



REGIONAL SOLUTIONS OFFICE
GOVERNOR KATE BROWN

South Central Oregon Regional Solutions Advisory Committee
Representing Lake and Klamath Counties

AGENDA

Monday March 9th, 2020

1:00 pm – 3:00 pm

Lake County Commissioners Room

Lakeview, OR

Conference Call: 1(541)465-2805, code: 730943#

- I. Introductions
- II. Short Session De-Brief – Annette Liebe, Regional Solutions Coordinator, Governor's Office
- III. Lake County Development Demand Analysis – Betty Riley, SCOEDD
Draft Housing Accelerator discussion (hand out forthcoming)
- IV. Lake County Fairgrounds Facility Improvement Plan – Ronne Lindsay, Lake County Fairgrounds
- V. Workplan review and discussion
- VI. Adjourn

The meeting location is accessible to persons with disabilities. To request an interpreter for the hearing impaired or for other accommodations for persons with disabilities, please make requests at least 48 hours before the meeting to Julie Tasnady, 503.37836549 or Julie.tasnady@oregon.gov; or by TTY: Oregon Relay Services at 1-800-735-2900

South Central Oregon Regional Solutions Team

PROJECT TRACKING MATRIX

December 2019

SOUTH CENTRAL OREGON REGIONAL SOLUTIONS TEAM



Annette Liebe, Governor's Office - RSC Coordinator
Jarod Johnson, Oregon Department of Transportation
Scott Edelman & Jon Jinings, Oregon Dept. of Land Conservation & Development
Greg Svelund, Oregon Department of Environmental Quality
Robert Del Mar, Oregon Department of Energy
Larry Holzgang, Business Oregon
Kirk Jarvie, Department of State Lands
Damon Runberg, Employment Department
Kim Travis, Oregon Housing and Community Service
Trevor Watson, Oregon Department of Fish and Wildlife
Susan Bethers, Oregon State Parks and Recreation Department
Sheri Stuart, Oregon Main Street Program, Oregon State Parks and Rec Dept
Kyle Gorman, Water Resources Department
Beth Pietrzak & Theresa Yoshioka, Oregon Department of Agriculture
Betty Riley & Ginger Casto, South Central Oregon Economic Development District

Governor Kate Brown's Regional Solutions Centers (RSCs) are places for state agencies to collaborate with each other, local governments, and with other public, private, and civic interests to solve problems and seize opportunities. Regional Solutions Advisory Committees, made up of Oregonians appointed by the Governor from business, civic organizations, government, foundations, and higher education, identify priorities to guide the work.

South Central Oregon Regional Solutions Advisory Committee

Jane O'Keeffe, Convener
O'Keeffe Ranch

Kelley Minty-Morris
Klamath County Commissioner

Brad Winters
Lake County Commissioner

Carol Westfall, Mayor
City of Klamath Falls

Charles Massie
Klamath Community College

Tricia Hill
Gold Dust Farms

Betty Riley
SC Oregon Econ Dev Dist

Michele Parry
Town of Lakeview

Peter West

Jim Walls

Don Gentry

Todd Andres

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Energy Trust

Lake Co. Resources Initiative

Klamath Tribes

Pacific Power

Sandra Fox

Barry Imler

Randy Cox

Jessica Bogardus

Oregon Inst of Tech

Fremont-Winema NF

Klamath Co Econ Dev Ass.

Lake Co Chamber

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Mission:

The South Central Regional Solutions Team provides regulatory technical assistance, aligns funding and shares information to support job retention and attraction. The South Central Regional Solutions Advisory Committee has identified the following priorities to guide the team's work.

South Central Priorities

Updated April 2019

1. Infrastructure
2. Shovel Ready employment land
3. Support entrepreneurship and small businesses
4. Workforce Housing
5. Downtown Revitalization
6. Water quality and quantity
7. Workforce development especially trades and internships
8. Improve forest Health/restoration economy
9. Agriculture

PRIORITIES

Infrastructure		
• Region has infrastructure needed to support economic development		
Projects	Partners	Milestones
Natural Gas Service to Lakeview	<ul style="list-style-type: none">• Lake County• Red Rock Biofuels• Avista• ODOE• PUC• DEQ	<ul style="list-style-type: none">• County issued Right of Way permit• DEQ/DSL provided technical assistance on permitting for Red Rock's pipeline• Work with Red Rock and Lake County on regulatory issues related to tying in to Red Rock's pipeline.

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	<ul style="list-style-type: none"> • DSL 	
Broadband Service to rural Lake County	<ul style="list-style-type: none"> • South Central Oregon economic Development District • Lake County Education Service District • Lake County • Business Oregon • ODOT 	<ul style="list-style-type: none"> • Lake County ESD received a federal grant to take fiber from Lakeview to Plush and Adel schools. ESD granted an extension. • Lake County received permission from Surprise Valley Electric to use their poles; issues have been discovered with these poles. •
Improve rail infrastructure to serve new and existing businesses <ul style="list-style-type: none"> • Lakeview • Klamath Falls 	<ul style="list-style-type: none"> • Goose Lake Rail • Cornerstone minerals • Collins Pine • Lake County • ODOT • Business Oregon 	<ul style="list-style-type: none"> • Lake County received \$167,000 in 2017-19 Regional Infrastructure funds to re-build bridges to meet safety standards. • Lake County received \$5.6M federal grant; seeking \$3.15M match...Red Rock has contributed approx \$1.3M in match. \$10M project to bring rail up to class I standards. • State agencies acted quickly to complete work needed to support the Categorical Exclusion submitted to the Federal Rail Admin Dec.4, 2019. • Exploring opportunities to support a rail transfer facility in Klamath Falls.

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<p>Water systems</p> <ul style="list-style-type: none">• Lakeview• Chiloquin• Malin• Bly	<ul style="list-style-type: none">• Business Oregon• OWRD• OHA• USDA RD• Lake County• Klamath County• Town of Lakeview• Town of Chiloquin• City of Malin• Town of Bly	<ul style="list-style-type: none">• One stop meetings have been completed for: Lakeview, Chiloquin, OTHERS?? <p>CHILOQUIN</p> <ul style="list-style-type: none">• Business Oregon funded through the Safe Drinking Water Revolving Loan Fund (forgivable loan and loan) \$2.8M; Seeking additional loan and grants from USDA RD; Project has gone to bid. Bids came in over budget.• OWRD awarded \$661,000 to Chiloquin under the Water Projects Grants and Loan program for a new well and meter replacement. <p>MALIN</p> <ul style="list-style-type: none">• The City of Malin installed a new cloud telemetry system to electronically monitor operations of the pumps, well levels, and storage tank levels to provide more secure and reliable water delivery for city businesses, residents and a new potato processor that was able to locate in the city (12 – 15 new jobs); This project was funded with 2015-17 RIF funds. <p>BLY</p> <ul style="list-style-type: none">• Bly has received an USDA EQUIB Grant plus loan funding from Business Oregon to drill a new well.• Bly, through Klamath County, was awarded \$276,210 in CDBG funds to complete an engineering design to replace the distribution system with adequately sized pressure cycle and flows.
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<p>Wastewater Treatment</p> <ul style="list-style-type: none">• Crescent• Chiloquin• Bonanza• Klamath Falls	<ul style="list-style-type: none">• Crescent Sanitary District• Town of Chiloquin• Town of Bonanza• City of Klamath Falls• DEQ• Business Oregon• Department of Forestry• DLCDC• USDA RD• US EPA• FEMA	<p>CRESCENT: Business Oregon funded feasibility study; showed only feasible site was Gilchrist State Forest.</p> <ul style="list-style-type: none">• Team helped Sanitary District gain approval to purchase 200 acres from ODF (Gilchrist Forest)• DEQ permitted facility construction• Business Oregon convened a one stop• Business Oregon and DEQ administering funds (CSRLF) and providing technical assistance• Groundbreaking November 9, 2018 <p>CHILOQUIN:</p> <ul style="list-style-type: none">• Business Oregon convened a one stop to assess funding options.• City received CDBG funding for design and engineering• City of Chiloquin received Regional Infrastructure Funds 2015-17 (\$63,000) to construct an east side lift station. <p>BONANZA</p> <ul style="list-style-type: none">• Received a forgivable loan and loan award from Business Oregon to upgrade waste water system and expand treatment lagoons. <p>KLAMATH FALLS</p> <ul style="list-style-type: none">• Working with DLCDC, FEMA and EPA to resolve flood plain mapping for the existing facility• SRF and flood plain docs expected to go out for public comment January 2020.• DSL expedited the wetland assessment for the proposed expansion area to clear to site of wetland permitting needs.
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<p>Solar Project technical Assistance</p> <ul style="list-style-type: none"> • Obsidian projects in Lake County 	<ul style="list-style-type: none"> • Department of State Lands • Fish and Wildlife • Lake County • DLCD • ODOE • ODEQ 	<ul style="list-style-type: none"> • DSL expedited wetland permitting for two solar projects in Lake County to meet aggressive timeline for project construction.
<p>Swan Lake Pumped Storage</p>	<ul style="list-style-type: none"> • Water Resources Department • Fish and Wildlife • DEQ 	<ul style="list-style-type: none"> • Contacted project principles to offer permitting technical and coordination assistance.
<p>Ensure adequate infrastructure to be resilient</p> <ul style="list-style-type: none"> • Market Klamath Falls as secondary relief hub for Cascadia • Four lanes on Highway 97 • Airports 	<ul style="list-style-type: none"> • Business Oregon • Office of Emergency Management • ODOT • Klamath County • Lake County • Kingsley Field • City of Klamath Falls 	<ul style="list-style-type: none"> •

<p>Increase Shovel ready employment land</p> <ul style="list-style-type: none"> • Region has sites to market to economic development projects • At least one or two 100 acres or larger industrial sites in the UGB for Klamath Falls 		
Projects	Partners	Milestones
<p>Brett Way Extension</p> <p>RST has been working to identify and secure state permits/approvals needed for construction of a new road to increase safety and serve future industrial uses.</p>	<ul style="list-style-type: none"> • ODOT • City of Klamath Falls • DLCD • DEQ 	<ul style="list-style-type: none"> • City has agreed to extend water and sewer • DLCD and DEQ provided technical assistance related to land use and air quality requirements. • Engineering and design in process • Bid scheduled in 2020

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<p>Economic Opportunity Analyses</p> <ul style="list-style-type: none"> • Lakeview • Paisley • Klamath Falls 	<ul style="list-style-type: none"> • DLCD • Business Oregon • Town of Lakeview • Lake County • SCOEDD • Lake Co Chamber • City of Klamath Falls • KCEDA 	<ul style="list-style-type: none"> • Lakeview and Paisley received funding through DLCD to develop an EOA for each city. These were completed in June 2019 by the cities with the assistance of ECO Northwest. • Review analyses with team and committee to ID opportunities • Integrate results into CEDS and RS/partner priorities
<p>Establish Regionally Significant Industrial Site in Klamath County</p>	<ul style="list-style-type: none"> • KCEDA • City of Klamath Falls • ODOT • DEQ • DSL • Business Oregon 	<ul style="list-style-type: none"> • Identify site and contact land owner re: interest • Work with city and KCEDA on application packet • RST reviewed RSIS application for WESGO
<p>Support Re-development of industrial sites in SCOEDD/EPA Brownfield redevelopment project</p>	<ul style="list-style-type: none"> • EPA • Lake County • SCOEDD • Business Oregon 	<ul style="list-style-type: none"> •

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Support entrepreneurship and small businesses

- There are resources to support entrepreneurs and small businesses. Keep talent from leaving the region.

Projects	Partners	Milestones
<ul style="list-style-type: none"> • Klamath IDEA 	<ul style="list-style-type: none"> • Business Oregon • Klamath Community College • SCOEDD • KCEDA • OIT 	<ul style="list-style-type: none"> • Received initial Rural Opportunities Initiative (ROI) grant from Business Oregon. • Received additional ROI award to implement SourceLink • Received financial support from Klamath County and City of Klamath Falls
<ul style="list-style-type: none"> • Develop an Angel Fund (KCEDA led?) 	<ul style="list-style-type: none"> • KCEDA • Business Oregon 	<ul style="list-style-type: none"> • Formative stage.
<ul style="list-style-type: none"> • Create Makers Space 	<ul style="list-style-type: none"> • 	
<ul style="list-style-type: none"> • Create Food hub 	<ul style="list-style-type: none"> • SCOEDD • Business Oregon 	

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<p>Support Outdoor Rec Ecosystem</p> <ul style="list-style-type: none"> • Trails • Lake County Fairgrounds Facility Improvement Plan 	<ul style="list-style-type: none"> • Lake County • SCOEDD • Business Oregon • Klamath County 	<ul style="list-style-type: none"> • Lake County Fairgrounds received a LEOF grant to develop an improvement plan. • Commissioner Minty-Morris appointed to OR Outdoor Rec Committee. • Met with guides and outfitters re: access to Klamath River post dam removal.
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Workforce Housing <ul style="list-style-type: none"> • There is enough housing across income levels to house regions growing employment base 		
Projects	Partners	Milestones
<p>Housing Needs Analyses</p> <ul style="list-style-type: none"> • Klamath Falls • Lakeview • Paisley 	<ul style="list-style-type: none"> • DLCD • OHCS • Lake County • Town of Lakeview • City of Klamath Falls • KCEDA • Chambers 	<ul style="list-style-type: none"> • Klamath Falls, Lakeview and Paisley received funding through DLCD to develop HNAs. These were completed in June 2019 with the assistance of ECONorthwest. • Shared results with RS Committee, RST and local partners. • Support the implementation of strategies recommended in the reports;
<p>Partner with Employers to Build more housing</p>	<ul style="list-style-type: none"> • Kingsley Field • KCEDA • Hospitals • Red Rock • City of Klamath Falls • Town of Lakeview • USFS • OHCS • DLCD • Business Oregon • SCOEDD 	<ul style="list-style-type: none"> • Identify key employers partners (KCEDA has done this in Klamath Falls) and understand the needs of their employees • Develop a public/private partnership to increase housing supply; meet with builders and potential funders. • Find a person to serve as “housing accelerator” in Lakeview/Lake Co.

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<p>Rehabilitate existing housing stock</p> <ul style="list-style-type: none"> • Weatherization • Wood stove removal 	<ul style="list-style-type: none"> • SCOEDD • USDA RD • ODOE • DEQ 	<ul style="list-style-type: none"> • ID funding opportunities • Klamath-Lake regional housing center awarded \$400,000 to fund a housing rehabilitation program in the incorporated cities of Klamath Falls, Malin, and Merrill.
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Downtown Revitalization

- There are vital downtown cores to attract activity

Projects	Partners	Milestones
<p>Downtown Planning and Historic Preservation:</p> <ul style="list-style-type: none"> • Klamath Falls • Lakeview 	<ul style="list-style-type: none"> • Oregon Main Street • DLCD • City of Klamath Falls • Klamath Falls Downtown Association • Town of Lakeview • Town of Chiloquin 	<ul style="list-style-type: none"> • City of Klamath Falls received a grant to implement public outreach and create a development plan for downtown. Final draft of the plan due by consultants in mid-January. • Lakeview Community Partners received a grant for strategic planning however they are still in info gathering stage, planning, and getting expert advice, including expertise on building renovation, HVAC updates, streetscape planning.

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Water quality and quantity

- There is sufficient water to support community and employer needs
- Water quality in Upper Klamath Lake is improving; water quality trading “credit” are available for economic development

Projects	Partners	Milestones
Modoc Point Irrigation System Modernization	<ul style="list-style-type: none"> • FCA • OIT • Irrigation District • ODFW • OWRD • DEQ • ODA • Business Oregon • Trout Unlimited • Klamath Tribes • Upper Klamath Watershed Partnership 	<ul style="list-style-type: none"> • RS convened two multi stakeholder meetings that discussed funding opportunities and toured the district. • Awaiting FCA system improvements plan.
WRD Funded – Klamath Basin Storage Feasibility Study	<ul style="list-style-type: none"> • OWRD • ODA • Klamath Lake Land Trust • Klamath County • National Fish and Wildlife Fund • Trout Unlimited • Upper Klamath Watershed Partnership • Klamath Tribes 	<ul style="list-style-type: none"> • Draft study released in October. • Final released November 15, 2019
Reduce ag run-off to Upper Klamath Lake	<ul style="list-style-type: none"> • ODA • Trout Unlimited • DEQ • ODFW 	<ul style="list-style-type: none"> • ODA working with landowners and non-profits to identify and implement innovative practices to reduce run off and monitor water quality. Main implementation partners include

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	<ul style="list-style-type: none"> • OWRD • OWEB • Upper Klamath Watershed Partnership • Klamath Tribes 	<p>landowners, SWCD, KWP, Trout Unlimited, USFWS.</p> <ul style="list-style-type: none"> • OWEB funded four technical assistance grants around Upper Klamath Lake in their Spring 2019 funding cycle. The grants will fund engineering and planning. These technical assistance grants are for Lakeside Farms, West Canal Water Quality Treatment Design, Walker Farms Water Quality Improvements and Upper Klamath Lake Lower Algoma Design. They are all active as of December 2019. • NRCS CIS (Conservation Implementation Strategy) application submitted and approved. The funding will assist with implementation of high priority phosphorous reduction projects on agricultural properties around UKL. • ODA will continue water quality monitoring through 2020 and 2021 at the pump sites related locations. • ODA and partners continue to seek funding assistance for the water quality improvement projects. Implementation funding for the projects to improve water quality for the sucker species has not been as easy to come by or in amounts anticipated.
<p>Water quality trading program for Klamath Basin</p>	<ul style="list-style-type: none"> • DEQ • KCEDA • SCOEDD • OWRD • ODA • Business Oregon • Klamath County 	<ul style="list-style-type: none"> • DEQ working on chartering a sub-group to begin the identification and development of projects.

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	<ul style="list-style-type: none"> • City of Klamath Falls • Trout Unlimited • Klamath Tribes • Upper Klamath Watershed Partnership 	
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Workforce Development especially trades and internships (ECWIB led)

- Region has enough trades people to support housing and economic development projects
- Students have the opportunity for gaining job experience

Projects	Partners	Milestones
Klamath Community College Internship and Apprenticeship Center	<ul style="list-style-type: none"> • KCC • HECC • OIT • philanthropy 	<ul style="list-style-type: none"> • Project was funded \$250,000 from 2017-19 RIF funds.

Improve Forest Health/restoration economy

- Fuels are reduced
- Material is put to use in economic development projects

Projects	Partners	Milestones
Red Rock Biofuels	<ul style="list-style-type: none"> • Business Oregon • Environmental Quality • DLCD • DSL • ODOT • Town of Lakeview • Lake County • Goose Lake Railway 	<ul style="list-style-type: none"> • DEQ issued 401 certification July 2019 • DEQ provided technical assistance on cooling water proposal using Lakeview effluent • DEQ working on ACDP renewal December 2019 and ACDP modification request (application expected January 2020) • DEQ providing technical assistance on solid waste and biochar permitting

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	<ul style="list-style-type: none"> • SCOEDD 	
Cross Laminated Timber	<ul style="list-style-type: none"> • Business Oregon • KCEDA 	<ul style="list-style-type: none"> • Working potential recruitment
Biochar	<ul style="list-style-type: none"> • Department of Agriculture • Department of Forestry • Klamath Tribes 	<ul style="list-style-type: none"> • ODA is studying bio-char is a potential filtration medium to reduce phosphate
Juniper Utilization	<ul style="list-style-type: none"> • Business Oregon • Department of Forestry • Klamath Tribes 	<ul style="list-style-type: none"> • Exploring start up business to fabricate lawn and garden products

Agriculture		
<ul style="list-style-type: none"> • Sector is supported as an economic driver in the region 		
Projects	Partners	Milestones
Food hub (see entrepreneurship above) <ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • SCOEDD 	<ul style="list-style-type: none"> • Food hub report completed for SCOEDD September 2019; RS participated in SCOEDD Board discussion about next steps.
Water Quality (see above)	<ul style="list-style-type: none"> • DEQ 	<ul style="list-style-type: none"> • DEQ issued temperature TMDL (September 2019) for Klamath and Lost Sub-basins
Water Quantity (see above)	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •



Lake County, Oregon
Development Demand Analysis

January 2020

**Prepared for: South Central Oregon Economic
Development District**

Prepared by: Bridge Economic Development and Cardno, Inc.

Photo Credit: Dan Meyers on Unsplash

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EXECUTIVE SUMMARY

Lake County, Oregon is a remarkable place and community. As described by Lake County Commissioner James Williams:

People don't generally move to a place like Lake County to get rich. People come primarily for the scenery and our unique landscape, but also because of a culture that can't be found in other places. This is reflected in the cowboys that ride out before the sun rises where the dew on their saddles freeze with the morning frost. You'll see it in the farmer who works a 23-hour day to get his crop in before the rain. It can be seen in our schools, and countless other places, not to mention our countless volunteers that make up over 90% of our emergency responders that are there for their neighbors every day. It's a place to raise a family, to live healthy and to find that connection to the land and the people around you.

The culture of grit and hard work permeates this community. The residents of this community have invested this ethic and their relentless passion into it and are now starting to see the results of their labor. In the long term, assuming Lakeview is able to move forward with short term priorities and necessities, we expect the economic activity underlying Lakeview and Paisley's recent apparent population growth will continue to flourish, creating a strong foundation for employment and residential growth over the next twenty years.

1) BACKGROUND

South Central Oregon Economic Development District (SCOEDD) in partnership with Lake County, Oregon, the City of Paisley, and the Town of Lakeview received an EPA Brownfield Coalition Assessment Grant to evaluate potential brownfield sites in the area. As part of the process and based on feedback from community engagement efforts, Cardno is evaluating existing housing stock and sites within Lake County to determine the degree of blight and amount of vacancy within the area. In essence, Cardno is developing a supply inventory of buildings and sites throughout the county that have the potential for reuse or redevelopment. This information is summarized in a Development Opportunities Inventory provided under separate cover.

Further, an Economic Opportunity Analysis (EOA) and Housing Needs Analysis (HNA) were recently completed by others under a separate grant from the State of Oregon in August 2019. These reports evaluated the population, demographics, and employment base of the county. The EOA report specifically highlights industry sector strengths for the County, which include: agriculture, manufacturing, outdoor recreation/tourism and renewable energy. Bridge Economic Development built upon that work through stakeholder interviews (Appendix A) and additional research to prepare the Development Demand Analysis. This report summarizes the economic development opportunities within the county and proposed actions for SCOEDD and other municipal staff to encourage private development, ideally on the brownfield supply inventory, that will grow the economic base. Report

recommendations apply to all of Lake County. While some actions are specific to communities such as Lakeview or Paisley, they will ultimately benefit the economy throughout the entire county.

2) ECONOMIC DEVELOPMENT OVERVIEW

Economic development can be defined as efforts that seek to improve the economic well-being of a community and the quality of life for its residents by creating and/or retaining middle and high-income jobs and supporting or growing incomes. These jobs are generally placed into two different categories defined as traded sector and local sector, and each has distinct needs in terms of workforce and business location. In addition, these sectors require different types of support and investments from various stakeholders. These sectors are distinguished for clarification regarding strategy objectives and actions. To have a stable economy, communities should have jobs in both categories.

Traded Sector vs. Local Sector Jobs

Traded sector (also referred to as an export or basic sector) businesses include industries and employers which produce goods and services that are consumed outside the region where they are produced and, therefore, bring new income to the area (i.e. Ranching and GK Soundbooth). Workers in the traded sector tend to have higher educational attainment, work more hours, and earn higher average wages than local sector business.

As the traded sector increases employment and wages, it also enables entrepreneurs to develop skills and resources to foster innovation and start new businesses and increase employment opportunities. Furthermore, certain traded sector companies foster a supply chain effect that creates the need for additional companies to supply components of a product that is manufactured.

Local sector business consists of industries and firms that are in every region. They produce goods and services that are consumed locally in the region where they were made, and therefore circulate existing income in the area (e.g. theaters, restaurants, banks). These businesses are important as they make a community distinct and provide amenities to attract young professionals and young families that drive the new economy.

The following table highlights the average wage difference between traded sector jobs and local sector jobs across the United States. As the job base expands, a community is more attractive to employees when more options for career growth exists. In turn, once the employment base grows, competition will occur and ultimately increase wages.

Table 1. Annual Average Wage Comparison, USA, 2018

NAICS	Industry Sector	United States Average Wage 2017
Traded Sector		
55	Management of Companies & Enterprises	\$119,885
51 -54	Information, Professional, Scientific, & Technical Services	\$99,705
42, 31-33	Wholesale, Manufacturing	\$ 71,372
48-49	Transportation Warehousing	\$ 51,726
11	Ag, forest, fish, hunting	\$34,464
Traded/Local Sector		
23	Construction	\$60,735
61, 62	Education, Health Care & Social Assistance	\$49,565
71	Arts, Entertainment, Recreation	\$37,759
Local Sector		
44-45	Retail Trade	\$31,217
72	Accommodation & Food Services	\$20,731

Source: Bureau of Labor Statistics, QCEW data

Importance of Attracting Talent

The national economy is becoming increasingly more talent/knowledge-based than resource-based, meaning that people, rather than raw materials, are the most important asset to a company’s value and prospects for growth. This applies to all industries, including manufacturing, professional services, and technology. This is not to suggest that Lake County needs to focus its industrial base entirely on technology companies, but to understand that the modern economy depends upon highly skilled people to thrive. For this reason, a company’s number one priority today is attracting talent. Verifying this is the Duke Fuqua School of Business CFO Global Business Outlook Survey.¹ The school has conducted the survey 91 consecutive quarters since July 1996. The years 2017 and 2018 are the first times that CFO’s cited attracting and retaining qualified employees as the number one concern over other factors such as input costs or regulations.

A significant cohort of the talent in demand consists of the “millennial” generation (generally ages 23 to 39 in 2020), made up of approximately 76 million people (or 23% of estimated national population and 15% in Lake County) – the largest single demographic group our country has seen since its founding. As this generation shapes our talent-based economy, it is important to understand what motivates them and the communities they choose in such a highly mobile environment. This desired talent is attracted to great places with attractive job opportunities. Such an environment includes the following elements:

¹ <https://www.cfosurvey.org/wp-content/uploads/2018/12/Q4-2018-US-KeyNumbers.pdf>

Job Base: Talent moving to a new community wants to know that there are other opportunities if the job that brought them there does not fulfill expectations. Alternatives include options to work remotely or the potential to start a new local business.

Walkable Environment: Almost all talent, including millennials, prefer an environment with housing options, amenities, alternative transportation modes and retail. This walkable lifestyle does not mean that an entire community must conform to urban densities. What is important is that some element of an “urban lifestyle” through either a healthy Main Street in a traditional downtown or denser town centers in suburbs is provided. Global commercial real estate firm Newmark Knight Frank (NKF) recently recognized that office property owners who create a ‘best of both worlds’ environment by offering options to work/live/play in a walkable setting stand to be most prosperous. Corporate occupiers should keep this in mind and consider locations that offer urban amenities in a suburban setting—a blend of the active environment and convenience that today’s workers, including millennials, prize”.² While Lake County is not a suburban community, this finding by NKF translates broadly for employment development in various communities including rural ones with historic downtowns.

Access to Technology: Millennials, and all talent, now expect access to high-speed internet service for video streaming services and the ability to work remotely. It is vital for rural communities to provide reliable broadband service if they want to attract young talent and grow economic opportunities.

Open Culture: Millennials embrace social and sustainable causes³ and communities that are more diverse, more accepting, and open to change.

The Role of Local Government

Local Government does not create jobs. It’s policies and programs create a favorable environment where businesses can easily invest and create jobs. With that understanding, the city and county should focus on the following elements to promote economic development.

Sites and Infrastructure: Businesses need to go into buildings and develop on sites with adequate infrastructure. Furthermore, similar types of businesses like to physically group together to build a destination and allow for collaboration. Where an employer locates depends on the industry. For example, software companies are dependent on highly-skilled talent and will locate where talent wants to be. In addition, because of the lower capital investments and less dependence on transporting finished products, they can afford higher rents that allow them to locate in more urban/downtown locations. In contrast, manufacturing, while also needing talent, must consider access to transportation infrastructure and lower land and building costs to off-set capital equipment investment costs. Additionally, some manufacturing is dependent on rail infrastructure to lower operational costs. Aligning industry clusters with available subareas (sites with appropriate

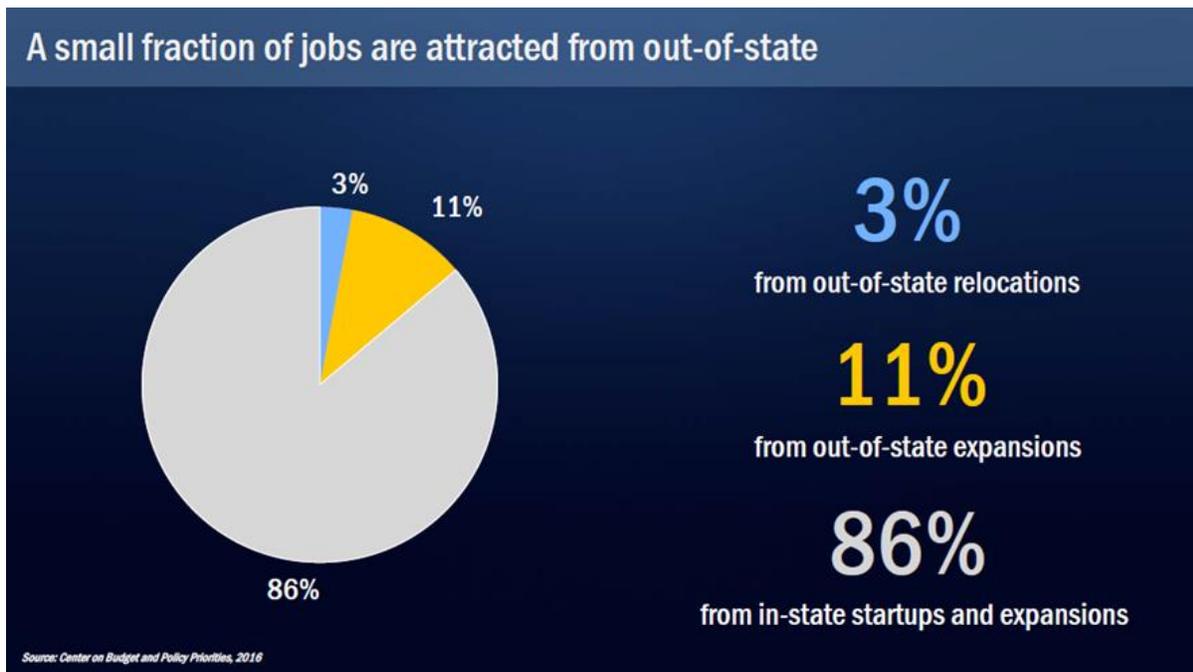
² Population Data Suggests a Suburban Office Rebound Is Coming, Newmark Knight Frank, November 2018

³ Brookings Institution, 11 Facts about the Millennial Generation, June 2014

infrastructure) is an important role for the Town of Lakeview, the City of Paisley, and Lake County to convey genuine support for economic growth.

Focus on Existing Residents and Businesses: As the community makes significant commitments to land use designations and infrastructure funding, it is important to ensure that the existing residents and businesses also benefit. Lake County should support and promote programs that allow existing residents to start their own businesses or gain skills that improve opportunities to work at expanding companies. As indicated in Figure 1, the majority of job growth across the United States comes from local start-ups and expansions of existing businesses.

Figure 1: Sources of Job Growth Across the United States



Source: Brookings, 2018

3) LAKE COUNTY ECONOMIC OPPORTUNITIES

The following industry sectors serve as a strong foundation for the Lake County identity and future growth.

Agriculture

Ranching and agricultural production are as old to Lake County as the earliest settlers to the area. As such, the agricultural industry sustains an economic foundation and deep-rooted cultural heritage. Ranching and hay production continue to thrive in Lake County with their respective unique characteristics and arguably unmatched quality offer opportunities for future economic growth.

Most hay production occurs in northern Lake County where producers grow superior alfalfa hay used to supply the dairy industry. Hay production has not changed significantly in the last fifteen to twenty

years although producers have shifted with trends to tailor their products to the meet demand from the organic market.

The southern half of Lake County is focused mostly on cattle production. While some hay is produced in the south, it is used locally and not exported. Other crop production has been attempted but was unsuccessful due to short growing seasons, cold winters and variable precipitation. Large land holdings and access to federal grazing lands allow livestock producers to pasture graze cattle in the spring, summer and fall while proximity to California, where most producers lease ground, allows them to truck cattle to relatively warmer weather during the winter. Most cattle are then finished in a feedlot and sold at auction.

Due to the method of cattle production, almost exclusively sustainably grass grazed over large acreage of high quality, dry and sturdy grasses before finishing, Lake County produces high-quality beef. A few producers have entered niche grass fed and organic markets, but it would be difficult to implement these practices on a large scale. A significant amount of the grass-fed beef produced in Lake County is sold to Whole Foods Markets. Aside from the risk associated with niche markets in terms of trendiness and their tendency to shift quickly, organic and grass-fed markets are more labor intensive and require significantly more acreage for grazing. In the face of the increased costs, achieving grass-fed or organic certifications are often not viable. However, Lake County's unique cattle production environment provides the opportunity to market its products as a category and quality all to its own.

While most of the cattle production in Lake County, particularly in the Summer Lake area, is corporately owned, there are many smaller producers who could benefit from direct marketing as well as access to local processing facilities. The potential for innovative business models to serve local producers is also an area of potential opportunity as producers confront higher production costs due to the lack of nearby agriculture-related services, such as agriculture supplies, feed stores and building materials. Higher costs occur with increased freight costs that must be paid if delivery is available or producers must trek to Klamath or Deschutes Counties to pick up their orders.

Manufacturing

Much of Lake County's manufacturing industry is connected to the area's natural resources with companies like Collins Mill and Pacific Pine tied to timber, and Cornerstone Industrial Minerals processing from the Tucker Hill perlite mine. Supplementing these businesses are emerging industries such as GK Soundbooth (<http://www.gretchken.com/>) and Red Rock Biofuels (<https://www.redrockbio.com/>).

GK Soundbooth manufactures sound booths and serves customers ranging from automobile factories to film production studios. The company was recently acquired and has quickly grown from two to upwards of 15 employees in just two years. In addition to increasing the number of jobs, management shifted from minimum wage and cyclical lay-offs to a 30 percent raise, annual salary and benefits. Additionally, the employees have been inspired to develop an entirely new product line that could significantly grow the company. The company is utilizing available space within the Lake County industrial incubator building to design the new product. However, making the necessary tenant

improvements to the space is delayed due to the limited amount of construction contractors in the area, especially ones with HVAC specialty. If the new product line succeeds, it will be vital for GK Soundbooth to be able to attract and retain new talent.

Red Rock Biofuels is constructing one of the first processing facilities in the country that converts woody biomass into fuel. They located to Lakeview due to the access to timber and incentives from the state. The anticipated success of this company will bring a new type of manufacturing to the region requiring a skilled workforce of 25 - 50 employees.

Remote Workers

From 2005 to 2017, the employee population that telecommutes (not including work-at-home or the self-employed) grew by 14.1 percent and the self-employed population grew 1.2 percent⁴. This number of remote workers is expected to grow as traffic congestion worsens, workplace culture becomes more flexible, and younger generations become increasingly digital. Recognizing the demand for workplace alternatives, major companies are embracing this trend. Specifically, Dell created its remote work program, Connected Workplace, and announced it wanted employees to be 50 percent remote by 2020⁵. Proactive cities like Tulsa, Oklahoma are actively pursuing these young professionals with their Tulsa Remote program⁶.

With the ability to work remotely, employees will become even more mobile and selective about where they want to live and work. Increasingly, there is anecdotal evidence of younger professionals that left their small hometown for college and professional opportunities and then, a few years later, desire to come back⁷. This younger generation is less interested in living in expensive large metropolitan areas to climb the traditional career ladder often due to bleak prospects for home ownership coupled with significant college loan debt. They are willing to sacrifice larger salaries for a high quality of life. More rural communities with access to outdoor recreation amenities and a welcoming culture are poised to benefit from this trend.

4) NECESSARY ASSETS FOR ECONOMIC GROWTH

In order to foster economic growth tied to the industries and or initiatives discussed above, the following assets must be provided within the community.

Housing

Recent housing studies conducted for Lake County have indicated that the population level and thereby housing need in both Lakeview and Paisley is expected to be flat or experience negative growth over the next 20 years. This finding is largely based on the declining population since the

⁴ American Community Survey (US Census Bureau), GlobalWorkplaceAnalytics.com

⁵ Office, Schmooffice: How 3 Big-Name Companies Succeed with Remote Working, Entrepreneur, March 7, 2016

⁶ <https://tulsaremote.com/>

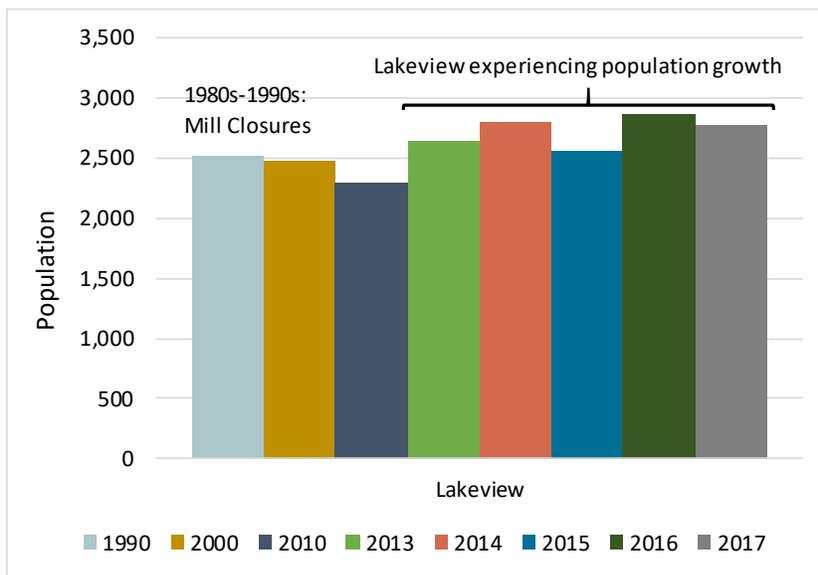
⁷ Go Home to Your 'Dying' Hometown, New York Times, March 2019

1990s in both communities. However, there is evidence that both Lakeview and Paisley have experienced significant growth since 2010.

Lakeview

A review of demographic data from the U.S. Census Bureau and Portland State University's Population Research Center indicates that while Lakeview experienced a decline in population from the 1990 Census through the 2010 Census, Lakeview's population since at least 2013 shows an influx of population in the range of 0.8% to 2.7% or ~139 to ~474 people. Data tracking the components of population growth in the County, implies that recent growth is likely due to in-migration. While natural (births/deaths) population growth has been negative since 2001, the rate of in-migration to the County has outpaced out-migration by 10% since 2011. While data specific to Lakeview is unavailable, we expect that its recent population growth follows similar trends.

Figure 2: Lakeview Population Growth, 1990 through 2017



Source: U.S. Census Bureau and Portland State University, Population Research Center

Notes: While Lake County has added between 621 and 934 residents since 1990, since 2010 the County has experienced a decline in population which appears to be centered in the Silver Lake-Fort Rock area. Growth in other areas of the County, particularly Lakeview, have nearly offset that decline.

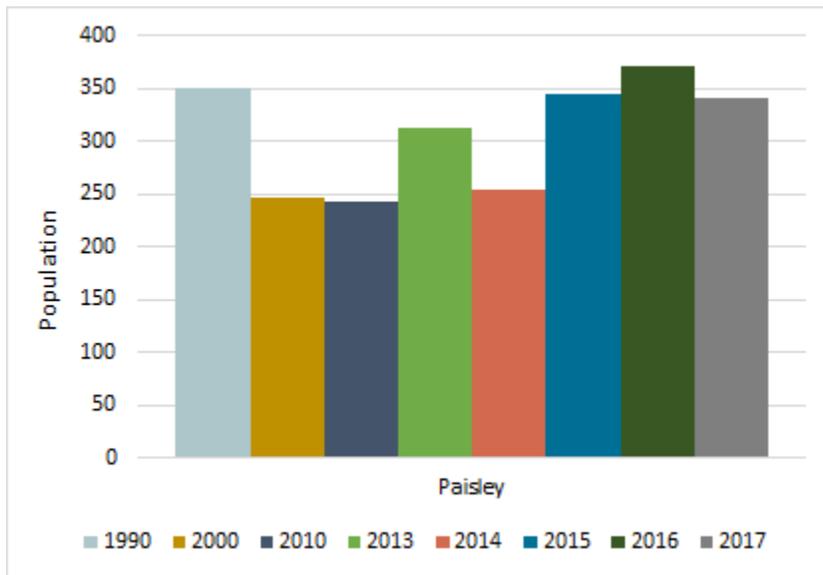
The mill closures in the 1980s and 1990s eliminated roughly 800 jobs from Lakeview. Consequently, since that time, Lakeview like many rural communities has grappled with pervasive population decline, job losses and subsequent poverty. Studies have shown that it can take a community about a generation, or roughly 25 to 30 years, to recover from major economic disruptions, such as mill closures. It may be too early to tell but is possible that after decades of decline due to the closure of mines and timber mills, Lakeview is on the cusp of experiencing a resurgence. Though it's likely that part of recent population growth is due to a temporary influx of workers for the natural gas pipeline building project south of the Lakeview, anecdotally, that is not the only source of activity. The possibility of the recent increase in population was anecdotally reflected in conversations with school

district officials as well as with business owners and managers who report new students and younger families moving to the area.

Paisley

Similarly, Paisley has also experienced population growth since 2010. Many of the issues laid out for Lakeview hold true for Paisley as well. While some of Paisley's growth may be due to temporary workers who have chosen to live in Paisley, anecdotally, we suspect that much of Paisley's population growth is due to the Paisley Public Charter School, which is known for its rigorous academic standards and innovative international student program.

Figure 3: Paisley Population Growth, 1990 through 2017



Source: U.S. Census Bureau and Portland State University, Population Research Center

The recognition of potentially more significant population growth is important for understanding the dynamics at work in the local housing market. As population has likely increased more rapidly than reported since 2010, the pressures on Lakeview's housing market are likely due to greater demand for housing and the available housing at all levels. Further, it is possible that unavailable or low-quality housing issues have resulted in population growth that is lower than it otherwise would be.

Market Constraints

Nationally, there is a shortage in the availability of affordable rental units. Very few apartments remain affordable for very low-income families, and one-in-four renters in the country is severely cost-burdened (defined as those spending over 50 percent of their income on rent). The affordable housing market is very tight, with vacancies well below market-rate apartment developments across the country. Exacerbating this issue is rapidly increasing construction costs, which forces developers to seek significantly higher prices to make new development feasible. As such, new single-family housing units are generally targeting upper income levels, while affordable rental housing is reliant on a wide array of tax credits and other funding sources to help bridge feasibility gaps.

If new market-rate housing product is developed within Lake County, single-family, duplexes and townhomes are the most financially feasible housing development types in the near- and mid-term. Affordable and/or mixed-income projects can sometimes achieve higher multifamily densities than market-rate projects since they have access to additional public funding sources. While the vacancy rate across multifamily apartment is relatively low, current rents in Lake County will be challenging for market-driven multi-family developments. The following non-single-family unit housing images convey the various types of housing construction discussed.



Duplex Unit



Townhouse Unit



Multifamily Unit

Parking is a key factor that affects housing density and financial feasibility. Typical types of parking are surface, tuck under, structured, and below-grade structured. Surface parking is the least expensive and below-grade structured parking is the most expensive. Structured parking can add tens of thousands of dollars of construction cost per housing unit, which often means that only hot housing markets with high rents can accommodate higher-density housing types with structured parking. Construction materials also change as housing density increases. Townhomes, low-rise (garden) apartments, and low-rise apartments with tuck-under parking (urban garden apartments) are typically entirely wood-frame buildings; while wrap and mid-rise/podium structures require concrete construction for parking areas; in addition, steel is sometimes used instead of wood for the apartment areas. The construction complexity and specialization required for these multifamily building types also increases costs.

Allowing for a variety of single-family housing types will help encourage more market-rate housing development. Housing alternatives that should be considered in Lake County are cottage cluster units and accessory dwelling units (ADUs). ADUs are small housing units that are constructed in the rear yard of a single-family residential lot. These housing types have a much smaller footprint and often serve adults that want to age in place with a single-story format. Additionally, these housing types are desirable for seasonal workforce or as short-term rentals during peak tourism season.



Cottage Cluster



ADU

Broadband

In order to serve the quickly emerging remote worker population, Lakeview must have reliable and redundant broadband. This vital infrastructure not only will serve new employees but will enhance the ranching industry by allowing them to virtually access cattle auctions. Additionally, companies like Red Rock Biofuels need reliable broadband infrastructure to upload and download large files of data. Finally, the infrastructure is necessary to provide lifestyle amenities for streaming videos and movies, which are now an assumed infrastructure element in metropolitan areas. Lack of this basic streaming amenity presents one more barrier to attracting new young talent to the area.

Amenities

In recruiting new talent, employers often struggle to secure talent qualified for management roles, positions that are ideally filled by people aged 35 to 45 with prior management experience. Often this desired cohort has established a family and, therefore, is focused on living in a community with family-oriented amenities. Public investment and retail amenities that serve this group are important to retain the desired experienced talent. Such amenities include movie theaters, coffee shops, family friendly restaurants, a tap room (or future microbrewery with an enhanced water supply), year-round community centers, and daycare. Such amenities not only serve a desired employee base, but also support the tourism industry.

5) RECOMMENDED DEVELOPMENT FOCUS

The following focus areas are recommended to realize private investment in residential and commercial real estate development.

Increase Construction Trades

Community stakeholders interviewed by Bridge (see Appendix A) noted that while housing is difficult to find for high-level directors or business owners, as well as, for their employees, a more critical factor that impacts housing and housing market-related issues, is the lack of skilled trades people to renovate and/or upgrade existing housing and the challenge to get builders and materials to the area.

In talking to representatives with Lake Health District, it was conveyed that hiring contractors was not a problem for a project that was \$1.5 million with prevailing wages. This suggests that contractors from outside the area, such as Medford or Bend, are willing to work in Lakeview if there is a substantial project that warrants the committed staff and time.

These issues have consistently led to home buyers purchasing less house than they otherwise would, thereby reducing housing choices for home buyers for whom those homes would be more affordable. Important takeaways from these comments are ❶ Demand for housing at all levels, but particularly for higher levels, is likely greater than understood and ❷ **Much of the current pressure on Lakeview's housing market could be solved by recruiting construction trade skills to the area.** Further, from an economic development perspective, addressing issues of real or perceived low-quality housing, would aide the community's ability to attract residents at the prime of their careers, a relatively lagging demographic in the community.

Moving forward, Lakeview should consider the possibility that population is growing more quickly than is known, which has both current and future implications. In the short term, many long term and newly arrived residents have immediate plans to or are in the process of renovating existing homes but are experiencing long delays due to a lack of trades people. Reportedly, lack of trades skills is also impacting business development in the area.

Encourage New Housing Development

In the stakeholder interviews it was determined there is a demand for new housing, especially to serve professionals working in the county. There is a current demand by health care, forest service, and correctional services professionals not being met, and it will only increase once Red Rock Biofuel is operational. Providing new and varying housing options is critical in order for companies to attract and retain new talent.

Unfortunately, the costs to build in relatively remote, distant areas keep builder profit margins low. Even upgrades or additions to existing housing is challenged by the small number of available contractors and added transportation costs for supplies and materials. The lack of significant new housing construction over many years has resulted in fewer licensed construction and specialty contractors and suppliers that remain in the area. Contractors have waiting lists of clients for remodel,

repair, and smaller jobs. For this reason, the market will not naturally provide the needed housing in Lake County.

Incentives and proactive engagement by SCOEDD and county staff are necessary to encourage new housing development. Some Oregon communities have taken on this approach. For example, in 2017, the Ontario City Council approved a \$10,000 New (single family) Home Construction Incentive Program that is a \$10,000 cash incentive paid within 30-days of home occupancy. To date five (new home construction) incentives have been approved. Two homes have been built, occupied and their \$10,000 received. Three homes are under construction.⁸ Such programs could have a positive impact in Lake County.

Nuisance Enforcement

Community stakeholders emphasized that the lack of nuisance enforcement is a major impediment to current and future investment. Therefore, high priority should be placed on collaboration amongst the Lake County, Lakeview, Paisley, and the smaller communities in the County to enforce residential nuisance restrictions. Strict enforcement and improved aesthetic appearance of the community will not only encourage further investment but will also have the effect of instantly boosting housing values across the area and improving community image (both internal and external).

Broadband

There are active members in the community that are attempting to enhance investment in broadband on an ad-hoc basis. It is important that the County, Town, and City leadership understand that broadband is critical infrastructure necessary to grow the economic base. A formal commitment to lobby state and federal interests to obtain necessary grant dollars will enhance existing efforts. The Economic Development Administration (EDA) provides broadband planning grants. This alternative funding source make enable the community to improve cyber connectivity.

Amenities

Continued attraction and provision of quality retail amenities is important to creating a great place. It is first important to make sure that existing retailers are as successful as possible. Once outreach and collaboration are fostered with existing businesses, concerted efforts to bring a taproom and to work toward a microbrewery to downtown Lakeview can be made. This is a great opportunity to reach out to the “homecomer” population, which is what took the founder of Ex Novo in Portland, Oregon back to Corrales, New Mexico⁹. The concept of a taproom serves both the tourism industry as well as the growing family population in the community.

Finally, continued support of and investment in the Alger Theater is very important to provide desired entertainment as well as a community gathering place. Investment in historic theaters can be a catalyst in downtown restoration as more than half of theater goers also spend dollars in dining

⁸ Harney County Workforce Housing Road Map, Greater Eastern Oregon Development Corporation, 2019

⁹ <https://www.abjjournal.com/1324127/portland-craft-brewer-comes-home-to-corrales.html>

out.¹⁰ Theatres also draw visitors as interest in main street tourism grows. An historic building such as the Alger allows guests and residents alike to create memories and experiences unique to Lakeview.

Professional Daycare

Several stakeholders indicated that the lack of a professional daycare facility places a significant strain on the workforce. Without this critical service, families rely on friends, family or individuals for care. If that individual is unavailable, the worker often must take off work to care for the child. Additionally, if a potential employee within the region does not have access to service, they can't enter the workforce in order to remain with the child. This is a strain on a rural community with a small talent pool where it is important to make sure as many people are available in the workforce as possible.

Startup/Small Business Ecosystem

As identified above, the most efficient way to grow the economic base is to encourage the growth of small business already in the community. GK Soundbooth is a text book example of why this is a best practice. Until there is a solid skilled employee base to draw from, it will be extremely challenging to recruit an existing business to Lakeview. It would be most effective to invest resources into fostering an ecosystem that can help new businesses get off the ground. Once the community has a more established economic base with diverse job opportunities to attract talent, recruitment becomes more viable.

Brownfield Redevelopment

As stated earlier, this Development Demand Analysis and the relate Development Opportunities Inventory are funded by the SCOEDD Coalition Brownfield Assessment Grant. The properties being assessed by the grant can and will likely be available for redevelopment for residential, and/or industrial purposes. Moving forward, stakeholders should consider zoning changes in order to accommodate the redevelopment of Brownfield sites like the Carlon Mill in Paisley and Lakeview Lumber in Lakeview in order to both eliminate blight and provide developable lands.

Thoughtful Identity

An important element of economic development is the ability to define how your community is authentically distinct. Lake County and Lakeview is authentically defined by the agricultural heritage and cowboy culture that supports the ranching industry. It is important to retain this identity but to also showcase how it is more thoughtful today in order to access the millennial demographic that can provide the necessary employment base to grow the economy. Examples include the continued promotion of sustainability in ranching practice, highlighting the Beaty Butte Wild Horse project that showcases collaboration with BLM, and the use of renewable energy in farming.

¹⁰<https://www.screenvision.com/why-cinema/cinema-facts/>

6) RECOMMENDED ACTION ITEMS

Implementation of the following recommended actions will help foster desired economic development and private investment within Lake County.

Construction Trades

- Talk to contractors in Bend, Medford and Klamath Falls to determine what size jobs would entice them to Lakeview. At the same time, provide them with specific project opportunities to raise awareness of current demand.
- Work with local banks to compile projects for clients with loans to improve homes and businesses. Determine if these projects could be “pooled” to create a substantial project to bring in outside contractors to complete the projects.
- Actively engage with and support the hardware and lumber stores to ensure they remain in the community to provide the critical supplies for construction projects.
- Continue to foster collaboration between K-12 and community college programs to encourage existing residents to become skilled in the trades and allow them to remain in Lake County and help build their community.

Encourage New Housing Development

- Ensure Lake County land use code allows for cottage cluster housing and ADU development types.
- Continue to engage with Five Development, LLC to build more housing in the Creek Side subdivision.
- Lake County should consider offering a \$10,000 new housing construction incentive similar to Ontario, Oregon.

Amenities

- Determine if City of Lakeview hotel tax revenues can be utilized to support and enhance retail businesses that generate tourism activity.
- Convene Downtown Lakeview existing businesses to convey concept of bringing in a retail expert to help them improve sales.
- Hire a retail consultant, such as Michele Reeves with Civilis, to help improve revenues for the businesses and support the tourism industry.
- Continue to encourage the development of outdoor recreation services and retail stores in a focused area downtown that ties into the exceptional adjacent trail system. Encourage active marketing and promotion across the state of the trail system and recreation opportunities.
- Determine the location of a vacant downtown building with an engaged property owner for a taproom restaurant that will serve family and tourist needs. Consider providing tenant

improvement incentives to help actively recruit a “homecomer” to run a taproom in the building. ([City of Beaverton](#) has used such incentives successfully.)

- Continue to promote and encourage building owners to utilize the storefront improvement program to improve and retain buildings that are critical to the downtown distinct character.
- ESD and Lake Health District stakeholders are interested in pursuing the development of a daycare facility. Convene partners to determine how to proceed with providing this facility.

Existing and Small Business Development

- Vet tenants within the county industrial incubator building to ensure the facility is available to companies generating jobs and business activity.
- Meet with local agriculture producers to understand the challenges in creating new markets for their products such as a meat packing facility or commercial kitchen. Determine if the needed facility can be obtained and seek private companies to serve the need.
- Certain agriculture supply products such as chemicals or fencing are needed. SCOEDD staff and community leadership should talk to businesses in Bend and Medford regarding the possibility of opening Lakeview- or Paisley-based operations.
- Better understand the barrier to logistics for shipping of goods and create a “co-op” program if needed. Existing Fed Ex delivery service should be better advertised.
- Talk to existing manufacturers to determine expansion needs regarding size of future facilities. Determine an industrial developer that would build new “industrial condominiums” on brownfield properties.

Broadband

- County should formally recognize the need for this vital infrastructure and dedicate a portion of time to an existing staff person to secure grants to facilitate construction of infrastructure. Staff person should work with Ranchers, Red Rock Biofuels and GK Soundbooth, and downtown retailers to document broadband needs that will enhance grant applications.
- Apply for grants from the federal Economic Development Administration (EDA) or US Department of Agriculture (USDA) to pay for a broadband development plan that will formally determine what infrastructure is needed and how to pay for it.
- Once a formal plan is established, actively lobby state and federal representatives for funding support.

Accurate Forecasting Through Provision of Real Time Data

- Encourage Lake County, City of Paisley, Town of Lakeview and other communities to provide accurate updated housing and demographic data to Portland State University and others
- Encourage all Lake County to participate in 2020 Census

Attachment A



Bridge Economic Development

Memorandum

Date November 18, 2019
To Ginger Casto, SCOEDD
Betty Riley, SCOEDD
CC Keith Ziobron, Cardno
From Alisa Pyszka, Bridge Economic Development
Ayreann Colombo, Bridge Economic Development
Subject Roundtable Meetings Summary
Project SCOEDD EPA Brownfield Assessment Grant

ROUNDTABLE SUMMARY

The following information is a summary of feedback from participants in focused roundtable meetings. Summary of attendees is provided at the end of this memorandum.

Education Partners

- School district is growing. K-6 increased from 400 to 420 this year. Went from 48 in 2017 graduating class to 75.
- Foster care is growing – could be an impact on schools.
- Need to start investing in existing schools. KCC is located on the second floor of the middle school building. Need to complete investment and make it available for students.
- KCC has a dual credit program with the high schools, which is an asset for students.
- KCC provides remote learning courses. Has helped with nursing and electrician programs.
- All broadband service goes down every now and then. Problem is lack of redundancy.
- ESD is working on building fiber from Lakeview to Plush and Adel. Need connection between Paisley and La Pine for redundancy.
- There is fiber in downtown Main Street. Need to explore if it can serve all buildings.
- Need a clear vision for downtown. Sisters used to be “nothing”, now it is a thriving destination.
- Large amount of traffic passing through on Highway 395 going to Reno. (Performer is stopping in Lakeview between Reno and Portland)
- West entrance okay. North and south entrance needs some work.
- Good housing market – between 9th and 4th and Hospital to High School.
- Construction industry is tight – very few trades or carpenters available. Need to increase this industry.
- Consider bringing in a commercial kitchen or ecommerce opportunities for small business growth.

- There is no professional day care facility. ESD can run it, but needs help funding building and facility build-out.
- Agriculture is who we are. Outback of the old west.
- Used to have 5 USDA meat packing facilities in the area. We have to drive to Idaho for processing.
- We could use a small animal processing facility to leverage growing demand in goat and lamb.
- Lake County unique with grass-fed meat. Some goes to Whole Food market due to quality.
- Highway 140 between Klamath Falls and Lakeview upgrade very helpful to haul double trucks. Similar upgrades on Highway 395 and Highway 31 north of Lakeview would also be helpful.
- Don't consider ourselves connected to Klamath Falls due to distance and different cultures. More connected to Harney and Deschutes Counties.
- 80% of county is public land. Private ranchers have developed a good relationship with US Forest Service and BLM for grazing. Growing understanding that they are compatible to help repress forest fires.
- Beaty Butte Wild Horse Facility is first-of-its-kind, combined public and private wild horse program to resolve over population of Wild Horses in the Beaty Butte area.

Manufacturing Partners

- Mike McGowan acquired GK Soundbooth two years ago. Was looking to acquire a company to run with his wife.
- Has grown from 2 – 15 employees. They went from minimum wage and cyclical lay-offs to 30% raise, annual salary and benefits.
- Only company to utilize On-the-Job Training (OJT) Grant to off-set entry level employee training. Some view it as a “government hand out”.
- Employees have developed and are leading a whole new business line tied to gaming. Leveraging County Incubator Building – 6,000sf. Need to build out with heating, electrical, HVAC. Due to limited contractors taking a very long time.
- Other tenants in Incubator are storage and large equipment repair.
- Plans to keep company here for now, but very hard to attract and retain talent. CFO is in Portland. May have to do the same with marketing and HR.
- Close working relationship with high-school and CTE program to starting building workforce pipeline.
- Personally enjoys the small town values, welcoming, friendly. He can have an immediate impact.
- Cowboy culture is significant. Many ranchers are using private pilots for commuting or to find missing cattle on public lands. Take the cowboys in to find the cow.
- Broadband vital. Ranchers need to stream auctions and manage business.
- Alfalfa is exported to Japan for Kobe Beef. Hay is high quality.

- Conerstone Mineral processes perlite – mineral from mine 6 miles away. Heating process “puffs” mineral into white pellet used in potting soil. Helps make soils more efficient with water retention.
- Red Rock is an exciting new concept. System may potentially generate a significant amount of heat that could be used by another use such as a greenhouse. Check with Nick Johnson for more information.

Renewable Energy Partners

- Lake County Resources Initiative (LCRI) promotes the use of renewable energy as an economic driver for our rural communities.
- LCRI also does research such as the available biomass feedstock available in the US Forest.
- Limitation on biomass use right now is that companies want to utilize sources that have Renewable Identification Numbers (RIN). Right now that only applies to private forests. Need to get federal legislation pass to apply RINs to federal lands. Senator Wyden leading this effort with SB 1614.
- LCRI does a significant amount of community engagement to educate on the benefits and ROI of solar installation for individuals, especially farmers.
- All agree that must advocate for agricultural land first – solar installation should not occur on prime farm land. Developing a map of ag lands vs. fallow land for solar would be a helpful tool to clearly community preservation and opportunity areas.
- Geothermal is an opportunity considering the available ground wells. However development of infrastructure is expensive – probably 30 years out.
- Red Rock main priority right now is getting the plant up and running. This is a very unique facility – one of the few in the world. Based on technology developed during WWII by Germany.
- Came to Lakeview because of the access to biomass and state incentives: enterprise zone and \$240 million industrial bonds (tax-exempt financing) that will pay for the construction of the plant.
- Planning to utilize the railroad to haul fuel. Spur from Lakeview to Alturas, then connects to Union Pacific down to Bay Area. Need upgrades to rail infrastructure to make it viable. If not made, they will truck fuel product.
- Transportation/logistics is challenging and expensive.
- Regarding R&D, Red Rock collaborates with NREL lab in Golden, CO (Red Rock’s HQ is in Ft. Collins). Open to talking to Oregon State in the future if there is an interest.

Outdoor Recreation/Tourism

- BLM has an active trails committee. Good collaboration with community – they help with maintenance of trails.
- Lake County is unique in that it has solitude, high desert, forest, and dark skies.
- Timber Trail is promoted by Travel Oregon. Working on filling gaps to connect trails to community gateways.

- Not as much big game on this side of the range.
- Fremont Forest has the most roads of any forest due to the prior logging activity.
- A lot of dispersed camping occurs in the national forests.
- Outside of forests on BLM land there are the sand dunes and sites such as Paisley Cave and Sunstone Mine.
- Due to large land area, hard to maintain recreation facilities. Must drive 500 miles to maintain 8 restrooms.
- Travel Oregon Workshop resulted in three committees: western heritage, trails, and geologic features.
- Western Heritage committee got the boot statue funded and installed in downtown Lakeview.
- Warner Canyon ski area is a great asset. Limited awareness.
- Chamber is now printing and distributing brochures. Seeing an increase in visitors.
- Labor Day rodeo and derby is a huge event. Very popular.
- Would like to see improved quality of motel rooms. Encourage visitors to consider Airbnb.
- Not everyone agrees with the western heritage focus – not everyone is a cowboy but qualities of grit, integrity and hard work should translate well.
- Utilizing Historic Foundation for storefront program grants but facing challenges due to concerns of construction costs.
- Agriculture, ranching is the number one priority. Their feedback is important and will be considered in the development/promotion of “Dark Skies” initiative.

Agriculture

- Ranching very different in Lake County. 80% public land and several large corporations. Not a lot of family farms. Midwest cows are grain fed as corn is grown in the area. Cheaper feed cost makes commercial ranching more viable.
- Here cows are grass-fed and “topped off” with grain.
- Grass-fed market is dependent on BLM access grazing – permits are passed on through generations. Not cost-effective. Niche market.
- Lake County has good grass quality to the north. Battling invasive grasses – grazing is a good way to do it.
- BLM is beginning to open up to the use of grazing. Increase in forest fires is making grazing more feasible. Opportunity currently on hold due to “sage grouse overlay” which is under review. After 20 years of prohibiting grazing on Hart Mountain there is no difference in the sage grouse population.
- Agriculture community could use a supply store: irrigation supplies, chemicals, fencing materials, steel panels.
- Transportation/shipping is expensive. Some suppliers won’t come to area and require items to be picked up Klamath Falls.
- Sally Fitzgerald one of the founding members of Country Natural Beef.
- Most of the cows meet the requirements, regulations for organic and grass-fed just by the nature of the landscape. Cows are smaller and heartier in order to survive in conditions.

- Ranchers have to be sustainable in order to stay in business. Kids come back home to continue the business.
- There was great progress with BLM to positively address the wild horses that were over-grazing the BLM lands. They have a different stocking ratio of acres to each cow vs. cows to an acre.
- Need to use cowboys to collect cows from forest lands – can't get trucks through sage, trees and slopes.
- Need broadband for business operations, online banking, auction/bidding live streaming.
- Keep ranchers ranching. Not too fond of the public or idea of agri-tourism. Very private culture.

STAKEHOLDERS

Jack Thompson, Lake ESD
 Jamie Davis, OSU Extension Service
 Kelly McGarva, Lakeview Lockers
 Will Cahill, LCSD #7
 Mike McGowen, GK Soundbooth
 Nick Johnson, LCRI
 Joaquin Morales, Red Rock Biofuels
 Greg Campbell, US Forest Service
 Shane Garside, BLM
 Scott Stoffel, Fremont-Winema NF
 Catherine Callaghan, Fremont-Winema NF
 Doug McKay, Fremont-Winema NF
 Fara Brummer, OSU Extension Service
 Missy Walton, City of Paisley
 Sally Fitzgerald, Rancher
 Teresa Taylor, Rancher
 Jessica Bogardus, Lakeview Chamber of
 Commerce
 Betty Riley, SCOEDD
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 Larry Holzgang, Business Oregon
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