

Annual Economic Development Report

Stillwater Chamber of Commerce

Fiscal Year July 1, 2015 – June 30, 2016

Overview:

The Chamber's current Annual Economic Development Operational Budget is \$460,217, which includes staffing, office expense, operations, marketing, and special projects. In addition, \$202,116 is spent on debt service for an industrial building being leased by an existing employer bringing the total Economic Development budget to \$662,333. All Economic Development funds are maintained separately from the Chamber's other operational accounts.

We embrace the Public/Private funding approach as the City of Stillwater represents 38% of our total Economic Development budget and the other 62% is generated from a variety of private sector funding activities.

From this perspective, the Chamber's match of the City's investment yields a return of 165% on the City's investment.

Stillwater's Economy as of June 30, 2016:

Employment:

- a. The unemployment rate in Stillwater was 4.4% (Payne County was 4.6%, OK was 5.3%, and the U.S. was 5.1%).
- b. The total employment for Payne County was 36,610 compared to 37,092 at June 30, 2015, indicating a net loss of 482 jobs during this period.
- c. In the Chamber's Annual Business Survey, 39% of respondents said they planned to increase hiring in the next 12 months and 55% indicated they plan to maintain their current staffing level.

- d. Stillwater's local industries are vibrant, diverse, and hiring skilled workers. Employers were seeking to fill more than 80 open positions.
- e. Stillwater's first "continuing care retirement community," The Ranch, will create 140 new jobs with an annual payroll of \$5mm and an annual economic impact of \$9.6mm.

New Construction Activity:

- a. 102 permits were issued by the City with a total valuation of \$215mm.
- b. There were also 21 construction projects on the OSU campus totaling \$258mm
- c. There have been an additional \$150mm in announced construction projects on the OSU campus.

Using the standard "rule of thumb" for construction, these projects on OSU's Stillwater campus have or should provide approximately 2,500 direct construction jobs and 1,600 indirect jobs over the construction periods, generating approximately \$600mm in total economic impact activity.

OSU Enrollment:

OSU-Stillwater enrollment has grown its student enrollment by almost 2,000 students or 9% over the past five years.

See the Economic Indicators "Attachment A."

Chamber Primary Economic Development Activities for FY16:

Strategy Development

1. **Initiated a new Economic Development Committee** comprised of 20 community stakeholders and 7 ex-officio members (including City Manager Norman McNickle, Deputy City Manager Dan Blankenship, and several former Stillwater Industrial Foundation Trustees). This group is guiding the utilization of our resources, evaluating operations and promotional activities, improving accountability, and serving as a collaborative "think tank" to develop strategies that will improve our local economy.
2. **Established the Stillwater Workforce Development Incentive Program** with funding pledges from OSU, Stillwater Medical Center, Central Electric Cooperative, Bank SNB, BancFirst, Payne County Economic Development Authority, and Stillwater Designs to attract

more quality jobs to the Stillwater area. Operational Guidelines are being developed to define the criteria for eligibility to receive incentive funds.

3. **The Chamber acquired the assets of the Stillwater Industrial Foundation (SIF),** strengthening its economic development capacity with three industrial sites and significant capital dedicated for economic development.
4. **The Chamber's E.D. Committee is evaluating a "shell building program"** to supplement, if necessary, privately-owned vacant industrial buildings that are currently being included in site proposals.
5. **Initiated evaluation for a new business park** to develop "shovel-ready" sites to accommodate new and expanding industries.

Business Recruitment, Expansion and Retention

6. **Marketing activities:**
 - a. Full-page advertising in "*The State of Success*" magazine, produced by Conway Publications, a leading publisher in the site selection field, and distributed widely by the Oklahoma Department of Commerce in its business attraction activities.
 - b. Sponsored 3 Unmanned Aircraft Industry events with OSU and Meridian Tech Center.
 - c. Enhanced the chamber's website: www.stillwaterchamber.org
 - d. Produced and are distributing the "*Stillwater Community Profile and Demographics*," "*Commerce – Stillwater Profile Magazine*," "*The Get It Guide*," "*New Business Folder*," "*Relocation Folder*," and the new "*City Map*".
 - e. Partnered with City, airport, and OSU staff in promoting the benefits of our new commercial air service to businesses in the region.
7. **"Business Retention and Expansion" (BRE):** During the last fiscal year, **59 BRE site visits were conducted** by Chamber staff. Visits include comprehensive discussions focused on future business plans, growth in equipment and workforce, and identifying business issues related to sustaining and building their business. Chamber staff followed up on requests and provided information and resources as needed. Six major employers shared their plans to increase their workforce for a potential of 150 new jobs in the next year.
8. **Received and reviewed 55 "Requests for Proposals" (RFPs) issued** by ODOC and the Regional Partnerships. We submitted 14 proposals for which Stillwater fully met the criteria and 4 proposals for which Stillwater only partially met the criteria.

9. **Enhanced the Sites and Buildings Database** which allows local realtors and landowners to promote their available sites/buildings to site selectors and potential business via the Chamber's website.
10. **Engaged in community economic development marketing and networking** as an active member in the OKC and Tulsa Regional Partnerships leading to business prospect leads and RFPs. Three visitations to site selection consultants, in participation with OKC and Tulsa Regional Partnerships.
11. **Actively promoted the availability of the Total Energy Building.** Worked with two prospects from out-of-state and their respective site selectors to coordinate and host site visits and presentations. One prospect, a Michigan-based wind energy-related manufacturer, had the facility and Stillwater on their short list until their Board of Directors pulled the entire expansion project.
12. **Assisted in the due-diligence process** of a local company looking to expand. They are evaluating our 43-acre industrial site. This is still an active project at the time of this report. The company employs an average of 23 and plan to grow the workforce once a site is identified and new 20,000 square foot facility is completed. This project is progressing thanks, in part, to assistance from the City Manager and his administrative team as well as several members of our E.D. Committee.

Workforce Recruitment and Development

13. **Coordinated the completion of a Labor Shed Analysis.** This report has been an essential element and is referenced regularly in RFP proposals and is available on our website. It provides data on available skills and worker commuter patterns in our defined labor pool. This independent labor study, conducted by Avalanche Consulting, was funded by the Stillwater Economic Development Authority.
14. **Enhanced the Job Opportunity posting page** on the Chamber's website. This provides employers with an online marketing option to promote employment opportunities at no cost.

Small Business and Entrepreneurial Support

15. **Coordinated training for small businesses and entrepreneurs** by offering the following trainings and programs:

- a. **Business@Lunch**
 - “Off the Cuff” with Senator Halligan
 - “Future of the Oil and Gas Markets”
 - “Fly Stillwater”
 - “Meeting the High Bar of Expectations”
 - “Wit and Wisdom” from Mike Turpen
 - “Highlights of the 2016 Legislative Session”
 - “Best Recruiting and Retention Methods”

- b. **Mentor for Success:**
 - Successful Leadership Beyond Development
 - Planning Giving Basics (giving back to the community)
 - IT Every Business Needs
 - Identity Theft and Tax Returns
 - Websites
 - How Perception Affects your Business
 - Business Security
 - Retirement Planning 101

- c. **Small Business Training Topics:**
 - Marketing Your Small Business
 - Workforce Development-Hiring Right
 - PRIDE Customer Service
 - Training on a Budget
 - Dealing with Difficult Customers

16. **Directed and organized Jingle Bells Sweepstakes** supporting local retailers. The annual event markets and promotes businesses as well as encourages resident to shop local during the holiday season. Efforts included retailer recruitment, social media campaign, print and radio ads and the final on-air sweepstakes drawing. The program promoted 45 businesses and awarded \$10,000 in cash prizes to local shoppers.

17. **Hosted the Annual Economic Summit October 21.** Key presenters included Greg Main, past President of the Michigan Economic Development Corporation and previous Secretary of Commerce for the State of Oklahoma, and Mark Snead, President of Region Track, who provided a presentation on “Community Collaborations: Economic Development in University Communities.” This event was attended by more than 100 business and community leaders.
18. **Promoted National Small Business Saturday** during the month of November to assist in the marketing efforts by local small retailers to help capitalize on holiday season shopping. Promotion included social media, email campaigns to retailer and chamber members, and distribution of national marketing materials.
19. **Participated in a collaborative consortium** of 11 local and statewide agencies to provide market research information and a resource guide specific to start-ups and entrepreneurs.

Going Forward:

The Stillwater Chamber of Commerce will continue to deliver high-impact programs and services to assist and support our local businesses according to our Strategic Plan, which are detailed on our website, as well as:

1. Serve as Stillwater’s first point of contact for economic development services and provide timely responses to inquiries. Utilize the City’s departments as appropriate and promote a spirit of collaborative teamwork with its department managers.
2. Produce brochures, maps, directories, community profile, and labor data that market and promote the City including maintaining an active website and providing information packets for prospective businesses and employees.
3. Continue the Business Retention and Expansion program by conducting at least 100 visits with existing Stillwater businesses to assist them in their efforts to maintain a competitive market position; to secure ongoing operations and employment levels; and to facilitate growth and expansion.
4. Conduct business recruitment strategies utilizing resources, staff support, and research capacity from the Oklahoma Department of Commerce, Oklahoma City Regional Partnership, and Tulsa Regional Partnership to provide timely responses to RFPs to prospective businesses to bring quality jobs consistent with Stillwater's workforce demographic.

5. Participate in regional and statewide cooperative marketing programs that provide access to business intelligence data bases and joint recruitment opportunities. This will include full-page advertising in the *“The State of Success”* magazine distributed widely by the Oklahoma Department of Commerce in its business attraction activities, visitations to site selection consultants and corporate site decision-makers, targeted industry trade shows and conferences, and sponsorships in targeted industry events.
6. Continue offering meaningful educational programs and access to resource providers to assist small businesses and entrepreneurs.
7. Re-structure and expand the “Jingle Bells” campaign so that Stillwater retailers retain retail sales and increase sales tax revenue in the community.
8. Provide quarterly written and oral activity reports each quarter using a dashboard with activity metrics and local economic indicators.

In addition, we will:

1. Partner with the City and other stakeholders to develop a community economic development strategic plan and conduct a community-wide “visioning” process, identify improvement goals, and develop implementation strategies.
2. Vigorously promote “Fly Stillwater” commercial air service to regional businesses.
3. Finalize new marketing materials and a video to assist employers in talent attraction.
4. Continue planning for the development of a new business park.
5. Develop strategies for workforce development including exploring potential funding sources to establish a full-time workforce development coordinator position.
6. Promote the use of college-level internships in local businesses to retain more graduates in collaboration with OSU.

In Conclusion:

On behalf our board of directors and more than 750 member businesses, I thank you for the City’s long-standing support of our economic development program and respectfully request the renewal of the Chamber’s Professional Service Agreement.

Sincerely,



Ted Allison, CEcD

President and CEO

Attachment "A": Stillwater, OK Economic Indicators - June 2016

Tax Collection	June '13	June '14	June '15	June '16
City Sales Tax	\$2,219,376.38	\$2,449,339.54	\$2,302,787.11	\$2,328,426.96
City Use Tax	\$81,090.29	\$103,315.66	\$96,040.72	\$88,614.80

Collected from City of Stillwater Finance Department

Building Permits	June '15	June '16	2015 YTD	2016 YTD
Commercial Permits	11	7	46	48
Valuation (\$)	\$12,123,810.00	\$44,600.00	-	-
Residential Permits*	10	8	56	48
Valuation (\$)	\$2,460,906.00	\$2,826,088.00	-	-
Duplex Permits	-	1	2	5
Valuation (\$)	-	-	-	-

Collected from City of Stillwater Development Services Department

***Commercial Valuation includes New, New multi-family, commercial accessory, commercial addition, and commercial remodel.
 ***Residential Valuation includes New, Residential Accessory, Residential Addition, and Remodel Residential.

*1 & 2 family permits

**Duplex valuation is included in residential valuation number

Employment Statistics	June '13	June '14	June '15	June '16
Labor Force	37,842	38,559	38,755	38,385
Employment	35,825	36,823	37,092	36,610
Unemployment	2,017	1,736	1,663	1,775
Unemployment Rate	5.3%	4.5%	4.3%	4.6%

Collected from the U.S. Bureau of Labor Statistics

*Stillwater, OK Metropolitan Area/Payne County values

Housing Market Statistics	June '15	June '16	2015 YTD	2016 YTD
Average Sales Price	\$180,347.00	\$212,768.00	\$172,156.00	\$177,217.00
Average Days on Market	96	94	104	99
Closed Unit Sales	131	96	442	461

Collected from the Stillwater Board of Realtors