

# Central Oregon Comprehensive Economic Development Strategy

Regional-Level Issues Summary

Approved by the COIC Board December 1, 2011



The regional-scale projects/issues inventory is an effort to proactively identify large-scale issues that could negatively affect the region's economy. "Issues" are broader in scope than a distinct "project" and tend to be significant across the entire region. The regional issues listed here also tend to require some degree of ongoing collaboration among stakeholders and communities. The 2011 Regional Level Issues inventory was developed by:

- Direct solicitation of written concepts from jurisdictions and stakeholders, as a component of the needs and issues inventory
- One-on-one meetings/interviews with jurisdictions, state and federal agencies, other organizations and stakeholders
- Review of regional economic development strategies and studies

1. Regional Scale Issues – Jobs, Education and Training	Summary	Priority Actions
<p><b>a. Job growth, regional competitiveness and improved business climate</b></p>	<p>The Central Oregon region is experiencing high unemployment rates, low wages, and stagnant job growth. The region was affected disproportionately by the recession compared to other parts of Oregon.</p> <p>Median income has historically been disproportionate to the cost of living - both in comparison to the State of Oregon as well as the United States.</p> <p>The region's economy has been in a cyclical "boom and bust" pattern over the past 20-30 years, and was heavily impacted by downturns in the timber and home construction industries.</p> <p>Population growth is expected to continue and outstrip the state over the next decade.</p>	<p>Focus economic development strategy on attraction of family-wage jobs, with a defined regional action plan and performance measurements. Actions include:</p> <ul style="list-style-type: none"> <li>• Employment diversification; market to and recruit new traded sector businesses</li> <li>• Retain and expand existing businesses</li> <li>• Engage in "economic gardening" to support and stimulate entrepreneurial job growth</li> <li>• Increase support for small business/start ups, including access to micro-business capital</li> <li>• Market the region's recreation and quality of life advantages</li> <li>• Enhance peer-to-peer business networks</li> <li>• Establish a clearinghouse for business information – a "road map" of business support organizations</li> <li>• Engage business community to understand and address barriers, including regulations, permitting, etc.</li> <li>• Accelerate global connections; international sales and exports</li> <li>• Cluster/Sector support. Focus on targeted sectors.</li> </ul>

## CEDS Regional-Level Issues Summary

<p><b>b. Establishment of a four-year higher education institution</b></p>	<p>The region will benefit from the establishment of a 4-year higher education institution in a number of ways:</p> <ul style="list-style-type: none"> <li>• Provide a 4-year education opportunity for local residents/high school graduates</li> <li>• Direct economic benefits resulting from employment at the University, students locating to the region</li> <li>• Business support functions, expansion of degree programs offered in region, production of a skilled workforce</li> <li>• Technology transfer, entrepreneurial support</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrate regional support of the concept of establishment of a 4-year institution in Central Oregon.</li> <li>• Encourage the Oregon University System (OUS) to designate/authorize a new 4-year institution in Central Oregon.</li> <li>• Achieve regional consensus on support for the specific education provider and location of 4-year institution</li> <li>• Regional participation in capital fundraising campaign to build out campus/leverage state investment.</li> </ul>
<p><b>c. Improved workforce technical skills; marketing of available workforce</b></p>	<p>A skilled, available workforce is a necessary component of a regional economic development framework. Regional businesses need skilled workers, and the region must demonstrate the availability of a skilled workforce when supporting business recruitment or expansion. Anecdotal evidence indicates that numerous firms have chosen to not relocate to Central Oregon due to workforce deficiencies.</p> <p>Workforce Challenges:</p> <ul style="list-style-type: none"> <li>• High levels of unemployment and high levels of long-term unemployment.</li> <li>• Slow employment growth.</li> <li>• Businesses struggle to find skilled workers.</li> <li>• Connecting training to jobs.</li> <li>• Younger workers damaged by recession.</li> <li>• Aging workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Funding and enhanced technical skills training programs needed.</li> <li>• Implement the National Career Readiness Certificate regionally, as a basis for demonstrating workforce skills.</li> <li>• Establishment of a “Career Ready Community” in Central Oregon, as a means to demonstrate workforce availability and skills.</li> <li>• Encourage stronger Business involvement in K-12 system to enhance worker preparedness based on increased career readiness training.</li> <li>• Advanced manufacturing training equipment, resources and expertise to support training for new and expanding companies.</li> <li>• Enhance technical skills training for K-12 students connected to real-world employer demand.</li> </ul>
<p><b>d. Regional supply of large lot industrial lands</b></p>	<p>Regional partners engaged in a Regional Economic Opportunities Analysis process and found that economic development efforts in Central Oregon have been negatively impacted by the lack of development-ready large industrial properties. The REOA also showed that the region currently serves as an integrated, cohesive economic unit, sharing workforce and commercial amenities, and should be marketed as such to increase its perceived scale in the market. A collaborative regional approach is needed to create a large lot inventory.</p>	<ul style="list-style-type: none"> <li>• Establishment of a regional governance authority and framework for a regional large lot industrial program.</li> <li>• Development of MOUs among cities and counties, which will include agreement on necessary actions to implement the regional large lot industrial program.</li> <li>• Designation of six initial sites in the region, and 17 long – term sites.</li> <li>• Regional marketing of the regional large lot site portfolio.</li> </ul>

**CEDS Regional-Level Issues Summary**

<p><b>e. Strengthen the regional agriculture sector, including local food production and distribution</b></p>	<p>The agricultural sector and the local food system are important to the overall health of the region’s economy and quality of life. The sector can be strengthened through improved farmer/rancher support and collaboration, as well as through targeted investments in the food storage and distribution network.</p> <p>A Central Oregon-based rendering plant/animal waste disposal facility is needed:</p> <ul style="list-style-type: none"> <li>• The region is well suited for livestock production and many ranchers have begun to produce high-value meats for niche markets.</li> <li>• Animal carcass disposal costs have skyrocketed since Redmond Tallow closed in 2006.</li> </ul> <p>Reduction of animal waste disposal costs could boost local businesses and strengthen direct local markets.</p> <p>Overall, a stronger agricultural sector will lead to job growth, increased agricultural income, increase in value-added products, and stronger connections between consumers and producers.</p>	<p>Need to address issues identified by local food producers (ranchers and farmers) including:</p> <ul style="list-style-type: none"> <li>• Need framework for communication and collaborative problem solving</li> <li>• Need marketing/branding of locally produced products</li> <li>• Need for consumer education</li> <li>• Local food storage, processing and distribution infrastructure</li> <li>• Expand and strengthen the farmers’ market network.</li> </ul> <p>Develop access to an animal waste disposal facility:</p> <ul style="list-style-type: none"> <li>• Quantify specific disposal needs within industry, evaluate current methodology for disposal.</li> <li>• Determine disposal needs/methodology of neighboring region.</li> <li>• Determine economic cost of current disposal system, benefit of improved access to waste disposal facility (either in Central Oregon or outside of the region).</li> <li>• Achieve consensus on regional approach to waste disposal, implementation.</li> </ul>
<p><b>2. Regional Scale Issues - Infrastructure</b></p>	<p><b>Summary</b></p>	<p><b>Priority Actions</b></p>
<p><b>a. Power availability</b></p>	<p>Several targeted sectors have a need for large quantities of power. The availability of power is dependent to a large degree on transmission capacity and/or opportunities for local generation. Adequate power access is a necessary component for economic development.</p>	<p>Collaborative regional action is necessary to ensure adequate access to power in support of regional economic development activities.</p>
<p><b>b. Expand rail access for regional freight mobility</b></p>	<p>Central Oregon needs to make strategic investments to avoid eventual loss of rail service by Class 1 haulers, which would in turn undermine the region’s economic potential.</p>	<ul style="list-style-type: none"> <li>• Take advantage of and maximize opportunities with the area’s shortline railroad (COPR), including industrial sites along the line and freight terminal options such as at the Prineville Freight Depot and at the COPR interchange with BNSF at Prineville Junction.</li> <li>• Ensure adequate on- and off-site support track along the BNSF mainline, and seek or create compatible (critical mass cargo) markets.</li> <li>• Seek agreement by shippers in Central Oregon to use a single designated intermodal complex.</li> </ul>

## CEEDS Regional-Level Issues Summary

<p><b>c. Regional Air Transportation</b></p>	<p>Commercial air service that connects our region to hub airports in metropolitan areas is an important economic development component. Lack of air service is a barrier to economic development/business recruitment and retention – particularly in the high tech sector.</p>	<p>Collaborative regional action necessary to ensure air service is maintained and improved.</p>
<p><b>d. Biomass Thermal Heat systems; Biomass “District Energy” systems</b></p>	<p>Central Oregon has abundant forest biomass and significant energy needs. Biomass can be used instead of natural gas, propane, heating oil, or electricity as a renewable fuel for thermal energy generation.</p> <p>If biomass “district energy” systems can be developed then the region has opportunities to not only capitalize on the thermal energy opportunity but also to generate a small amount of electricity on the back end of the system. Use of biomass heating fuels could prevent significant “leakage” of energy dollars from the Central Oregon region.</p>	<p>Development of biomass thermal energy (heat) systems at large public and private buildings and industrial facilities requiring process heat.</p>
<p><b>e. Water Supply</b></p>	<p>Water use pressures within the Deschutes Basin are increasing. Challenges include balancing agricultural and municipal uses with efforts to restore streamflow and improve water quality in the basin.</p> <p>Economic development efforts in the region are dependent upon both an adequate municipal supply of water to support business development, as well as sufficient in-stream water to support regional quality of life.</p>	<ul style="list-style-type: none"> <li>• Need for regional collaboration to plan for/address endangered species reintroduction impacts</li> <li>• Piping of irrigation canals can reduce agricultural water use, make more water available for in-stream and municipal supply uses, and present renewable energy generation opportunities.</li> <li>• Improving agricultural water use efficiency can improve the bottom line for irrigators and increased in-stream flows supports tourism and recreation industries.</li> </ul>
<p><b>f. Sustainable Local Funding for Transit</b></p>	<p>Regional leaders have recognized the need to provide a regional transit system in order to improve mobility of transit-dependent populations and increase regional economic competitiveness and quality of life.</p> <p>Currently, local funding (“match”) is cobbled together among a wide variety of unstable funding sources. The region needs to develop a stable local funding stream in order to a) improve the system to better meet needs, b) maintain the current system, and c) address long- range regional transportation needs.</p>	<ul style="list-style-type: none"> <li>• Identify the type of system that is needed at each community-scale and at the regional scale.</li> <li>• Identify citizen and community leader values and desires in relation to transit.</li> <li>• Market the “story” of transit to citizens and leaders.</li> <li>• Identify the “willingness to pay” for transit as a part of the region’s overall transportation infrastructure.</li> <li>• Develop and implement a campaign/initiative to secure the appropriate and sustainable local funding.</li> </ul>

**CEDS Regional-Level Issues Summary**

<p><b>g. Highway/Road Maintenance and Modernization</b></p>	<p>State and federal transportation infrastructure funding levels are decreasing. Pavement and bridge conditions are projected to decline over the next decade. Funding for modernization projects is declining rapidly, as revenues are directed to bond payments. A deteriorated system is more expensive to maintain.</p> <p>COACT has documented millions in unfunded project needs, within modernization, safety, operations, preservation, local road network, rail and public transportation categories.</p>	<ul style="list-style-type: none"> <li>• New strategies necessary to prioritize investments and leverage state and federal resources.</li> <li>• Focus on asset management, preservation.</li> <li>• Consider how to consolidate, integrate funding programs that are traditionally siloed.</li> <li>• Improve integration of transportation modes.</li> </ul>
<p><b>3. Regional Coordination and Policy Issues</b></p>	<p><b>Summary</b></p>	<p><b>Priority Actions</b></p>
<p><b>a. Regional Collaboration and Decision-Making Framework</b></p>	<p>The region faces many regional-scale problems, including those articulated within sections 1 and 2 of this summary; many of these issues are highly complex and inter-related.</p> <p>Compounding the challenge, state and federal government funding is declining due to the economic downturn, the national political climate, the end of federal stimulus investments, as well as strict limits on the ability of local governments to raise additional funds to fill the gap. The region must now solve complex regional problems with diminishing financial resources.</p> <p>The region benefits when it speaks with a unified voice to articulate priorities and needs to state and federal agencies and legislators. A regional lead authority is needed because individual communities tend to be ignored</p>	<ul style="list-style-type: none"> <li>• Central Oregon needs a framework for regional decision-making and collaboration; particularly on projects or issues that affect multiple jurisdictions. Without a long-range regional approach, individual priorities will be disjointed and unconnected.</li> <li>• A regional-level approach to planning and regional problem-solving will effectively and efficiently address issues.</li> <li>• An integrated planning approach that considers multiple interdependent issues (e.g. housing, economic development, transportation, etc.) would provide the framework for targeted, efficient local investments, a unified voice in policy issues, and greater success in securing state and federal resources.</li> <li>• Regional delegation to federal reps to articulate regional priorities.</li> </ul>

## CEDS Regional-Level Issues Summary

<p><b>b. Regional Public Sector Strategy/ Infrastructure planning</b></p>	<p>Generally, regional infrastructure is not adequate to serve expanding needs for economic development.</p> <p>Need to prepare communities for commercial, residential and industrial growth. Need to develop expectations or standards for infrastructure.</p> <p>Need to build capacity in local water, energy, and wastewater systems.</p>	<ul style="list-style-type: none"> <li>• Analysis of infrastructure at a regional scale is needed, not just community level. Identify infrastructure deficiencies.</li> <li>• Development of a regional long range water, sewer, power, etc. infrastructure plan.</li> <li>• Support communities as they plan for infrastructure expansion to meet economic development needs.</li> <li>• Identify critical infrastructure components of a thriving economy, and then assess communities.</li> <li>• Support for jurisdictions – ensure up-to-date comprehensive plans, land use plans, proper zoning, TSPs, and an economic development orientation.</li> <li>• Encourage/develop efficient permitting processes, SDC frameworks.</li> </ul>
<p><b>c. US 97, US 126 mobility and corridor planning</b></p>	<p>Future growth and job development within municipalities located adjacent to Highway 97 are impeded by inadequate funding to improve Highway 97, TPR limitations, unattainable mobility standards, and expensive design standards.</p> <p>Need for integrated, multi-modal planning for the transportation network, to increase efficiency of investments.</p> <p>Inadequate state and federal transportation funding to improve highways.</p>	<ul style="list-style-type: none"> <li>• Need for a framework for making transportation investment decisions on a corridor basis rather than within each individual city or at the intersection level.</li> <li>• Need for new methodology for prioritizing investments, planning projects, and funding projects</li> <li>• Need for multi-modal approach to transportation system planning</li> <li>• Targeted, strategic investments in transit system and other transportation options to maximize efficiencies within the overall transportation system.</li> <li>• Need information on the contribution that transit and transportation options can make to meeting future trip demand.</li> </ul>
<p><b>d. Framework for identification of regional investment priorities; equitable funding of regional-level initiatives</b></p>	<p>Local, state and federal revenues to support infrastructure, community and economic development projects are flat or declining. Funding is tight, while needs are growing. Many services or projects that benefit the entire region lack stable funding; in many cases these services are supported in a patchwork method.</p> <p>Local governments are asked to support a variety of regionally-beneficial services. Local investments that support regional services/projects are often not made in an equitable or sustainable fashion. Examples: Central Oregon 211 system, CET regional transit system, regional homeless count.</p>	<ul style="list-style-type: none"> <li>• A regional approach to understanding regional-level services, and venue for communication and collaboration in support of these services.</li> <li>• Consider new/innovative local funding mechanisms.</li> </ul>