

DATE: April 2016
TO: David Reeves and Susan Seereiter, City of Grants Pass and Commissioner Cherryl Walker, Josephine County
FROM: Terry Moore and Alexandra Reese, ECONorthwest
SUBJECT: DRAFT STRATEGIES AND ACTIONS FOR THE GPJC EDS

Section 3 of the Economic Development Strategy will describe the opportunities and challenges for economic development in Grants Pass and Josephine County. What do the City and County conclude from that information about directions for an Economic Development Strategy?

- **Some things are part of the local DNA: you can't change them; you have to work with them.** Location is not something the City or County can change. On the one hand, that means they have beautiful natural amenities, a relatively mild climate, ample outdoor recreation, and access to the main Interstate Highway on the west coast. But their inland location, with no ports and rugged terrain, means they did not develop into major urban centers. Major urban centers have huge advantages for attracting and retaining all types of businesses.¹ This trend suggests that the City and County should focus on "growing their own."²
- **The City and County have complementary assets.** For a city of its size and location, Grants Pass is in relatively good shape for continued economic development. Unlike many Oregon cities, it recently completed a detailed inventory of its buildable land, and it has prevailed in getting State approval for expansions of future land for development via urban growth boundary and urban reserve approvals.

Grants Pass has a good industrial base, sufficient land for new development, and processes in place to facilitate this development. The Urban Renewal Agency will likely fund the provision of infrastructure on developable industrial land. Links with SOREDI will help the City find tenants for these parcels. And, the City has a permitting and entitlement process that stakeholders say is efficient and fair.³

The County has a bountiful supply of natural resources and a high quality of life. On the demand side, these amenities support economic development by attracting residents and tourists who will spend money on local goods and services. On the supply side, these residents grow the labor force and the natural resources support forestry, agriculture, and tourism.

¹ "Between 2010 and 2014 America's population grew by 3.1%; its cities by 3.7%. But the 50 richest cities swelled by 9.2%." The Economist, March 12, 2016, p 25.

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³ Since permitting is by nature regulatory and a process, it is in all cities almost always a source of complaints by property owners and developers. Having a system that is not identified as a major obstacle is having a relatively good system.

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- **Collaboration and cooperation are the keys to success.** Grants Pass and Josephine County have the building blocks for economic development success. But their financial and staff resources are limited: success is hindered without strong and genuine collaboration and cooperation. The City and County need to not only work with each other, but also with other government, business, education and nonprofit organizations that work on economic development issues. Because the City has more financial resources and a dedicated business advocate, the City is in the best position to lead the coordination of these efforts with a team that includes County, nonprofit, education and private sector leadership.
 - **Focus on what businesses, in general, care about.** The emphasis of the actions in this Strategy derives from well-accepted research and advice about long-term local economic development: it will be more productive to spend energy and resources on local improvements to infrastructure and services that are valuable to a wide range of business types and firms than to focus on trying to pick and attract a particular type of industry or firm. This Strategy gives some direction about broad sectors to pay attention to, but emphasizes improving the availability, quality, or cost of certain *factors of production*. In particular, this Strategy groups its proposed actions into three categories: (1) Services, (2) Infrastructure, and Entrepreneurship and Workforce Development. Cutting across these three categories are actions related to coordination of public and private sector development efforts.
 - **Complement existing projects working on similar challenges.** The City is in the process of implementing an Urban Renewal Agency that will use tax increment financing to address a number of economic development related challenges and opportunities. This Strategy does not seek to duplicate these efforts; it seems to complement them. Thus, some issues identified in the situational assessment and public engagement processes (City industrial infrastructure, downtown development) do not appear in this plan, as the Urban Renewal Agency will address them.
 - **Address specific structural challenges that prevent economic development.** Josephine County cannot afford to provide many of the facilities and services that county governments in Oregon normally provide, such as public safety. The limited budget for public safety makes it hard to attract and retain businesses outside of incorporated areas. Without funding to provide this service, economic development efforts may not be successful. Therefore, this Strategy does deal directly with government funding challenges.

Services

Establish an official, jointly-sanctioned group to implement a joint City-County Economic Development Strategy

For each action, we will answer the following questions:

- What is the action?
- Why is it important?
- Who will do it?
- How will they do it?
- What is the timeline?
- How will it be funded?
- How will the City/County know when it is done?

Update the County's land-use permitting process

Develop information and materials to ensure the City and County are able to respond to business inquiries with a unified message and up-to-date information.

Establish a formal protocol with SOREDI to create a deal generating pipeline for Grants Pass-Josephine County

Design and implement a countywide community engagement process to talk to residents about desired services and how to fund them

Infrastructure

Assist with the planning, funding, and development of fiber infrastructure

Bring water infrastructure to the airport in Merlin

Entrepreneurship and Workforce Development

Convene a task force to coordinate education and workforce development programs, fully engaging the private sector

Develop a feasible concept for a business incubator, makerspace, and/or public market