

DRAFT

MEMORANDUM OF UNDERSTANDING

Economic Development Services for Prineville/Crook County via a Partnership with the Prineville/Crook County Chamber of Commerce

January 2007

BACKGROUND

Economic Development for Central Oregon (EDCO), the City of Prineville and Crook County have had numerous discussions over the past year about delivery of an economic development program similar to the current partnership between Redmond Economic Development, Inc. (RED) and EDCO. Given current activity levels and expected future pace of development in the Crook County area, there appears to be a need for additional capacity for assistance in managing existing and generating new business development leads, coordination on multi-modal transport issues, focus on business development marketing, as well as retention and expansion of existing traded-sector employers. The community seems prepared and motivated to have a local manager and support for implementation of a multi-faceted economic development program. Furthermore, the Prineville/Crook County Chamber of Commerce (Chamber) has expressed interest both informally and formally to partner with EDCO on delivery of this new economic development program.

DELIVERABLES

The primary deliverable for the proposed program is a complete economic development program that is based locally in Prineville/Crook County. The full-time, professional manager of the program will oversee all elements of a multi-faceted effort unique to the local area, but parallel to EDCO's outreach efforts for business recruitment, expansion and retention activities involving a systematic process of contact, assistance and follow-up. The program will be project and/or client-based to provide substitutive solutions, one company at a time, relating to workforce issues, business finance, marketing, access to incentive programs, real estate development and other factors impacting businesses. Deliverables will include:

Recruitment

- Develop, coordinate, implement and monitor a Prineville/Crook County economic development marketing and recruitment plan.
- Identify targeted business sectors which may be a subset of already identified targets and develop strategies for recruiting within these sectors, including cluster development.
- Formalize local business assistance team(s) to aid in the recruitment process.
- Make business recruitment a community wide effort utilizing all resources and organizations in cooperative efforts.
- Coordinate the efforts of all public and private business recruitment entities to deliver a consistent message to the business community – internally and externally.
- Provide coordination for the site selection process.
- Maintain a communication network among financial entities, real estate firms, private developers and governmental agencies with a direct interest in development activity.
- Serve as an advocate for business expansion projects in areas such as siting, permitting, inspections and occupancy during the project development.
- Manage the industrial/primary employment recruitment process.

- Manage the Prineville/Crook County Enterprise Zone including marketing to new firms, coordination with the Crook County Assessor's Office and applicable state agencies.

Expansion/Retention

- Proactively seek business expansion and/or relocation opportunities.
- Provide oversight review of job retention and expansion programs.
- Maintain and update the industrial property inventory to facilitate filling needs of both new and existing businesses.
- Perform retention interviews and identify the top five systemic constraints that should be addressed.
- Develop and implement retention strategies, partnering with local regional and statewide agencies.
- Aid existing businesses in reaching their growth potential.
- Gather and update website information related to resources and services for existing businesses.
- Conduct seminars and workshops to educate business leaders, community leaders, and elected officials on the value and need for economic development.
- Manage the Prineville/Crook County Enterprise Zone including outreach to existing eligible companies, coordination with the Crook County Assessor's Office and applicable state agencies.

In addition to these items, EDCO will work with the Chamber toward and demonstrate best efforts to achieve the following metrics:

- a minimum of five (5) completed business development projects (retention, expansion and recruitment) during the first 12 months of the program and a cumulative minimum of 12 by the end of year two;
- a minimum of 100 new, traded-sector family-wage jobs by the end of year two;
- a minimum of \$10 million in new taxable capital investment in buildings, renovations and equipment; and
- success/completion of strategic local projects (industrial park development, workforce initiative, etc.) as measured by general consensus of community leaders, contributors to the program and those provided assistance.

As with current measurement policies at EDCO, only projects where local or regional economic development efforts have played a lead or contributing role will be counted in the metrics.

ITEMS TO BE PROVIDED BY OTHERS

Fundraising

In order to start and keep this new program as effective as possible, fundraising for private sector support will be the responsibility of the Chamber. EDCO has already worked to secure a \$50,000 grant from Les Schwab Tires to kick start the first three years of funding for the effort. Similarly, EDCO will work in coordination with the Chamber on the initial fundraising effort.

EDCO will contribute (credit) funding received from the City and County toward the program and the additional funding that would be either be paid directly to the Chamber or EDCO as is the preference of each governmental body. Again, private sector fundraising from the local community would be the responsibility of the Chamber. Under this MOU, the Chamber and EDCO are essentially agreeing to a "contract for services" arrangement, exactly as it does currently with the

Redmond Economic Development, Inc. EDCO will maintain all financial, tax and accounting aspects relating to services rendered; however the Chamber would be responsible for maintaining its own financial and legal accounts resulting from its contributions to the program.

Office Space

It is proposed that the space required to effectively and efficiently implement the program and services described within this concept paper would be the responsibility of the local community. The City of Prineville has already expressed an interest in providing office space for the position at no cost to the program, and at least one local company, Mid Oregon Personnel, has offered to do the same. EDCO has budgeted the resources to cover phone (LAN and mobile) and internet expenses at whichever location is optimal. Rent, CAM charges, electric power and natural gas utilities are not a part of this agreement.

BUDGET

A draft budget has been attached which assumes a 12-month budget that could be implemented any time during the calendar or fiscal year. The draft 36-month budget factors in line item increases, including salary and benefits if warranted.

REPRESENTATION

Representatives from the Prineville/Crook County community will play an active advisory role in monitoring and improving services delivered by the program. With the expansion of services and financial contributions to EDCO resulting from this program, an additional seat would be added to the EDCO Board, raising representation of the area to a total of three (exactly Redmond's current representation). It is expected that the Chamber would appoint this third representative. This ongoing EDCO Board representation would provide overall policy direction for all EDCO efforts, not just the Prineville/Crook County economic development program and activities. These members would be eligible to serve in officer positions and on various EDCO committees, including as officers of the organization.

OVERSIGHT

Candidate interviews for the program's manager will be completed by an agreed upon hiring panel of five community leaders selected jointly by EDCO and the Chamber. Oversight and management of the program manager will be the responsibility of the EDCO Director, who will also determine salary upon hiring and merit raises or bonuses. Feedback from the Chamber, either through its board of directors or executive director, on the program manager's performance will also be expected. It will also be a requirement that the program manager be a resident of Crook County, and preferably Prineville.

TERMINATION

This MOU outlines an agreement which will carry through June 30, 2008, at which time it may be renewed and continued annually or on a multi-year basis. Termination of this agreement may be initiated by either EDCO or the Chamber with at least 90 days written notice or upon the end of the budget year, June 30, with written communication at least 60 days prior.