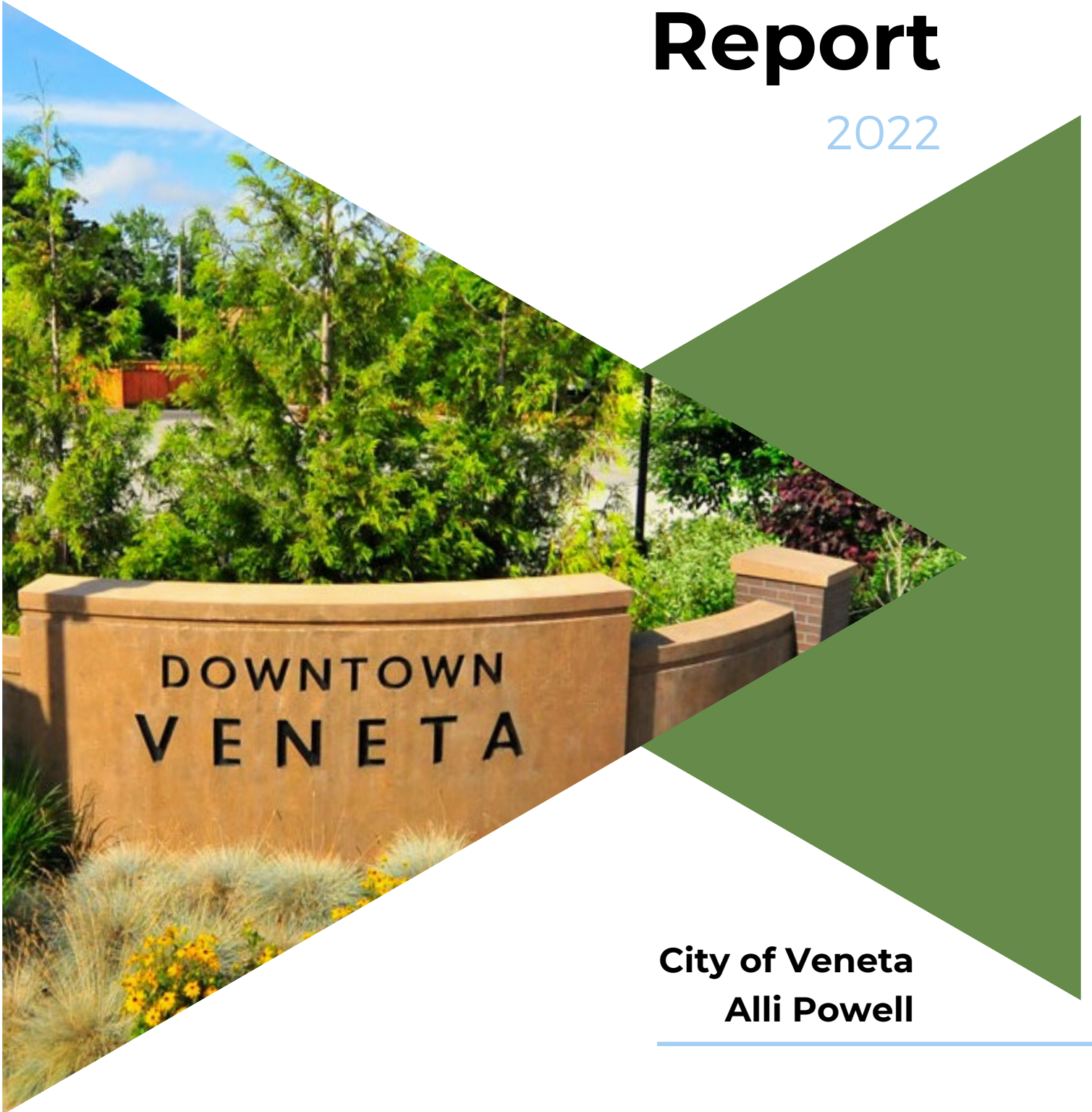

Veneta Business Retention and Expansion Report

2022



**City of Veneta
Alli Powell**

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Introduction

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The City of Veneta contracted with Community Planning Workshop in 2014 to create a 5-year Action Plan for Economic Development that included an environmental scan, an economic vision report, and an implementation plan. Strategy 2.1 of the implementation plan highlighted the need to develop an outreach program designed to better understand and meet the needs of local businesses. The City accomplished that goal by partnering with Rural Development Initiatives (RDI) in 2015 to complete Business Retention and Expansion (BRE) surveys in our community. The City continued to complete annual BRE surveys in partnership with RDI through 2018.

In 2022, Veneta's Economic Development Committee and several volunteers worked together to continue to contact and interview small business owners and entrepreneurs to learn how to best support local businesses. The business interview process is a cooperative effort led by the Veneta Economic Development Committee (EDC). Teams of interviewees are comprised of retired business owners, economic development practitioners, and community volunteers.

In addition to the annual small business interviews, City Staff created a community wide BRE survey to gauge the community's perception of business retention and expansion in Veneta.

Veneta's BRE

- Action oriented
- Visitation & Survey Processes
- Relationship based data gathering
- Actionable results

The Objectives of the Business Retention and Expansion program are to:

1. Assess local business climate and needs.
2. Provide support for identified business needs.
3. Help solve immediate business issues.
4. Develop and implement an action plan for economic development practitioners
5. To build community capacity to sustain and promote economic development

Interviews Overview

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Learning how to best support local business owners



Six volunteers completed the Business Retention and Expansion Training to join the interview team. Each interview was completed by a team of two volunteers that conducted a comprehensive and cohesive interview with local businesses; one volunteer would lead the interview, and another would take notes. Interviewers were instructed to avoid any implication of judgement, give the business owner space to do the talking, and to remain neutral and polite at all times. Interviewers generally followed a guide during the interview to keep each interview consistent.

Goals of the Interview Process:

1. Assess local business climate and needs.
2. Provide support for identified business needs.
3. Help solve immediate business issues.
4. Develop and implement an action plan for economic development practitioners.
5. Build community capacity to sustain and promote economic development.

General Interview Findings

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Each interview was a long, detailed opportunity for businesses to describe what is working for them, what is challenging, and how they envision the City of Veneta and the BRE team to support them moving forward. From those interviews, City staff gathered summaries of the general findings.

Top priorities that would support businesses the most

- Special Events or Promotions
- Exterior atmosphere of the area
- High speed internet improvements
- City assistance with adhering to government regulations
- Shared business advertising

The most important location factors for business success

- Visibility
- Education and Training
- Local Business Support
- Workforce

What would make downtown more appealing to do business?

- Special Events or Promotions
- Property development
- Telecom/High Speed Internet
- Improved buildings and rental facilities
- Improved exterior of the area

What kind of events would you like to see?

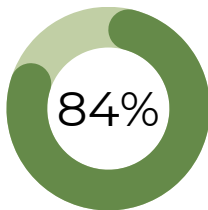
- Pop-up shops
- Summer block party
- Wine/beer garden
- Summer movie nights
- Social Gatherings/Community Events

Of the inquiries listed above the following was most popular in each respective area:

- Special Events or Promotions is the top priority that would help businesses the most.
- The most important location factor is visibility.
- Property development and special events/promotions would make downtown the most appealing to do business.
- Business owners would most like to see wine and/or beer garden events.

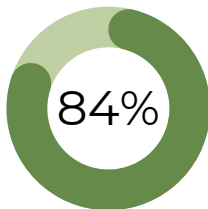
Business Characteristics and Climate

Thirteen businesses participated in the interview process. Each ranging in size and sector to reflect the variety in Veneta's economy. Types of businesses ranged from medical services, food and beverage production, health and fitness, gaming, property management, and personal care services.



with a physical location

While 84% of businesses have a physical location, only 30% own the building they operate out of.



have an online presence

84% of businesses have an online presence. Only 15% of those businesses make online sales, ranging from 10-40% of overall sales. Others, use their online presence for information and scheduling.

The City of Veneta celebrates the hard work of local entrepreneurs

Other notable business characteristics include:

- 23% of businesses were formed within the last three years
- Businesses have a range of 1-30 full time employees
- 38% of business are interested in hiring interns or apprentices
- 100% of businesses operate year round

Veneta's overall appearance and image



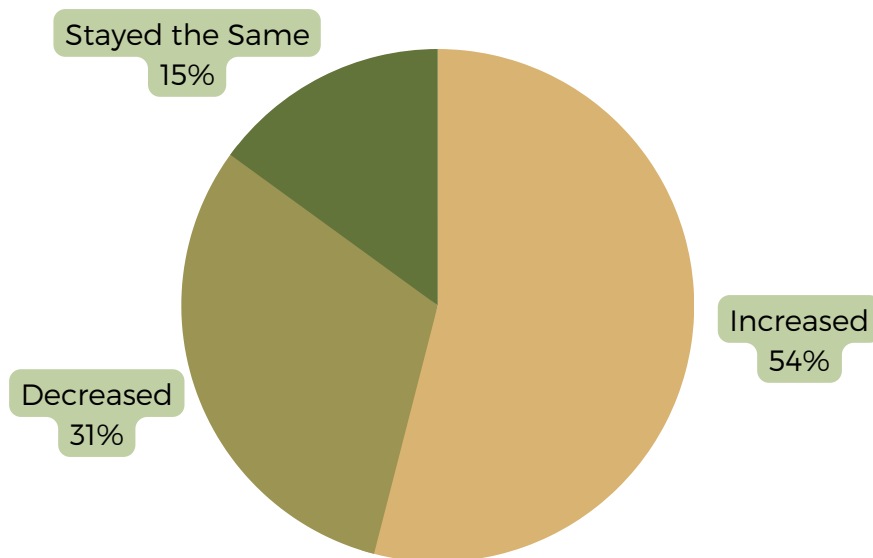
Overall opinion of the community as a place to do business



Business Health and Key Competitive Advantages

Seven businesses detailed an increase in customer base over the past two years despite the restrictions followed by the COVID-19 pandemic. Following COVID-19, four businesses' customer base declined, two stayed the same, and seven saw an increase in the last two years. The positive increases were attributed to connection to the community, great products and staff, unique services, and location.

Customer Base over the Last Two Years



Over half of the businesses interviewed anticipate needing assistance in the next 1-3 years. Specifically, businesses expect help regarding development with city codes, marketing, events, writing business plans, financial management, and employee retention.

Businesses consider their great staff, unique products, connection to the community, and support system to contribute to what sets their business apart from other similar businesses.

54%

anticipate needing assistance in the next 1-3 years.

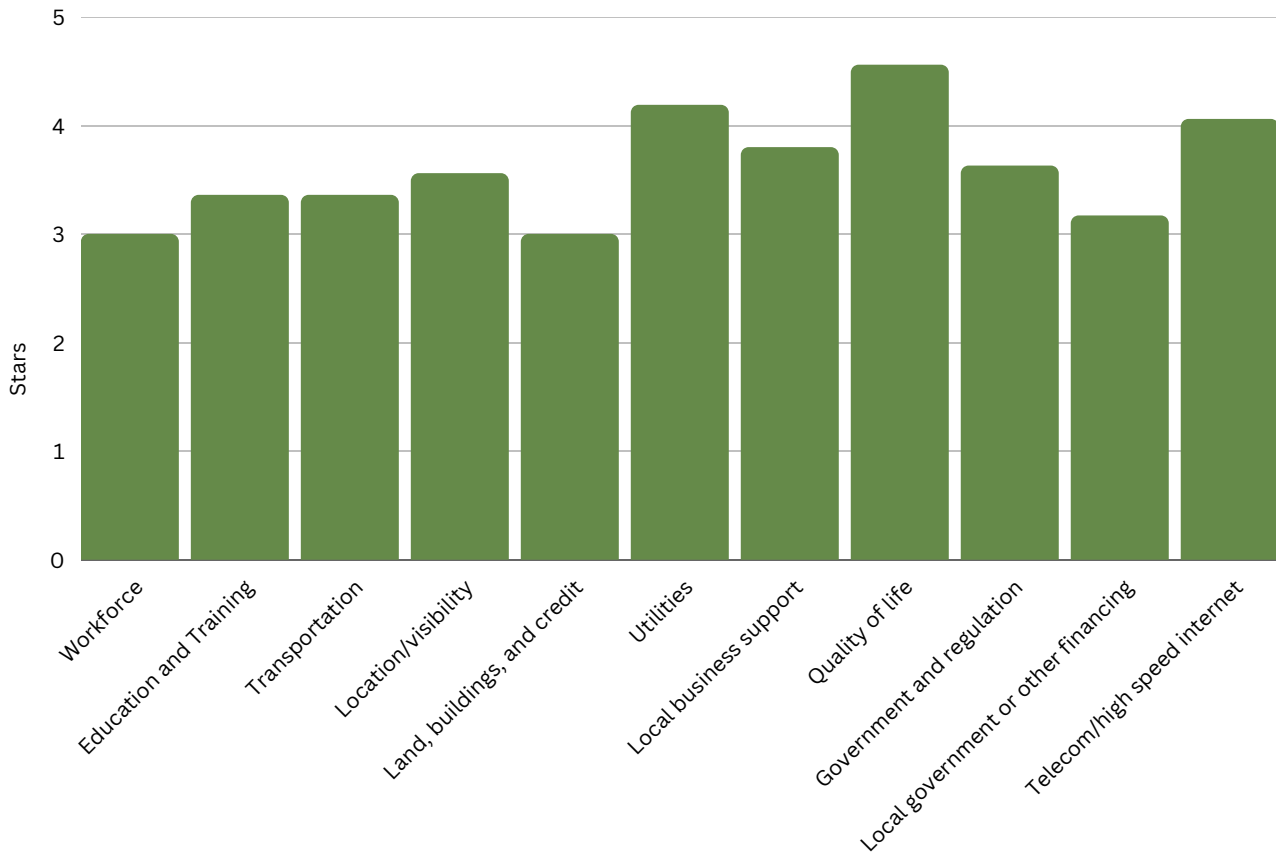
4.56

average rating out of 5 stars for the quality of life in Veneta compared to other communities

54%

of businesses experienced an increase in customer base.

How does Veneta compare to other communities in the following location factors?



Interviewees were asked to rate the following location factors out of 5 stars when comparing to other communities. The highest rated category was quality of life with an average rating of 4.56. Followed by utilities (4.19 stars) and telecom/high speed internet (4.06 stars). The lowest rated category was land, buildings, and credit as well as workforce with an average rating of 3 stars.

Businesses would like to see a business directory, business focused events, CAHOOTS, and "kickbacks" to developers integrated into the Veneta community.

Innovation and Technology Opportunities

Almost all of the businesses could envision technological innovations that will change their industry. Those that did highlighted the need for reliable and highspeed internet. Phone, computer, and merchant sale systems require consistent and effective highspeed internet in the area.

Business Expansions and Opportunity for Growth

Business owners were asked what complementary businesses they would like to see that would complement their business. Responses included:

- Healthy living stores
- Healthcare centers
- Multi-family housing
- Youth center
- Retail stores
- Entertainment opportunities
- Places to gather
- Media/Music stores

In the next 1-3 years businesses are considering developing plans for future expansions. Many businesses expressed the need for attainable building space and technical services such as developing business plans and financial counseling in order to grow. Businesses also envision needing assistance with marketing, adhering to city codes, expansion efforts, and parking lot improvements/expansions.

In the future, businesses imagine expanding, getting involved with the community, attaining consistent employees, improving inventory, potentially relocating, and growing.

Businesses expressed what they need improved in order to operate proficiently. Responses include:

- Better visibility
- Better wayfinding
- Stable internet
- Increased parking
- More garbage cans
- Storefront availability with highway access
- Improved City image

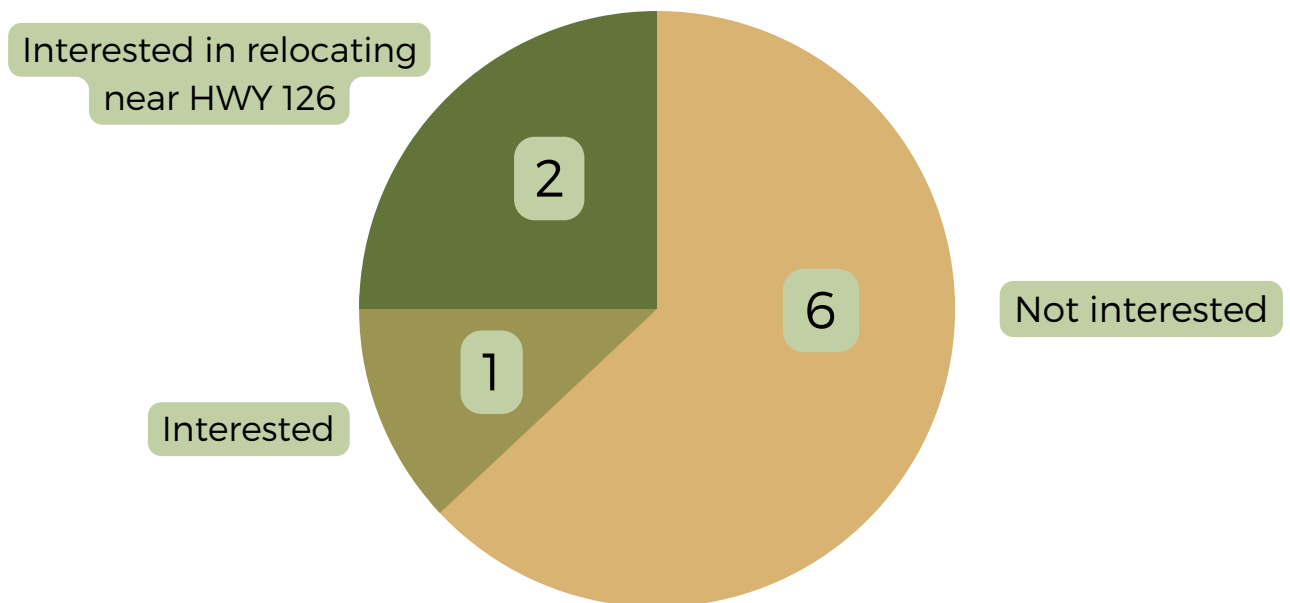
Some also note the challenges financing with high development fees.

Businesses were also asked if they were to choose one thing that the BRE team could do to help their business the most, what it would be. Despite the broad nature of that question, a concise general summary for future areas that the BRE team could support businesses in was curated as seen below.

- Better internet access
- Simplify development process
- Increase available storefronts
- Consistent business outreach
- Sponsorship for promotions
- Marketing assistance
- Communicate grant information

The majority of businesses consider their current location to be perfect for their needs and customer base. While some are interested in relocating downtown and near Highway 126.

Business Interest in Relocating



To make their current location more appealing, there was further emphasis on improved visibility and wayfinding, adding complimentary businesses to the surrounding area, stable internet access, increased parking, more garbage cans, introducing a Neighborhood Watch Program, and storefront availability with access to the highway or Broadway.

Businesses were asked what mix of businesses they would like to see in the downtown commercial district. This open-ended question offered a wide array of responses regarding businesses that could offer an added value to the downtown commercial district. Responses included: a brew pub, food trucks, community gathering locations, retail stores, more local run businesses, services, resource and rec center for children. Other responses mentioned the development of site known as "The Attic", little markets, coffee shops, and other ways to opportunities to gather as a community.

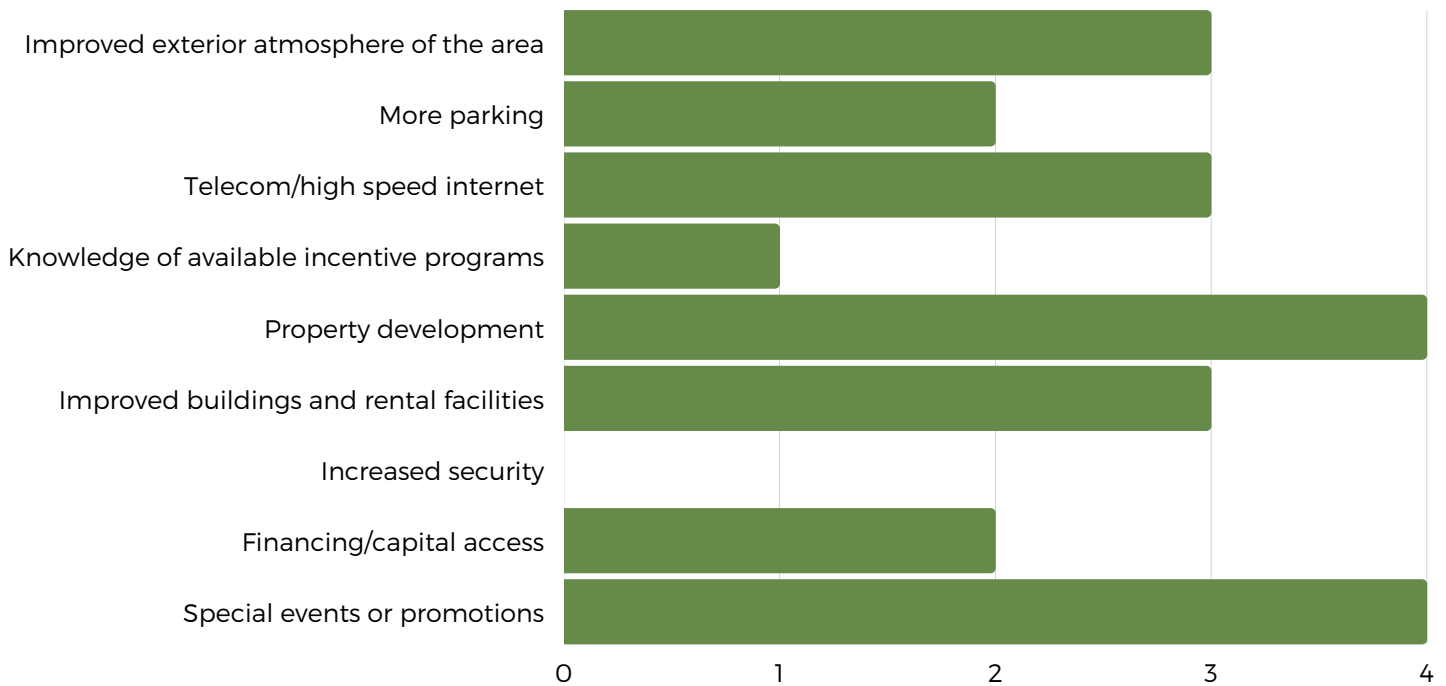
Most important location factors for business success

Location is a major contributor to the success of a business. When looking at different location factors, businesses believe that land, buildings, and credit are the most important factors for success. Following this is quality of life, and high-speed internet as important location factors for business success.

Businesses were asked what type of land, buildings, and infrastructure they need. Responses included: better parking, increased visibility, mixed residential and commercial land, and available storefronts. One business noted how they had to build their facility because no other suitable location existed. With this challenge in finding a suitable storefront, businesses note struggling to build their own store due to high System Development Charges (SDCs). Businesses expect to need anywhere from 1,800-6,700 square feet of commercial rental space and mixed residential and commercial space to use for their business or for expansions of their current store.

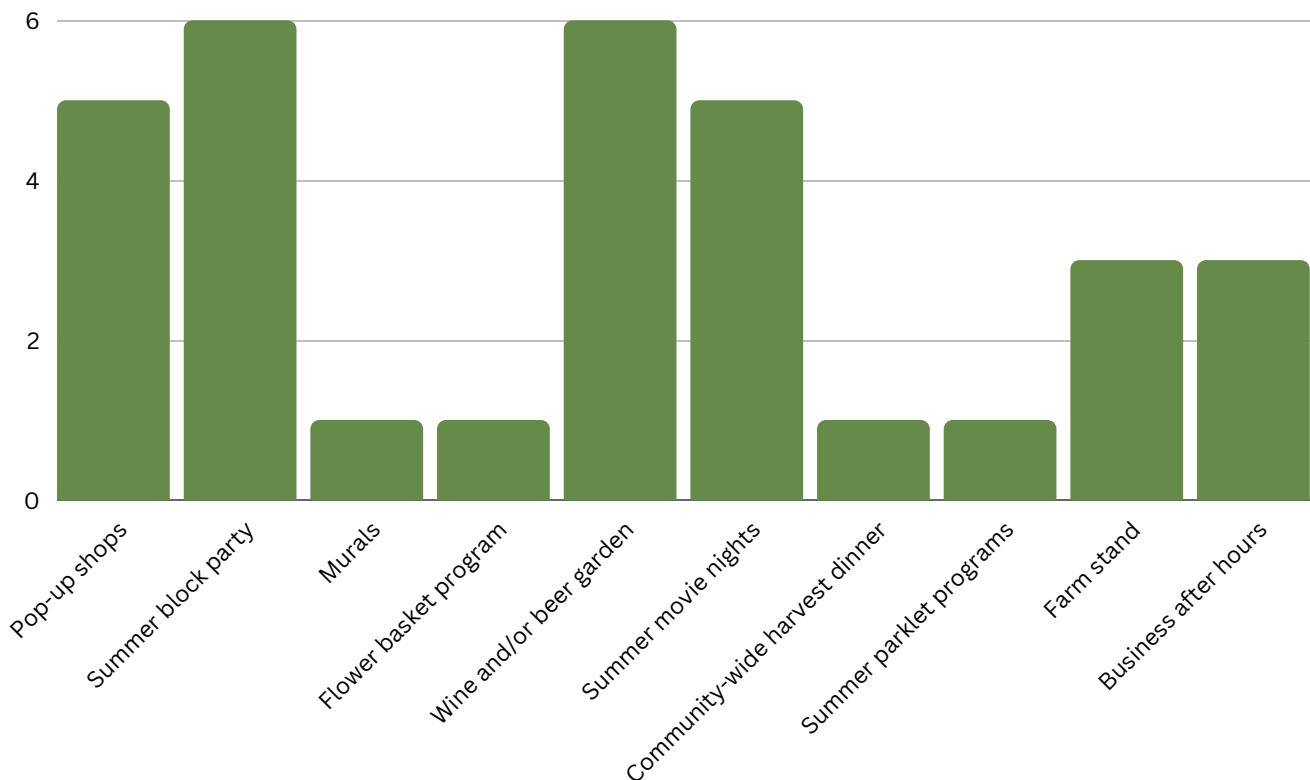
Factors	Stars
Land, buildings, and credit	4.7
Quality of life	4.6
Telecom/high speed internet	4.6
Location/Visibility	4.4
Utilities	4.2
Local business support	4.1
Education and Training	4
Local government or other financing	3.8
Workforce	3.7
Transportation	3.6
Government and regulation	3.2

What would make downtown more appealing to businesses?



According to business owners, special events or promotions and property development would make downtown Veneta more appealing to do business. Other appealing aspects include an improved exterior atmosphere of the area, high speed internet, cohesive identity, and improved buildings and rental facilities.

What kinds of events would you like to see downtown, or within the community?



Business owners would most like to see a summer block party and a wine or beer garden downtown and in the general community. They would also like to see pop-up shops and summer movie nights. Comments from businesses regarding events within the community include wanting live music at events, more street fairs and other parades throughout the year, and anything that would encourage social gathering.

Business Challenges

With a diverse group of businesses, there is generally a mix of significant challenges. The most common challenges were limited staffing, difficulties with marketing, access to capital, increasing foot traffic, and inflation. Other common business challenges including the lack of stable internet. Businesses highlighted that without stable internet connection, they are unable to keep up with technological advances. Other challenges included limited opportunities for expansion, limited wayfinding, and lack of complementary businesses.

Some employers have observed skill gaps in employees or applicants. Skill gaps include:

- General computer skills
- Real estate licensing
- Basic arithmetic
- Penmanship
- Previous relevant experience
- Point of Sales training
- Customer service skills
- Marketing skills

Businesses formed within the last three years noted challenges with COVID-19 and related customer base retention, staffing issues as well as problems with obtaining accounting services and sharing information and social media efforts. Following the negative impacts of COVID-19, there was a general trend of appreciation from businesses that the city provided masks and other personal protective equipment. Those that were impacted would like help from the City with marketing and general spread of information regarding their business in order to inform and encourage customers.

Business Priorities

The following table identifies business priorities that would support businesses most.

Special events or promotions (shop local campaign, Friday night movies, music events, sidewalk sales, etc.)	69%
High Speed Internet Improvements	62%
Exterior atmosphere of the area (front entrances, rear entrances, landscaping, street trees, store fronts, sidewalks, cleanliness, signage, etc.)	62%
Shared Business Advertising	46%
Sales and Marketing	46%
Business support services (general advising, mentoring, business planning, financial advising, bookkeeping, etc.)	38%
Finance Packing/Capital Access	38%
Property development	38%
Dealing with government regulations	31%
Start-up Operating Expense Assistance	23%
Business to business networking (i.e. local sourcing, cross marketing, shared business advertising)	15%
Improved Rental Facilities	15%
Small Business Assistance Center (i.e. shared computer work space, presentation / conference space)	8%

Business Follow Up and Flag Warning Review

Following the interview, volunteer interviewers were asked to rate that business with a red, yellow, or green flag correlating to their current status and need for help. Of the seven businesses that were rated, six were given green flags, and one was given a yellow flag. When asked if any of the businesses needed immediate assistance, there were comments about the need for better internet soon, more communication to local businesses about City programs and grants and needing assistance with getting a website established.

62% of businesses are familiar with the City of Veneta's Business Grants Program, Rescue Veneta Grants Program, or the Redevelopment Toolkit. 50% of businesses are interested in having local providers such as the City of Veneta, RAIN Catalysts, or the Lane County SBDC contact them to help address their business needs.

Businesses shared their perception of the City of Veneta as a partner in the development process. Responses included feeling like new and potential businesses need to have access to more information. This includes information regarding advertising and how to get started in Veneta. Other responses include feeling like development is a long, difficult, and expensive process in Veneta. Businesses note that they want the City of Veneta to work with developers to achieve common goals. Other responses include feeling the city was very cooperative and helpful in the development of their new business.

Overall, every business representative found the value of the outreach effort to be excellent.

Overall Issues and Themes

When business owners were asked if they were to choose one thing that the Veneta BRE team could be doing currently to help their business the most, the most observed answer was to help in development. With this, there were also comments around simplifying the development process and reducing fees. Other ways the BRE team could help businesses is through improving the internet access and quality, offering sponsorship opportunities, spreading information about grant information, and marketing assistance.

Themes from businesses includes needing better internet access and quality, wishing there were more available storefront locations to run out of, wanting help with spreading information about their business, and simplifying the development process.

Survey Overview

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Creating an open dialogue between consumers and the city

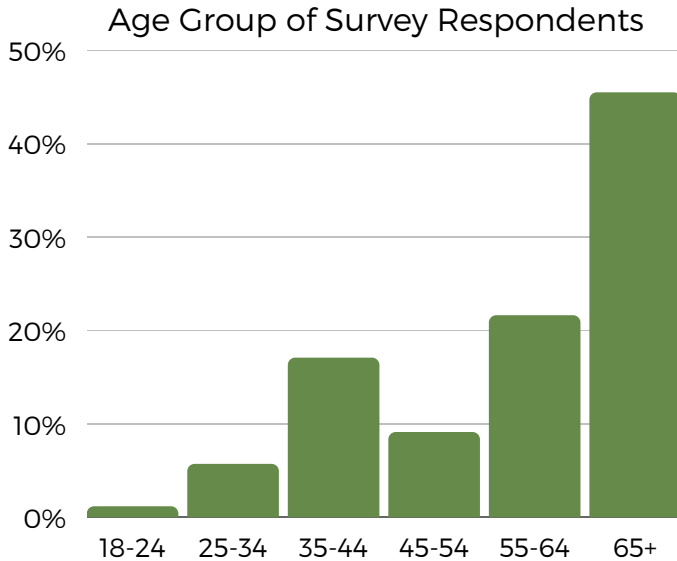


Following the completion of the business interviews, City staff created a community-wide survey to understand how locals perceive businesses in the City. Staff distributed a physical survey along with the City Newsletter that accompanies every utility bill (sent through mail) and by directly delivering the survey to local business owners through canvassing efforts. Staff also posted an online version on the City website and made several Facebook posts promoting it. Of the total 88 survey responses, staff collected 33 paper responses and 55 online responses.

Survey Purpose:

1. Create an open dialogue between consumers and the city.
2. Assist in developing an economic budget for the 2023-2024 year.
3. Establish an opportunity for community members to voice their opinions.
4. Develop a cohesive understanding of the needs within the community.
5. Compare data between Business Owner Interviews and Community Members.

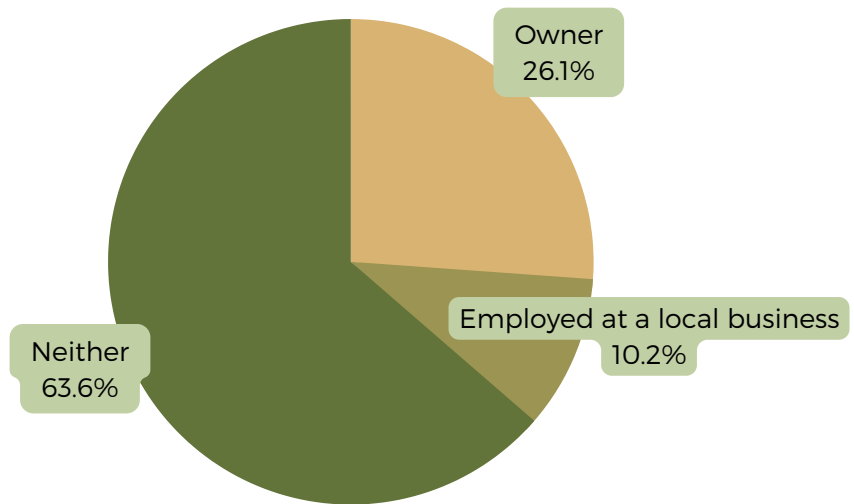
Survey Respondent Characteristics



Staff asked respondents various questions to understand how their demographics and relationship to the City that may impact their survey responses.

SUMMARY OF CHARACTERISTICS

- 85% are residents of Veneta.
- 26% own a business in the City of Veneta and 10% are employed at a local business and 64% are neither.
- 45% are 65 or older.
- 22% are between the ages of 55 and 64.
- 17% are between the ages of 35 and 44.



85%

of respondents are residents of Veneta

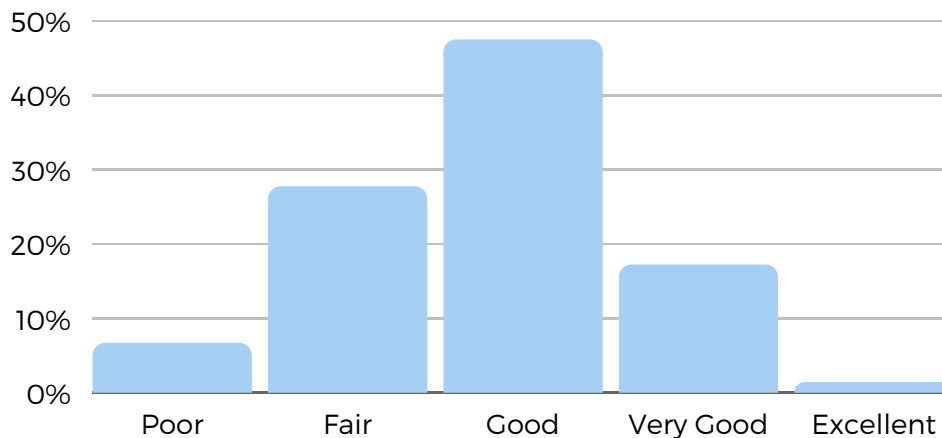
88

total responses

26%

of respondents own a business in Veneta

Rate the City of Veneta as a Place to Do Business

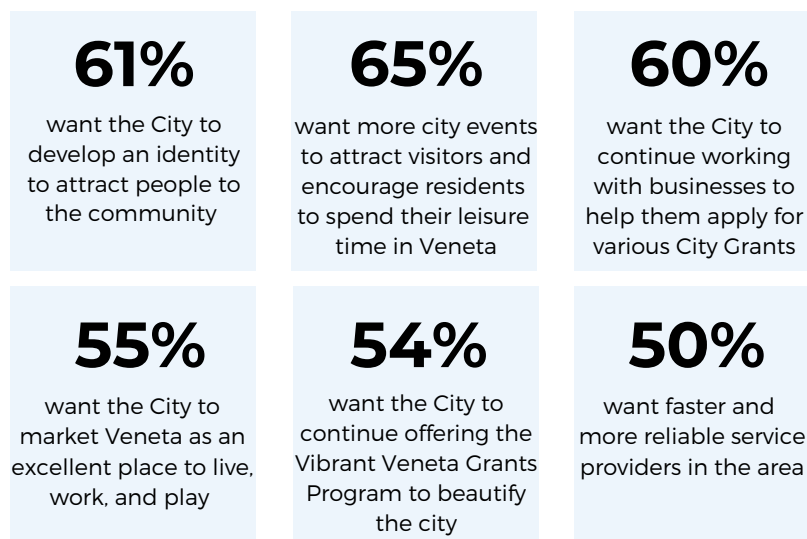


City Staff wanted to know the general feelings towards Veneta as a place to do business. Overall, the majority of respondents (47.37%) felt that the City of Veneta was a good place to do business.



Average rating of 2.78 stars out of 5

How Should the City of Veneta Support Businesses?



City Staff wanted to know how to best support businesses. This was a check-all-that-apply question with 14 possible choices. Six of those options had at least 50% respondent selection with the highest selected answer as wanting more city events to attract visitors and encourage residents to spend their leisure time in Veneta.

How Should the City Support Emerging Businesses and New Entrepreneurs?

City Staff wanted to know how to best support emerging businesses and new entrepreneurs. This was a check-all-that-apply question with current programs that the City offers for aspiring and active businesses. Overall, all of the current opportunities for new businesses were positively received by respondents with at least 49% or more wanting the City to continue offering the various programs.

72%

Work with entrepreneurs to help them apply to the City of Veneta Business Grants Program which offers matching grants of up to \$25,000 for business expansion projects.

Continue The Shoppes at Fern Ridge to provide an in-person low-cost retail marketplace for entrepreneurs to test their business.

65%

52%

Continue to provide business mentoring services through RAIN Catalysts.

Continue supporting ShopFernRidge.com, a low-cost virtual retail marketplace for entrepreneurs to test their business.

49%

Is there anything you would like to see changed or any new programs you would like to see implemented to support economic development in the City?

This was an open-ended question to allow respondents to suggest any changes or programs that they could think of. Of the written responses collected, comments included mentions of the following:

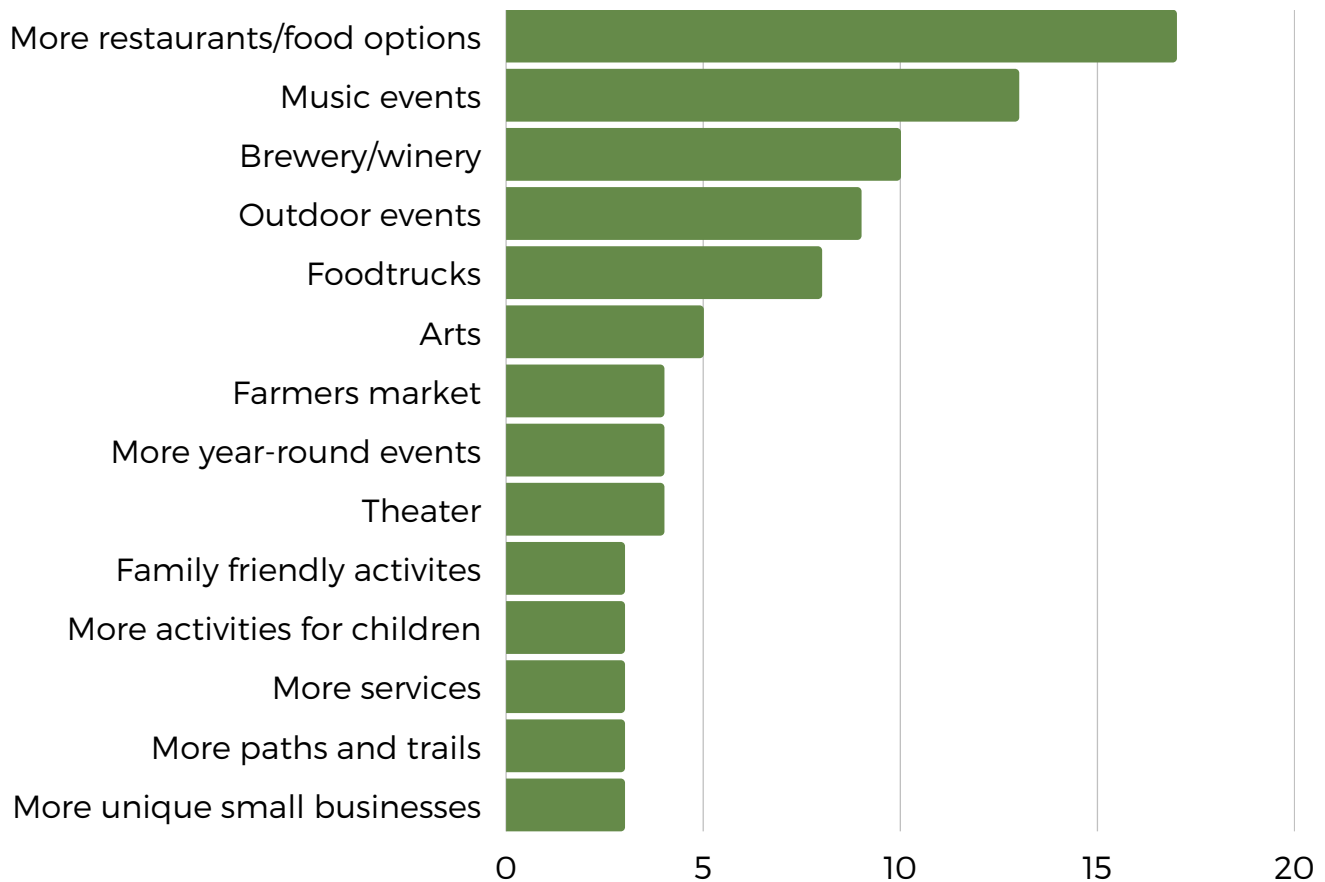


Other responses include:

- creating more spaces for businesses to run out of (4)
- simplifying codes, registration, and grant application processes (3)
- introducing incentives to bring businesses to the area (2)
- personal help from City Staff (2)
- among other general comments of supporting local businesses

What businesses, events, or activities would make you more likely to spend your leisure time in the City of Veneta?

Staff wanted to know what businesses, events, or activities would increase the likelihood of people to spend their leisure time in Veneta. This was an open-ended question, allowing respondents to come up with and list a multitude of factors that they would like to spend time doing in Veneta. 54 survey respondents listed various businesses, events, and activities. From those responses, the following topics were mentioned.



Overall Issues, Themes, and Conclusion

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After interviewing 13 businesses, and receiving public input from 88 community members, City staff has organized general trends that have been presented through both sources of data. Including information on what's working, areas to improve, and action items to implement.

Themes

The most observed trend through all methods of data collection was the desire to enhance the feeling of and opportunity to enjoy community. Business owners and community members alike value connecting with one another and having the spaces, times, and opportunity to do so. Community members and business owners want more events that foster a relationship between each other as well as areas within the City to connect.

Overwhelmingly, businesses and survey respondents desire more restaurants and areas to gather with friends and family. Similarly, businesses need areas to lease in Veneta in order to achieve the dual goal of creating more businesses in Veneta and more areas to gather as a community. Businesses also struggle to keep up with technological advancements due to the lack of stable internet. Businesses find marketing challenging and community members wish they had better access to find businesses and information about them.



Expand internet service connection and quality



Improve access to commercial rental spaces



Increase access to necessary information for consumers and businesses



Simplify codes, regulations, and processes for business operations and development

Key Issues

Public Infrastructure

- Continued improvements to and development of built infrastructure, especially in the downtown area and near Highway 126.
- Improvement of access to and quality of internet access.
- Increase and introduce new wayfinding opportunities.

Business Infrastructure

- The lack of commercial development leaves business owners without access to available, quality, and commercial retail space.

Business Tools and Resources

- Business owners find the process to apply for grants confusing and hard to navigate.
- Businesses are seeking help in marketing and sharing information about their business to the community.

Business to Business Relationships

- Businesses desire more variety in businesses that will complement their business.

Business to Community Relationships

- Businesses seek more information to be available to community members about what they offer and what makes their business unique.
- Community members desire more variation in businesses.
- Business and community members alike want to have more opportunities and spaces to gather.
 - Specific events and opportunities include pop-up shops, a summer block party, a wine/beer garden, summer movie nights, family trucks, and family friendly events year-round.

Workforce

- Availability of qualified and skilled labor is needed.
 - Lack of entry-level and specialized education, training, and experience.

Access to Capital

- Businesses expressed concern with the application process of loans and grants.
- Businesses lack understanding and awareness of various loans and grants.

Survey respondents rated the City of Veneta 2.78 out of 5 stars as a place to do business whereas business owners gave the City a rating of 4.07 stars. Bringing the average rating of the City of Veneta as a place to do business at 3.42 stars out of 5.



Acknowledgements

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Interview Volunteers

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Economic Development Committee

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City of Veneta
Veneta Economic Development Committee
Veneta-Fern Ridge Chamber of Commerce
RAIN Catalysts

We thank you for your continued support and contributions towards economic development.