



Oregon Coastal Zone Management Association

P.O. Box 1033 • 313 SW 2nd • Suite C • Newport, Oregon 97365 • 541-265-8918/265-6651 • Fax 541-265-5241 • www.oczma.org

Branding Workshop Transcription

“Branding the Oregon Coast as an Ideal Place For Lifestyle Entrepreneurs/Knowledge Workers”

Hallmark Resort, Newport, Oregon

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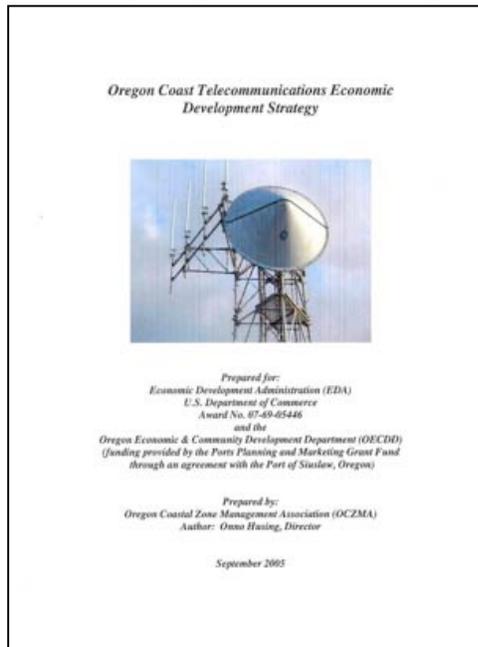
Onno Husing Thank you for coming to this workshop on Branding the Oregon Coast as an ideal place for knowledge workers. The premise of the workshop is simple. With high speed broadband connections, today, as long as you have access to *broadband, people can live and work just about anywhere*. That, of course, opens up a world of possibilities for our region because entrepreneurs seek beautiful places like the Oregon Coast to set up shop.



Let me briefly explain how OCZMA got involved with telecommunications. Ten years ago, in the late 1990s, telecommunication companies were deploying undersea fiber optic cables across the Pacific Ocean. Conflicts emerged with the fishing industry. OCZMA was pulled into the discussion. In 1999 we became participants in the negotiations with AT&T over a cable landing on the Oregon Coast. We had some unexpected leverage over AT&T. During a key phase in the talks I was asked what the Oregon Coast needed from AT&T. I didn't know. I could only offer platitudes about needing off-ramps for our communities from the information superhighway. It was because of that lost opportunity that I resolved to learn as much as I could about “telecom” to be in a position to help coastal communities.

Several years later, the U.S Department of Commerce's Economic Development Administration (EDA) funded OCZMA to develop a “Coastal Telecommunications Strategy.” In late 2005, OCZMA distributed the *Oregon Coast Telecommunications Economic Development Strategy*. (hereafter, *Coastal Telecom Strategy*) The report won several awards (see front cover of report on top of Page 2). I believe the strategy was well received because it was *readable*, and, it outlined a *comprehensive* and *doable plan* to accelerate the deployment and usage of broadband on the Oregon Coast that made sense.

A key element of the strategy was the recommendation that the Oregon Coast *market* or *brand* itself as a great place for knowledge-workers or telecommuters to live and work.



For me, the initial inspiration for that came from an interview with the entrepreneur Joshua Green. Joshua moved to the Oregon Coast from Los Angeles in 1993. Joshua “discovered” the Oregon Coast only because, on a lark, he drove up the Oregon Coast on his way to get to a photo shoot in Seattle. He was *an “accidental” tourist*. Joshua fell in love with the area and moved to Florence.

Using the Internet, Joshua owns and runs a business called *The Archive*. He has five employees and markets photographic collections, including his father’s (Milton Greene) priceless collection of original celebrity photos (including several thousand Marilyn Monroe photos). Joshua’s father was Monroe’s business partner for two years. Joshua does digital restoration of old/damaged photos from over America and the world. It’s an imaginative business.

I’ll never forget when Joshua said, “There are *ten people* like me in L.A. *that I know*, who would move here and bring their business here in a heartbeat *if they only knew about us!* The Oregon Coast is *not* on anyone’s radar screen.”

Not long ago, I watched an interview with a famous venture capitalist, Arthur Rock. He was the guy who arranged the financing for Fairchild Semiconductor and Intel and many other successful startups. Mr. Rock was asked to prioritize what he thought were the most important factors in investing. Rock said, “That’s simple. Look, good ideas are everywhere. What’s often lacking is *a real strategy* to make those ideas happen.” That’s why we are holding this workshop today. We want to come up with some next steps—a first cut at framing a strategy to implement a marketing or branding program.

So, here’s how we plan to proceed today.

First, we will hear short presentations from two branding experts, **Kathy Long Holland** and **John Irwin**. We will learn the basics on branding and share thoughts about how to apply those concepts to the Oregon Coast. Then, we will kick off an extended brainstorming session to discuss how to *execute* a collaborative program—probably coastwide—to benefit *all* coastal communities.

We are also fortunate to have **Todd Davidson** with us today. Todd is the Director of Travel Oregon. In the past, Todd and I have discussed the potential to integrate business development activities with tourism promotion. After all, again, *today’s tourist is tomorrow’s entrepreneur*. Todd and I agreed the Oregon Coast can and should capitalize on these obvious synergies by putting together a plan/program to *coordinate tourism marketing* and *business development*. At this workshop, I recommend we *focus on this tourism nexus*. I say that because integrating tourism promotion and business development promotional activities is probably the “lowest hanging fruit” where we can make the most progress.



I'm also delighted **Jessica Metta** is with us today. Jessica works for Mid-Columbia Economic Development District (MCEDD). In that capacity, Jessica works as the part-time staff for the Gorge Technology Alliance (GTA). The GTA is a group, formed in 2006, which nurtures technology businesses in the Columbia River Gorge (<http://www.crgta.org/>). We will also have a presentation by **John Lavrakas**, a local entrepreneur who established the Lincoln County Technology Solutions Alliance (LCTSA). LCTSA is a GTA-like group here in Lincoln County.

Today's workshop is being recorded. Afterwards, I will prepare a near verbatim transcript and a draft summary of the major points of this Branding Workshop. We will share that draft summary with you and the many people who we talked to about this workshop and could not attend today.

I'm pleased to report everyone I spoke to about this Branding Workshop was enthusiastic about these ideas. I heard several times the workshop is timely because, in their community, people were just beginning to have their own local discussions about these things and this would help. People are eager to see the results of the workshop and signaled their community would be interested in being part of a coastwide branding program *if* that's what happens.

Indeed, after the workshop we will expand the number of people participating in this important discussion. OCZMA will distribute a *Final Report of the Branding Workshop*. The *Executive Summary of the Final Report* will, among other things, outline a set of next steps toward the execution of a collaborative, coastwide strategy to recruit knowledge workers and businesses to the Oregon Coast.

You know, *this trend*, of knowledge workers settling on the Oregon Coast, *is already well underway*. Many people have moved here, quietly, on their own, without fanfare. They've set up shop, maybe in their home, and, they are making tremendous contributions to our region.

Back to tourism. Yes, many of these entrepreneurs came here first as tourists. But, now, because they live here year round, they patronize restaurants, shop in stores, and persuade friends and business partners to visit. That does wonders for the viability of many tourism businesses, which, as you know, are often seasonal. Because many of you live on the Oregon Coast you know understand how important it is for those businesses to attract "locals".

Today, we want to identify methods to accelerate this positive trend. None of us want to flood the Oregon Coast with a lot of new people. On the contrary, in the many conversations I had leading up to this workshop, a common theme emerged—*we should do this, but, be extremely selective in who we market to*. Let's be honest with each other. We want to attract *upscale* folks, skilled people, people with assets, entrepreneurs. We will talk later how *upscale tourism* can serve as a gateway to make that possible.

How many people are we seeking to attract to the Oregon Coast? Not that many. After all, consider this. On the 350-mile long Oregon Coast there are only about 220,000 full time residents. We don't need legions of new people to make a noticeable impact on our standard of living. These people are often talented and most of them have led interesting lives. Their skill sets can be of tremendous help to our communities. They bring fresh ideas and energy.

After the workshop, I look forward to working with you in putting together the building blocks for a marketing/branding program. At OCZMA, we will work with you and apply for grants and take other steps needed to assemble resources needed to get a coastwide branding-marketing plan off the ground. We can start out with some pilot projects, see what works, and then scale it up from there.



So, now I'd like to introduce Kathy Long Holland, one of Oregon's leading branding experts.

Kathy Long Holland

I've lived in a lot of different environments and I've been challenged by the Branding question. I grew up on a cattle ranch in northwestern Nebraska in the Sand Hills. We suffered all the same problems many rural communities in Oregon face. You know, you are a millionaire by the value of your land, but you can't break even in your business because you're subject to the commodity prices. I think I understand what its like when a community just faces fundamental viability.

Those are my core roots. And that's what led me to work with Oregon Country Beef (OCF). When I began working with the ranchers they said, "Hey, you are one of us, but you get these urban types." That's how that got started. It began with 14 families. If you don't think change can happen, it can, because ranchers are the most independent. They would say, "I'm not going to change my ways, I'm a producer." They were that kind of people—the true Marlboro cowboy.



Kathy Long Holland

I've heard it said that when you give a presentation, people remember three points. Here they are: 1) **Collaboration**—because the way most economic development happens is through collaboration. The days of command and control are over, both in the private sector and public sector. 2) **Technology**— Younger people excel at using technology. Most of you have kids or grandkids. The way they communicate is *not* the way we communicate. Communities live and die based on youth. When I worked at NIKE, we said, if you are not recruiting the young, you can't grow and thrive. We are at the new Web 3.0 now. I have two young sons. They beg me *not* to use email; they want me to use Facebook. 3) **Education**—Back to ranching, when we did Oregon Country Beef (OCF), we had to communicate through the full supply chain, from the packer to our customers, to New Seasons and Whole Foods, to the individual ranchers. It was a *connected* story. That was 20 years ago when we started it. So, if we think this is a new thing, its' not. The good news is communications technology is a *lot* better today than twenty years ago.

After getting a masters degree in Anthropology, I didn't want to join the academic ranks. I went into business and got an MBA. I moved to Oregon in 1977 and went to work for a small company called NIKE. I spent seven years there. Talk about branding. They are the kings and queens of branding. And the *key to branding is authenticity*. A brand has to be authentic. So, branding has a lot of dimensions. With OCF, that was grass roots. The biggest element of that was the promotional piece. We dragged ranchers kicking and screaming into stores to do product tests directly with customers. They said they would hate it. It turned out they loved it! People could get *an authentic experience* with the producer, and, the producer could guarantee to the customer that the product was *genuine*.

I've got some slides. There are a few trends. There's a scholar named Richard Florida. He is incredibly well known for his work on "cultural creatives". In the March 2009 of *The Atlantic Monthly*, available online, Florida's point was the depression/recession will reshape America. One of the biggest things is this knowledge economy. People will be moving. We see it already



in Portland. Despite the poor job climate, people are moving to Portland. Educated people, though, even when they lose their jobs, in two or three months time they've found another really good job. So, **education is key**. For your information, people 50 and up are the largest group of people going back to school to be retrained.

Not long ago I was on a panel at a conference in Seattle. I was asked, "How does Portland keep attracting young people?" Well, it was based on hard decisions made 20 or 30 years ago on transportation to support a vital city center. That was about **looking ahead**, and, **deciding what kind of community do you really want to be?**

Why does branding matter? Well, take Portland again for instance. It's developed a reputation for being "frugal", meaning, lower cost than many other cities. And, Portland has the reputation for being sustainable. I heard a respected speaker the other day talk about the financial bubble. He pointed out the next bubble will be **the eco-bubble**. So, sustainability and youth have become part of the DNA in Portland.

How many of you have seen the Pure-Michigan ads? (*Kathy shows a Michigan TV ad on the screen—see slide to the right*).

The point is, this ad campaign is being seen nationally, big time. Michigan is a state trying to reinvent itself. I was in Michigan a year ago. It reminded me of Oregon in 1981 when we were **really** depressed. We look at our employment numbers today and it doesn't feel anything like it did back then. There are two levels to talk about. The impersonal reach out which big ad campaigns tend to be. But, it creates an image and an interest out there.



Recently, I heard that people back on the East Coast were hiring people from Michigan because they perceived them as having solid Mid-Western ethic of trust and integrity. Now, I would reason, if I was doing a branding campaign, I would plug that theme into **my values formula** because we are at a time in America when trust is at an all time low.

Again, why does branding matter? Well, effective branding serves to **reinforce positive images** and helps to fight negative images and give new images of association. Whatever branding we are thinking about developing for an area, **it needs to reflect who we are**. It goes back to authenticity. We need to build businesses that are true to us, like agriculture. It is the understanding that your DNA really has a future for you. It doesn't work just to copy something some other state or region is doing.

The guru of marketing is Philip Kotler. He says the purpose of a brand is two-fold: (1) a major tool to produce **product differentiation**; you are trying to compete in a way that other communities collaborate and compete, and, (2) it represents **a promise of value**. When you think of relocating to a community, and, that's what we are trying to do here today, to persuade people to move to our communities, we must ask: **what is important to people when they think about moving?** Schools, health care, the environment, amenities, opportunities. Make a list of those.





- **Kotler:** "A brands' purpose is two-fold:
- 1) they serve as a 'major tool to create product differentiation', and
- 2) they represent a promise of value.
- From a consumer's viewpoint, a brand is a shortcut to a purchasing decision.

If you can articulate a list you are making *a short cut to a consumer's buying decision* so they don't have to do a lot of research. There are these two or three things important to them.

Here's a couple of product brand examples that lean over into identifying countries: Oregon would be micro-beers, German cars, Japanese electronics, French wine. The United States is known for banking, entertainment, and information technology. How do you maintain your edge? You have to *build that brand and maintain it* over time.

So, building your brand. First and foremost, ask *what are we now?* What are those really important things about who we are and our community? And, what are our assets? What are our strengths? The SWAT (strengths/weaknesses) analysis, and, benchmarking yourself against communities you are competing with.

Here's the key to making this work at the local level. You need *energetic people* who can serve as catalysts, people who bring diverse populations together.

In the information age, *the website is the gateway*. Your website has to be *dynamic, updated,* and *integrated to all the web tools* available now. It's a key way of communicating your brand.

Brand strategy. There are three elements. It serves as an umbrella concept and it includes these basic marketing things of: segmentation, targeting and positioning, and, then, integrating marketing and communications. This is where I see most brands fall down. They will do one piece of it but *not* execute across the board to the communications side to the web side to the community side. You gotta have the same message, people will be thinking, "Oh yeah, the Oregon Coast is about this, or Coos Bay is about, or Newport is about." Thinking through who we are and keeping on that message is an ongoing process.

And that's a key reason NIKE has been so successful. You want to build that unique brand equity. And then keep auditing it. Ask the questions: how are we doing? Things change, the environment changes. You have a unique culture, and, that's a unique aspect of brands. Develop the culture *you want* as founders. Or, if you don't, a culture may evolve that you don't want. You want a culture with core values you want your workplace to be.

So let's talk tourism. It is one of the worlds largest industries. There's some interesting information about state branding, meaning countries, and it has implications for communities like Oregon, thinking about what tourism can mean for you. *All tourists* are *not* equal. Think about *what kind of tourists* you want to attract. Can we entice someone here on vacation who is at the cusp of making that key decision of where they want to spend the next 20 years of their life? And, when they are here, will they have this incredible experience that brings them back later?

Costa Rica, for instance, was very successful. They put a lot of resources into developing their ecotourism economy. And now they are at a next stage, where, they really feel like they want to broaden that success across their country. They want people to understand *all* the assets and beauty of Costa Rica. They have their problems too. You have to be on top of your brand too.



Ask, what kind of industries do you want to attract? We'd love to have home-based entrepreneurs that grow companies for the long haul that remain in Oregon. The average life of a country is the lifespan of the average entrepreneur, which is 24, 26 years. If you track the contributions Phil and Penny Knight make they are transforming the University of Oregon. But, it is those kind of **people rooted in your community that give back to your community**. So, **growing your own business** is really important.

And look at this as an interconnected network. There are assets in your community you probably didn't realize you have. The education question is pivotal. Small communities often have smaller classroom sizes, a high-touch education environment.

In the Sand Hills where I grew up, Ben Crenshaw, the famous golfer, built a Scottish links golf course there. There were a lot of positive spin offs. You can have one catalytic event that can really change things in a community.

In summary, **what does a brand do?** It conveys an image, a short cut to a purchase decision. I have a strong feeling about something...what people find about Oregonians, they are welcoming, they always take time to have a cup of coffee with a newcomer to help them out. The web site will be the first place people go. That's not just kids. Women forty and up are the biggest online users, and, you know who does the shopping. You want that web humming. It is a critical part of this.

Branding is a competitive advantage. You see that across our own state. Communities that have done a terrific job of this are just healthier and do better longer-term. And that consistency is key, don't give it up, stay at it. Perceptions are hard to change. So, that's why you stay at it, over 10 to 20 years to get where you want to go. There are a lot of things we can do today to lay that foundation. Culture plays a central role in sustainability. Communities that don't have that sense of direction have a much tougher time sustaining themselves. A critical thing is to implement the strategy overall. Don't forget your public diplomacy. You are a diplomat for your community.

Know your competitive position. Choose market segments in which to compete prior to designing your brand strategy. **Constantly track your brand image.** Be flexible so you can adapt. Because one of the things that's a given for the future will be **volatility**. We will continue to see a lot of change. Deliver on your promises and it will give you an opportunity to reverse the brain drain (*the problem of large numbers of young people leaving the community*). Can we do that? Is it possible? I predict there will be a growing trend of people returning to their roots. Like my father used to say, "You can take the girl out of the Sand Hills but you can't take the Sand Hills out of the girl."

Onno Husing I can see people have some questions for Kathy. Let's take a few questions now.

John Lavrakas In branding, what you **don't** want to do is put lipstick on a pig. You want to figure out where you want to go then not only brand it, but make sure you are ready to present yourself. Can you explain the order of operations, **the sequence** of how you move this forward?

Kathy Long Holland You mean how do you get there? The first part is: do you agree to agree on who you are? What makes this community fantastic? Don't forget your history. It is part of who we are. Then, do open brainstorming. Ask people, what kind of community do we want to be? Then take in the big macro trends and have a robust discussion on that. With the volatility we will see, I think we will witness a lot of changes. In Portland, for instance, we will



see 1 million additional people move there in ten to twenty years. The Metro areas will double in size. So, we know there will be more density.

Who you want to be is what you will be articulating to new residents, and, your existing residents. And then, there's the big changes in population, we've got older retirees, the dynamic, how do we keep them in place? Boomers are getting older. What do you want the retirement community to look like?

Al Smiles Branding also involves cities and counties. Part of the plan must surely be getting those elected officials to buy into this?

Kathy Long Holland Well, again, that's collaboration. You've got to engage them in the process the best you can. We are all the same. If you feel that you are a part of it versus having it delivered to us you are much more open about it. Some of the tools I have found working with disparate groups, explain that vision that's coming, we will all be part of it; it will impact all of us. We want to develop *the world we want to live in*. The more information you give people the better. We are all resistant to change. That's what I found in *all* communities. And, that there are so many constituencies. I hear what you say about how difficult it can be. Get everyone to the table.

Onno Husing Let me respond. At OCZMA, we will spearhead this process, coastwide, *if there is interest in doing this*. OCZMA is an extension of local governments on the Oregon Coast. Some elected officials are here today. Curry County Commissioner Georgia Nowlin is here today. Several city councilors are here including Mayor Shirley Kalkhoven from Nehalem who serves as Chair of the League of Oregon Cities (LOC).

If economic development professionals and tourism industry professionals come together and articulate *a shared vision* for how to move forward, local government officials will back that vision 100%. We didn't make this workshop a gathering of local government officials on purpose. We thought this process should start with *you*; chamber of commerce people and tourism promotion people. We wanted to bring together diverse groups of people with *roots in the local business community* to develop and execute a plan.

Al Smiles Changing subjects, I don't want to upset anyone in this community, and Newport's a beautiful city, but, when I entered Newport today there were so many signs that it got to the point that you couldn't even find anything. There were a thousand signs. So, how do you put in ideas for suggestions, like signage use that is appropriate so it isn't overbearing? It looks like there's a thousand people waiting to take money out of my pocket.

Onno Husing Signage issues are tough. If you want to start a controversy on the Oregon Coast bring up sign ordinances or prohibition of vacation rentals in residential neighborhoods. I know what you are saying and agree with it. In the original *Coastal Telecom Strategy*, one of the major recommendations was we need to establish "attractive communities" on the Oregon Coast. Among other things that's about signage, landscaping, land use planning, and, sometimes approaching your neighbors and saying, "Hey, can we help you get your place painted? Can you remove those junk cars from your property?" In Rural America, those are *not* easy conversations.

Sandy Messerle I'm Sandy Messerle, the new Director of the South Coast Development Council (SCDC). You are absolutely right. It is a tough conversation to have. And, I come from rural Indiana where you can grandfather signs in. But, the gentleman is correct, when you enter Newport you experience signage overload.



Kathy Long Holland That reminds me of a controversy in Lake Oswego, secondary dwelling units, which entailed a change in zoning, so, we were really touching the Gods. And, this was just to allow your parents to live in your house. I spent a lot of time in City Hall trying to figure out *who can make this happen?* Who had the credibility, the competence, the capability to drive the issue because it had to go to City Council for a vote and you had to have public hearings. That was the magic bullet. I found that person. Now Lake Oswego has really nice legislation around that.

Onno Husing I'm from Newport. I think the comments about signs are interesting. We should pass that along to our colleagues in Newport that many people who came to Newport today from other parts of the coast thought there was signage overload.

Max Glenn I'm Max Glenn from Yachats. I'm attracted to the idea of *choosing your tourists*. Can you speak a little more about that? That's something I think we need to look at.

Kathy Long Holland Well, because the amount of data now, if you determine what type of tourist is really what you want, first, *what kind of tourist do you want?* We want to target people who do come and visit, stay, and they are at the age that they can still bring a business. They are still vital and working and bring capital from the outside because they are still very active. So, instead of spending scarce dollars to market widely, we can market more directly. So, you are saving your dollars, and, you are trying to design *who you want*. You have the people who have moved here already, came here for a vacation and said, "Wow, this is my spot". And, they are still operating their businesses and bringing that vitality. So, it starts with that definition and with the success stories and to try to create more of those, and, how we reach those folks.

Onno Husing John Irwin will examine that issue in his presentation. I'd like to get back to John Lavrakas' important question about *the stages* of this process. What if we ended up doing a targeted marketing program in the Silicon Valley, and, the phone begins to ring? What if a hundred people or more want to kick the tires on our communities? What then? *Will we be ready?* Can we execute a fulfillment strategy on the *back end* of the process?

Jeff Vander Kley Kathy, your point about the political reality is really important. You talk about Portland and NIKE but I would like to *see this effort directed to rural depressed* coastal communities. Once you establish that and work our way back up. When I drove up today from Douglas County to Newport, I looked around and say, wow, I love the signs. I love the people. I come from Reedsport and Winchester Bay, south of Florence. We look at this community (meaning Newport) and say, "This is wonderful, you've got it goin' on'!" But, let's concentrate on the South Coast because the political reality of Portland is... the question is: why would you *not* come to Reedsport to live? A little community of 4,000 people/5,000 people with no 24-hour service at Ace Hardware. Why would you go from Portland to live *there?*



Kathy Long Holland My husband and I talk about this all the time. He's from half way around the world from a rural community. It has to be economically viable. You have to follow the money. To give you an example, I've worked a lot of rural communities around Oregon. The first thing I ask is *who are the leaders in this community?* Because those are the folks you have to have on board. They can move mountains. And ask, what are the number one, two and three things? It's really grass roots.

Jeff Vander Kley Curb appeal, all those things, love to come and visit but not stay, boy, there's not a Costco there that we can shop 24 hours. That's the stuff that's hard to get those people from high-end areas to come to the community because we don't sell well and we don't have those amenities. There's two different parts of Oregon.

Kathy Long Holland Probably more than that...

Onno Husing And so many different parts of the Oregon Coast...

Jeff Vander Kley The Newports and Reedsports are worlds apart. Branding has to be devoted to a particular area. I'd love to have a global program, and have it all trickle down and be underneath that umbrella. But, it has to be *specific to the needs of the community*.

Onno Husing What we are proposing is, of course, *not* compulsory. As Kathy noted, the term *authenticity* is key. If the branding message doesn't click with the community, it's *not* going to work.

I think we can develop and agree on a generalized umbrella marketing campaign. My own thinking is, because each part of the Oregon Coast is so different, and, ultimately, Jeff, and people at the local level will be in charge of the fulfillment part when people call, that you can make the program your own. It is key to have someone on the phone or on the Internet, though, to make a quality interaction happen. Later, John Lavarakas will talk about the Lincoln County Technology Solutions Group (LCTSA). Like the Gorge Technology Alliance (GTA), LCTSA established a local group that can help with that. Locally, in Western Douglas County, you need people that can work with the people making inquiries. They are the ones who need to answer those questions like, "What do you do about shopping?"

I'm not sure we can attract true urbanites to the Oregon Coast. Another branding expert I spoke to earlier this week made that case. He said, "If someone *has to have* 14 Chinese restaurants within a ¼ mile of their house, well, maybe they're *not* our target market.

There's another demographic I'm hearing about in the San Francisco Bay area. There are *certain zip codes in Silicon Valley*, places near the foot of the mountains, where people pay close to a million bucks for something a little better than a shack. But, they live *there* because they can still mountain bike after they get home from work. Those are *lifestyle entrepreneurs* who care, in this case, about *outdoor recreation*. They are already inclined to think about living in a place like the Oregon Coast or the Columbia River Gorge. Trying to attract a true urbanite may not make sense. There are probably plenty of other folks on the cusp. Let's identify *them* and target *them*.

At the end of the day, Western Douglas County needs people to be the ambassadors when those referrals come in. Isn't that right Chris Claflin and Dennie Houle? (*North Coast and South Coast regional development officers for Oregon Business Development Department (OBDD)*). Isn't that's how economic development works? A referral gets passed down from the State of Oregon. Someone like you, Chris, at the local level, needs to be there to answer questions.



That's what a good realtor does. Clients have checklists of questions; economic development professionals help people work through their checklist of concerns/questions.

Chris Claflin Yeah, I work for the State of Oregon for the Coos, Curry and Douglas areas. We have a good active group in Reedsport. Believe me, they can answer any kind of question about their community. They do an excellent job. But, what sometimes folks who are just generally familiar with the Oregon Coast, when they are *not* familiar with the different sectors, North Coast, South Coast, big and small, sometimes I think Reedsport is competing against the perception of what an Oregon Coast community looks like. ***People have an iconic perception that the Oregon Coast is like Newport or Florence.*** It is challenging for a community like Reedsport to compete against that perception. So, some of the branding has to address that issue because Jeff in Reedsport/Winchester Bay is competing against an existing perception of what an Oregon Coast community looks like.

Kathy Long Holland You know, I think another key market is Portland. I am at a point in my life where I don't know if I want to live in Portland with another million people. We already love Oregon. That's why we are here. I think of going to California, that there are going to be a lot of people that are looking to these outlying communities, the ranch country. I think you should definitely ***look to Portland, and get some materials talking about all the different aspects of your individual coastal communities.***

Al Smiles We can get that information on the web and describe, taxes, prices what we have, answers to all those kinds of questions and, with a web site, the information is there 365 days of the year...

Kathy Long Holland But what they really want to know is the *character* of the community.

Al Smiles I agree. But, the web is free marketing, that's free branding. It doesn't require someone sitting on the end of the phone. There are some innovative ideas out there about how to do this with the new technologies.

Sandy Messerle In response to your observation that it is difficult to get urban people here, I don't agree. I think it *is* possible. One of the first things I did when I moved to the South Coast of Oregon, I got started working with someone on our Board who came from Salt Lake City. He brought his family here kicking and screaming to the Oregon Coast and now they love it! That kind of person needs to be on the greeting committee to explain why they really like it here. So, there *are* urban people who have found their way here. We need to find them and get them involved in our effort.

Onno Husing Good. I like to hear that. It would be great to attract some of those people. Many urban areas are, frankly, becoming dysfunctional. I can see why people would be inclined to move away.

Let's move to John Irwin's presentation. John has worked these issues in some *very* rural communities on the Oregon Coast and elsewhere.

John Irwin My intent is *not* to lecture you today. Instead, I would like to get into a conversation with you. How many of you came from outside the State of Oregon to live here? You might want to ask yourself, why *are you here* and *what brought you here*? And, how many of you live on the Coast? I see a lot of hands. Yeah. Lots of you. What brought *you* here?



You know, meeting the challenge we have here to improve the coastal economy is eminently *doable*. And the *time is right* to do this. We have many challenges on the Coast. But, we've got a lot to offer. We have a great quality of life. And, a lot of New Economy-enabling resources (telecommunication networks) are in place here and developing pretty rapidly.

We've got a series of community colleges, which are expanding their facilities, and a pretty good K-12 system. We've got good electrical power, most of the time. Even when the gale force winds come the electrical interruptions are remarkably few and often short-lived. Health care is pretty good in many areas too and it continues to improve. And with the rollout of the Oregon Health Network (OHN), we will see more improvement. OHN will lash together all the hospitals and the rural clinics in the state. It will have a huge impact on access to health care in rural areas. Telemedicine is a way to bring quality health care to rural areas.



Broadband availability is a pretty good news story all in all. Most communities along the coast now have some form of broadband. Fiber to my desktop is probably not going to happen anytime soon. We have some connectivity issues with people who live outside of our coastal cities but we are working on that. And, we will see more implementation of wireless technologies like WiMAX and others that will penetrate into these underserved areas. Look at the region from Coos Bay north. We have route redundancy in place. That's really important. It is like a ladder, across the region, the 1-5 corridor and the Coast, with all these east to west rungs that go inland. That produces redundant fiber rings. That's key to a lot of the knowledge-based industries we want to attract because *they need* to have communications *at all times*. South of Coos Bay, we still have a huge fiber pipe that runs down there, with more to come, and we are in the process now of finishing a broadband ladder to the future which runs all the way down to Mendocino County in California. There are strong ties between the Northern California counties and Curry County.

I've had a lot of opportunity to work with a lot of rural communities. I live in Central Point in Southern Oregon; in the heart of the County of Jefferson. Another region! I've worked telecom issues and economic development in all of the Southern counties and in Northern California in Del Norte County, Trinity, Mendocino, and Humboldt Counties. So, I feel like I have a pretty good sense of what's going on with our rural economy and how broadband is going to help these economies move along. There's a lot of work yet to do but we are working on it and we are making good progress.

To foster knowledge businesses one question needs to be resolved—*what is a knowledge business?* Ranching? Vegetable growing? Nature tour guides? What else falls into the category of knowledge business? What they all have in common is the dependence on the access to information; the ability to move information back and forth. And that's why broadband infrastructure is *so* important. What are we really looking for? What are we targeting? I use targeting because it is probably a mistake to be a generalist in this thing.

To be successful in attracting knowledge businesses, I believe we need a strategic framework. *That's a plan*, by golly! Let me suggest three simple but broad questions that once you start



getting into, they aren't so simple. **Where** are we? **What** do we have? What do **they** want? And, **who** are the "they" that we want to go after? **Where** do we want to be?

These are the goals, objectives, and outcomes we are seeking. We need some metrics to measure this. The last thing is—how do we get there from here? We need **a step-by-step roadmap** to the future. Not a roadmap to next week. But, a roadmap to next month, next year, the next five years, the next 10 or 20 years and let me suggest the next 30 years and maybe 50 years. Short term thinking, too often, puts us in a trap. You have to be able to integrate what we need to get done today, the low hanging fruit, as some people say, we need to pick that stuff, but, we also need to have a much longer view so no matter what we are doing today and tomorrow it is pointing up and walking us to the future.

One promising way to attract and nurture these knowledge businesses is tourism—**not** just any tourism. Not your father's tourism. We are talking about **upscale tourism**. It turns out there is a strong and remarkable match between that demographic, **upscale folks seeking experiences**. Remember, they don't "vacation". They seek **experiences**. There is **a strong match between those folks and the folks we want to attract**—folks with disposable income with a desire to spend it. And, people who are seeking a quality of life they can't find where they live.

In Curry County we just embarked on such an effort. The marketing plan I just completed last week is posted on my web site (<http://www.jirwinconsulting.com/>). It is a coordinated effort to promote upscale tourism, product services, and livability in the county as a way to lift the economy. And we see tourism as a very viable way to do that. Once again, through **upscale** markets. We still want the family in the Ford Minivan to drive through and spend a few days. But, we also want to look at the viability of appealing to the demographic that is willing to spend a little more money and a little bit more time. In that Curry County report, you will not only find a discussion of tourism, but a discussion of "green". We need to take advantage of that. It is a great opportunity. It is a knowledge-based business. It requires a lot of information technology. It looks to be a very profitable sector.

In closing, this **is** the right time for **coordinated action** to lift **the entire coastal economy**. And it must be a **coordinated** effort because there are multiple disciplines in the mix. There's lots to consider. Local culture should **not** to be taken lightly. We got a lot of independent spirits on the Coast. We have to factor that in. But, you know, tourism, workforce development, education, health care, public safety, and, we absolutely need to make sure we are **working closely with the Tribes** as we move forward. To be successful, this has got to be more than catchy slogans and glossy brochures. There's a lot of work to be done to be sure we can have that authenticity we heard about earlier today. There's every reason to get going on this right away. And, it's up to us. Frankly, **we** are the ones we've been waiting for. We have no one to blame anymore. It is up to **us**.

Onno Husing Thanks John. You will be here all day. So, if you have questions for John please hold them for later. Todd Davidson has to leave at the lunch hour. So, let's ask Todd to come up here now.

Todd Davidson Thank you for the invitation to be here with you today. I see a lot of good friends and colleagues here today.

I feel compelled to answer some of the questions that came up after Kathy spoke because that was a **wonderful** dialogue.



You are recognizing *the political dimensions* of branding. You are recognizing there is a difference between perceptions and perspectives.

And, I have a quick response to the gentleman who made the observation about the signs coming into town. There's an organization called "Scenic America". They've done a lot of work on best practices for signs, sign ordinances, how to bring communities along, how to get them engaged, what to do. One of the most profound things I have seen Scenic America undertake is they showed a sternwheeler on the Mississippi River, a beautiful colonial in Williamsburg, a pueblo style house in Scottsdale, they asked what do all three of these structures have in common? They are all McDonalds, a McDonalds restaurant. But they were done in a manner that was consistent with the building code. So, some people who say there will never see a McDonalds in my community, they are looking at the cookie cutter style golden arches sign. What Scenic America proved is that with a sign code and building code you could still have viable economic growth. There are ways to do that.

I'm glad to see that in the materials that were put in the folders, you have, for 2004, the current branding work we call it the *Book of Oregon*. If you are familiar with that campaign, the tag line for that campaign was "**We Love Dreamers**". Many folks immediately asked, "Is *that* the new state slogan?" The answer is no, it's the tag line. It does *not* live outside the context of an advertising campaign.



When that campaign rolled out, Dan Wieden of Wieden & Kennedy said, "You suddenly realize your client is not the Oregon Tourism Commission, it is an advertising committee made up of 3.5 million Oregonians and every one of them has an opinion." You are living that reality too in your communities. You have folks that care about the kind of advertising and the kind of branding. It has to be something that different types of communities can buy into, so they see themselves as part of it.



My challenge to you is this. As you talk about **branding** today, and during subsequent conversations, understand **it is truly about your consumer**. The brand is **not** the advertising, the brand is not the tag line, the brand is not the web site. **The brand is who you are in the mind of your consumer**. You can go out there and yell all you want to, “No, we are this!” But, consumers will say, “Well, **no**, you are this.” That is what you are trying to affect. When you hear Kathy and John talk, what you are hearing them say is collaboration and building the synergies, regarding **business development** and recruitment efforts and **tourism promotion**, we want them to **become so intertwined and connected** it becomes powerful for our consumers. That’s the way we can effect change.

So, I am really encouraged by the invitation you have given me this morning, because tourism has become a primary driver of Oregon’s economy. And your recognition of the importance of the place of tourism in Oregon’s economy will be important to our ongoing success. You see, this is **a business workshop**. We are talking about **job creation**. Let me remind you today, tourism has become an \$8.4 billion industry that’s employing 93,000 Oregonians. We’ve been adding jobs in this state at the rate of 1,500 to 2,000 jobs per year for ten or fifteen years. There could be a few skeptics in the room that think these jobs are little more than flipping burgers, just a bunch of part time minimum wage employment. I forgive you (*laughter*).

There are a number of entry-level jobs that are providing **first time employment** and **job training** skills and opportunities for many folks who have never been in the workforce and I make absolutely no apology for that. These jobs are the only alternative to no jobs at all. These are also **flexible jobs** that provide flexible employment that are desirable to students and working parents. But they are also jobs where they can learn skills and jobs where they can establish a career; jobs where they may become part of a major multinational corporation and jobs where a sole proprietor shows up every morning. There are **93,000 folks in Oregon** who owe their jobs to people traveling around the state spending dollars and Euros and Yen and other currencies across our state.

But is **that** our focus here today at this workshop? I don’t think so. **You folks may see a bigger picture**. You may see having a vital and vibrant tourism industry is **more than just an end unto itself**. I think you have an idea of what it can truly mean.

For example, as important as these 93,000 jobs are, there are other jobs in Oregon’s economy that would not be there if Oregon had no visitor spending. These are jobs in construction, manufacturing, agriculture and other jobs that are there because of the demand created by the tourism industry. As the demand for lodging increases, more hotels are built. As more flights come into a region, terminals are expanded and runways added or extended. There are 40,000 additional jobs in Oregon created by visitors and visitor income. And the total payroll for these 130,000 jobs is nearly \$3.3 billion annually. The dollars from tourism expenditures that are fueling this job creation is \$8.4 billion annually, 30% growth since 2003. State and local tax receipts have grown 30% also since 2003, \$320 million a year.

To give this a little perspective, the tax burden to the average Oregonian, a family or household, is reduced by \$300 to \$400 a year because we have a vital tourism industry in Oregon. Here on the Oregon Coast tourism is a \$1.5 billion industry, employs 21,000 Oregonians, generates \$432 million in earnings and payroll, and \$26 million in tax revenue. In addition though, to the dollars and the tax revenues, **it’s the latent potential**, as Onno and I have talked about for years. Onno was around for the early conversations about **Brand Oregon**, especially to expand the market potential for seafood



here on the Oregon Coast. Onno is an early adopter and a true believer in the power of branding.

And that's what we want to talk about today is *tourism's latent potential*, because tourism is *not* an end unto itself. In fact, I tell folks who work for me at Travel Oregon, we invite folks to Oregon, they have an amazing time here, they have a great vacation and if they return home satisfied with their vacation experience, then we've done our job. But, if we bring folks to Oregon, and if *they become so engaged with this state*, if they feel such an affinity for this state, that once they return home they become Oregonians they just happen to be living in New York or Tokyo or Frankfurt, but, they have so closely aligned themselves with us, such a strong feeling about this place, because of their experience here, we have really begun to *tap the full potential of what tourism* can mean to this state.

Here's what I mean. *Tourism is a gateway* to introduce folks to *all* Oregon has to offer. I'm talking about introducing them to our agricultural products, our industrial sites and business opportunities, our higher education institutions and so much more. There was a story that came out on CNN shortly after the 9-1-1 terrorist attacks. CNN reported that in late October of that year beef prices across the country plummeted; they reached their lowest prices in years. The reason? People were not traveling so they were not eating out as much. And this resulted in a diminished demand for beef, a glut on the market, and drop in prices. Suddenly, *travel* was driving commodity prices. A connection *very* few people had made. The truth is the hospitality industry impacts thousands of businesses and tens of thousands of jobs, but it is also the industry that introduces folks to Oregon for the first time.

In Central Oregon, based on a study performed by the Central Oregon Community College, they found that *73% of new business startups* between 1985 and 1995 *came from folks who were first visitors to Oregon*. They traveled here on vacation, fell in love with the place and the quality of life, and chose to move their business here. *That's* what we are here talking about today.

Tourism also introduced them to Oregon products. They enjoyed the food, the wine, and the microbrews, and they purchased our manufactured goods, our agricultural products and returned home with a stronger opinion for these products. So we've *got to focus on building a strong connection between our respective commercial efforts*. Introduce people to Oregon as *a vacation destination* and subsequently make them consumers of Oregon products, *and explore the potential with them to make Oregon a place for relocation and a business opportunity* after they get home. We need to *collaborate on our marketing* in such a way that *potential visitors* also become *potential business prospects*. This is something, I think, we can do. I think *we must do it!*

But the full potential of this initiative will *not* be realized without you guys becoming fully engaged and participating. You need to realize we are part of something that is *truly ripe with opportunity*. Kathy shared the *Pure Michigan* ads with you earlier. The Director of the program in Michigan is a good friend of mine. And, in an interesting turn of events, with their economy in crisis and their state budget hemorrhaging, their legislature found \$10 million more, they had a \$12 million tourism budget, they made it \$30 million to launch a campaign because they understood the cycle that we are talking about today.

So, we have an opportunity, my friends, to go out and *unify our marketing messages*, and *unify the experience that we are offering the visitors*. Experience, not experiences. Because I truly envision a time where *a singular experience*, not a collection of little experiences, if we unify all of our various offerings, so from the time they begin planning their trip to the time they return



home, our visitors will notice this is some place unlike any other. Its not just about the natural beauty, other places have that too. It's not just about our microbrews and wine. It's not just about a rich culture heritage. They have that everywhere. *It's about us*, today, beginning to evolve, get the mission of branding beyond the tactical elements that are traditionally associated with branding—slogans, and ad campaigns—instead, take those words on a piece of paper and make them *a tangible experience for every visitor, every prospective business person*. It has to be about Oregon. Every last piece and place and person so intertwined and so interconnected to make *a magical singular Oregon*. That experience, then, becomes the promise to that prospective business person.

Onno Husing Thanks Todd. A few years ago, the Oregon Coast Visitor's Association (OCVA) and the Central Oregon Coast Visitor's Association (COCA) shared office space with OCZMA in Newport. I got a lot of tourism information over the water cooler. Guy DiTorrice used to say, if I remember the profile correctly, a lot of visitors, from out of state, fly into Portland, Oregon (PDX), paying room tax up there, they rent a car, do a mad dash to the Coast, head down to Crater Lake and hurry back up to Portland. They end up seeing the Coast through a windshield, in one day, going 55 mph. That's okay but *not* the way I want them to experience the Coast, where they maybe overnight one night.



These people are thinking about Oregon in general. But, *they think about hitting the Oregon Coast* while they are here.

Todd Davidson First, since the time Guy was at COCA/OCVA, several years ago, tourism has evolved tremendously. You will see some of that, where, it's like the Grand Tour, seven regions in seven days. There has been a change domestically. It's really much different. *The Coast is the most asked about region of the state*. It is the part of Oregon they have the most familiarity with—domestic visitors from outside the State of Oregon and our international visitors.



They are enamored with the fact the beach is entirely public. That's really cool. And, we had Governors who made sure it stayed a highway so no one could do anything with it. And we have thousands of people who go out, twice a year, to go pick it up to make sure it is looking good. So, this region is the

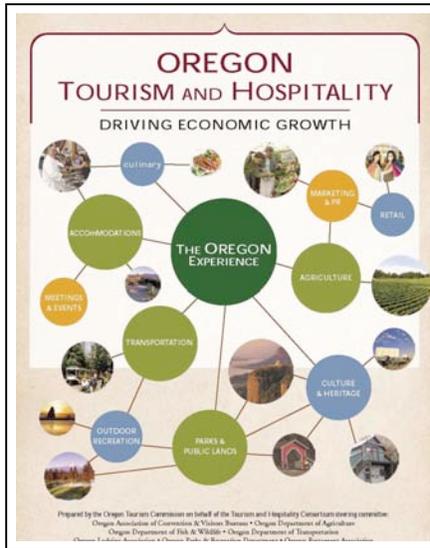


most asked about region in Oregon when we are out promoting the State of Oregon. No doubt about that. *Travel patterns are changing.*

Returning to your question about working with the State of Oregon to do a Branding Campaign for the Oregon Coast. **OCVA** did a Branding Initiative about a year or so ago, from a tourism perspective. I strongly urge you to take a look at that. We were able to take our ad agency and help us with some of the conceptual ad design work. Once you move to actually creating ads, shooting film and hiring photographers, then there are more costs involved. There is a good likelihood, we could have our ad agency work with you on a business recruitment message.

Onno Husing We are talking about Wieden & Kennedy, one of the finest ad agencies in the world.

Todd Davidson Right, Dan Wieden cares deeply about Oregon and has worked closely with the tourism business for several decades. But, you know, when we came out with the “Oregon Loves Dreamers” campaign, not everyone liked it. Some people loved it. Some people *really* didn’t like it. And, though, remember, what does your consumer think? Is this the right message? Are we generating trips? Because, at the end of the day, *tourism is an economic development engine*. So, we’ve got to be about generating economic stimulation. That means for us generating trips when we are spending advertising dollars. This ad campaign that we are running now is the most efficient, effective ad campaign we have ever run, and, in 2008 when we last measured it, it was actually 38% more effective than when we launched the campaign in 2004, and in 2004, it was the most effective campaign we’ve ever run. So, sometimes you need to step out of what you like and *look at what the consumer is telling you.*



Onno Husing Let me put a question to you very directly. It reflects things people said to me before this workshop. Do you think that the out-of-state perception of the Oregon Coast is different than our own perceptions of who and what we are? Is there a mismatch?

Todd Davidson I don’t think there is a mismatch. If you look at the Brand Oregon materials in your packets, you downloaded and included the style package, it’s not a tourism effort, the Brand Oregon effort, the Oregon Business Development Department (OBDD), you are looking at words like genuine, which is synonymous with authentic. Visionary and stewardship. We want to be visionary about how we want to see our communities develop, what businesses develop, that sense of authenticity. It resonates whether you are talking about agriculture, or telecommunications or tourism. Those are the same brand values that we just need to keep sharing because our research tells us *that’s how folks see Oregon.*

We asked the international tour operators several years ago, face to face, what do they think of when they think about Oregon? They said we are clean, green, and safe. And, by safe they meant friendly. I don’t think the way we perceive ourselves and the way others perceive us is that different. We have *not* measured the “Peoples’ Coast” campaign that OCVA has done, its been out for about a year now.



Onno Husing We put some of OCVA's marketing campaign materials in your packets. I looked at it with interest. It says, "Find *your place* on the Oregon Coast." And it says, "And when you leave you will be longing to come back here." You can easily wordsmith that to say, "Find your place on the Oregon Coast, and, *you don't have to leave*, you can stay and *do business from here*." I didn't see that we would have any trouble building upon that messaging.

Todd Davidson To help you with your momentum, you know, OCVA held meetings with tourism industry folks up and down the coast, they also did visitor surveys, understood perceptions of the coast, so there is a lot of this information already out there because some of these same folks that are thinking about the Oregon Coast as a travel destination are the same folks that own a corporation, that have cashed in and maybe want to start a new business. Like Onno said at the beginning, broadband allows you to work anywhere. They can relocate and enjoy the quality of life here. These are *not* mutually exclusive data sets.



Sandy Messerle I am a relative newcomer to the State of Oregon, and I work on the South Coast. And, frankly, I see *an attitudinal problem*. They have been through some tough times. And, even though it's a beautiful place, I don't see that they have the vision that we are going to get there again to prosperity. And, if you are a tourist, that's a little disconcerting. I think that's an impediment. It is an area that is *not* just economically depressed, it is *emotionally depressed* as well. Any ideas about those attitudes, especially the people that are waiting on people in restaurants, that's something I would really appreciate.

Todd Davidson That is a really long conversation. You are absolutely right, there is a role that we as Oregonians play as ambassadors. And the perception we are able to create, when we are emotionally stressed as many are right now, and some folks have *not* emotionally, mentally, gone from when we were, as a timber-based community or the fishing was stronger. So, it is easy for us to languish there. I don't know if we could come up with an answer to that in this room today. John Irwin's done a lot of work on the South Coast. He could share some thoughts about that. I don't have a quick fix answer for that. There is so much uncertainty in the economy right now. This is *so* interconnected.

John Irwin There is *no quick fix*. I am sorry to inform you of that. How many years did it take us to get to this point? There's a third generation of people still waiting for natural resource extraction to come back. I'm going to tell you, it's *not* coming back. And, if it comes back, it sure is *not* going to come back like it used to be. In our communities we have gone through, across a big swath of land, *clinical depression*. Clinical depression is one of those things where you cycle down. How do you deal with clinical depression? Well, we tried the drugs. That's not working. We've seen what's happened with drugs and alcohol. That just fostered more despair.

What I find that works is you find those *small seemingly incremental wins* where you get a few people to work together to collaborate to make that win, and then you build on that. Then you build another one, and another one. It actually creates an exponential change.



And it's going to take, I will be honest with you, **another generation**, if we start **today**. There are people saying, heck, we are not going to wait any longer. People that never got together before, and they are taking the bull by the horns are actually making these small, teeny incremental steps, two or three people working together, it's a success that you can share, that changes depression. We are going to have to walk out of this cycle of depression we have walked down into. It will take all of us working together over a long period to make this change.

So, what we are talking about here today is **not** something that will happen next week, but, we can start today and do something next week. It will take us months and years. When I say we need a strategic vision I am not talking three to five years. What do we want our communities to look like **ten years** from now? **Twenty** years from now? **Fifty** years from now? What do you want it to look like for your great grandkids? We are going to make it so they don't have to leave. What we are talking about today is actually a pretty small step. But, it's actually **a pretty huge step**. Like I said earlier, we are the ones we've been waiting for! I have been in more than one lodging establishment in rural Oregon and rural California. And I say to the clerk, "Say, what is there to do around here?" And one answer I hate to hear is "Nothin".

Hey, you know, I think a great first step, one of our **first** target audiences, is **the people who live right here!** To get something going, **start educating our own people** about what is available right here, in our own backyard. There are an enormous number of things to do.

Onno Husing I want Kathy to comment too. But, there was an article in the local newspaper, *The Newport News Times*, about this workshop. A gentleman read the paper and called me, from here in Lincoln County, and he said, "What's this workshop about?" I asked him to tell me a little about himself before I tell you about what the workshop is about. He was a guy who moved from Portland about three years ago, and he could do that because of broadband. He does industrial site development consulting all around the world, and he said...Oh, Larry you are here! (laughter)

I love what you told me Larry. You told me about how many guests you have a year and what they write in your guest book. I'm thinking that night clerk at the hotel should read what your guests write about their experiences here. I get excited talking to people and tourists who are here. They say, "Gosh, you live in a beautiful great place! What the heck did you do to find a way to be here?" So, I pick a vibe from them that persuades me, all the time, that I made a great decision to live and work on the Oregon Coast. That's part of the gut check and the emotional check we've been talking about. Larry, do you want to add anything?

Larry Tapanen Yeah, I am a native Oregonian. I got web feet to prove it. And, we moved down here (just outside of Newport), we have a business on a national and international basis. We make valuations for very special properties, steel mills, saw mills, those kind of things. It became apparent **I didn't need to be in my office**. I could use subcontractors. **I changed my business model**. Why do I like living here? Because **this is a solid community**. I joined the Chamber of Commerce. We got to be known. Since I have been here I have brought about \$3 million dollars into this economy (applause).

I am aging. I need hospitals, doctors, I need lawyers, I need insurance agents, I need realtors, I need all of that good stuff because the way I work and the way I make things happen, I find it here. My kids are all raised. My grandkids are coming and every other weekend we have people come in from all over the United States.



So far, we've had eighty-four people here in ten months. Our place is like a bread & breakfast (B&B). That's what it is. And what our guests write about is just awesome. The views, we run them around up the river to Toledo, the Aquarium, and whatever. My latest adventure has been to try to acquire five acres to create the aquatic center in the next two or three years. We are going to make that happen. As an older person coming here into it, I'm looking for all the amenities. I am not close to my grandkids. You would be surprised how many people are *not* going to leave their grandkids. They don't want to leave their friends. They don't want to leave their business associates. There are certain things you have to give up. I am an hour and a half, two hours from Portland, and I have the best of two worlds. And I am not promoting this area as much as I can. (applause)

Onno Husing Larry, thanks for that. Like I said to you yesterday on the phone—*this workshop is about people like you!*

Kathy Long Holland We need more people like you Larry. Getting back to the communities in transition. Some go the alcohol and drug route. Some get retraining. I used to joke, you got to be an entrepreneur in Oregon. It's always been a challenge. That's what I like about what you said Larry, you said you changed your business model. I think John is right about that intergenerational thing. The timber evolution. It is a culture of despair. To try to create a new spirit, you know, *hope is a powerful thing*. That's a key thing, to encourage that. Larry, I would put a circle of people around you in a second, and find all those elements, where are the rest of you, there are a lot of people like you living in Portland that would welcome that opportunity and that model.

Onno Husing There are two social networking opportunities, with what John Lavrakas is doing here in Lincoln County and with what GTA is doing in the Gorge that are the same kind of discussion points, so, we did this to have the coast and Gorge work together. But, I gotta say something about the South Coast. Sandy, with the Bandon Dunes, what you've experienced in the last fifteen months, because I have done this job for 14 years, and Chris, you might want to jump in here, I think the mood and the optimism on the South Coast has really rocketed upward. If you think it is bad now, you should have seen it a few years ago!

Chris Clafin I moved to Coos Bay fifteen years ago, and Coos Bay did not have the boardwalk, a lot of the buildings were run down, and a lot of that has been improved. I think, where we fall short sometimes is, where a lot of effort has happened and, the progress is incremental, and substantial, but, we don't often reach out to the people who have worked so hard to effect that. For the most part they get a lot of criticism for their choices. Most of them say things like, "Why did they paint that that color?" And that kind of nonsense is a big part of the problem. A lot of time in rural areas the achieving elected officials often times become a target for their success. They get beat down.

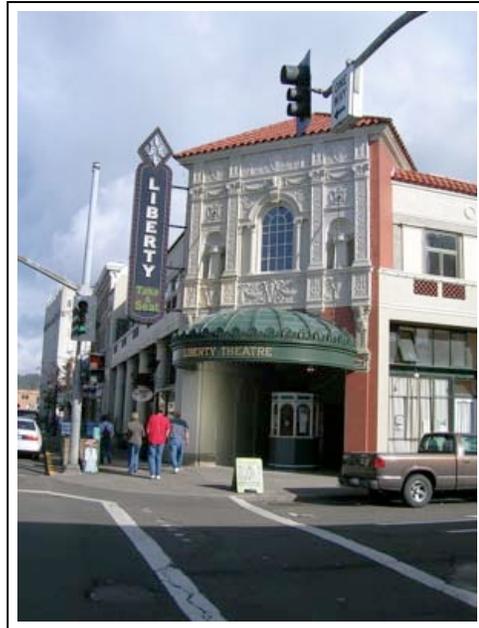
Some ways to combat that, when you see criticism of the elected officials, you have to reach out to them and support them. And, often times, as a community we don't do that. We watch from the sidelines and hope for a change but we don't support it. North Bend has been redoing the North Bend Hotel, for how many years. There's tons of stuff to be done. But, it is important that it won't be the big home run. People want to see the things they want to consume. So, somehow seeing a Trader Joe's will make everything successful. That would *not* be genuine for our area.

Onno Husing I remember taking my Father—who lived on the East Coast—on a trip up and down the Oregon Coast. That was about 18 years ago. He said the coast was beautiful, but the built environment looked seedy. And now, it looks a lot different. There's been a lot of



tremendous work, especially on the North Coast, with redevelopment in Astoria. Mary, you must have something to add.

Mary McArthur As a follow up, we've done some historic renovations in Astoria, helping people to do historic preservation, people want to live here—some young entrepreneurs—and showcase these different trades, and the cruise ships when they pull up, so they can see people living here and working and creating, it is transforming Astoria.



Liberty Theatre, Astoria, Oregon

Todd Davidson A closing comment. You guys really brought you're "A" game here today with this conversation. I'm just blown away. The fact that you, immediately, when Kathy finished her presentation, were ready to talk right away. Keep that going! Because that's exactly what needs to happen.

When you talk about *branding it's always about distilling down to those couple of things*. There are a lot of ways to promote Oregon, but stay true to those core values of being genuine, visionary, and being stewards. Now, that tactics, when you have a branding conversation it's about distilling it down, but, when you talk about what are the tactics, what can we do to improve local morale. What John Irwin pointed out, it's a couple of folks doing something and then building upon that. The business guru Tom Peters from a couple of decades ago used to say, "It's not by doing one thing a thousand percent better; it's about doing a thousand things one percent better."

And, when you are talking about *raising community morale*, and getting people excited, it's about doing a thousand things one percent better, it's all these ideas and tactics and I share your excitement, an example of what's happening with the work on the South Coast. I tell you, the DMO (Destination Marketing Organizations) down on the South Coast, Katherine in Coos Bay and Julia in Bandon, Elizabeth in Gold Beach, are working together in a collaborative, cohesive visionary way that was not always there. And it is cool to see. They are not waiting for someone from Travel Oregon to call them up. They are calling us! They are saying, "We have an idea and how can you guys help us make this happen?" Bravo you guys. I am excited to see what comes out of this workshop and I will come back for a future one.

Dennie Houle I think *getting back to basics* is sometimes very helpful. One thing I was involved with a long time ago was hosting. Talking to the Chambers and the Rotary how important that is, make that available to the new crop of people. That's who the visitor interacts with and ends up asking where to go and what to do. We have to continually, every year, over and over, do this.

Todd Davidson You're right, we used to do classroom training called "Oregon House" and then it evolved and became "Quality Service Initiative" and then "Oregon Q-Care"; it's classroom based and that's very effective. We want to make it available to everyone for free, so we migrated the whole thing online, it's called "Oregon Q-Care.com." You can print out a certificate of completion when you are done. There's a series of different modules, when you are done you can get the certificate we need to remind the chambers and the convention bureaus about this. You are absolutely right, we need to keep getting the word out to your businesses,



and especially the gas stations which are often times the gateway business, you stop and get gas and that's where you often say is what is there to do here?

BREAK FOR LUNCH

— Afternoon Discussion —

Jessica Metta I am here today representing GTA, the Columbia River Gorge Technology Alliance. I am a project manager for our regional economic development agency called Mid

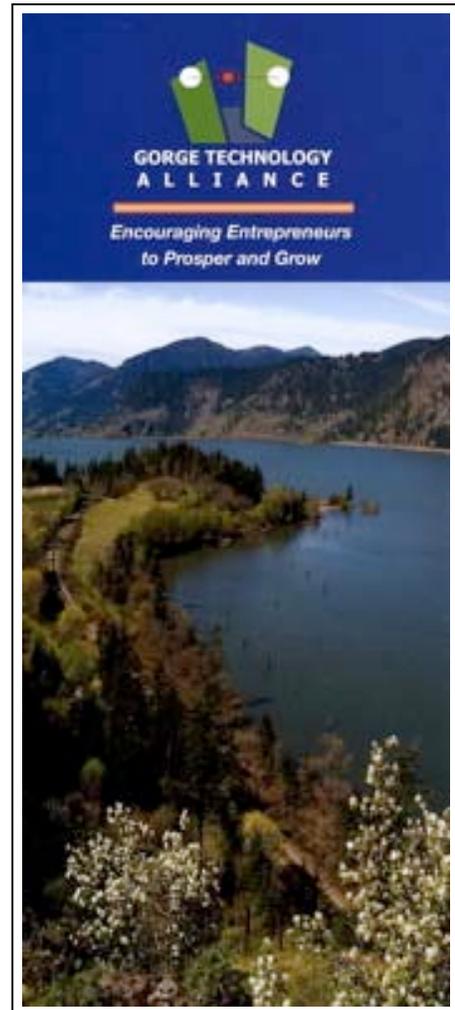


Columbia Economic Development District (MCEDD). We helped get the GTA started, and the GTA contracts with MCEDD to staff them. How the GTA started was MCEDD got an EDA (Economic Development Administration) grant to do a cluster development strategy where you identify your key industries and then help develop them. So, for MCEDD it was technology, wine, art, natural energy and alternative health care. The technology one really took off partly because of the leadership of a key individual, which we heard about a lot today, how a key individual or individuals can keep running with an idea. And so, we developed a plan for the technology industry with the EDA funding. The idea was to help people in the technology sector network with

each other. The key individual was Steven Sliwa, who is with INSITU, which was recently purchased by Boeing, they make drone un-manned airplanes; that's become huge in all sorts of military applications.

INSITU, as a company, really drove the GTA and the tech businesses in the Gorge as a whole.

It was the vision of Steve Sliwa to create a group that would create a synergy among all these tech businesses that are starting in the Gorge because we have, kinda what you have going on here, *people move to the Gorge for the lifestyle*. And then they say, "I want to stay and develop a business. I want to bring my family here." And, so, what the GTA has done is serve as a resource for entrepreneurs to meet each other and find companies that they can work with. The GTA has been around for about five years. Probably there were about three or four tech companies in the Gorge, and now there are probably around 20 companies or so. And, part of what we are doing now is doing an organizational sustainability plan. We are researching the value to the local economy GTA has had. But, anecdotally, it is huge. We have helped companies locate in the Gorge and putting people in touch with other



people. INSITU itself grew from 50 employees to around 350 folks. There are other companies too. These are huge companies for the Gorge. And these are all good paying jobs.



But, it all started with tourism. It's people saying, "Hey, I want to stay." We talk about windsurfing, which started about 20 years ago. These are more affluent tourists that come in from places like Seattle and they are tired of living in Seattle. This is the same thing Onno is saying that could happen here.

We have done some branding and some marketing of the GTA. We have a brochure, and a Gorge thing called folk arts, post cards for around the Gorge. And, we made a five minute video that

talks about the value of the GTA and the technology businesses to the Gorge in **general**.

The GTA does have some growing pains. GTA is all volunteer. The percentage of my time devoted to staffing GTA is actually very small. It's a membership organization. And, memberships don't pay for very much. We've got some sponsorships and we've gotten some grants. It's all volunteer power. You need to have the follow through and I think that's where the GTA is lacking right now. We have the branding work done but then, we ask, "Do we take this to the Legislature? Do we take it to our local governments?" We kinda run out of steam by the time we got it done. We've got a great web site, but, a lot of it is following through, making sure your message is out there.

So, we will do this research and do another marketing effort to attract more members and more sponsors so we can take GTA to the next level.

Another thing that I wanted to mention, that could have value here is, we did a visioning plan for the entire Gorge, we went around to the communities and said, "What do you worry about that is changing? What do you want for the future?" That was another interesting effort that came up with some interesting ideas.

We stress the idea of the lifestyle entrepreneur. Some of our communities are 45 minutes from the Portland Airport. They are entrepreneurs, but they are making the lifestyle work for them. Outdoor recreation is big, windsurfing, fishing, white water kayaking, skiing, snowboarding, golfing, mountain biking, we got everything. People love that. They love doing two sports in a day and working also.

Onno Husing I remember finding out about the GTA by reading an article in the Oregonian. It was a great article. I was thinking these guys are really doing it! They have taken the marketing chapter of the Coastal Telecom Strategy and they are making it happen—networking, marketing your region, getting out there. So when John Lavarkas and Thom Nelson and I met with a few of you in Hood River, here's what I came away with. And you have been candid about that. GTA has not come close to reaching your potential. Please share your sustainability plan with us when you get it done.

I think we should collaborate with you—the Oregon Coast and the Gorge. Your success would *not* come at our expense and vice versa. Maybe our regions could work together on a marketing program. There are a lot of opportunities out there. Let's keep that on the table as a possibility



because our two regions have a lot of the same assets—close distance to Portland (at least the North and Central Coast), a great place with a great quality of life. We went up to the Gorge thinking you had found the secret sauce is up there. Let's learn what they are doing. And we came away from that trip to the Gorge feeling that GTA needed help with branding as much as we did. GTA has, though, clearly excelled at social networking, and that's a big deal.

Pam Silbernagel I work for the Cascades West Economic Development District (Linn, Benton and Lincoln Counties). I found it interesting about what is going on in the Gorge is how you fell into the accidental activity of people coming for windsurfing, and, then, from there, thought, well, here's a whole bunch of people with wealth coming in, and what could you do with them, instead of something strategic, it was something happening to you and you started reacting to it. That's kinda what's happening with the wind energy. A great location for wind turbines, and now the Community College is training technicians for that, so, almost instead of the way we teach people to do economic development, look forward, put out the red carpet, you have been masters of making it up as you go along. Could you talk about how to put things in place around this opportunity?

Jessica Metta Part of the SWAT analysis is figuring out what you have to work with and then capitalize on it. With wind energy in Sherman County, which is covered with wind towers now, Clickitat County, and the Columbia Gorge Community College has ramped up their wind energy technician training program. If you want that degree, it's the only place in the nation that offers that.

Mary McArthur The other thing going on too is the social demographics. We are seeing the *younger workers* now actually fitting into this lifestyle entrepreneurship. They are *looking at where they want to live first before they worry about the job* where our generation followed the job. And the other thing, like Larry said earlier, they are looking for a place that they can have a relatively small business, with five or fewer employees. They are looking for a place that they can become integrated into the community, and become part of it. So, if you look at some of those characteristics of people, and then look at your SWAT analyses, and see how our assets fit those lifestyle characteristics.

Al Smiles What are your interactions with the Chambers of Commerce in your region?

Jessica Metta That's interesting because the last time I tried to explain the GTA I said GTA was a Chamber of Commerce for the Tech industry. We work alongside the Chambers of Commerce. I think we are almost a sub-set of some of the Chamber of Commerce in our region. A lot of what we do is collaboration because we are regional and everyone focuses on regional aspects, working across state lines, their members are our members, some more than others.

Al Smiles The reason I asked because we have talked at length today about starting businesses on the Oregon Coast, quite often, it's the Chamber of Commerce that fields the calls about people starting a business, or needs help with their business, or, is looking at an area. They have their fingers on the pulse of what's going on. They are key to be involved.

Onno Husing And some Chambers are more effective than others, right? (laughter) I could not agree more. I think that's a great observation. Earlier, I was asked how you bring local government folks along? Involve the business community. And, I would say, we need *the realtors* engaged too. When Chris Chandler heard about this workshop, she asked do we have realtors coming? Chris is right. That's another group on the front lines, interacting, like the gas station attendant. Who are these visitors first likely to encounter? They don't have to know everything. But at least they have to know who they are sending people to.



John Lavrakas The other major groups are the small business development centers. We have worked closely with them. We get restaurant folks coming through. They are trying to learn about technology. In fact, some of our most successful meetings of the Lincoln County Technology Solutions Alliance (LCTSA) have been, with about 70 people attending, with the Small Business Development folks.

Al Smiles If you don't think a Chamber is effective, go speak with them and *ask them to be effective*. I am concerned about what I see is a gap between economic development individuals and the Chambers of Commerce.

Kathy Long Holland Jessica, what about the trained labor force for these tech people in the Gorge, was that an issue?

Jessica Metta The people weren't there. They were attracted by the lifestyles. I know for INSITU, all of their growth came from people outside the Gorge, they heard about INSITU, they knew about the Gorge, they came and checked it out. We do have a lot of highly trained people in the community. One individual was talking to me about the hard time he has finding lower skilled people rather than some of the higher skilled people that are at least ready to hit the ground running, he asked about providing training to them. I know when Google came into the Dalles, they actually tried to work as much as possible with the local people, and they mostly brought in their high level people.

Kathy Long Holland On wind power, which is the other big tipping point industry, in Morrow County, for the maintenance of the wind towers, there's 90 full-time jobs and then there is the additional construction right now, like 300 construction workers. The per capita income for the Port of Morrow, which is the county seat, and with some of this new-found wealth, once you get something going, the synergistic benefits happen.

Onno Husing When we did the research for the *Coastal Telecom Strategy*, one of the critical conversations I had was with the folks from Washington State University's Center for the Digital Divide. I felt like they were ten years ahead of us with their recruitment efforts. They told me when they tried to approach people in Seattle about coming to Eastern Washington, they found the workforce to be a big stumbling block. In fact, they suspended outreach to businesses in Seattle until they could prepare workforce profiles for some communities in Eastern Washington. They did that, again, because the first question entrepreneurs asked about is the workforce. The Small Business Center, the Community College, folks need to be in the loop.

I remember calling up to Clatsop County a few years ago to the community college and I asked, "What if we kick off this marketing effort, and the phone rings off the hook and all these people want to come here? Are the community colleges ready to do the training?"

The response I got from them was they would love to have that problem. They actually had a drop off in the number of people asking for that training. And earlier up there, they had a very successful technology training effort, some great staff. No one is talking about having to go out and get a computer science degree. Just basic office skills, we get that figured out, now we are at that second tier of employment, then work your way up. I also heard that when small companies moved to a rural region, they would typically take one or two people with them. And, then they would try to find local talent and get them working through the community college, get them the training. The other advantage to the rural location, you didn't have the problem of Silicon Valley where everyone snatches each other's employees. And, in rural areas, you often have



people committed to a region. That loyalty factor was important; the workforce investment you made wouldn't be inclined to move away.

I'm glad you brought workforce up, but I'd rather bring some entrepreneurs here, and work the workforce issue, rather than spending ten years fixing the workforce issue, a chicken and egg thing. I heard from Clatsop Community College that, to stand up a class and hire an instructor, you needed a certain critical mass of students wanting that training.

John Irwin has a lot of information about the curricula for 21st Century Workforce, and, sometimes it would just take basic word processing, data base management, spreadsheets, and soft skills like showing up on time, that's still major stuff.

Chris Tamarin That's where collaboration across regions would help because you could share workforce development programs. Maybe you can't get that training at the Oregon Coast Community College, but you can get them elsewhere.

Guy Faust Well, it's interesting, I'm with the Oregon Coast Community College and I run the Small Business Development Center (SBDC). Fifteen years ago there wasn't an Internet available. Once the Internet came out, we had the place loaded with folks who were trying to figure out how to do a web site and get online, we'd give the Microsoft classes, we had a hard time filling any of these classes because *everyone knows all this stuff*. They are coming out of school and they are teaching this stuff. *And there is all this online stuff available now*. You can learn all the stuff you need online, with online classes. So we are already kinda doing that. But, what's interesting now, the trend is the kids coming out, through osmosis, the kids know it.

Rick Gardner I'm from Clatsop Economic Development and Clatsop Community College. I agree with what Guy said. Also, I think the community colleges are getting better at putting together specialized classes, even for smaller numbers. Clatsop, this year, is going to initiate a curriculum, an associates degree on historic preservation, a cluster for our region, and the other thing that is working fairly well is the cross-college. We have potential for wind power offshore and the two colleges are talking to the Gorge about their curriculum.

John Irwin The SBDCs are critical, and the funding has been pulled out from under you. We need to make sure that there are jobs waiting for people after they get training.

Nola Xavier If you have an industry that needs a specific thing, community colleges can work with those industries, to provide that training, we've seen that in Florence, where there is a job waiting for trained people when they come out because we are talking and coordinating, in advance with an industry. We see that with our Western Lane Community College Branch in Florence with the nursing program, where they are directly tied to Peace Health, so that the instruction and the study opportunities all take place under the umbrella of the community college. It works very well.



Onno Husing What I am taking away from this conversation so that we don't have a real bottleneck, if we brought in some entrepreneurs as long as we got them hooked up with the colleges and the small business centers, we can satisfy that need. If my information about



community colleges is out of date, that's great, I'm delighted to hear the community colleges can be nimble now and provide that training.

Guy Faust Most community colleges have this whole division of workforce, the SBDCs are supposed to work with owners, not the worker bees, so there are different entities within community colleges, credit to get a degree which involves a whole lot of coordination with the state, or non-credit, so, when you use the word nimble, we can be nimble as heck, but, if I have to go get something approved and accredited through Chemeketa Community College, then we can't be nimble.

John Irwin The accreditation should be *a job*.

Guy Faust What you guys are talking about is workforce development and as long as what you want is the person who can do the job, yeah, we can do that and be nimble. If it is an actual certificate, again, that takes a little bit longer.

There are two different economic strategies going on. You are talking about, which is what economic development has been about forever, is, basically, hunting. You go out and bag a company and you give them tax breaks to get them in, and, as soon as the tax breaks expire, these companies move. What the SBDC wants to do is economic gardening. Work with what we have. Nurture and grow and maintain the businesses that are here. That's a whole different program and approach. If we can work with 30 businesses and help them build one or two more jobs each, then we've created 100 jobs as opposed to bagging an elephant with 100 jobs. We are all required to do these studies to prove we created jobs, when you do it one business at a time, over a 12 month period, over a number of different communities, it doesn't get a lot of attention. But, if you bring in a business that creates 45 jobs, that makes the front page of the newspaper. So, SBDC's mission is a little different, we support existing businesses.



John Irwin There is no doubt, Guy is right, the best expenditure of economic development dollars is to nurture and grow existing businesses. We can look at bringing in more people, but, you got to invest in what you already have. You, the SBDCs don't get enough credit for that.

Guy Faust Tell your state legislator that. We were almost eliminated this year from the economic development budget this year.

Jessica Metta With GTA, it started with the idea that we would nurture what we have. The build it and they will come is not the approach, we want to build a cluster that can attract more people.

Onno Husing I hope nobody is under the impression that I am in the big game hunting business too. What I learned about this phenomenon of the 21st Century Economy, is that it is inherently diverse, and that it happens quietly. That's the beauty of the new economy enabled through broadband, contrary to the cluster, where we are all hanging on to this one industry, you don't have all your eggs in one basket. These businesses don't show up on an SIC (standard industrial classification) code, you look at a pie chart of the coastal economy, you have fishing



and timber and tourism, half of the pie chart is retirement stuff, and there is this miscellaneous category—that's the piece of the pie chart that I want to see expand. That's why I am not upset about one or two people coming at a time, they prime the pump, they buy good and services, they eat in the restaurants. I don't think the Oregon Coast is set up to really land big projects.

Chris Claflin And, things like Nucor Steel, a big project, for instance, are controversial. For the most part, in Rural Oregon, working with existing businesses is key. I think there is an issue that we are overlooking. The perception is, small business has a small impact, but, you are talking about a human economic activity here, which is very dynamic, *that small business seed has the potential to grow which is good*. Two people grow into ten. We gotta make sure that, the cart is not before the horses, that we have the capacity in these communities to accommodate that. Brookings for instance, they have had a spate of little technology companies that come in regardless of the fact that the broadband stunk and UPS (United Parcel Service) is awful, but, whatever magic, you can't predict it, but it happens. Brookings didn't have the one or two acres of commercial property; people who are moving from a home-occupancy operation into something that was appropriate for that business. If you are not thinking about that, people like to make money, if they are faced with the choice of staying small or doubling, they will find another community. You have to look at that and see it as a continuum, puppies grow into dogs, you have to give them that opportunity. And sometimes these small companies grow up, you have to have *affordable commercial space for lease and for sale* and light industrial space.

Onno Husing Having small office parks would be great, some great built environments, we covered that in the original *Coastal Telecom Strategy*. People don't want to be in a gritty industrial park. They want a nice upscale location. What is happening in Newport, with the new development in South Beach, talk about being able to entice people here, we can show them where they can be and with these mixed use office parks.

Chris Claflin That's definitely one of the gaps we have on the coast. We don't have the spaces and capacity for people who are too big to operate out of their house. You can do this virtually too, you don't necessarily have to build it.

Unidentified Questioner Building on what Guy said, what I find compelling about *this discussion is it gives us a viable recruitment strategy*, going after the big game, most of that stuff. One, we are not on the I-5 corridor, we don't have 100,000 people, the workforce issues, and, even if we could, our community would probably say we don't want that. So, going after this lifestyle entrepreneur, we start having businesses that are compatible with our environment, start one or two at a time, and it starts to build on itself.

Jessica Metta That's like INSITU fifteen years ago. They were doing non-military stuff, then the military applications came along, and INSITU exploded.

Kathy Long Holland That's something your communities can begin to work toward. *Creating a kind of a hub*, a brew pub, a coffee shop with Wi-Fi, a research technology center, and now the social interaction can happen, a place where people share ideas, it's an incubator. I don't want to be home in front of my computer anymore. I can rent a space in an incubator kind of building, and work with the realtors about how to do that, work with the community college. Then the next layer out, have the county do an industrial lands inventory. So, think about the businesses you are bringing in. And, when you *look at this core*, then you need to talk to the City Council about the zoning. We are short on these office-industrial park facilities. There's a whole branch of readiness that I don't think this region has prepared to jump into. Think about *places that people can expand out into with five employees* that need to have office space.



Onno Husing *Cities* in Oregon *have to be the drivers* of this under Oregon's land use program. They are the jurisdictions that can initiate urban growth boundary, working the land use and zoning process. Counties have very limited opportunities to do this. And, in any event, working the land use and zoning process. Now, because we planned the cities and drew urban growth boundaries 30 years ago, and, as we fill in those areas, there is an affirmative duty to expand the urban growth boundary. Now, in some places, you will be bringing into the urban growth boundary what were previously classed as timberlands. And, often *those are large parcels*. That creates new opportunities because you are *not* dealing with small parcels and numerous property owners. Under those circumstances, you can *master plan* for these developments.

We need people in this conversation that understand commercial real estate, dollars per square foot is the currency of their realm. Vacancy rates in other office parks, what kind of rents are we talking about? But, if you got people coming in, because of a marketing program that is working, that primes the pump.

Pam Silbernagel We should also look to redeveloping areas within a city. That's another opportunity. There's a few acres here in the center of Newport along 101 that are a good candidate for that. There are not a lot of buildings. They are not in good shape. I think a lot of communities on the Coast have that. Put that vision in front of the city. Get your land use code so you can do it. Manufacturing in a commercial zone? It's not really manufacturing as we used to know it.

Dennie Houle I'm with the Oregon Business Development Department. I have to say almost 100% of my time is working with retention and expansion of businesses. It is unfortunate that the SBDCs have got reduced support from our agency. We have taken a lot of major cuts in all our programs. This does start at the local level. We still provide matching monies for 19 SBDCs in the state, it is the only money, and contracts we have, they are the network. Shame on us if we don't figure out a way to integrate it. Also, every company starts as a start up, they go through life cycles. I remember putting together the first building financing package for INSITU. We have to work with the resources we have, and the economy we have. I think there are a lot of opportunities out there and they come by everyday. Clatsop County, needs to figure out how to have the local organization work well with the regional organization, the Columbia Pacific Economic Development District, and taking advantage of some increased federal funds.

Onno Husing John, please describe the Lincoln County Technology Solutions Alliance (LCTSA) that you helped form. Again, I remember one night where the LCTSA sponsored a meeting in Newport with the SBDC, and you had a web designer and a web marketing specialist give presentations. About 100 local business people attended. They came because they wanted to learn how they could improve their web sites. And several of them allowed their web sites to be evaluated in front of the whole group, you know, like an extreme makeover program. It was fun. Lots of laughter, people taking notes furiously, lots of fun. People stayed to the end of the meeting, which was like two hours long, and I think they got a lot out of it. A great evening.

John Lavrakas First, about myself. I am a GPS guy, 28 years in it with the federal government and the national policy level, but, when I got here from Colorado a couple of years



ago, how did I pick the Oregon Coast? I was a tourist a number of years before I came here. I would be in Portland and we would come down to the Coast and we really enjoyed it. My kids grew up and out of the house, and we said, let's downsize and let's come out to the coast. And we are very pleased with the decision.

We came from Colorado Springs, a large community, over 400,000. We came here to Newport and it is 10,000, just 20,000 in Lincoln County, it is very easy to interact with people here to get to know them.

The Lincoln County Technology Solutions Alliance (LCTSA), got started couple years back, with Ron Spisso who works with Guy Faust at SBDC; it's something I experienced in Colorado and I thought, let's have a group here that can also develop technology. I thought of this before I heard of the GTA. Simply it would be a forum for technology professionals and enthusiasts to promote the beneficial uses of technology in Lincoln County. And I do think we've played that role. We have an education group and we've been to the local high schools to talk. Not just the teachers, but, the students. We are also a networking type of group. Social networking is like Twitter and Facebook. We've had classes on that and Onno talked about one of our classes on web sites.

At one of our meetings, one was on telecommunications needs in the County. Branding the Oregon Coast, Onno gave a presentation on that. Government contracting, we had a speaker come in who has expertise on that. And a recent one was on computer security. So, we are dealing with issues that matter to technology businesses. We also interact with the SBDC to put together seminars. We had a course on innovation and creative thinking for small businesses. Really successful. Green business practices. Working with new marketing media, search engine optimization.

We've had meetings where we have had 70 or more people and some meetings where we have had 12 people. When we get pretty technical, we have fewer people.

We do interact, Jessica Metta from GTA and I swap emails. And, I talk to folks in Corvallis, John Secrest over there. So, we are collaborative in that regard. We stay in touch with each other. We are advocates for technology. Route redundant loops we care about, as well as technology and education. There's a gentleman in the county, and most of his laborers are in Mexico. He is looking at training local people what they are doing, which is software testing. The community college can serve as a great venue to have instructors train students and then they can have family wage jobs. They pay 18 dollars an hour or more. It's good for our County. We are looking at establishing a tactical fund. The use of databases for economic growth for our members. This is how technology can be used to support economic development. And finally, web site content, community meetings online.

Who are our members? Research & Development (R&D) firms like mine. We've got a number of them. Communication consultants, retired business leaders, people who have done quite well, who have been technology leaders. Business development advisors. We have a broad membership. The challenge for us is to find topics that embrace everyone. I think the answer is, you can't do it.

The challenges for the coast, on technology, is the labor pool, with the workforce being one of them. Post secondary education. Funds for our Community College are being cut while the attendance is going up. I know the state's got a lot of issues, but that's counterproductive. Affordable housing. To bring people to the coast, you want families to come here, this is an expensive place. People can't afford to live here. The new development where the college is



going they are looking at having affordable development. Child care is another issue. The family can't afford to live here without child care. We have people who work at the Hatfield Marine Science Center who can't afford to live here and that's not right.

Onno Husing Because of child care?

John Lavarakas Yes. So, after hours activities, attract people here, what's it like here? Nightlife, I don't know? Of course, that's fine for us. Challenges? Professional health care? I think we do pretty well with Samaritan Health. It's not as rich as the Valley, but it's adequate. We have a rich arts environment along the coast and here in Newport, and a good recreational environment. Chamber of Commerce meetings? I think they are exciting. They bring in all sorts of people to present. So, we retain connections to them. Lauri Davis, the Executive Director, I talk to her several times a month. Whether this Technology group falls under them, that's their decision. We certainly embrace the Chamber. I regularly attend their meetings. The Chamber in fact, was a model for what we needed to do for awareness and networking.

Onno Husing I am amazed at what you accomplished with LCTSA, John. You know, the LCTSA was like spontaneous combustion. When we first did the *Coastal Telecom Strategy*, we didn't identify that, to create groups like that. Our vision was to have local telecom committees figure out how to get state-of-the-art telecom technology deployed. So, I think this is a tremendous innovation. This is the kind of group, that, if we are successful at getting people interested in coming to the Oregon Coast through our Branding effort, that groups like this and GTA in the Gorge are in place to have a welcoming conversation with these people. That could really be the thing that seals the deal with people that are on the fence about coming here. They can say, yeah, I relate to these people. And more and more people are joining LCTSA all the time.

John Lavrakas You have to be patient. Our group didn't happen over night. We had people come and then not come back. So, the question is why? I think over time we are going in the right direction. In my work, I get to travel, to places like Geneva, Switzerland and back East, and I run into people who have traveled to Newport and the Oregon Coast and so sometimes I think we don't appreciate the reach that some of the visitors have. And people recognize Oregon and respond favorably. I was someone who came here as a tourist. Tourism as a gateway to what we want to do, which is develop a technology sector, makes a lot of sense.

Chris Claflin I want to confirm that the housing issue can be a really big barrier. Up until the last 18 months, the average price for a home was \$300,000. So, you know, \$18 an hour, which is higher than average, is not going to buy you a \$300,000 home. And, we have pretty homogenous communities, you don't have a part of a community which is kinda falling down where you can re-develop.

Onno Husing And ten or fifteen years ago housing would have been a competitive advantage on the Oregon Coast.

Chris Claflin We got several fabrication companies on the South Coast, American Bridge and a couple of other companies, and trying to find metal fabricators, difficult to do. These companies try to find them locally, then tried to recruit them from urban communities, and they struggled to do that. We also saw that 70% of our high school students were not going to college or getting additional training, and, trying to put those two together, a career pathway through the community colleges. In Brookings, the kids have been to Fred Meyer maybe thousands of times. But, they have never been into South Coast Lumber or Freeman Marine. So, they have no idea what's going on there and what the opportunities are. They may have

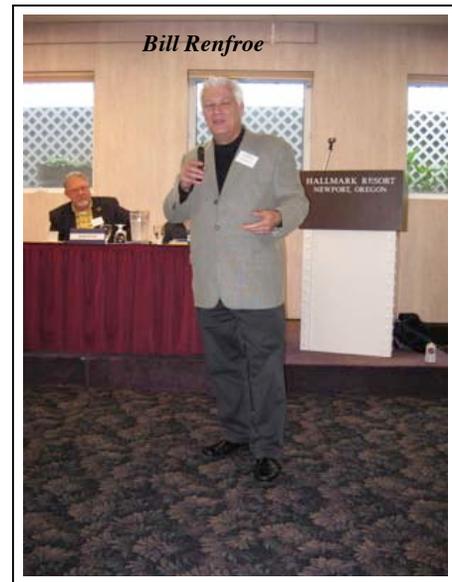


perceptions, they may be incorrect, because look to that emerging workforce, work with them, then we will have a much higher success ratio matching people in Brookings High School with Brookings employers, to get those skills and to figure out housing.

John Lavrakas We have got to collaborate at a higher level to get these things into place and attract technology firms and retain some young people through education and work opportunities. More than flipping burgers.

Onno Husing The hour is growing late. I will ask our panelists, branding experts to kinda summarize where you think we need to go from here. But before that, Bill, will you introduce yourself, you are our token friend from Northern California. I want people to know you were here today.

Bill Renfro I am a card carrying Oregonian. I am the economic development coordinator for something called the Tri-Agencies in Del Norte County—the County, Crescent City, and the harbor. We had a community economic summit, the Tribal folks allowed us to use their meeting hall, and almost exactly the same issues came up. Substance abuse. No jobs after they graduate after high school. We struggle with the same things. I have a couple of things I'd like to share with you. We have hospitality 101, it was sponsored by our local workforce entity down there. It actually spreads up into Oregon.



The program addresses what was brought up this morning about the service industry. You know I was in a restaurant with the Mayor and someone asked a server what there was to do in the evening and the person responded, “Nothing!” Of course, the Mayor hit the ceiling. It teaches the service people, the restaurant people, hotel people, gas station folks, how better to answer those questions. We tell them, you know, if you really chat these folks up, they will leave you a good tip. They make a huge mistake by not taking advantage of that.

So, we share the same issues, I have cards to share, we can chat about how to tackle these same issues. Thank you.

Guy Faust I agree with that 100%. I am a native Oregonian. So, when John Irwin talked about a 50 year plan looking ahead. Let's look backwards 40 years and what was happening at that time. There was a survey done, when we had the Tom McCall era, there was a survey done in California, and they asked, “How many people want to move?” And one third of the state was willing to move. And, where is your first choice, and the first choice was Oregon. And Oregon had 2 million people at the time. So, if they had their wish, we would have had, overnight, six million people. So, I think there was this unfounded fear that we could get inundated with too many people.

So, what I really like about this whole conversation is *not shot gunning* out, but a pinpointing strategy that says come to the Oregon Coast, set up shop, but, do it in the right fashion. I can almost imagine a billboard, people in the Silicon Valley, driving in traffic to their overpriced homes so they can do their mountain biking, is have a billboard, right there when they are in a traffic jam that says, “Did you know Waldport, Oregon has one stoplight? And, we are looking



for businesses of this type.” We could put a job description and say, here’s the kind of folks we are looking for and it would be like John Lavrakas’ resume. If we were to do that, we would be pinpointing the types of folks we want as opposed to trying to talk to everyone. It’s like Jack McGowan, from SOLV, who wrote the handbook for Oregonians, you know, people who value the environment, they want to be involved in the community.

Onno Husing I’ve been the beneficiary of dozens of conversations leading up to this workshop. There is at least one common thread. *Be selective*. No half-page ads in the *L.A. Times*. We want to find that zip code, we want to find that demographic, and really drill down and *make this targeted*. And, it is just so much more effective, right? If you know the right message for the right folks at the right place, it is a lot cheaper to do it and it works much better.

Nola Xavier I am a City Councilor from Florence. And, I came here today with our Assistant City Manager who is our economic director because we have this business/industrial park in Florence, with streets and utilities and all of those things. We are in fact, looking for businesses to populate this park. We are, in fact, looking for valuable businesses and figure out, do we build a building? Many of the things discussed, we are at the point where we want to take some additional steps. And, we kinda looked at this slow time in the economy as being a good planning time for us to get these things right. So, we are ready to roll as soon as things pick up.

Some of the things I learned today, that relates probably to the rest of you too, is, John, when you said, “What attracted you to Oregon?” When you talk about *tourism as a gateway*, because Florence is a wonderful gateway, with our dunes, and river, our Old Town and all of that. We get lots of tourists. *Two things that stick with me*, when I was a tourist, was, *Tillamook Cheese*, I probably have four different kinds of it in my refrigerator at this very moment, when I first went to Tillamook and I have followed that brand. And *Pendleton Wool*. Same thing. It is a *quality product*. It was worth my time and effort to find it.

So, *Florence needs to find its niche in that market*. And the other thing, the culture and sustainability, I think those are really critical issues, at least for us. If in fact, the businesses we try to attract to Florence don’t fit *our* culture, we can’t sustain them because it is too hard. It is too much work. It is too difficult if they don’t get what the rest of our community visualizes as being Florence. I am talking about the culture of our community. We can’t sustain this to build our businesses up into what we want.

So, I thank John Irwin, and Kathy too, because they planted those seeds in my mind. They framed the issue of how we are going to take the ideas from this workshop and work through them to see how to use them, that those are issues that are core to being successful. And I just wanted to let you know that.

Onno Husing I hate to bring up a sore subject, but, when ship breaking was floated as a possibility for Newport, well, I never saw anything like it. It was *not* a good match for this community and it drove a lot of people crazy. So, Nola, you are right, its gotta *match the ethic and culture of your community*.

Carolyn Bauman I want to thank the Lincoln County Commissioners who helped fund this workshop today. And, I would like to thank John Lavrakas, who has done a great job at identifying the SWAT for our county, Lincoln County. And the other thing I want to say, when we do look for the kind of entrepreneurs who have that type of knowledge industry or high tech or whatever, these particular people are, remember, *not normal people*. They are a real breed of people. When I attended an Angel Conference over in Corvallis, people who start these companies, they are on the side of the bell curve, they are way off to the side. I would be



interested, to hear from our panel members, how to find these people. It is not a broadbrush thing. There was the big game hunting analogy earlier. Those folks are kinda like an endangered species.

Kathy Long Holland I work with these folks all of the time. So, I am one of these crazy endangered species types too. One other thing I didn't mention today is women-owned businesses. I actually Chair the Portland Chapter of the National Women's President's Organization. They did the marketing for the opening reception, using Craig's list. There were forty women of significant substance running their businesses, I didn't even know they existed because they were privately held, doing their own thing, they were very quiet, and the other statistic is women start businesses at a much greater rate than men. Small community, large community, it doesn't matter. That is another entrepreneur that is out there and growing in numbers, significantly.

In terms of interacting with entrepreneurs, they are all over. I interact with them in Eugene, and Grass Valley. So, you find them everywhere and you are talking about the high techie, they tend to be lifestyle orientated. And they can kinda do their thing from almost anywhere like the gentleman who moved here who does the real estate evaluation company.

It comes back to, and this is one of my closing statements. Think about those key elements for living. Especially for entrepreneurs, because especially in the early years, they are putting everything they have into those businesses. There's a *ten-year cycle*; the first five years is to create it, that should be funded by friends, family and yourself, and then the second five years to really build your business, so, a lot of that is going to the kind of events you are interested in, and you can support and have space available, you know *affordable space*, that means between \$500 to \$1,500 dollars a month depending on how many bodies you have. Co-locating facilities, but really learn what those criteria are.

And you would be surprised, and I do believe *small communities are going to be key* to people's lives in the future. This systemic recession, whatever you want to call it, has really *forced people to step back and think about what is important in life*. And, there are things falling out that are going to be with us for the long haul. Like issues with credit. People can't get financing for housing as credit standards change. Appraisals are coming under actual market value. So, a lot of these are factors that you need to look at to understand those pieces. But, *entrepreneurs are pretty mobile*. One I worked for in Eugene, he's been there for ten years. He will probably be acquired. He will probably go to Hawaii if the elements are there to support their business. And lifestyle is usually pretty important.

Jessica Metta One that you probably have a lot of entrepreneurs here. Find them and find ways to nurture them. They call them serial entrepreneurs. So, a lot of them start a business and then they get another idea and start another businesses. Incubator space is really important. In Portland they have a lot of good incubator models.

Onno Husing The Oregon Entrepreneurs Network (OEN). We were supposed to have one of those folks here today. We need to hook up with them. When I spoke to the economic development coordinator for Hillsboro, John Southgate, the outreach to these other key institutions that are statewide, the Software Development Association (SDAO) guys, and probably some others. As we come out of this workshop, our next steps would be to give them the report from this workshop and get them on the radar screen.

Kathy Long Holland OEN has a big web site. You can tap into some of their knowledge on line.



Jessica Metta Those guys are great. We have the pub talk in Hood River, done by OEN, and they are great, they have where entrepreneurs can pitch their company and speakers on general business views.

Kathy Long Holland What you do in your community is get some advisory groups of entrepreneurs, who have that knowledge, and they work with your emerging entrepreneurs. Maybe they can be sources to funding.

Onno Husing It's amazing how much business advice you can get on You Tube. Since that night in Hood River, at the Pub Talk, I've been doing a lot of listening to presentations about venture capital on You Tube. Dial in "Venture Capitalists" (VC) and you can watch seminars given by successful venture capitalists about how to pitch concepts to VCs.

John Irwin Lot of great comments today. One of the things that I come away with is that, if you don't know where you are going, you won't know if you ever get there. So, *we need a plan*. I keep coming back to this. I am a strategic planning by nature. I just know that there are some fundamentals that you have to do to be successful. Know what you got and where you want to be and then draw that *road map*. But, we really do need to pull together some kind of framework for as much for communications as much as anything else, for all of us working together, or not.

The other thing, is, success is often done in very *small steps*. And, I think we heard that a few times today. And, let's keep our key on the horizon and I guess there's a sailing analogy here. If you are hitting those headwinds you have to tack back and forth. Just don't look down or you will get seasick. It's pretty choppy out there and your chances of being successful starting a business, well, you probably have a better chance at a crap table. That's just the reality of things.

Most businesses that are started end up failing. So, you have to be a risk taker. And if you are going to be in that crowd, it helps to have some nurturing, some mentoring, some people to help you along the way. We have a lot of resources in our communities, they can be put together to help us. An old Chinese proverb: With each step, another step. This is old knowledge. So we have to understand how to take these incremental steps forward. There's a lot of energy here. We have so much going for us in terms of resources and opportunities, there's no looking back. If you every get an email from me, you will see my tagline is "onward." Because there ain't nowhere else to go. And we need to do that and we need to do that together. It won't happen unless we work together.

And thanks to OCZMA for pulling this workshop together. It took a lot of effort. I think we have tossed a pebble in the pond today, and I think we will see this ripple to all edges of the coastal pond.

Kathy Long Holland I also want to thank OCZMA, you need a catalyst like OCZMA in a community. I've been honored to be here. We are all looking to develop economic sustainability. Develop a vision of what you want. Pay attention to retention and help the folks that are struggling, reach out and help them, don't forget them. because they will be in the community for the long haul. And remember, small communities are the future.

Jessica Metta Thanks for this. I think you have a lot of things going. If there is anyway that GTA can be a resource for you, Onno has our contact information. The Gorge Technology Alliance and the Mid Columbia Economic Development Alliance, use us as a resource.



Dennie Houle I just want to make this observation once more. About INSITU. Think about this scenario. People that are really out there, I'm working with a couple of them right now. Put yourself in the position of the State of Washington, years ago, when a company comes to you and they say you want to money to start a company to build model airplanes? Fifteen years ago. Think what that sounds like. If you didn't believe in it and supported it at that time you would not have what you have with INSITU. In Scappoose, we have a company that specializes in making gyrocopters, and he has a nice big fat order. It really does network and spread out in the entire region. If you are not open to those crazy ideas, if you don't support it at the SBDC level, then it will never grow up.

Onno Husing So what was the deciding factor there, did they do a great pitch, or was it the charisma factor?

Dennie Houle This was the time when the Timber Response, there was a little bit of extra money here and there. And that's how that started.

(applause).



Postscript: A Talk with Ron Fox, Southern Oregon Economic Development Initiative (SOREDI)

On November 10, 2009 I gave a presentation to the Lincoln County Economic Development Alliance's (LCEDA) economic summit meeting about the Branding Workshop. It was very well received.

After I delivered my remarks Ron Fox, the Director of the Southern Oregon Economic Development Initiative (SOREDI), gave the keynote address. Ron Fox and I did not coordinate our presentations in advance. But, I was amazed how Ron's presentation meshed with my remarks.

Later, I followed up by phone with Ron. Checking in with Ron Fox had been on my "to-do" list for several years. Some time ago, Todd Davidson, told me that in Oregon, SOREDI was probably the one entity in Oregon that has already successfully integrated tourism marketing and business development.

Ron discussed SOREDI's history and some of the methods they use to cross-market business development and tourism. Ron said reaching out to markets in Northern California was a "no-brainer" for people in Southern Oregon because of their physical proximity of Medford/Ashland and the San Francisco/Sacramento metropolitan area. And, of course, these regions share the I-5 Corridor.

Ron described what SOREDI does. For instance, in certain publications in the Bay Area, SOREDI make sure they buy ad space (for tourism promotion and business development) in a coordinated way to maximize exposure. They hold a number of dinners over the years in the Bay Area to talk about economic development and Southern Oregon. SOERI has a well-oiled, mature marketing effort in place and it's working. Ron believes the Oregon Coast is another logical place that can successfully do this kind of marketing/branding effort.



At SOREDI, over the years, they too have interviewed entrepreneurs that moved to Southern Oregon. The same pattern emerged — almost all of those entrepreneurs came to Southern Oregon (to go to Crater Lake and other attractions) first as tourists, they liked what they saw, then later they moved to the region — at a time when it was right for them. The staff at SOREDI tracks these folks and lends support after they arrive in Southern Oregon. So, yes, SOREDI does a lot of “economic gardening” — they attract these people to Southern Oregon and then nurture them.

Ron Fox said to he thinks the first place or region in Oregon to implement a “Today’s Tourist is Tomorrow’s Entrepreneur” marketing strategy were the folks in Central Oregon; especially in Bend. Ron said, “I remember a wonderful billboard visitors saw when they drove to Bend after a day of skiing on Mount Bachelor.” Ron said, “They said, ‘If you lived in Bend you would be ten minutes from home.’”



Web Sites for information on Brand Oregon, Tourism, Business Development

Brand Oregon: www.oregon.gov/brandoregon/

Gorge Technology Alliance: <http://www.crgta.org/>

J. Irwin Community Informatics Consulting: <http://www.jirwinconsulting.com>

Lincoln County Technology Solutions Alliance Web Site: <http://www.lctsa.org>

Mid-Columbia Economic Development District: <http://www.mcedd.org>

Oregon Business Development Department (OBDD): <http://www.oregon.gov/OBDD>

Oregon4biz: <http://www.oregon4biz.com/>

Oregon Coast Visitors Association (OCVA): <http://www.visittheoregoncoast.com/>

Tri-Agency Economic Development Authority: <http://www.tri-agency.org>

Travel Oregon: <http://www.traveloregon.com/>

