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Some of the new businesses to the area in the past year brought in by the Economic Development for Central Oregon nonprofit are: Daydream HQ and Nechville in Sisters, SmartyPits, Volansi in Bend and Prineville, Cognitive Surplus in Redmond, I3D in Redmond, Algofy in Redmond, and Cognito in Sisters.

"Some people have called the pandemic 'the great pause," said Adam Krynicki, Oregon State University-Cascades Innovation Co-Lab executive director. "It's caused a lot of people to stop and think about their lifestyle. They're coming to Bend because it's the perfect place to balance work, play and family. We have a growing tech community, a great support system for entrepreneurs, some of the best skiing in the country, great schools, a four-year university – and the list just keeps growing."

The groundwork has been laid by pioneers like Picky Bars, Laird Superfood and Hydroflask that created the support system in place for new young firms to take root in Central Oregon, said Katy Brooks, Bend Chamber of Commerce CEO.

"The lifestyle here is very compelling and if the opportunity to move here presents itself, businesses jump on it," Brooks said. "In large part what's behind so many (businesses) moving in a short period of time is a result of the pandemic and the recent trend of moving away from large urban areas."



Deodorant products are displayed at SmartyPits in Bend on Feb. 25.

In addition, Central Oregon offers tax advantages for businesses from enterprise zones for building in specific areass and even cash incentives for providing jobs.

Jeff DeRoux, co-owner of Rainier Precision had until this year been working Seattle where the company was founded by his grandparents. When his lease was up, DeRoux began looking around for a 1-acre location for his custom plastic injection molding manufacturer. Rainier Precision

primarily makes Dri-Z-Air, dehumidifers and also custom plastic parts.

Not satisfied with any place to move his family to, DeRoux cast a wider net that landed him in Central Oregon. Once here he learned of the tax incentives offered by the county and state and settled on a 1-acre site. He said throughout the process that began in 2018, he realized that he needed a place that offered a haven for his family to live and play in and a place for him to grow his business.

DeRoux found his place in Redmond, in an enterprise zone that offered incentives for bringing in new jobs and building a facility.

"We found a welcoming business climate," he said. "The deciding factor to move here was that we could do more things outdoors. In Seattle, we were limited to sunny days and summer. We love to bike and that has been one of the biggest improvements for us, our quality of life. My daughter can see the wildlife. We can go biking."

Like SmartyPits, DeRoux found that with the help of Economic Development for Central Oregon, the move was made smoother and easier.

"They connected me with people who could solve problems and made it easier for us to come here," DeRoux said. "It's pretty scary to pull up a manufacturing business with machinery and employees and relocate to a place. Everyone is happy."

The Pew Research Center found that 7 in 10 people who

can do their work from home are now working from home most of the time. That fact has allowed much more movement, said Ben Hemson, Bend city Business Advocate. When business is going well and the economy chugging along, it's difficult to convince businesses to pick up and move, Hemson said.

While it's harder to get a manufacturer to pull up stakes and relocate, many of the new businesses moving to Central Oregon are outdoor companies or professional services, Hemson said.

"We're seeing folks locally that are expanding," he said. "There's a potential that creates churn to open up spaces."

Central Oregon attracts a certain kind of owner, said Don Myll, Economic Development for Central Oregon area director. When a business needs to relocate and that decision is based upon livability, Bend and Central Oregon are a nobrainer, Myll said.

SmartyPits is the kind of company that the economic development nonprofit seeks out, said Don Myll, Economic Development for Central Oregon area director. Innovative product, a green product, and employs multiple people.

ploys multiple people.

"They expect to double their employment growth in a year or so," Myll said. The average employer in Bend has nine employees and they're well above that. We don't have a lot of consumer products companies. It's not one of our core sectors."

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## **Callicott**

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This means the average Oregon driver buys on average 560 gallons of gas per year.

One downside of the VMT and our current gas tax is that they are not adjusted for income level. Someone earning the Oregon minimum-wage, \$11.25 per hour (\$23,400 annually), pays proportionately more than a high-wage earner, for example making \$50 per hour (over \$104,000 annually). The average driver pays almost \$305 per year in gas tax. That's 1.3% of the annual income for the minimum-wage earner, but only 0.2% for the highwage earner.

So what's the point? Technology can help smooth out the rough spots with the proposed VMT tax. Tying together data from the DMV, devices installed in cars, and the Oregon Department of Revenue could create a system of fair and equitable taxation to keep our transportation infrastructure up-to-date.

Both Washington and Oregon may use technology, such as plugin devices for vehicles which would measure the mileage, the place and time. This would allow them to incentivize off-peak-time usage of critical roadways such as highly congested corridors, or discounts for using alternative routes. However, some older vehicles are not equipped with the required device port, so some alternative method must be available for these exceptions, most likely manual.

If you're hitting a traffic mess south of Portland at rush-hour, those miles logged may have a surcharge per-mile added for peak-usage. Travel that same area at 2pm or 7pm may provide a discounted rate.

If you rideshare with others and use high-occupancy-vehicle lanes (with a digital tracker installed in the car), the tax may be heavily discounted or even credited. Oregon has only one HOV lane in the entire state, north of Portland on I-5. This may change if a VMT tax incentivizes use.

While writing this article, I signed up for Oregon's OreGo (www.MyOreGo.org), which is the voluntary VMT tax program for vehicles with 20 equivalent mpg or better. It's not in addition to the existing taxes and registration fee increases, the program offsets the normal fees with those paid through the OreGo program. I install a device, provided by Azuga with GPS tracking, which plugs into the OBDII port found in most vehicles manufactured since free perks, such as: Visual trip logs (GPS only), engine trouble code help, battery voltage alerts, location alerts for tracking teen drivers (GPS only), and hassle-free, electronic emission testing (for ICE and hybrid vehicles).

The biggest issue is user adoption. Many drivers are reluctant to install a device provided by the government (state or federal) in their car which gathers data on their travels, which seems ironic as they are more than willing to give their implicit permission to companies like Google, Wayze, Facebook, Apple and many others to collect it from their mobile phones or car apps for commercial use. Opening the tech device options for consumers to purchase directly from vendors of their choice would alleviate some of this angst and increase competition thereby driving innovation and price reductions.

Bottomline, we need to revamp our gas tax to some other model which generates the revenue needed to maintain our transportation infrastructure, adjusts taxes to be more equitable, provides incentives for better use of our

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roads, and decreases traffic on critical roadways during peak times. Sign up for Orego, it's painless and will provide valuable data to ODOT to help them refine the systems and processes to support the VMT tax. Those with electric

vehicles will benefit the most as the OreGo program waives increases in vehicle registration fees, and EV owners had the highest fee increases last year. The VMT tax isn't perfect, but it's a start in the right direction.

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■ Preston Callicott is the SVP for Effectual Inc. and is a self-described tech humanist who wants to embed the best of human traits in AI systems and robotics . . . before they rule the world. His wife, Chelsea, and twins remind him how great life is and that work isn't everything.



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