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Comprehensive Economic Development Strategy

Josephine and Jackson Counties



Southern Oregon Regional Economic Development Inc. (SOREDI)

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Southern Oregon Regional Economic Development- our plan

About SOREDI

Southern Oregon Regional Economic Development Inc. (SOREDI) is a private, non-profit, economic development organization, serving Jackson and Josephine Counties since 1987. We represent private companies, public utilities, and local governments from throughout our region. SOREDI exists to help business create and sustain good jobs and to diversify the economy of Southern Oregon.

The SOREDI Board of Directors is an energetic board. SOREDI's 21 Board Members who have the responsibility of leading the development and cultivation of partnerships among private, community and public entities to help businesses prosper and to advance economic opportunities, compatible with the values of our community.

Our region is blessed with strategic location, abundant resources, and infrastructure which are the equal of any region.

SOREDI is focused on bringing community and business leaders together in venues that will foster growing start-up businesses, while facilitating broad conversations about our regional priorities. SOREDI makes direct contact with business leaders, contacting each traded sector firm, at least once every 18 months. We provide direct financing to some of these firms annually, approximately \$1.5 million per year. SOREDI sponsors industry groups like the Oregon Heavy Lift

Helicopter Consortium and the Southern Oregon High Performance Enterprise Consortium. We sponsor the A&E Grapevine, which brings business and community leaders to entrepreneurial and business specific forums, attracting 60 or more community leaders to each event. The Southern Oregon Angel Network, involving 100 private investors from Southern Oregon, provides capital and networking opportunities to fast growing start-ups.

Total membership in SOREDI includes 165 businesses, agencies, and institutions from the two-county region. Our dues paying members are an important part of our funding as memberships provide a majority of our operating funds.

The residents of Josephine and Jackson Counties have important decisions to make about the economic future of the region. The region's cultural heritage and natural beauty combine to provide a quality of place that many communities around the US are striving to duplicate. The region has benefited from a lifestyle rooted in the wildlands all around us, but enriched by centers of theater and musical arts, and made livable by small town character throughout the region. Quality of place is a buzzword in most places, but a massive understatement in Southern Oregon.

We attract entrepreneurs, and creative businesses from all over, most especially urban centers in California. People bring their small business here; seeking a simpler, better quality of life, and to grow their businesses. A major challenge that we face is how to keep those businesses here, after start-ups have succeeded and grown large, and have developed more complex demands of their workforce.

About the Southern Oregon Regional Plan

The purpose of this update to our Comprehensive Economic Development Strategy is to advance and consolidate the four primary functions of SOREDI, by introducing a unifying theme for all of our activities, which will focus our efforts on this region's greatest strengths, our businesses, and the people who work in them.

This CEDS document provides a background of the district, and an analysis of the region's economic strengths, weaknesses, opportunities, and threats. Community resilience is a major theme. It presents a strategy for SOREDI focused on the demands for skills from changing and increasingly diverse industry sectors, expanding a key focus of our last CEDS, which was to promote a workforce with skills that meet the needs of business.



Photo: Rogue Community College

Elements of the CEDS

This regional comprehensive strategy, must address the length and breadth of the economy of Southern Oregon, from river rafting guides on the Rogue River, to people installing avionics at local helicopter manufacturers, to farmers harvesting and caring for our famed pears. The single factor that is common to every business and organization in Southern Oregon is a skilled workforce. Matching the skills and training of our workforce, to the needs of specific businesses, is at once the greatest challenge our industry faces, and our greatest opportunity.

This CEDS has the following 5 parts.

- 1) Summary background,
- 2) Analysis of Strengths, Weaknesses, Opportunities, Threats
- 3) Analysis of Community Resilience
- 4) Strategic action plan,
- 5) Evaluation framework.

The region has experienced decades of transition from a forest products based economy to one founded on diverse and increasingly high tech group of industries. Since the 1990s, the most consistent descriptor of the Southern Oregon economy is change.

Strengths, weaknesses, opportunities, and threats, or SWOT analysis, assesses the regional economy, for opportunities and potential threats, in a resource constrained environment, where targeted projects, and a long term perspective, are the keys to success.

Community resilience is a measure of how well the community responds to change. Two types of resilience, responsive resilience to disasters, and steady state resilience, to more gradual change, are important to consider when we look at how robust our community is to future changes as we navigate toward a prosperous future with a good quality of life for all of our residents.

The strategic direction and action plan for SOREDI is grounded in our mission to help business prosper, in a region where we have what it takes to succeed. The action plan, called the Workforce Observatory project will advance the goals of individual businesses by identifying trends in the demand for skills, forecasting needs for programs, and providing benchmarks for education institutions. Most importantly, SOREDI will establish a baseline set of measures, and collect supporting data, to evaluate how well the skills of our workforce fit with existing, and expected demand for workers over the coming 5 years.

Collecting this data, and disseminating our findings, will integrate efficiently into our ongoing work in the business community. Participants at conferences will be asked to fill out surveys, and business outreach will emphasize needs or challenges businesses face in finding the right people for the job.

In the past, the six primary objectives of SOREDI have been as follows:

1. Help existing business prosper by identifying opportunities for growth and providing resources.

- 2. Attract new businesses compatible with community values.**
- 3. Promote business start-ups and the early success of emerging businesses.**
- 4. Foster access to capital funding and incentives for businesses.**
- 5. Promote a workforce with skills to meet business needs.**
- 6. Advocate for a business environment of government services that encourage business success.**

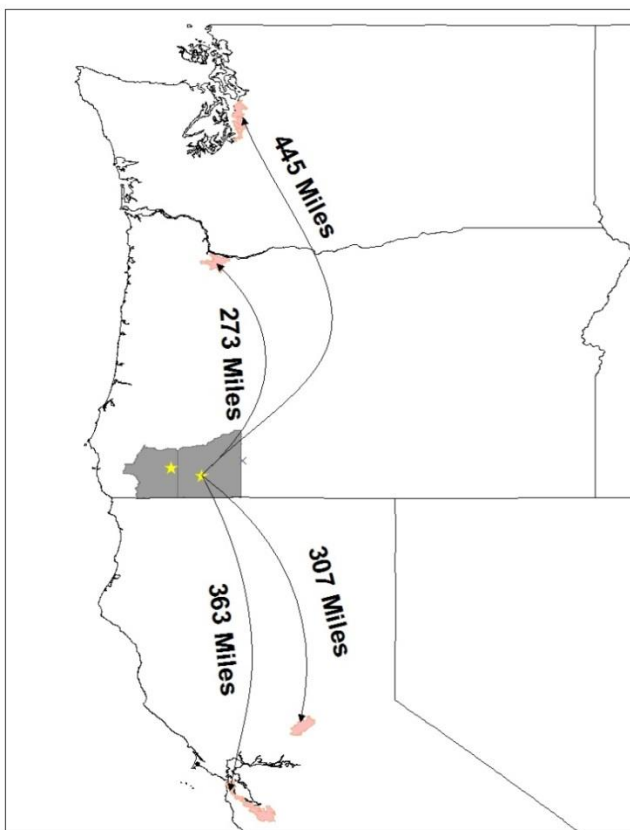
SORED I will add a 7th objective, which will be integrated into each of our 6 work areas.

5. Identify and communicate needs for specific job skills between business, higher education, and the workforce.

The strategy is an advancement and consolidation of SOREDI's mission, because it will turn our ongoing informal communication with businesses and institutions, into data about the region.

SORED I will streamline and organize the flow of information between businesses, whose operating requirements demand specialized job training, institutions who require years to implement new programs, and future job seekers, who are making decisions about career pathways, even as the most sought after skills are changing.

Economic Profile



SORED I serves Josephine and Jackson Counties in Southern Oregon. Almost 300,000 people live and work in both urban and rural settings across two counties, covering 4,442 square miles.



Photo: <http://www.goldhillwhitewater.org/>

The region’s two urban centers, Medford and Grants Pass, and 13 incorporated cities, are located approximately 273 miles by major highway from the nearest major city, Portland, Oregon. Distant from major cities, the region has been a fully integrated regional center since the 19th century.

Natural resources and agriculture formed the nexus of the economy from the 19th century until the 1990s, when timber production on Federal Lands was curtailed, what we call, the ‘Timber Crash.’ Infrastructure that had been developed prior

to the crash to serve a world class forest products industry, remains and has been improved, as the community transitions from a natural resource base to a diversified and high tech base of manufacturing and services.

Medford, Grants Pass, Ashland, and Central Point, serve as the professional and service hub for a wider region, comprising communities with over 500,000 people, includes neighboring counties in both Oregon and California.

Josephine and Jackson Counties



Our Population

Southern Oregon has historically been a diverse, fast growing, and self-sufficient economy. The community provides services and infrastructure equal in quality to major west coast urban centers, while maintaining the low cost of living and lifestyle of the rural west.

Industries in Medford and Grants Pass have facilitated rapid population growth at times since the early 20th century. Focused on natural resource and agricultural production, social and economic disruption caused by a change in Federal timber policy in the 1990s, only briefly slowed rapid growth of the population.

Figure 1
Historical Population Growth

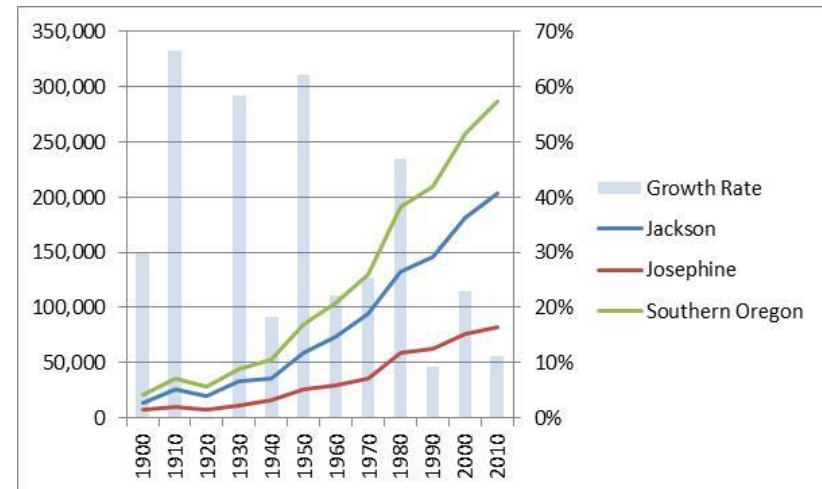
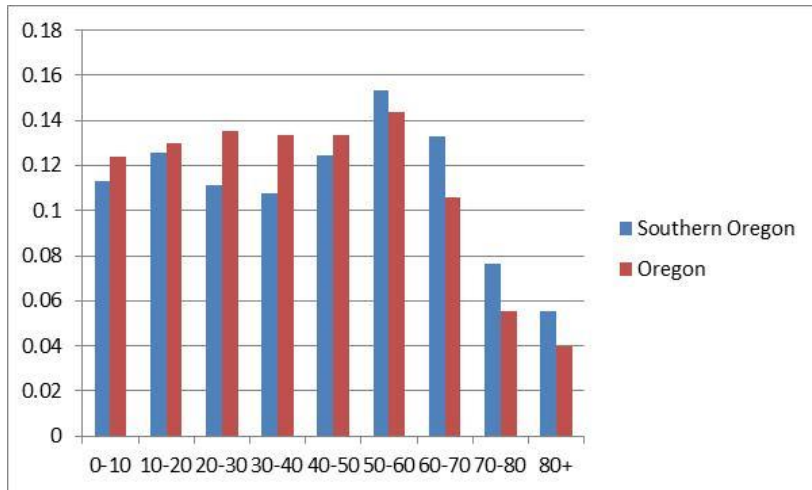


Figure 2
Demographic Profile



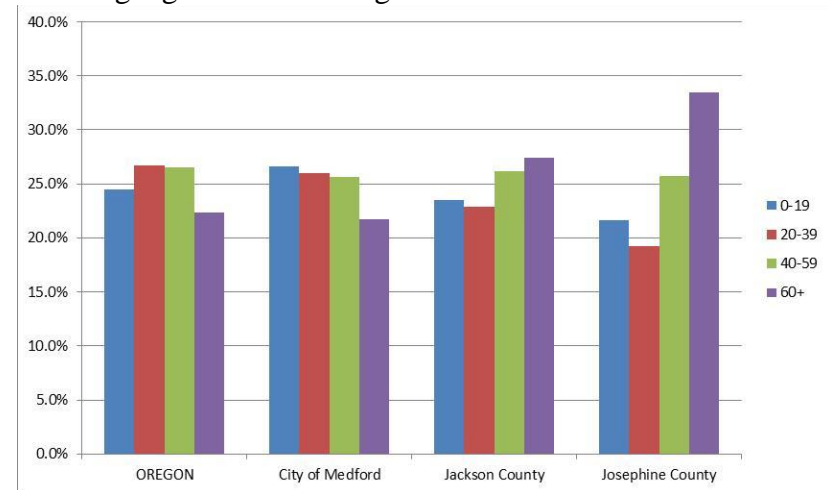
The population distribution across age groups displays important differences from the State as a whole. The region has fewer people of working age, as a percentage of the population. For age groups approaching retirement, and people over 65, the region has much higher population, as a percent of the total. Differences are most pronounced in Josephine County.

The difference in median age of the population is nine years older than the state average in Josephine County, and four years older in Jackson County, on average.

It is not unique just to Southern Oregon, or to Oregon, that younger, working age people migrate to major cities, while people of retirement age increasingly choose to retire in rural areas.

The phenomenon is true for Southern Oregon, which has slightly lower percentages of young people, and somewhat greater percentages of retired people, when compared to the State as a whole. However, when compared to other rural areas of the State, the region retains a much greater percentage of the working age population. To a great extent, the urban areas, Medford, Grants Pass, Central Point, and Ashland, have been attracting young people with educational and career opportunities. A lack of opportunities in other rural areas, incent younger people to migrate to major cities.

Figure 3
Working Age Adults in Oregon



In Oregon, the percent of the population in the 40-59 year old age bracket remains relatively constant across urban and rural areas. Differences between urban and rural areas are in the percentage of people near or above retirement age, and people in the first half of their working life. In the region as whole, trends are similar the rest of rural Oregon. In Medford, the

region's largest urban area, demographics mirror the state as a whole.

Demographics in Southern Oregon are a mix of urban and rural trends, in which retirees continue to choose outlying areas for the quality of life, and people in the first half of their careers migrate to Medford, Grants Pass, Ashland, and Central Point, and importantly, to larger urban areas to the north and south.

Growing niche industries, with relatively high wages and opportunity, are helping to offset the draw of larger cities for young talent. Specialized niche industries in Medford and the other urban areas, are the key to reversing demographic trends in which our future leaders are drawn to leave the region.



Photo: <http://www.goldhillwhitewater.org/>

Increasing opportunities for young people to gain skills will match growing demands for highly skilled workers at fast growing firms in our urban areas.

Earnings

Earnings by employed persons in Southern Oregon are below State of Oregon averages, consistent with the rest of the rural counties in Oregon. In inflation adjusted dollars, earnings in Josephine County have declined by 4% since 2004, while they have risen by 1% in Jackson County over the same time period. Both counties have lagged behind the State average, which has seen earnings increase by 3%.



Photo: Jackson County

Earnings across the region also show a marked disparity from the Statewide average earnings overall, driven by relatively high wages in the urbanized areas around Portland. Persistent

earning gaps between Jackson and Josephine Counties, and the rest of the State, are frustrating symptoms of long term issues that affect all of the rural West. SOREDI believes, however, that our region has a unique opportunity to close the urban-rural wage gap by leveraging our relatively well developed infrastructure with greater emphasis on targeted workforce development.

The Jackson County Airport is a good example of world class infrastructure, 8,800 ft. in length, just 10 minutes from some of the West’s greatest adventure, shown above.

Southern Oregon University, Rogue Community College, and also the Oregon Institute of Technology, in neighboring Klamath County, are important major pieces of infrastructure that support our growing new industries.

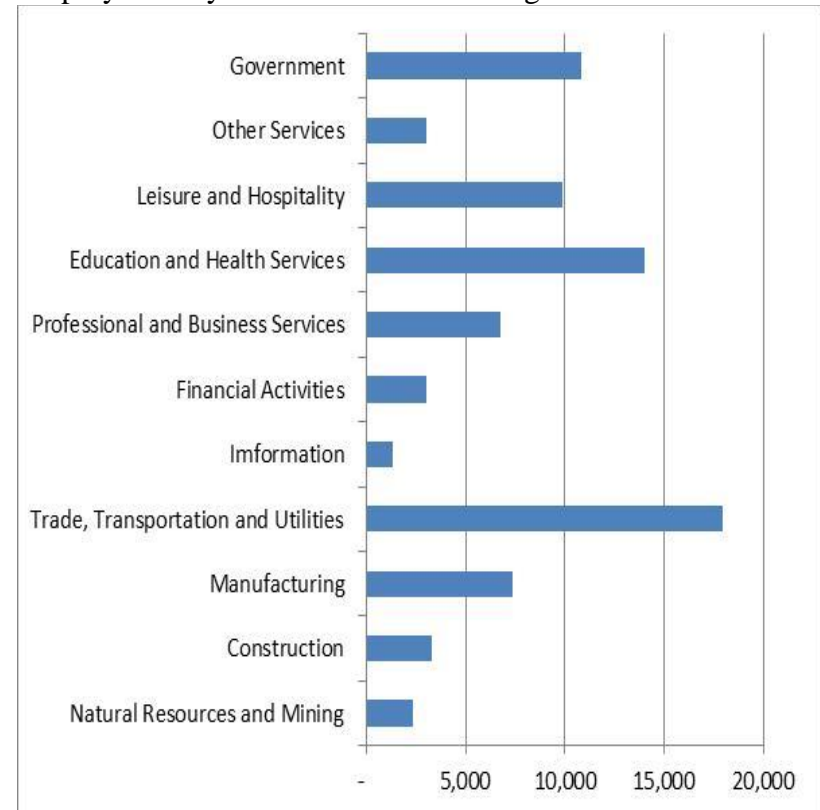
With some of the cheapest energy in the nation, our region has what it takes to leverage lifestyle with infrastructure, into a specialized niche player in the West Coast’s increasingly high tech manufacturing sector.

Advanced infrastructure and our position as a regional hub, lend the City of Medford many aspects of a big city, while remaining comfortably below 100,000 people. Specialized job training, and fostering our diverse and high tech manufacturing sector, is keys to reversing the wage differential between Southern Oregon and major cities on the West Coast.

The largest employment sectors, Trade, Transportation, and Utilities, and the Education and Health Care Sectors, contain regional institutions serving rural counties surrounding Jackson and Josephine Counties. These include two major

hospitals, a university, regional solid waste management, and regional hubs for both air and truck transportation.

Figure 5
Employment by Sector in Southern Oregon



World class performing arts at the Ashland Shakespeare Festival continue to attract hundreds of thousands of visitors every year, continuing a storied history since their founding in the late 19th century. Major agricultural employers, including Harry and David, lead the industry in electronic marketing of

food and other luxury products, to customers around the world.

Unemployment

Current unemployment rates, at 7.9% in Josephine County and 7.0% in Jackson County are similar to historical average. In Josephine County unemployment is 0.5% below the long term average.

The unemployment rate has been declining since its peak in 2009, when it topped 14% in Josephine County and 12% in Jackson County. Since 1990, unemployment has averaged 7.2% and 9.2%, respectively. Unemployment approaches the rate that was typical between 1990 and 2007, before the recent recession.

Figure 7
Unemployment vs. Long Term Averages

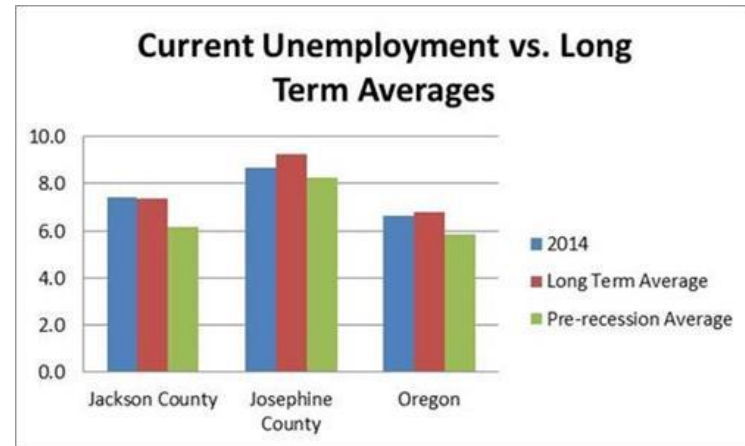
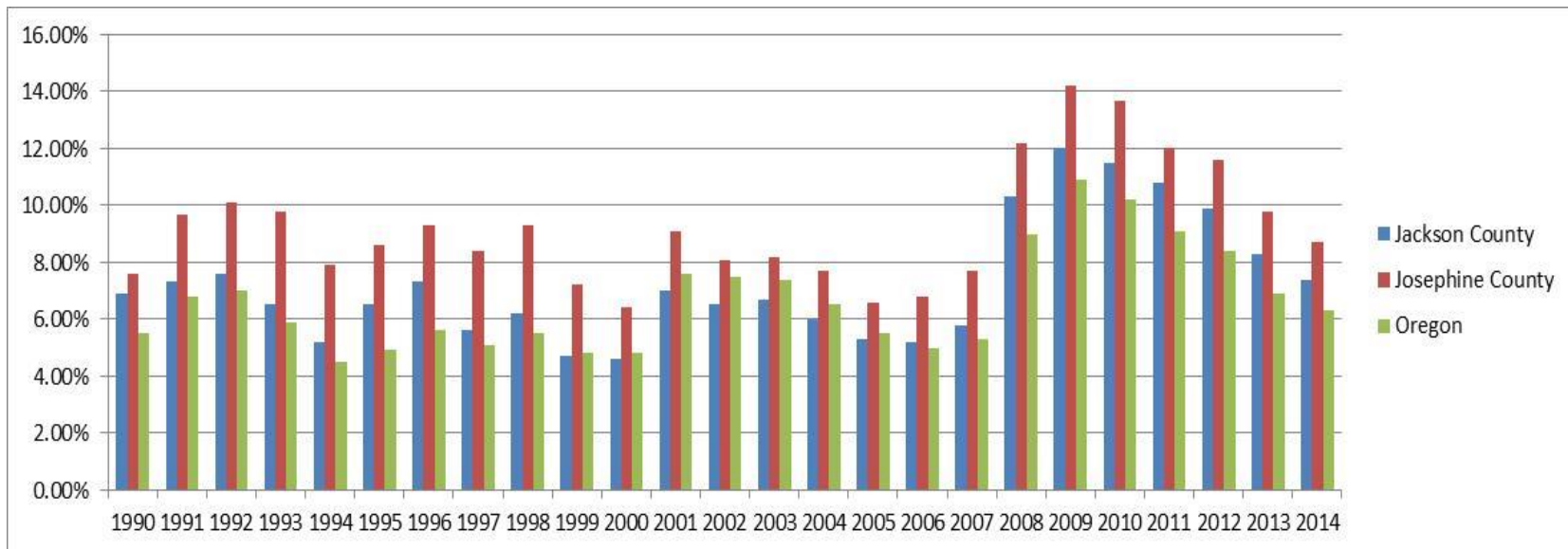


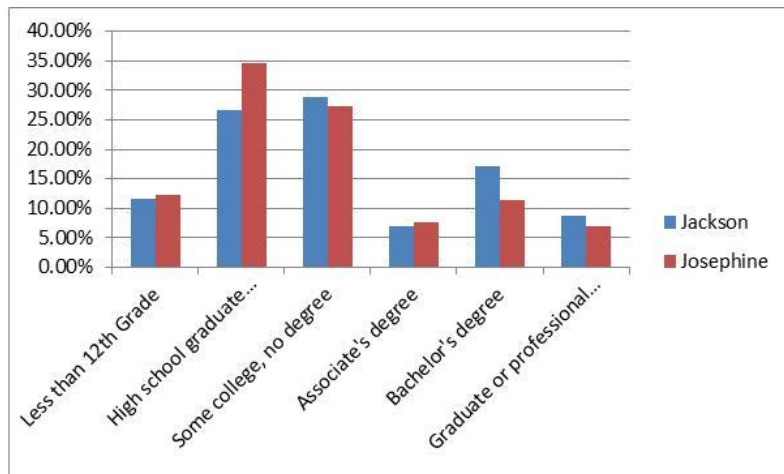
Figure 6
Unemployment Rate Since 1990- Percent Unemployed



Educational Attainment

Josephine and Jackson Counties have experienced similar changes in the levels of college attendance and graduation. Trends mirror those of Oregon in general, and the Nation as a whole.

Figure 8
Educational Attainment



A national change in culture has led to increasing number of students finishing high school, and continuing to college. The trend in Josephine and Jackson Counties differs slightly from the statewide trend, reflecting relatively high community college attendance, and somewhat lower graduation rates from 4 year programs.

Figure 9
Educational Attainment in Josephine County since 1970

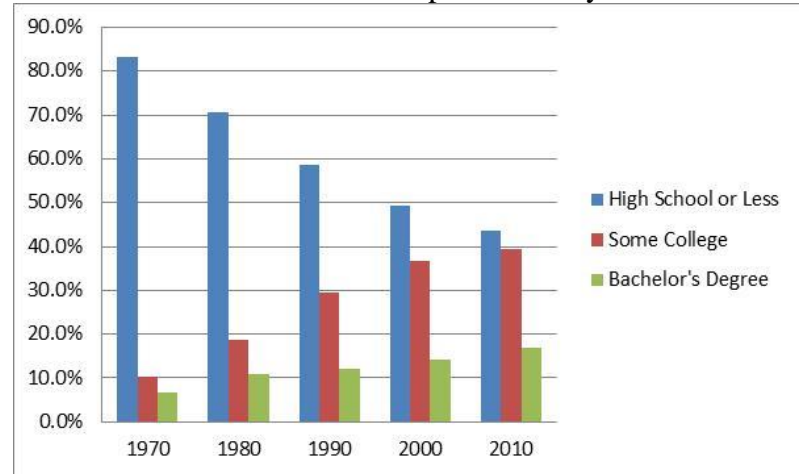


Figure 10
Educational Attainment in Jackson County since 1970

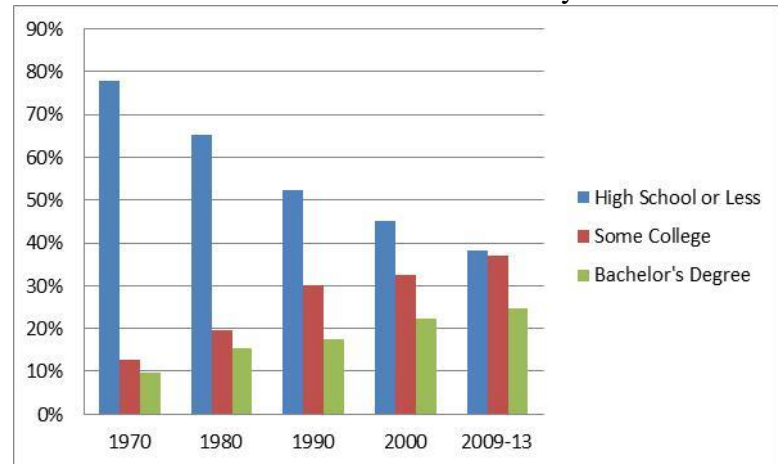
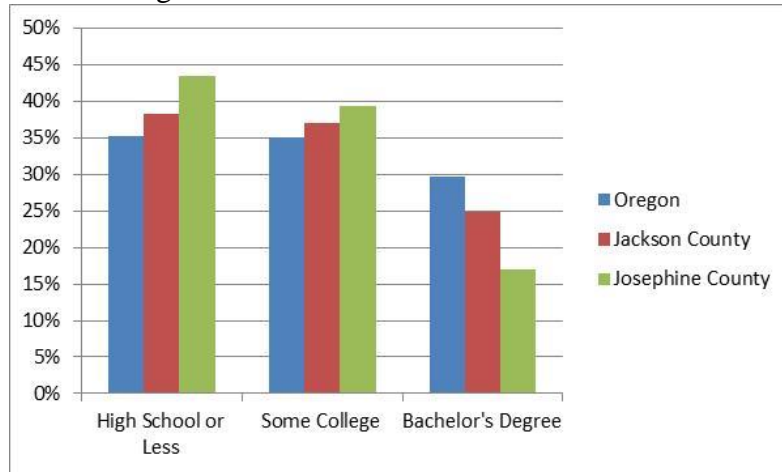


Figure 11
Educational Attainment in Southern Oregon Compared to the Rest of Oregon



Compared to Oregon as a whole, Southern Oregon still has a higher percentage of students who do not continue training after high school. The region shows particular effectiveness at the community college level, where rates of attendance and graduation exceed statewide averages.



Photo: Southern Oregon University

SWOT Analysis- Strengths, Weaknesses, Opportunities, and Threats



Photo: Erickson Aircrane

Strengths

The journey from small start up to thriving industry leader is a common theme among local business leaders, and economic development thinkers around the county. Southern Oregon keeps making it happen.

The Erickson Aircrane, shown on the previous page, is manufactured in Jackson County. Erickson Aircrane is a pioneer around the world, with aircraft and pilots who get the job done, from fighting wildfire, to construction in remote areas. Erickson built their global company, using skills and technology from Southern Oregon, to meet specialized challenges faced by land managers in Southern Oregon. It is one of two local firms who are worldwide experts in remote logistics, who have grown out of the challenges of living in Southern Oregon.

Erickson Aircrane's motto, "If we can't do it, it can't be done," precisely true of Erickson, echoes the rugged creativity of the people and culture in Southern Oregon. In many ways, Erickson's growth from a timber services company, to a global leader in remote transport solutions, is a pattern for our region's growth from a timber economy, to a complex and thriving high tech manufacturing center.

While SOREDI convenes the Heavy Lift Helicopter Consortium, our strategy builds upon the strength of our entire traded sector, and our ability to focus on the needs of each firm, as they grow from start-up to major exporter.

Other historical foundations of our timber economy, such as Medford Fabrication and Varney Machine, make up a strong, sophisticated, machine tools sector, which serves manufacturing and information hubs in the San Francisco Bay area, the Portland area, and around the world.



Photo: Rogue Community College

As our niche producers grow and change, their demands of the workforce also change. New markets mean new products, and new tools to make them. Our workforce must be ready to adapt to change with the skills and training that our employers need. Re-training opportunities, and more advanced training, take time and planning for workers, and for the institutions who serve them. Rogue Community College (RCC), in Grants Pass, White City, and Medford, offers programs targeted at specific skills. Total enrollment in all RCC programs is 20,750 students. As our niche producers grow and change, RCC is an important asset in helping our workforce to quickly adapt.

Weaknesses

Recently, our greatest setbacks have been too much success at local start-ups Motorcycle Superstore, and Musician’s Friend, on-line retailers that grew from in Medford from small starts, to firms with over 1,000 employees each. Both firms recently announced plans to move headquarters to other states, citing a need for specialized workforce skills. As they close their headquarters, Motorcycle Superstore, and Musicians Friend, take with them 120, and 160 jobs, respectively.

The regions, and SOREDI, note that while we do have many people eager to fill the needs of both firms, we don’t have people with the specific skills required by the two growing firms.

The region lacks a consistent and detailed census of skills that are in use at our major employers, and fastest growing employers. As a result, we don’t know exactly what the buyers of Motorcycle Superstore, or Musician’s Friend, were looking for, or whether we could have addressed their workforce concerns, or not.

An important weakness in our workforce development infrastructure is our lack of ground level, person to person, data collection about what workforce skills are in greatest demand, and which can be expected to be most highly valued in the coming years.

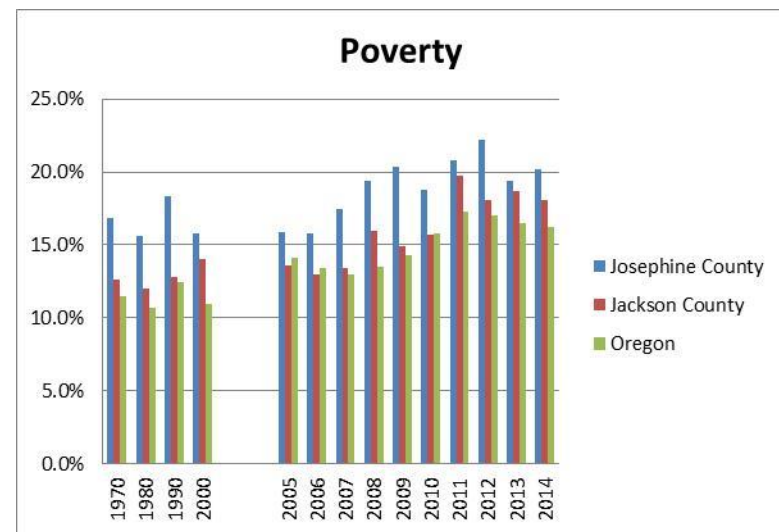
Poverty

Persistent rural poverty exists in pockets throughout the region. Even while the region adapts to new industry, and new markets at the urban center, many of our residents at the periphery face a lack of opportunity. Mills which have sustained communities

for generations, have closed, as Federal timber lands have closed to harvest, and little industry has replaced them in the small communities where they once thrived.

Poverty in both counties has been higher since 2008 than during the previous 3 decades. In 2014, poverty rates in Josephine County exceeded 20% of the population.

Figure 12
Poverty in Jackson and Josephine Counties



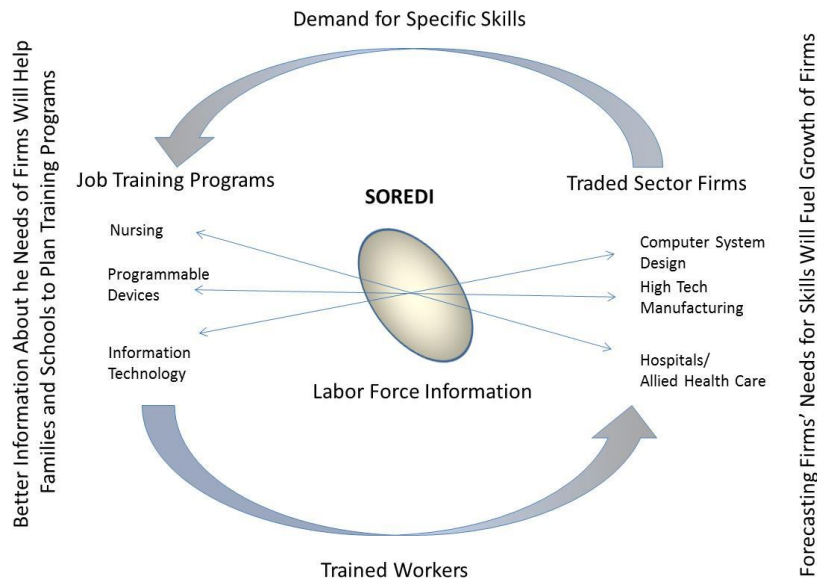
Higher rates of poverty than the State average, mirror lower earnings, and higher rates of unemployment. Creating new opportunities for these people, in the small urban centers of Southern Oregon, is the focus of this strategy.

Opportunities

Understanding the Needs of Employers

The most significant change in the economy of Josephine and Jackson Counties during the first decades of the 21st century is that the economy is changing from a natural resource based economy, to knowledge and skills based economy. SOREDI believes that the best way to capitalize on these changes is to help adapt the workforce to the needs of employers in the new century.

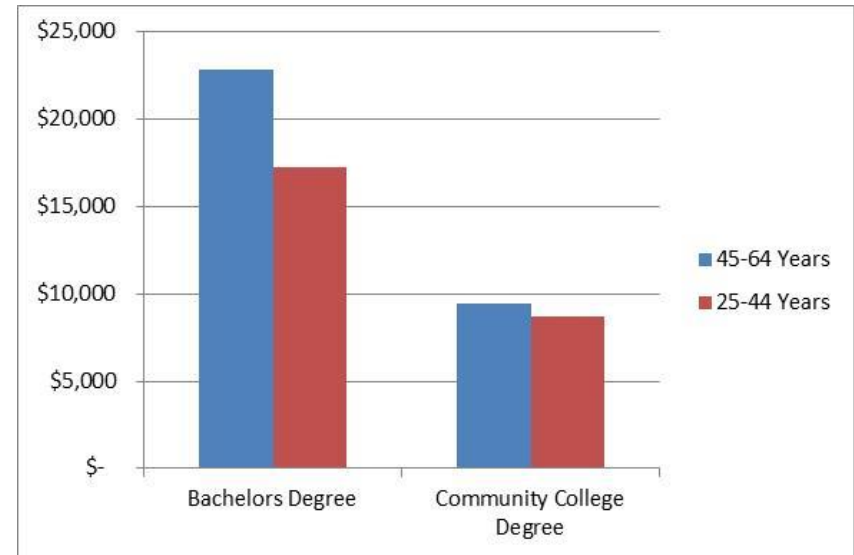
Figure 13
Workforce Observatory



The Workforce Observatory is a project that will survey employers in the two Counties for the skills that they currently employ, and skills that they anticipate needing in the next five

years. Congruent with our work reaching out to firms, offering assistance, providing capital, and convening groups such as the Jefferson Grapevine, Angel Investment Network, the TAG team, and our quarterly and annual conferences on business, SOREDI will begin to systematically collect data about the workforce at each of our firms, and the pipeline of people who are training for the workforce, at our institutions of higher education.

Figure 14
Additional Annual Earnings by People with Degrees



The project is termed, an observatory, because SOREDI will continuously update and monitor the survey, of both employers and institutions, producing data and annual reports on how the pipeline for job skills matches the needs of employers in Jackson and Josephine Counties.



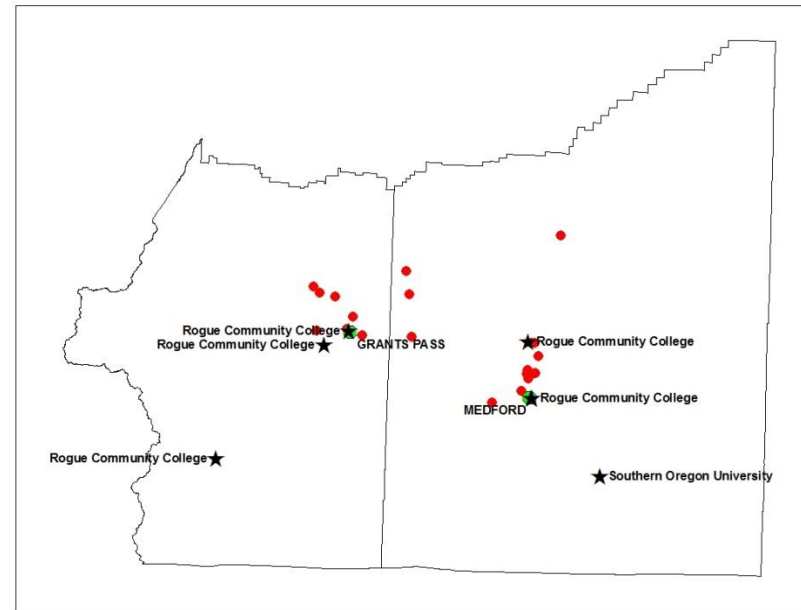
Photo: Rogue Community College

This project will provide up to date information for curriculum planners, and human resource departments, across the region. This information will be able to identify gaps in the regional workforce training infrastructure, and opportunities that fast growing firms may have, if they only had the right people to fill the jobs.

Examples of Selected Traded Sector Firms

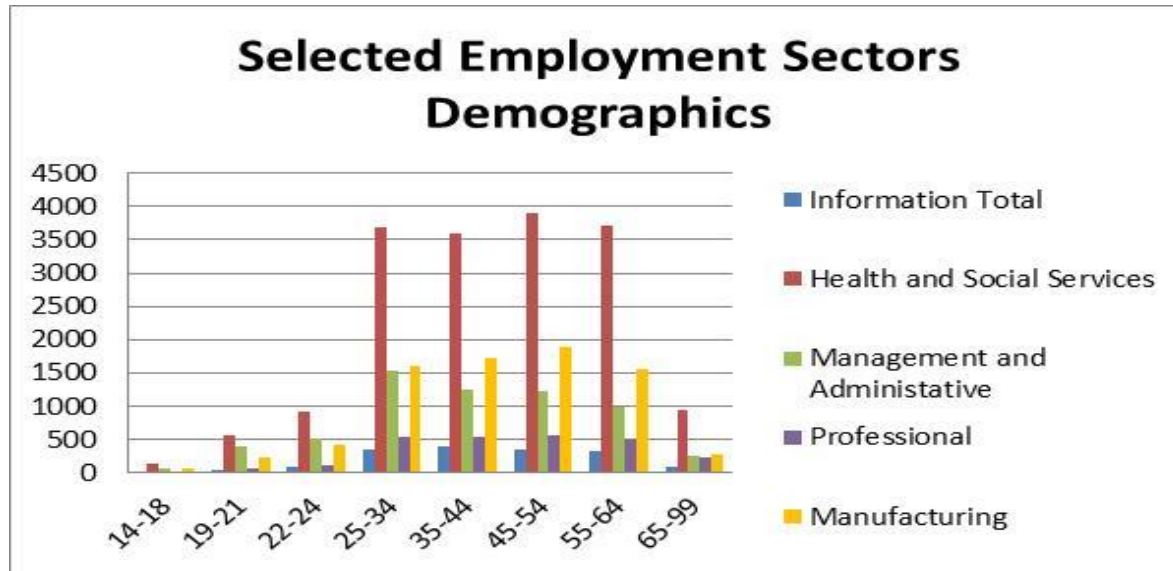
- LIGHTHOUSE WORLDWIDE SOLUTIONS
- MET ONE INSTRUMENTS, INC.
- NDR PRODUCTS COMPANY INC
- BIOLOGIC AQUA TECHNOLOGIES INC
- BIOMED DIAGNOSTICS INC
- FALCON NORTHWEST COMPUTER SYSTEMS
- PERK COM LLC
- APROTEK INC
- GLOBAL CACHE
- KATHREIN INC SCALA DIVISION
- RECOIL SUPPRESSION SYSTEMS LLC

Figure 15
Selected Traded Sector Employers



- RADIO DESIGN GROUP INC
- ASCENTRON INC
- DIODE LASER CONCEPTS INC
- ELECTRONIC SUB ASSEMBLY MANUF.
- EM DESIGN
- HOLODISPLAY INC
- ROGUE VALLEY MICRODEVICES INC
- HACH ULTRA ANALYTICS
- SISKIYOU CORPORATION
- WAGNER ELECTRONIC PRODUCT
- ERICKSON AIR-CRANE INCORPORATED

Figure 14
Employment Sectors by Age



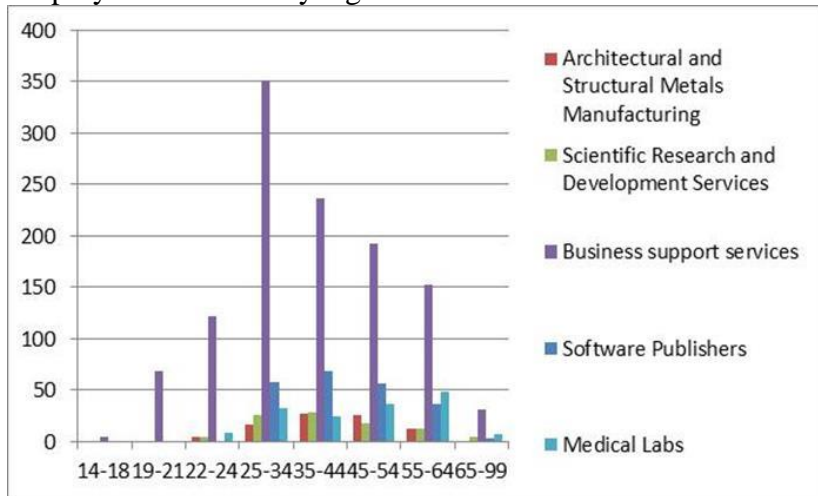
Total employment in broad industry categories is approximately evenly split between each of the age groups, 25-34, 35-44, 45-54, and 55-65. Demographics of employed people approximate demographics of the population in general, for people in the 25-65 year old age bracket, since retired people and children and school are not represented in the workforce.

The demographics of the workforce generally are very different from demographics of the most highly skilled part of the workforce, shown on the next page. The most highly skilled parts of the workforce are noticeably skewed towards the 25-44 year old age brackets.



Technical fields in the Rogue Valley are strongest in the business and support services category, with 350 workers in the 25-34 year old age bracket. Workers in the 25 to 34 year old age bracket, and the 35-44 year age bracket, are the largest groups in some of our leading technical fields, including software publishing, and metals manufacturing sectors. Though small, these niche sectors are important in the context of the Rogue Valley’s relatively small overall population.

Figure 15
Employment Sectors by Age



The sectors shown in figure 15 are representative of our most highly paid and highly skilled job categories. The largest demographic cohorts in these jobs tend to be below the age of 45.

Table 1, on the next page, shows a selection of our most highly paid job types, including software engineers, medical office workers, and high tech manufacturing of several different

types. Wood products manufacturing remains a strong sector, although modern engineered wood products mills bear little resemblance to sawmills of decades past. Southern Oregon has only one remaining traditional sawmills, the Rough and Ready sawmill, which was retooled for small diameter trees in 2014.

The jobs categories shown represent just 10% of total employment in the region, but 30% of total wages, because these fields pay 2.6 times the average for jobs in two counties. All of these sectors require advanced training and skills. It will be the mission of the workforce observatory to identify and monitor the degree to which the availability of skills in the workforce is meeting the needs of these employers.



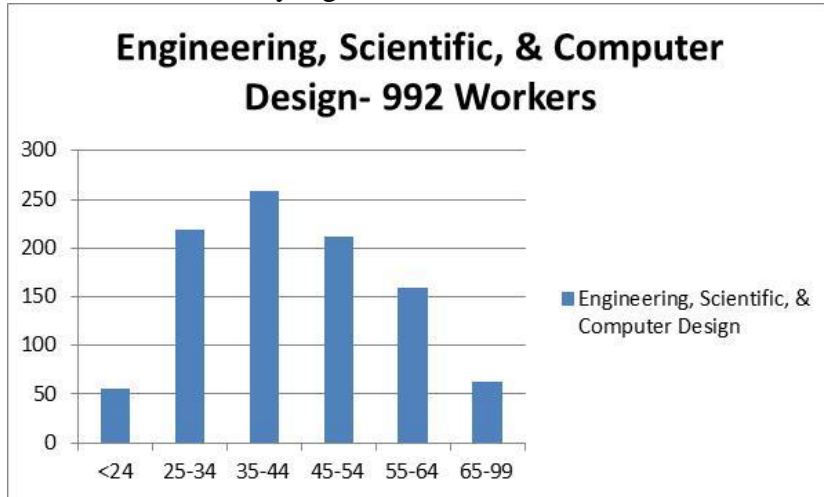
Photo: Rogue Community College

Table 1
Earnings and Employment-selected technical sectors

Industry	Number of Employees	Number of Establishments	Average Annual Wage Earnings	Total Wage Earnings
Software publishers	193	25	\$75,868	\$14,642,524
Medical/Dental Offices	5,708	548	\$107,372	\$612,882,192
Waste management and remediation services	357	25	\$83,512	\$29,813,784
Computer systems design and related services	259	76	\$129,740	\$33,602,660
Management and technical consulting services	305	114	\$92,612	\$28,246,660
Scientific research and development services	79	16	\$82,992	\$6,556,368
Plywood and engineered wood product mfg.	1,583	15	\$81,224	\$128,577,592
Plastics product manufacturing	208	10	\$71,292	\$14,828,736
Architectural and structural metals mfg.	107	15	\$75,192	\$8,045,544
Machine shops and threaded product mfg.	177	16	\$81,692	\$14,459,484
Coating, engraving, and heat treating metals	32	8	\$67,808	\$2,169,856
Metalworking machinery manufacturing	186	8	\$77,896	\$14,488,656
Ship and boat building	178	12	\$70,772	\$12,597,416
Medical equipment and supplies manufacturing	159	21	\$68,172	\$10,839,348
	9,531	909	\$97,760	\$931,750,820
Total Workforce/Establishments/Earnings	104,295	29,375	\$37,305	\$3,094,406,520
Percent of Workforce/ Establishments/Earnings	12%	3%	262%	30%

Just 3% of firms pay 30% of all wages, in 14 highly specialized employment sectors.

Figure 17
 Technical Workers by Age



Threats

The greatest threat to our economy is our greatest weakness. Our electronic commerce and high tech manufacturing sectors are not the only parts of the economy which suffer from a mismatch between skills in the workforce, and needs for skills.

The key to resilience in our rapidly changing economy is a job training infrastructure which is quickly responsive to the needs of employers. If our institutions can be made aware of workforce needs, and our underemployed can be made aware of pathways to filling those jobs, then it only remains to implement programs, and get job training done.

Rural Poverty

In today's economy, graduating from high school college-ready, and obtaining a postsecondary degree or credential can mean the difference between a lifetime of poverty, and a secure economic future. Since 2000, The Rogue Valley, especially Rogue Community College, has made great strides in creating postsecondary opportunities for our high school graduates, increasing total college and community college enrollment to more than 20,000 students.

Once common, jobs at the region's mills and forest products industries no longer await high school graduates, or those who complete postsecondary certificates and degrees. Jobs for new entrants to the labor market are increasingly concentrated around the urban areas, and are increasingly bifurcated into relatively low wage service sector jobs, and jobs in the new knowledge based economy.

The more remote parts of the region continue to grapple with the loss of forest products jobs, beginning more than 20 years ago. During the same period, firms such as Musicians Friend, Motorcycle Superstore have been forced to leave for locales where the workforce is better trained to serve their needs. Headquarters for our beloved Erickson Aircrane were moved to Portland recently, to take advantage of more convenient commercial air travel.

Agglomerative Economies

Motorcycle Superstore, Guitar Superstore, and, the headquarters of aerospace firm Erickson Aircrane, are only three examples of firms which have begun and thrived in the Rogue Valley, only to be moved away with the transition of leadership to the next generation of owners.

Various factors contribute to the decision by firms to leave the Rogue Valley after their foundation and early growth in the valley. Large corporate entities simply find that relatively small acquisitions can most easily be assimilated into larger firms, by moving them to existing facilities. Travel costs, and travel time to the Rogue Valley are another important factor.

Agglomerative Economies are savings that can be gained by larger firms, and industry sectors, by grouping businesses together. These economies present a challenge for rural areas, as both the workforce, and firms, are attracted to major cities where these economies can most easily be realized.

Agglomerative Economies

1. Facilities
2. Labor Force/skills
3. Administrative efficiency
4. Travel Costs

The region must work to offset agglomerative economies which incent firms to leave, with even greater incentives to stay.

We know that it is possible to keep successful start-ups, because other firms have remained. Some firms, like for example Lithia Motors, have remained and expanded over

many decades. But we take warning as we witness, in Douglas County to our north, as Roseburg Forest Products reluctantly moves corporate operations out of Roseburg, also due to a lack of access to essential skills in the workforce in Roseburg.

Not within SOREDI's region, SOREDI notes that if the firm, who engendered the famed Ford Family Foundation, should move away, for lack of skills in the workforce, and then it can happen again here too.



Photo: USGS

The quality of life in Southern Oregon, and the ability of the workforce to adapt to new challenges, is counterweights to the agglomerative economies which draw growing firms away. As we invest in our workforce infrastructure, we can make the

region more resilient to the threat of having our greatest successes move away.

Resilience

Economic Resilience means coping with change. Many resiliency experts focus on the capacity of a region to recover from a disaster like an earthquake, or a tsunami. Most also recognize that resilience is also related to the ability of regions to adjust to gradual changes that result in a chronic state, such as unmanaged population growth, or endemic poverty.

The two types of resilience are described briefly as follows:

Responsive Resilience: Emergency service providers and government agencies that respond to immediate shocks to the community, such as a wildfire, make up our responsive resilience.

Steady State Resilience: Inability to manage long term change, as for example the (near) end of Federal timber harvest, is manifested in problems such as long term rural poverty. Thriving new businesses, which have grown and begun to take the place of lost forest products industry, are examples of managing change well, and point to a roadmap for SOREDI's strategy.

Examples of situations to which the region has needed to be resilient in recent decades, are as follows:

The end of Federal Timber Harvest- 1990s

The Biscuit Fire- 2005

Periods of rapid population growth- since 1900

One major process that is currently forcing the community to adapt and change, are the new requirements for in-stream flows of water in Bear Creek, begun in 2014. These requirements will force changes in the agricultural and recreation economy of the region, while enhancing crucial habitat for endangered species.

The economic impact of change does not only depend on direct impacts in terms of lives and assets. Impacts also depend on the ability of the economy to recover and reconstruct and to take advantage of what opportunities may be offered. This ability is sometimes referred to as macroeconomic resilience.

How gains and losses from change are distributed throughout the community; especially on vulnerable households, is an important factor in considering community resilience. Changes may adversely affect rural more than urban residents, as in the case of wildfire or new constraints to irrigation. They may affect people living in the cities more, as in the case of rapid population growth, where many of us find ourselves with new neighbors.

Indicators of Resilience-

1. Resilience Capacity Index

The Resilience Capacity Index (RCI) is a single statistic summarizing a region’s status on twelve factors hypothesized to influence the ability of a region to bounce back from a future unknown stress. The index permits comparisons across metropolitan regions and identification of strong and weak conditions relative to other metropolitan regions.

Jackson County

Overall RCI -0.19

Economic

Income Equality -0.08

Economic Diversification -0.23

Regional Affordability -0.99

Business Environment -0.69

Social

Educational Attainment -0.32

Without Disability -1.21

Out of Poverty 0.19

Health-Insured -0.78

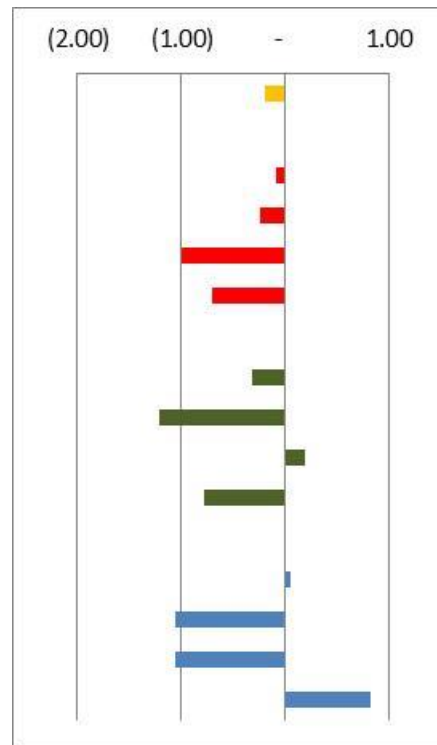
Community

Civic Infrastructure 0.06

Metropolitan Stability -1.05

Homeownership -1.05

Voter Participation 0.82



The index of resiliency measures, on a scale between -2 and 2, how a community measures against 361 communities nationwide. The index has twelve basic areas, which are meant to represent a community’s ability to adjust to change.

Comparing these twelve aspects of Southern Oregon, to metropolitan areas across the Country, may not, in all cases, be as useful as simply evaluating the region in terms of each of the factors listed. In some cases, the region’s resiliency score is a function of the geographic isolation of the region.

Of the factors of resilience identified in the list above, SOREDI has identified two factors as the ones over which the region has the most control, educational attainment and the business environment.

Steady State Resiliency and Responsive Resiliency

The role of SOREDI, as an economic Development Agency, is to foster what the Economic Development Administration terms, Steady State Resiliency. Examples of *steady-state* economic resilience initiatives include:

- Engaging in comprehensive planning efforts that involve extensive involvement from the community to define and implement a collective vision for resilience that includes the integration and/or alignment of other planning efforts and funding sources;
- Undertaking efforts to broaden the industrial base with diversification initiatives, such as targeting the development of emerging clusters or industries that build on the region's unique assets and competitive strengths.
- Adapting business retention and expansion programs.
- Building a resilient workforce that can better shift between jobs or industries.

Some examples of *responsive* economic resilience initiatives include:

- Conducting pre-disaster recovery planning to define key stakeholders, roles, responsibilities, and key actions;

- Establishing a process for regular communication, monitoring, and updating of business community needs and issues (which can then be used after an incident) ;

Emergency managers at the County, State, and Federal levels have a long track record of effectively managing natural disasters, which come most frequently as wildfires. Responsive resilience is outside the scope of SOREDI's role in the community, and steady state resilience the focus of our current strategy, improving the fit between employers and the job training infrastructure. The Jackson County Emergency Operations Plan, when activated,

<http://jacksoncountyor.org/emergency/County-Plans/Emergency-Operations-Plan>

integrates the entire emergency response infrastructure into a single organization managed by the County. The Josephine County integrated fire plan is operates in a similar way.



Evaluating the CEDS

This CEDS presents a five year project for connecting demand for skills, with the workforce who will supply those skills. SOREDI will develop a Workforce Observatory which will monitor the precise needs for skills of traded sector business, and communicate those needs to our institutions, and to our families who are making important career decisions every day.

SORED I has identified that developing better information about the workforce is the most important challenge facing our community, and our best opportunity. Our ongoing transition to a knowledge based economy is threatened by recent losses of important corporate headquarters, and knowledge based firms, both within our region, and in other parts of rural Oregon. In order to be resilient to changing demands for skills in the workforce, the region must gain a better understanding of the needs for skills in a rapidly changing economy.

There are five milestones which SOREDI will use to evaluate its own performance in development of the Workforce Observatory. They are as follows:

1. **Business list:** Develop a comprehensive list of traded sector businesses, and the specific skills that are employed within them.
2. **Education list:** Develop a comprehensive list of training programs within our higher education infrastructure, and the jobs for which they are designed.
3. **Survey:** Survey the businesses and institutions the two lists, for current needs, and expected needs over the coming 5 year period.
4. **Database and Crosswalk:** Develop a crosswalk tool, which translates existing demand for skills in industry, with specific programs in our higher education institutions. Based on the crosswalk of skills between job training programs, and jobs, and information gleaned from the survey of the economic and education lists, SOREDI will build and maintain a database of strengths, weaknesses, opportunities, and threats, posed by the degree to which the skills in our workforce,

match the demand for skills in our most highly skilled enterprises.

5. Report and Update: Annually publish our findings about how industry demand for skills matches the supply of skills being produced in our institutions of high education.

An evaluation framework for this CEDS will be based upon completion of each component of the Workforce Observatory, and integration of the observatory into the other activities that SOREDI is already successfully pursuing.

The Workforce Observatory is a good vehicle for increasing participation by our community partners in promoting and developing the economy of our region. Our longtime partners in business and government have important roles in our effort to increase communication between traded sector business and the institutions and families who create our skilled workforce.

Ongoing maintenance of the Observatory, and its data set, and an annual report on the workforce, will ensure continuity of the plan. As an observatory, the project is designed to continually gather data, and revise the project itself.

The four historical missions of SOREDI will remain a vital part of our ongoing work, and will be critical to our success at expanding the fifth mission, the Observatory project. These roles are as follows:

- ✓ **Help existing business prosper by identifying opportunities for growth and providing resources.**

- ✓ **Attract new businesses compatible with community values.**
- ✓ **Promote business start-ups and the early success of emerging businesses.**
 - 1) Identify New Start-Ups and Entrepreneurs
 - 2) Host annual Angel Investment Conference
 - 3) Expand influence of the TAG Team
- ✓ **Foster access to capital funding and incentives for businesses.**
- ✓ **Promote a workforce with skills to meet business needs.**



Photo: Rogue Community College

Strategic Projects

The region has many projects, either planned, or in the works. These include major infrastructure projects, such as realignment of major highway, HWY 62, and many smaller projects such as rebuilding the Oregon Caves Lodge, an important piece of history, and central to recent expansion of the Oregon Caves National Monument.

SORED I, as a convener of groups from across the community with interests in all different aspects of economic development, has an important role in facilitating the flow of information between firms, institutions, and government. Pursuant to this role, SORED I will institute the Workforce Observatory project, which will establish a baseline for workforce development, and monitor the region's progress in key areas of that baseline.

Where are these areas of relative strength in the readiness of our workforce, and where are there asset deficiencies, or potential new threats.

The Workforce Observatory will collect data from firms, educational institutions and local government in the following four areas:

- Does the skill base of the regional workforce meet the needs/demands of individual employers? If not, what are the specific skills that the employer would like to see more available in the labor market.
- Do the skills employed at specific firms come from training at local educational institutions? If the skill set is not being developed within regional educational

institutions, where does industry go to find its workforce?

- Do graduates of regional educational providers primarily remain in the region, or do they migrate elsewhere to seek employment?
- Does industry perceive the educational providers to be responsive to their specific needs? If yes, specifically how? If no, what are the constraints/problems encountered?

The workforce observatory will allow the Rogue Valley to strengthen the business networks that are the foundation of efforts to make the economy more resilient to change, and foster our brightest opportunities. By bringing businesses and community organizations together, the region can better collaborate, and leverage the path forward, for its key economic development initiatives.

Our Business Networks:

Jefferson Grapevine

The **Jefferson Grapevine** brings together a variety of business consultants, mentors, coaches, experts, environments and events so that entrepreneurs can find the help they need to get them to the next stage in our development and, ultimately, to bear the fruit of a successful, revenue producing business.

Angel Investment Network

The Southern Oregon Angel Investment Network is organized with the purpose of increasing the amount of non-traditional seed capital and angel funds available in the region by connecting startup and existing companies with the capital needed to grow a scalable venture or expansion.

Small Business Development Center

The **Small Business Development Centers** work in conjunction with **Rogue Community College** and **Southern Oregon University** campuses to offer free business counseling and business plan development. If you are considering starting up a business, but don't have a business plan or are looking to start up something in the retail or service sector (anything with a store-front or service for local customers) the SBDC's can help you get started.

Oregon Entrepreneur Network

Oregon Entrepreneur Network (OEN) is the largest organization devoted to entrepreneurial development in the state of Oregon. The OEN provides a representative who is dedicated to the Southern Oregon region and provides support for all of the efforts to cultivate entrepreneurs on the Jefferson Grapevine.

Oregon Heavy Lift Helicopter Consortium

This long-standing statewide consortium is unique to just five Oregon companies, all heavy lift helicopter companies. Two companies reside in Southern Oregon - Croman Corp and Erickson. The Consortium meets quarterly and seeks to collaborate on marketing its niche services for emergency response and disaster recovery among state offices of emergency management nationwide. The OHLHC is also working together to address needed workforce skills in their incumbent workforce and the attraction of new aviation mechanics. www.heavylifthelevator.com

Southern Oregon High Performance Enterprise Consortium

This group of regional manufacturers meets monthly and frequently hosts learning tours designed to engage one another in tackling a real challenge or constraint at the host business, provide networking and mentoring time, and discuss trends and implementation of lean principles. Learning tours include lunch as part of SOHPEC membership. Currently, SOHPEC is chaired by Quantum Innovations in Central Point.

SOHPEC membership is simple - businesses only need to be a SOREDI Champion Member (\$500 year). Membership benefits also include reduced fees to other SOREDI events and the privilege of being engaged with SOREDI who provides complimentary business services to new and expanding companies.



Photo: Rogue Community College

Appendix A: Key Project List

See below

Appendix B: Regional Planning

See below

Appendix C: Data

Separate Document

July 15, 2015

**Comprehensive Economic Development Strategy
Appendix A- Key Project List**

Josephine and Jackson Counties

Southern Oregon Regional Economic Development Inc. (SOREDI)

100 East Main St., Medford Oregon, 97504

541-773-8946

www.soredi.org

Key Economic Development Projects

Consistent with our approach to this CEDS as a work in progress, SOREDI will circulate the list to regional stakeholders, and update it as our stakeholders submit projects.

2038 Rogue Valley Regional Transportation Plan- support ongoing transportation planning that looks far out into the future across each of 15 jurisdictions within the region. The regional planning process seeks to chart the best way forward for the transportation system as a whole, given limited resources and competing priorities.

Oregon Caves Lodge Historic Renovation- As the Oregon Caves National Monument expands from 600 acres to 6,000 acres, the historic lodge is showing its age. The community is coming together to renovate this important cultural resource, and visitor destination.

T'lomikh Falls Olympic Whitewater Park Development- Implementation plan: to develop world class whitewater park on naturally occurring course at Gold Hill, on the Rogue River.

Water for Streams, Irrigation, and the Economy (WISE) - Respond to recent changes in Federal water management, by modernizing the irrigation distribution system.

Jackson County Economic Action Initiative- Senior business, government and community leaders work to seize opportunities quickly.

Rogue Valley Strategic Planning Model- The Rogue Valley Council of Governments implements a model that will help optimize transportation and other infrastructure investments.

Rogue Community College- Implement the Rogue Community College Master Plan. Enhance student employability by developing career pathways and connecting students to workforce opportunities.

Rogue Community College- Advance the region's economic, social, and cultural well-being by building and sustaining partnerships with other educational institutions, employers, community agencies, and students.

The Britt Festival Vision - Britt Music and Arts Festival strives to become a nationally recognized, financially sustainable arts campus destination that embraces artistic risk-taking through exploration, collaboration and creation that intentionally integrates education and performance.

The Oregon Shakespeare Festival Vision (OSF) - OSF is a nationally recognized powerhouse in the theater arts. The region supports and collaborates with OSF to continue its 78 year mission, and to expand its core audience from around the world, for new and classic theater.

La Clinica Health- Support innovative and strategic initiatives to promote health in underserved and rural communities, including mobile health centers, expanded dental and mental health services.

This is a dynamic list, to be updated periodically by SOREDI at the request of our community partners!

July 15, 2015

**Comprehensive Economic Development Strategy
Appendix B- Regional Planning**

Josephine and Jackson Counties

Southern Oregon Regional Economic Development Inc. (SOREDI)
100 East Main St., Medford Oregon, 97504
541-773-8946
www.soredi.org

Key Regional Planning Efforts

Oregon is a very well planned place! Oregon law requires that every community maintains and update detailed comprehensive plans, and detailed transportation system plans. In addition, regional planning efforts are ongoing, most notably at the counties, and at the Rogue Valley Council of Governments, which leads the Metropolitan Planning Organization.

Planning- General

Pursuant to State guidelines, jurisdictions are required to maintain comprehensive plans detailing plans in accordance with the 19 Statewide Planning Goals.

19 Statewide Planning Goals

http://www.oregon.gov/lcd/pages/goals.aspx#Statewide_Planning_Goals

Rogue Valley Metropolitan Planning Organization plan

http://www.rvmmpo.org/images/plans-and-programs/UPWP/2015-2016/Final_Adopted_RVMPO-UPWP-2015-2016.pdf

Jackson County Comprehensive Plan

<http://jacksoncountyor.org/ds/PDFs?EntryId=34600>

Josephine County Comprehensive Plan

<http://www.co.josephine.or.us/files/GOAL%20&POL%202005.pdf>

Medford Comprehensive Plan

<http://www.ci.medford.or.us/Page.asp?NavID=1396>

Grant Pass Comprehensive Plan

<https://www.grantpassoregon.gov/458/Comprehensive-Community-Development-Plan>

Ashland Comprehensive Plan

<http://www.ashland.or.us/Page.asp?NavID=11743>

Central Point Comprehensive Plan

<http://www.centralpointoregon.gov/cd/page/comprehensive-plan-documents>

Eagle Point Town Center Plan

<http://www.cityofeaglepoint.org/documentcenter/view/759>

The comprehensive plan is available in print version, contact City

Rogue River (city) Comprehensive Plan

Print version only, contact City

Gold Hill Comprehensive Plan

Print version only, contact City

Shady Cove Comprehensive Plan

<http://www.shadycove.net/Comprehensive%20Plan%202004.pdf>

Phoenix Comprehensive Plan

<http://www.phoenixoregon.gov/Page.asp?NavID=10>

Talent Comprehensive Plan

http://www.cityoftalent.org/SIB/files/Planning/Development_Codes/Comprehensive%20Plan.pdf

Cave Junction Comprehensive Plan

Print version only, contact City

Jacksonville Comprehensive Plan

http://www.jacksonvilleor.us/?page_id=32

Transportation Planning

Rogue Valley Regional Transportation Plan

<http://www.rvmpo.org/index.php/ct-menu-item-13/regional-transportation-plan-rtp>

Rogue Valley Council of Governments Strategic Assessment

<http://www.rvmpo.org/index.php/2015-strategic-assessment>

Jackson County Transportation System Plan

<http://jacksoncountyor.org/ds/Planning/Planning-Library/ArtMID/6652/ArticleID/242046/Jackson-County-Transportation-System-Plan-TSP>

Josephine County Transportation System Plan

<http://www.co.josephine.or.us/Page.asp?NavID=263>

Medford Transportation System Plan

<http://www.ci.medford.or.us/Page.asp?NavID=864>

Grants Pass Transportation System Plan

<https://www.grantspassoregon.gov/364/Master-Transportation-Plan>

Ashland Transportation System Plan

<http://www.ashland.or.us/Page.asp?NavID=11780>

Central Point Transportation System Plan

http://www.centralpointoregon.gov/sites/default/files/fileattachments/community_development/page/594/central_point_transportation_system_plan_-_final_-_approved_12-18-2008.pdf

Phoenix Transportation System Plan

See comprehensive plan

Talent Transportation System Plan

http://www.cityoftalent.org/SIB/files/Planning/Current_Planning_Projects/transportation_system_plan.PDF

Workforce Planning

State of Oregon Workforce Plan

<http://worksourceoregon.org/home/documents/oregon-workforce-investment-board/state-of-oregon-five-year-plan/1463-oregon-5-year-integrated-state-plan/file>

Rogue Community College Strategic Plan, 2015-19

<https://www.roguecc.edu/StrategicPlan/15-19/Adopted%202015-19%20Strategic%20Plan%20-%20FINAL.pdf>

Major Facilities Planning

Medford Water Commission

<http://www.medfordwater.org/Page.asp?NavID=119>

The Medford Water Commission supplies water to Medford, Central Point, Talent, Phoenix, Ashland (in partial), and Jacksonville, which comprise most of the urban water consumers in the region

Grants Pass Water Distribution Plan

<https://www.grantspassoregon.gov/372/Water-Distribution-Master-Plan>

Ashland Water Plan

[http://www.ashland.or.us/SIB/files/2012%20CWMP-Carollo\(1\).pdf](http://www.ashland.or.us/SIB/files/2012%20CWMP-Carollo(1).pdf)

Cave Junction Drinking Water Protection

<http://www.cavejunctionoregon.us/sites/default/files/fileattachments/drinkingwaterprotectionplan.pdf>

Cave Junction Storm water Management Plan

http://www.cavejunctionoregon.us/sites/default/files/fileattachments/storm_water_master_plan_2000.pdf

Environmental Planning

Rogue Valley Metropolitan Planning Organization environmental justice plan

http://www.rvmmpo.org/images/plans-and-programs/environmental-justice-title-VI/EJ_Plan_FINAL_Aug_2014.pdf

Rogue River Basin water planning

<http://www.usbr.gov/pn/programs/esa/oregon/rogue/biop.pdf>

Shady Cove water quality plan

<http://www.cityofeaglepoint.org/DocumentCenter/Home/View/332>

Emergency Management/ Resilience Planning

Jackson County Emergency Operations Plan

<http://jacksoncountyor.org/emergency/County-Plans/Emergency-Operations-Plan>

When activated, this plan integrates emergency responders throughout the county into a single organization managed by the County.

Josephine County Integrated Fire Plan

<http://www.co.josephine.or.us/Page.asp?NavID=1838>