

DATE: December 9, 2015
TO: David Reeves, Susan Seereiter, Commissioner Walker
FROM: Alexandra Reese and Terry Moore
SUBJECT: FOCUS GROUP SUMMARIES

ECONorthwest is completing a Strategic Plan for Economic Development for the City of Grants Pass and Josephine County. Public engagement is a cornerstone of the strategic plan development process. The consulting team started the public engagement component of the project with a kickoff meeting with City Council and County Commissioners in October. It broadened its outreach efforts in November when two members of the consulting team, Alexandra Reese and Brian Scott, traveled to Grants Pass to hold focus groups for stakeholders from the community at large. This memo summarizes the organization and results of these focus groups.

The consulting team worked with the City and County to produce a comprehensive list of stakeholders. ECONorthwest first asked the City and County to provide a list of stakeholders. It then cross-referenced that lists with a list of government and non-government entities in the region that might work on economic development related issues. Where gaps existed, ECONorthwest contacted the appropriate organizations to find out whom it should invite to the focus groups. ECONorthwest invited all stakeholders to one focus group.

The purpose of these focus groups was to discuss opportunities and challenges related to economic development in both the City and County as well as potential actions to improve future conditions. Alexandra and Brian posed four prompts to each group:

- What are **strengths** in the City and County both generally and related to the specific subject for this group?
- What are **challenges** in the City and County both generally and related to the specific subject for this group?
- Where do **opportunities** for economic development exist?
- What **actions** should the City and County take to capitalize on strengths, address challenges, and realize opportunities?

Alexandra and Brian held five focus groups, each organized around a factor of production or industry:

- Infrastructure
- Rural Land Use and Forestland
- Urban Land Use
- Workforce and Education
- Tourism

Key findings across the five focus groups include:

Strengths

- The City and County both benefit from low taxes, a high quality natural environment, ample recreation opportunities, and a low cost of living, all of which contribute to a high quality of life.
- There is a thriving small business community and spirit of entrepreneurship.
- The tourism industry is strong.
- The K-12 and higher education school systems are strong.

Challenges

- The negative perception of public safety in the area challenges business attraction and retention efforts.
- The City has a lack of shovel ready industrial land, due to inadequate infrastructure.
- The City and County face challenges attracting and keeping a skilled workforce, despite positive perceptions of quality of education (K-12 and Rogue Community College).
- There is a lack of trust within the community for each other and government.
- There is an urban-rural divide within the community.
- There is a high homeless population.
- The population is aging.

Opportunities and Actions

- Invest in public safety to improve quality of life and business attraction and retention.
- Determine ways to build and maintain adequate infrastructure.
- Support the development of a vibrant downtown Grants Pass.
- Further investigate tourism, cannabis, food and beverage production, and forest management as potential target industries.
- Develop a strong City/County partnership through plan implementation.

The following sections provide verbatim responses to the four prompts posed in each group.

1 Infrastructure

Strengths

- Climate
- Roads and bridges have capacity in both the city and county
- Water/wastewater capacity is pretty well-placed, with a few areas that pose challenges
- Two airports in County have capacity and growth potential

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- The topography (river and mountains) creates a constraint on growth (pro and con)
 - Marijuana legalization is an opportunity with land with water rights currently leased at \$5,000 per acre per month
 - Community College provides both general education and technical training

Challenges

- Financing
 - Paying for needed improvements
 - Getting the votes to support capital improvements
- Lack of law enforcement and jail funding
 - Insufficient staff
- Airport depending on federal funding for capital improvements (rely primarily on FAA and to a lesser extent the State)
- Some infrastructure are aging, notably roads, streets, and pipes
- The topography (river and mountains) is a constraint on growth (pro and con)
- Proposed urban expansion has caused tension
 - Occurs at the detriment of farmland and rural areas
 - Some fear the City and County will lose their charm
- There is a vocal minority of negative people
- Finding and retaining qualified employees is a challenge
- Community College is limited on staffing
- Staffing in the County is thin
- Different urban/rural appetites for taxes, services, and policies
- There is a lack of trust and a fear of government
- Perception of safety
- Commissioners have not wanted to work with SOREDI in the past
- Brain drain

Opportunities

- New cannabis industry
- Climate and geography are an opportunity to draw people who want a high quality of life
- There are federal and state grant opportunities available to support airport development that the government could access
 - Example: Connect Oregon

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- The committee for public art is working to make arts and culture a draw for people to visit Grants Pass
 - There are several industrial areas that do not have water/sewer service that they cannot afford to serve. Build it and they will come?
 - The cost of living in Grants Pass is inexpensive

City/County Actions

- Hire more grant writers
- Connect Oregon grants can be used as match money for Federal grants
- Spend \$\$ to educate community on the benefits of infrastructure projects to the community
- Focus on more joint City-County actions and coordination
 - The staff seem to work well together
- Keep master plan updated and focus on implementation
- Focus attention on infrastructure moving north (Merlin), so to accommodate growth
- Tell success stories about infrastructure projects that have worked
- Focus on 30,000 feet/ big picture and delegate tasks; do not micromanage

2 Rural Land Use and Forestland

Strengths

- Timber and natural resources
- Natural environment and high quality of life
- Low property tax rate can attract businesses and residents
- Large number of forestry contractors (resource development)
- Wine industry
- Strong recreation industry

Challenges

- Limited education and skills
- The Federal government owns 70% of county land, so local land use activities and revenues depend on federal policy
- Aging labor force in trade industries (logging, plumbing)
- Low tax rates and incentives make it hard to provide services
 - Example: difficult to fund parks
- The perception of County in other parts of the State

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- Lack of law enforcement, jails
 - Lack of appropriate fire infrastructure
 - High homeless population
 - High drug use
 - Entitlement mentality
 - High number of seasonal jobs
 - Tension between supporting growth and maintaining the small town mentality
 - Housing is not affordable
 - No process in place to support interested businesses in site location/improvement decisions outside of SOREDI
 - Lack of community trust of each other and the government
 - Very vocal number of anti-government individuals
 - Big disconnect between City and County communities

Opportunities

- Strong base of existing companies
- Cannabis industry
 - High wage jobs: trimmers pay \$200 a day
- Medical industry
- More incentives
- Exploit North Valley industrial land opportunities
 - Area is growing: Dutch Bros, Kraus
- Vacant supermarkets (market of choice, Hagan's) are prime for redevelopment
- Tourism industry
- Publicize the enterprise zone, which is currently not well used
- Strengthen partnerships with SOREDI
- Non-profit development of affordable housing
- Aging population presents a potential new market for senior housing

Actions

- Develop a task force for business incentives
- Focus RCC on local economy and business ties (a lot of RCC programs and grads are in Medford)
- Ensure regulations and infrastructure investments support development

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- Develop a countywide tourism campaign
 - Promote the enterprise zone
 - Improve the north valley industrial park
 - Sewer and wastewater missing
 - Improve the airport as a business attractor
 - Support businesses in the siting process
 - The County and City should focus on positive messaging to counter the negative anti-government people
 - Improve parks and camping
 - Revisit permitting charges and SDCs

Questions

- Are there more opportunities for tourism?

3 Urban Land Use

Strengths

- People
- Partnerships with other entities (like RCC, SBDC)
- Urban renewal and redevelopment agency – focus on improving the Spalding Industrial Park
- Great place to live
 - Reflected in the diversity of businesses
- Opportunity for expansion via the industrial lands inventory in the City, relative to the entire Rogue Valley
- Location on I5 corridor and at the juncture of Red Woods highway
- Grants Pass Parkway and other new development areas are poised for growth
- City schools are growing
- Federal funding is available, but match is difficult
- Transit ridership is up 133% since 2009
 - Re-designed to operate as a urban system (as opposed to a rural system)

Challenges

- Lands are not shovel ready, making it expensive and difficult to compete
- Failing infrastructure systems near some industrial lands

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- Some commercial areas are not connected to major transit corridors (Parkway to Williams Highway to Red Wood Highway)
 - County schools have less services and lower quality facilities than the city districts
 - Public safety
 - Anecdotal evidence that lowers business retention
 - Asymmetric between City and County
 - Creates a negative perception that may drive away residents and visitors
 - Lack of trust of public officials
 - Different appetite for taxes – senior population is tax avoidant
 - Federal infrastructure funding is available, but local match is difficult
 - Illinois Valley transit access and infrastructure
 - Availability of skilled labor, and labor that can pass a drug test
 - Shortage of teachers
 - Communication between local government and the community – need to establish effective communication and engagement

Opportunities

- Entrepreneurial spirit
- Potential to grow the small business culture, which would make the economy more resilient
- Grants Pass is a gateway to the wine country – presents an opportunity showcase local farms
- Potential in Illinois valley for expansion (but has a large access challenge due to distance from I-5 corridor and lack of fiber infrastructure)
- RCC
 - Good linkages between the community college and industries
- Medical industry
- Makers space

Actions

- Focus on continued partnership between the County and City
- Use lottery dollars for programs that will generate ongoing returns: e.g., business loans
- Focus on building trust – follow through on an action and tell the story
- Test potential levies and ballots further
- Fund public safety

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- Build a City-County consensus on how to regulate the marijuana industry

4 Workforce and Education

Strengths

- Strong community identity
- Strong workforce inter-organizational support
- Strong entrepreneurial environment
- Diverse economy
- Active downtown
- Presence of e-commerce, strong relative to other segments
- Tourism
- Natural resource amenities and quality of life => population growth
- Acceptable wage – people here are willing to work for less, which is desirable for businesses
- Strong K-12 and higher education school systems

Challenges

- Recruiting medical professionals
- Recruiting qualified employees
- High homeless population
 - Increased presence downtown
 - Increased homeless student population
- Mental health care self-referrals have increased, particularly since the downturn
- Lack of appropriate land use planning policies
- Insufficient infrastructure
 - Fiber, water treatment
- Aging population
- Growing income disparity
- Not all people want to work
- Retaining smart, young professionals (wage structures, social life)
- Absence of family wage jobs
- Lack of placemaking in downtown
- Public safety disparity (City/County) and poor public perception

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- Commercial developable lands in the city

Opportunities

- Wealth generating businesses – traded sector
- Expanded tourism
- Labor bank (part timers)
- Housing in downtown
- Industries
 - Wine
 - Food production -- CSA
 - Outdoor recreation
 - Fie in food production and recreation
- Cannabis business

Actions

- Develop cycling tourism
- Cross-promote complementary activities
- Tell success stories about how the City/County have supported entrepreneurship
- Develop shovel ready industrial land that is priced at a market rate
- Relocate fair grounds
- Better utilize the Rogue Partnership
- Assist the RCC to increase recruitment
- Focus on increasing spending by neighboring city residents in Grants Pass
 - Market the downtown
- Be more development friendly
- Produce a skills census

5 Tourism

Strengths

- Best of Southern Oregon
 - Wineries
 - Art
 - Cycling and outdoor activities
 - Oregon Caves

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- River
 - Strategically located for other draws
 - Crater Lake
 - Oregon Coast
 - Midpoint between Bay Area and PDX, PDX and Seattle
 - Historic downtown
 - Friendly people
 - Low taxes
 - Free downtown parking
 - A lot of parks along the river
 - Thriving small business community
 - Strong SBDC

Challenges

- Low taxes make it hard to provide services
 - Lack of law enforcement
- No adequate meeting facilities, like a convention center
- High homeless population
- A large percentage of County land is owned by the BLM, which makes land management challenging
- Lack of adequate workforce
- Aging population
- Little gathering space in the downtown
- High SDCs
- Infrastructure is limited and costly, prohibiting development
 - Spalding
- Confusing and frequently changing permitting and development process
- Slow, bureaucratic process with little follow through
- Downtown feels unsafe
- Parking
 - Perception of no downtown parking
 - Even if the study says no parking is needed, it may be useful to have a lot downtown for secure parking

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- The Council and Commissioners change too frequently and each time these bodies change, they scrap existing projects, making it difficult to get anything big done.
 - The County government lacks a clear chain of command between Commissioners and department heads
 - Elected positions do not have required minimum qualifications
 - Absence of good accommodations in Illinois Valley
 - Entrances to city are not nice

Opportunities

- Better forestland management – requires discussion with federal agencies
- Emerging population of young families and young professionals
- Cannabis industry as a tax revenue generator
- Downtown housing, if safety concerns are addressed
- Market activities that are available
- Fairgrounds are underutilized but could be redeveloped
 - Concert or meeting venue
- Underused farmland
- Development opportunities
 - Paradise Ranch
 - Dimmick (old hospital)
- Farm to table movement
 - Rogue Creamery
 - Siskiyou Field Institute

Actions

- Sustain vision and strategies across election cycles and new Councils/Commissions
- Focus on City/County cooperation
- Revisit County governance
- Get the message out: “we are open for business”
- Better zone businesses in downtown (e.g., match high employment businesses with areas that have adequate parking)
- Recommend design standards for the downtown
- Develop the State designated scenic bike route