

Nation's leading custom guitar maker will expand into new facility in Central Oregon, add new jobs

by Bend_Weekly_News_Sources

Governor Kulongoski has announced the state of Oregon has granted a \$30,000 flexible loan from the Governor's Strategic Reserve Fund (SRF) to the Breedlove Guitar Company. The SRF loan will assist in the relocation of Breedlove to a new company-owned facility and is driven by the addition of 15 employees over the next three years. Administered by Oregon Economic & Community Development Department (OECDD), SRF grants are made by the Governor to help create a competitive advantage for investments in Oregon, particularly to help maintain jobs and create new jobs at above average wage levels.

The state of Oregon and Economic Development for Central Oregon (EDCO) have been instrumental at several critical junctures in assisting Breedlove's sales growth and manufacturing capabilities. In 2003, OECDD guaranteed a loan through the Oregon Credit Enhancement Fund Evergreen Plus Program to assist Breedlove with production expansion and access to international markets. Without the loan guarantee, Breedlove's international expansion would not have been possible," said Bill Kuhn, vice president and regional credit administrator of South Valley Bank & Trust (SVB&T). Currently, OECDD is working with SVB&T to issue a \$2.7 million Industrial Development Bond under the Express Bond Program to aid Breedlove Guitar in building a \$3.6 million 20,305 SF building in Bend's Northwest Crossing community. The \$30,000 SRF award will help make that possible by partially funding relocation costs. In 2006, Breedlove Guitar's current sales grew to \$8.2 million, up dramatically from \$500,000 in 1999 when Peter Newport took over management and co-ownership in an investment buyout. Correspondingly, under Newport's management, the company has grown from 5 employees in 1999 to 39 today, with plans to add an additional 15 employees over the next three years. Due to its domestic and international business development, 98% of Breedlove's revenues come from outside Oregon, reflecting the state's focus on traded-sector strategies. "This SRF award from Governor Kulongoski is pivotal," says Peter Newport, president of Breedlove Guitar. "We're dedicated to serving our growing customer base from Central Oregon and a larger, more modern facility makes that possible. The award and loan give us the resources to expand which, in turn, creates jobs at living wages for the region." Newport explained that he had interviewed over 60 lending institutions across the U.S. to find the proper funding for expansion and found that the solution was already here in Central Oregon. Breedlove also created the Breedlove Extraordinary Experience: the guitarist's vacation complete with the ultimate souvenir. The experience features Central Oregon as much as it does the guitar company. For \$6,000 guests from around the world stay for four days and learn about Breedlove offerings, musical activities, Bend's great services and many activities such as whitewater rafting. At the end of the weekend exhausted and inspired guests get to select the woods for their guitars. The guitar becomes the ultimate souvenir for a lifetime's worth of Breedlove memories. "We want our clients to enjoy joining our brand—not just to buy a guitar," says Newport. "Central Oregon is the perfect place for Breedlove to achieve this." About Breedlove Guitar Company: Breedlove's product line includes high-end acoustic guitars and mandolins, as well as electric guitars, ranging from \$500 to \$75,000 per instrument. The company has pioneered the use of Northwest tonewoods including, Myrtlewood, Oregon Walnut, Port Orford Cedar, and counts many other wood suppliers from all over the world. Breedlove Guitar is the only manufacturer of its kind in Oregon and has grown to be one of the largest custom instrument makers in the U.S. Diverse acclaimed performing artists play Breedlove instruments, including pop-star Madonna, rockers Bob Seger and Sammy Hagar, and Grammy winning fingerstyle virtuoso, Ed Gerhard.

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