and for outreach. Despite this, they are expected to be “all things to all people” – to offer a full range of specialized services and to be known and accessible to potential clients. Thus, there is a mismatch between what is needed and what can reasonably be provided.

Second, NNRE business owners often view economic development organizations as an extension of the government rather than as trusted members of the community. The dispersed nature of their potential clients makes it difficult for economic development workers to interact with NNRE business owners in a comfortable setting amenable to forming trust. Lack of a direct relationship means business owners may be unaware of services or guarded around economic development staff. The result is that businesses are less likely to turn to economic developers for help.

The challenge for better serving NNRE businesses then becomes one of overcoming the funding, time, and capacity limitations that constrain many economic development organizations. How can they better reach potential clients with the many beneficial services they already offer? And how might they modify existing services to better fit the needs of NNRE businesses? Our study results point toward adaptations, designed to fit within the framework of economic developers’ current offerings, rather than entirely new programs and services. They suggest opportunities for modifying *how* services are provided more than what types of services should be emphasized. And given the reality of resource limitations, the results indicate that any adaptations by economic development organizations should include exploring ways to collaborate in order

to make more efficient use of scarce staff-time and funding.

On a different but related point, as policy makers and economic development leaders consider these recommendations, they should bear in mind that their actions should be directed not only at entrepreneurs and businesses that are already committed to NNRE, but also toward long-standing businesses that might want to consider entering new markets.

Recommendations

Based on the interviews and survey responses we developed a set of draft recommendations that we circulated for discussion and comment. We held two meetings in May 2017, in La Grande and John Day, at which regional economic development officials and local leaders critiqued the draft recommendations. The final recommendations that follow incorporate their input. We offer specific recommendations in four broad areas: regulations, workforce, networking, and technical assistance. Following

these, we also make note of some other important concerns but do not offer specific recommendations; these topics are beyond the scope of our study, though still critical to businesses' success.

Regulations

The greatest concern of NNRE businesses lies in government priorities and regulatory complexity. Our investigation revealed that business owners have trouble finding answers to their questions about regulation and often feel like they are shuffled around to multiple agencies before their issue is resolved. This requires a large amount of effort and time for business owners, and sometimes their employees. Additionally, certain types of NNRE activities require strong government support in order to maintain their business. This is especially true for restoration work, which is largely funded by the state and federal government. Fluctuations in government priorities and funding sometimes forces these businesses to lay off workers, harming the local economy.

Regulations		
Concern	Potential Solution	Action Items
Regulations are too complex.	Provide "case manager" capacity to explain and navigate regulations.	Regional Solutions is an organization that may have this capacity. If so, economic development organizations can highlight its existence and refer interested businesses to it.
		Find funding for a dedicated case manager role and determine which economic development entity should host it. NEOEDD and GEODC are likely candidates.
		Build on existing relationships with regulatory agencies, and identify a point of contact that the case manager can use to answer regulatory questions for clients.
		Collaborate with government agencies to provide easily accessible information online. Oregon Business Xpress already has substantial online options; identify any NNRE or rural business needs that aren't already included.
Government priorities change.	Advocate for consistent spending on NNRE projects and share the important role these businesses have in the local community.	Partner with advocacy groups and trade organizations in NNRE-related sectors. These groups provide lobbying power to effectively establish the benefit of natural resource work to Eastern Oregon communities and the importance of consistent government funding and support. Initially, this will be most effective at the local or state level, though there is the potential that positive outcomes in Oregon can be used to influence federal funding priorities as well.

Workforce

A consistent concern for NNRE businesses is a perceived lack of reliable workers with the necessary skills. This might be explained in part by the current robust labor market and low unemployment rate, but respondents described it as an ongoing problem that persists regardless of economic conditions. Businesses identified two main concerns with workers: lack of a good work ethic (reliability, willingness to work hard, and the like) and lack of the knowledge and technical skills necessary to do the job.

Imbedded in the issue of the size and quality of the labor pool is the general movement of young people

from rural to urban areas. This phenomenon is not unique to Eastern Oregon, of course, and there are local actions that will encourage the retention of youth within the local community. They center on introducing the idea and possibilities of entrepreneurship early in the school curriculum so students can see the prospects for a self-made future in their home town. Along with this, experiential opportunities for high school students through mentoring, job-shadowing, internships, and part-time work can provide job training, build a good work ethic, and expose students to the possibilities of having a small business in their home town.

Workforce		
Concern	Potential Solution	Action Items
Lack of reliable skilled workers.	Incorporate entrepreneurship into K-12 education.	Work with local school districts to create and promote age-appropriate entrepreneurship content throughout K-12.
		Incorporate knowledge of NNRE and entrepreneurship into the outdoor school programs in all Eastern Oregon school districts.
	Build entrepreneurship and professionalism skills in college.	Eastern Oregon University offers both business and natural resource classes. There is an opportunity to incorporate business skills and professional development skills in natural resource programs to produce well-rounded graduates that are ready to enter the labor force or start their own natural resource business.
		Create job training programs that focus on skills needed by NNRE businesses.
	Create job training programs that focus on skills needed by NNRE businesses.	Create a job shadow or internship program for high school students that would pair them with NNRE businesses to build skills and gain work experience. Depending on the needs of the business owner, this program could provide short-term or long-term work.
		Find funding for a job training program, potentially through Business Oregon and/or the Oregon Employment Department.
		Create a phone survey for NNRE businesses to determine their most needed job skills.
	Host local job fairs for NNRE businesses.	Establish a partnership with the Workforce Investment Board and Business Oregon's Rural Opportunity Initiative to set up and run this program.
		Partner with cities across the region and develop a job fair that cycles through each location. Local chambers of commerce can help organize and promote these events.
Offer employer-employee mediation services to resolve conflicts before the employee needs to be fired.	Find a host organization for a mediation program, likely the Oregon Employment Department.	

Networking

NNRE businesses expressed a desire for increased networking with local entrepreneurs and peer businesses. While online networking capacity exists through forums and email lists, respondents showed a strong interest in a physical meeting space where they could gather to share ideas, build relationships, and get advice for common problems. The interviews and survey also revealed a lack of utilization of existing professional support services.

As previously stated, this stems from a lack of understanding of the services provided and skepticism over the agenda of economic developers as an arm of the government. To address these issues, our recommendations aim at increasing outreach by economic development organizations to promote the benefits of their services, as well as increasing coordination among economic development entities to more efficiently provide services to NNRE businesses.

Networking		
Peer Support Networks		
Concern	Potential Solution	Action Items
Lack of physical networking space and events.	Sponsor or host NNRE networking events.	GEODC or NEOEDD can partner with chambers of commerce, cities, and county economic developers to host networking events.
		Events could be part of a larger business accelerator or incubator program modeled after the Regional Accelerator and Incubation Network (RAIN) in the Willamette Valley.
		Publicize networking events and maintain a consistent event schedule to encourage attendance and foster a community feeling.
Lack of online networking space.	Create online networking spaces, or facilitate access to existing networks.	Partner with local, regional, and national trade organizations to create a list of existing online networks. This list should be displayed on the website of all economic development entities so it is easily visible to businesses. Economic developers should also have a working knowledge of the list so they can recommend the relevant online network to businesses when asked.
		If online networks do not exist, facilitate their creation in partnership with trade organizations.
Professional Support Networks		
Concern	Potential Solution	Action Items
Economic development support services are underutilized.	Increase awareness of available services and build stronger relationships with NNRE businesses.	Create a marketing campaign for economic development organizations highlighting the benefits to NNRE businesses. Marketing can take the form of local ads and brochures to display at chamber of commerce offices, banks, and other business support providers.
		Economic development staff should emphasize making personal connections with business owners. It was suggested by one economic development organization's employee that workers spend more time "in the field" and less time in the office.
		Economic development staff can attend networking events, chamber of commerce meetings, and other local business events to become friendly and familiar faces representing their organization.
	Better coordinate the efforts of economic development entities serving the region.	Coordinate among economic development entities to share ideas and approaches to determine what strategies appear to be most effective.
		Provide information on services offered by other economic development entities to businesses.
	Create an inventory of specialized support organizations and services.	Business Oregon can create and host an inventory of support organizations with assistance from other economic developers. The inventory should include hyperlinks to each support organization and include a description of the services each provides. Each economic development entity can display or link to the inventory on their own websites.

Technical Assistance

Because many NNRE businesses are small and have limited capacity, many respondents expressed a need for assistance when they run into problems managing their business or producing their product. The latter issue involves the technical aspects of a given firm (raising cattle, milling timber, and so on) and is outside the scope of most economic development organizations. The former issue,

problems with business management, is a central task for economic development. Respondents remarked on the limited value of generalized management advice and the need for help with very specific issues, for example in marketing or accounting. Recognizing the limited capacity of economic development entities, our recommendations center around building partnerships and connections among organizations with a range of targeted capabilities.

Technical Assistance		
Marketing and Online Presence		
Concern	Potential Solution	Action Items
Businesses need assistance with marketing.	Create a marketing assistance program.	Partner with Eastern Oregon University's College of Business to establish an internship program or class projects for NNRE business marketing.
		Create marketing templates for specific audiences modeled after Travel Oregon's resources for tourism businesses.
Businesses need assistance with branding.	Create a branding assistance program.	Add branding classes to economic development organizations' suite of business development classes.
		Establish partnerships with journalists, marketers, or other communication professionals that can assist NNRE businesses with developing their brand and telling their story.
Businesses need assistance with developing a stronger online presence.	Determine specific needs of NNRE businesses for their online presence.	Conduct outreach with NNRE businesses to determine what they currently struggle with in their online presence.
		Based on outreach, create classes to teach desired skills.
	Assist with website development.	Partner with Squarespace or other website hosting service to provide resources on website development to business owners.
Business Management		
Concern	Potential Solution	Action Items
Businesses need assistance learning specific business management skills.	Continue and expand existing business management classes.	NEOEDD hosts business management classes. Other economic development entities should recommend these classes when they complement the business's needs. For example, if SBDC asks the business to write a business plan, SBDC should recommend NEOEDD's business plan class.
		Find funding to offer classes more frequently and in more locations.
		Offer classes online through webinars to increase access to NNRE businesses that are often based outside of town. GEODC can partner with NEOEDD to promote these online classes to businesses within their jurisdiction.
Production Assistance		
Concern	Potential Solution	Action Items
Businesses need assistance with specific production issues.	Facilitate connections with other businesses and technical experts.	Increase networking among peer businesses, following the recommendations in the Networking section above.
		Partner with trade organizations, universities, and extension services to connect businesses with experts that can answer their questions. A business retention and expansion program focused on NNRE businesses could provide a framework for this type of partnership.
		Establish a Manufacturing Extension partnership in the region.

Additional Issues

Respondents to the interviews and survey identified other critical concerns for NNRE businesses, including unstable or unfavorable markets and infrastructure challenges. Additionally, economic developers raised the concern that many businesses have not engaged in any kind of succession planning. While these issues are beyond the direct capacity of local and regional economic development organizations to deal with, we include a short discussion of infrastructure and succession planning here (market instability is truly beyond anyone's influence, so we do not include any discussion of this issue). While we make no recommendations, we encourage economic developers to think creatively about what they can do to make progress on both issues.

Infrastructure: Respondents mentioned a number of infrastructure factors that limit their ability to do business. These included transportation, the availability of warehousing and cold storage facilities, and especially access to high-speed internet. These issues are complex, large-scale, and will require coordination across a variety of organization to address. Many entities are already working on infrastructure issues. Key partners for local-level economic development staff include Business Oregon's Infrastructure Finance Authority and Regional Solutions (our study area falls under the jurisdiction of the Greater Eastern Oregon and Northeast Oregon Regional Solutions Teams).

Succession Planning: A secondary component in the workforce discussion is the need for business succession planning, especially among farmers and ranchers. A 2016 study from the Oregon State University Center for Small Farms, Portland State University, and Rogue Farm Corps found that up to 64% of Oregon's farm and ranch land may pass to new ownership in the next two decades as older farmers and ranchers retire (Brekken et al.). The study concluded that although some resources and tools do exist to help retiring farmers with succession planning and aspiring farmers with acquiring land and experience, Oregon needs more capacity to address the impending issue of agricultural land turnover. This is a multi-faceted issue that requires coordination across a variety of

economic development services. To avoid long term issues with loss of agricultural land and undesirable parcelization, it is imperative to improve and expand efforts at succession planning as soon as possible. We suggest economic developers do what they can to follow up on the recommendations of the Brekken et al. (2016) report.

Final Thoughts

To reiterate, NNRE is not a panacea for the economic problems facing small towns and rural regions. Nevertheless, it is a valuable contributor to jobs and wealth, to economic diversification, and to community and environmental well-being. As such, NNRE firms, individually and collectively, need to be a strong focal area for Eastern Oregon's local and regional economic development organizations. As a starting point, economic development organizations should work collaboratively to increase the visibility of the NNRE. This could include gathering and publicizing data regarding the number, type, and economic impact of NNRE businesses.

In addition to raising the NNRE's visibility, the overarching recommendation of this report is for economic development entities at the state, regional, and local level to **coordinate their efforts and leverage their collective resources for the benefit of NNRE businesses and the economy of Eastern Oregon as a whole**. In the face of limited resources, coordination and collaboration are critical activities for meeting businesses' needs.

Yet coordination alone is not enough. There is much creative energy in Eastern Oregon's economic development organizations and their dedicated staff. We encourage economic developers to view themselves as members of learning organizations and as a network of 'service entrepreneurs.' Organizations' coordination efforts must be flexible experiments in how best to support NNRE entrepreneurs and their businesses. It will be risky: some experiments in coordination will succeed and some will not. But a learning organization will learn either way, to the benefit of businesses, the community, and the region.

Sources: Chapter 4

Anderson Brekken, Christy, Lauren Gwin, Megan Horst, Nellie McAdams and Sheila Martin. "The Future of Oregon's Agricultural Land" (2016). *Institute of Portland Metropolitan Studies Publications*. 148.

<http://pdxscholar.library.pdx.edu/metropolitianstudies/148>

Appendix A: Methods & Results

This appendix contains the methods and results from the interviews and survey that informed this project. First, we describe the process, participants, and results from our interviews with NNRE businesses and economic development professionals in Eastern Oregon. Then, we describe the survey process and present full responses, question by question.

Interviews

The interview phase of the project began on August 1, 2016. The first activity was a reconnoitering trip by Mike Hibbard and Sue Lurie, August 7-12. During the trip, Hibbard and Lurie had face-to-face meetings with a cross-section of economic developers and key officials to formally introduce the project and begin to identify NNRE businesses and business associations. Hibbard and Lurie met with the following officials:

La Grande

- Oregon Business: Melisa Drugge, Business Development Officer for Eastern Oregon

Enterprise

- NEOEDD: Lisa Dawson, Executive Director; Sara Miller, Development Specialist
- Wallowa Resources: Nils Christoffersen, Executive Director; Jim Henson, board member (local rancher and retired ag professor); Rick Bombaci, Business Development Officer (also part-time with the BMCC SBDC)

Pendleton

- GEODC: Susan Christensen, Executive Director; Judy Moore, Community and Economic Development Officer; Rex Baker, Loan Officer
- Umatilla County: George Murdoch, Chair, Board of County Commissioners; Tamra Mabbott, Planning Director

John Day

- Blue Mountains Forest Partners (collaborative): Mark Webb, Executive Director (former Grant County Judge)
- Confederated Tribes of Warm Springs: Amy Charette, John Day Basin Watershed Restoration Coordinator

Burns

- Harney County Economic Development: Randy Fulton, Director
- High Desert Partnership: Brenda Smith, Executive Director
- Burns Paiute Tribe: Jason Kesling, Natural Resources Director

Fossil (Hibbard only)

- Wheeler County: Chris Perry, County Judge; Patti Jaeger, Economic Development Director
- Gilliam County: Rachel Weinstein, Economic Development Director
- RDI: Anne Mitchell, Rural Economic Vitality Services Coordinator (former Wheeler County Commissioner)
- Pioneer Community Development Corporation (affordable housing): Kim Farrar, Executive Director

Irrigon (Hibbard only)

- Morrow County: Carla McLane, Planning Director

They also had telephone interviews with the following officials that we were unable to connect with face-to-face because of scheduling problems:

- Treasure Valley Community College: Andrea Testi, Director, Center for Business, Workforce and Community Learning
- Greg Smith, state legislator and eastern Oregon economic development consultant

Based on the interviews with officials, as well as other sources, Hibbard and Lurie identified 15 NNRE entrepreneurs to interview. On two subsequent field trips, September 11-15 and October 24-25, Hibbard and Lurie conducted face-to-face interviews with these entrepreneurs in Joseph, Enterprise, Elgin, Cove, Halfway, Pendleton, Hermiston, Fossil, and John Day. They also conducted telephone interviews with three entrepreneurs that they were unable to connect with face-to-face in Enterprise, Stanfield, and Milton-Freewater. These interviews were designed to begin scoping the business development needs of NNRE businesses in Eastern Oregon, in preparation for creating the more broadly distributed survey (see following section).

In keeping with legal requirements for research of this type, interviews are confidential and the businesses cannot be identified by name. However, we have organized them into the following broad categories:

Agriculture		
Basic production Native plant nursery Draft horse breeding/training Organic farming (greenhouse, field crops) Meat production	Value-added Distillery Craft brewery Organic seeds Meat processing	Multifunctional Livestock grazing in vineyards and field crops Production waste (e.g. from distilling and brewing) as soil amendment
Forest products		
Basic production	Value-added Log homes Juniper lumber and flooring Wood pellets and bricks	Multifunctional Manufacturing commercial products (dimensional lumber, biomass, etc.) from waste from environmental management (fire mitigation, thinning, etc. – see below)
Tourism/recreation		
Bicycling and related Agro-tourism/farm stays Rafting		
Environmental management/restoration		

Interview Results

The interviewees shed light on two key survey issues – *who* to ask and *what* to ask. With regard to *who*, the interviewees agreed to provide names and contact information for NNRE entrepreneurs they were connected to. Interviewees also identified the following emerging NNRE sectors that the survey should solicit responses from:

- Forest and watershed restoration, sage grouse protection, and wildfire mitigation, all of which have the secondary benefit of making biomass available for utilization in a variety of ways.
- Native seeds and plant nurseries, an emerging sector created and supported by restoration efforts.
- New uses for former weed/invasive species, especially juniper.
- Tourism, including biking, farm and ranch stays, and hunting lodges, industries that Travel Oregon and the Eastern Oregon Visitors Association have recently been supporting.
- Certified organic and “natural” or sustainably raised—though not organically certified—agricultural products.
- Artisanal agriculturally based enterprises such as micro-distilleries and specialty barley malting.

With regard to *what* to ask in our survey, interviewees provided valuable direction for the questionnaire. First, they identified specific barriers facing NNRE entrepreneurs that should be followed upon with closed ended survey questions:

- **Regulation:** complexity of regulations and the associated need for business support services (for example, legal, accounting, and marketing).
- **Entrepreneurship:** people may have a good idea for a business but often lack the “entrepreneurial spirit” or necessary business sophistication.
- **Workforce:** “shallow employment pool”:
 - Not enough workers in some areas
 - Workers lack needed skills and necessary attitude
- **Finance:** access to capital – though interviewees had mixed views on this.
- **Housing:** shortage of appropriate housing (both quantity and quality) for people who would like to relocate to Eastern Oregon to “move back home,” start a business, or take an available job.
- **Lack of education and training programs** aimed at small scale and NNRE startups and support for existing enterprises (current programs are skewed toward large scale/conventional production).
- **Lack of basic “opportunity resources”** such as affordable land and water for small-scale agriculture.
- **Lack of business services** such as accounting and liability insurance.
- **Lack of infrastructure** (e.g., abattoirs, cold storage, warehousing, shipping).
- **Lack of support networks**, cooperatives, or umbrella organizations.

Second, interviewees’ responses to several open-ended questions provide direction for additional closed-ended survey question topics:

1. Who do you turn to most frequently for advice or help with business problems?

Our interviewees relied most heavily on their business partners – many of them were co-owners, including with their spouse; on networks of colleagues – face-to-face and virtual (chat rooms, etc.), particularly those engaged in the same type of business; and on business service professionals – their accountant, banker, etc. Two growers mentioned OSU Extension as a resource.

2. What tools or programs have you used to assist you? Have they been effective?

Help with financing was mentioned most frequently – property tax breaks and low-interest loans from the state, EDA (through GEODC), Craft 3 (CDFI). Wallowa Resources, RSVP, and the Wallowa County “business facilitator” were also mentioned.

Two interviewees specifically said their SBDC was not helpful.

3. What new tools or programs do you think would be helpful to your business?

This question stumped many of the interviewees; they couldn't think of anything. We understood this to mean that small businesses don't look to business support organizations (government or NGOs) as a resource. As mentioned above, business owners appeared to favor talking to their peers or mentors – those with more experience in their particular enterprise – for help and advice.

Two categories of possible help came up most frequently.

- **Workforce development** – skill training but more important, appropriate behavior – from punctuality and taking responsibility to customer service.
- **“High tech” skills**, including use of the internet and social media, web design and marketing, technical training to support and assist young people wanting to start in small-scale agriculture, through high schools and community colleges.

Survey

Based on the information gathered during the interviews, the CSC team developed a survey designed to shed light on the business development issues facing NNRE businesses in Eastern Oregon. The survey included 39 questions covering business functions and goals, barriers to success, access to and use of business support services, and business profile information.

The CSC team also developed a survey distribution list, drawing from information provided by interviewed businesses and officials. The team collected emails of known NNRE businesses and gathered a list of other business groups that might be willing to send the survey on our behalf. Sources of information for collecting email contacts included online databases of registered organic farms, local food buying guides, chambers of commerce, OSU Extension Service, and other sources of information connected to NNRE businesses. Where possible, the CSC team identified individual businesses to contact, but in many cases, only “gatekeeper” contacts were available (for example, a chamber of commerce director).

After the survey and distribution lists were developed, the CSC team disseminated the survey using the online survey platform Qualtrics. Where individual businesses' contact information was available, the team sent a link to the survey directly to the business contact. In instances where only “gatekeeper” contact information was available, the team sent a request to the gatekeeper asking them to send the survey link to their contacts, along with a brief description of the survey.

Between February 16 and April 15, 2017, the survey was sent to 212 individuals identified as NNRE business owners and 92 “gatekeepers”. Businesses who received the survey directly also received up to three reminder emails asking them to complete the survey.

After April 15th, the team began analyzing the survey results, working first to remove responses from survey takers who indicated they were not NNRE businesses. Prior to the NNRE business filter, the survey received a total of 70 responses. Post-filter, the survey received a total of 43 responses from NNRE businesses. About ten of these respondents did not complete the entire survey.

Since the survey was not administered using a random sample of all potential NNRE respondents, the results should not be considered representative of the entire NNRE business population in Eastern Oregon. Rather,

these results represent the views of a small number of NNRE businesses in Eastern Oregon, skewed toward the perspective of agricultural producers (60% of survey respondents identified themselves as having businesses related to agriculture). Although we cannot interpret responses as representative of all NNRE businesses in Eastern Oregon, these results still provide valuable insight into issues many NNRE businesses are encountering.

Survey Results

The following pages contain the full responses to each survey question, displayed question by question. Note that some responses may not add up to 100% due to rounding.

Part 1: About your Business

Question 1. Which of the following categories would you use to describe the nature of your business? (Check all that apply).

Industry	Percent of Businesses
Agriculture	60%
Tourism/Recreation	28%
Environmental Restoration	19%
Forest Products	12%
Other	12%
Total Responses	43

Question 2. Please list your business's main products – goods and/or services. (List up to 3.) n=42

Produce

Salad Greens, Tomatoes, Produce, Garlic grown for seed, Carrots, Beets, Organic potatoes, Soft white wheat, Flowers and produce, Fresh produce, Wheat, Wine grapes, Garlic grown for seed, Onions grown for culinary, Processed garlic products, Soft white wheat, Tomatoes, Basil, English cucumber

Tourism/Recreation

Homestay, Guided Fishing, Camping, Rails to Trails interactive tours, Lodging, Motel, RV Park, Camping, Beer, Food Service, Cocktail Bar, Recreation, Forest access, Wine, Hospitality, Art gallery, Food, Wine

Environmental Restoration

Stream restoration, Juniper clearing, Prescribed fire, Thinning pre com, Fuels management, Native plants, Pre-commercial thinning, Fuels management piling & RX fire, Wildfire suppression, Nursery plants, Riparian fence, Riparian planting, Juniper thinning, Juniper cutting, Spring development

Livestock

Livestock - sheep/cattle/goats, Cattle, Beef, Lamb, Packaged Beef, Livestock, Grass fed beef, Registered cattle, Beef- direct Market, Cow/calf beef, Beef, Beef cattle, natural beef, beef calves

Wood Products

Lumber, Firewood, Fence material, Juniper logs, Mulch, Biochar, Timber

Grass/Hay

Compressing Hay, Dairy alfalfa hay, Alfalfa hay, Alfalfa

Other

Irrigation water, Marketing Ag Products, Forest consulting services, Electrical contractor, Market research, Marketing, Branding, Residential and utility tree services, Value added products, Catering using local food products, Plant-based skin care, Retail goods, Custom farming, Rodent control, Fencing



Question 3. Please rate the level of importance of each of the following factors in making decisions about your business.

External Factor	Profitability	Health of the natural environment	Community well-being	Producing an innovative product	Providing interesting work for my employers and me
Very Important	71%	72%	61%	46%	45%
Somewhat Important	24%	23%	29%	35%	29%
Slightly Important	5%	3%	11%	14%	21%
Not at all Important	0%	3%	0%	5%	5%
Total Responses	38	39	38	37	38

Question 4. Please rate the level of importance of each of the following financial objectives in making decisions about your business.

External Factor	Very Important	Somewhat Important	Slightly Important	Not at all Important	Total Responses
Increasing Market Share	29%	32%	18%	21%	38
Reducing Costs	44%	49%	8%	0%	39
Increasing Gross Revenue	64%	33%	3%	0%	36
Increasing Profits	63%	34%	3%	0%	38
Creating Long Term Stability and Vitality	82%	15%	0%	3%	39
Getting Rich	6%	17%	36%	42%	36
Supporting Family	64%	23%	10%	3%	39
Supporting Employees	60%	17%	11%	11%	35
Building Retirement Nest Egg	41%	35%	22%	3%	37
Building Equity to Pass Onto Heirs	24%	24%	22%	30%	37
Building a Business to Sell	14%	19%	28%	39%	36

Question 5. Are there any other financial objectives that are important to you that are not listed in Q4? (List up to 3.) n=11

Community Health

- Having enough money to donate to charities
- Spending money with other local businesses
- Creating better opportunities for other producers
- Collaboration to increase marketability
- Improve community economic health
- Create a economic asset from a losing county asset.
- Utilization of the resources available
- Creating jobs for locals

Continuation of Business

- Sustainable
- Resilient
- Recover our set up costs.
- Create a successful business that future owners can be successful.
- Cash flowing the business
- Sustainability
- Helping keep the family ranch viable.

Government Issues

- Government overreach
- Over regulation
- quality of product

- feeding the under fed
- Understanding regulations
- Minimal taxation

Personal Wealth

- Quality of Life

Question 6. Do you believe there is potential for your business to grow in the future?

Response	Percent of Responses
Yes	87%
No	3%
Maybe	11%
Total Responses	38

Maybe (please explain):

- Limited by land use planning
- Regulation is depressing small business
- Not my desire to expand, but it may be the next person's
- Location is specific to business

Question 7. Which of the following best describes your overall goal for the future of your business?

Response	Percent of Responses
To grow as big as possible	0%
To grow slowly and incrementally.	74%
To stay about the size it is now.	21%
To decrease in size so that it is more manageable	0%
Other (please describe)	5%
Total Responses	39

Other (please describe):

- I need good growth. But slow and incremental isn't it nor is large as possible. In between those two.
- To grow slowly but with the eye of passing on the business to a young farmer.

Part 2: Barriers to Success

Question 8. How concerned are you about your business's ability to thrive?

Response	Percent of Responses
Very concerned	26%
Concerned	50%
Neither concerned nor unconcerned	21%
Unconcerned	3%
Very Unconcerned	0%
Total Responses	38

Question 9. Please list up to three factors you see as being the biggest barriers to your business's goals. *n=37*

Government

- government
- gov. policies
- Government policies
- regulations
- Government regulation
- Overregulation
- Increased regulation
- Cost of regulations and permits
- Over regulation (state & fed) that other contractors do not comply with creating unfair competition
- Regulations from county and rail transportation jurisdictions.
- Non local contractors getting too much of the work share
- Unfair bidding
- Awards to our of county contractors
- Competition with others not living to the rules of biz
- Unfair Taxes
- Oregon tax laws
- Land use laws
- Influence of urban populations in rural matters
- Special interest groups removing the rail.
- Local attitudes towards growth
- Local attitudes towards visitors
- Overbearing FS inspector's. Too picky causing cost to rise
- Government being cheap
- restoration as a continuing priority

Economic

- Economy
- economy
- Economy
- Economy of Eastern Oregon
- markets
- Market fluctuations

- Sustainable market
- Falling cattle prices
- prices for calves are very low
- Foreign grown garlic dumped in market
- Tourism dependent
- interest rate increases
- Demand
- Market creation
- Market saturation/Consumers' willingness to pay
- luxury product dilution demand
- Educating an uneducated market
- Marketing
- lack of customers

Infrastructure and Logistics

- Transportation/Logistics
- Lack of transportation
- No air or rail
- off the beaten track
- Infrastructure Disrepair
- More and more difficult to find summer grazing for our cattle
- Finding pasture
- Raw material
- Processing
- USDA Meat processing facilities
- High Speed Internet Access
- Gas prices
- Energy
- raising enough product to supply market

Labor

- work force
- Labor issues
- Lack of good labor
- Lack of labor with strong work ethic
- lack of experienced workers
- Available work force too small and pulled by multiple employers, more people needed to move in locally
- Employee recruitment and retention
- labor costs
- paying for labor
- Finding good seasonal help and being able to pay them well
- Cost of health insurance
- Population

Business Operations

- cost of operation
- expenses of operating are high
- Rising costs of support services

- price point to cover expenses
- High value of ranch land for non-ranching uses making land purchases difficult
- Lack of economies of scale
- capital
- funding
- resources to expand
- High debt

Personal

- Not having free time/balance
- Time
- time
- Family issues
- challenges inherent in a family operation
- my health
- How willing am I to change what I am doing

Environmental

- environmental issues
- environmental pressure
- Weather & climate change
- global warming
- water resource
- Lack of diversity in products, weather related

Other

- Buyers that get more than the Prime cuts of beef
- Limitations created by the insurance Companies.

Question 10. Please rate your level of concern about the following *business climate* issues that prevent you from achieving your business's goals.

Business Climate Issue	I am very concerned about this.	I am moderately concerned about this.	I am slightly concerned about this.	I am not at all concerned about this.	Total Responses
Complexity of federal regulations	46%	19%	24%	11%	37
Complexity of state regulations	49%	16%	22%	14%	37
Complexity of local regulations	24%	19%	30%	27%	37
Supportiveness of local government officials	28%	25%	28%	19%	36
Tax structure	33%	28%	31%	8%	36
Cost of obtaining a business license	19%	11%	11%	59%	27

Question 11. Please rate your level of concern about the following *business operation and development issues* that may prevent you from achieving your business's goals.

Business Operation & Development Issue	I am very concerned about this.	I am moderately concerned about this.	I am slightly concerned about this.	I am not at all concerned about this.	Not Applicable	Total Responses
Availability of business services	14%	11%	22%	51%	3%	37
Availability of liability insurance	16%	14%	24%	43%	3%	37
Cost of liability insurance	38%	16%	30%	14%	3%	37
Access to financial capital	14%	30%	30%	19%	8%	37
Availability of business assistance services	11%	14%	43%	27%	5%	37
On-time supply delivery	11%	22%	22%	30%	16%	37
Timely payment from customers	11%	27%	24%	30%	8%	37

Question 12. Please rate your level of concern about the following *infrastructure and resource access issues* that may prevent you from achieving your business's goals.

Infrastructure & Resource Access Issue	I am very concerned about this.	I am moderately concerned about this.	I am slightly concerned about this.	I am not at all concerned about this.	Not Applicable	Total Responses
Supply of land for purchase for new and/or expanded agricultural enterprises	28%	14%	11%	25%	22%	36
Price of agricultural land for purchase	36%	11%	8%	19%	25%	36
Supply of land for lease for new and/or expanded agricultural enterprises	28%	17%	8%	19%	28%	36
Price of agricultural land for lease	28%	11%	11%	22%	28%	36
Availability of office and/or retail space	3%	0%	22%	47%	28%	36
Price of office and/or retail space	3%	3%	23%	34%	37%	35
Availability of restricted/special use permits	20%	17%	17%	20%	26%	35
Price of restricted/special use permits	14%	26%	20%	20%	20%	35
Availability of high speed internet connections	39%	17%	17%	22%	6%	36
Price of high speed internet connections	31%	23%	23%	20%	3%	35
Price of energy	28%	36%	28%	8%	0%	36
Availability of storage or warehousing space	17%	14%	22%	19%	28%	36
Price of storage or warehousing space	11%	19%	22%	19%	28%	36
Availability of distribution/shipping services	14%	14%	31%	17%	23%	35
Price of distribution/shipping services	19%	36%	25%	11%	8%	36

Question 13. Please rate your level of concern about the following *external factors* that may prevent you from achieving your business's goals.

External Factor	I am very concerned about this.	I am moderately concerned about this.	I am slightly concerned about this.	I am not at all concerned about this.	Not Applicable	Total Responses
Availability of affordable housing for employees	11%	23%	26%	14%	26%	35
Availability of appropriately trained and educated workers	25%	25%	25%	8%	17%	36
Availability of high quality workers with a good work ethic	61%	8%	14%	6%	11%	36
Future demand for business' products/services	14%	28%	31%	22%	6%	36

Question 14. Please use the space below to tell us about anything else that prevents you for achieving your business's goals that we have not previously mentioned, and/or anything else you would like us to know about the issues that affect your business. n=13

Rules and Regulations

- Unfair regulations and layers of bureaucracy and unneeded, unproductive government regulations that are not updated.
Unfair taxes.
Labor issues.
- Context: I have a small farm. We grow produce and beef for the local market.
I am consistently frustrated by the opt in/opt out laws passed in Salem such as the ability to ban GMOs, recreational marijuana, etc. While these laws don't directly impact my farm and are not a huge concern, I am alarmed by the trend. What is the purpose of a state law if it doesn't apply across the entire state? A state law should impact all businesses instead of setting up unfair competitive advantages between east and west, rural and urban.
Above all else, I am concerned about the growing rural-urban divide. I think it is one of the gravest problems facing our state and will impact my business in terms of laws (as mentioned above) and ballot measures that affect me, tourism, and livability.
Finally, I am worried about floundering state institutions. For example, Eastern Oregon University employees are an important part of my customer base. If this or other state or federal employers leave my county, I will definitely see my own business falter.
- Excessive litigation over federal timber projects. The reliance of the forest service in "collaborating" on all projects. The sustainability of collaboration. The collaborators that are not genuine. The continued growth of the rural urban divide. The ability to keep our ranch in the family for future generations given the high cost and low revenue in agriculture and forestry. The ongoing gentrification of the rural and forested areas which drives up the cost of property making forestry and agriculture on those lands increasingly difficult. The loss of the forest products infrastructure.
- The political policies of govt. It is imperative that small business dealing with natural resources not be tossed around like a football. It took us 7 years to recover from the Bush admin. and its hostile attitude towards policy that protects our land and water. Now we have another admin. that does not value environmental policy. So here we go again.

Lack of Leadership in Government

- It would be our County Court and the lack of the Economic Coordinator doing her job promoting economic development (the Court...has allowed her to focus on fire related topics instead!).
The County Court has NO ECONOMIC PLAN at ALL for the AREA!!! They are asleep at the wheel, as some say/might write.
- If we had no customers, we would have no business. Local city and county officials need to be on board for innovative ways to use existing infrastructure. Without broad minded local officials, creative ideas are stopped before they start.

Other

- Availability of very short term employees a couple times a year.
- Difficulties rising above debt
- We need more railroad
- There is a wide variety of NGO'S and Government agencies with programs to help with economic development. The problem I have found is it is EXTREMELY confusing trying to figure out which ones I should be talking to. There needs to be an organized market place of sorts to address this.

- I need to travel further from home base to acquire some of my inputs, in particular seed. Local coop has gone out of business, and varieties that I would like to use are not offered at my local coop, so I need to travel further to pick it up. Will I need to start cleaning my own seed in the future, and do I have the capital needed or do I really want to invest in that infrastructure.
- climate change
- My business is in its infancy, it is not up and running yet. I am remodeling a 130-year old boarding house. I plan to move into the building in July 2017, and step by step, start an Italian cuisine food and wine tasting business with an art gallery, featuring the local area. Also provide an ice machine, ATM (there is no bank in town) and a Tesla charging station. I would like to provide tours of the local area and would hire someone to drive. There is room for a bicycle mechanic to do business in, as well. I want to grow a lot of the food for the restaurant on the property. I need accounting and marketing skills to make this venture successfully and better computer skills. I want to install a large solar electric and solar water system to offset carbon pollution, without going into a lot of debt to do this.

Part 3: Business Support Services

Question 15. Please rate the helpfulness of each of the following business support organizations if you have made use of them.

Business Support Organization	I have never heard of this organization	I have heard of this organization but have never used it	Not at all helpful	Slightly helpful	Somewhat helpful	Very helpful	Total Responses
Oregon State University Extension Service	3%	11%	17%	14%	33%	22%	36
Travel Oregon	11%	36%	17%	6%	14%	17%	36
Eastern Oregon Visitors Association	25%	31%	19%	0%	14%	11%	36
Local Chamber of Commerce	0%	31%	25%	22%	11%	11%	36
Small Business Development Center (SBDC)	8%	42%	14%	17%	11%	8%	36
Local/County Government Economic Development Services	14%	33%	25%	11%	11%	6%	36
USDA Rural Development	22%	33%	25%	3%	11%	6%	36
Northeast Oregon Economic Development District (NEOEDD)	36%	25%	14%	11%	0%	14%	36
Greater Eastern Oregon Development Corporation (GEODC)	34%	34%	14%	6%	6%	6%	35
WealthWorks Northwest Rural Development Initiatives (RDI)	57%	20%	11%	3%	6%	3%	35

Question 16. Please rate the helpfulness of each of the following business support services if you have made use of them.

Business Support Service	I was not aware that this service was available to me	This service is available, but I have not used it	Not at all helpful	Slightly helpful	Somewhat helpful	Very helpful	Total Responses
Accounting/Financial Planning	22%	19%	8%	6%	17%	28%	36
Legal Advice	25%	25%	11%	3%	22%	14%	36
Business Development/Planning	14%	28%	11%	14%	22%	11%	36
Marketing	22%	28%	14%	8%	11%	17%	36
Social Media/Web Development	25%	31%	11%	8%	14%	11%	36
Navigating Regulations	40%	20%	9%	11%	17%	3%	35
Technical Questions about Production of Goods/Services	28%	28%	8%	17%	14%	6%	36
Obtaining a Grant	28%	42%	8%	8%	11%	3%	36
Securing a Loan	22%	42%	17%	6%	11%	3%	36

Question 17. In general, how satisfied are you with the availability and quality of business support services in your area?

Response	Percent of Responses
Very satisfied	11%
Somewhat satisfied	31%
Neither satisfied nor dissatisfied	31%
Somewhat dissatisfied	11%
Very dissatisfied	8%
Not sure	8%
Total Responses	36

Question 17a. If you selected SOMEWHAT or VERY DISSATISFIED in Q17, please briefly describe why you are dissatisfied with the availability and quality of business support services. n=5

- I can find more myself.
- What support services? What is there? How do you find them? How can I use something that I know nothing about?
- Not enough of it....lack of cutting edge talent and resources required to make a difference...elevate the position of the small ultra-premium producer....land use and support system is set up for large commercial operations.
- I have a very small business. NEOEDD, EOVA, NRCS, and FSA have been somewhat helpful. I have also taken advantage of the OSU Small Farms conference and OSU Extension services. I have not found the other business development organizations to be interested or helpful in my kind of business. This includes our local chamber and SBDC at EOU. Other organizations such as our county Economic Development Corp do not seem interested or provide services to businesses like mine. I am proactive and approach them with ideas and offer to help carry them out without success. I have found who is interested and willing to try something new, and who is not.
- Other people in the area have come to me to help them succeed when the County's Economic Coordinator was too busy/unavailable/unwilling to help. In fact, the former Wheeler County called me to ask if there was a way our counties could cooperate. When I asked her why she called me, instead of the County Economic Coordinator here, her response was, "I hear she's too busy." Just...WOW!

Question 18. Is there anything else you would like to tell us about the availability and quality of business support services? n=8

- While there are not business support services we need in our area they are available on-line or by going to other towns. Also, we have received good assistance by attending seminars pertaining to our area of interest. We may have to fly to get there but they are available. Point of the story: I don't think there is a need for highly qualified individuals or firms to provide the necessary strategic, financial or succession planning within our local area.
- No.
- Eastern Oregonians are an independent people that do not ask for help. Although these services may be available I would most likely not ask for there help.
- I think some seminars would be helpful here.
I've done my own digging around to locate grants and resources, but not everyone here is a resourceful as I am.

There are some people with good ideas out here, but they need some help getting their ideas off the ground and are often discouraged by the lack of support, especially at the County level.

- As a long term mature company we rarely to never use local support services
- My perception is most programs are geared towards startups and to a lesser degree existing businesses.
- Think small.....invest in communities who can build the overall industry reputation via the success of the smaller producers while attracting agri-tourism visitors.
- There is plenty of help available for people who seek it out.
- OSU has in the past not receptive to helping organic growers in Eastern Oregon
- I have not declared or entered into a business license yet, because we are still in the building and remodel phase. If the business licenses are too expensive, then I will either rent out the 2 livable units of the 2 story house, or sell the property. Or live in one side, rent the other. This house was about a year away from being burned to the ground, said the fire Marshall, when I bought it. History is worth preserving, I believe. This town, unbelievable to me sat on their hands and watched this house deteriorate. The towns people are old, poor, struggling, underemployed, and pinchy republicans, for the most part. They don't want government regulation or intervention, yet they don't have enough money to make Main St. Look and work better. Rather than hide what little money I have earned over the years, I am taking a risk with this house, for affordable housing and for business opportunities, for me or for someone else. Make America great And revitalize our small towns and rural areas.

Question 19. How often do you use the following methods to get help or advice on solving an issue with your business?

Method	Often	Sometimes	Never	Total Responses
Phone call, email, or in-person interaction with a peer business, associate, friend, or	57%	43%	0%	35
Phone call, email, or in-person contact with someone from a professional service	11%	71%	17%	35
Interactive online interaction through a forum or other online peer-assistance community	6%	49%	46%	35
Non-interactive online activity, such as a Google search or reading an article	62%	32%	6%	34

Question 20. If you needed assistance with *financing your business*, how likely or unlikely would you be to reach out to the following groups, individuals, or services?

Group, Individual, or Service	Don't Know	Very Unlikely	Somewhat Unlikely	Somewhat Likely	Very Likely	Total Responses
Bank or Credit Union	6%	11%	3%	40%	40%	35
Friend or Relative	12%	15%	6%	44%	24%	34
Small Business Development Center	6%	23%	11%	40%	20%	35
Northeast Oregon Economic Development District (NEOEDD)	15%	15%	24%	27%	18%	33
Local/County Economic Development Departments	6%	24%	15%	38%	18%	34
Peer Businesses	14%	26%	9%	31%	20%	35
Angel Investing	9%	31%	11%	23%	26%	35
Business Oregon	14%	37%	11%	20%	17%	35
Greater Eastern Oregon Development Corporation (GEODC)	43%	29%	3%	14%	11%	35
Online Crowdfunding	37%	37%	6%	11%	9%	35
Community Public Offering	12%	21%	12%	35%	21%	34
Bank or Credit Union	18%	44%	26%	9%	3%	34

Question 21. If you needed assistance with *regulatory concerns*, how likely or unlikely would you be to reach out to the following groups or individuals?

Group or Individual	Don't Know	Very Unlikely	Somewhat Unlikely	Somewhat Likely	Very Likely	Total Responses
Applicable Regulatory Agency	6%	11%	3%	40%	40%	35
Peer Business	12%	15%	6%	44%	24%	34
Friend or Relative	6%	23%	11%	40%	20%	35
State or Federal Representative or Senator	15%	15%	24%	27%	18%	33
Accountant	6%	24%	15%	38%	18%	34
Business Trade Association	14%	26%	9%	31%	20%	35
Local/County Economic Development Departments	9%	31%	11%	23%	26%	35
Small Business Development Center	14%	37%	11%	20%	17%	35
Regional Solutions	43%	29%	3%	14%	11%	35
Business Oregon	37%	37%	6%	11%	9%	35
Bank or Credit Union	18%	44%	26%	9%	3%	34
Local Elected Officials	12%	21%	12%	35%	21%	34

Question 22. If you needed assistance with a *technical issue related to goods/services you produce* (for example, a problem with a production process), how likely or unlikely would you be to reach out to the following groups or individuals?

Group or Individual	Don't Know	Very Unlikely	Somewhat Unlikely	Somewhat Likely	Very Likely	Total Responses
Oregon State University Extension Service	3%	21%	9%	41%	26%	34
Peer Business	9%	18%	6%	35%	32%	34
Friend or Relative	9%	12%	9%	36%	33%	33
Business Trade Association	17%	29%	17%	20%	17%	35
Small Business Development Center (SBDC)	12%	47%	12%	24%	6%	34
Extension Food Innovation Center	26%	40%	9%	17%	9%	35
Local/County Economic Development Departments	6%	44%	29%	12%	9%	34
Business Oregon	29%	44%	15%	9%	3%	34
Oregon Manufacturing Extension Partnership	34%	43%	14%	6%	3%	35

Question 23. If you needed assistance with *business planning or legal issues*, how likely or unlikely would you be to reach out to the following groups or individuals?

Group or Individual	Don't Know	Very Unlikely	Somewhat Unlikely	Somewhat Likely	Very Likely	Total Responses
Attorney	6%	3%	9%	26%	56%	34
Accountant	6%	9%	6%	38%	41%	32
Peer Business	15%	9%	18%	41%	18%	34
Friend or Relative	9%	15%	21%	33%	21%	33
Business Trade Association	15%	26%	24%	21%	15%	34
Your Customers	12%	29%	24%	15%	21%	34
Small Business Development Center	12%	44%	15%	15%	15%	34
Bank or Credit Union	15%	30%	24%	21%	9%	33
Local/County Economic Development Departments	18%	50%	12%	9%	12%	34
Northeast Oregon Economic Development District (NEOEDD)	24%	47%	9%	9%	12%	34
Greater Eastern Oregon Development Corporation (GEODC)	29%	53%	6%	9%	3%	34
Business Oregon	33%	45%	9%	9%	3%	33
Other (Text Entry): Consultant for that Issue or Business	0%	0%	50%	0%	50%	2

Question 24. If you needed assistance with *marketing*, how likely or unlikely would you be to reach out to the following groups or individuals?

Group or Individual	Don't Know	Very Unlikely	Somewhat Unlikely	Somewhat Likely	Very Likely	Total Responses	
Your customers		13%	9%	6%	41%	31%	32
Peer Business		15%	15%	12%	42%	15%	33
Friend or Relative		10%	26%	10%	26%	29%	31
Area Chamber of Commerce		15%	30%	18%	24%	12%	33
Business Trade Association		22%	28%	16%	31%	3%	32
Small Business Development Center (SBDC)		15%	48%	6%	12%	18%	33
Travel Oregon or Local/Regional Tourism Agency		18%	44%	9%	9%	21%	34
Local/County Economic Development Departments		15%	55%	9%	12%	9%	33
Northeast Oregon Economic Development District (NEOEDD)		28%	44%	13%	3%	13%	32
Greater Eastern Oregon Development Corporation (GEODC)		30%	48%	9%	9%	3%	33
Business Oregon		30%	48%	12%	3%	6%	33
Other (Text Entry): Marketing Consultant		50%	0%	0%	0%	50%	2

Question 25. Who (or what) do you most often turn to when you encounter an issue with your business that you can't solve on your own?

Response	Percent of Responses
Peers	54%
Professionals	29%
Internet Search	17%
Internal Operations	13%
Economic Development Professional Consultant	4%
No one	4%
OSU Extension	4%
SBDC	4%
Total Responses	24

Question 26. Do you think that the business community and entrepreneurs in your area would benefit from an entrepreneurship/business support center?

Response	Percent of Responses
Yes	61%
No	18%
It depends (please explain)	21%
Total Responses	33

It depends (please explain):

- It really depends on the programming and the person who would run it. The organization would have to be about relationships, making connections between business, and providing HIGHER level business assistance, especially marketing. I would want to see such a support center organize experts with actual business experience to present or coach people rather than expecting one person in such an

organization to have all the answers.

- No. of people wanting help
- They might benefit if they chose to utilize the service. I don't think this area is large enough to support a business support center.
- don't know what it is
- Small companies likely would
- Really not sure, some would use it
- Haven't given it much thought

Question 26a1. If you selected YES or IT DEPENDS in Q26, which of the following services and facilities do you think would be useful? (Check all that apply.)

Response	Percent of Responses
Workshops and trainings	77%
Business counseling or technical assistance	65%
Networking opportunities	58%
Assistance with identifying and obtaining financing for the business	46%
Access to office equipment (like a copy	27%
Office spaces for monthly rental with high speed internet	19%
Other (please describe)	15%
Drop-in office space with high speed internet	15%

Question 26a2. If you selected YES or IT DEPENDS in Q26, how do you think services at such an entrepreneurship/business center should be delivered? (Check all that apply.)

Response	Percent of Responses
One-on-one counseling	60%
In a physical location	60%
Internet-based access to a real person (e.g. interactive webinars)	60%
Peer-to-peer business gatherings (such as business "meetups" in a pub or coffee shop)	40%
Internet-based without access to a real person (e.g. on-demand tutorials)	36%
Through a series of travelling workshops	32%
Other (please describe)	8%
Total Responses	25

Question 26b. If you selected NO in Q26, please briefly explain why you don't think an entrepreneurship/business center would be useful. n=4

- There are too few of us to justify it and we would rather turn to a specialist in the area of concern rather than a jack-of-all trades that would be hired for a business center.
- We don't need another tax sucking government office that does nothing for the area, we already have

more than enough of them.

- Not enough need. People find their own way now and this would just be another layer to go through.
- We already have these "resources" and I don't see what are the benefits.

Question 27. Please mark any of the following support services you would like to be able to access, but don't feel you currently have access to.

Response	Percent of Responses
Assistance with building and effective online p	52%
Assistance with navigating regulations	48%
Assistance with risk management	43%
Assistance with marketing	43%
Legal advice	39%
Assistance with business development/planni	35%
Assistance with accounting/financial planning	30%
Assistance with technical questions	30%
Total Responses	23

Question 28. Is there anything else you would like to tell us about business support services that are not currently available? n=8

- I would be interested in working with someone who has the time, experience and expertise to really get to know my business rather than continuing to attend workshops that are at the 10,000 ft level. I am at a point in my business development that these are not that useful. Being able to dive in one-on-one in, confidentially into the challenges and opportunities for my business would be so helpful. I have done this with an EOU professor in the business department and it was extremely helpful.
- This business is very competitive so peer to peer learning is not the best angle. Also I have seen times in the past where attempts were made by the Forest Service to teach people how start a business in gov. contracting, to date none worked and while putting those people at great risk while also giving them an unfair advantage to those currently in the biz.
- There is no bank in Mitchell. This is a problem for everyone in the town. No bank, no pharmacy, no library, no swim pool. Everyone is subject to driving to Prineville or Bend to get goods and services and physical therapy (like swimming). We have created a nation car rich and centralized retail/ services. Mobility has become more important, and more expensive, than building community and localized self-sufficiency. Knowing that there is limited oil and gas, and the damage it is doing ecologically, it is obvious to me that we, government and business, need to restore small towns to provide commerce and livable infrastructure so there is less individual dependence on the automobile.
- Need a service dedicated to reducing regulations
- I'm sort of rare around here in that I'm pretty much self-contained, and have a MBA. But most people around here aren't credentialed, don't have a lot of experience, and could certainly use some additional help. The demand is here, but the services aren't to my knowledge.
- For the love of all that is holy! Employee management classes. Management systems development.
- Face to Face meetings are very helpful and all too rare. It requires so much travel to see and support small business but the value of being present is real. Being a firm hand is OK. If someone is not ready to listen then move on. Make sure you are not the one who doesn't want to listen. I told my guy "you're not speaking my language." I think that got him to listen to what I was saying even if it was not in "business speak."
- Certified kitchen

Part 4: Additional Business Information

Question 29. How long has your business been in operation?

Response	Percent of Responses
Less than one year	6%
1 - 2 years	6%
3 - 5 years	12%
6 - 10 years	15%
More than 10 years (please indicate how many years):	61%
Total Responses	33

More than 10 years (please indicate how many years):

- 15 years
- 16 years
- 40+
- 80+
- Since 1885

Question 30. Where do your customers come from?

Response	Percent of Responses
Regional (25 - 300 miles)	53%
Western States	47%
Local (less than 10 miles)	41%
Statewide (all of Oregon)	38%
Greater Area (10 - 50 miles)	32%
Nationwide	29%
International	26%
Total Responses	34

Question 31. Which of the following types of customers do you serve? (Check all that apply.)

Response	Percent of Responses
Retail customers (individuals or groups of indi	79%
Other businesses	64%
Government agencies	36%
Other (please describe)	12%
Total Responses	33

Other (please describe):

- In 2015 there was 77,000 cars counted coming to view the Painted Hills
- Ag producers
- Direct to consumer
- Ranches

Question 32 If you are comfortable telling us, please enter an estimate of the percentage of your sales that are made through the following methods. (Percentages should add up to 100.)

Response	Percent of Respondents Using Sales Method	Average Percentage of Respondents' Sales Made Through Each Method
Online	30%	39%
Other	33%	24%
Phone	64%	16%
In Person	73%	20%
Total Responses	33	33

Other:

- advertising
- assessment
- Branded beef group
- coop
- direct contracts, Gov. & Private
- Email; not an online buying system
- email/direct contact
- Gov. and private Bids
- Market
- Media coverage
- Printed advertising

Question 33. Please select the months during which your business is operational.

Response	Percent of Responses
All	67%
January	0%
February	6%
March	18%
April	24%
May	30%
June	33%
July	30%
August	33%
September	33%
October	33%
November	18%
December	9%
Total Responses	33

Question 34. If you are comfortable telling us, please enter the number of full-time, part-time, and seasonal employees you currently have (or had during the most recent season you hired seasonal staff). Please include yourself in the count. *n=31*

Full Time	Part Time	Seasonal	Total Employees
0	1	0	1
1	0	0	1
0	1	0	1
0	0	2	2
0	0	2	2
1	1	0	2
1	1	0	2
0	1	1	2
0	2	0	2
1	0	1	2
2	0	1	3
2	0	1	3
2	1	0	3
1	1	1	3
2	2	0	4
0	4	0	4
0	0	5	5
4	1	0	5
5	1	0	6
4	0	3	7
4	2	2	8
7	2	0	9
2	0	8	10
2	0	8	10
0	2	10	12
5	0	12	17
18	4	0	22
5	5	12	22
34	0	12	46
35	0	50	85
40	0	46	86

Question 35. Please enter your gross revenue in 2016 (optional). *n=15*

- \$10,000
- \$23,000
- \$30,000
- \$37,500
- \$50,000
- \$100,000
- \$120,000

- \$200,000
- \$230,000
- \$250,000
- \$750,000
- \$1,100,000
- \$1,250,000
- \$2,200,000
- \$20,000,000

Question 36. Was your business profitable in 2016?

Response	Percent of Responses
Yes	73%
No	27%
Total Responses	30

Question 37. Which of the following best describes your relationship to income from your business?

Response	Percent of Responses
This is the primary source of income for my household	48%
This provides a secondary source of income for my household	29%
This is supplemental income for my household that is helpful though not critical	23%
Total Responses	31

Question 38. Please enter the ZIP code of your business.

ZIP Code	Count
978	1
99362	1
99324	1
97945	1
97914	2
97886	1
97883	1
97875	2
97874	1
97873	2
97864	1
97850	1
97846	3
97845	2
97836	1
97830	1
97828	1
97824	2
97823	1
97820	2
97818	1
97814	1
97753	1
97732	1
97720	2
97637	1
97107	1
Total	29

Question 39. Do you have any other comments you would like to share with us? n=7

- I don't have a degree in business, but I'm figuring it out. I do as much research as I can. I ask for help from those locally. I attend one conference per year. I'm doing well and learning a lot. My business is growing and I am happy that I have been profitable every year. Mainly, I want to make more of a living wage and pay more to employees, so I need to make more money. That's what I want help with. I could learn all this faster and be more successful if I had a bit more access to one-on-one coaching with someone who had time to understand my business. I don't think we need another business development organization here--we just need more individualized help that is not one-size-fits all. Thanks for your interest!
- Most entrepreneurs are only good at one or two things. I'm a production guy not a salesman, or a scientist but I need both of those other fields of expertise. I need a way to bring those types of people into my business in an equitable manner but not as employees.

- I have, on several occasions, felt "shopped." Entities think they can be helpful but when it comes down to actually delivering assistance, they blink. They get a salary to go to meetings and talk about opportunities. The meeting and talking costs the business they are exploring. Tiny business can't afford the luxury of fantasy development. We need concrete progress. If you are going to help small business buy the time or buy the product. Give them something in return for the exploration process. Working carefully through a grant/loan process with zero results has left me feeling "shopped" several times.
- We are a long established business with a pretty good network of contacts. If we were a newer business just getting started then we might make more use of county and regional small business development centers.
- I would like to see more support for Organic Farming in Eastern Oregon, not only farming but for consumers.
- GiddyUP!
- This survey was extremely time consuming

Appendix B: The Business Assistance Landscape – A Review of Organizations, Policies, & Programs

This sample of a cross-section of economic development and business assistance organizations provides an overview of the type and range of services available to businesses within the ten-county Eastern Oregon study area. Note that this list is not exhaustive; many organizations are likely missing. Information was collected via phone calls with representatives from each of the organizations listed.

Summary of Economic and Business Development Services Offered

Organization Name	Business Recruitment	Support for Existing Businesses (Retention & Expansion Programs)	Entrepreneurship/ Start-Up Support	Workforce Development and Training	Tax Incentives, Funding, & Financing	Infrastructure Supply and Improvement
Business Oregon	X	X	X		X	X
Craft 3			X		X	
Eastern Oregon Visitors Association		X	X		X	
Gilliam County Community Development	X	X		X		
Grant County Economic Development Department (GCEDC)		X	X		X	X
Great Inc.		X			X	
Greater Eastern Oregon Development Corporation (GEODC)		X	X		X	X
HatchLab Baker		X	X			
Milton-Freewater Community Development Department	X	X	X		X	
Northeast Oregon Economic Development District (NEOEDD)	X	X	X		X	

Organization Name	Business Recruitment	Support for Existing Businesses (Retention & Expansion Programs)	Entrepreneurship/ Start-Up Support	Workforce Development and Training	Tax Incentives, Funding, & Financing	Infrastructure Supply and Improvement
Regional Development Initiatives (RDI)	X	X	X		X	
Snake River Economic Development Alliance (SREDA)	X	X	X	X	X	
Sunnyslope Marketing		X	X			
Umatilla County Planning and Economic Development		X	X	X		X
Union County Economic Development Corporation	X	X	X		X	X

Organization Profiles

Business Oregon

Website: http://www.oregon4biz.com
Service Area: Business Oregon services the entire state, but the interviewee covers region 11 of Baker, Wallowa, and Union Counties
Organization Size/Capacity: 12 regions with one Regional Development Officer in each, Business Oregon's Economic Development staff has a total of 59 employees

Services Offered

- **Business Recruitment**
 - Helps organize and fund clients to participate in trade shows
- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Works with business retention, expansion and recruitment
 - Business development: helping with finance, certifications, global trade and foreign direct investment (frequently with Japan, Germany, and China)
 - Infrastructure help for energy, water, roads, critical services
 - Offers help with business succession planning to help transitions from the 1st or 2nd generation to the next
 - Connects business to other resources
- **Entrepreneurship & Start-up Support**
 - Has various programs for promoting innovation and entrepreneurs. For example, those who have an idea but can't afford a work lab can utilize different labs around the state and their services
 - Aims to pair ideas and business partners when interests align
- **Tax Incentives, Funding and Financing**
 - Has finance programs and business development experts to give financial advice
 - Export promotion grants help get business owners to trade shows and other functions, grants offer up to \$10,000 or a 50% match
 - Advises on taxes, leverage, or creating incentives
 - Offers community development block grants for municipalities
- **Infrastructure Supply and Improvement**
 - Has a brown-fields program for municipalities
 - Works on industrial development, industrial site repurposing, marine navigation improvements, ports, port planning and marketing, safe drinking water, seismic rehab, special public works, communications, water, and waste water.

How are clients reached?

Municipalities generally know what they need when starting an infrastructure project and reach out to Business Oregon through the website, referrals from ODOT, USDA, or existing contacts. Most businesses don't know about economic development resources and usually find Business Oregon through partners, recruiters, or through the organization's outreach. Outreach is conducted through meetings, contacts, middle contacts, and a successful website.

Is there a system for referring clients to services not provided by the organization?

An informal list of contacts is in use and tailored to the needs of the client. Currently, the organization is working on putting together a formal list of available resources. Business Oregon's website has a lot of information that clients are encouraged to peruse.

Services Needed

Broadband is an issue that's holding back industries and businesses if they are unable to support a minimum of 25MBPS. In this region (Eastern Oregon), only one broadband provider can provide a maximum of 25MBPS. Education on services and resources available, how to use resources, and how to be a business owner or run a company would help make the region more active and prosperous.

Focus Areas

Business Oregon provides services to municipalities and businesses, mostly on traded sectors (mostly on goods, but increasingly for service sectors) and entrepreneurial development. Their focus is on small and medium sized businesses. Traded sectors broadly include forestry and wood products, food and beverage, high-technology, outdoor gear and apparel, advanced manufacturing, and business services. Business services includes professional and technical services (usually targeted to specific industries and includes architectural services, engineering, geophysical surveying and mapping, graphic design, marketing research and public opinion polling), management support, and customer support (call centers and travel industries or trade show organizers).

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

Business Oregon typically works with small to medium sized businesses. Special attention is given to start-ups preliminary by doing work to identify what opportunities are available and matching them with interested businesses. While Business Oregon does not mandate special attention for entrepreneurs, extra help is available by the experienced staff. The agency partners with specific programs to certify specific populations for eligibility for grants, federal contracts, and sub-contracts with a prime contractor to take advantage of the respective strengths of each population group.

Collaboration

The interviewee thinks Business Oregon coordinates well with other agencies for clients or projects, but thinks communication on local or regional economic development issues or strategy could be improved. Smaller, rural communities have an increased imperative to coordinate because the resources are so finite. Most of the communication that occurs with Business Oregon is through a Regional Solutions team that is a formal reflection of the agency's coordination. Some of the organizations that Business Oregon meets with regularly include:

- United States Department of Agriculture
- Oregon Department of Environmental Quality
- Oregon Department of Transportation
- Economic development partners from communities in the service region

Are there any major issues or gaps related to collaboration?

The challenge is making sure agencies and corporations are coordinating by talking early and getting everyone to the table quickly. Disconnection happens when contact is made to one person or agency when starting the project, but they don't talk to everyone they could or should have. An example of missed opportunities is when lack of communication means two small businesses in the area develop the same product, when they could have combined forces to be cooperative instead of competitive.

Craft 3

Website: <https://www.craft3.org>

Service Area: Craft 3 services Oregon and Washington states, but has an Eastern Oregon focus through a 7-county region centered in Klamath Falls, a location in Bend, and a location in Walla Walla, WA.

Organization Size/Capacity: More than 50 employees spread across 7 offices, 12 of whom are in the Columbia-Willamette basin in Eastern Oregon and southern Eastern Washington.

Services Offered

- **Entrepreneurship & Start-up Support**
 - Much of Craft 3's financial assistance goes towards entrepreneurs.
- **Tax Incentives, Funding and Financing**
 - Craft 3 lends funds to entrepreneurs and small business clients who need access to capital but can't get it from a traditional bank or credit union. Amounts typically range from \$50,000-\$1,000,000. The agency helps the client develop the skills to be ready for a banking solution.
 - Offers an affordable septic replacement program, launched with Oregon Department of Environmental Quality in 2016. The program flips the traditional model, so that rather than clients being a higher risk because of a lower income, they actually receive a lower interest rate.
 - Partners with utility companies so that payments for septic system repair loans are on clients' home energy bills.

How are clients reached?

Clients are mainly referred by bankers and traditional financial institutions, local economic development officials and Chambers of Commerce, statewide SBDC networks, and sometimes through loan brokers. Each office has a business lender that is involved in the community looking for opportunities. Craft 3 has a social media presence they are working to improve to better reach younger clientele.

Is there a system for referring clients to services not provided by the organization?

Depending on the lender within the organization, a list of resources might be more formal than informal. Lenders cultivate relationships with traditional lenders and with economic developers or related fields, and participate within the community to maintain visibility and advertise their services.

Services Needed

Most often, employees know who to refer a client to when they are unable to help, and they can reach out to their counterparts in different counties for advice. Sometimes this method of coordination fails, but examples could not be thought of.

Focus Areas

Craft 3 provides capital to small business clients and entrepreneurs who couldn't receive access to capital from a bank or credit union. Clients might not be able to get funding from traditional financial institutions because of bad credit, challenged credit, limited or unusual collateral, being in an emerging or season industry, being in a rural area, or being in a 'bad banking situation' (the example given was southern Oregon). The agency can lend to many industries such as food production, agriculture, clean energy, energy efficiency, mom-and-pop retail, community centers and non-profits, or consumers with niche products.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

The goal of Craft 3 is to improve a business's financial prospects so that they can borrow funds from a traditional financial institution, so many of their clients are start-ups, entrepreneurs, and small businesses. They focus on specific populations such as immigrants, women, minorities, and veterans. These populations are tracked to examine how well they are doing and what sectors are more popular with those populations. In 2016, 64% of their loans went to specific populations.

Collaboration

Craft 3 coordinates informally and formally with other financial institutions to provide funds for their clients. Many loans have multiple partners or components which require collaboration, along with land conservation deals.

Are there any major issues or gaps related to collaboration?

One of their largest challenges is educating their referral sources so they aren't sent potential clients that they can't take. The company does not advertise much, so they are not well known.

Eastern Oregon Visitors Association

Website: <http://www.visiteasternoregon.com>

Service Area: The counties of Morrow, Union, Wallowa, Grant, Baker, Harney, Gilliam, Sherman, Lake, Crook, Wheeler, and Malheur.

Organization Size/Capacity: unknown (staff list not available on website)

Services Offered

- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Provide sub-regional working groups that reconvene to continue the collaborative efforts that started businesses
 - Provide interactive media lessons to help business owners navigate the options of interactive media
 - Assist with PR
 - Develop non-paid media exposure for the sub-regions that individual businesses reside in, and the greater region for advertisement
 - Develop materials to help with the promotion of products (creating, printing, and distributing brochures/signage)
 - Provide education on what marketing opportunities are available
 -
- **Entrepreneurship and Start-up Support**
 - Coordinates workshops with Travel Oregon to educate potential business owners about agritourism, outdoor activities, cultural heritage and art, international visitors, and more areas of business development; business modeling; and looking at key concerns to be aware of to develop an agriculture-based business.
- **Tax Incentives, Funding and Financing**
 - Provides grant writing for businesses for greater promotion and marketing; assists sub-regions on writing grants to do specific projects

How are clients reached?

In the core initiative areas, clients mostly find the agency from referrals through their local destination marketing organization such as a Chamber of Commerce. The agency works with regional economic corporations, Travel Oregon, and Oregon State University Extension offices. Their website is visitor facing, not business facing, so they don't attract many businesses through it.

Is there a system for referring clients to services not provided by the organization?

The agency has a formal list of resources, such as a state-wide agritourism guidebook that helps point to resources that the organization may not be able to provide at the regional and local level.

Services Needed

Continuing needs are the ability to provide a quality workforce, and affordable housing. Trying to figure out the seasonality of the overall tourism industry has been difficult for the tourism sector.

Focus Areas

Broadly, any demographic type that is interested in agritourism, outdoor activities, cultural heritage and art, and international visitors. Within each of these, there are specific demographics that are targeted because they have shown higher levels of interest. Baby Boomers were mentioned for agritourism and cultural heritage because they may have retired early, be traveling with grandkids, have a longer time to be able to spend vacationing, their incomes are above \$50,000 annually, and they tend to be interested in a broader range of activities.

Younger demographics were noted as liking outdoor recreation. Visitor tourism is somewhat confined to local, county oriented attractions. The past few years have been focused on agritourism, but with an increase in funding from Travel Oregon and the Regional Cooperative Tourism Program the other sectors have been broadened.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

The core initiative gives special attention to start-ups and entrepreneurs, as well as trying to enhance existing businesses (particularly in agritourism). A common theme was noted for specific populations: a partnership between couples where the male does the traditional side of the business, and the woman works to expand it in entrepreneurial ways.

Collaboration

At a regional scale, the agency has close relationships with the economic development organizations and Chambers of Commerce for Northeastern, Eastern Oregon, and Eastern Columbia regions. They also coordinate under Travel Oregon, which functions as their parent organization. At the local level, cooperation falls apart. There's still not a clear understanding of the tourism industry and how it works, and there is a disconnect between the organization and policy makers who don't always understand the impact and forces of the industry and how they could work together better.

Are there any major issues or gaps related to collaboration?

The major challenge for the Eastern Oregon Visitors Association is finding the time to work on all the opportunities available. The association would benefit from more resources and staff, and the time it would take to coordinate resources.

Gilliam County Community Development

Website: http://www.co.gilliam.or.us/community_development.html
Service Area: Gilliam County, OR
Organization Size/Capacity: 1 staff member

Services Offered

- **Business Recruitment**
 - Because of low population in Gilliam and its neighboring counties, there is a regional effort to capitalize on opportunities for opening new markets and businesses.
- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Networking Resources
 - The Community Development Department will connect businesses to organizations that could offer assistance for funding.
- **Workforce Development and Training**
 - Classes run by Columbia Gorge Community College are offered once a month.

How are clients reached?

The Community Development Department reaches out through involvement in trade conferences. They work with the Port of Arlington for specific outreach efforts.

Is there a system for referring clients to services not provided by the organization?

Yes. The Port of Arlington and Condon Chamber of Commerce have formal lists of resources.

Services Needed

The availability of high speed fiber optic cable for internet would improve recruitment of businesses and residents tremendously. Because the population is so low in Gilliam County, it is proving to be very difficult to convince service providers to invest in cable installation.

Focus Areas

Wind power has been well-established in Gilliam County. Biomass energy is a recent project and includes efforts to use waste from Portland to produce energy. Tourism (in coordination with Sherman and Wheeler Counties) is another area where some work has been done.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

No. There is not a targeting of specific industries to provide assistance to.

Collaboration

Gilliam County works with neighboring counties and local organizations within Gilliam county.

Are there any major issues or gaps related to collaboration?

Collaboration is necessary. Because of the low population, Gilliam's neighboring counties (Sherman and Wheeler counties) tend to partner for mutual benefit. For instance, the three counties purposefully joined together when the John Day River Territory was formed. The idea was that collective buy-in for a tourism campaign would help spread a wide net of possible revenue. At least at the county level, there is a willingness to collaborate.

It has been a slow process of getting to the point of willingness to explore regional development opportunities, but the larger goal of continued collaboration is to bring people back to Eastern Oregon.

Grant County Economic Development Department (GCEDC)

Website: http://www.gcoregonlive2.com/svc_display.php?id=528
Service Area: Grant County, OR
Organization Size/Capacity: 1 Staff member

Services Offered

- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Technical assistance for needs related to:
 - Budgeting
 - ORS regulations
 - Licensing credentials
 - Research based on client needs
 - Connecting clients with community organizations
 - Obtaining financing for clients
 - Technical support for specific issues related to a business's trade or production.
- **Entrepreneurship & Start-up Support**
 - Provide technical assistance related to writing business plans and budgeting
- **Tax Incentives, Funding and Financing**
 - Clients are connected with services on an individual basis. Depending on a client's need, the department coordinator will work to put the client in touch with the organization best suited to assist them.
 - Businesses are helped the most through lenders (i.e. banks and development districts)
- **Infrastructure Supply and Improvement**
 - The County works with state and federal programs to identify and fund infrastructure projects.

How are clients reached?

Clients find out about the development department through the department website, Facebook, newspaper and radio advertisements, word of mouth, occasionally through Twitter and networking with non-profit organizations in the area.

Is there a system for referring clients to services not provided by the organization?

Yes. The department has a list of contacts and numbers on hand when putting clients in touch with additional support providers.

Services Needed

The most pervasive issues relate to funding needs. Specifically, it is very difficult to obtain funding for at-risk students at small, relatively new trade schools such as cosmetology colleges. The overlap of state and federal funding creates difficulty in getting student grants.

Focus Areas

The department serves all of Grant County, but the Department Coordinator's focus is in agriculture and the biomass industry.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

The department's goal is to serve anyone who currently has, or is looking to start a business.

Collaboration

Generally, the relationships that GCEDC rely on are good. These include:

- Grant County Economic Council
- Grant County Soil and Water Conservation District
- Northeastern Oregon Economic Development District
- Oregon Economic Development Association
- Blue Mountains Forest Partners

Are there any major issues or gaps related to collaboration?

For the GCEDC, collaboration is necessary. The challenges that currently face GCEDC primarily include increasingly strict state regulations (more so than federal regulations).

Great Inc.

Website: NA
Service Area: Grant County, OR
Organization Size/Capacity: 1 Staff member

Services Offered

- **Support for Existing Businesses (Expansion and Retention Programs)**
 - GREAT Inc. primarily offers fiscal support to enterprises seeking grant funding.
 - Clients have included businesses needing to retrofit machinery.
- **Tax Incentives, Funding and Financing**
 - GREAT Inc. primarily offers fiscal support to enterprises seeking grant funding, but who do not have a 501(c)(3) designation
 - Provided fiscal support to the Blue Mountains Forest Partners (BMFP) while it achieved 501(c)(3) designation.

How are clients reached?

Outreach is primarily achieved through word of mouth communication. They occasionally develop press releases, but it is unknown how well they reach potential clients.

Is there a system for referring clients to services not provided by the organization?

If one board member from GREAT Inc. is unsure how to assist a client, they consult the rest of the board members. If that doesn't produce a solution, they go to the Grant County Economic Development Coordinator (GCEDC).

Services Needed

Informally, the board members of GREAT have a knowledge base that allows them to address most service needs that clients bring them.

Focus Areas

There is not a specific type of business or industry that GREAT assists. There are some general criteria that the organization looks for in a potential client:

- Does the organization provide jobs?
- Does it increase tourism?
- Does it improve community infrastructure?
- Does it improve service to consumers?

GREAT has helped organizations from lumber mills to citizens needing a loan.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

There is not unique attention or services made available to start-ups or entrepreneurs.

Collaboration

Collaboration with similar size, or smaller organizations:

- There isn't much collaboration between GREAT Inc. and the one other organization because the client demographics they serve are extremely different.

Collaboration with larger organizations:

- Blue Mountains Forest Partners (BMFP)

- GREAT Inc. provided fiscal support in order for BMFP to achieve NPO status
- Grant County Economic Development Department
 - Regularly works with GREAT Inc. for assisting with client needs.
- Depart of Environmental Quality (DEQ)

Are there any major issues or gaps related to collaboration?

GREAT benefits from collaboration with the GCEDC. The department coordinator is the primary support person outside of the board members to provide GREAT with assistance.

Greater Eastern Oregon Development Corporation (GEODC)

Website: <https://www.geodc.net>

Service Area: Gilliam, Grant, Harney, Malheur, Morrow, Umatilla, and Wheeler counties.

Organization Size/Capacity: 4 staff members, 9 members of the Board of Directors

Services Offered

- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Hosts workshops on succession planning
- **Entrepreneurship & Start-up Support**
 - Has a program specifically for Native American entrepreneurs
- **Tax Incentives, Funding and Financing**
 - Issues loans to help with land/building acquisition, new construction, equipment/machinery, fixtures, inventory, supplies, and working capital. GEODC works as a gap lender to help cover what a bank cannot, or to make the remainder small enough that the business owner can pay
 - Provides grant writing, grant administration, and help seeking grants for clients
 - Operates a loan program for homeowners in Umatilla and Morrow counties (NE Regional Housing Program)
 - Offers loans for Native American business owners through the Native American Entrepreneur Revolving Loan Fund
- **Infrastructure Supply and Improvement**
 - Under contract with Fair Housing of Oregon, works on laws and organizations that protect homeowners and renters

How are clients reached?

Clients are typically referred by word-of-mouth, either from a banker, or by the agency's loan officer who works in the banking business and who reaches out to bankers to see if there are any opportunities available. GEODC has a website, but most clients find their services through a bank. Outreach is done primarily through bank networking but also includes outreach at community meetings, hosting workshops on the services they provide, and through SBDCs (Small Business Development Centers).

Is there a system for referring clients to services not provided by the organization?

GEODC considers bank networking a great resource. Additionally, the four staff members all have their own list of resources and work within the office to recommend contacts for their coworker's clients.

Services Needed

Incubator entrepreneurial type services, transportation assistance (access to services), housing loans, and assistance putting together loan packages for clients are services that are not available or not readily accessible.

Focus Areas

Small businesses and public entity bases or cities/counties are the target audience for the loan program. There is no focus on the type of business or industry.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

Start-ups and entrepreneurs are common clients that are given advice on how to apply for loans or what they can do to be a better candidate for a loan. For entrepreneurs, GEODC partners with incubators to apply for federal grants funds. Business owners who are members of Native American tribes are eligible for the Native American Entrepreneur Revolving Loan Fund.

Collaboration

GEODC formally coordinates with a few organizations, such as NEOEDD, and meets every other month. Many communities have their own economic development officer, who coordinates with GEODC for specific clients or projects. For local and regional issues, GEODC coordinates with Regional Solutions and regional agencies.

Are there any major issues or gaps related to collaboration?

Greater communication from the local level to GEODC could be helpful for sharing resources and making sure work is not duplicated, but this was not seen as a large problem.

HatchLab Baker

Website: https://hatchthefuture.org/
Service Area: Baker County, OR
Organization Size/Capacity: 1 Staff member, 11 Board Members

Services Offered

- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Classes and workshops taught by:
 - Attorneys
 - Accountants
 - Bankers
 - Networking assistance, and follow up to assist in maintaining business relationships.
- **Entrepreneurship & Start-up Support**
 - Exposure on main street
 - Business can use the HatchLab office on main street to improve visibility during the early stages of their enterprise

How are clients reached?

There are a number of ways that HatchLab Baker establishes a presence:

- The HatchLab Baker office is on Main Street in downtown Baker City. This helps the organization's visibility to people along Main Street.
- Providers for farm loans
- Business groups
- Classifieds in Baker newspapers
- Facebook

Is there a system for referring clients to services not provided by the organization?

The central HatchLab office in Portland provides an informal resource for personal contacts and connecting to service organizations that might be useful to clients in Baker County.

Services Needed

There is a gap in resources available to the Baker City HatchLab, but the HatchLab office in Portland bridges that gap. There is a serious need for resources available for technology and monitoring related to agriculture and resource extraction (drones, land cover measuring etc.)

Focus Areas

The main focus is on new and existing businesses.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

Businesses coming to HatchLab for support must meet two criteria: 1) They must be viable businesses, and 2) They must be profitable.

There is not an agenda to only support certain businesses or industries. That being said, HatchLab Baker does notice that more than 50% of Baker County loans are for agricultural enterprises.

Collaboration

HatchLab Baker sees a lot of cooperation between groups at the local, state, and private level. Organizations which they collaborate with include:

- Northeastern Oregon Economic Development District (NEOEDD)
- WorkSource Oregon
- The Oregon Employment Division
- Chambers of Commerce
- Baker Technical Institute
- Blue Mountain Forest Partners

Are there any major issues or gaps related to collaboration?

There used to be a culture of protectiveness that economic development organizations expressed toward their clients. It has been a process of breaking that down in order to allow a freer exchange of clients between organizations. The outcome is better service being available to the clients. Nowadays, there is less focus on individual organizations trying to cover as many services as possible in-house.

Milton-Freewater Community Development Department

Website: http://www.mfcity.com/cdp/page/community-development
Service Area: City of Milton-Freewater and surrounding area
Organization Size/Capacity: Four staff members

Services Offered

- **Business Recruitment:**
 - Limited capacity for this, but it does happen sometimes
- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Tailor support to specific business needs
- **Entrepreneurship & Start-up Support**
 - Have the capacity to walk a new business through the entire start-up process
 - Tailor support to specific business needs
- **Tax Incentives, Funding and Financing**
 - Connect businesses with local banks and funding institutions

The organization acts as “air traffic control” and can provide any service a business might need or direct them to a local partner that could provide that service.

How are clients reached?

The organization focuses on building relationships with local businesses so that when they need assistance they feel comfortable asking the Community Development office for help. State and county offices often refer clients to them as well.

Is there a system for referring clients to services not provided by the organization?

A system was not explicitly described. The office often refers clients to other service providers such as the SBDC, banks, city planners, etc. depending on client needs. The system functions primarily off personal relationships with local partners.

Services Needed

All needed services are provided by somebody in the area as long as businesses are willing to ask for help. The office is oriented to finding solutions to a client’s unique problems and can find the appropriate answers or services through connections with local and regional partners.

Focus Areas

Due to limited financial resources, Milton-Freewater focuses on retention and expansion rather than recruitment.

Agriculture is an important industry in the area. There is also a new project in the Rock District to promote and grow the wine industry that Milton-Freewater and other regional partners are collaborating on.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

Start-ups are important to the area since there isn’t much capacity for recruitment, and they can walk a new business through the entire process of getting started if they need it. They work with the SBDC and EOU to support local start-ups.

Their office has done bilingual presentations about business start-ups for the Hispanic/Latino community. The biggest first step is building trust with the community and focusing on building relationships so they feel comfortable coming to the organization later if they need assistance.

Collaboration

Most communication happens over the phone when a particular client or project requires an element of collaboration. The Rock District wine industry project is an example of where significant collaboration has been taking place.

Over the past two years, the Community Development department has been meeting every six months with other local economic development entities for a round table check-in where an open and honest discussion takes place about what needs to get done and where improvements can be made. These check-ins include representation from:

- State entities
- County entities
- Reservation representatives
- Local politicians
- County commissioners
- City council

Are there any major issues or gaps related to collaboration?

Collaboration is essential since rural Oregon doesn't have enough people to get everything done otherwise. The office has a strong relationship with area partners, and they are able to work together well. There are certain clients that require an element of non-disclosure, and some partners have a "secret sauce" they don't want to share, making collaboration slightly more difficult.

Northeast Oregon Economic Development District (NEOEDD)

Website: http://www.neoedd.org/
Service Area: Baker County, Wallowa County, Union County
Organization Size/Capacity: 4 Staff Members, 18 Board Members

Services Offered

- **Business Recruitment**
 - There is not much attention to specifically pursuing, or offering services to relocating businesses already within Oregon, or from out-of-state businesses looking to relocate to somewhere in Oregon.
- **Support for Existing Businesses (Expansion and Retention Programs)**
 - The majority of participants in the Loan Program are existing businesses.
 - Most of the businesses that are supported by food system services are existing businesses.
 - There is an extensive informal network among staff for questions that would be better addressed by other partnering organizations.
 - Ties to the Land – Occasionally offered succession planning workshop for farm, ranch, and timber businesses.
 - Provides marketing, social media, “hiring your first employee” assistance to businesses.
 - Offers workshops with accountants and attorneys.
- **Entrepreneurship & Start-up Support**
 - Classes like “Foundation Business Planning” are attended primarily by people from start-ups or pre-venture businesses.
- **Tax Incentives, Funding and Financing**
 - Individual Development Account Program – In addition to one-on-one assistance, offers a fund-matching system that reimburses a business \$3 for every \$1 saved (up to \$9,000). This allows businesses to finance costs for business expenses such as vehicles or post-secondary education.
 - Gap-financing loan programs (through three federally-funded programs)
 - Local Investing – Offers workshops on local investing inform both potential investors and businesses about the options for raising capital locally.
 - Community Public Offering – Allows a business to raise up to \$250,000 through notes or equity investments made by Oregonians. To date, NEOEDD has supported one business through this financing process helping the business prepare to approach investors, develop their prospectus and offering, exposure through public events focused on the CPO, and forming a trust to hold funds until the minimum raise was reached

How are clients reached?

For business planning, there is outreach through newspaper ads, Facebook, and chambers of commerce. For the Individual Development Account program, NEOEDD relies on referrals, or from business class attendees. Occasionally clients reach out from having seen NEOEDD presence on Twitter or newsletters. Mostly, clients are already within the network.

Is there a system for referring clients to services not provided by the organization?

No, there is not a list for referrals. They rely mainly on in-house consultation or internet searches. If the need arises for reaching outside the office, staff can pool their informal knowledge base of people they can contact for “out-of-office asks”.

Services Needed

There is nothing really in place that provides informal mentoring for businesses. People are encouraged to make their own connections and explore those relationships. Additionally, NEOEDD doesn't have as much capacity to address the needs of businesses that are growing fast.

Focus Areas

NEOEDD does not provide services to commodity production agriculture businesses (This refers to agriculture products where the seller doesn't set the price, and goods are shipped out of state). Aside from businesses within this specific market, NEOEDD provides services to a wide range of enterprises. The businesses they typically work with have 50 or fewer employees.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

Some programs like "foundation business planning" classes are mostly taken by start-ups or pre-venture businesses. In contrast, most of the food systems businesses NEOEDD works with are existing businesses.

Collaboration

Most of the communication that occurs between NEOEDD and outside organizations is informal. Some of the organizations that NEOEDD partners with include:

- State of Oregon Organizations
 - Business Oregon
 - Oregon Rural Action
- County, Regional, and Local Organizations
 - BMCC Small Business Development Center
 - Hatch Baker
 - La Grande Urban Renewal District
 - Greater Eastern Oregon Development Corporation
 - Oregon Community Food Systems Network
 - Union, Baker, and Wallowa County Governments
 - Union, Baker, and Wallowa County Chambers of Commerce
- State and National Organizations
 - Other Oregon Economic Development Districts
 - National Association of Development Organizations

Are there any major issues or gaps related to collaboration?

The relationships that NEOEDD has with outside organizations are good. They do not see possessiveness toward clients. The only challenge that has come up is that there do not seem to be other organizations that have similar interests in larger scope questions. Based on the potential for discovering other groups with similar interests, there seem to be possible benefits to collaboration. However, it's unclear how to get there.

Rural Development Initiatives (RDI)

Website: https://www.rdiinc.org/
Service Area: Rural communities, statewide
Organization Size/Capacity: 23 Staff Members, 11 Board Members

Services Offered

- **Support for Existing Businesses (Expansion and Retention Programs)**
 - The “First Impressions” program seeks to improve the street presence of businesses.
 - In the “WealthWorks Northwest” program, RDI works with individual businesses to help them become “loan-worthy” enough to secure investments.
 - RDI’s efforts aim to support and improve existing resources for businesses in communities.
- **Entrepreneurship and Start-up Support**
 - Classes like “Pasos al Exito” provide finance and entrepreneurial resources for rural Latino entrepreneurs.
- **Tax Incentives, Funding and Financing**
 - Some programs (such as WealthWorks) have a small amount of funding support attached.

How are clients reached?

Client awareness of RDI comes from outreach, marketing, participation in various entities and organizations outside of RDI, and organizations interested in RDI programs.

Is there a system for referring clients to services not provided by the organization?

No formal list of referrals exists. In scenarios where businesses need funding, RDI does step in to connect them to resources.

Services Needed

None were specified.

Focus Areas

Generally, RDI seeks to fund resources and coach communities (not individual businesses per se) on how to utilize resources. They also assist the organizations who are supposed to be providing resources (e.g. Chambers of Commerce, local business associations).

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

RDI provides some assistance to entrepreneur groups. Specifically, the “Pasos al Exito” program assists Latino entrepreneurs. Overall, entrepreneurs and individual businesses are secondary beneficiaries from the interactions that RDI has with communities.

Collaboration

RDI works closely with communities and community groups throughout the state to deliver programming and support.

Are there any major issues or gaps related to collaboration?

The main challenge that RDI faces is making sure they aren’t duplicating services. They work to make sure that the right people are being contacted and connected based on projects. Their goal is to complement services being provided, so staying informed on what other providers are offering is important.

Snake River Economic Development Alliance (SREDA)

Website: http://www.snakerivereda.com/
Service Area: Malheur County, OR. Payette and Washington County, ID
Organization Size/Capacity: 1 Staff member

Services Offered

- **Business Recruitment:**
 - The SREDA provides services to aid businesses looking to relocate or expand to the tri-county area
 - If a business is planning on relocating to Oregon, SREDA will provide moving services to move the business's production machinery, furniture etc.
- **Support for Existing Businesses (Expansion and Retention Programs)**
 - 90% of new jobs and investment SREDA oversees comes from, and goes into, existing businesses.
- **Entrepreneurship & Start-up Support**
 - SREDA works with Treasure Valley Community College to provide resources for writing business plans.
- **Workforce Development and Training**
 - SREDA works with Worksource Oregon to provide resources for labor development.
- **Tax Incentives, Funding and Financing**
 - SREDA has assisted in connecting very small enterprises to Business Oregon.

How are clients reached?

Clients are aware of SREDA largely through their online presence.

Is there a system for referring clients to services not provided by the organization?

If clients are in need of a service that SREDA doesn't provide, they have a list of community services (like sewer and water utility companies) that can be provided.

Services Needed

There is an overall lack of access to capital. Since the banking reform post-2009, it is increasingly challenging to secure financing. Because there are so few rural banks, it is hard to avoid restrictions that might be more applicable to larger urban economic bases.

Focus Areas

The main markets SREDA focuses on include:

- Agriculture
 - Agritourism is a practical way to capture additional market potential in rural communities.
- Food manufacturing
- Outdoor recreation
 - ATV recreation
 - Gun manufacturing
 - Bicycling
 - Fishing
- Renewable energy
 - Geothermal production
- Internet based business
 - Matching truck drivers to loads

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

Everyone helped by SREDA receives the same level of attention and assistance.

Collaboration

The collaboration that takes place between organizations is very informal. It can occur in formal settings like chamber of commerce meetings, but also in passing during luncheons or running into a colleague at the grocery store.

Are there any major issues or gaps related to collaboration?

Communication proves to be a challenge, but is necessary. It is important to know the “movers and shakers” in communities. The more collaboration that takes place, the more opportunity there will be to identify and include people who can identify the players needed to secure local support for projects.

Sunnyslope Marketing

Website: http://www.visitbaker.com/list/member/sunnyslope-marketing-llc-north-powder-1793

Service Area: The 11 counties of Eastern Oregon
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Organization Size/Capacity: unknown (staff list unavailable on website)
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Services Offered

- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Connects businesses with services they could benefit from or didn't know of
 - Confers with Travel Oregon
 - Advise on liability and risk management
 - Connect businesses to their local SBDC office
 - Connects businesses to land use planning offices
- **Entrepreneurship & Start-up Support**
 - Because of the nature of the work, many businesses the agency servers end up being start-ups

How are clients reached?

Outreach is done through earned media or press releases such as newspapers, The Ruralite, and advertising through Chambers of Commerce. Clients find the organization through their advertising.

Is there a system for referring clients to services not provided by the organization?

The agency's resources are an informal list of contacts that have been made through networking.

Services Needed

A problem is that potential clients are sometimes unaware of the resources available to them.

Focus Areas

Sunnyslope Marketing focuses on agritourism. The agency assists farmers, ranchers, and the culinary who have decided to welcome visitors to their operations.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

No special attention is given to any type of agritourism business, but by the nature of the business most clients are start-ups.

Collaboration

The agency thinks they coordinate with other resources well, particularly for individual clients. They often work with the Northeast Oregon Development District and Greater Eastern Oregon Development Corporation.

Are there any major issues or gaps related to collaboration?

None that the interviewee could think of.

Umatilla County Planning and Economic Development

Website: http://www.co.umatilla.or.us/planning/economic_development/index.html
Service Area: Umatilla County
Organization Size/Capacity: staff of 2

Services Offered

- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Assists in regulatory streamlining (helping comprehend and follow the process)
 - Connects clients with other resources they might find useful
- **Entrepreneurship & Start-up Support**
 - Many of the businesses the agency servers are start-ups (because they often require extra assistance)
- **Workforce Development and Training**
 - Offers workforce skills development and training
- **Infrastructure Supply and Improvement**
 - Assists developers in finding locations
 - Assist in land use planning

How are clients reached?

Word of mouth, trade shows, referrals from other departments and agencies, and their website are all successful ways of connecting with clients. The agency does not do much outreach beyond hosting work sessions and trainings, but aims to improve that.

Is there a system for referring clients to services not provided by the organization?

Depending on what the client is asking for, UCPED has informal and formal lists of resources. They maintain lists of agencies that a client might want to contact, and they have experts or consultants that could be asked to share their expertise.

Services Needed

There are not planning consultants or traffic engineers in Umatilla County, which the agency thinks clients could benefit from. The agency gives advice like planning consultants because the service isn't available.

Focus Areas

Any variety of industry is welcome, but most clients are business owners in the farming or culinary sector.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

Special attention is given to start-ups, because many clients are start-ups and the agencies expertise is helpful for newer businesses.

Collaboration

Between counties and the state, UCPED thinks coordination is done well. Internally between cities and agencies, there is some work to do. The program is new, and efficient internal communication hasn't been figured out yet. If a siting process for a project is lengthy, people get busy with other projects and have a hard time maintaining focus. There is not enough synergy around large scale development issues or strategizing.

Are there any major issues or gaps related to collaboration?

It can be tricky when working with proprietary information, which does not help communication. Communication between cities and their counties can be difficult.

Union County Economic Development Corporation

Website: http://ucedc.org
Service Area: Union County
Organization Size/Capacity: staff of 2, and 12 board members

Services Offered

- **Business Recruitment**
 - Has a relationship with the City of La Grande to do business recruitment through trade shows and other activities
 - Has a partnership with Oregon Economic Development Association for business recruitment
- **Support for Existing Businesses (Expansion and Retention Programs)**
 - Does an extensive survey every 4 years to determine what the community's needs are and what the organization could help with
- **Entrepreneurship & Start-up Support**
 - Start-ups are targeted through a financing program, but no other special services for entrepreneurs are provided
- **Tax Incentives, Funding and Financing**
 - Has a financial incentive jointly with the City of La Grande to assist in funding for start-ups
- **Infrastructure Supply and Improvement**
 - Develops properties to be ready for manufacturing or industrial use

How are clients reached?

Clients find UCEDC through the marketing of their properties, through referrals by local realtors or the banks that are members of the organization, or the SBDC. Outreach is conducted through the marketing of their properties and keeping close communication with other service providers.

Is there a system for referring clients to services not provided by the organization?

Communicating with other agencies, organizations, and private individuals create a list of resources used to refer clients to. The SBDC, NEOEDD, and state programs are a common place to refer clients.

Services Needed

Entrepreneurial support does not have a strong presence. The City of La Grande is trying to meet that need, but the effects have not been felt yet.

Focus Areas

UCEDC is a membership corporation that serves the county, so any business member who could use their services is a potential member. The focus is on the traded sector, such as industrial parks, truck maintenance/repair, RV manufacturers, ecommerce businesses, local electrical contractors, and the Oregon State Police headquarters.

Do you give special attention to start-ups, entrepreneurs, or women or minority owned businesses?

Assistance is provided in terms of pricing for start-ups, jointly with the city of La Grande. Special attention is not given to any other type of organization.

Collaboration

Informally, UCEDC meets with other agencies and organizations on a regular basis. They do not have any regional economic development focus; in the past it was attempted to no success. Regional projects can be

accomplished as the County, City, and UCEDC work well together. On a smaller scale of collaborating for particular clients or projects coordination is easier and more productive.

Are there any major issues or gaps related to collaboration?

Access to the resources needed while meeting budgets is the biggest challenge.