

**COLLABORATIVE ECONOMIC DEVELOPMENT COMMITTEE**  
**Meeting Minutes – August 24, 2023, at 3:00 p.m.**  
**Ridge Conference Room**

**Committee Members:**

Bob Schaller (Chair) - Late  
Daniel Mancuso (Vice Chair)  
Bradley Converse - Absent  
Cameron Camp  
Colene Martin  
Ethan Lane  
Gary Richardson  
Gene Merrill - Absent  
Josh Duval  
Josie Molloy - Absent  
Mark Woods - Absent  
Ron Gordon – Teams  
Ruth Swain - Teams  
Tori Middelstadt  
Tim Sweeney

**Government Liaisons:**

John West, County Commissioner  
Jean Ann Miles, City of Cave Junction  
Valerie Lovelace, City Council Liaison - Absent  
Marta Tarantsey, State Liaison, Business Oregon

**Staff Liaisons:**

Dana Pearce, Economic Development Manager

**Guests and Others:**

Lisa Dunlap, Daily Courier  
Tom Sheckells, GP Downtown Suites  
Sue Densmore, Friends of Oregon Caves  
Mark Stutzman, Farmer's Building Supply  
Lindsey Jones, IVCDO

- 1) **Roll Call:** Vice Chair Mancuso called the meeting to order at 3:04 p.m.
- 2) **Public Comment:** State Liaison Tarantsey of Business Oregon shared some Oregon magazines. The Business Oregon Office of Economic Analysis is updating the state's regional competitiveness profiles. There are 12 regions, and each has a profile focused on how industries thrive in each location. Business Oregon helped sponsor Oregon as a state for industrial development and job creation. The Oregon magazine shows examples of other communities that chose to advertise. Also, the annual Oregon Infrastructure Summit will be happening September 27-28 at Oregon State University in Corvallis. It is a 2-day event that includes panels and discussions focused on infrastructure and development.
- 3) **Approval of Minutes:**
  - a) Approval of minutes from July 27, 2023.

**Motion**

**Member Camp moved, and Member Martin seconded the motion to approve the minutes from the June 27, 2023, meeting. The vote resulted as follows: "AYES": Vice Chair Mancuso, Members Camp, Martin, Lane, Richardson, Gordon, Swain, Middelstadt, and Sweeney. "NAYS": None. Abstain: Member Duval. Absent: Chair Schaller, Members Converse, Merrill, Molloy, and Woods.  
The motion passed.**

- 4) **Work Session Items:**
  - a) **Final Cave Junction hotel study from March 2017 – review and discussion.**
    - i) **The Junction Inn.** Vice Chair Mancuso shared his desire to move forward with getting a hotel for Cave Junction because there are several properties that would be suitable without the City of Cave Junction having acquired the old Junction Inn. It has been 5-6 years since Grocery Outlet was developed. At that time, there was an

interested buyer for the adjacent property to develop a hotel and restaurant, but nothing has happened. Community members are concerned about missed opportunities if they are to only focus on Junction Inn. Councilor Miles shared that the Junction Inn was condemned in December 2019 and since then she has been promoting getting something new. Colleen Padilla of SOREDI has been working on it because it is a great location, and an active lodging site would make a big difference for the community. The property is still in foreclosure but nearing the end of the process. The City of Cave Junction still needs to get the asbestos abatement from DEQ. Member Martin suggested they sell it after the foreclosure, and they agreed. However, the asbestos must be abated before anything else can happen with that particular property. The hotel study report estimated \$50K for asbestos abatement. The City has not yet discussed the next steps for the property, though they will end up with ownership. The property is 3.67 commercial-zoned acres. All seemed to agree that commercial is the highest and best use for the property. Member Richardson asked, "What are the roadblocks to having a hotel? Why isn't someone already trying to build one?" Member Mancuso responded that he feels that a lack of law enforcement and workforce are key factors. Member Lane expressed the transfer of ownership to City as the largest barrier. The location of the Junction Inn, as well as several other properties, are prime locations for hotel development.

**ii) The Oregon Caves Chateau.** Sue Densmore of the Friends of Oregon Caves and Chateau stated that they support development of another hotel and provided an update on the Chateau. In assessing the life, safety, and access ability for the building it was determined that it needs seismic and stabilization upgrades to the foundation. They requested a bid from the current contractor to see if they could add this to their job, but the National Park Service did not accept the bid. They are seeking a new bid for a contractor to do stabilization work, then working project by project to complete the job. The National Park Service is on board, and the Friends are working with federal, state, and local funds to make it happen. Hopefully, they can open again in 2025. In October, there will be a complete overview of what needs to be done. The National Park brings \$9 million into the region annually.

**iii) Independent Operator vs. Franchise, and other potential partners.** Member Middelstadt expressed that she feels an independent operator seems like a better fit for the community than a franchise. It may be harder to get a franchise than to secure a developer that recognizes up and coming communities. Commissioner West has contact with one chain hotel and one individual who are waiting to see what the City is willing to sell the property for once it is acquired. State Liaison Tarantsey discussed a recent article about a non-profit organization in Wasco County, South Wasco Fire and Rescue Association, that is operating a hotel that had been shut down for many years. The community has potential opportunities to work with non-profits to get something going. Also, tribes can be good partners for hotels and hospitality.

**iv) Other questions and comments regarding the hotel study.** Member Duval asked about the forecasting in the hotel study and how it compares to current trends. Member Middelstadt reported that the average daily rate (ADR) is trending higher than what was projected (\$135 vs. approx. \$100). Occupancies for Josephine County for June and July were in the low 70s, and January was in the high 30s. The seasonality aspect still matches the reports findings. Councilor Miles agreed with the need for a comfort center that was recommended in the study.

**v) Community efforts and next steps.** IVCDO is actively advocating for a hotel in Cave Junction, specifically at the site of the Junction Inn. Lodging is in the top 5 priorities of the community's strategic plan. The local Chamber of Commerce, Main Street program,

IVCDO, and City of Cave Junction are working well together to create a welcoming downtown for economic development, business, and tourism. Member Martin suggested going for a grant to support the marketing piece once barriers are overcome to help assess remediation and approximate costs and property value. State Liaison Tarantsey announced that the Oregon Restaurant and Lodging Association (ORLA) Summit will be held in Ashland on 9/30-10/2, and this would be an opportunity to market Cave Junction as a development location. Both chains and independents will be there. Also, Terry Hopkins is our local connection to ORLA so he may be able to help. Chair Schaller reminded the group about a marketing design by Al Divine called the “Mystic Corridor” concept. Sue Densmore has a copy of the marketing material for the design that she will share with the group.

**vi) Other lodging topics.** The Cave Junction KOA is moving forward, and development is underway. It is unknown when they are expected to open. Member Middelstadt shared that Cave Junction is interested in setting up a Transient Lodging Tax (TLT). With a 70/30 split, this will also provide income for the City of Cave Junction. IVCDO and the Chamber of Commerce have capacity to assist. Partners expect to get it on the November 2024 ballot.

- b) Illinois Valley Airport update.** Making good progress. Six fire helicopters are based at IV. Contracts are progressing and will likely have fuel at IV by this time next year. Collaboration between both airports has been happening. Process held up by fire. The strategic work they are doing will help properties be shovel ready for opportunities, help infrastructure progress (like water and sewer at GP). Budget neutral in a few years with added development. Questions: Aviation programs at Sisters High School, are we doing that? Yes, non-profit flying club bought plane and tied it to education. Feasibility study on IV Air show, support education, and local nonprofits. Evacuation Route for Southern Oregon/Northern California so IV is critical. IV Airport serves the community.

## 5) Information Sharing

### a) Committee Members

**i) Main Street Cave Junction.** Off street RV parking is a priority issue. Member Mancuso asked if County Economic Development funds are available to acquire property for RV parking in downtown Cave Junction. Commissioner West stated that City of Cave Junction would need to discuss it and bring their completed plan to the Board of County Commissions for it to be reviewed. Main Street Cave Junction is also looking at what it would take to install EV chargers. State Liaison Tarantsey provided a potential resource. The Disadvantaged Community Charging Rebates Program through ODOT is currently taking applications through October 13<sup>th</sup> for EV rebates. She also shared a creative idea regarding the possibility of a land swap to keep costs down but benefit the community.

**ii) State Highway Banners.** Chair Schaller provided information from ODOT on banners across 6<sup>th</sup> and 7<sup>th</sup> Streets. ODOT rules state that the jurisdiction in which the banner is located is responsible for administering the policy. Chair Schaller would like the CEDC to make a request to the City to help manage the banners. Commissioner West explained that both the City and County can't endorse the content of banners, so if ODOT were to change the language of the approval process the issue would be resolved.

### b) Government Liaisons

**i)** Commissioner West discussed the fire that we are currently dealing with in Josephine County. They are working to get the roads open and get traffic moving again to the coast. The Commissioners have selected a realtor for the Flying Lark.

- They decided to sell because if privately owned it would generate approximately \$225,000/year in tax revenue. They couldn't get anyone to lease if for enough to cover the overhead costs on the property. The realtor has a marketing plan. It was reiterated that ORLA will be having a convention in Ashland, and it would be a good opportunity to show the potential of the property. Member Martin asked Commissioner West to please explain to the Economic Development group the County Commissioners' decision to no longer fund SOREDI. Both cities are members and Colleen Padilla attends meetings regularly and has been responsive to requests. Commissioner West responded that they felt that for the price versus what they have received and considering tight budgets, the County would take a year off from payment and then reevaluate it.
- ii) Councilor Miles noted that the fire is the top issue now. Community members are being evacuated. Councilor Miles and Commissioner West attended the public meeting with Representative Cliff Bentz. They were able to express their concerns about housing and wildfires during the elected meeting prior to the public meeting and they are hopeful that we can get some additional support. The leader's talk was good, but Commissioner West expressed his disappointment in the Town Hall public meeting because the public did not address issues in our community but instead focused on general national issues that are not within Rep Bentz's control. We did not talk about fires, natural resources, water, managing forests to keep communities safe, funding for roads or infrastructure, or support for tourism. Council Miles reminded the group that the Labor Day Festival is coming up. There will be a groundbreaking ceremony for a new splash pad in Cave Junction on September 2<sup>nd</sup> at 11:00 a.m.
  - iii) State Liaison Tarantsey shared that the Lake Selmac Water System operated by Josephine County Parks has been identified as an eligible applicant for Bipartisan Infrastructure Law funding related to emerging contaminants. The Oregon Health Authority has grants that can assist and this area has been identified as an eligible competitor, so she is encouraging the County to apply. IVCDO has dedicated \$30,000 of their ARPA funds to this project and would like to help.
- c) Items from Staff**
- i) Staff Liaison Pearce shared information about the upcoming Art Along the Rogue event. It is the City's premier event, a chalk art and music festival in the heart of downtown Grants Pass (H Street) on October 6<sup>th</sup> through 8<sup>th</sup>. It is the 20<sup>th</sup> Anniversary event, titled Blockbusters on the Block carrying a movie theme. There are more than 35 artists and 30 vendors. The Children's Museum of Southern Oregon will provide children's programming and Wildlife Images will bring their animal ambassadors. Staff Liaison Pearce also announced the opening of the Fall Cycle for the Sustainable Tourism Grant, a promotional grant for businesses and non-profits within the city that would like to attract tourists. The cycle opens September 4<sup>th</sup> and closes October 13<sup>th</sup>. Those interested can find the application on the City of Grants Pass website under Economic Development – Incentive Programs. The Owl Parking Lot survey closes today. The survey is the architect's opportunity for community outreach and to collect information on the public's opinion on two different designs: a curbed vs. curb less design. It will be a joint use plaza that allows both for parking and events. The Owl Parking Lot is located at the northeast corner of the intersection of 5<sup>th</sup> and H streets.
- d) Meeting recap and action items**
- i) Cave Junction partners need to get together to work on a marketing plan for a Cave Junction hotel. Liaison Tarantsey will help with providing connections to ORLA.

- ii) Chair Schaller will attend the next Housing Advisory Committee meeting.
- iii) Motion in support of the EDA Recompete Pilot Program grant application will go to City Council.

**6) Items for Future Agenda Building for Next Meeting:**

**9/28/23** – Alternative lodging, housing, ADUs

**10/26/23** – Community events, economic impact report, potential guests include a member of Active Club, Tamra Martin for the Fairgrounds, and Tori Middelstadt for Art Along the Rogue

**7) Adjournment:**

- a. Meeting adjourned at 4:32 p.m.

**Next scheduled meeting: September 28, 2023**

*Minutes prepared by Dana Pearce, City Staff Liaison.*