



Ashland Chamber of Commerce
Economic Development
2005-2006 City Report

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Executive Summary

Improving the economic health, vitality and livability of Ashland through the on-going support and promotion of small businesses is the cornerstone of the Chamber's programs throughout the year. As a non-profit organization for over one hundred years, our core values stem from an appreciation of what small business contributes to society through jobs, financial donations and volunteerism. Our mission is to enhance and support their endeavors. We believe that the business community is only sustainable when it is integrally linked with the entire community and, therefore, our committees, programs and projects highlight that connection. The programs the Chamber creates each year are developed by business and community leaders. Leaders, I point out, from across the spectrum of our community including faith, not-for-profit, government, as well as many business representatives. Our goal is to give all facets of our membership voice. They create innovative, dynamic, meaningful projects that work to help businesses be successful. Trends and opportunities are identified, difficult problems are addressed, promotional programs are created, and facilitation is conducted to bring business and other aspects of the community together that ultimately work to create collaborative interaction. We share a unique partnership with the government of the Ashland, sustained for twenty-five years. It serves as a model for other communities. We have aligned our core values of cultural diversity, support for small business and quality education, and encouragement of environmentally friendly businesses with a family-friendly small town community into all our marketing. The service we offer our residents, visitors and businesses underscores these efforts and works to strengthen our partnerships creating sustainable community.

Each year, we face new challenges that we meet with innovative solutions. Some challenges and solutions you will read about in this report include the following:

Challenge: Perception that Ashland is anti-business – difficult to expand or develop businesses

Solution: Development of DVD and website streaming video showcasing local business owners, organizations and community leaders discussing why Ashland is a great place to do business – *see page 7.*

Creation of Permit Process Brochure, Rapid Response Team Brochure and City Planning Map to clarify procedures, locations and assistance for development – *see pages 19 & 21.*
Work with state and local media to produce stories on doing business in Ashland – *see page 8.*

Challenge: Perception that Ashland is geographically remote for business expansion and relocation thereby offering limited market potential

Solution: Showcase AFN on the DVD, website, and Living & Doing Business Guide, highlighting the ability to do business world-wide by conducting interviews with Joe Franell (AFN) and with business owners utilizing AFN to conduct business globally – *see pages 7 & 8.*

Create and distribute state and national press on the selection of Ashland as a Smart21 Community through AFN by working with state public relations – *see page 23.*

Design, coordinate and implement a Global Business and Culture Conference (February 16, 2007) to inform business owners on how to do business internationally – *see page 9.*

Challenge: Perception that Ashland has no land for businesses to expand or develop

Solution: Meet with existing businesses looking to relocate and new businesses wishing to develop to assist them with finding land; Meet with land owners to help pursue strategies to make sites available – *see pages 19, 22 & 23.*

Challenge: Perception that Ashland is not welcoming for families

Solution: Add welcoming message for raising families to promotions such as the copy for ads: "Raise your family, Grow your business, Really live your life!" - *see page 8.*
Create a Kid's Guide to Ashland - *see page 29.*
Take out an ad in Oregon Kid's Guide on Playing in Ashland - *see page 30.*
Incorporate family messages throughout interviews on DVD/website - *see pages 7 & 28.*
Chamber Board unanimously supported the Fall 2006 School Bond issue.

Challenge: Perception that lack of racial diversity is a stumbling block for relocation

Solution: Incorporate into the DVD/website interviews with business and community leaders who are racially diverse addressing the issue with personal stories - *see page 7.*
Chamber is a co-sponsor of the Ashland Cultural Diversity Alliance and Say Hey welcoming event that highlighted diversity scholars 2006-07; videotaped event for DVD and website - *see pages 7 & 24.*
Worked with Southern Oregon Chinese Cultural Association to develop event for Ashland to showcase Chinese New Years by creating the first Global Conference on Business & Culture - China for February 16, 2007 - *see pages 9 & 10.*

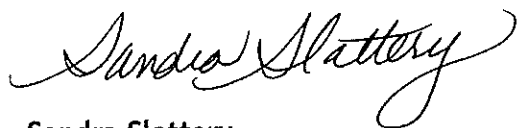
Challenge: Perception that visitors are making destination decisions on short lead time creating the need for new competitive strategies

Solution: Conduct visitor surveys to determine if perception is reality - *see page 36.*
Rapidly respond to fulfillment requests through first class mail and personal contact - *see page 36.*

Challenge: Attract and retain higher wage paying, dynamic companies

Solution: Conduct Phase Two of the BR&E survey to determine the strengths and challenges of businesses within key industries - *see pages 10 - 21.*

This report has been created to articulate the depth, scope and interconnectedness of our programs and projects. We value the long-standing relationship we share with the city government and staff and respectfully submit this report for your review.



Sandra Slattery,
Executive Director



AGREEMENT FOR SERVICES
BETWEEN

City of Ashland
and
Ashland Chamber of Commerce
2005-2006

This is based on the agreement between the City of Ashland (City) the Ashland Chamber of Commerce (COC) and the Ashland Visitor & Convention Bureau (VCB).

Purpose

The City of Ashland has established a system of shared responsibility with the Chamber to handle typical economic development types of needs. Currently, the Chamber provides the following kinds of services: coordinated marketing, rapid response team to inquiries, relocation services, point of contact management and information services, general inquiries, training for local business and coordination with the Small Business Administration.

The City relies on the VCB to promote Ashland to visitors traveling from more than 50 miles to Ashland and or visitors who stay overnight in Ashland. Promotion includes advertising, publicizing, distribution of printed materials, marketing special events and festivals, conducting strategic planning, visitor center management and research necessary to stimulate tourism development.

The City of Ashland's Comprehensive Plan is the guiding document for development within the community. The plan incorporates ten specific elements related to development. The economic development is identified in Chapter 7.

The Chamber will emphasize the importance of maintaining Ashland's small town feel and portraying Ashland as a family friendly community that supports its schools and places great value on the quality of education offered.

Overall Objectives

Retention and Expansion of Existing Business:

The C of C will develop and implement on-going strategies on retaining and expanding existing businesses, particularly those businesses that are non-tourism related, in Ashland with an emphasis on creating additional family wage jobs.

1. Methodology: Adopt an aggressive and focused business retention plan, which is research and relationship based.

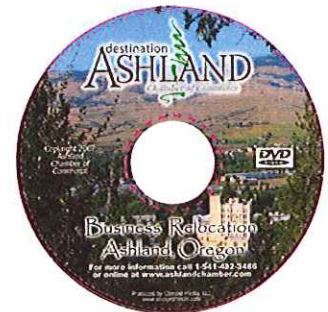
The Ashland Chamber of Commerce is organized to advance the welfare and prosperity of the City of Ashland and the region through:

Promotion of the community and its businesses, business resources and development, community partnerships that strengthen everyone, support of each other through networking, events that create community and enhance business, community issues forums and discussions that promote a balanced perspective, legislative advocacy to support small business, on-going and innovative programs that generate new business.

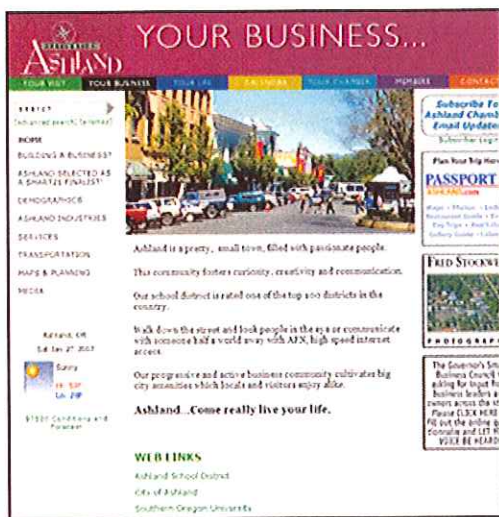
Promotion

HDTV\$5,000

DVD Project: In these information technology times, it is important to be at the forefront with tools that speak to the audience we are seeking. After defining Ashland industries through the BR&E process, and understanding the types of businesses Ashland wants to attract, i.e., low footprint, family wage, technology savvy, clean industry, The Chamber decided to create a Business Relocation DVD that includes a thirty four minute video, business features and movie chapters that can be used with the media via video press releases (VPR's), streamed onto our website for more "compelling" reasons that a business would consider Ashland as the place to expand or grow their business. A great deal of thought went into the scope and direction of the DVD product. The end result is one that is based on Ashland values and our abundance of amenities such as our hospital, schools, and parks. We then selected and interviewed business and educational professionals to relate their personal thoughts, feelings and experience about living and doing business in Ashland.



Website\$5,500



New Website: The website has been divided into three main portals: Your Visit, Your Business, and Your Life. For the purpose of this report and in this section we will focus on the business section. We will begin with an overview of the current business environment and then move into business sectors from the homepage. The main Ashland sectors that have been identified in the *Living & Doing Business Guide* and in the website:

- Education
- Healthcare
- Tourism
- Manufacturing
- Agriculture
- Real Estate/Housing
- Technology
- Recreation
- Government
- Retail
- Service

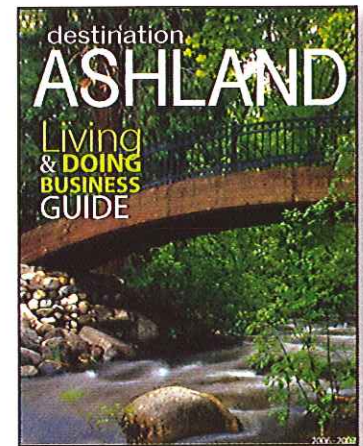
Each section contains a description, employment, vital statistics, future trends and testimonials.

Vital to each portal in the website is the online press room. We have begun to post stories, testimonials from the community and business leaders, photographs to be used for recruitment purposes and informational brochures, articles published on Ashland and why it is desirable to have and grow your business, your family and really live your life here in Ashland.

An exciting new feature is our ability to begin "streaming video" in addition to still photos and testimonials with clips from a comprehensive DVD project we have just completed.

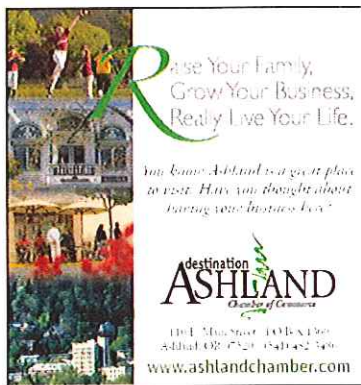
Living & Doing Business Guide\$12,500

The *Living & Doing Business Guide* is the primary marketing piece for those interested in business development and relocation in Ashland. It is not only an award-winning publication but it recently has been heralded by the Oregon Business Magazine for its innovation and quality of production. It takes staff many months of work gathering all the research, developing the format, interviewing key community contributors and writing the copy. As demand has increased, we increased the number printed to 30,000, up from 20,000. The printing costs for the *Living & Doing Business Guide* now exceed \$30,000. Half of the printing costs of the guide are shared by the City grant. This publication is used not only as the marketing piece for business and family relocation, but it is distributed at trade shows by SOREDI, used in recruitment for Ashland Community Hospital, Providence Medford Medical Center, Asante, Southern Oregon University and the City of Ashland. Additionally, local businesses regularly use the data in this publication to assist in their planning.



The Ashland Chamber's most recent edition of the Living & Doing Business Guide has once again been expanded with an emphasis on lifestyle followed by Ashland's primary clusters in "Economic Sectors." The Chamber has identified the primary economic clusters as Education, Healthcare, Tourism, Manufacturing, Agriculture, Real Estate/Housing, Technology, Recreation, Government, Retail and Service.

Regional Marketing \$5,000



This category enables us to partner with other organizations that also work to achieve creative economic development through marketing programs plus some stand alone marketing in publications such as *Oregon Business Magazine* which raises our economic profile profile. We advertised in the January and October 2006 issues, and again in the January Power Book edition 2007. We also received coverage in Washington CEO Magazine. We are looking at ways to advertise in publications specifically related to the private pilot market.

Business Development: \$12,000

Service Delivery

Workshops: The following workshops were conducted in 2005-2006 for the professional development of our existing business community. The Business Development Committee seeks to fulfill the business community needs based on surveys conducted at the beginning of their planning year. They then seek to create meaningful workshops with local, regional and national leaders on the topic selected in order to bring the best possible information to our local business leaders.



Legal Traps a Bureau of Labor Industry Workshop - May 2006 - 40 attendees

This workshop featured a fabulous speaker who gave tips on avoiding many mistakes small employers make that can get them into serious legal trouble, including tips on wage and hour law, taxes, employee relations, and discrimination. BOLI specializes in technical assistance for employers and since most of Ashland employers are considered small business they usually do not have access to a human resource professional or department. The seminar evaluations led us to bring that speaker back and conduct another workshop.

Documentation, Discipline and Discharge - October 2006 - 30 attendees

This workshop covered employment at will, positive discipline, performance appraisals, documentation and termination.



"Q" Customer Service Training - May 2006 - 26 attendees, October 2006 - 20 attendees

In partnership with SOVA and Travel Oregon we sponsored two customer service trainings. The Chamber is passionate about educating its workforce and having every visitor and resident receive the best possible service when doing business, going out to eat or purchasing something in Ashland. While some customer service training is basic it can and should serve an employee and their employers for the lifetime of their chosen careers.

Rogue Valley Business Resource Fair - co-sponsor - 100 booth attendees

The Ashland Chamber has been present and a supporter all four years the Business Fair has been in existence. We publish articles, attend the fair and support them in any way feasible with staff and volunteers to provide information to what we Oregonians pride ourselves on: our independent and entrepreneurial leanings.



Plans are underway for the first **Global Business & Culture Conference** to be held on February 16, 2007 at Southern Oregon University in conjunction with Chinese New Year's Celebrations in Southern Oregon, with the Southern Oregon Chinese Cultural Association. This conference is co-sponsored by Southern Oregon University's School of Business. The goal of the 2007 conference is to provide information about the importance of the Asia economy and to provide the necessary tools to navigate the cultural differences and legal requirements of doing business in

Asia and in particular China to regional businesses, students and residents. The purpose of the conference is to provide resources and experience to help businesses learn to expand their market internationally.

Plans are to continue this conference on an annual basis. We have the support from SOREDI as well as from the State of Oregon Trade & Economic Development Department.



In March the Chamber will be conducting a two-day seminar of **Powerful Presentations**. Part of our business assessment process is looking at areas that employers are asking for help in. Some of this comes from the BR&E process which will be discussed in greater detail later in this report and also from surveys we conduct at the end of each of our workshops where presentation skills are highly requested. We are fortunate that we began looking at putting this process together in 2006 and have found a local expert with national experience to conduct the class.

Photo file \$3,000

The need for quality photography, photo reproduction and generation of ads is of ever-growing importance to effective marketing. New photography is constantly needed to keep our images fresh in the marketplace and to reflect changes and additions to the community. Also, the quality of graphics and design utilizing our photography is critical to the final print or web product whether it is a brochure, magazine ad, poster or website. Travel writers also depend on our ability to work with them to secure necessary images. These costs reflect payment made to outsourced graphic designers, photographers and photo reprint firms.

Economic Analysis Survey \$10,000

The mission of the **Economic Sustainability Committee (ESC)** is to enhance the quality of life in the City of Ashland by coordinating and supporting City and Chamber economic development initiatives which will diversify the economy, increase the average wage and preserve the natural environment. The ESC works to attract and retain quality jobs; solicit new business compatible with the values and assets of Ashland; promote Ashland's business image; assist in expansion of existing companies; and enhance Ashland's overall quality of life.

The goals of this committee are: to define the values and assets of Ashland for the purpose of our mission, to learn from the City how to be a conduit for success in the community development process with businesses looking to expand or relocate, and to learn from community partners existing locations, properties, conditions, availability and other factors required in assisting decision makers.

After many months of meetings, for planning purposes, the committee defined the following community values and assets. This list is not all-inclusive but serves as a representation for our marketing:

Values: Living wage jobs, family friendly, environmentally friendly, cultural diversity, quality education, clean industry, low traffic generating, community minded, local employers, sustainable businesses.

We defined our assets as being: Opportunities for community involvement, AFN, the proximity of I-5, railroad access, regional airport, local airport, Southern Oregon University, Ashland Community Hospital, air quality, Mt. Ashland, educated and stable qualified workforce, strong public schools, great weather and world class amenities to state the condensed version of Ashland assets.

The ESC committee then defined strengths, weaknesses and opportunities to guide the direction of future efforts. After research, review and consultation with others who have conducted similar programs, the ESC committee decided to conduct an extensive **Business Expansion and Retention Survey** for the City of Ashland (BR&E).

Methodology:

Ashland's Business Retention and Expansion Program

**Report of the 2005/06 BR&E Survey Findings and Actions
and Program Plans 2006/07**

**Prepared by Rebecca L. Reid
January 2007**

What is a Business Retention and Expansion Program?

The most common objectives of economic development policies are to increase employment and income levels of an area's residents. Examples of development strategies to reach these objectives include recruiting new businesses to the area, supporting entrepreneurial development of business start-ups, or increasing trade between area industries to reduce spending outside the community, often called "leakages." One of the most effective approaches to economic development encourages the survival and growth of businesses already located in an area. Existing businesses are more likely to have linkages with other area businesses and to be familiar with the area's labor force, regulations, and its institutions. Unlike newly-locating firms, existing firms are more likely to employ residents and to be invested in the broader business and social community. It is likely that if local businesses are successful, new businesses will be attracted to the area without higher risk economic development programs focusing directly on recruitment. Improving the efficiency of existing businesses enhances the area's competitive advantage. Some consider existing businesses the engine of local economic growth.

A popular and widely-used approach for supporting existing businesses is the Business Retention and Expansion (BR&E) program. The central feature of the program is a survey of businesses to identify major business issues that can be addressed by the BR&E committee and other organizations and agencies. The program involves five major steps. First, leaders in business, education, the community and public sectors convene a BR&E committee. The committee then develops a survey aimed at uncovering issues that may limit local businesses' success and determines which businesses to invite into the program. Next, teams of two volunteers, usually other local business owners and community leaders, visit the business and interview them on site. Analysis of the survey responses generates a detailed profile of characteristics of local businesses and reveals "red flag" issues that are major

business obstacles to growth identifying and addressing. Based on the survey findings, the BR&E committee meets with businesses facing pressing issues, often involving other community and business leaders. With local and detailed information, the BR&E committee develops immediate and longer-term strategies to assist businesses. The visitation survey is repeated periodically, rotating to other businesses and industries on an annual or bi-annual basis.

Major objectives of the BR&E program are:

- To identify business issues and help existing businesses solve problems.
- To assess an area's business climate.
- To build community capacity in order to better address business issues through greater collaboration between development organizations, governments, educational institutions, and local businesses.
- To express appreciation for the contributions made by existing businesses and to demonstrate that the City and the Chamber of Commerce (and other businesses) are interested in the concerns of businesses community.

In early 2005, the Ashland Chamber of Commerce and its Economic Sustainability Committee (ESC members are listed in Appendix C), in partnership with the City of Ashland, embarked on a BR&E program. This report describes Ashland's BR&E program, its 2005/06 survey process and findings, and its plans for 2006/07. The discussion of the 2005/06 survey results is separated into two sections. The first part offers general highlights of survey results and the second explores the survey data in more depth in five topic areas: employment and workforces issues; markets, suppliers and outsourcing; business dynamism; the role of online sales; and "red flag" issues. The final section discusses plans for the 2006/07 BR&E program. Before describing the city's BR&E program and the findings of its 2005/06 business survey, a discussion of employment and income data from the 2000 Census will provide background about the economic characteristics of Ashland residents.

The Setting: Economic Characteristics of Ashland Residents (Census 2000)

The most recent detailed demographic data for Ashland comes from the 2000 Census. The data describe a population that was particularly well-educated, actively engaged in the labor force (rather than retired), and working in high-skill occupations. More than half of residents ages 25 years and older held bachelor's, graduate, or professional degrees, more than twice the national percentage of 24%, or Jackson County's share of 22%. While many think of retirees dominating the local demographic, Ashland had only a slightly higher share of "senior" residents (ages 65 years or older) than the nation (15% vs. 12%), its labor force participation rate (the percentage of working-age people who are either employed or seeking employment) was analogous to rates national and state rates. Nearly two out of three residents 16 years or older participated in the labor force in 2000 (64%), which is comparable to the rates for United States and Oregon (64% and 65%, respectively). Most employed residents also worked in Ashland (63%), a percentage similar to the 65% of employed Medford residents working in that city.

According to the Census, higher shares of Ashland residents worked in two major industry and occupational groupings. Given the presence of a university, a hospital and the city's cultural, artistic and visitor-oriented activities, it is not surprising that compared to the nation, higher percentages

of workers were employed in educational, health and social services (34% vs. 19%) and the arts, entertainment, recreation, accommodation and food services industries (17% vs. 8%). Relative to the nation, a higher share of Ashland's workers were employed in higher-skill occupations: half of Ashland residents worked in management, professional and related occupations compared to one third of workers nationwide, while 20% versus the nation's 15% of workers were employed in service occupations, such as healthcare support, food preparation and serving-related occupations.

Ashland also distinguishes itself in terms of the share of its residents who earned income through self-employment activities. Nearly one-quarter of Ashland's households reported self-employment earnings (24%), a rate twice that of the nation, and notably higher than the 18% rate for Jackson County households. Between 1990 and 2000 the number of households in Ashland increased by 24% but those reporting self-employment earnings increased by almost twice that rate (52%). The relative increase in the city's households with self-employment earnings during the 1990's significantly surpassed this change in household characteristics for Medford and the United States: between 1990 and 2000 the number of households in Medford and the nation increased by 35% and 15%, respectively, while households earning self-employment income increased only 4% in Medford, and fell by 2% nationally. Ashland's average self-employment earnings of \$27,920 were 15% higher than the nation's average, 8% above the state's average, and 63% greater than average self-employment earnings in Jackson County.

Aside from the finding that two out of three employed residents work in Ashland, the Census profiles economic and income characteristics of residents without consideration for their place of work. A more complete picture of the economic activity that occurs within the city limits, regardless of where workers live, will be presented in an Economic Opportunities Analysis of Ashland. The study, prepared by EcoNorthwest, draws from state employment records and personal interviews and offers an in-depth analysis of employment, industrial composition and economic activity in Ashland. The report is expected to be delivered to the City in early 2007.

2005/06 BR&E Program Focus on Industrial Clusters

When the ESC decided to undertake a Business Retention and Expansion program, committee members agreed to target the business visitation program to local businesses that might be a part of "industrial clusters." Industrial clusters are groups of businesses which are geographically-concentrated and related in various ways that benefit member businesses by reducing costs, increasing competitiveness and market reach, and encouraging specialization. Businesses in clusters may be linked in a product's supply chain, such as the wine industry's grape growers, wineries, bottle makers, and distributors. Businesses in a supply chain cluster benefit from lower transportation costs when these activities are concentrated in a given geographic area. Some clusters draw from an area's raw materials, such as the lumber and wood products industries in Oregon, or from a concentration of specialized suppliers, such as the auto industry in Detroit. Businesses which sell to similar customer markets, use similar production processes and technology, or share a similar knowledge base, are likely to be more competitive when they collaborate to reach new markets or address production or technological issues. Some businesses in industrial clusters benefit from local concentrations of labor with specialized skills or knowledge that reduce hiring and training costs. Some business groupings become clusters when they share a regional brand recognition or loyalty, such as microbreweries in the Northwest, shoes from Italy, or Native-American jewelry from the Southwest. Over the past fifteen years, economic development organizations across the country have sought to identify industrial clusters in their areas and to

develop strategies to support and strengthen the relationships between businesses within clusters as a way to increase their competitive advantage and ultimately bolster the area's employment, income and economic stability.

Oregon's Economic and Community Development Department (OECDD) has undertaken several cluster-related initiatives, including a study to identify specific industrial clusters in the state (Oregon **Industry Cluster: A Statistical Analysis**, Cortright, 2003). The report spotlighted eleven cluster opportunities including the high technology/software, food processing, recreation, and biomedical industries. Joining OECDD's effort is the Oregon Business Plan, a private/public partnership of businesses, business associations, and public agencies. Recently Southern Oregon University's School of Business completed an analysis of regional clusters entitled *Industrial Clusters in Jackson and Josephine Counties* (Reid et al, 2007). The study found eleven potential clusters, including food and beverage production manufacturing and sales; electronic shopping; elder/health care; creative industries; and tourism and recreation industries. Ashland's BR&E program takes the region's cluster development efforts to the next step to learn more about specific businesses within clusters and the challenges they face, and to assist businesses to overcome obstacles that impede their growth and development.

Ashland's BR&E Program

The ESC adapted a BR&E model developed through the University of Minnesota Extension Service (University of Minnesota, 2005). In early 2005 it formed a BR&E Subcommittee to assume responsibility for planning the BR&E program and executing the survey (members are listed in Appendix D). The subcommittee consulted with other communities which had BR&E programs in place, such as City of Grants Pass. They worked with BR&E program manuals provided by the University of Minnesota Extension Service to plan their BR&E effort and to train volunteer business owners and community leaders to interview targeted businesses. Ashland's BR&E program was initiated prior to the release of the regional cluster industry report (Reid et al, 2007) and focused on surveying and assisting businesses in potential clusters in industries such as accommodations and restaurants; food and beverage manufacturing and sales; other manufacturing; health care; fitness, sports and recreation, retail trade; educational services; and professional, scientific and technical services. Some of these sectors were later identified by the regional cluster report as industrial clusters in the wider Rogue Valley region.

The BR&E Subcommittee developed Ashland's survey instrument following a comprehensive review of other communities' questionnaires and recommendations of an economic consultant. Following a standard survey with the assurance of confidentiality, interviewers queried businesses along topic areas such as general business characteristics, employment characteristics and issues, workforce training, sales and materials markets, changes in business activities, and businesses' evaluation of public services and amenities in Ashland. The BR&E's use of volunteer business owners as interviewers yielded important benefits for uncovering local business issues. Not only did most respondents easily relate to the interviewers, but they spoke openly about their challenges of doing business in Ashland. *A copy of the survey instrument is included in Appendix B.*

The subcommittee invited forty companies to participate in the BR&E program. Thirty-three businesses agreed to be interviewed and completed the confidential questionnaire. Teams of two volunteers met with business owners or managers for the 44-question, hour-long interview (list of interviewers

is provided in Appendix E). One team member interviewed the survey participant while the other recorded the answers on the questionnaire. An economic consultant was hired to computerize and analyze the survey data. In January 2006, the consultant presented the ESC with the BR&E survey findings, and the Ashland Chamber of Commerce compiled a two-page summary of the results (*included in Appendix A*).

It is important to keep in mind that Ashland's BR&E program seeks to interview and learn more about characteristics and issues of local businesses in industrial groupings that the BR&E group feels may be members of industrial cluster. That is, that selected businesses may be particularly concentrated in Ashland and may share similar technological challenges, labor force needs, raw materials, and growth potential, such as specialty food processing or information services. But because of the selection criteria, the sample of businesses surveyed is not drawn from a random, representative sample of the city's businesses and should not be expected to reflect characteristics of Ashland businesses overall. Nonetheless, the information garnered from the BR&E provides a profile and exposes major issues of some of the city's most successful and dynamic companies.

2005/06 BR&E Survey Results

The BR&E Subcommittee selected local businesses to participate in the survey that they expected might belong to local industrial clusters. Businesses who participated in the survey were drawn from the following sectors: accommodations and restaurants; food and beverage manufacturing and sales; other manufacturing; health care; fitness, sports and recreation, retail trade; educational services; and professional, scientific and technical services. Thirty-three Ashland businesses, together employing over 1,600 workers, were interviewed by BR&E teams between June and September 2005. A two-page brochure summarizing survey results can be found in Appendix A. Highlights of the 2005/06 survey are listed below, followed by a closer examination of findings in five topic areas.

Survey Highlights

- Over half of the businesses were established in Ashland since 1990, and two thirds began their businesses in Ashland.
- Nearly three quarters of businesses sell their products or services at the retail level, and 39% sell through wholesale channels.
- Three out of four companies were small businesses employing fewer than 50 employees, and nearly one third had fewer than 10 employees.
- Surveyed businesses reported a 23% average increase of employment over the previous three years.
- Businesses expressed a number of advantages of doing business in Ashland, advantages principally related to "quality of life," outdoor focus, small town beauty and sense of community.
- Businesses rated Ashland's parks, restaurants, schools and health care with an average grade of B+ or better, and the city's availability of parking, and Building/Inspection/Zoning/Land Use with

average grades of C to C-.

- As a place in which to live, surveyed businesses graded the city with an average grade of B, but as a place in which to do business, respondents delivered an average grade of C+.

Specific Themes from the 2005/06 BR&E Survey

Employment, Hiring, and Worker Issues

One of the BR&E Subcommittee's priorities was to learn more about working conditions for employees in Ashland's businesses and how labor issues affected those businesses. Questions focused on employee costs, including benefits, and business's experiences with recruiting, hiring and training employees. Responses by the thirty-three surveyed business related to more than 1,600 employees working for these Ashland businesses.

Local businesses draw workers from Ashland and the surrounding area. Almost half of all employees hired by surveyed firms (46%) lived in Ashland and most business owners/managers lived within 4 miles of Ashland (75%).

Wages and salaries typically account for a major share of the costs of running a business, especially in industries that depend on higher employee skills and know-how. Average hourly wages by occupation reported by the interviewed businesses were notably lower than wages paid nationally (U.S. Department of Labor, 2005) but compare favorably with the "living wage" of \$11.89 defined by the City of Ashland for the purposes of contracting with the City. Hourly wages averaged \$7.92 for unskilled or unskilled production positions, \$12.71 for skilled or skilled production jobs (vs. \$12.91 nationally), \$11.97 for clerical and office workers (vs. \$14.98 nationally), \$14.17 for sales and marketing occupations (vs. \$15.77 nationally), and \$19.71 for management positions (vs. \$42.52 nationally). Income earned directly by businesses owners was not reported, but for small businesses, owners' income may include "wages" for owner's management responsibilities and account for a significant portion of the business's economic impact.

Most of the businesses surveyed (85%), both large and small, offered benefits to their full-time employees, covering 94% of all full-time employees working for the surveyed businesses. In particular, over three out of four businesses offered their full-time employees health insurance (94% of employees), and 85% of businesses, covering 96% of full-time employees, offered vacation leave. Sectors with the highest percentages of businesses offering benefits to both full and part-time employees were information services; professional, scientific and technical services; health care; and fitness, sports and recreation industries.

Over one half of the businesses reported problems recruiting qualified employees from the Rogue Valley and over a third reported that they hired employees from outside the area. Nearly one out of four companies hired management positions outside the Valley. Most cited reasons included applicants' lack of specialized skills or not meeting necessary qualifications, weak work ethic, the area's limited labor pool, and the gap between local wages and the costs of living. On the other hand, several companies offered that they gave preference to local job applicants.

Most local business provided various types of training to their employees but acknowledged that their employees needed to augment skills in some areas. All companies reported that they provided some training, principally on-the-job training, but 75% offered classes and seminars to employees, and one quarter accessed the Internet as a means of job training. Between 30% and 40% of respondents mentioned the need for additional managerial, computer, production and sales skills.

Markets, Suppliers and Outsourcing

Sales to and purchases from regional customers increases linkages and strengthens potential advantages of a regional supply chain. However, industries which principally target regional markets are limited by the size of demand for a given industry, and challenged by competition from new businesses and/or Internet sales. On the other hand, serving markets beyond the region broadens a given industry's growth potential, augments demand for regional products, and provides the opportunity for companies to specialize in products or services in which they enjoy niche markets or cost advantages. Serving external markets exposes companies to a wider field of national and international competition, stimulating firms to seek cost savings, to adopt new technologies or make timely market and product adjustments. Survey findings about sales to and purchases from regional and external markets provides a sense of how connected businesses are to local customers and suppliers, and the degree to which local companies trade in wider markets where they benefit from vast growth potential and face competition straight on.

Nearly all Ashland businesses served a local or regional market to some extent. Over 80% of respondents reported sales to customers within the Rogue Valley region, and half sold principally (over 75% of sales) to regional customers. But nearly two out of three businesses also served external markets, and for one out of three Ashland businesses, the majority of their sales (over 75%) went to customers outside the Rogue Valley. Nearly one out of three businesses sold in international markets. A majority of firms in manufacturing (including food and wine), information services, professional, scientific and technical services, educational services, accommodations and food services reported that the majority of their sales went to customers outside the Rogue Valley.

Increasing the regional purchases by businesses is a common strategy to strengthen and stabilize a regional economy. Increases in regional business purchases stimulate regional economic activity, and if vendors are competitive on pricing and quality, transportation and transactions costs are reduced. Three quarters of the companies interviewed reported that they purchased some materials from suppliers within the region, but only 20% said they purchased the vast majority of their supplies (over 75%) regionally. In fact, information services, professional, technical and scientific services, fitness sports and recreation, accommodations, and food services reported that they purchased over 75% of their supplies within the Rogue Valley. On the other hand, over half of Ashland's businesses said they purchased the majority of their supplies (over 75%) from out of the area. One third mentioned that they purchased some of their materials from international markets.

Since most of the businesses surveyed had fewer than 50 employees, three out of four reported that they outsourced some type of business activity. Nearly one third of Ashland companies turned to other companies specifically for assistance in technology-related services, and accounting and tax services. Other outsourced activities included manufacturing, marketing, packaging, and training. Outsourcing needs point to types of business activities that are in demand regionally, and comprise an important link in a regional supply chain.

Business Dynamism

The selected grouping of businesses was chosen, in part, because the BR&E Subcommittee perceived them as successful companies. The survey results support their hunch. Nearly two-thirds of these Ashland businesses had remodeled or physically expanded their business in the prior three years (2002-2005), and over two-thirds planned to do either kind of improvement within the next three years. Over half of employees (56%) worked in businesses which expanded since 2002, and 63% work for firms who expected to expand physically between 2005 and 2008. As a group, the surveyed businesses increased employment by 23% between 2002 and 2005. Over the same period, private sector employment increased by 8% in Jackson County (Oregon Department of Employment, 2002, 2005). Between 2005 and 2008 all but the largest companies (with over 100 employees) expected to employment to rise an additional 20%.

Further evidence of the surveyed businesses' dynamism comes from more than their physical expansions and employment increases. In the prior three years, 66-80% of surveyed companies across all of the industrial groupings reported that they had added products or services, made product or market adjustments and/or adopted new or improved technologies, such as labor-saving and telecommunications technologies. To a lesser yet notable extent, 40-50% of businesses reported that they had subtracted products or services or entered new markets. Over the next three years, the shares of businesses which plan to add products or services, enter new markets, and adopt labor-saving technologies increased substantially.

The Role of Online Sales

Businesses and shoppers alike increasingly turn to the Internet to gather information about product and service choices and make purchases. A newly released study by JupiterResearch (JupiterResearch, 2007) reports that over the past three years, online retail sales have grown at a 25% annual pace, and projects that over the next five years online retail sales will increase annually by 11%, and account for 10%-15% of the nation's total retail sales by 2011. The article argues that the value of retail websites comes not only from increased sales and reaching wider markets, but from sites' advertising and marketing driving offline sales. The study expects that by 2011 nearly half (40%) of all U.S. retail sales will be influenced by online research.

Aware of these retail trends, the BR&E subcommittee included questions about businesses' use of the Internet and their current and future online sales. The findings confirm most businesses (82%) are actively using the Internet and it was helping their business grow. However, not even half of Ashland businesses (40%) transacted sales using the Internet in 2005, and most of those who did (85%) said they transacted only a small share of their sales using this means (less than 20%). However, a majority of companies in the professional, scientific, and technical services, educational services, and accommodations industries indicated that they depend on the Internet for company sales. Over the next three years all surveyed businesses expected growth in online sales. In fact, taken together, the surveyed business forecast an average 25% increase in their online sales.

Major Survey Issues and BR&E Actions

The primary objective of the BR&E program is to identify the obstacles to the success of existing

companies doing business in Ashland, both taken as a group, as well as focused on individual businesses needing immediate assistance. Four major themes and “red flag” issues stood out of the survey. These issues caught the attention of the BR&E Subcommittee, the ESC and the Ashland Chamber of Commerce, who proceeded to develop programs and strategies address them. This section discusses these areas of concern and the actions taken by the BR&E Subcommittee, the ESC and the Ashland Chamber of Commerce.

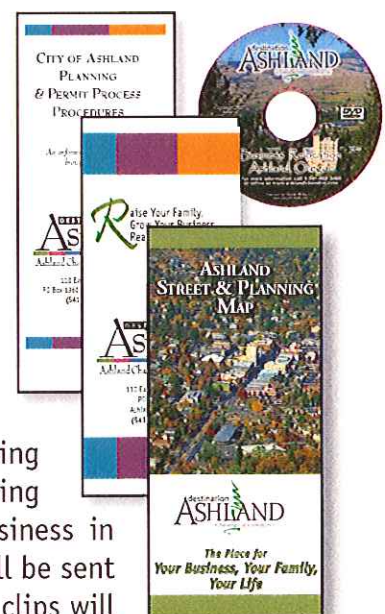
“Red Flag” Issue: Relocating Businesses

In the process of interviewing Ashland businesses, it became clear that a number of successful companies were either intending to relocate or considering a move within the following three years. Some of the companies were even being aggressively recruited by other areas of the country. The reasons the businesses cited for the change included the city’s lack of buildable land to accommodate their pressing need for expansion, limited office space, an anti-business attitude in local government and the community, and frustration with the city’s land use and planning process.

Members of the BR&E Subcommittee and ESC, and the Chamber’s Rapid Response Team intervened. Serving as intermediaries to gather information and facilitate communications, they convened a series of meetings with business owners to learn more about the obstacles they faced, their goals for growth, and their specific needs. Initially, they met individually with business owners and potential land owners. Eventually, they brought interested parties together, adding City officials and staff, representatives from the state and economic development organizations. Communications between the business, the community and City increased. Expectations and needs were clarified. In the process, the businesses discovered potential land for expansion and realized the extent to which the community valued their presence. Many have reconsidered expanding in Ashland.

Anti-Business Sentiments, the Political Climate, and City Government

In addition to the businesses that were considering relocation, the survey revealed that one third of the businesses viewed the city’s political climate, its anti-business sentiments, and/or planning processes as major challenges to their business success, or as major disadvantages to doing businesses in Ashland. In response, the Chamber, in cooperation with the City, developed a series of brochures that provide a road map to the City’s permit and planning processes, complemented by a city map with zoning information. Additionally, the Chamber of Commerce developed a high-definition DVD featuring interviews with businesses in key industries, such as health care, tourism, high technology, about their positive experiences of doing business in Ashland. Throughout the piece many of the amenities of living in Ashland are showcased, including some advantages to doing business in Ashland emphasized by businesses in the BR&E interviews. The DVD will be sent to out-of-area businesses inquiring about relocating to the city, video clips will be available at the Chamber’s website (<http://www.ashlandchamber.com/>), and video press releases will be sent to various business publications.



Businesses Increasing their Market Reach

The survey showed that many businesses were actively expanding their customer base either through increased online sales or by reaching new markets. Almost half of businesses reported that they transacted a small share of sales through the Internet, but expected to increase their online sales by an average of 25% over the following three years. To assist these and other Ashland businesses to develop or increase their markets, the Chamber of Commerce will offer a workshop in April 2007 focusing on approaches businesses can use to increase their online sales. For businesses wanting to learn about opportunities of doing business in Asia, and about the experiences of local companies already engaged in foreign markets, the Chamber, in partnership with Southern Oregon University School of Business, and the Southern Oregon Chinese Cultural Association has organized a conference on global business and culture specifically addressing doing business in Asia. The event will coincide with the Chinese New Year and be held at Southern Oregon University February 16, 2007.

Recruiting and Hiring

The labor force in Jackson and Josephine counties is relatively small. In December 2006 almost 140,000 workers were either employed or looking for work in the region (Oregon Employment Department, 2007), which represents 16% of the labor force in the three-county area of Portland. Given the limited size of the region's labor market, particularly for workers with specialized or highly technical skills, it is not surprising that nearly one third of businesses interviewed identified the region's limited labor pool as a major challenge of doing business in Ashland. Over half of businesses reported that recruiting and hiring qualified employees posed a major challenge to doing business and nearly all also mentioned the need for additional training for their current employees, particularly in managerial, sales computer, technology-related skills.

Workforce training and availability is an economic issue addressed by an assortment of federal, state and local agencies, educators, and community groups across many and varied programs. The Ashland Chamber of Commerce regularly organizes business development and training workshops for local businesses. Two labor workshops were offered last year. Believing that there are more highly skilled workers in the region than business perceives, the Chamber has developed a workshop, to be held in spring 2007, whose objective is to improve communication and presentation skills for anyone needing to sell their services, expertise or product lines. In the coming year, the BR&E subcommittee will explore ways to improve and increase the connections between businesses and potential qualified local employees.

Next Steps for the 2006/07 BR&E Program

A major benefit of the BR&E program is that it connects with local businesses on an on-going basis through either survey interviews or by convening community resources to address "red flag" and long term issues. In 2006/07 the BR&E Subcommittee will continue to facilitate efforts to address and resolve business issues, and serve as an intermediary to increase communications and trust.

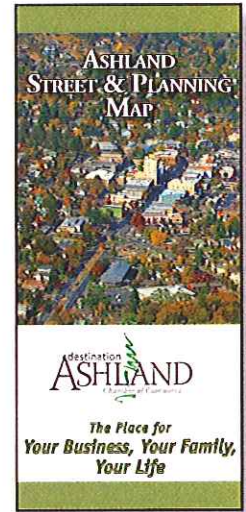
The BR&E program also will repeat the visitation survey process in 2006/07. For the second survey effort, the Subcommittee will target businesses in three areas: businesses in high-skill industries which pay above average wages; those involved in online sales; and businesses offering specialty services or product niches that are concentrated in the Ashland area. Sixty businesses have been selected

from industries such as publishing, professional and technical services (engineers, architects, and consultants), wholesalers, selected retailers, complementary health care providers, and manufacturers or sellers of organic/natural/spiritual products or services. Business names and contact information will be extracted from a commercially-available database from InfoUSA which lists private companies doing business in Ashland. Interviews will begin in February 2007.
(See bibliography & appendixes at the end of this report)

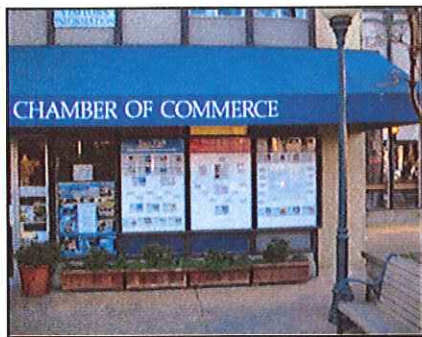
Street Map: \$2,500

While the conceptual planning for this project began in 2005, it was decided this needed to coincide and be coordinated with the new website. As plans developed to incorporate significant mapping on the site, we wanted the handout map to relate to the site.

Consequently, the project was much bigger than originally anticipated. There is a great need expressed by the public for detailed maps and we heard the same thing from City staff so we incorporated those desires into the final outcome. The brochure consists of not only a detailed city street map but includes a zoning map and buildable lands inventory map, AFN information, planning process information and Rapid Response Team information plus an available lands chart. A small run was done in 2005-2006. We will increase the amount printed in 2006-2007.



City Directory: \$2,000



The City Directory sign in front of the Chamber office has been redesigned. Modeled after the website, we have divided the sign into three areas of interest: Your Business, Your Visit and Your Life. The newly redesigned sign is visually much more appealing and contains the value statement of each category. The Your Visit part of the sign has the statement: *“Shop, Dine, Stay & Play. Ashland...where culture and nature come together.”* The Your Business portion states: *“Ashland...the place where you can do business locally, nationally and globally...all*

in the same day. We are here to help!” The Life section of the sign contains the statement: *“Ashland... a town where education, sense of community, technology, the arts and world class dining create the perfect recipe for a quality of life.”* The Chamber has approximately 100,000 people access the Chamber offices yearly with a significant amount more who pass in front of the sign. Many stop and look at the sign to gather information about local businesses and study the map. By dividing the sign in this manner inquisitors can easily find the business they are seeking as well as get a glimpse into our community values.

Payroll.....\$60,000

The work of the Chamber in support for businesses and promoting the community requires significant amounts of staff time. Creating programs to meet the marketplace demands, create innovative projects and programs, meet with businesses to discuss their challenges and needs, coordinate and conduct workshops and training programs, facilitate problem solving for new and existing businesses, solicit from various audiences their patterns, behaviors and needs, learn new techniques to apply to the marketplace, serve and respond to inquiries whether through phone, email, website, mail or in person all require skill, aptitude, patience, grace, consideration and just plain hard work.

Rapid Response Team and Staff Consultations: The Rapid Response Team is a group of business leaders, and at times City leaders, who volunteer their time and expertise to assist new and existing businesses with their development plans. They provide information, resources, guidance and support. Many times this group is called on a moment's notice due to business demands.

The Rapid Response Team, in addition to meeting with new business inquiries, meet with existing businesses to help them overcome the challenges of growing their business in Ashland. After extensive analysis by the Business Retention and Expansion (BR&E) Committee having completed Phase One of the survey program, it was clear that there were two Ashland companies struggling with relocation and expansion within Ashland, which greatly concerned the committee.

Meetings were called with these successful manufacturing businesses, to determine their challenges. Both cited concerns with getting through the planning process for new construction and the lack of buildable land. Then, many meetings were held to determine the specific needs for their expansion in order for the committee and staff to research useful available properties. This research resulted in on-going discussions with various representatives from the city, region and state as well as private property owners to assist in these companies' relocation and expansion within Ashland. In the process, one has decided not to expand on site due to personal business issues. The other has purchased a building with plans to purchase additional property for future growth. Work with this company is on-going and will require significant additional time to reach their desired future plans.

Additional examples of Rapid Response Team Meetings include a consultation with an On-line information based company who relocated to Ashland and has expansion plans for each year over the next five years. Another example is a consultation with a business looking to locate a call center in Ashland. This company toured various potential facility sites and ultimately selected an Idaho location.

Staff Consultations many times result in setting up Rapid Response Team meetings but not until a number of initial questions have been answered which can include providing extensive demographics on Ashland, trend analysis (when available from state), regional and local resources, as well as specific assistance with building and/or land availability. While we do not have business incentives provided from the City, we feel it is even more important for us to provide the best service we can possibly provide through offering assistance with their business plans.

The following is a representative example of a business looking to relocate/expand in Ashland and the assistance offered by staff. This assistance can involve many hours of research to provide the appropriate data requested by the business.

In this case, a recent business whose ownership is still deciding what city they will select for an expansion, staff has been working with the business for over three months on a regular basis. They first contacted the Chamber after doing an on-line search for particular site needs, came up with a list of appropriate cities, and contacted the selected cities by phone. They commented on how informational our website was but had a number of in-depth questions.

After asking the company questions related to the type of business they would be conducting along with the needs they had, it was determined that they would be a good "fit" for Ashland. The company would have less than 50 employees, pay higher than average wages, utilize waste products to manufacture their product and would employ all local people. It was made clear that we are in a highly competitive site selection with a number of states that eventually would be determined by access to product and cost of building.

Initially, we were provided a two page list of questions specific to their industry in relation to specific skills and future of labor force needed to create their product, the availability of their component pieces including price and shipping, the costs of production, utilities, etc.

The staff needed to conduct immediate research. We made a number of phone calls to city staff, consulted with various state and regional agencies of government and then provided the information back to the company. This information resulted in us moving higher in the selection process and resulted in the need for the next tier of questions from them, which then resulted in the need for more research. This process continued a number of times with on-going phone conversations and emails with the company. After much research and discussion, we have now moved up to one of the two sites with an answer expected in February of 2007.

This is just an example of the kind of process and time commitment demanded when working with a business inquiry.

Examples of other staff consultations include:

- Fly fishing business as a start-up – forming business plan for funding
- Looking to purchase existing restaurant – still communicating – building business plan for funding
- Purchase of existing rafting company – finalizing business plan to purchase part ownership of company
- Specialty retail decorating store – will meet with Rapid Response Team winter 2007 to better define local market after a number of phone meetings
- Doggy day care as a start-up – looking for appropriate location (noise)

Advocacy: This fall Sandra and Mary Pat assisted AFN with their application to be named one the Smart 21 Communities. We are committed to helping AFN succeed in any way we can, and it was a pleasure to work with City staff on this project and tout the fact that AFN and the City had indeed been selected. The Chamber successfully sold the story to the Oregon Economic Development Department which has resulted in national press coverage.

We also assisted with an application for a grant for the Geography Department at Southern Oregon University.

We continue to support the City by getting the word out about this award!

Newsletter articles or announcements that have appeared in the Chamber Newsletter related to City projects:

- Emergency preparedness
- Car Free Day
- Water Projects
- Green Tags
- Legislative Forums
- Defensible Space

In addition, we work in partnership with the City of Ashland to provide water conservation information in our peak tourist season by providing table tent cards for restaurants and sheet and linen information for overnight guests.

Say Hey Event: Several years ago the Ashland Diversity Alliance was created to deal with some perceived discrimination issues affecting actors and visitors coming to Ashland.

The Alliance consists of members from The Ashland Chamber, The Oregon Shakespeare Festival, Southern Oregon University, K-12 Schools, Ashland Community Hospital, ScienceWorks as well as others that have an interest in making sure that Ashland remains friendly and welcoming to those who live and visit here. The Alliance created the first "Say Hey "event in Ashland this last fall. Modeled after a program in Portland, this event brought together business people, students, actors and citizens for an opportunity to get to know one another in a relaxed atmosphere, so we continue to move forward without cultural rancor in the future. The event was also filmed as part of the DVD project to further our efforts with diversity.

Appreciative Inquiry: Last summer the Ashland Coalition a committee of the Chamber applied for a grant from the Ford Family Foundation to begin the "appreciative inquiry process." Designed to create positive dialogue in the community, achieve active listening skills and develop understanding and appreciation of others even when there is disagreement on certain issues.

The process consisted of three summits. At the third summit several action committees have been formed. Two are currently active, one of the two is meeting immediately to discuss the importance and solutions facing our crisis with the Ashland Library.

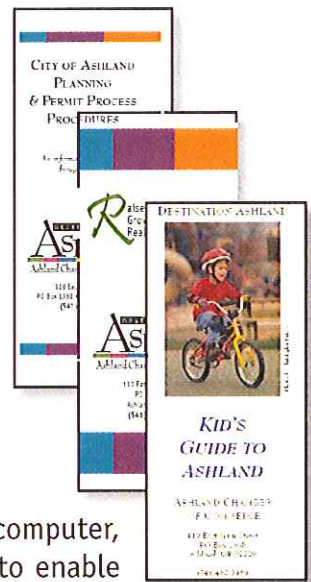
Accounting:..... \$6,500

All of the accounting for the Chamber is outsourced to an independent contractor who handles all payables, receivables and payroll.

Equipment Purchase/Rental.....\$12,500

In order for the office to function efficiently and increase our internal production, it is necessary to have equipment to meet our high demand and creative output. The market demands high quality production of marketing materials and the costs of outsourcing all our graphic design work is expensive. With new marketing ideas being generated to produce stand alone niche

market brochures, we believe it is more cost effective to produce these in-house whenever possible. Through the purchase of new computer equipment and software, we are now able to create in-house design and production of brochures and ads, which allow us the capability to build our photo library for press requests. For the 05-06 year, we expanded the internal in-house design function of our staff by adding the software to design PDF files with Adobe Acrobat 7.0 Professional Software. This program allows us to make PDF forms for the website that people can "fill in the blanks" and then return to us via email. It also allows for on-line surveys, workshop registration, etc., and for us to quickly create small run, special interest brochures, to meet niche needs such as the new Rapid Response Team brochure and the City Process Guide to Planning as well as the expanded Kids Guide to Ashland brochure.



Also, in this line item was the purchase of a projector, screen, notebook computer, wireless receiver and transmitter with sound system and a digital camera to enable us to conduct workshops without the on-going costs of equipment rentals. When we partner with SOU, we utilize their equipment but this is not always the case. Additionally, it provides us site flexibility for conducting smaller educational programs and presentations.

We also purchased a large format Epson photo printer in order to produce the new magnetic advertisements for the Directory Board in-house.

Equipment plans for the 06-07 budget include software and equipment for editing, development and production of custom DVD's that we will use for promotional, educational and fund raising opportunities. The ability to produce these pieces in-house will be much more economical than outsourcing. Also in the budget for 2006-07 are items that include on-going equipment maintenance for the copier, rental costs for the postage meter and scale, and toner cartridges for the laser printers.

Postage \$9,000

Due to the very high demand our office experiences throughout the year for publications to be mailed to inquiries received by phone, mail and email, our postage costs are always significant. We mail first class which is critical due to the changing habits of visitors planning their trips with less lead time and the changing trend of immediate fulfillment of customer demands. Additionally, as our marketing increases and our website visitations increase, so does the demand for additional distribution of brochures. This includes the Sunset Magazine ad fulfillment.

Office Supplies \$5,000

Office supplies are the typical costs of paper, pens, envelopes, stationary, folders, files, etc.

Office Maintenance/Repair \$2,200

These grant costs relate to the cleaning of the office to make it presentable to the public including steam cleaning on the awning, regular power washing of the pavement in front of the office and carpets steam cleaning.

Telephone..... \$6,000

The regular monthly charges for the phone system charged to the grant.

Business Newsletter \$3,000



We create a monthly newsletter to get the word out to the business community on our goals, new brand, events, member news, new member announcements and workshops. The grant pays one-third of the costs of the newsletter that we distribute to our 700 members and we print 950 total newsletters each month to further the distribution to others in the business community. We will continue to expand this outreach to bring the messages to a broader audience. Included in our newsletters are regular programs from the City that they ask us to send out in articles. This is a partnership that the City staff appreciates because it enables them to reach beyond the citizens and communicate with the business sector.

Volunteer Appreciation: \$1,000

Certificates of appreciation and recognition of time contributed for volunteers serving business inquires. Also included are food and beverage expenses related to the hosting of business relocation assistance.

Miscellaneous Expense..... \$500