



# **South Central Oregon Economic Development District**

**Comprehensive Economic Development Strategy  
2019-2024**

**Adopted May 10, 2019**

*© Photography by Chuck Collins*

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## VISION

**Our vision for the future of Klamath and Lake Counties is a thriving economy, rooted in our local renewable resources, the resourcefulness of our people, and our willingness to work together for the mutual benefit of all of our citizens.**



Over the past year SCOEDD staff has held community outreach meetings, participated in strategy sessions with various groups and conducted an online Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the region.

We have learned that as the West continues to shift from a natural resource-based economy to a knowledge-based economy, the key to the future of the SCOEDD region's competitiveness is increasingly the ability to cultivate and attract innovative companies, talented entrepreneurs, and an educated workforce. Research shows that these companies and individuals are increasingly "footloose" and are drawn to the high quality of life, which includes the many assets of our region such as outdoor recreational opportunities and attractive natural landscapes.

**The 2019-2024 South Central Oregon Economic Development District (SCOEDD) Comprehensive Economic Development Strategy serves as the five year strategic plan for Klamath and Lake Counties. It is intended to guide the policies and investments of the two counties' efforts to improve the regional economy in a sustainable manner.**

**Funding for this report and SCOEDD professional staff is made available through a planning grant awarded by the U.S. Department of Commerce, Economic Development Administration (EDA). EDA funds are matched by local contributions received from Klamath and Lake Counties, the City of Klamath Falls and Town of Lakeview.**



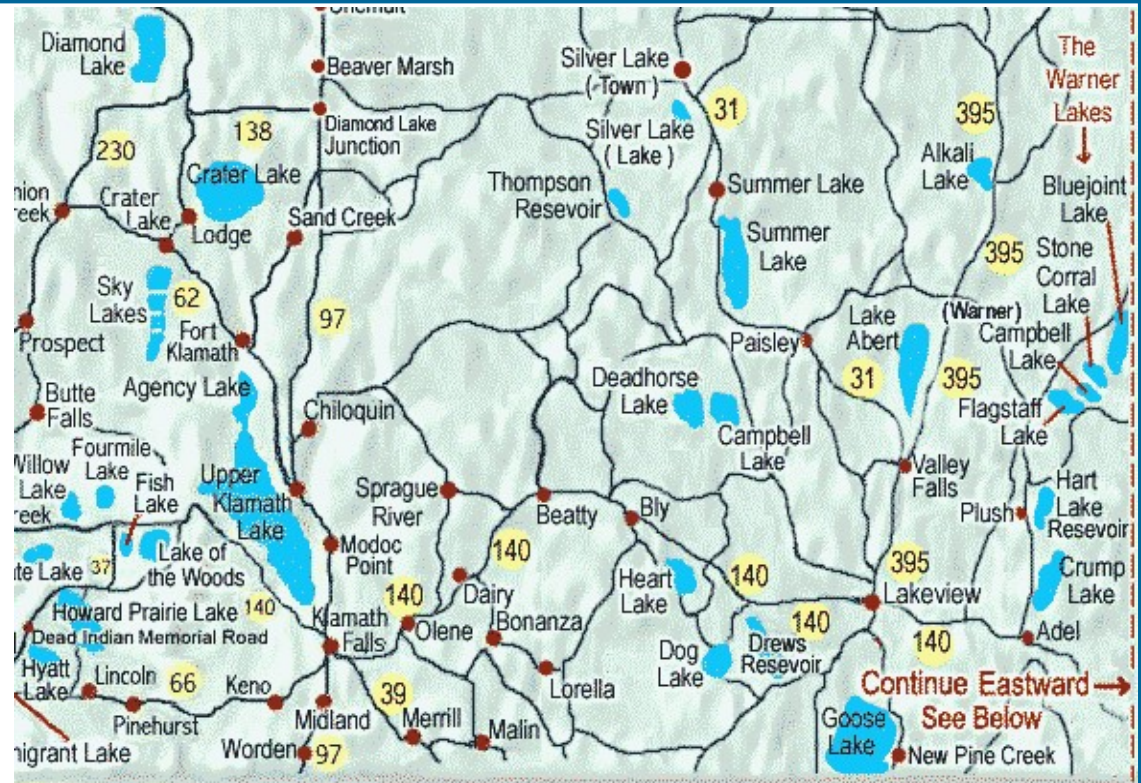
## OUR REGION

The South Central Oregon region is made up of the Oregon counties of Klamath and Lake. Located in southern Oregon along the eastern border of the Cascade Mountains and bordering northern California.

**Geography** -Klamath County at 6,151 miles (3.93 million acres) and Lake County at 8,340 square miles (5.34 million acres) are the third and fourth largest counties in Oregon. Together, these counties cover over 14,490 square miles, with an average of 1 person per square mile in Lake County and 10 people per square mile in Klamath County.

Major Highway routes includes U.S. Route 97, a major north-south highway which runs through the state of Oregon from the Oregon-California border, south of Klamath Falls, to the Oregon-Washington border on the Columbia River.

Oregon Route 140 is the primary connection between the west side of the Cascades from Medford to Klamath Falls. Known as the Lake of the Woods Highway, 140 runs along the southwestern shore of Upper Klamath Lake, where it is part of the Volcanic Legacy Scenic Byway. OR 140 then continues east towards Lakeview on the Klamath Falls-Lakeview Highway.



# DEMOGRAPHICS

## SOCIAL CONTEXT

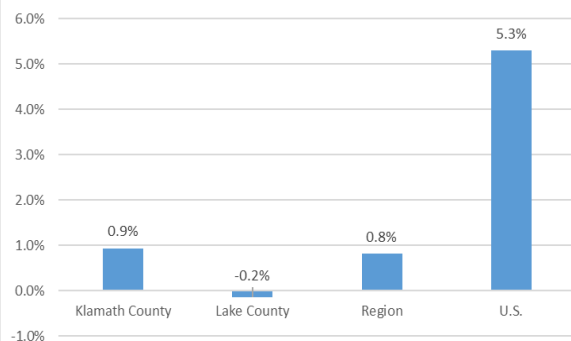
**2017 Population  
Estimates: 74,798**

Source: U.S. Census Bureau,  
Population Division

**2017 Population  
Age 65 and over:  
15,812**

Source: US Census Bureau

Percent Change in Population 2010-2017



## Median Age

Klamath County	42.6
Lake County	48.7
Oregon	39.1
U.S.	37.7

## Population

There has been insignificant population growth in the region since 2010 and in Lake County there was even a slight decrease of 0.2%.

As of 2017, 21.5% of the population is over 65 years old with the median age in both counties considerably higher than the state and national average.

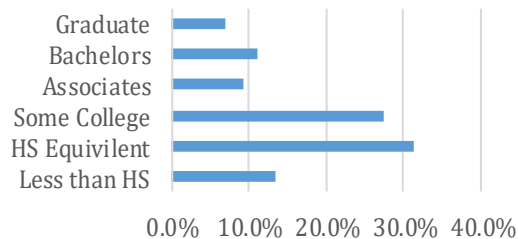
The region's population is predominately White with a growing Hispanic population—currently twelve percent in Klamath County's (2% increase since 2010).

Fifty-five percent of the population has some college education compared to a national average of sixty percent.

The numbers of Veterans in the region is nearly twice the national percentage with half of our veterans being over 65 years old.

Race and Ethnicity	Klamath County	Lake County
White	92.6%	94.3%
Black, African Ameri-	1.4%	0.8%
American Indian	4.5%	6.3%
Asian	1.8%	1.6%
Other Race	2.6%	3.0%
Hispanic or Latino	11.9%	7.6%

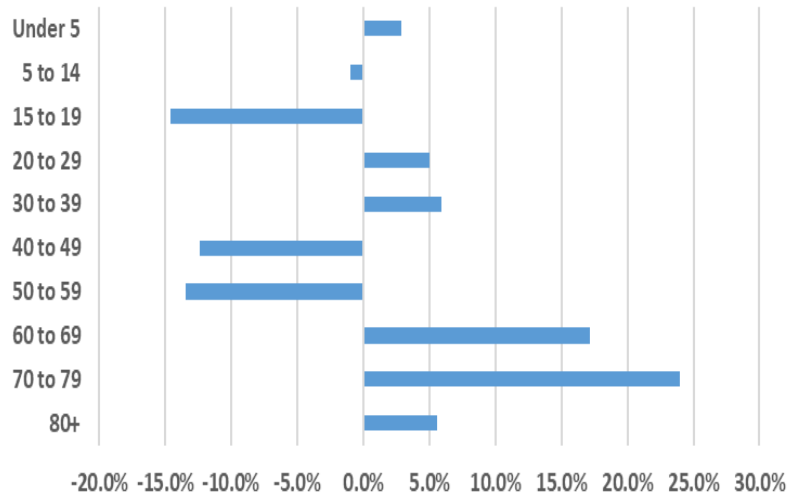
## Educational Attainment (%)



AGE OF VETERANS	KLAMATH	LAKE
18 to 34 years	788	34
35 to 54 years	1,515	189
55 to 64 years	1,622	204
65 to 74 years	2,122	339
75 years and over	1,754	239
Veterans as % of Adult Population	15.2%	15.8%



**Klamath County Population Changes by Age  
2010-2017**

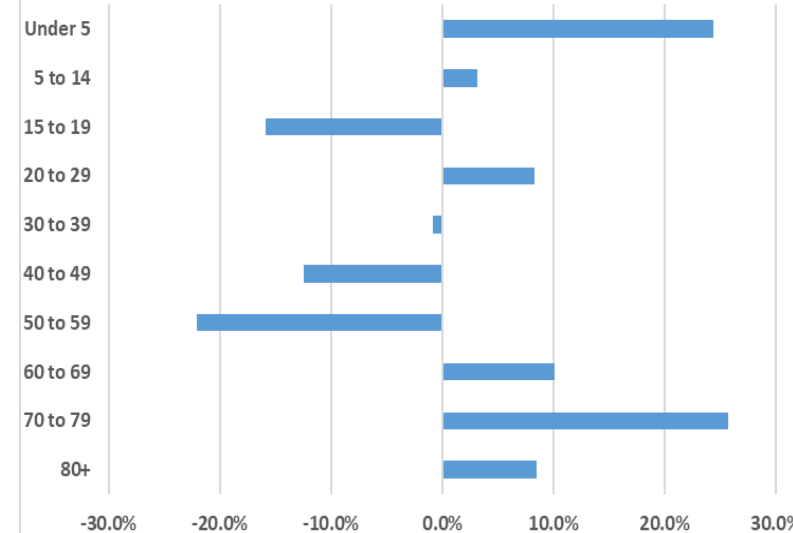


## POPULATION TRENDS

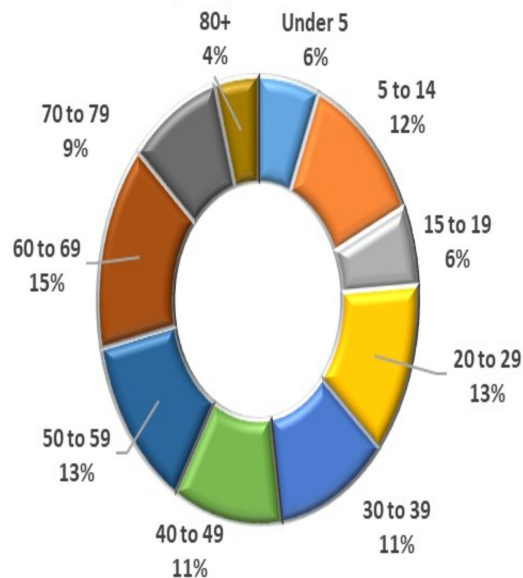
The largest cohort of the region's population is the 60 to 79 year olds. However in both Klamath and Lake Counties we are seeing an increase in 20 to 30 year olds and a substantial increase in the under 5 population in Lake County.

Source: U.S. Census Bureau, 2017 Populations Estimates

**Lake County Population Changes by Age  
2010 to 2017**



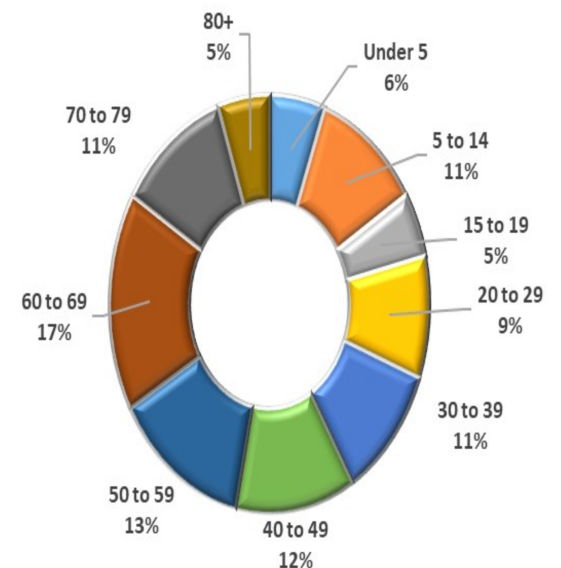
**Klamath County Population Estimates 2017**



*According to Dr. Ben Winchester with the University of Minnesota who studies population trends across America, one way to think about a community's demographic health is to compare changes in age cohort groups over ten year or Census periods. In much of rural America, there is a national trend where rural communities typically lose many of their 20-year-olds as they leave high school and often leave their home county to pursue higher education or work elsewhere.*

*What Dr. Winchester has observed is a trend of 30-year-olds returning after this away-from-home experience. This trend is potentially important to rural communities that have been losing population over time. With returning 20 to 30-year-olds, we have younger families, school-age children, a larger workforce and potential entrepreneurs.*

**Lake County Population Estimates 2017**

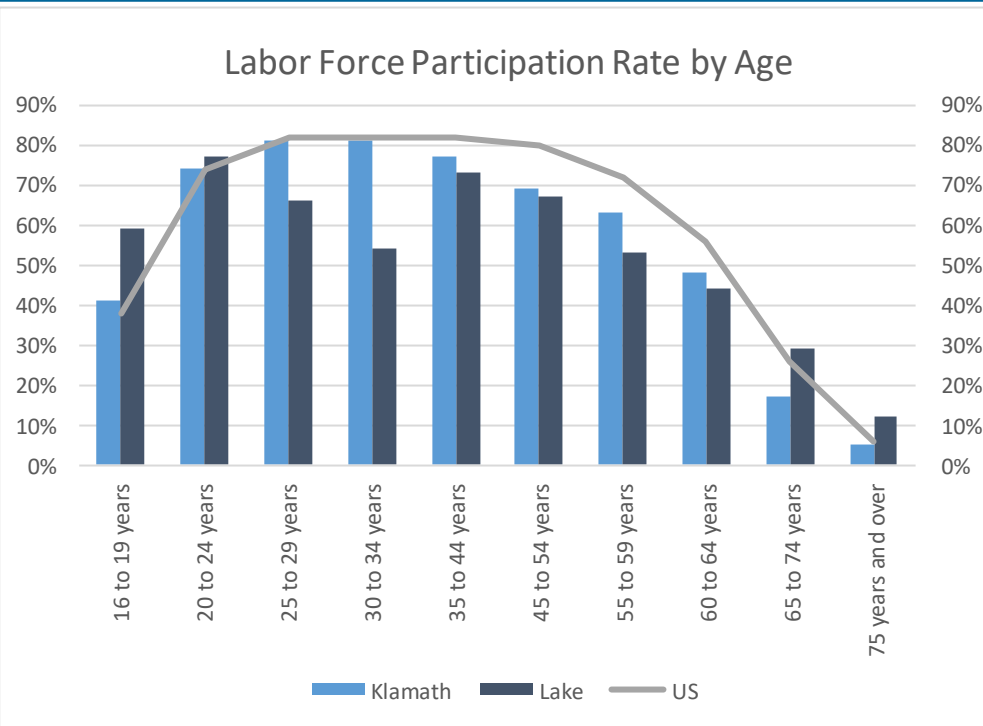


## Labor Force Comparisons

The American Community Survey (ACS) produces estimates of employment status for the civilian population age 16-years and over. According to the ACS, the SCOEDD Regions' population total for the 16-years and over group reached 59,783 for the most recent 2013-2017 (5-year) survey. Based on Oregon Employment Department data, the 2018 unemployment rate for Klamath County was 6.4% and for Lake County was 5.7%. The national unemployment rate for that timeframe was 3.9% and for the State of Oregon 4.2%.

Labor Force participation rates for 16 to 19 year olds exceeded the national rate in both counties, but taper off for middle aged workers. The estimates show that only 40% of the 30 to 34 years olds in Lake County were employed during this time frame. The percentage jumps to over 70% for 35 to 44 year olds.

Individuals with a college degree have a much higher labor force participation than those without a high school diploma, especially in Lake County.



Employment Status 2013 to 2017			
	Klamath	Lake	US
Population 25 to 64 years	70%	61%	78%
Unemployment Rate	7.5%	5.8%	5.4%

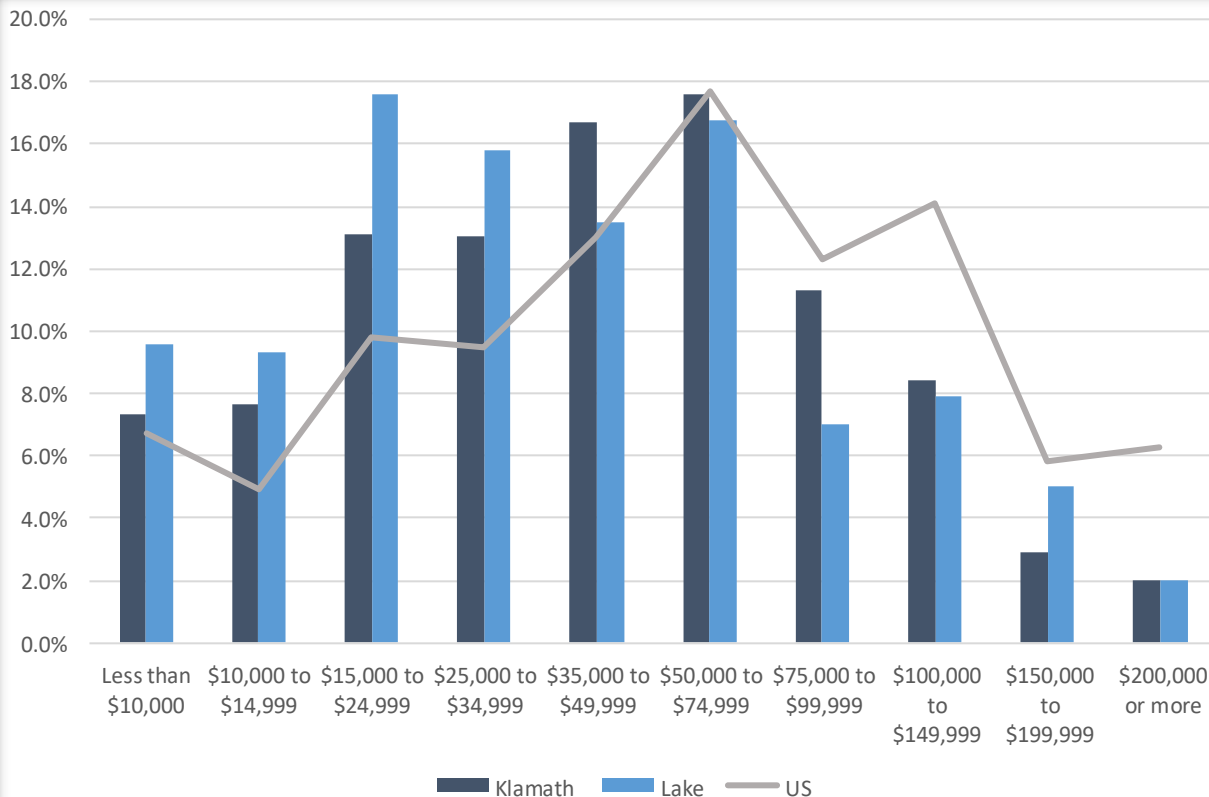
  

Labor Force Participation by Educational Attainment			
Population 25 to 64 years	Klamath	Lake	US
Less than high school graduate	52%	33%	61%
High school graduate (includes equivalency)	69%	63%	72%
Some college or associate's degree	71%	59%	79%
Bachelor's degree or higher	81%	81%	86%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

## Household Incomes

- ◆ 41% of Klamath County households and 52% of Lake County households are under \$35,000 per year compared to 31% nationally. The 2017 median household income in Klamath County is 74% of the national median and in Lake County incomes are at 57% of the national level.
- ◆ Lake County's median household income declined 2% from 2016 to 2017.
- ◆ Regional Poverty Rates are 2 to 5.5 percentage points higher than the national level.



## Source of Income

Source of Income	Klamath County	Lake County	Region	U.S.
Labor earnings	68.5%	64.5%	68.0%	77.7%
Social Security (SS)	41.3%	40.8%	41.2%	30.6%
Retirement income	22.7%	15.4%	21.9%	18.4%
Supplemental Security Income (SSI)	7.4%	5.9%	7.2%	5.4%
Cash public assistance income	3.9%	3.1%	3.8%	2.6%
SNAP (previously Food Stamps)	26.1%	20.4%	25.5%	12.6%

In 2017, only 68% of the Region's households had income from Labor earnings. 21.95 households received retirement incomes and 41.2% received Social Security. Supplemental Nutritional Assistance Program (SNAP) funds were received by 25.5% of the regions households.

## Median Household Income

	US	Klamath	Lake
2016	\$ 55,322	\$ 41,951	\$ 33,453
2017	\$ 57,652	\$ 42,531	\$ 32,769
Change	\$ 2,330	\$ 580	\$ (684)

## Poverty Rates

	US	Klamath	Lake
People in Poverty Under 18	14.6%	18.7%	20.0%
	20.3%	24.7%	25.6%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates



## EMPLOYMENT

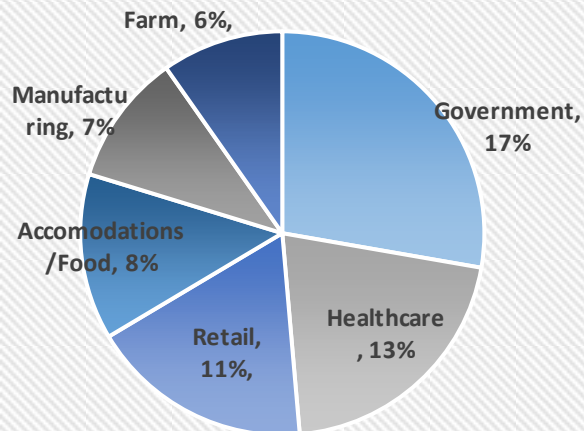
Government jobs in the region make up the largest percentage of all jobs, however these include employment at the regional colleges and at Kingsley Field.

Healthcare is the second largest employment sector for the region.

With the exception of Federal Government, the highest average wages are in Education and health services (\$48,206 per year) . Leisure and hospitality has the lowest annual wages but most of these jobs are seasonal.

Proprietor employment makes up 245 of all employment but has declined since 2000.

### Major Employment Sectors



Employment and Wages in 2017	Wage & Salary Employment	% of Total Employment	Avg. Annual Wages (2018 \$s)	% Above or Below Avg.
Total Region	25,642		\$39,235	
Private	19,547	76.2%	\$36,583	-6.8%
Non-Services Related	4,285	16.7%	\$44,322	13.0%
Natural Resources and Mining	1,284	5.0%	\$36,524	-6.9%
Construction	949	3.7%	\$46,590	18.7%
Manufacturing (Incl. forest prod-	2,052	8.0%	\$48,152	22.7%
Services Related	15,262	59.5%	\$34,411	-12.3%
Trade, Transportation, and Utilities	4,509	17.6%	\$33,319	-15.1%
Information	161	0.6%	\$40,833	4.1%
Financial Activities	737	2.9%	\$47,519	21.1%
Professional and Business Services	2,343	9.1%	\$36,130	-7.9%
Education and Health Services	3,691	14.4%	\$48,206	22.9%
Leisure and Hospital-	2,726	10.6%	\$17,724	-54.8%
Other Services	1,086	4.2%	\$20,386	-48.0%
Unclassified	8	0.0%	\$38,094	-2.9%
Government	6,095	23.8%	\$47,738	21.7%
Federal Government	1,162	4.5%	\$64,055	63.3%
State Government	988	3.9%	\$43,535	11.0%
Local Government	3,945	15.4%	\$43,985	12.1%

Type of Employment	1970	2000	2017	Change 2000-2017
Total Employment	25,804	37,110	35,090	-2,020
Wage and salary jobs	20,392	28,413	26,799	-1,614
Number of proprietors	5,412	8,697	8,291	-406

# SWOT

## *Strengths Weaknesses Opportunities and Threats*

Strengths	Weaknesses	Opportunities	Threats
<b>Access to Education and Health Care</b> Access to Higher Education Hospitals OHSU Rural Campus Oregon Tech, KCC, OSU	<b>Workforce/Education</b> Lack of employable workforce Need apprenticeship opportunities Need workforce that is willing to work Relatively small labor pool	<b>Workforce Training</b> Remote training Tap university resources Trades Training	<b>Workforce</b> ‘Brain-drain’ – losing our young, educated workforce to bigger cities Drug and mental health issues Skilling Up and Meeting Employer’s Needs
<b>Affordability</b> Affordable housing Available lands Lower property taxes and labor costs	<b>Remoteness</b> Distance from markets Lack of technical resources/people Supply chain issues Transportation costs	<b>Population Growth</b> Attract retiree residents Better take advantage of smart, young graduates from OIT/ KCC Build new housing Develop Timber Mills Shores	<b>Small population base/public lands</b> ‘Old thinking’ stifle focus on growth Competing priorities for funds Isolation Lack of road funding Small tax base
<b>Availability of Transportation Systems/ Modes</b> Airports Bicycle/Pedestrian/Transit Highways Rail Service	<b>Infrastructure</b> Broadband Capacity in remote areas Broadband redundancy Deteriorating roads Lack of commercial airline Utility Costs	<b>Infrastructure</b> Add/extend runway at airport Bring natural gas resources into Lakeview to reduce energy costs and improve air quality	<b>High Concentration of Industry</b> Loss of Forest Service/BLM presence Loss of lumber/wood manufacturing employers Potential loss of Air Force and Air National Guard at Kinsley Field

Strengths	Weaknesses	Opportunities	Threats
<b>Community/Rural Values</b> Agency collaboration Conservative population High quality of living Independence Peace of mind Small-town 'can-do' attitude and friendliness	<b>Community/Rural Constraints</b> Distrust of government Hesitation to include youth Lack of Mentorship Lack of willingness to change Racism/classism	<b>Entrepreneurship</b> Expand variety of careers Experiential Tourism Niche markets Strengthen allied Tourism businesses Strengthen business support services network	<b>Housing Shortage Impacts</b> Availability/ affordability reduces ability to attract and retain workers Impacts businesses' decisions about expanding
<b>Human Capital</b> Entrepreneurial Spirit Strong Sense of Community Self sufficiency People connections	<b>Low Population</b> Age gap – lack of 20 year olds Lack of activities for all ages Lack of AP classes in Lake county Smaller family businesses	<b>Connectivity</b> Further investment in broadband accessibility and high speed internet Internet businesses	<b>Water Access, Regulations</b> Drought Impacts on Ag Impacts of Water Regulation Ongoing dispute with water supply State and federal food supply regulations
<b>Natural Resources:</b> Elevation Natural Resource Base Geothermal resource Solar opportunities Sunshine Weather Landscape – Natural Beauty	<b>Insufficient Housing Stock</b> Affordability Gap Blighted properties Housing Stock Quality –aging housing Insufficient housing for Local Employees	<b>Leverage Natural Assets</b> Community power Forest utilization Red Rock and other family wage jobs Resources utilization expansion Solar/energy production Use of region's geothermal resources	<b>Natural Disasters/Hazards</b> Cascadia subduction zone has potential to cause wide spread destruction Insect disease Volcanos Wildfire, ice storms and other natural disasters
<b>Recreational/Tourism Opportunities and Natural Amenities</b> Access to public lands Crater Lake and other lakes Geological features History, western heritage Hunting, fishing, kayaking, trails	<b>Other</b> High levels of poverty Aging population	<b>Growth of Value-Added Ag and</b> Ag Tech Businesses Ag Tech and Research New Food Processing New Specialty Crops Organic Markets Other dry land crops	<b>Other</b> Human disease/health Threat to power grid



# ECONOMIC RESILIENCE

## Resiliency Attributes

*Ability to recover quickly  
from a shock.*

*Ability to withstand a  
shock.*

*Ability to avoid the shock  
altogether.*

## Strategy Role

**Implement specific actions  
(steady-state) to bol-  
ster the long-term eco-  
nomic durability of the  
region.**

**Establish information net-  
works (responsive)  
among stakeholders in  
the region to facilitate  
regular communica-  
tions and collaborate  
on existing and poten-  
tial future challenges.**

## Overview

In building economic resilience, it is critical that economic development organizations consider their role in the pre- and post-incident environment to include steady-state and responsive initiatives. Steady-state initiatives tend to be long-term efforts that seek to bolster the community or region's ability to withstand or avoid a shock. Responsive initiatives can include establishing capabilities for the economic development organization to be responsive to the region's recovery needs following an incident.

Economic resiliency is incorporated to the overall development of this regional strategy and themes of resiliency are integrated into the concepts, work plans and project priorities

## Primary Vulnerabilities

The region's primary vulnerabilities clearly align to the weaknesses and threats highlighted in the SWOT analysis. In discussing specific vulnerabilities for the resiliency of the region, the following were identified as major concerns for the ability of the region to enhance its economic resiliency:

**Industry diversification.** The diversification of the region's economic base has vastly improved over the past two decades. However, concerns about the impact of downturns on industries/employers with a concentration of the employment base (for instance base closure) remain.

**Infrastructure.** From aging road, water and sewer systems to challenges with attainable housing, the region recognizes the vulnerabilities of our infrastructure. The plan prioritizes investments in these areas.

**Communications.** Ensuring redundancy in telecommunications and broadband networks is critical to protect commerce and public safety in the event of natural or manmade disasters;

**Labor force constraints. The region needs to be ready for the future with a skilled and ready workforce and healthy population.** We face challenges in the level of education, capacity of skilled trades, and general workforce shortage.

**Economic disparity.** Strong, equitable regions that support all of the regions residents and embrace demographic changes are more competitive players on a global scale. However, our poverty and income demographics indicate continued and growing disparities across the region.

# ECONOMIC RESILIENCE

## Current State

During development of the strategy, regional partners identified the following as areas in which they think the region is doing well in addressing economic resiliency:

- ⇒ Boosting high school graduation rates through Klamath Promise, a partnership among nonprofits, businesses, and the county's two school districts. The partners are starting early, working to reduce chronic absenteeism in elementary school and middle school and improve third-grade reading rates.
- ⇒ The area's wealth of higher education institutions provides a critical asset for health in the county. Professors and students at Oregon Institute of Technology are using geographic information system (GIS) technology mapping to bolster new health policies and initiatives. Oregon Health & Science University is expanding its presence to introduce all sorts of health professionals, through training, to the nuances of rural life and rural health care. And OSU's Research and Extension Center is a partner in many wellness efforts.
- ⇒ Klamath Community College has established a technology and workforce training headquarters for the community by bringing fragmented program services under one roof. Overall, the new 21,750 square foot Work-skills facility allows for a capacity of more than 500 students to acquire training and access to employment.
- ⇒ Klamath IDEA is an entrepreneurship based economic development strategy rooted in Klamath Falls, Oregon. Entrepreneurial Ecosystems (e2) has been working with Klamath IDEA for the past two years to vision and stand up an entrepreneurship based development strategy and entrepreneurial ecosystem building game plan in both Klamath and Lake Counties.
- ⇒ The Klamath Falls Downtown Association revitalization strategy in partnership with the Oregon Main Street Program is developing comprehensive, incremental revitalization strategies in step with our community's unique assets, character, and heritage. In 2017 they hired their first Executive Director.
- ⇒ Lakeview Community Partnership (LCP) is a nonprofit 501(c)3 formed in 2016 aimed at revitalizing the town based on Lakeview's unique assets, character, and heritage. Its mission is to build community pride and involvement by creating a vibrant and attractive downtown that celebrates their history and connects to the area's natural amenities. Through private and commercial donations, fundraising events and grants, LCP has recently acquired the Alger Theater which serves as the social epicenter for the community .
- ⇒ The Healthy Klamath Initiative and Blue Zones Initiative are community-based efforts aimed at improving the health and well-being of Klamath County Residents.

# ECONOMIC RESILIENCE

- ⇒ Discover Klamath is leading a collaborative effort to develop a strong, positive regional brand. Our whole economy will benefit from a compelling, authentic community brand that builds awareness of our local assets and drives an increase in tourism and help promote targeted recruitment strategies for businesses considering locating to our area.

## **Steady-state Initiatives**

Examples of steady-state initiatives included in the 2019-2024 plan:

- ◆ Focus on specific infrastructure enhancements, particularly in transportation and water and wastewater systems
- ◆ Addressing opportunities to enhance housing availability
- ◆ Ensure redundancy in telecommunications and broadband networks to protect commerce and public safety in the event of natural or manmade disasters
- ◆ Seek investments for educational and training opportunities

## **Responsive Initiatives**

Both Klamath and Lake Counties have adopted a number of plans to ensure the safety and well-being of its citizens during and after disasters or emergencies. These plans all share the similar goal of minimizing future losses incurred by disasters and include elements of all four phases of emergency management. All plans maintained by the counties are revised and updated regularly to ensure that they meet the continually changing needs of both the county and its citizens.

Plans that Klamath County currently coordinates and maintains include:

- ⇒ The Emergency Operations Plan functions as an all-hazards plan to be utilized as a reference by emergency response teams during disaster response and recovery. In addition to acting as a reference, this document provides guidance on the activation and implementation of a county emergency operations center.
- ⇒ The Natural Hazards Mitigation Plan serves as a basis of coordination and collaboration between local agencies and citizens and also aids in meeting federal planning requirements. Additionally, this document identifies and prioritizes mitigation activities within Klamath County.
- ⇒ The Community Wildfire Protection Plan was developed in response to the growing concern of wildfires and outlines a number of strategies to be taken in order to reduce the loss of life and property resulting from wildfires in Klamath County.

One Responsive Initiative area that needs to be addressed is Business resilience - the ability an organization has to quickly adapt to disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand equity.



# REGIONAL GOALS AND STRATEGIES

## Economic Development priorities and goals

Based on the Strengths, Weaknesses, Opportunities and Threats section of this plan the following goals have been adopted:

- **Maintain and improve our built environment so as to encourage economic growth**
- **Diversify our economic base through an entrepreneurship and innovation based economic development approach**
- **Develop strategies and resources to build on the region's education and training cluster**
- **Make investments in ecological restoration including water quality improvement, forest thinning for sustainability and resiliency, retention of agriculture and livestock production, or any other activity that aims to improve the natural function of an ecosystem**

Some key strategies for the region include:

- ⇒ Plan for, maintain and re-invest in infrastructure, including attainable housing, to provide for current population demands and support future economic development opportunities
- ⇒ Develop/improve infrastructure for visitors to experience outdoor recreation and nature-based tourism
- ⇒ Support existing business and expand business formation in the region by focusing on entrepreneurial lead development strategies
- ⇒ Improve curb appeal of main streets and city centers so as to revitalize downtowns

## **Major Projects, programs and activities**

The Implementation/Action plan identifies the regions action plan for 2019-2024 plus priority projects, and lead partners that could assist in reaching each of the regional goals. The types of projects fall into three categories:

Economic Development Planning

Technical Assistance

Infrastructure Improvements and Essential Community Services

## **Evaluation of Performance**

Moving forward the key indicators of success for the region will be based on the following objectives:

- Increase per capita personal income (within the workforce); Increase median wage/job; Reverse the trend of an increasing poverty rate; Provide a healthy distribution across wage ranges; Increase rate of participation in the labor force by 10% by 2024; Reduce the unemployment rate; Net increase in private firms; Net increase in payroll.

# REGIONAL GOALS AND STRATEGIES

## GOAL 1: Maintain and improve our built environment so as to encourage economic growth

- A. Plan for, maintain and re-invest in infrastructure, including attainable housing, to provide for current population demands and support future economic development opportunities
- B. Develop a regional housing strategy for workforce housing
- C. Ensure redundancy in telecommunications and broadband networks to protect commerce and public safety in the event of natural or manmade disasters
- D. Complete Lake County Railroad improvements to safely, efficiently, and economically transport natural resource products to markets outside of Lake County as well as importing necessary manufacturing materials
- E. Develop/improve infrastructure for visitors to experience outdoor recreation and nature-based tourism
- F. Improve curb appeal of main streets and city centers so as to revitalize downtowns
- G. Bring natural gas resources into Lakeview to reduce energy costs and improve air quality
- H. Continue to meet Lakeview air quality standards by implementing the strategies identified in the Lakeview Area PM Advance Program Action Plan

### KEY ISSUES

**Highways** - U.S. Route 97, a major north-south highway which runs through the state of Oregon from the Oregon-California border, south of Klamath Falls, to the Oregon-Washington border on the Columbia River is a significant contributor to the economy of South Central Oregon. This highway is a designated expressway and freight route, and at the State level it is the third highest priority route, after I-5 and I-84. Additionally, Klamath Falls and Kingsley Field should play a role in preparing and responding to a Cascadia event; and adding lanes to turn Highway 97 into a four lane highway border to border as an alternate route to I5 in the event of an earthquake or other emergency is important. The region needs to continue coordinating with Oregon Department of Transportation (ODOT) and federal and state legislators to access funding for improvements and widening of this highway for both economic and safety reasons.

**Broadband** -Redundancy for Lake County continues to be an issue with complete outages affecting south Lake County occurring 12 times in the last two years. They have occurred due to road repair equipment cutting lines, Rock Chucks chewing through lines, equipment failures at CenturyTel locations in Bly, Oregon and Seattle Washington. These outages have been from a few hours to 2-3 days. Businesses are impacted by not being able to use POS; banks are unable to access customer accounts; town, county, state, federal and hospital access to internet services are severed as well as residential community members access.

**Housing** - The region is challenged by a lack of adequate housing stock —both in terms of quantity and quality. This deficit has created significant difficulty in the region's ability to recruit and retain quality staff at area institutions. The lack of contractors and subcontractors has also meant some of the existing housing stock is falling into disrepair. With Kingsley Field expressing concern about their ability to maintain their mission in Klamath Falls and other large employers expressing concern about their ability to attract and retain a local workforce, this is a critical issue to address in order to encourage economic growth.

# REGIONAL GOALS AND STRATEGIES

## **Goal 2: Diversify our economic base through entrepreneurship and innovation (I &E) based economic development approach**

- A. Support existing business and expand business formation in the region by focusing on entrepreneurship based development strategies
- B. Develop sustainable tourism experiences and marketing materials that increase family friendly visitor opportunities and encourage longer visitor stays
- C. Provide more opportunities for local and visitors to experience locally grown and produced foods
- D. Continue to support Catalyze Klamath and Badger Venture student I & E competitions
- E. Increase access to business support services such as Intellectual Property (IP) attorneys and marketing specialists
- F. Analyze opportunities for providing flexible, incubation type space for business start-ups

### **INNOVATION ECONOMIC DEVELOPMENT FOCUS POINTS**

**Talented leaders, skilled workers**

**STEM skills, innovation ecosystems**

**Entrepreneur networks**

**Business creation, expansion, reinvention**

**Bringing research to market**

**Connecting academic institutions to local businesses and communities**

**Branding for internal marketing**

**Live/work/play places**

**Places talented workers and entrepreneurs want to be**

**Public investments in community**



Klamath IDEA is committed to creating a thriving entrepreneurial ecosystem to increase opportunities for wealth and prosperity in South Central Oregon.

The IDEA combines local intellectual horsepower and economic development resources to support growth minded entrepreneurs in moving from concept to launch to sustained success.



# REGIONAL GOALS AND STRATEGIES

## Goal 3: Develop strategies and resources to build on the region's education and training cluster.

- A. Establish an Apprenticeship Center on the Klamath Community College Campus to expand local employment in the construction and building trades
- B. Assist Sky Lakes Collaborative Health Center in acquiring state-of-the-art simulation devices and equipment critical to training the next generation of health care professions.
- C. Support development of a Center for Excellence in Engineering and Technology at Oregon Tech
- D. Increase industry linkages with Oregon Tech
- E. Develop linkages to Kingsley Field to support aviation related opportunities.

### SCOEDD REGION EDUCATION/TRAINING CLUSTER

Oregon Tech is the Northwest's premier public polytechnic university. Their rising profile and national rankings are clear indicators of the return on investment that their graduates achieve. With a 98 percent success rate—of graduates employed or continuing their education within six months of getting their degree—and among the highest average starting salaries in the state at \$57,000, Oregon Tech degrees are in-demand and the graduates are sought after by companies and organizations. . New programs that are unique in the state and region have been launched recently including the groundbreaking bachelor's degree program in Population Health Management; and the master's degree in Engineering, a responsive program begun after industry leaders and professionals expressed the need in the region. Oregon Tech's connections with industry and the workforce bring advantages to our students' learning, innovation and engagement. Students have access to internships, externships, community field work, capstone projects, exciting lab experiences, and faculty that bring industry experience directly into the classroom.

Klamath Community College proposes to build a 35,000 square-foot, 7.8 Million Dollar **Apprenticeship Center** on its campus. The project will:

- Create industrial shop space to offer hands-on training for pre-apprenticeship programs for transitioning high school students
- Provide industrial training space for non-credit short-term workforce training programs in construction and building fields of study
- Expand current apprenticeship programs for plumbing, electrical, pipe fitter and millwright
- Increase KCC's capacity for Career Technical Education (CTE) programs for welders, emergency medical technicians, and machinists
- Build entrepreneurship capacity and small business creation through strong connection to KCC's Small Business Development Center
- Offer specialized fire science training not available locally with the ability to attract out-of-area firefighters to boost economic development in Klamath County
- Provide incumbent skills training opportunities for local and regional fire districts, law enforcement, and emergency medical technicians

# REGIONAL GOALS AND STRATEGIES

## SCOEDD REGION EDUCATION/TRAINING CLUSTER

### Apprenticeship Center (continued)

- Connect industry and businesses with students to recruit future workers for internships, or work and learn training models including apprenticeship and on-the-job training
- Offer specialized fire science training not available locally with the ability to attract out-of-area firefighters to boost economic development in Klamath County.
- Provide incumbent skills training opportunities for local and regional fire districts, law enforcement, and emergency medical technicians.
- Expand the capacity of current KCC Emergency Response Operations programming.

The \$50 million **Sky Lakes Collaborative Health Center** is slated to open in 2020. The four-story, 100,000-square-foot building will house medical clinics and education programs, including an entire floor dedicated to the OHSU Campus for Rural Health. Through the program, OHSU collaborates with medical centers in remote areas to educate a new generation of rural care providers. The Klamath Falls campus launched in 2015 with a focus on team-based medical education. About 190 medical, nursing, dentistry, pharmacy and physician assistant students have moved through the program since then, with many going on to practice in rural settings. Klamath Falls is also home to an OHSU School of Nursing regional program, located on the Oregon Institute of Technology campus, and KCC offers an array of training and certificate opportunities through its health services program.

The 173 FW is based at **Kingsley Field** located at Klamath Falls Airport in southern Oregon. As the only **F-15 Formal Training Unit (FTU)** in the USAF, the primary mission of the 173 Fighter Wing is to train pilots for air-to-air combat for the Air National Guard and US Air Force. During training, pilots from the ANG Air Superiority Fighter and USAF Combat units are trained by the 173 FW to fly F-15 aircraft in two primary courses: 1) the Basic Course, a six-month program designed for pilots with no fighter experience; and 2) the Transition Course, lasting about three months, geared toward fighter pilots that are new to the F-15 aircraft. During both courses, student pilots learn to employ the F-15 through all phases of flight from take-off and landing to advanced air-to air tactics. Full-time personnel total approximately 226 active guard reserves and technicians. Total personnel associated with the 173 FW also include traditional guardsmen (248 personnel), full-time federal service technicians (Title 32) (255 personnel), and State Employees (71 personnel) (Oregon ANG 2012b). The Oregon ANG's 270th Air Traffic Control Squadron (270 ATCS) and the Oregon Army National Guard's 182d Cavalry Infantry are tenant organizations of the 173 FW. The base has identified moderately priced housing as a critical need to maintain operations at the base. Maintaining open air space is also critical.

# REGIONAL GOALS AND STRATEGIES

**GOAL 4 - Make investments in ecological restoration including water quality improvement, forest thinning for sustainability and resiliency, retention of agriculture and livestock production, or any other activity that aims to improve the natural function of an ecosystem.**

- 4.A Reduce the amount of phosphorus in Klamath Lake
- 4.B Increase opportunities for forest utilization
- 4.C Identify water storage options in Klamath County
- 4.D Address TDML Compliance issues for industry
- 4.E Maintain and enhance agricultural and livestock production

## KEY ISSUES

**Total Maximum Daily Load (TMDL) Requirements** - The Upper Klamath Lake TMDL includes the Williamson, Sprague and Sycan Rivers, tributaries which send a heavy nutrient load into Upper Klamath Lake and in turn the Klamath River. The TMDL plan aims to reduce phosphorous in the lake through restoration and adaptive management but will likely need a tight mainstream TMDL that mandates strong pollution limits at the Lake's output to have a meaningful impact on Upper Basin land use. Probable cumulative impacts of the costs to implement the TMDL include multi-million dollar capital expenditures, significantly increased annual operation and maintenance costs, and potential negative impacts on jobs and the economy in the Klamath Basin.

**Water Quality** - The Oregon Department of Agriculture's Water Quality Program has been working with landowners and local conservation partners & agencies to develop projects to improve water quality around Upper Klamath Lake since March 2018. This work was in response to concerns about the endangered Sucker species in the Lake and the detrimental effect of poor water quality and algal blooms on the species. The goal is to significantly reduce phosphorous contributions from agricultural operations to Upper Klamath Lake. The Upper Klamath Lake TMDL states that 13% of the external phosphorous loading to the Lake is from the pumps directly contributing to the Lake.

**Healthy Forests** -1.2 million acres burned during Oregon's 2017 wildfire season, with some fire activity in every county. Smoke from these fires was particularly widespread, causing 451 unique unhealthy air quality readings across the state, a 65% increase over the previous high number of readings between 2000 and 2016. There was a \$51.5 million loss in visitor spending attributable to Oregon wildfires in 2017. \$16 million in earnings for employees and working proprietors was lost, as was \$368,000 and \$1.5 million in local and state tax receipts, respectively. Addressing fire resistance and forestry health issues is critical to our economy and our air quality.

**Brownfield**—Many former logging, agricultural, commercial, and petroleum sites covering the region are vacant or severely dilapidated properties compromised by contaminants, real or perceived, that significantly deter redevelopment activity. Given the extent of potential contamination from local industry, such as lumbering, a prospective purchaser may fear that the cost of investigating and cleaning up a property will be too high to make it a profitable investment, and until the property is investigated, its cleanup cost is unknown. While there may be no contamination, lenders can be reluctant to finance sites with unknown risk. Such is the case at the Lakeview Lumber Mill site, which had a potential buyer, but that buyer was not willing to make a move without knowing the risks and the potential for support in cleaning up identified sources of contamination. In our area few opportunities like this arise, so Brownfields assessment funds are critical to redevelopment in this instance.

# IMPLEMENTATION/ACTION PLAN

## GOAL 1: Maintain and improve out built environment so as to encourage economic growth

Strategy		Actions	Timeframe	Lead Partners
1.A Plan for, maintain and re-invest in infrastructure to provide for current population demands and support future economic development opportunities	1.A.i	Continue developing Highway 97 as four lanes from Weed in California to the Washington State border	Ongoing	SCOACT
	1.A.ii	Complete the extension of Brett way to Homedale to open industrial lands at the Klamath Falls Airport	2 years	City of Klamath Falls, Klamath County, ODOT
	1.A.iii	Install water/sewer infrastructure in Brett Way extension	2 years	City of Klamath Falls
	1.A.iv	Construct a Town of Lakeview water treatment facility that will reduce iron and manganese levels. The project would also construct arsenic treatment for the North Well, provide repairs for existing wells, and replace old distribution piping.	2 years	Town of Lakeview, Business Oregon
	1.A.v	Complete water system improvements in Chiloquin, Malin, Bly and other communities as needed.	2 years	Klamath County, Chiloquin, Business Oregon
	1.A.vi	Complete Wastewater System upgrades in Crescent, Chiloquin and Bonanza	3 years	Klamath County, Bonanza, Chiloquin, Business Oregon
	1.A.vii	Complete Site Improvement Plan for Lake County Fairgrounds and implement plan	2 years	Lake County Fair Board
	1.A.viii	Complete upgrades to Lake County airport infrastructure	Ongoing	Lake County
	1.A.ix	Continue regional efforts in transportation planning, projects and programs.	Ongoing	SCOACT

# IMPLEMENTATION/ACTION PLAN

## GOAL 1: Maintain and improve out built environment so as to encourage economic growth

Strategy		Actions	Timeframe	Lead Partners
1.B Develop a housing strategy for workforce and affordable housing	1.B.i	Create a local housing fund.	12 months	KCEDA
	1.B.ii	Hire a workforce affordable housing implementation champion	6 months	KCEDA Housing Task Force
	1.B.iii	Support versatile, resilient zoning already in process with the city and county.	12 months	Cities/counties
	1.B.iv	Create a proof of concept housing project	12 months	KCEDA Housing Task Force
	1.B.v	Support community solidarity (including the Klamath Tribes).	Ongoing	SCOEDD/KCEDA
	1.B.iii	Apply for Housing Rehabilitation Funding	6 months	KLRHC
	1.B.i	Implement a 'Safe at Home' Program	6 months	KLRHC
	1.B.ii	Initiate a 'Receivership' Program for blighted properties	12 months	KLRHC
	1.B.iii	Implement code changes where necessary to support increased density	2 years	Cities/counties
1.C Ensure redundancy in telecommunications and broadband networks to protect commerce and public safety in the event of natural or manmade disasters	1.C.i	Participate in telecommunications task force for Lake County	12 months	SCOEDD/Lake County
	1.C.ii	Complete engineering study to determine most economic and feasible plan	12 months	SCOEDD/Lake County
	1.C.iii	Seek funding to implement	2 years	SCOEDD/Lake County



# IMPLEMENTATION/ACTION PLAN

Strategy		Actions	Timeframe	Lead Partners
1. D Complete Lake County Railroad improvement	1.D.i	Apply for BUILD grant funding	1 year	Lake County
	1.D.ii	Advocate for Oregon Connect funding	1 year	Lake County
1.E Develop/improve infrastructure for outdoor recreation and nature-based tourism	1.E.i	Complete the development of Spence Mountain trails	3 years	Klamath Trails Alliance
	1.E.ii	Identify Lake County trail system to map, provide markers and further develop.	2 years	Lake County RTS Trail Action team
	1.E.iii	Develop maps and itineraries highlighting recreational and cultural opportunities	2 years	Rural Studio Tourism Teams, DMOs
	1.E.iv	Develop regional roadside signage plan for both wayfinding and interpretive signage	2 years	Rural Studio Tourism Teams, DMOs
	1.E.vi	Develop transit options for visitors	2 years	Basin transit
	1.E.vii	Integrate outdoor recreation with working forests	3 years	Trust for Public Lands
1. F Improve Curb appeal of main streets and city centers so as to revitalize downtowns	1.F.i	Work with communities on identifying funding for streetscape and façade improvement program.	Ongoing	SCOEDD
	1.F.ii	Maintain community parks	Ongoing	Cities/counties, park districts
	1.F.iii	Utilize pedestrian “bumpouts” and fenced “parklets” to encourage pedestrian use of main street	2 years	Cities/towns
	1.F.iv	Complete sidewalk improvements in primary commercial districts	3 years	Cities/towns
	1.F.v	Encourage community participation in the Oregon Main Street program	Ongoing	SCOEDD

# IMPLEMENTATION/ACTION PLAN

Strategy		Actions	Timeframe	Lead Partners
1.G - Bring Natural gas to Lakeview	1.G.i	Work with Town of Lakeview and Lake County on plan to extend natural gas into Lakeview	1 year	Lakeview/Lake County
	1.G.ii	Survey Lakeview homeowners on desire to convert to natural gas heating	1 year	SCOEDD
1.H Implement Lakeview PM Advance Program Action Plan	1.H.i	Implement open burning ordinance	Ongoing	Town of Lakeview
	1.H.ii	Seek additional wood stove change out funding	1 year	SCOEDD/Town of Lakeview
	1.H.iii	Coordinate education and outreach efforts	Ongoing	Town of Lakeview/Lake County
	1.H.iv	Continue to revolve woodstove change out loan funds	Ongoing	Town of Lakeview

# IMPLEMENTATION/ACTION PLAN

- **Goal 2: Diversify our economic base through an entrepreneurship and innovation based economic development approach**

Strategy		Actions	Timeframe	Lead Partners
2.A. Support existing business and expand business formation in the region by focusing on entrepreneurial lead development strategies	2.A.i	Complete a three-year entrepreneur-based economic development strategy	6 months	Klamath IDEA
	2.A.ii	Maintain Entrepreneur Concierge Position	Ongoing	Klamath IDEA
	2.A.iii	Complete Value chain mapping with entrepreneurial sectors	1 year	Klamath IDEA
	2.A.iv	Expand the IDEA to Lake County and smaller communities	2 years	Klamath IDEA
	2.A.v	Survey Lakeview businesses to identify specific needs	6 months	SCOEDD, SBDC
	2.A.vi	Continue to provide loan funding for business startups	Ongoing	SCOEDD
	2.A.vii	Increase support for the SBDC program	2 years	KCC
	2.A.viii	Facilitate development of day care Center in Lakeview	6 months	Town of Lakeview
2.B. Develop sustainable tourism experiences and marketing materials that increase family friendly visitor opportunities and encourage longer visitor stays	2.B.i	Develop Agri-tourism venues and maps	2 years	Rural Tourism Studio/RKC
	2.B.ii	Develop maps and itineraries highlighting recreational and cultural opportunities	1 year	Discover Klamath/Lake County Chamber
	2.B.iii	Improve dock to Lake Ewauna	2 years	City of Klamath Falls
	2.B.iv	Increase tourism in “shoulder” seasons	Ongoing	Discover Klamath/Lake County Chamber

# IMPLEMENTATION/ACTION PLAN

Strategy		Actions	Timeframe	Lead Partners
2.C Provide more opportunities for local and visitors to experience locally grown and produced foods	2.C.i	Further support/ development/ marketing of the already existing Klamath Farmer Online Market (KFOM)	1 year	SBDC
	2.C.ii	Complete food hub feasibility study	6 months	SCOEDD
	2.C.iii	Provide Food Safety training, and assisting small producers with reaching compliance	2 years	OSU Extension
	2.C.iv	Provide small producers with shared equipment to deliver/ store/ combine materials to reach new markets	2 years	SCOEDD
	2.C.v	Provide Education on reaching additional markets	1 year	OSU Extension
2.D Continue to support Catalyze Klamath and Badger Venture student I & E competitions	2.D.i	Work with Oregon TECH and KCC to continue competitions and identify funding opportunities	Ongoing	Oregon TECH and KCC
	2.D.ii	Provide pitch coaching for participating	Ongoing	Klamath IDEA/SBDC
2.E. Increase access to business support services such as Intellectual Property (IP) attorneys and marketing	2.E.i	Develop a business support services gap analysis and share with State Universities	1 year	SCOEDD/Klamath County Chamber of Commerce/SBDC
2.F. Analyze opportunities for providing flexible, incubation type space for business start-ups	2.F.i	Utilize Brownfields Area Assessment funding to identify alternatives to business incubation space	1 year	SCOEDD/City of Klamath Falls
	2.F.ii	Work with property owners in Lakeview to identify opportunities to reconfigure downtown commercial space	1 year	SCOEDD

# IMPLEMENTATION/ACTION PLAN

**Goal 3 Develop strategies and resources to build on the region's education and training cluster.**

Strategy		Actions	Timeframe	Lead Partners
3.A Establish an Apprenticeship/Industrial Trades Center on the Klamath Community College Campus to expand local employment in the construction and building trades	3.A.i	Apply for Economic Development Administration funding	6 months	KCC/SCOEDD
3.B Assist Sky Lakes Collaborative Health Center in acquiring state-of-the-art simulation devices and equipment critical to training the next generation of health care professions.	3.B.i	Apply for Economic Development Administration funding	6 months	Sky Lakes/SCOEDD
3.C Support development of a Center for Excellence in Engineering and Technology at Oregon Tech	3.C.i	Provide support to fund raising efforts	1 year	SCOEDD
3.D Increase industry linkages with Oregon Tech	3.D.i	Work with Oregon Tech to identify opportunities for student internships and technical assistance.	Ongoing	SCOEDD, Chambers, OREGON TECH
3.E Develop linkages to Kingsley Field to support aviation related opportunities.	3.E.i	Identify targeted recruitment efforts to bring in companies in the aviation industry	1 year	KCEDA



# IMPLEMENTATION/ACTION PLAN

**GOAL 4 -Make investments in ecological restoration including water quality improvement, forest thinning for canopy diversification, or any other activity that aims to improve the natural function of an ecosystem.**

Strategy		Actions	Timeframe	Lead Partners
4.A Reduce the amount of phosphorus in Klamath Lake	4.A.i	Investigate the feasibility of using bio-char media to filter phosphorus from agricultural runoff to help farmers meet water quality standards set by the Oregon Department of Environmental Quality (DEQ) and the Oregon Department of Agriculture (ODA)	6 months	ODA Walker Farms
4.B Increase opportunities for forest utilization	4.B.i	Recruit Cross Lamine Timber (CLT) production facility to region	6 months	KCEDA
	4.B.ii	Continue to provide assistance to Red Rock Biofuels production facility and any spin off businesses	1 year	SCOEDD
4.C Identify water storage options in Klamath County	4.C.i	Complete Water Resource Department water supply study	Ongoing	OWRD
4.D Address TDML Compliance issues for industry	4.D.i	Develop a Water Quality exchange program similar to air Quality Emission Reduction credit	1 year	KCEDA/DEQ

# EVALUATION FRAMEWORK

## Goal 1: Performance Measures

### Future Milestones:

- ◆ Completed Brett Way Extension
- ◆ Lakeview Water treatment facility completed
- ◆ Water system improvements funded and underway
- ◆ Site improvement plan for Lake County Fairgrounds completed
- ◆ Establish telecommunications Task Force
- ◆ Maps/recreation itineraries developed
- ◆ Housing rehabilitation funding in place
- ◆ Main street projects implemented

### Metrics:

- ⇒ Industrial lands available at Klamath Falls Airport
- ⇒ Reduction in water restrictions in small communities
- ⇒ Fewer incidences of lost internet service
- ⇒ 25 homes rehabilitated
- ⇒ Increase in overnight stays/lodging tax revenue
- ⇒ Reduction in vacancy rates in downtown areas
- ⇒ Investment in fair ground improvements

## Goal 2 Performance Measures

### Future Milestones

- ◆ Entrepreneur development strategy completed
- ◆ Expansion of IDEA to Lake County
- ◆ Agri-tourism opportunities mapped
- ◆ Food safety trainings held
- ◆ Increase in business support services available
- ◆ Day care center open in Lakeview

### Metrics

- ⇒ Net increase in number of firms
- ⇒ Increase in sole proprietor incomes
- ⇒ Number of businesses receiving food safety training and selling locally
- ⇒ Target of 5 new business loans per year (SCOEDD)
- ⇒ Increase in overnight stays/lodging tax revenue
- ⇒ Types of businesses expanded
- ⇒ Acres of Brownfields property redeveloped

# EVALUATION FRAMEWORK

## Goal 3: Performance Measures

### Future Milestones:

- ◆ Apprenticeship Center established on KCC campus
- ◆ Funding acquired for Sky Lakes Collaborative Health Center training equipment
- ◆ Increase student internships in community
- ◆ Target recruitment strategy for aviation related industries

### Metrics:

- ⇒ Double the current number of apprenticeship certificates
- ⇒ Increased employment in the construction trades
- ⇒ Reduction in vacant positions in health care profession
- ⇒ Increase in Aviation industry companies

## Goal 4 Performance Measures

### Future Milestones

- ◆ Bio-char demonstration project completed
- ◆ Phosphorus levels reduced in Klamath Lake
- ◆ Increased fuel reduction in local forests
- ◆ Decrease in number of smoke impacted days

### Metrics

- ⇒ 10% reduction in phosphorus levels in two years
- ⇒ Number of acres treated
- ⇒ Restoration projects completed
- ⇒ Increase ag production