



# **Economic DEVELOPMENT STRATEGY**

*Enhancing economic strength in community*

## **ADOPTED VERSION**

July 2011



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## 2011-12 City Council

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## The Task

In January of 2009 the City Council met for an all day retreat to set their collective goals for the next 12 to 18 months. One of the resulting goals was to create an economic development strategy.

Develop and implement a comprehensive economic development strategy for the purpose of:

- Diversifying the economic base of the community
- Supporting creation and growth of businesses that use and provide local and regional products
- Increasing the number of family-wage jobs in the community
- Leveraging the strengths of Ashland's tourism and repeat visitors

To act on the goal, the Mayor and Council created an ad-hoc Economic Development Committee. The committee was made up of a wide cross-section of community stakeholders, local business owners and technical experts from the region and divided into a Technical Advisory Committee (TAC) and a Policy Group.

## The Questions

The development of the strategy began with the committee asking themselves a series of questions about Ashland and its economy:

### **What is economic development?**

Economic development describes a broad and sustainable increase in the standard of living, which includes quality of life as well as income. While there can be many definitions of economic development, the Committee defined it as:

Economic development represents the community's commitment to the creation, retention, and expansion of businesses and other ventures that enrich our community by creating goods and services that provide employment opportunities while maintaining and enhancing the overall quality of life.

### **How is our economy different? (Advantages)**

While much of the local economy is connected to the regional economy of the Rogue Valley, Ashland has several key, and interrelated, comparative economic advantages:

#### **HIGH QUALITY PERFORMING ARTS CLUSTER**

The Oregon Shakespeare Festival lies at the center of this cluster and OSF's growth and international reputation, in addition to its direct impact on the local economy, has played a significant role in the expansion of the performing arts as well as the more broad creative arts cluster.

## HIGH OVERALL QUALITY OF LIFE

The presence of Southern Oregon University, quality K-12 education, cultural and outdoor recreational opportunities, urban amenities and natural beauty makes Ashland unique among small towns in the West. This quality of life attracts new residents, fosters engagement and investment in the community, connects with people developing ideas and new businesses, and keeps existing businesses in the community as they grow and develop.

## HIGHLY EDUCATED RESIDENTS, BUSINESS OWNERS AND VISITORS

Interwoven with and often generated by the quality of life, performing and creative arts and higher education opportunities is a distinct advantage relating to the high educational level of Ashland's residents, business owners and visitors.

### **What is working for us now? (Strengths)**

In the past 20 years, Ashland's economic stability has relied upon several key sectors, such as:

- Southern Oregon University
- Oregon Shakespeare Festival
- Lodging, restaurants and specialty retail
- Value added specialty manufacturing
- Specialty food and beverage innovation

Efforts and actions that support these existing sectors should be maintained or enhanced and include:

- Leveraging high quality visitor experience efforts as a gateway for visitors who may be considering starting or relocating a business. Many visitors attracted to Ashland as a destination to visit may also be attracted to the economic environment. In contrast to targeted business recruitment, this effort informs those that already have an interest and connection to Ashland.
- Reinforcing the creative arts and cultural attractions both for their importance to the visitor sector and the significant employment and wage role they play in the local economy
- Providing and maintaining a high quality of life through community events, natural environment protection and enhancement and recreational opportunities that appeals to citizens, visitors and those considering relocation
- Providing resources and incentives for businesses to operate sustainably

### **What is not working? (Weaknesses)**

Many of the qualities that create or enhance the quality of life of the community also contribute to local economic weaknesses or challenges. Some of the key weaknesses include:

- Seasonality of the tourism sector
- Comparatively high cost of housing
- Distance to/from major economic markets
- Relative lack of employment/industrial land supply
- Age demographic older than region, state and national averages

Gaps and deficiencies in economic development services and support efforts exist locally and need to be identified and addressed, including:

- Active support services for micro and small emerging businesses growth
- Workforce development – employment pathways for new entrants, targeted training and recruitment
- Direct, understandable and effective business location/expansion approval and development process from project idea through construction completion – Land supply, infrastructure, codes/regulations, etc
- Local business to business partnering to increase buyer/supplier partnerships

### **What do we want? (Vision)**

The Economic Development Strategy Committee developed a draft vision of Ashland's economy to guide the economic development strategy.

#### **2030 VISION STATEMENT**

Ashland is a vibrant and livable community, with a unique combination of performing and visual arts, natural beauty, outdoor recreation, business entrepreneurship, urban services and small-town friendliness.

Its economy is adaptive, resilient, and flexible, built on a world class foundation of the arts, education at all levels, and a creative business sector that thrives on innovative and imaginative solutions to local, regional and global challenges.

Its economic health is supported by high quality public services that include a commitment to connect our residents and businesses, physically and virtually, to the global economy. A focused tourism program infuses our community with visitors from around the globe who may one day want to live and operate a business here.

All of the combined efforts of our community are conducted with an active and open civic culture that welcomes and expects a diverse range of opinions and ideas.

### **How do we get there from here? (Strategy)**

Successful economic development is a collaborative effort encompassing not just business and the public sector, but organized labor, academia and the not-for-profit community. The strategies and associated actions proposed in this plan rely on many community stakeholders for their success.

To be effective and efficient with the limited resources for economic development, the City's economic development strategies and actions will be focused on:

- Existing businesses in the community with a commitment to operating their business and living in Ashland
- Businesses that rely on and earn a competitive advantage from innovation, creativity, design and technology in their operations for new product development, creation or expansion of niche markets, process improvements, etc
- Businesses that produce specialty and value added goods or services with a market beyond our local economy
- Businesses that purchase from the local and regional economy for supply or provide goods or services that reduce the need of the community to purchase goods or services from outside of region.

For long term economic diversity and success, specific actions will be directed towards businesses with an identified business profile and operating attributes that complement and take advantage of Ashland's local economic, physical and community climate.

Business Profile/Attributes	
<b>Operating structure</b>	Local design, engineering and pre-production development with larger scale production occurring elsewhere
<b>Organizational structure</b>	Locally based top leadership/decision making team with some operation functions possibly occurring elsewhere
<b>Workforce</b>	Educated, creative and innovative ( <i>and appropriately compensated</i> )
<b>Communications</b>	Access to high speed broadband internet services
<b>Physical Space</b>	Limited need for large outdoor storage, large scale production facilities or significant off-site water or energy needs for local operations
<b>Organizational values</b>	Quality of life as a key business and personal measure of success.

The combination of the four target areas and the profile & attribute focus will also assist in leveraging the efforts of our local and regional economic development partners and give visiting or relocating entrepreneurs a clear sense of the community's economic focus.

## The Plan

The following strategies have been developed and formed by the Committee to meet the objectives set by the Council and to target the types of enterprises described above. Many of the strategies and implementing actions overlap, reinforce and support one another. The specific implementing actions associated with the individual strategies are described in detail in the table below and contain suggested lead entities, partner groups, timelines, performance measures and cost/funding sources.

The final plan will function as the working roadmap for implementation and will be used to provide plan and action updates and measurements of progress and success. As new economic needs and opportunities arise, the action plan will be updated to reflect new strategies and actions as approved by City Council.

The seven strategies (or objectives) selected to implement the focus areas listed above are:

- Assist local existing and emerging business stabilize and grow
- Improve long term coordination and collaboration with local and regional economic development partners
- Increase availability of investment capital for local businesses
- Provide local educational & technical skills development to match local business workforce needs
- Increase tourism in the fall, winter and spring and diversify the types of events and activities promoted
- Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands
- Manage the physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community

### **Implementation**

Many of the individual actions linked to the seven strategies require agreement, coordination and engagement of multiple local and regional partners for their success. The priority level 1 actions represent the activities that have been deemed most critical to the early success of the overall strategy and also help define the path and priority of the remaining actions.

Priority one, two and three actions contain both City led and key stakeholder led activities and projects. The City will engage key stakeholders and solicit their agreement and involvement in taking on a lead role in many of the specific actions with the City playing a supporting/coordinating/facilitating role.

Priority two and three actions are no less important but typically are dependent upon other priority level one or two actions for their specific charge and implementation. To review relationships and dependencies between individual actions, see appendix A.

<b>1. Assist local existing and emerging business stabilize and grow</b>	<b>Priority Level</b>	<b>Partners</b>
1.1 Conduct a targeted Business Retention and Expansion(B,R & E) survey	1	Chamber, City

An overwhelming percentage of job growth in any community comes from existing business growth and expansion. Understanding what our existing businesses are challenged with gives the City and its partners the ability to assist businesses with those challenges, cooperatively identify and navigate future obstacles and opportunities with the ultimate goal of long term sustainable business growth locally.

Several B, R& E surveys have been conducted in the past and have been useful in understanding the existing conditions for our local businesses. The survey will focus on businesses meeting the business profile and attributes identified above (The Strategy - pg. 6) and will identify "red flag" issues that may be impeding the growth of these businesses as well as areas of strength and potential where targeted attention could fuel growth and expansion. This process will assist in setting the priorities for many of the actions within the strategy. Understanding what businesses need and how to provide it to them is a critical function of these surveys and will drive the actions and programs taken by the City and its partners.

<b>1. Assist local existing and emerging business stabilize and grow</b>	<b>Priority Level</b>	<b>Partners</b>
1.2 Designate City Staff "point of contact" for Economic Development needs/projects/interactions	1	City

While many City Departments have roles and responsibilities that affect the local economy, there is no one "go to" staff contact for many local economic development issues. A designated point of contact would coordinate needed Department resources/responses and communicate internally on economic development related inquiries/needs.

This staff assignment would also manage/monitor the City's participation in the Economic Development Strategy, including data collection/distribution, metrics reporting, updates to the Strategy and assist with collaboration and coordination with other local and regional economic development partners, including grants or other funding opportunities consistent with the Strategy.

<b>1. Assist local existing and emerging business stabilize and grow</b>	<b>Priority Level</b>	<b>Partners</b>
1.3 Increase opportunities for local import substitution and local to local purchasing	2	Chamber, City, SOU, THRIVE

In efforts to increase local business sustainability and to increase the local money multiplier effect, a local supply and demand inventory would map what local goods and services are available and analyze what may be missing locally that is currently being provided outside of our local economy. Much work in this area has already been started by local partners. Leveraging and expanding on this existing framework will quickly move the focus beyond the supply inventory and into the demand side of the equation, followed with ideas and solutions for encouraging/facilitating the local filling of the gaps in both supply and demand. Tools and programs can be developed or expanded to increase local to local purchasing within all business sectors from government to tourism to traditional traded sector/export based on data from the local business inventory, with particular emphasis on local supply chain needs versus local to local consumer purchases.

<b>1. Assist local existing and emerging business stabilize and grow</b>	<b>Priority Level</b>	<b>Partners</b>
1.4 Create/Expand a local business resource & mentoring program	2	Chamber, City, SOU/RCC-SBDC, SVTG

The community has an impressive stock of successful business owners, entrepreneurs, expert academics and others to leverage with programs to connect their experience and expertise with existing and new/emerging local businesses and non-profits to provide guidance and assistance as they grow and prepare for a sustainable business future. Some structure is already in place within the region for this type of program and could be more formally embedded locally through coordination and collaboration with a business incubator such as the Sustainable Valley Technology Group, SOU and its Small Business Development Center (SBDC), The Jefferson Grapevine and others.

<b>1. Assist local existing and emerging business stabilize and grow</b>	<b>Priority Level</b>	<b>Partners</b>
1.5 Assist local businesses in energy, water, waste, supply chain reductions and efficiencies	3	City, Recology, Parks & Rec, DEQ, Avista

The City of Ashland created an Ashland Green Business Program four years ago, managed and staffed through the City's Conservation Division, as a coordinated multi-agency team (City-Water, City-Electric, Recology-waste, Avista-Nat gas, DEQ) to help businesses wanting to increase the efficiency and sustainability efforts of their business operations. The program conducts audits in all major consumption categories and works with businesses to develop plans and strategies to reduce initial consumption, reduce waste and eliminate toxic materials.

In addition to reducing operating costs for local businesses and preserving community resources, successful implementation of audit findings result in job creation for the local construction/trades sector. This existing framework can be strengthened to expand services offered, increase the number of

businesses that can participate, increase the level of detail and follow-up and coordinate funding programs and opportunities to meet the “green audit” results.

<b>1. Assist local existing and emerging business stabilize and grow</b>	<b>Priority Level</b>	<b>Partners</b>
1.6 Determine feasibility/demand for a local business assistance/support office	3	BizOR, Chamber, City, SOREDI, SBDC, RCC, SOU

Currently, most business development assistance offices, resources and services are located in Medford (SOREDI, SOU Small Business Development Center, Job Council, etc) and may be underutilized by new, emerging/expanding Ashland businesses. Using results from B, R & E surveys and input from regional economic partners, options for increased involvement at the local level would be identified. If feasible options exist and the B, R & E results indicated demand, a local office would provide local businesses and potential start-up's much closer physical access to regional resources and would also assist with overall coordination and collaboration between economic development related agencies (See Strategy 2.0)

<b>2. Improve Long Term Coordination &amp; Collaboration with Local and Regional Economic Development Partners</b>	<b>Priority Level</b>	<b>Partners</b>
2.1 Formalize relationship and roles for Ashland specific strategy implementation among major partners (City of Ashland, Chamber, Jackson County, SOREDI, Business Oregon, Job Council, etc)	1	BizOR, Chamber, City, JackCo, SOREDI, SOU, RCC, SBDC, THRIVE

The City currently participates as an ad-hoc partner with most of the local and regional economic development agencies in the Rogue Valley, but participation is typically connected to specific and often unrelated tasks or issues. The final adopted Economic Development Strategy will be utilized to identify common objectives between agencies. A joint strategy agreement will assist in leveraging common strategic goals between agencies over time and could result in joint grant applications, clearer delineation on staffing roles/responsibilities for joint projects, etc.

<b>2. Improve Long Term Coordination &amp; Collaboration with Local and Regional Economic Development Partners</b>	<b>Priority Level</b>	<b>Partners</b>
2.2 Create formal and routine communication with all regional economic development partners	2	BizOR, Chamber, City, JackCo, SOREDI, SOU, RCC, SBDC, THRIVE

Embedded within action 2.1 above, develop a joint communication plan that provides a meeting structure (live and virtual) for all regional economic development partners to share current activities, common issues, problems, future plans and ideas and generally have a better sense of the individual actions that are occurring in the region. This could result in embedding regional economic development issues into existing meeting structures or by the creation of a new partner meeting structure to focus specifically on economic development related issues.

<b>3. Increase availability of investment capital for local business</b>	<b>Priority Level</b>	<b>Partners</b>
3.1 Maximize impact of existing City Economic Development Cultural Grants Process	<b>1</b>	City, Chamber, Grant Recipients

The grant process has been modified several times in the past with the existing process working but possibly not maximizing the effect of the funds dispersed in the community. Issues for discussion include:

- 1) More defined performance measures and results reporting
- 2) Narrower definition of economic development (focus on jobs retained/created)
- 3) More distinct delineation between economic development, tourism and cultural impact of applicants
- 4) Higher minimum grant award (currently \$2,500) to increase impact vs. lower minimum grant award for more broad distribution of funds
- 5) Preference for applicants whose grant proposals address/take on priority actions of the Economic Development Strategy.
- 6) Criteria based preferences for applicants serving local start-up/emerging businesses (micro-lenders/seed capital/angel funding, business incubators, etc,
- 7) Preference for applicants within or serving target attributes/profile (pg. 6)
- 8) Preference for applicants proposing to fill gaps in the local business import substitution inventory (see action 1.3).

<b>3. Increase availability of investment capital for local business</b>	<b>Priority Level</b>	<b>Partners</b>
3.2 Create opportunities for increased local access to funds	<b>2</b>	City, Chamber, SOREDI, BizOR, SBDC, THRIVE

Access to capital can be a major impediment to either starting or expanding a business. Local and regional banks have some flexibility and priority for local businesses, but are limited to some degree by national forces in how capital to start-up and emerging businesses can be provided. A review and assessment by local business assistance and lending professionals of current business capital programs and access/availability coupled with recommendations of additional opportunities to pursue to meet the varied scale of capital needs from small start-ups, to expansion to bridge loans including:

- 1) Utilize local personal investment to assist with local private capital needs rather than out of region investments (i.e. Southern Oregon Angel Conference).
- 2) Pursue local revolving loan program funding through USDA-Rural Development (REDL&G, RBEG, etc), US Economic Development Administration, etc. that could be managed by a number of different local partner groups
- 3) Establish a micro-lending program to fit the needs of small start-up/emerging businesses

<b>3. Increase availability of investment capital for local business</b>	<b>Priority Level</b>	<b>Partners</b>
3.3 Create a coordinated economic development information and marketing plan to maximize public communication tools	2	BizOR, Chamber, City, SOREDI, SOU/RCC

The community has a variety of public communication resources such as City, Chamber and other economic development partner websites, social media outlets, direct mailing lists, e-newsletters, community TV (RVTV), postings in community meeting spaces, City Commission & Committee packets, etc. A coordinated information and marketing plan would provide consistent and complete local and regional economic development information and services for the region. The system would integrate partner agency content to automate distribution across partner communication platforms for maximum efficiency and reach to the business community and the public.

<b>4. Provide local educational &amp; technical skills development to match local business workforce needs</b>	<b>Priority Level</b>	<b>Partners</b>
4.1 Develop/expand programs to connect local education partners with business community for experience and exposure to entrepreneurship/business development & operations	2	ASD, SOU/RCC, Chamber, Job Council, SOREDI, City

To develop and increase interest and skill sets of local students and provide "real-life" experiences in small business development and entrepreneurship, a placement system would increase the availability of local internship opportunities. The system would solicit local businesses to commit to taking on an intern (with some predetermined minimum qualifications) for a specified period of time to provide exposure to the working elements of the business. Businesses prosper from free or low-cost labor, with a possibility for a longer term employee, and students gain invaluable hands-on experience connecting school work with real world applications.

<b>4. Provide local educational &amp; technical skills development to match local business workforce needs</b>	<b>Priority Level</b>	<b>Partners</b>
4.2 Develop/promote/expand job training programs to meet skill needs identified by local business	2	Chamber, City, Job Council, SOREDI

Using the employment needs data from the business retention and expansion survey results (action 1.1) and other local and regional partner data, develop and market relevant training opportunities to increase the skill base of the existing workforce through a variety of channels (online, classroom, small group, webinar, one on one, etc) that relate to and supply skilled a workforce that meets the needs of the identified target clusters/profile.

Identification of local business employment needs would provide guidance to ASD, SOU, RCC and others in program planning and could connect with other initiatives in filling employment needs with internship programs, additional strategic partner developments (OIT?), etc. This data could assist students who want to remain in Ashland or the Rogue Valley by identifying educational pathways that would increase the likelihood of obtaining quality employment locally upon completion of their education.

<b>5. Increase tourism in the fall, winter, and spring and diversify the types of events and activities promoted</b>	<b>Priority Level</b>	<b>Partners</b>
5.1 Maximize City funded marketing efforts targeted for "year-round" tourism	2	Chamber, City

The Chamber of Commerce has been the community's tourism and marketing source for many years effectively utilizing Chamber member funds, City hotel/motel tax (TOT) funds and other sources of funding to develop and deliver targeted promotional campaigns to attract visitors to Ashland. Beyond that success, the Chamber has created campaigns that have leveraged our existing strengths to expand and grow. While being mindful of the need to maintain peak season efforts, funding specifically for "year-round" promotional efforts could further strengthen the tourism sector of our economy, building on existing campaigns and initiating new campaigns that target the community's stated economic priorities of reaching the full spectrum of age demographics, promoting eco-tourism/sustainability/outdoor recreation in addition to creative and performing arts, full utilization of existing tourist infrastructure, etc. Performance measures tied directly to the targeted marketing efforts would display progress and success.

<b>5. Increase tourism in the fall, winter, and spring and diversify the types of events and activities promoted</b>	<b>Priority Level</b>	<b>Partners</b>
5.2 Determine market feasibility for a convention/community center	2	Chamber, City, OSF, SOU

By lacking large meeting spaces, Ashland is disadvantaged as a large group destination location. Many professional associations, educational groups, club annual meetings, etc no longer consider Ashland as a potential site. Additionally, many local business, non-profit and community events are challenged to find quality space to conduct their on-going events. Analysis of existing and available data to determine the demand and viability for a convention/community meeting/event center would provide the community with an objective understanding of the appropriate size/scale, most viable site location, needed/desired associated complementary amenities, site needs/constraints, cost estimates, funding opportunities, ownership and operations options, etc. of a meeting/event space.

5. Increase tourism in the fall, winter, and spring and diversify the types of events and activities promoted	Priority Level	Partners
5.3 Develop a capital improvement plan and maintenance strategy for the Plaza and downtown	2	City

Downtown Ashland is the heart of the community for both residents and visitors. It sets the tone for our tourism economy and plays a strong role in the quality of life of residents. Because of its importance and the heavy use it receives, elements of the infrastructure and associated amenities are in need of repair, improvement, or replacement, including trash cans, benches, bike parking, sidewalks, lighting, landscaping, etc. Additionally, parking needs must be considered including how it is managed (time limits, charges, loading, bus, etc), how much and what types are available. Public art is also a way to further showcase the community and strengthens the ties of our cultural tourism promotion, quality of life for residents and energizing of the plaza/downtown.

This strategy could be implemented on one end of the spectrum by a complete Downtown Plan, or a small task force to establish a "to do list" over a period of years. Funding could come from a variety of possible sources, including tourism qualified lodging tax capital projects, urban renewal district funds, parking ticket downtown business district fee.

#### Possible task priority and timing:

- **Plaza redesign/upgrade (2011-12)** – Increase pedestrian functionality and available space for special event use, improve seating uses and configurations (benches, tables, chairs), improve plantings/overall landscape, provide adequate lighting
- **Trash can replacement (2012-13)** – Existing cans have no lid and plastic container very visible within outer shell. Recycling containers will be integrated into the replacement schedule (none currently in the downtown)
- **Black Swan Fountain & Plaza redesign/upgrade (2012-13)** – Existing fountain leaks and needs complete rebuild. May redesign/change fountain to be more interactive. Seating and general use needs review and updating.
- **Lighting upgrades (2012-14)** – Replace, add new and/or convert existing downtown pedestrian scale lighting with LED for better light, lower consumption and less maintenance
- **Tree grate installation (2012-14)** – Removal of brick pavers, replace with metal grates.

- **Parking Utilization and Management Plan (2013-14)** – An Inventory and assessment of all public parking locations, time limits and frequency of use (occupancy rates) to determine maximum use configuration. Assess advantages/disadvantages of possible paid parking to influence parking demand and occupancy rates within select, high demand locations.
- **Street light pennant upgrade (2013-14)** – OSF replacement of 30+ 1950-60's era pennants with new short term pennant locations available for new permit applicants
- **Public Art installation (2013-14)** – Significant public art installation in the plaza space between Fire Station #1 and the Library

6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands	Priority Level	Partners
6.1 Evaluate the use of Urban Renewal Districts to spur private reinvestment in targeted commercial employment areas of Ashland ( <b>in progress</b> )	1	City

As part of the recently completed Croman Mill Master Plan, an infrastructure financing task was included to address potential ways for needed infrastructure (streets, utilities, etc) to be installed to encourage/induce development of the property. Because the predominant tool used for infrastructure financing is through tax increment financing (TIF) in designated Urban Renewal Districts,(URD) the City Council decided to expand the scope of the task to include a feasibility study for URD/TIF in and around the Croman Mill site, the Railroad property area and the downtown. The feasibility study,to be completed July/August of 2011, will provide the Council with information on the potential revenue streams, likely development growth, project cost estimates, etc for the three primary employment areas in Ashland. If feasible and desirable, an Urban Renewal Plan would be developed with boundaries formed, projects defined and prioritized and a frozen tax base set.

Before deciding on implementing URD, the City and its stakeholder partners (other taxing districts, economic development partners, private property owners, citizens, etc) will need to meet to understand how URD and TIF work, how it affects the various stakeholders, and recommend to Council whether or not and Urban Renewal District(s) should be formed.

6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands	Priority Level	Partners
6.2 Complete and maintain publicly accessible real-time online buildable lands inventory	2	City

A buildable lands inventory (BLI) has been maintained over the years by the Community Development Department with updates done in approximately five year intervals. This action would provide the City and the overall community with real-time up to date information on existing vacant lands, redevelopable

lands (partially vacant or under developed) and land inventory by classification. In addition to the traditional work of a BLI update, this action would connect land use development approvals to the BLI database and "self-update" as development occurs on property in Ashland. Additionally, the database would be available online to the public in easy to view and download formats. Both public and private sector decisions on annexation, zone changes, land appraisal and business site selection would benefit from a real-time BLI.

<b>6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands</b>	<b>Priority Level</b>	<b>Partners</b>
6.3 Complete transportation and utility service connections to all commercial and industrial lands in the City limits and UGB	2	City

Utilizing the data and recommendations from the work done in actions 6.6(business expansion analysis) and 6.5(shovel ready), transportation and utility improvements would be identified, prioritized and incorporated into the City's annual Capital Improvements Plan (CIP) to meet future commercial/industrial/employment demand. As with all CIP projects, funding sources could include SDC's, grants, dedicated revenues (gas tax, etc), charges for services (electric, water, wastewater, etc) urban renewal (if implemented), etc.

<b>6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands</b>	<b>Priority Level</b>	<b>Partners</b>
6.4 Pursue the expansion of a State E-Commerce Zone within Ashland	2	BizOR, Chamber, City, JackCo, SOREDI

The Oregon Enterprise Zone program allows a local community to designate a portion of their commercial/industrial lands to be eligible for property tax exemptions for three years with the potential for up to five years. The program is intended to provide a short term incentive for businesses making capital improvements to a property within the designated zone. While the standard Enterprise Zone may be attractive to some existing and potential businesses in Ashland, of possibly more interest and potential is a secondary layer, called the E-commerce zone that expands the incentive to include specific E-commerce investments made by businesses within the zone that wouldn't qualify for the capital improvements requirement of the standard Enterprise Zone, such as computers, networking equipment, servers, software, etc relating to the E-commerce portion of their business.

Currently, State law limits the number of E-Commerce designations within Enterprise zones. With the existing and emerging retail and software/services sector of our local economy, an E-Commerce overlay to an Enterprise Zone could assist in the future growth and strength of that sector. The City and

its local and regional partners would need to work with the State to legislate an expansion opportunity of the E-Commerce zone regulations.

<b>6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands</b>	<b>Priority Level</b>	<b>Partners</b>
6.5 Evaluate land availability for business expansion on lands on or adjacent to existing businesses	<b>3</b>	BizOR, Chamber, City, SOREDI

As most job growth comes from the expansion of existing businesses, it is critical to evaluate lands where business expansion is likely or desired to understand and anticipate obstacles and barriers of the adjacent lands for expansion while also looking forward using expected market growth need estimates over the next 10-20 years. Using the Urban Renewal District feasibility study, the EOA, the updated BLI, the B, R & E results and other related data, an initial analysis would be prepared.

A small task force of local business and land development professionals could review and evaluate existing business expansion opportunities (adjacent lands), new business land needs consistent with identified target areas (profile/attributes action 1.1) and land needs and opportunities within the existing Urban Growth Boundary (UGB). The evaluation will include elements such as, infrastructure needs for the identified lands, existing and proposed zoning regulations and identification of potential conflicts with expansion forecasts/needs, etc.

The results may indicate the desire and benefit for proactive adjustments to the zoning regulations, the inclusion of specific public projects in the City Capital Improvement Plan (CIP) and/or other policy modifications. The results will also provide those businesses contemplating expansion with upfront analysis of the practical and policy implications of a proposed expansion, removing much of the unpredictability of that process.

<b>6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands</b>	<b>Priority Level</b>	<b>Partners</b>
6.6 Determine feasibility and cost/benefit for public purchase of key industrial lands to make "shovel ready" for re-sale for business development	<b>3</b>	BizOR, Chamber, City, SOREDI

This feasibility analysis could work in conjunction with the business expansion analysis (action 6.3) or could be conducted independently with the intent of identifying lands that the open market has neglected, determining the existing barriers to development (lack of services, access limitations, zoning restrictions, abatement needs - environmental and physical, etc) and evaluating whether direct public financial involvement may be the most appropriate tool to address those barriers and make those lands

more financially attractive and operationally functional for private development (i.e., the railroad property).

<b>6. Provide appropriate land supplies for needed business growth/expansion with quality infrastructure to all commercial and employment lands</b>	<b>Priority Level</b>	<b>Partners</b>
6.7 Complete and maintain real-time occupancy data (availability, price, contacts, etc)	3	Chamber, City, SOREDI, Private

Similar to the real-time BLI, a real-time commercial occupancy inventory can assist in determining the supply and demand for the full spectrum of space needs based on what is already built and available, from retail to office space to industrial buildings. Having a comprehensive inventory in one location also assists the development community in determining the market demand for proposed development projects. The occupancy inventory also provides businesses looking to start-up/relocate/grow with one comprehensive source of information to initiate that process. This project could be developed as a public/private partnership with the real estate community and could be built as a layer of the BLI or could be developed as a stand alone database, similar to and maybe connected with the State "Oregon Prospector" ([www.oregonprospector.com](http://www.oregonprospector.com)) program.

<b>7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community</b>	<b>Priority Level</b>	<b>Partners</b>
7.1 Improve the Land Use Development Process	1	City

The B, R & E Survey from 2006-07 found the City's land use development process to limit economic development within Ashland. This opinion was repeated in many of the Economic Development focus groups and open houses held in the fall of 2010. Suggestions were made to "solve" this issue from moving to a Hearings Officer format to surveying applicants to improving public access to City staff and to documents, codes and property data. As a parallel goal to the Economic Development Strategy, the City Council charged City Staff with a goal to "Increase the clarity, responsiveness, and certainty of the development process" The goal was updated in January of 2011 to include an action plan to respond to the recommendations of both the Zucker and Seigal reports (consultant reviews of operations and code from 2006).

As City Staff address that goal, its relationship with the Economic Development Strategy will be incorporated and will be contained within that action plan, which may include elements beyond those identified in the Zucker or Seigal reports that were identified as part of the development of the Economic Development Strategy such as: the relationship between City Staff and the resident/applicant/developer, the way services and data are provided (online, handouts, front counter,

field visits, video tutorials, etc), communication of the initial scoping/feedback of applicant proposals, etc.

The success of this action should result in better coordination between applicants and City Department Staff, better communication of existing standards and processes and a more efficient and timely application to approval schedule that maintains the high expectations of the community while providing solid and predictable business expansion and development decision making abilities to applicants.

<b>7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community</b>	<b>Priority Level</b>	<b>Partners</b>
7.2 Create incentives for development applications that meet certain pre-defined economic development eligibility criteria	2	City

This action is based on the concept that the adopted Economic Development Strategy should contain specific goals that the business/development applicants can use as criteria for project approval, permit fees reductions/deferrals, expedited project review, etc. Criteria could include ensuring a certain number of jobs per acre, a target wage minimum (living/family wage) per job or other economic development/employment related benchmarks.

The result would be three sets of criteria that would provide a roadmap for development in Ashland:

- 1) Design, use, function (existing),
- 2) "Green" criteria (LEED certification, solar, energy & water conservation targets/caps, etc) (see action 7.6)
- 3) Economic criteria (job creation, wage targets, etc.)

<b>7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community</b>	<b>Priority Level</b>	<b>Partners</b>
7.3 Consider changes to Land Use Development Code that may be inhibiting redevelopment or new construction	2	City

This action aligns closely with action 7.1 and could be incorporated into the action plan response to the Zucker and Siegel Reports by expanding the scope of the review and resulting proposed actions. The Siegel Report was a 2006 review of the land use code to identify internal and external conflicts, inconsistencies, errors, needed updates, etc. As the action plan is developed, the scope of the response should include, or be followed with, a review of the recommendations as they may relate to current development/construction limitations or conflicts identified by the business retention and expansion survey (action 1.2) and business expansion analysis(action 6.6).

7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community	Priority Level	Partners
7.4 Update the Economy Element of the Ashland Comprehensive Plan	2	City

All cities in Oregon are required to adopt and maintain a Comprehensive Plan. A Comprehensive Plan contains goals and policies in 13 areas, or elements, ranging from transportation to housing to environmental resources. The Economy element was last updated in 1990, and while it remains relevant in many ways, changes in the community and the local, national and global economy along with much more current economic data and the ultimate adoption of an Economic Development Strategy indicate that an update would be beneficial.

An update ensures that the overall economic development goals, strategy and direction of the community are embedded into the legal policy framework of the City and carry forward beyond the completion of a single project or individual plan document and are consistent with Statewide Planning Goals.

7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community	Priority Level	Partners
7.5 Provide public access to development related data sets (GIS Mapping)	2	City

Geographical Information Systems (GIS) is the visual storage, display and analysis of any land/location based data. The City has developed a strong GIS database of utility data (electric, water, sewer, storm drainage, etc), environmental attributes data (topography, streams, wetlands, etc) and regulatory/property data (taxlots, rights of way, buildings, zoning districts, etc). This data forms the basis for all development applications and in most cases is part of the requirements for the initial submittal. Some of Ashland's GIS data is provided to Jackson County for their successful "front counter" online mapping application. The remaining data is available internally to City Staff and available for purchase by the the public.

Making all GIS data available online would provide residents, property/business owners and project developers with the ability to evaluate sites, plan for expansion/growth, prepare applications, etc

7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community	Priority Level	Partners
7.6 Integrate existing sustainable development concepts & practices into public and private development standards	3	City

Ashland has long had sustainable development standards, including the first in the nation solar setback ordinance ensuring solar access for future installation of solar panels in 1980. As sustainable development concepts are tested and put into practice, the City should continue to integrate them into the land development code. This strengthens the local economy by preserving and protecting the natural environment, adding to the quality of life and can provide a degree of long term insulation from external regulations and costs outside the control of the community, as well as stimulate the growing energy water efficiency sector of our local economy.

7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community	Priority Level	Partners
7.7 Create and define quantifiable community "Quality of Life" indicators to measure economic development strategy success, both monetary and non-monetary	3	Chamber, City

A long standing and strong attribute of Ashland's "success" is the value of quality of life, meaning that residents and visitors alike choose Ashland for non-financial reasons and often in spite of financial reasons. To ensure that efforts towards increased economic development are both successful and retain or improve the quality of life of Ashland residents and visitors, specific locally based indicators could provide a scorecard and could be used to make adjustments to various economic development strategies and actions based on the indicator results.

7. Manage physical development process to ensure understandable requirements with timely and predictable results while safeguarding and improving the quality of the environment and the community	Priority Level	Partners
7.8 Develop and implement a façade improvement program for Downtown and Railroad District commercial property owners	3	Chamber, City

Commercial and public buildings form the physical backdrop for the Downtown and Railroad District commercial areas and are where our business activities take place. Many historical and newer

structures have been maintained and upgraded over the years, but many have lagged behind and could benefit from targeted improvements. A façade improvement program typically contains eligibility criteria, minimum and maximum project cost, dollar match requirement for building owner and loan or grant options. These programs are commonly funded as part of an Urban Renewal District (action 6.1), although other funding mechanisms are possible. The result would be access to capital funds specifically targeted to improvements that improve the appearance of the building, improve the viability/exposure of the business within the building and improves the overall aesthetic and feel of the Downtown and Railroad Districts.

## Funding

The Strategy document is intended to serve as a roadmap for the City Council and its local and regional partners in economic development. To successfully implement the Strategy, a combination of funding sources will be required over the course of the plan, including City Economic Development Grants, Departmental operating budgets, partner funding, regional, state or federal grant funds, etc.

Decisions on the allocation of City funds towards each action will occur within the budget approval process for larger expenses and within Departmental operating budgets for process and staff time only actions and projects. Individual Department Heads will utilize the Strategy as they set Departmental goals and objectives each budget season.

Individual actions/project costs and funding sources will be determined on an action by action basis, as each action has different funding needs for their implementation and success. Many actions require City staff involvement regardless of the lead partner, with some triggering long term changes in City department operating methods and practices requiring supporting staff involvement.

## Measures of Progress & Success

The primary measure of success is the creation of quality jobs in the community and the continued success of the tourism/visitor sector of our local economy. As the actions are initiated and developed, specific and targeted measures will be developed and utilized. For more broad measures of the progress and success of the Strategy overall, the following indicators may be useful:

- Percentage increase in total employment growth (overall and within the target business profile/attributes)
- Percentage increase in new business license registrations (overall and within the target business profile/attributes)
- Percentage increase from the Business Retention and Expansion Survey on overall business climate
- Percentage increase from the Community Development citizen and applicant survey on overall satisfaction of the land use development process
- Percentage increase in the median household income in Ashland

## Reporting

The City Council will receive updates which will include action status, changes in key stakeholder/participants, potential minor modifications to the approved action plan, target completion dates and expected deliverables, etc. Significant amendments and revisions to the adopted Strategy will be presented to the Council for their review and approval annually if needed.

Initially, quarterly progress updates will be provided to the Council and will be aligned with the City budget process to coordinate project funding decisions needed for implementation progress and success. After the first year, the reporting schedule and format can be revisited and modified if needed. Updates to stakeholder groups will be integrated into the Council update process via email and City website. The completion of the regional economic development partner communication plan (action 2.2) will assist in ensuring long term communication on the strategy progress as well.

## APPENDIX

- A. Implementation Priority
- B. Implementation Schedule
- C. Process Background
- D. Citizen Involvement Summary
- E. Citizen Involvement Report – Jon Lange, PhD., City Staff  
[www.ashland.or.us/citizenreport](http://www.ashland.or.us/citizenreport)
- F. Economic Opportunities Analysis – Review and Update, 2009 – E.D Hovee & Co  
[www.ashland.or.us/EOA\\_Update](http://www.ashland.or.us/EOA_Update)

## A. Implementation Priority

### Priority 1 Actions (6 Total)

Action	Priority	Partners	Lead	City Funding
1.1 Conduct a targeted Business Retention and Expansion (B,R&E) survey	1	Chamber, City	Chamber	Econ Dev Contract
1.2 Designate City Staff "point of contact" for economic development needs/projects/interactions	1	City	City	Econ Dev budget (staff time)
2.1 Formalize relationships and roles for Ashland specific strategy implementation among major partners	1	BizOR, Chamber, City, JackCo, SOREDI, SOU, RCC, SBDC, THRIVE	City/SOREDI	Econ Dev budget (staff time)
3.1 Maximize impact of existing City Economic Development/Cultural Grants Process	1	City, Chamber, Grant Recipients, OSF	City	Econ Dev budget (staff time)
6.1 Evaluate the use of Urban Renewal Districts to spur private reinvestment in targeted commercial and employment areas of Ashland ( <i>in progress</i> )	1	City	City	Comm Dev/Econ Dev budget (Contract + Staff time)
7.1 Improve the Land Use Development Process	1	City	City	Comm Dev budget (Staff time)
* Conduct Annual Review and Update of Strategy document and Implementation actions and schedules	1	City	City	Comm Dev/Econ Dev budget (staff time)

\* This action was added by City Council at adoption hearing on July 19<sup>th</sup>, 2010. See Reporting Section (pg. 24) for details.

### Priority 2 Actions (17 Total)

Action	Priority	Partners	Lead	City Funding
1.3 Increase opportunities for local import substitution and local to local purchasing	2	Chamber, City, SOU, THRIVE	THRIVE	Econ Dev Grant or contract
1.4 Create/Expand a local business resource & mentoring program	2	Chamber, City, SOU/RCC-SBDC	SOU/RCC-SBDC	TBD
2.2 Create formal and routine communication with all regional economic development partners	2	BizOR, Chamber, City, JackCo, SOREDI, SOU, RCC, SBDC, THRIVE	City/SOREDI	Econ Dev budget (staff time)

3.2 Create opportunities for increased local access to funds	<b>2</b>	City, Chamber, SOREDI	Chamber	Econ Dev budget (staff time)
3.4 Create a coordinated economic development information and marketing plan to maximize public communication tools	<b>2</b>	BizOR, Chamber, City, SOREDI, SOU/RCC	Chamber/City	Econ Dev/Admin budget (staff time)
4.1 Develop/expand programs to connect local education partners with business community for experience and exposure to entrepreneurship, business development & operations	<b>2</b>	ASD, SOU/RCC, Chamber, Job Council, SOREDI, City	ASD/Job Council	Econ Dev budget (staff time)
4.2 Develop, promote, and expand job training programs to meet skill needs identified by local business	<b>2</b>	Chamber, City, Job Council, SOREDI	Chamber/Job Council	Econ Dev Grant or contract
5.1 Maximize City funded marketing efforts targeted for "year-round" tourism	<b>2</b>	Chamber, City	Chamber	Econ Dev Grant or contract
5.2 Determine market feasibility for a convention/community center	<b>2</b>	Chamber, City, OSF, SOU	City	Econ Dev budget (Staff time + contract)
5.3 Develop a capital improvement plan and maintenance strategy for the Plaza and downtown	<b>2</b>	City	City	City budget (Staff time + contract)
6.2 Complete and maintain publicly accessible real-time online buildable lands inventory	<b>2</b>	City	City	PW budget (Staff time)
6.3 Complete transportation and utility service connections to all commercial and industrial lands in the City limits and UGB	<b>2</b>	City	City	CIP budget (Staff time + Contract)
6.4 Pursue the expansion of a State E-Commerce Zone for Ashland	<b>2</b>	BizOR, Chamber, City, JackCo, SOREDI	City/SOREDI	Econ Dev/Admin budget (Staff time)
7.2 Create incentives for development applications that meet certain pre-defined economic development eligibility criteria	<b>2</b>	City	City	Comm Dev budget (Staff time)
7.3 Consider changes to Land Use Development Code that may be inhibiting redevelopment or new construction	<b>2</b>	City	City	Comm Dev budget (Staff time)
7.4 Update the Economy Element of the Comprehensive Plan	<b>2</b>	City	City	Comm Dev/Econ Dev budget (Staff time)

7.5 Provide public access to development related data sets (GIS Mapping)	<b>2</b>	City	City	PW budget (Staff time)
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### Priority 3 Actions (8 Total)

Action	Priority	Partners	Lead	City Funding
1.5 Assist local businesses in energy, water, waste, supply chain reductions and efficiencies	<b>3</b>	City, Recology, Parks & Rec, DEQ, Avista	City	Conservation Budget (Staff time)
1.6 Determine feasibility/demand for local business assistance and support office	<b>3</b>	BizOR, Chamber, City, SOREDI, SBDC, RCC, SOU	Chamber/SOU	TBD
6.5 Evaluate land availability for business expansion on lands on or adjacent to existing businesses	<b>3</b>	City	City	Comm Dev budget (Staff time)
6.6 Determine feasibility and cost/benefit for public purchase of key industrial lands to make "shovel ready" for re-sale for business development	<b>3</b>	City	City	Econ Dev/Admin budget (Staff time)
6.7 Complete and maintain real-time commercial occupancy data (availability, price, contacts, etc.)	<b>3</b>	Chamber, City, SOREDI, Private	City/Chamber	Econ Dev Grant or contract
7.6 Integrate existing sustainable development concepts & practices into development standards	<b>3</b>	City	City	Comm Dev budget (staff time)
7.7 Create and define quantifiable community "Quality of Life" indicators to measure economic development strategy success, both monetary and non-monetary	<b>3</b>	City	City	Grant or contract
7.8 Develop and Implement a Façade Improvement Program	<b>3</b>	Chamber, City	City	Econ Dev/Admin budget (Staff time)

## B. Implementation Schedule

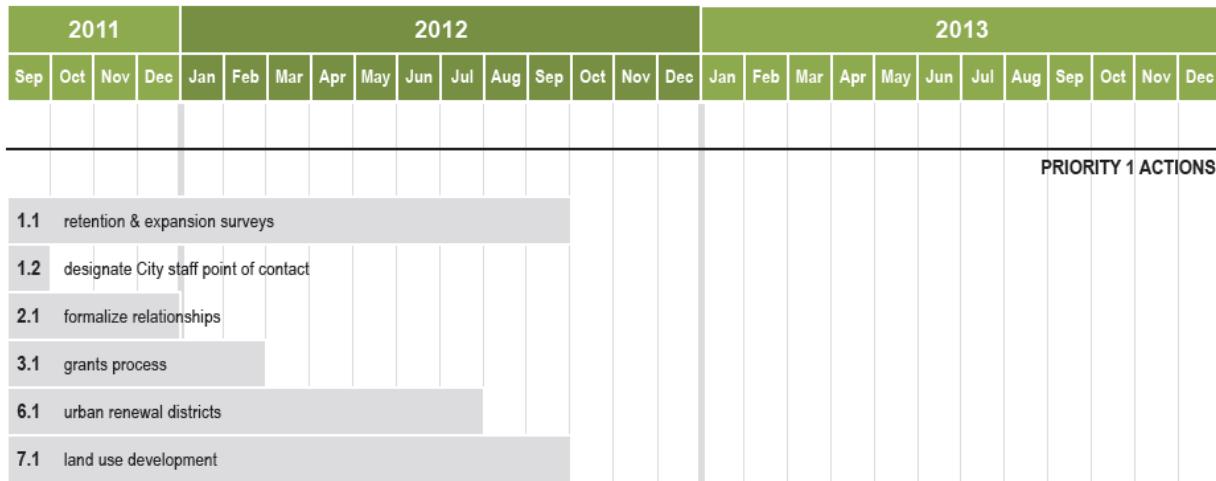
The following table displays the relationship between actions. Many actions are dependent upon other actions being successfully completed. This fact may result in actions being completed in a different order than originally anticipated. Changes in prioritization of actions will be part of the update process to Council.

Phase I Implementation	
FY 2011-12	
Priority 1 Actions	Follow-UP/Dependent Actions
1.1 Conduct Business Retention and Expansion (B,R&E) Surveys	
	1.4 Create/Expand a local business resource & mentoring program
	3.2 Create opportunities for increased local access to funds
	3.3 Create a coordinated economic development information and marketing plan to maximize public communication tools
	4.1 Develop/expand programs to connect local education partners with business community for experience and exposure to entrepreneurship, business development & operations
	4.2 Develop, promote, and expand job training programs to meet skill needs identified by local business
1.2 Designate City Staff “point of contact” for economic development needs/projects/interactions	
	2.1 Formalize relationships and roles for Ashland specific strategy implementation among major partners
	2.2 Create formal and routine communication with all regional economic development partners
	1.6 Determine feasibility and demand for local business assistance and support office
3.1 Maximize impact of existing City Economic Development/Cultural Grants Process	
6.1 Evaluate the use of Urban Renewal Districts to spur private reinvestment in targeted commercial and employment areas of Ashland <i>(in progress)</i>	

	6.4 Pursue the expansion of a State E-Commerce Zone for Ashland
	7.8 Develop and Implement a Façade Improvement Program
7.1 Improve the Land Use Development Process	
	7.2 Create incentives for development applications that meet certain pre-defined economic development eligibility criteria
	7.3 Consider changes to Land Use Development Code that may be inhibiting redevelopment or new construction
	7.4 Update the Economy Element of the Comprehensive Plan
	7.6 Integrate existing sustainable development concepts & practices into development standards

Phase II Implementation	
FY 2012-13	
Priority 2 Actions	Follow-UP/Dependent Actions
1.3 Increase opportunities for local import substitution and local to local purchasing	
5.1 Maximize City funded marketing efforts targeted for “year-round” tourism	
5.2 Determine market feasibility for a convention/community center	
5.3 Develop a capital improvement plan and maintenance strategy for the Plaza and downtown	
6.2 Complete and maintain publicly accessible real-time online buildable lands inventory	
	6.3 Complete transportation and utility service connections to all commercial and industrial lands in the City limits and UGB

	6.5 Evaluate land availability for business expansion on lands on or adjacent to existing businesses
	6.6 Determine feasibility and cost/benefit for public purchase of key industrial lands to make "shovel ready" for re-sale for business development
	6.7 Complete and maintain real-time commercial occupancy data (availability, price, contacts, etc.)
	7.5 Provide public access to development related data sets (GIS Mapping)
1.6 Assist local businesses in energy, water, waste, supply chain reductions and efficiencies	
7.7 Create and define quantifiable community "Quality of Life" indicators to measure economic development strategy success, both monetary and non-monetary	



The timeliness and outcomes of the priority level one actions will determine the implementation schedule for future actions, with the implementation schedule being a consistent component of the regular Council updates.

## C. Process Background

The 2007 Economic Opportunities Analysis (EOA) prepared for the City by ECONorthwest served as a foundation document and unofficial starting point for the overall strategy development project. In addition to fulfilling statewide planning Goal 9 requirements for commercial & industrial land availability, future demand and anticipated local job growth estimates, ECONorthwest conducted a public workshop and online survey to assist in preparing a draft implementation plan for Ashland's future economic development efforts.

The draft implementation plan presented suggestions for an economic development vision and a set of six strategies and implementing steps based on their review of local data and public input. The strategies recommended included:

- Complete and adopt the economic development vision and strategies
- Focus on the basic functions of government and do them well
- Support efforts to create high-wage jobs in Ashland
- Provide adequate infrastructure efficiently and fairly
- Maintain quality of life
- Take advantage of sustainability and green development opportunities

Due to the significant changes on the national, regional and local economy in late 2007 and further into 2008, the City contracted with E.D. Hovee & Co. in the fall of 2009 to provide an update and analysis of the 2007 EOA. Highlights of the work of E.D. Hovee & Co. include:

- Patterns of Economic Change - Global, National, State & Region
- Updated State/Regional Employment Trends
- Updated Demographic Data & Forecasts with Economic Development Implications
- Review and Opinion of EOA Draft Implementation Plan
- Recommended Additional Economic Development Data Sources

The 2007 EOA, the 2009 Hovee Update and a complete list of other data used in the strategy process can be found in appendix.

The committee reviewed existing trends from the data and discussed additional trends worth noting and also conducted a strengths, weaknesses, opportunities and threats (SWOT) analysis. The results of the Committee's work are detailed below.

## Trends

Overall lack of capital at the national level may limit business relocating or growing here in the short term

Inability to sell residential real estate elsewhere limits in-migration including entrepreneurs who often use house sale equity as start-up business capital

Drop in housing prices has allowed some folks to buy who previously couldn't, yet housing options in the community remain limited in type and purchase prices are higher than the regional average

Real estate at high end of the market is stagnant, limiting the movement of real estate investment capital

A growing number (15% currently) of Ashland's employment is small self-employment and often home based

The community, and our visitors/tourists, are aging at a slightly higher rate than the State and National average

Different demographic of people who are moving to Ashland, most are active, second career folks

The portion of our community below the poverty level is increasing

## Assumptions

Recent School District enrollment declines will stabilize over the next decade

Ashland's population growth trend of 1% to 1.5% will slow to between .3% and .5%

Ashland's age demographic growth/transition will be into the 65+ age groups

Regional job growth will average approximately 1.5% per year

## Existing Public Policies

Ashland Comprehensive Plan – Economy Element (1989)

Economic Opportunities Analysis (2007)

Cromam Mill Master Plan (2009)

## SWOT – Strengths

Recreational/cultural opportunities within minutes/miles

Visitor experience excellent, people want to move here permanently

People can live anywhere, and Ashland has leveraged tourism and “top places” list

Close to airport with growing connections

OSF has loyal customer base and growing local customer base

Entrepreneurial mindset and often not first-timers in starting a business here

Community supports creativity beyond OSF; retail, restaurants, visual arts, entrepreneurs

Community supports nimble thinking business, not “corporate” thinking

Appreciation for buying local (without sacrificing quality)

Quality local retail sector without homogenization

Growing specialty manufacturing sector, not corporate and tends to be creative

Strong sense of preservation of things Ashlanders love

High quality public schools

Local wealth does exist

Large existing infrastructure that is underutilized (shoulder season/tourist sector)

Strong existing citizens/community members/Human Capital

Physical location & connection on railroad line

Local economy & residents comparatively resilient

Excellent public capital (SOU, ACH, ASD, etc)

Strong technology capital/foundation with Ashland Fiber Network (AFN)

Strong overall community awareness & involvement

Ashland is “real world”, a genuine functioning town

Physical attractiveness – well maintained
Strong creative services cluster (Southern Oregon ranked #2 in Oregon for creative arts economy)
Located on major interstate transportation route (Interstate 5)
Close proximity to “our own” alpine ski area
Access to a broad range of commercial resources in Medford

SWOT - Weaknesses
Seasonality of tourism leaves retail sector vulnerable
Housing – High cost and lack of a variety of housing types
Displacement – new residents are typically older and less likely to be in workforce
Constrained land supply – existing available land likely to be expensive/difficult to develop
Lengthy land use development process with uncertain outcome
Non-tourism sector operates almost “invisibly”, citizens not conscious of their importance
Non-tourism sector not valued or appreciated in community culture
No good metrics/tracking of relationship between local economy and community health
Lack of state support for education for K-12 and Higher Ed (\$\$ funding)
Physical distance to/from market hubs (Seattle, Portland, San Francisco, Los Angeles)
Disconnect and/or lack of awareness of business and economic realities
Airport connections not good enough for many businesses (corporate/international travel)
City lacks economic development coordination
Lack of conference/community center meeting space
No existing rail service (freight or passenger)
Social capital/equity weak compared to other triple bottom line measures (economic, environment)

Local retail market deficiencies prevent or reduce local money multiplier
Public infrastructure maintenance needs have been deferred
Lack of tax or other financial incentives (enterprise zones, etc)
Negative perception/image of Ashland from surrounding Rogue Valley communities
Disconnect/Disagreement on density of development (residential & commercial) as a tool for managing growth
Higher land/development costs than others in region is comparative disadvantage
Poor access to local and regional public transportation system

SWOT - Opportunities
Growing specialty manufacturing sector/cluster
Cromam Mill site – redevelopment potential
Railroad Property – redevelopment potential
Expansion of OSF season
“Cool” place for innovation manufacturing
Green/Sustainable business as a niche cluster
Serving the needs of the aging demographic (silver tsunami effect)
Creation of a local angel funding system
Expansion of AFN due to increased public/business demand for broadband connectivity
Increased partnership/alignment with regional economic development partners (Chamber, SOREDI, SOVA, Travel Oregon, Business Oregon, etc
New demographic for outdoor recreation and geo-tourism
Improve clarity, responsiveness, certainty of the local land use development process
Growth of SOU in students, programs and other offerings

SOU Strategic Plan goal “Commitment to the Arts and Region : Community Partner and Catalyst”

Creation/expansion of retail university sector for SOU student population near campus

### SWOT - Threats

Watershed fire – Lack of protection

Lack of available local credit/capital for small business start-up

Potential railroad line closure

Large shift in aging demographic (silver tsunami effect)

Live events as a declining activity type nationally (relating to heavy dependence on live OSF events)

Increased cost of entertainment, i.e. tickets, food, travel, lodging, etc (heavy dependence on affluent tourist)

Perception of Ashland – “Retirement community” “mostly seniors” etc

General local high cost of living

Business retention or growth beyond Ashland’s scale

Belief or perception that Ashland can be a self-contained entity insulated from outside impacts/forces

Continued deterioration of our K-12 school enrollment figures

High unemployment rate

Increasing poverty level of Ashland residents

Water supply - No back-up/redundancy to existing source of water

Great competition for business relocations

Aging infrastructure (water, sewer lines, streets, etc)

Initial technology advantage (AFN) has diminished as others have “caught up”

## Strategies

The committee, with input and assistance from the community, was charged with developing a set of strategies and corresponding actions that assist in moving the economy towards the shared vision. Of critical importance is the understanding of and alignment with the identified existing and predicted trends as well as recognizing and addressing the strengths, weaknesses, opportunities and threats of our local economy. The most successful strategies and actions should enhance and leverage our strengths, capitalize on opportunities and reduce or mitigate our weaknesses and threats.

To connect and be compatible with the overall values and direction of the community, the strategies should also compliment or enhance the existing economic development policies from the Comprehensive Plan.

### Sample Strategies

The Committee conducted several brainstorming exercises to generate and prioritize an initial list of potential strategies that could be considered. The list was substantial and, along with many clear strategies, contained specific actions as well as more broad values statements.

The following strategies represent the results of the Committee's initial efforts at organizing and consolidating the initial list of over 60 ideas into 24 potential strategies in five general categories.

#### BUSINESS & ECONOMIC GROWTH

1. Ensure a wide range of income opportunities, with a focus on growing the total number of family wage jobs in the private sector.
2. Expand on the tourist/visitor and creative arts clusters
3. Provide a system or mechanism for private investment/capital in local businesses
4. Create and promote a "sustainability cluster"
5. Develop a set of target industry groupings to guide business cultivation, research and job training strategies
6. Increase the viability of the existing tourist based economy by increasing tourism in the fall, winter and spring, as well as by diversifying the types of events and activities for our visitors
7. Develop a program for ongoing and coordinated efforts on local business retention and expansion

#### CIVIC COMMUNITY/COLLABORATION

1. Increase partnership/involvement with local and regional partners, particularly on issues that cross jurisdictional boundaries
2. Take advantage of compatible regional, state and federal economic development efforts
3. Leverage and connect/match up existing local business expertise with small business needs
4. Create an ongoing communication forum/system for community economic development issues (Economic Development Commission, Advisory Board, coalition, etc)
5. Create community "Quality of Life" indicators

## DIVERSITY/INCLUSION

1. Ensure that all needed housing types are available across all income levels
2. Increase the availability of more diverse recreational facilities
3. Increase the “young family” demographic
4. Increase and promote opportunities for community and civic interaction (two-way) for residents (web, kiosk, forums, etc)
5. Embrace and celebrate diversity so all people can succeed in Ashland, regardless of age, income, race, ethnicity, religion, national origin, sexual orientation, physical ability or political beliefs

## EDUCATION/WORKFORCE DEVELOPMENT

1. Provide local educational & technical skills development to match business workforce needs
2. Increase K-12/RCC/SOU student intern work in the community (non-profit, government, private)
3. Connect “budding” entrepreneurs with established businesses and community leaders (local mentoring program)

## TRANSPORTATION/UTILITY INFRASTRUCTURE/PUBLIC SERVICES

1. Provide efficient infrastructure for all modes of transportation for personal, business and visitor uses
2. Ensure Ashland Fiber Network remains current and viable in the telecommunications market
3. Secure long term water stability
4. Provide a stable local power grid with competitive rates
5. Create a “menu” of financing/public investment tools for infrastructure needs for the business community
6. Maintain a “real-time” available lands inventory to ensure a supply of lands are available for the needs of the business community
7. Ensure Downtown/Plaza is a community hub & vibrant economic center
8. Ensure public facilities are utilized to full extent (land and buildings)
9. Provide a clear and understandable process for all phases of the land development & construction process, including site selection, data collection, zoning approval, construction plan approval and utility/infrastructure review, approval and installation.
10. Expand programs that creative incentives for businesses to conserve energy, water, and other natural resources.
11. Ensure the long-term viability of public transit services that meet the needs of employers and workers as well as residents.
12. Manage physical development in such a way that provides public services at the lowest responsible cost, improves environmental quality, and enhances Ashland’s quality of life.
13. Preserve and expand Ashland’s system of parks, trails, and open space, both inside and outside of the formal city limits boundary
14. Plan for an identifiable “University District” to strengthen Ashland’s feel as a university town.

## D. Citizen Involvement

To engage the community and provide context to the input requested, the Committee worked through additional group processes to further narrow and define a set of draft strategies to present to the community for their review and feedback.

The draft strategies listed below, along with the 2030 Economic Development Vision, formed the content used in the three citizen involvement elements (focus groups, open houses, online questionnaire) to solicit comment and feedback.



### **Business & Economic Growth**

- Support/facilitate a system or program to increase access to private investment capital for local businesses, with a focus on "seed funding" for small business start up and expansion.
- Expand the tourism season beyond summer peak months and expand events and activities to attract and retain a diverse tourist demographic
- Support/facilitate a system or program for ongoing and coordinated efforts to assist and encourage local business start-up, retention and expansion
- Develop a set of target industry clusters/sectors to support and enhance new and existing business cultivation, research and job training strategies



### **Education/Workforce Development**

- Support targeted education, skills and workforce development efforts to ensure a high quality local workforce prepared to meet both the needs of local employers as well as establish new business start-ups.



### **Diversity/Inclusion**

- Encourage and support the availability of all needed housing types at price ranges and rent levels that match up with the incomes of Ashland households
- Support or provide programs that enhance and increase business development (start-up or expansion) opportunities across all underrepresented demographic components/elements of our community (age, gender, ethnicity, etc.)
- Establish and adopt a plan to provide demographic sustainability for the community, ensuring that the overall age demographics provide a relatively consistent student population for our schools



### **Civic/Community Collaboration**

- Increase partnerships/involvement with local and regional partners to better coordinate actions and initiatives where common goals and strategies exist
- Develop methods/program to increase availability and access to existing local business expertise with existing and emerging business needs (volunteer, peer, retired, etc providing consulting advice & support)



### **Infrastructure/Public Services**

- Assure adequate land supplies are available for needed business start-up, growth and expansion
- Continue to improve and develop quality local transportation systems to ensure a variety of transportation options are available to citizens, customers and businesses, both for goods receiving/delivery and personal access throughout the community
- Maintain quality utility systems meeting or exceeding environmental standards for electricity, water, waste water, telecommunications and storm water with sustainable rate models

The input of well over one hundred participants in the involvement was captured by an independent facilitator and City Staff and presented to the Committee in the report titled “Focus Group Report: Part of the City of Ashland’s Economic Development Strategy” by Jon Lange Ph.D with two supporting City Staff documents summarizing the open house and online questionnaire elements of the involvement process.

### **Summary of Feedback**

Much of the data collected was generated from the ten focus group meetings. The focus groups were held over a three week period and were organized into the following groupings:

<i>Creative Arts</i>	<i>Housing/Diversity</i>	<i>Sustainability</i>
<i>Development/Construction</i>	<i>Restaurant/Retail/Lodging</i>	<i>Workforce Development</i>
<i>Healthcare/Eldercare</i>	<i>Specialty Manufacturing</i>	<i>Venture Capital/Investment</i>

Each focus group was asked identical sets of questions about the draft vision and strategies ranging from “Is the committee on the right track” to “What do you think is the single most important strategy or action to improve our local economy”

While there was great variety in the responses, several themes emerged regarding the vision, the strategies and potential actions to take, including:

#### **VISION**

- Too general, too vague, too long
- Sounds like now, not future vision

#### **STRATEGIES**

- City role should be mostly as community facilitator/collaborator
- Greater participation in regional economic development activities and programs
- Avoid duplication of economic development programs/services that already exist
- Focus on local existing business development and growth

#### **ACTIONS**

- Review and improve land use development process-citizen/customer/staff relationship
- Develop specific incentives to encourage/assist the “right kind” of business growth/expansion
- Conduct local supply/demand inventory for import substitution opportunities
- Improve/expand City communication efforts to the business community and public on economic development related issues

In addition to the primary function of collecting comment and feedback from the community on the work of the Committee to this point, the citizen involvement efforts served as a form of outreach and exposure to the project and generated additional interest and following of the progress of the project.

## D. Citizen Involvement

The complete Citizen Involvement Report detailing the focus groups, open houses, online questionnaire as well as focus group meeting minutes is provided on the City of Ashland website at [www.ashland.or.us/citizenreport](http://www.ashland.or.us/citizenreport).

## D. Citizen Involvement

The December 2009 Economic Opportunities Analysis Update Report conducted by E.D. Hovee & Associates is available on the City of Ashland website at [www.ashland.or.us/EOA\\_Update](http://www.ashland.or.us/EOA_Update).