

**ASHLAND CITY COUNCIL  
STUDY SESSION MINUTES  
March 6, 2023**

Councilor Kaplan called the meeting to order 5:30 p.m.

Mayor Graham, Councilor Hyatt, Representative Pam Marsh and OSF Interim COO Anyania Muse appeared via zoom.

**1. Public Input** – None

**2. Economic Round Table**

**a. Economic Overview Presentation**

City Manager Joe Lessard provided a presentation (see attached presentation)

- Overall questions
- Vision statement – positive economic future
- Community Characteristics – Population Growth
- Ashland Characteristics
- Ashland’s Strongest Employment Sectors
- Inflow/Outflow Commuting
- Ashland Characteristics – Age Cohort
- Ashland Characteristics – Cost of Housing Breakdown
- Taxable and Non-taxable Lands
- Ashland Tax Revenue by Fiscal Year
- General Fund Revenue

**b. Southern Oregon University Presentation**

SOU President Dr. Rick Bailey provided a presentation (see attached presentation)

- SOU’s path to fiscal success
- How did we get here?
- Solving for the future
- Aggressively pursue entrepreneurial revenue projects

**c. Travel Ashland Presentation**

Director of Travel Catherine Kato provided a presentation (see attached presentation)

- What are the issues/opportunities of Ashland’s tourism?
- How does Ashland remain Strong

**d. Asante Ashland Community Hospital**

Steven Hirsch provided a presentation (see attached presentation)

- Asante Health System employee headcount
- Economic impact of AACH

**e. Ashland Chamber of Commerce**

Executive Director Sandra Slattery provided a presentation (see attached presentation)

- Overview
- Opportunities
- Threats
- Final Prioritization
- Ashland’s Greatest Opportunities

Kaplan commended the presenters for their work. Hyatt noted the objective of the meeting is to create and maintain an economically sustainable city. She also noted that this project must be a collaborative effort on behalf of all organizations involved. Superintendent Samuel Bogdanove spoke on the slow decline of enrollment, and how the school district must change to keep opportunities open for students. Bogdanove also commented on the workforce struggle with classified staff and faculty as well as changes with student needs following the COVID-19 pandemic. Bailey shared that SOU had experienced a growth in student population, yet a decrease in the number of course-hours taken per student. He believed that this was due to issues with social and mental wellness as well as changes within the greater discussion around the value of higher education. State Representative Pam Marsh commented on the unique economic pillars that make up Ashland, and how the removal of any single pillar would cause massive changes within the City as a whole.

SOREDl Executive Director Collen Padilla noted that Ashland has limited industrial lots, which decreases the feasibility for new commercial industry, adding that businesses looking to expand are looking for new property and new buildings. She pointed out that several properties in the Railroad District could be utilized for new commercial buildings. County Commissioner Dave Dotterer reflected on the lack of progress on the Croman Mill District and agreed with Padilla's statement. He also recommended that Rogue Workforce be involved with future development plans. Padilla highlighted the effect of drought on local agricultural areas, as well as the difficulty of changing land use zoning. Kaplan added that changes in efficiency of irrigation could also be of help. OSF Chair Board of Trustees Diane Yu commented on the similarities between OSF and the overall travel economy of Ashland, as well as the loss of revenue and funding following COVID-19. She also praised the efforts of the of the group for their work. Bailey and Yu discussed the potential of collaborations between SOU and OSF or collaborations between various local businesses and OSF. OSF Vice Chair Board of Trustees Sacha Card, OSF Interim COO Anyania Muse agreed with Bailey and Yu's idea, with Muse highlighting several recent collaborations between SOU and OSF.

Cato spoke to continuing efforts to work with local business to engage with tourists in a productive manner. She spoke of the change in travel behavior from tourists. Yu added that the definition of groups visiting Ashland should be expanded beyond just tourists. She also spoke regarding the identification and removal of barriers involved with groups coming to Ashland. Chair of the Ashland School Board Victor Chang identified one of those barriers as a lack of affordable housing for workers and suggested a few ideas as to how to address the issue on a local and regional scale. OSF Cultural and Community Liaison Tara Houston expressed support regarding affordable housing and the potential link to business growth. Kaplan spoke to ongoing Council meetings discussing possible changes to city zoning laws to support increased housing growth.

SOU Vice Chair of Board of Trustees Sheila Clow suggested forming recruitment plans for local students to enter both higher education and the workforce, while also voicing support for Rogue Workforce. Ashland Chamber of Commerce Board President Gary Blake spoke on the lack of childcare as another barrier. Councilor Hansen spoke to using Ashland's parks to attract visitors to the area as well as an ongoing source of jobs.

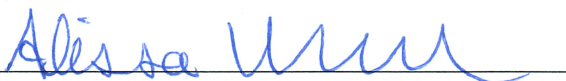


Councilor Hyatt noted three interconnected areas that the City of Ashland needed to address: families and workforce, land use and climate, and tourism. Marsh agreed with the areas of focus that Hyatt stated, while giving specific focus to the area of childcare. Hyatt praised SOU's early childcare program. Bogdanove, Dotterer and Chang also expressed interest in developing childcare partnerships between different organizations. Kaplan spoke about moving forward with these planned partnerships, with Bailey bringing up two SOU projects connected to an ongoing partnership. Bailey and Yu spoke regarding the potential of building communities for seniors and the economic possibilities. DuQuenne voiced her support for a multi-generational approach to both housing and community development. Bailey spoke about revitalizing the University District. Slattery spoke to the continual investing into Ashland's future by all groups. Lessard listed out four areas that the committee had discussed regarding a future economic plans, those being an effort on joint marketing, a definition of what a future University District would be, an initiative focused on childcare, and continued discussion regarding future economic plans. Dotterer suggested partnering with cities across the Rogue Valley. Bailey spoke on infrastructure challenges regarding any future development, focusing on students and seniors. Houston reminded the group of the need to remain inclusive regarding changing demographics and plans. Hyatt spoke about a planned transportation system update set to happen in the fall of 2023, adding that these changes would be made in connection with the state, local businesses, the school districts and the community. Lessard spoke about the next steps for the group to move forward, suggesting the group form smaller sub-groups to focus on each of the five areas of improvement presented. Kaplan agreed with Lessard's idea of sub-groups.

### 3. Adjournment of Study Session

The meeting was adjourned at 7:43pm

Respectfully Submitted by:



City Recorder Alissa Kolodzinski

Attest:



Mayor Tohya Graham

# CITY OF ASHLAND

*Better Together*

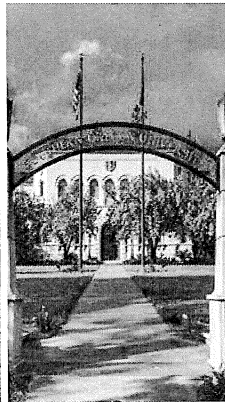
## Economic Development Discussion

March 6, 2023

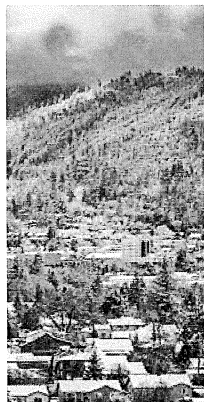
## Participants



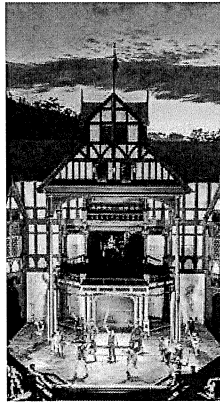
City of  
Ashland



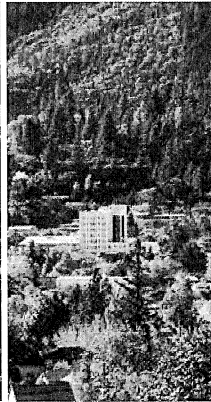
Southern  
Oregon  
University



Travel  
Ashland



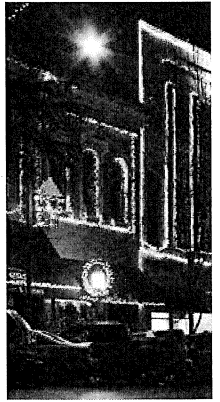
Oregon  
Shakespeare  
Festival



Southern  
Oregon  
Regional  
Economic  
Development



Asante



Chamber of  
Commerce

- **What are our economic challenges and opportunities?**
  - Important trends or takeaways signaled from the last three years
- **What are the most important next steps for addressing our challenges and opportunities?**
  - Long-term sustainability (20-50 years)
- **What should our next “Better Together, “steps be?**
  - Three joint gateway or catalyst efforts.

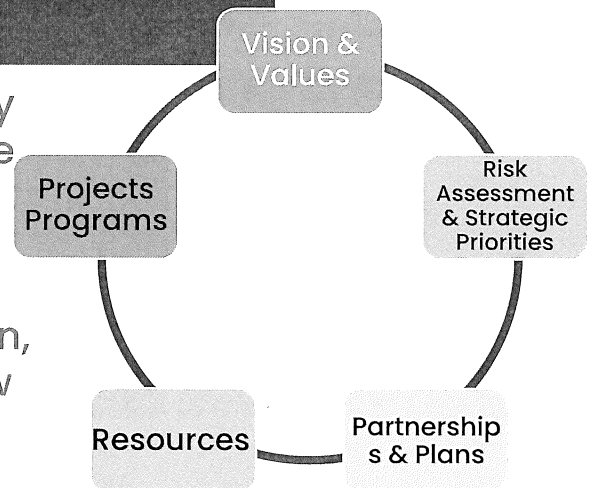


# Vision

Ashland is a resilient, sustainable community that maintains the distinctive quality of place for which it is known.

We will continue to be a unique and caring city that stresses environmental conservation, fosters artistic expression, and is open to new ideas and innovation.

We will plan and direct our efforts to fulfill this Vision for the long term with a constant view toward being an open, welcoming community for all with a positive economic future.

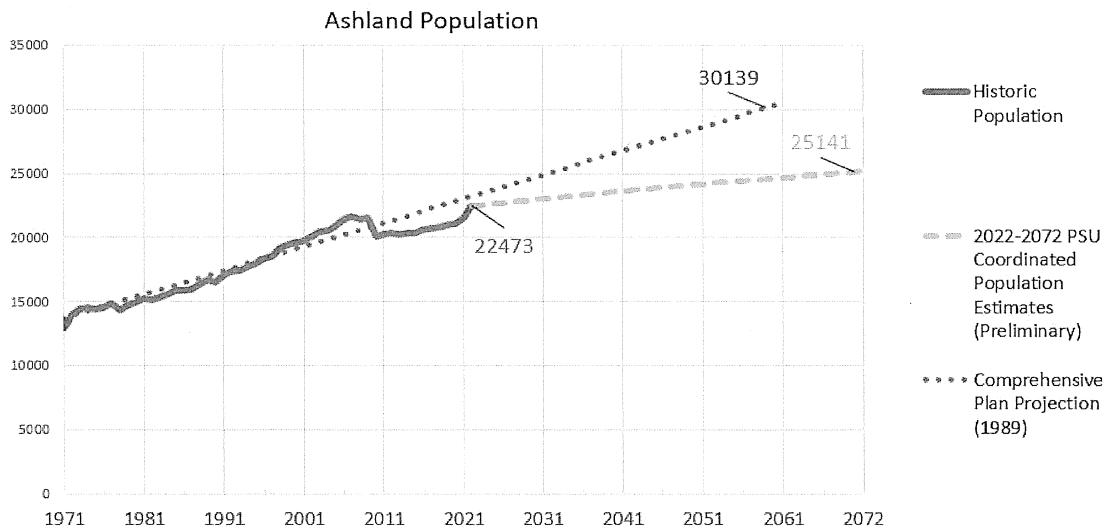






# Community Characteristics

## • Population Growth



Population growth rate projected to slow over the next 50 years

## Ashland Characteristics

### • Risks

- Public Safety
  - Fire (urban, wildfire & smoke)
  - Pandemic
- Environmental
  - Climate Change
    - Extreme weather
    - Changing biodiversity
    - Water resources
  - Flood
  - Earthquake
- Organizational
  - Turnover
    - Recruit, Train & Retain
    - Lost productivity

### ○ Economic

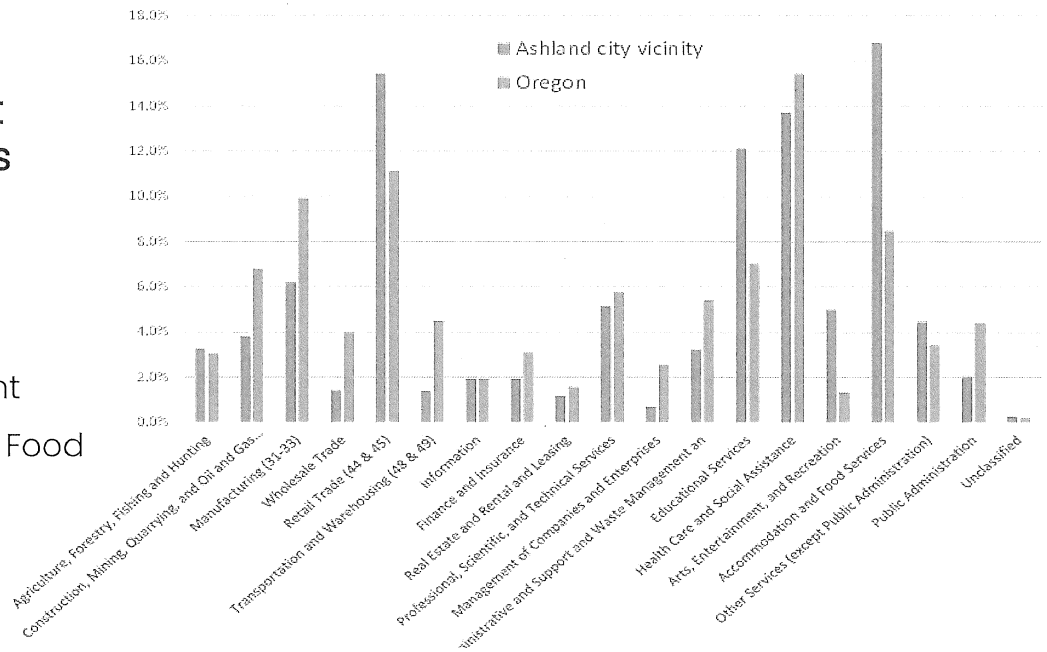
- Changing Economic trends
- Service Industry/Fixed Income Economy
  - Workforce earnings outflow
  - Emergency Recovery/Resilience
- High housing cost
  - Shift to high asset owners
  - Push out of affordable housing
  - Out flow of family housing
- Economic downturn
  - Recession/Inflation



## Ashland's Strongest Employment Sectors

- Retail
- Educational Services
- Health care
- Arts and Entertainment
- Accommodation and Food Service

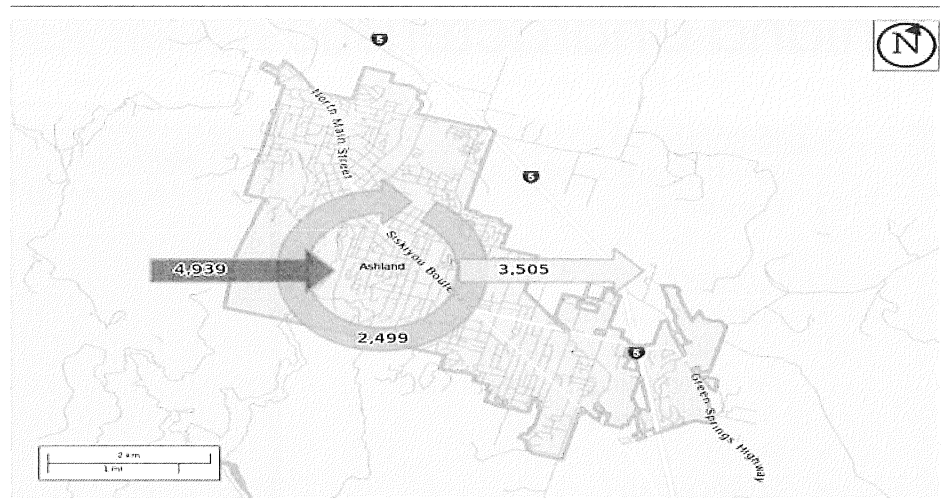
2021 Annual Average Payroll Employment Percent of Total Ashland vs. Oregon statewide



## Inflow/Outflow Commuting

- 66% of people employed in Ashland commute in from outside the City
- 58% of workers that live in Ashland commute out of Ashland for work.

Inflow/Outflow Counts of Private Primary Jobs for Selection Area in 2019  
All Workers



### Map Legend

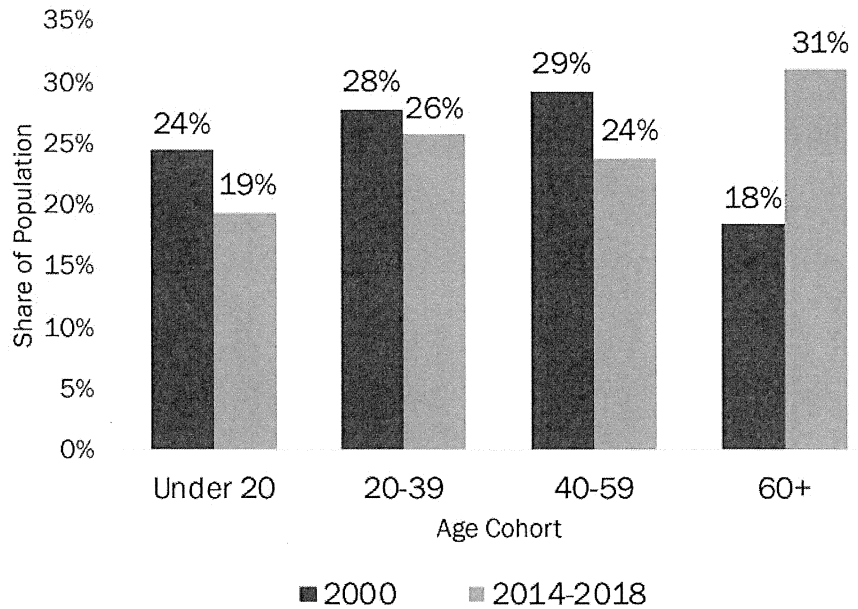
**Selection Areas**  
○ Analysis Selection

**Inflow/Outflow**  
 ◆ Employed and Live in Selection Area  
 ◆ Employed in Selection Area, Live Outside  
 ◆ Live in Selection Area, Employed Outside  
 ◆ Outside  
 Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.



# Ashland Characteristics

- Ashland's population is increasingly made up of older individuals
- Ashland's proportion of young households is decreasing



Population Growth by Age, Ashland, 2000 to 2014-2018

Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2014-2018 ACS, Table B01001.

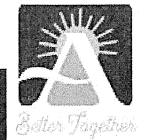
- Ashland's Median home sale price is 549,000
- Ashland's asking rent for a 2-bdr unit is \$1550

## If your household earns....

\$21,900 (30% of MFI)	\$36,600 (50% of MFI)	\$58,500 (80% of MFI)	\$73,100 (100% of MFI)	\$87,700 (120% of MFI)
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## Then you can afford....

\$550 monthly rent	\$920 monthly rent	\$1,460 monthly rent	\$1,830 monthly rent	\$2,190 monthly rent
OR				
	\$110,000- \$128,000 home sales price	\$205,000- \$234,000 home sales price	\$256,000- \$292,000 home sales price	\$307,000- \$351,000 home sales price

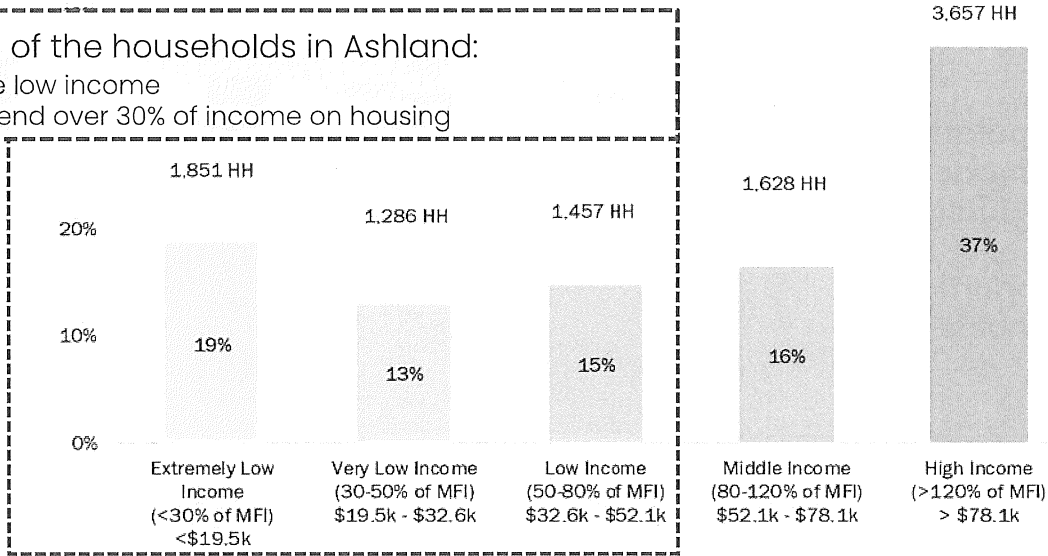


Source: U.S. Department of Housing and Urban Development, Jackson County, 2021. Oregon Employment Department.

# Ashland Characteristics

Nearly 1/2 of the households in Ashland:

- Are low income
- Spend over 30% of income on housing



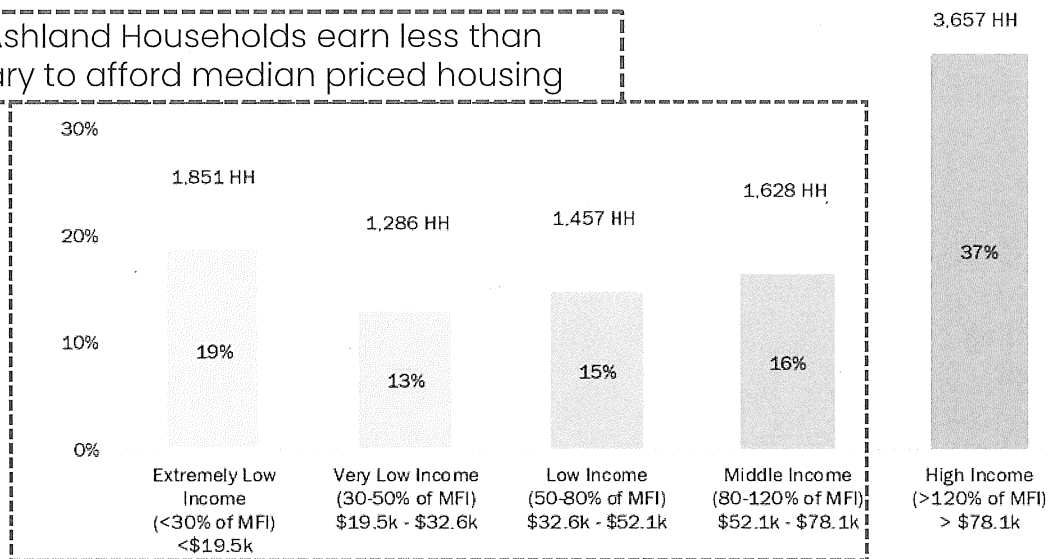
80% Median Income = \$52,100

Source: U.S. Department of HUD, Jackson County, 2020. U.S. Census Bureau, 2015-2019 ACS Table 19001.



# Ashland Characteristics

63% of Ashland Households earn less than necessary to afford median priced housing



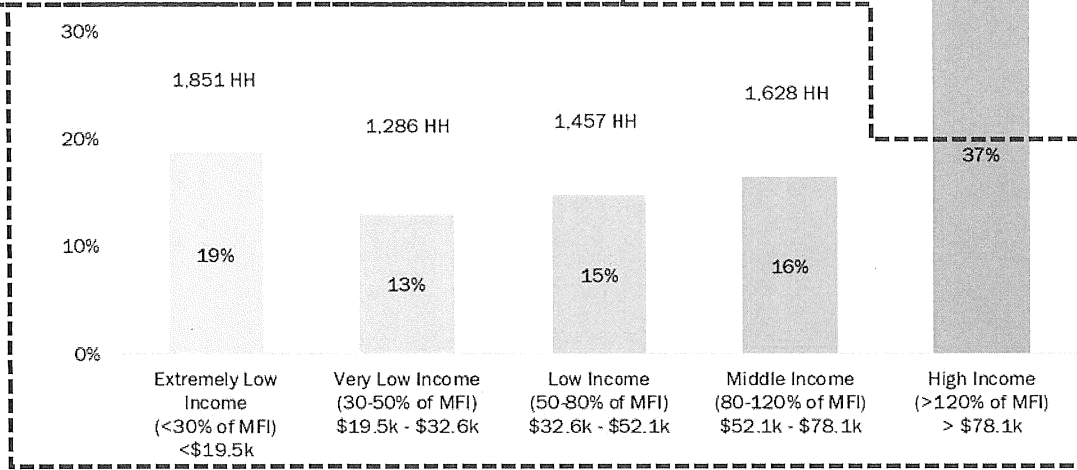
120% Median income = \$78,100

Source: U.S. Department of HUD, Jackson County, 2020. U.S. Census Bureau, 2015-2019 ACS Table 19001.



# Ashland Characteristics

Nearly 200% median income is needed to purchase a median priced home

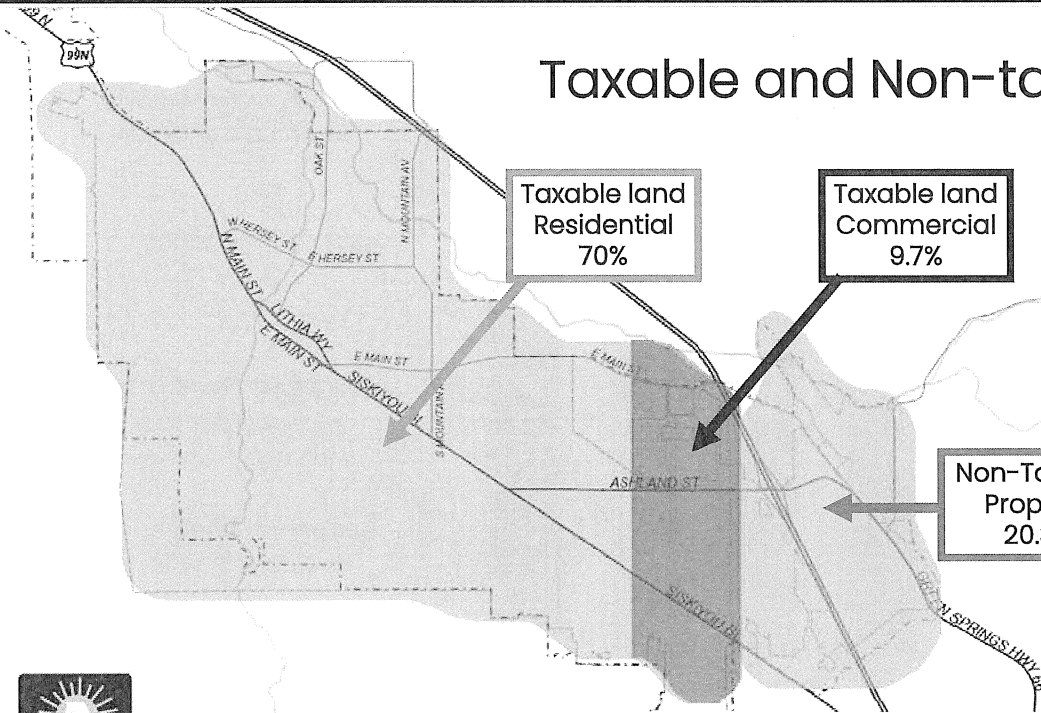


192% Median income = \$140,000

Source: U.S. Department of HUD, Jackson County, 2020. U.S. Census Bureau, 2015-2019 ACS Table 19001.



## Taxable and Non-taxable Lands

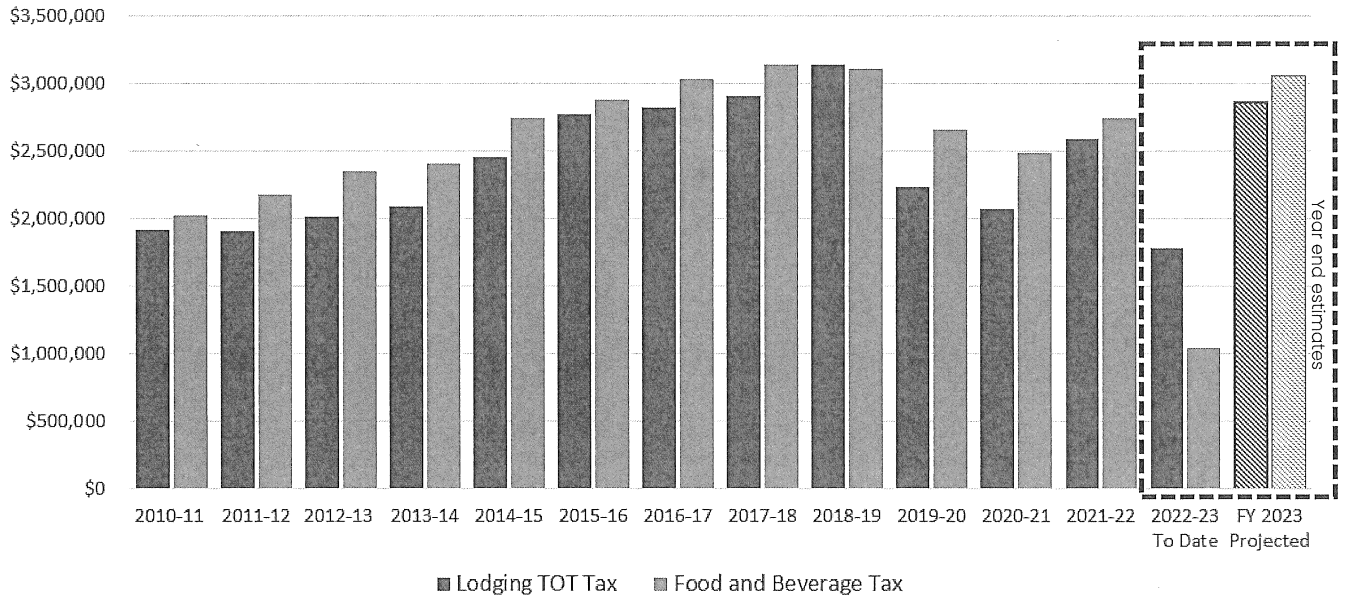


Taxable land (acres)	5028
Residential	4418
Commercial/Industrial	610
Non-taxable land (acres)	1280

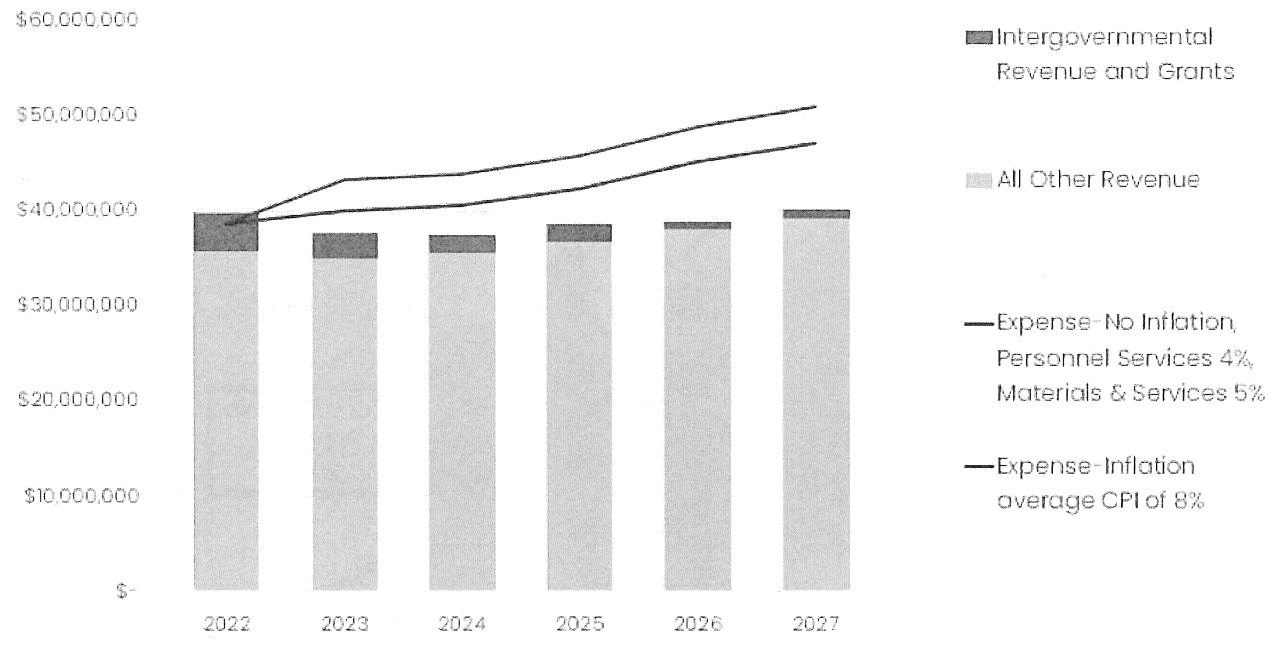




### Ashland Tax Revenue by Fiscal Year



### General Fund Revenue





# Southern Oregon University

## Sou's path to fiscal success

Required Fiscal model:  $R \geq C$



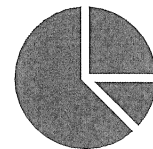
Managing Costs



Reimagining Grants



Leveraging Philanthropy



Diversifying Revenue

# How we got here

## If We Do Nothing

- 30% enrollment decline over 10 years (50% of revenue is tuition)
- 58% increase in government mandates
- State funding below current service level
- PERS retirement obligation jumps from \$7M to \$11M (projected over 5 years)
- Healthcare cost jumps from \$7M to \$9.5M (projected over 5 years)

	Revenue	Cost	Deficit
2022-23	\$ 61.2 M	\$ 62.5 M	\$ -1.3 M*
2023-24	\$ 65.1 M	\$ 70.0 M	\$ -4.9 M
2024-25	\$ 65.6 M	\$ 73.7 M	\$ -8.1 M
2025-26	\$ 66.4 M	\$ 79.7 M	\$ -13.3 M
2026-27	\$ 67.2 M	\$ 81.8 M	\$ -14.6 M

\*includes \$3.6 M in one-time cuts

**85% OF OUR COSTS ARE INVESTMENTS IN OUR PEOPLE**



# Solving for the future

## Implementation of Cost Realignment

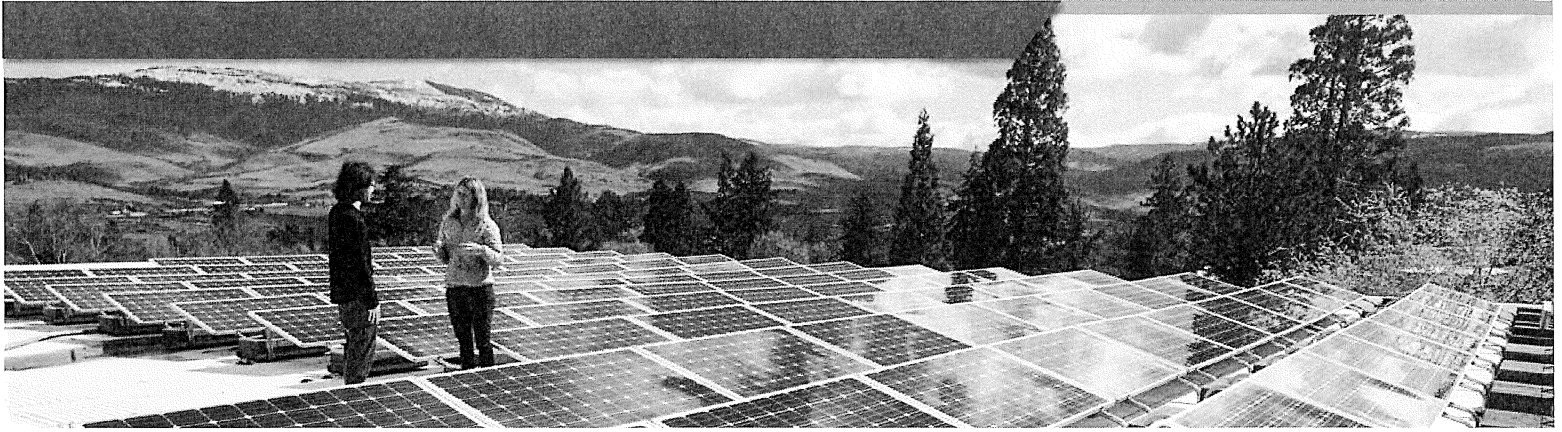
- Reorganization, process improvement, and program adjustments across the university
- 81.83 FTE reduction

	Revenue	Cost	Net	Ending Fund Balance	% Operating Revenue
2023-24	\$ 64.6 M	\$ 63.3 M	\$ 1.3 M	\$ 6.5 M	10.00%
2024-25	\$ 67.1 M	\$ 64.7 M	\$ 2.4 M	\$ 8.9 M	13.27%
2025-26	\$ 67.8 M	\$ 66.5 M	\$ 1.3 M	\$ 10.2 M	15.08%
2026-27	\$ 70.1 M	\$ 68.7 M	\$ 1.4 M	\$ 11.7 M	16.69%

**85% OF OUR COSTS ARE INVESTMENTS IN OUR PEOPLE**





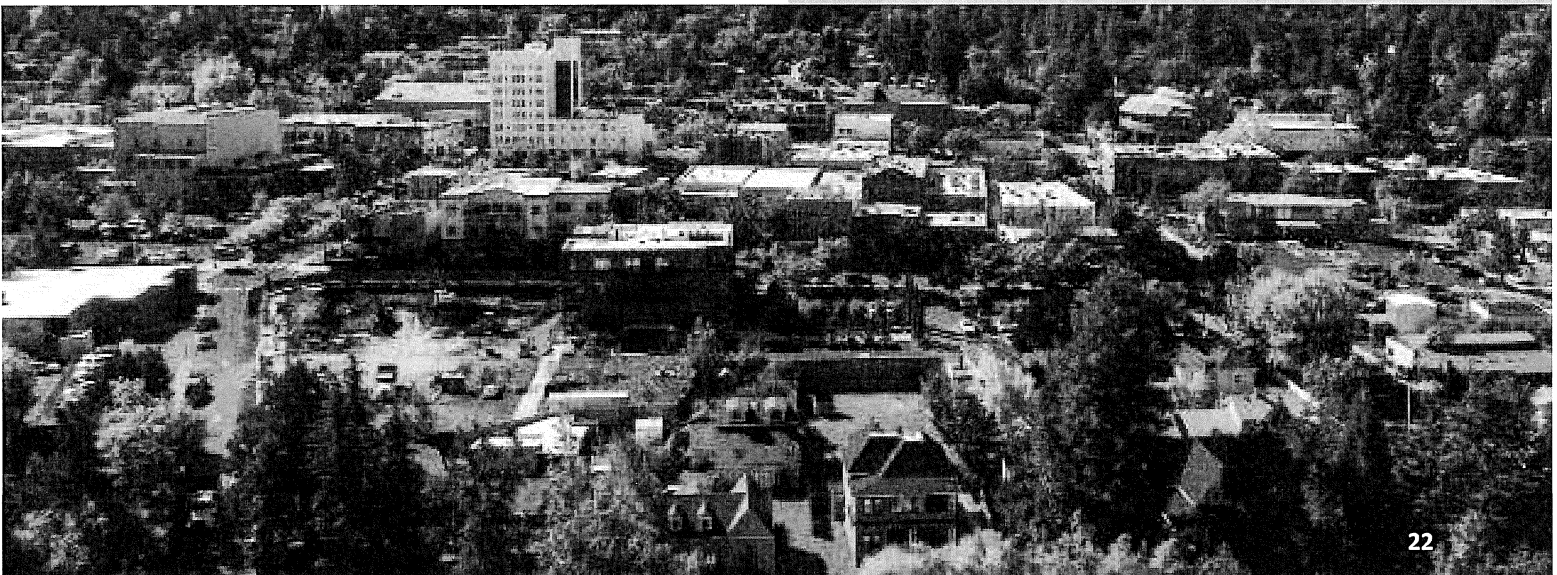


## Aggressively pursue entrepreneurial revenue projects

- Cascade Complex replacement project
- Solar
- University District
- Workday Training Center

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**SO** Southern OREGON  
**U** UNIVERSITY



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What are the issues that tourism is facing?

- **Inflation and rising cost** of travel are deterrents for some
- **Labor shortages** affects hours, services and availability
- There is a **shifting seasonality** in avoidance of wildfire season
- The need to **embrace the change** of our visitor base is crucial

What are the opportunities of Ashland's tourism?

- **Ashland's visitor has evolved** and is coming for new reasons
- This new visitor is **more active, spontaneous** and engaged
- **Continued investment** in tourism is key to educate the new visitor
- Visitor behaviors fuel and shape our amenities and industries
- Visitors are potential future residents

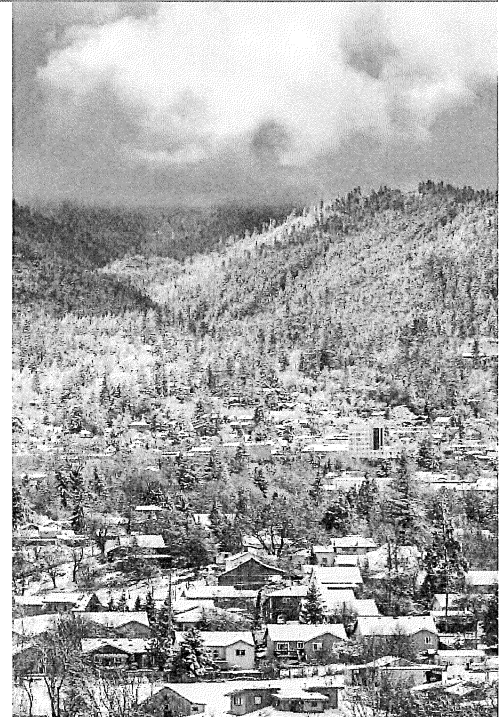


Photo by Bob Palermi



Photo by Bob Palermi

## How does Ashland remain Strong?

- Anchor Ashland as a **basecamp** for visitors to explore the region
- **Partner regionally** to expand our culinary and cultural offerings
- **Develop our assets** for families, music, culture and outdoors
- **Expand our spectrum of events** and festivals
- Continue to amplify our **access to outdoors, wine, friendliness and walkability**
- **Attract conferences, tours and groups** for new reasons
- **Support Travel Ashland's branding** to attract, educate and welcome these new visitors
- **Target and market** to destinations we compete against such as Bend



## Asante Ashland Community Hospital

### Asante Health System

All employees — headcount as of 01/16/2023	
Entity	# Employees
Asante Ashland Community Hospital	264
Asante Corporate/Asante Foundation	1,003
Asante Physician Partners	622
Asante Rogue Regional Medical Center	2,939
Asante Three Rivers Medical Center	1,131
<b>Total headcount</b>	<b>5,959</b>



# Asante Fast Facts

## Asante Ashland Community Hospital

### Economic impact of AACH (FY22)

- Supplies and purchased services: \$12,956,867
  - Per day: \$35,498
- Salaries and benefits: \$48,802,621
  - Per day: \$133,705

### Open jobs at Asante: 538 (total)

- Open jobs at AACH: 33
- Open jobs at APP-Ashland clinics: 10

Asante employees who live in Ashland: 472

### Community benefit (FY21)

- Charity care: \$650,558
- Other government: \$972,846
- Community programs: \$790,537
- Cash and in-kind: \$71,243
- Bad debt: \$1,144,072

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Ashland Chamber of Commerce



# Ashland Chamber of Commerce

## Demographic Trends

Strengths – Weaknesses – Opportunities – Threats  
Ashland Chamber Economic Diversification Strategy

## Action steps

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## Opportunities

Initial opportunities that arose in our discussions with stakeholders and exploration into potential strategies included:

- **Outdoor Recreation** – Mountain and gravel biking, river sports, snow activities, snowmobiling, rock climbing
- **Opportunity Sites** – Croman Mill, Railroad Site, University District, Downtown, housing development
- **Healthcare** – Senior care, functional medicine, wellness
- **Remote Workers** – Worker attraction, remote companies
- **Arts and Culture** – Digital arts, film industry, visual arts, culinary arts, creative direction, music, Downtown events
- **SOU Programming** – Health care, digital arts, sustainability
- **Climate Adaptation** – Green technology, renewable energy
- **Diversity** – Population demographics, retail and restaurant options
- **Leadership** – New change agents, climate leadership
- **Small Scale Manufacturing** – Device manufacturing, boutique agricultural products

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## Threats

Moving further from current weaknesses to potential future threats to Ashland's economy, these themes emerged most often in our initial conversations:

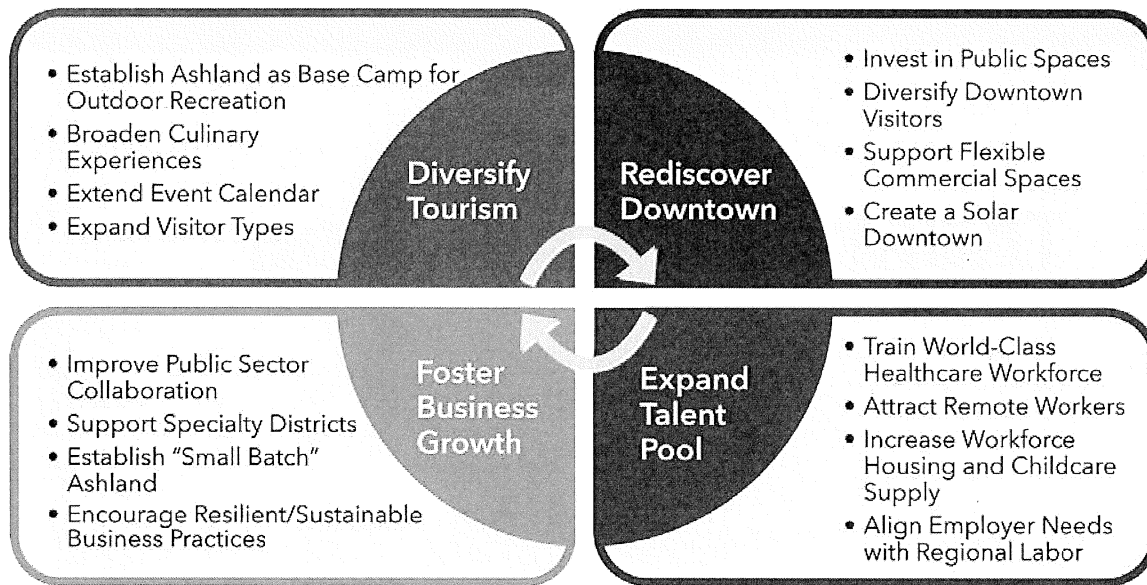
- **Climate Change:** Summer smoke and wildfires, extreme heat, reduced snowpack, reduced water availability
- **Housing Affordability:** Workforce and family friendly housing
- **Enrollment Decline:** Public K-12 schools and Southern Oregon University
- **Land:** Available supply and cost
- **Natural Resources for Recreation:** Camping areas and trails
- **Downtown Vibrancy:** Storefront vacancies, lack of nightlife
- **Competition:** Young workers relocating, walkable downtowns
- **Aging:** Customer base and local population
- **Government Functionality:** Development process
- **Infrastructure:** Lack of investment, stifled development
- **Diversity of Visitor Amenities:** Families, middle income households, people of color
- **Childcare:** Availability and affordability

## Final Prioritization

EcoNorthwest identified the most promising opportunities areas included the following:

- **Outdoor Recreation** – Leverage access to regional attractions and year-round activities
- **Culinary Experiences** – Food production and workshops with cooking and winemaking
- **Commercial Development** – Business owner support and specialty districts
- **Healthcare** – Prepare for increasing need of senior care, build healthcare workforce
- **Sustainability and Climate** – Local renewable energy production and action on CEAP
- **Southern Oregon University** – Program connections with students and businesses
- **Opportunity Sites** – Downtown vibrancy and fostering a distinct University District
- **Business Operations** – Support resilient and sustainable business practices

# Ashland's Greatest Opportunities



## What are our economic challenges and opportunities?

- Important trends or takeaways signaled from the last three years

## What are the most important next steps for addressing our challenges and opportunities?

- Long-term sustainability (20-50 years)

## What should our next "Better Together, "steps be?

- Three joint gateway or catalyst efforts.



**Thanks for Attending**