HERMISTON

Stetsons Steakhouse adding lunch, dance hall

By JADE MCDOWELL
East Oregonian

Just four months after moving from Pendleton to Hermiston, business is booming so much for Stetsons Steakhouse that the restaurant is expanding into the lunch business and adding a dance hall.

"Hermiston has been very good to me," owner Frank Perkins said.

The dance hall and lunch area will be separate from the restaurant's current dining area, replacing the bumper cars and arcade games in the section of the building that previously housed Fun Time Entertainment.

Perkins said the area, which is being remodeled to seat close to 100 people, will also be able to be rented out for events.

He plans to serve lunch from 11 a.m. to 1:30 p.m. Tuesday through Saturday and, if he gets enough interest, eventually add a Sunday brunch. In addition to the seating area, the menu for lunch will also be separate from the Stetsons Steakhouse dinner experience. It will include burgers, salads, sandwiches, fried chicken and "eight to 10 different flavors of ice cream."

Perkins is also adding Hermiston's only dance hall to the space, with live music in a variety of genres on Friday and Saturday nights.

"People want to go dancing but they have no place to go," he said.

Perkins said his tentative opening day for the expansion is March 10, with the first live music event on March 13. He said he never expected to expand so fast after moving his business from Pendleton to Hermiston in October, but many of his Pendleton customers have continued to frequent the steakhouse in its new location and he has discovered that many of the regulars he always assumed lived in Pendleton were actually driving in from Hermiston for dinner.

"I've got a lot of loyal, loyal customers," he said.

BRIEFLY

Bank of EO acquires Pasco branch

HEPPNER — BEO Bancorp and its subsidiary, Bank of Eastern Oregon, announced Thursday that the transaction acquiring Bank Reale has been approved by Bank Reale shareholders and received all necessary regulatory approvals.

The effective date of transfer is Feb. 28. The Bank Reale location in Pasco will open its doors Monday as Bank of Eastern Washington, a branch of Bank of Eastern Oregon.

Bank of Eastern Oregon, based in Heppner, was founded in 1945 as Gilliam County Bank in Arlington. It has expanded to 12 branches and five loan production offices located in 11 Eastern Oregon counties.

Jeff Bailey, president and CEO of Bank of Eastern Oregon, said their goal is to expand upon and execute the original vision of Bank Reale's founder to provide customer service and serve the banking needs of the Pasco community as well as the outlying rural areas of the Columbia Basin.

"Bank of Eastern Oregon has served rural eastern Oregon for over 70 years and we are excited to expand our footprint and bring our style of banking to the region," Bailey said.

FFA students to address chamber

HEPPNER — A special presentation about the Pheasant Brooding House will be given by FFA students during the upcoming Heppner Chamber of Commerce meeting.

In addition, the no-host luncheon gathering will include an all entities report. The meeting is Thursday at noon at Heppner City Hall, 111 N. Main St. A ham and turkey roll up meal is being catered by Heppner Family Foods. The cost is $10 per person.

To ensure there is enough food, RSVP by Tuesday by contacting heppnerchamber@centurytel.net or 541-676-5536.

As tastes change, big food makers try hipster guises

By CANDICE CHOI
AP Food Industry Writer

HUNTINGTON BEACH, Calif. — At a taco shop in Southern California, milkshakes are served in mason jars and a chalkboard menu lists "The 1%er" made with lobster meat.

The logo is a pink skull and instead of buzzers, customers are given license plates so servers can identify them when bringing out orders.

Nowhere is it evident that the U.S. Taco Co. is an outpost of a chain better known for cheesy gut bombs: Taco Bell.

Major companies are testing whether it would pay to tuck away their world famous logos in favor of more hipster guises: PepsiCo, for instance, introduced a craft soda called Caleb's last year and McDonald's opened a cafe that lists lentils and eggplant on its menu. The stealth efforts reflect the pressures on the country's biggest food makers, which are contending with the surging popularity of smaller brands that position themselves as decidedly less corporate.

For big food companies, the low-key efforts are a way to feel out changing tastes and cozy up to new customers, particularly those in their 20s and 30s. Among that age group, marketing experts say there's a growing preference for qualities like "real" and "authentic." Additionally, millennials aren't as impressed by big brands when it comes to food, and instead take pride in discovering and sharing new places and products with friends on social media networks.

As such, Allen Adamson of Landor Associates, a brand consulting firm, said companies should keep the images for their latest efforts smaller and more niche: "You don't want to scream from the mountain top that you're Pepsi."

Unlike Pepsi cola — which has suffered sales declines since 1998, according to Beverage Digest — PepsiCo's Caleb's Kola comes in a glass bottle and is sweetened with cane sugar instead of high-fructose corn syrup.

There are no signs the drink is from the maker of Mountain Dew and Gatorade, and the bottles bear the words "Honor In Craft."

Nick Hammit, who heads Caleb's Kola at PepsiCo, said Caleb's was the creation of a group of "Kola Nuts" at the company who were passionate about making a cola that "takes pride in every little aspect."

McDonald's also decided not to use its name recognition when it opened The Corner late last year.

The restaurant in Australia has a minimalist white exterior and serves dishes like Moroccan roast chicken, chipotle pulled pork and lentil and eggplant salad. The only sign it's owned by McDonald's is the "McCafe" in small print at the bottom of the restaurant logo.

McDonald's spokeswoman Becca Hary said in an email the location is a "learning lab" for testing "new and different food and beverages never before seen in our restaurants."

The Corner comes as McDonald's suffers ongoing sales struggles, with global sales down 1 percent last year at established locations as customer visits declined in regions around the world.

For its part, Taco Bell said in an emailed statement that U.S. Taco's opening was the result of a "segmentation study" that found some people just don't want to eat at traditional fast-food chains.

So instead of trying to win them over with Taco Bell, a team known as "intrapreneurs" at the company came up with an entirely separate concept, which charges about $3 to $4 per taco.

The shop in Huntington Beach, California caught the attention of Christina Kaoh, a 30-year-old research coordinator who was in the area paddle boarding with friends.

"I figured it's going to be a hip version of tacos," Kaoh said.

She only learned it was owned by Taco Bell after reading an article that mentioned the link in Mother Jones. Kaoh said she wouldn't go back since she tries to support independent establishments, and didn't particularly enjoy the food.

The ownership of smaller brands by major corporations isn't a deal breaker, of course. In the beer industry, Anheuser-Busch InBev in 2006 created Shock Top. Harry Schuhmacher, editor of Beer Business Daily, said most people probably don't realize it's owned by the maker of Bud Light. Even if they did, he said it wouldn't matter now that Shock Top is established enough to have its own following.

In other cases, companies acquire smaller, fast-growing rivals to tap into trends. But acquisitions can be costly and come with risks, particularly at a time when food trends seem to be changing at an accelerating pace. By developing a brand in house, companies can test the waters without making as much of a financial commitment. If they're lucky, it takes off and becomes a hit.

AP Photo/Jae C. Hong
Nathan Seymour, top left, with a surfboard, chats with his friends Feb. 20 at U.S. Taco Co. in Huntington Beach, Calif.

Brown pledges to re-examine small business regulations

By PETER WONG
Capital Bureau

SALEM — Gov. Kate Brown wants to make her mark on economic development in Oregon's rural communities — and one of her early pledges may be to re-examine state regulation of small businesses.

During an interview Thursday with the EO Media Group/Pamplin Media Group — her first since Brown took office last week — Brown said the latter idea stems from having Oregon's small-business advocate during her tenure as secretary of state.

"I want to take this to the next level in terms of having a regulatory climate that makes sense for small businesses and makes sure they can grow and thrive," Brown said.

Democrat Brown sounded a theme usually mentioned by Republicans.

In 2013, lawmakers created the office of small-business assistance within the secretary of state's office, which also is home to Oregon's one-stop portal for business information. The small-business advocate looks into business complaints about state regulation.

She is focusing attention on rural communities in response to critics who raised questions about her commitment to outlying areas of Oregon because she's lived in Portland for 30 years.

"It's important that we continue to utilize our natural resources in a way that will enable communities and rural economies to thrive," she said.

Brown said she hasn't formulated all her ideas about economic development, but in the interview, she did hint that she would carry on some form of state assistance to regional efforts.

It is not yet clear whether it will be in the same form as her predecessor, John Kitzhaber.

Although the regional solutions program has existed in some form since 1987 — it began with a portion of lottery proceeds earmarked to help regions shape their own economic development projects — Kitzhaber created a network of staffers that extends into every part of the state.

"Their concept is to support communities to create their own path forward," Brown said.

She said she supports a coordinated effort by state agencies to pull as a team to help communities. Brown said communities should forge their own identities and not resemble each other.

Brown said she has not yet had time to devise her own ideas. But she mentioned a recent speech by Sean Robbins, the director of the Oregon Business Development Department since June 2014, who said his agency (Business Oregon) will refocus on growth of existing businesses rather than recruit them from elsewhere.

"It's really important that we invest in creative and innovative businesses that are there to help them grow and thrive," she said.

Christopher Onstott/Pamplin Media Group
Oregon Gov. Kate Brown said Thursday she wants to establish a "regulatory climate that makes sense for small businesses" as part of her effort to help the state's rural economy. notforsale