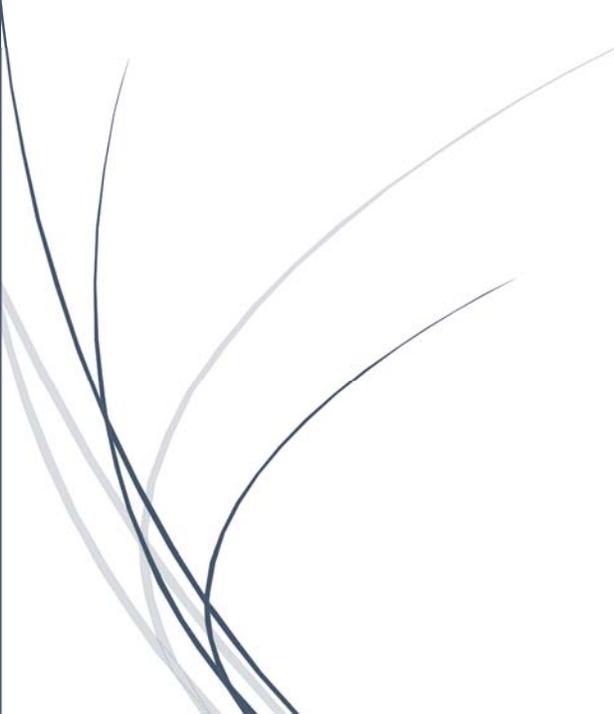


12/31/2016

South Central Oregon Economic Development District 2016 Comprehensive Economic Development Strategy Update



Betty Riley, Executive Director

The 2013-2018 South Central Oregon Economic Development District (SCOEDD) Comprehensive Economic Development Strategy was adopted in November 2013 and provides a comprehensive overview of the region, its people and economy and addresses the goals and strategies for moving the region forward. Over the past three years (through December 2016) several action teams have formed to implement the priority areas of the plan.

Based on the opportunities identified in the Opportunities for Growth and Investment section of the plan the following goals were adopted:

- Create economic opportunities by maintaining and improving our public infrastructure and capitalizing on our natural and cultural assets
- Work with existing industries to retain and expand quality jobs in the region, resulting in increased jobs, capital investment, and wealth retention
- Attract new private sector investment to the region through:
 - Targeted recruitment and assistance to businesses wanting to locate in the region;
 - Support for renewable energy and energy generation projects;
 - Development of revitalization strategies for downtowns;
 - Facilitation of timely maintenance and improvements to public infrastructure that supports increased economic opportunities.
- Work with industry, entrepreneurs, and public entities to ensure workforce training opportunities are aligned with the needs of regional employers
- Expand new business formation in the region by focusing on entrepreneur development programs.

CHANGES TO CEDS COMMITTEE, LEADERSHIP, AND STAFF

Since adoption of the regional strategy the CEDS committee has expanded to include:

- Klamath County Commissioner, Kelley Minty Morris (elected 2014), Klamath County Commissioners Derrick DeGroot and Donnie Boyd (elected 2016);
- Roberto Guterrez, President of Klamath Community College; and
- Nathan Cherpeski, City Manager for the City of Klamath Falls and Roberta Vanderwall, Town Manager for Town of Lakeview

Concurrently, several business-led efforts aimed at increasing the capacity of the area to attract private sector investment is expanding Klamath’s financial infrastructure and cluster-related industries. These efforts include:

- The 2014 reorganization and expansion of the Klamath County Economic Development Association (KCEDA) to include thirty-five additional business leaders that have provided new private investment into the organization. KCEDA is actively pursuing business retention/expansion of the top 100 existing traded sector companies in addition to targeted recruitment and assistance to businesses wanting to locate to the region.
- 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.
- The Healthy Klamath Initiative is a community-based effort improving the health and well-being of Klamath County Residents.
- Discover Klamath is leading a collaborative effort to develop a strong, positive regional brand that will help promote targeted recruitment strategies for businesses considering locating to our area. Our whole economy will benefit from a compelling, authentic community brand that builds awareness of our local assets and drives an increase in tourism.

With the retirement of Klamath County Economic Development Association Director, Trey Senn, KCEDA has hired a new Executive Director, Greg O’Sullivan. O’Sullivan brings 25 years of experience in multi-county regional development marketing. Notable accomplishments include the authorship and coordination of more than \$50 million in recent grant, loans and investment for client communities resulting in \$240 million in development projects. Additionally, successful project coordination with dozens of Fortune 100 and 500 Companies on relocation and strategic alliances, and serving as the business liaison for national and international lead generation for economic development have been hallmarks of his impressive career achievements. His knowledge, insights and expertise earned O’Sullivan a place at the table of many large-scale projects that had far reaching impact on communities. These included the Upstate California Economic Development Council, Team California Marketing Council as well as effective and impactful consulting work, through his firm, “Economic Development On Call” with communities and development corporations throughout Oregon, California and Arizona.

In Lake County, SCOEDD has hired Ginger Casto as Rural Development Specialist. Prior to taking the position with SCOEDD, Ginger worked for Rural Development Initiatives as Coordinator of Program Services for Southern Oregon/Southwest Regional Team Leader in Jackson, Josephine, Curry, and Douglas, Klamath, Lake and Siskiyou counties. She was Lead Facilitator/Trainer for the Ford

Institute Leadership Program (Ford Family Foundation) in rural Southern Oregon communities and Co-Facilitator for Home Town Competitiveness community/economic development series in Siskiyou County.

One of the initiatives Ginger has been able to spearhead is the Lakeview Community Partnership (the name of the Main Street Project in Lakeview) which has developed their seven-member Board of Directors, drafted the paperwork for non-profit determination and initiated several projects such as – Downtown façade improvements, establishing a day of festivities honoring Dr. Daly, founder of the Daly Scholarship Fund, conducting studies to preserve and restore the Historic Alger Theater. In addition, the Partnership is currently engaged in facilitating a downtown planning group to develop outside pedestrian and socializing areas to improve streetscapes and downtown business access. In 2016 the Lakeview Community Partnership was successful in recruiting a RARE participant that has been engaged in working on the Alger Theater Project doing a Market Survey for sustainability and programming at the Theater once it is open. The RARE participant has also assisted in further developing committee structure, establishing goals and providing facilitation of community meetings.

ADDITIONS TO THE REGIONAL STRATEGY

ISSUE: Providing workforce housing and affordable housing is a challenge in the region. Communities need adequate housing for residents of all ages and all income levels. Workforce housing options within reasonable commuting distances are also required to support the employees of businesses expanding in the region. Throughout the region, much rental housing is either sub-standard or not affordable to low wage earners. In Lakeview, the US Forest Service indicates that the lack of housing for seasonal employees is keeping them from filling more than 30 positions. In Klamath Falls, Kingsley Field has several new families moving to the area and are having difficulty finding mid-range housing. And the Klamath Housing Authority reports that as of May 2015, there are more than 1,100 families in Klamath County and 68 in Lake County on a waiting list for Section 8 Housing Choice Vouchers.

GOAL: Ensure that the region has adequate housing for residents of all ages and all income levels.

STRATEGIES: Develop an attainable housing working group and complete a study on the housing needs, opportunities and strategies for addressing workforce housing issues.

Some communities in the region have underutilized upper floors in their downtowns. Encouraging Upper Story Floors vertical housing in projects in downtown regions may help further utilize those resources.

ISSUE: TECH Hills is a unique clustering of private sector assets (property, buildings and sites), public sector research education outputs (Oregon TECH talent), and industry driven innovation to create a one of a kind business environment. The project is a master planned business park located alongside a nature preserve that will bring together private land owners, higher education medical and health industry and economic development to focus the region’s efforts on technology-based innovation (tech sector businesses) and OIT’s High-skilled talent to be globally competitive.

GOAL Attract new private sector investment to the region

STRATEGIES: Develop “Ready to Go” industrial sites with entitlements in place and then create a three-year marketing plan.

ACTIVITIES THAT WERE UNDERTAKEN TO SUPPORT THE CEDS.

Economic development efforts over the past three years have focused on opportunities to develop value-added processing, technology-based innovation, or simply more diverse natural resource based industries such as renewable energy.

In Lake County a priority focus has been to assist Red Rock Biofuels with its renewable fuel manufacturing facility in the Town of Lakeview, OR. The Project will convert approximately 140,000 tons (on a dry basis) of forest residues into about 15 million gallons per year of renewable jet, diesel & naphtha fuels. A part of the project will be to bring a 6” high pressure lateral natural gas pipe from the Kinder Morgan Ruby Pipeline to the south side of Lakeview. Expansion of natural gas into the industrial areas north of town will allow for Cornerstone Minerals to “pop” perlite to become a soil amendment that holds water for longer periods of time which could impact the frequency of irrigation and enhance dry farming as well as other applications. They are interested in having a “study” or experimentation project to find out how feasible this product would be on the market for agriculture/horticulture in general. Their hope is Oregon State University would have the capacity and interest to work with them on such a project to determine the feasibility of producing and marketing the product.

Klamath County Economic Development Association (KCEDA) is working with private landowners to market Tech Hills Business Park – a 500-acre swath of shovel-ready industrial property adjacent to Oregon TECH. The project is a master planned business park located alongside a nature preserve that will bring together private land owners, higher education medical and health industry and economic development to focus the region’s efforts on technology-based innovation (tech sector businesses) and OIT’s High-skilled

talent to be globally competitive. The first phase is to develop “Ready to Go” industrial sites with entitlements in place and then create a three-year marketing plan.

In Klamath County efforts have also focused on entrepreneur development and downtown revitalization. Ninety people attended the **Local Investment** Summit on February 25th, 2015 at the Ross Ragland Center in Klamath Falls. The speakers shared information about and promoted discussion around:

- Creating new local investment funds
- Existing local funding resources
- Available support for business expansion and start up development

Michael Schuman, an economist, attorney, author, and entrepreneur, and a globally recognized expert on community economics spoke to group about finding ways to invest locally. He is one of the architects of the crowdfunding reforms that became the “JOBS Act,” signed into law by President Obama in April 2012. Shuman has authored or coauthored eight books. His most recent book is *Local Dollars, Local Sense: How to Move Your Money from Wall Street to Main Street and Achieve Real Prosperity*.

A follow-up workshop with Michael Shuman called “Implementing a Local Investment Strategy in your Community” will be held on or around Sept 18th, 2015.

Klamath IDEA (Inspire Development – Energize Acceleration) has been initiated to provide support to entrepreneurs for start-up, business expansion, product development and commercialization—with the long term goal of sustainable job creation in Klamath County.

On June 25, 2014 twenty supporters of the Klamath IDEA signed a Declaration of Cooperation for the Klamath IDEA. The Declaration of Cooperation provides commitments to align resources among the supporting private and public interests in order to initiate a healthy sustainable program and support its growth.

Klamath IDEA is focused on a small number of start-up businesses or expansion concepts annually through a competitive application process. Candidates need to meet the majority of these qualifiers:

- ✓ A new, early stage, or product/service expansion for existing businesses. The business should be either a start-up business, an early stage company, or an existing business with a successful history seeking to expand into new products, services, or new markets. Preference will be given to companies focused on new or improved technologies, renewable energy

development, value-added exportable products utilizing a local resource, and services or products supporting high tech and knowledge based industries.

- ✓ A specific, and realistically viable business concept, and not simply a general goal to “own my own business.”
- ✓ A business concepts which is likely to survive and grow into a sustainable local company and has the potential to employ others.
- ✓ An intent to remain in Klamath County after “graduation.”
- ✓ A business concept which is generally compatible with Klamath IDEA goals, and exhibits a willingness to support and promote the IDEA concept. Does not weaken or alter the IDEA’s image or purpose, nor negatively impact other participants’ business operations.

One of the initial projects is Gro-volution LLC who is developing a prototype for a sustainable agriculture production system which uses aeroponics developed by NASA and is currently used in the MR space station. The company recently won first place in the Catalyze Challenge, an Oregon Tech business plan contest for the student body and recent alumni.

In response to the Regional Goal of coordinated education and training opportunities for local residents Klamath Community College (KCC) is building capacity for economic development in the region by providing essential workforce education to prepare skilled workers for local/regional businesses and industries. To reach this goal and with the help of EDA funding, they are increasing the square footage of instructional space to accommodate the growing student population. The campus expansion will solidify KCC’s role as the technology and workforce training headquarters for the community by:

- Increasing career technical AAS degrees available at KCC by 25% by creating five new career technical programs (Aviation Airframe, Business Technology, Computer Engineering Technology, Media Marketing, and Manufacturing) and expanding our Health Information Management program. Program graduates will qualify for 704 job openings that are projected over the next ten years. These are family wage paying jobs whose salaries range from \$39,000 to \$60,000 per year.
- Unifying fragmented Adult Basic Education Skills services (including both GED and English as a Second Language) by locating these services on campus thereby creating an actionable gateway to post-secondary training.
- Implementing a “Blended Model” for seamless High School/KCC curricular alignment that provides an opportunity for primarily disenfranchised high school students to earn college credit and career-technical certificates while in high school.
- Expanding workforce partnerships with WorkSource Klamath, the Oregon Employment Department, and the Workforce Investment Act (WIA).
- Developing designated space for contract training (customized training) sponsored by the College and its local Small Business Development Center to offer businesses customized training options such as QuickBooks and Microsoft Office Suite.

PROGRESS ON STRATEGIES TO ADDRESS PRIORITIES AND ACHIEVE GOALS

New actions highlighted in Red

GOAL A: Create economic opportunities by maintaining and improving our public infrastructure and capitalizing on our natural and cultural assets.

Strategy		Actions	Status
A.1 Work to increase funding available in our region for economic and community development activities.	A.1.a	Work in coordination with the Governor’s Regional Solution Team and state agencies to align state investments and technical assistance with priorities established at the regional and community level.	SCOEDD board and staff are represented on the Advisory Council and review regional priorities regularly. Several priority projects were included in the request for funding to the legislature. This is ongoing.
	A.1.b	Utilize the Agora Investment platform to support communication of priority needs to outside funders	Our region was not selected as a participant at this time. Pending.
	A.1.c	Maintain local capacity to write and administer community development grants	Staff has been attending trainings and working with Community Development Coordinator on project development. Ongoing
	A.1.d	Develop and implement leadership and technical training program within the region for local elected officials and other community leaders	Cosponsored economic vitality conference in Klamath County that included training in Economic Development strategies. SCOEDD staff in Lakeview coordinating grant writing workshops for 2015-2016. Held Enterprise Zone and Incentives Training in October 2016.

Strategy		Actions	Status
<p>A.2 Create adequate public infrastructure that will serve key industrial, commercial and residential areas of the region contributing to increased opportunities for employment and expanded property tax base.</p>	A.2.a	<p>Identify opportunities to work with the West Coast Infrastructure Exchange, The partnership is being launched to create and develop innovative new methods to finance and facilitate development of the infrastructure needed.</p>	<p>No activity. Drop from CEDS.</p>
	A.2.b	<p>Continue regional efforts in transportation planning, projects and programs.</p>	<p>The Area Commission on Transportation meets quarterly and is participating in the regional/state freight planning process. Ongoing.</p>
	A.2.c	<p>Ensure continued viability of Lake County Rail System.</p>	<p>LCR received Connect Oregon V funding to continue efforts to upgrade rail.</p>
	A.2.g	<p>Create a Port Association to facilitate commerce friendly zone around Klamath Airport.</p>	<p>No activity. Need to develop an Airport Industrial Park Plan.</p>
	A.2.d	<p>Prioritize important infrastructure projects on a regular basis.</p>	<p>*Lake County has been working with AVISTA on brining natural gas to Lakeview. *SCOEDD staff has identified infrastructure projects in smaller communities and has communicated those needs to State.</p>
	A.2.e	<p>Effectively communicate infrastructure needs to policymakers.</p>	<p>Ongoing.</p>

Strategy	Actions		Status
A.3 Coordinate transportation investment to support the region’s economic development.	A.3.a	Form a strategy team to pursue developing Highway 97 as four lanes from Weed in California to the Washington State border.	No activity to date.
	A.3.b	Support the extension of Brett Way to Homedale to open industrial lands at the Klamath Falls Airport.	Preliminary design work is underway.
	A.3.c	Rebrand the Klamath Falls Airport as the Crater Lake Klamath Regional Airport.	Completed in 2014.
A.4 Enhance broadband capacity in region.	A.4.a	Work with Air National Guard Public-Public and Public-Private (P4) partnership system on a broadband strategy aimed at the future needs of our communities.	Completed in 2014.
	A.4.b	Work with providers to incentivize expansion of broadband service throughout the region	SCOEDD has received a USDA Rural Utilities Technical Assistance grant to document the demographics, economic impact, needs of public entities, schools/education and health/safety coverage. It also will assess what services are currently available, what infrastructure is in place, and what strategies could be employed to enhance services and bring more infrastructure, if needed, to local ISP’s.

A.5 Develop revitalization strategies for downtowns.	A.5.a	Work with City of Klamath Falls Downtown Association on conceptual design and reuse strategies for downtown facilities.	The Klamath Falls Downtown Association hired DECA Architecture to do preliminary research and presentation development on redeveloping downtown upper level spaces to living spaces. Final report due in 2015.
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Strategy	Actions		Status
	A.5.b	Work with Town of Lakeview on identifying funding for streetscape and façade improvement program.	Working with Oregon Main Street Program on strategy for Town of Lakeview. Ongoing.
A.5 Expand on bike and pedestrian infrastructure for healthier communities.	A.6.a	Support Klamath Falls efforts to fund the East Main Street Bypass/OC&E Pedestrian Bike Flyover.	City is working on a trails master plan that will link various routes.
	A.6.b	Research funding opportunities for Safe Routes to Schools for Chiloquin, Bonanza, and Merrill.	Chiloquin received funding in 2015.

GOAL B: Work with existing industries to retain and expand quality jobs in the region.

Strategy	Actions		Status
B.1 Increase understanding of business needs so that appropriate support can be provided to businesses in our region.	B.1.a	Engage in Business outreach, focusing on traded sector, to identify business needs.	KCEDA has formed a Business Retention/Expansion Team and has finalized a priority list. Visits are ongoing

			Lake County Rural Dev. Specialist has been meeting one-on-one with key businesses monthly.
	B.1.b	Serve as a facilitator and catalyst for the support of local employers through extension of appropriate services including identification of financial incentives and resources.	Promote the Enterprise Zone program wherever appropriate.

Strategy	Actions		Status
B.2 Enhance access to business support services.	B.2.a	Create a directory of business service providers within the region can greatly assist entrepreneurs in locating and choosing a quality service provider to meet their needs.	Being developed through the Klamath IDEA project.
	B.2.b	Work with OREGON TECH and KCC to identify opportunities for student internships and technical assistance.	Executive Director serves on technical advisory board for both schools.
	B.2.c	Expand on Tips and Tools for Business Success Radio Show to include broader audience.	No activity – delete
	B.2.d	Establish a forum for business executives to network.	Discussed as part of IDEA
B.3 Identify opportunities to reduce the cost of doing business.	B.3.a	Assist Cornerstone Minerals and Fremont Sawmill in bringing natural gas to their facilities.	Lake County/Lakeview working on getting natural gas to south side of town as part of Red Rock

	B.3.b	Work with Town of Lakeview and LCRI on funding for expanding the geothermal heating district to downtown businesses.	Have researched but cost is prohibitive.
	B.3.c	Market Commercial Energy Efficiency Program.	One new loan made, one in process
B.4 Streamline permitting across jurisdictions.	B.4.a	Identify regulatory roadblocks to business expansion and create a system that is predictable and uniform	Klamath Falls in process of adopting new community development codes

Strategy	Actions		Status
B.5 Find ways to work with the public land managers on the sustainable utilizations of our forest.	B.5.a	Engage Forest Service and BLM in discussions related to impacts of their decisions on economic development within the region.	Ongoing
	B.5.b	Advocate for the extension of the Stewardship Contracting Authority.	BOCCs, LCRI, SCOEDD
B.6 Work with DEQ on PM Advance program to ensure air quality attainment for the Town of Lakeview and the Klamath Falls non-attainment area	B.6.a	Serve on Lake County Air Quality committee.	Ongoing
	B.6.b	Identify funding for woodstove program.	Obtained \$1.5 Million in Regional Solutions funding
	B.6.c	Implement a Emission Reduction Credits Program	Develop the program plan to implement

GOAL C: Attract new private sector investment to the region

Strategy		Actions	Status
C.1 Develop targeted recruitment strategies and assistance to businesses wanting to locate in the region.	C.1.a	Maintain current industrial land inventory.	Ongoing – KCEDA and Lake County Rural Dev Specialist
	C.1.b	Certify shovel ready industrial sites	DLCD initiated –
	C.1.c	Develop a targeted industry strategy and implementation plan for effective marketing program.	KCEDA is developing for Klamath County

Strategy		Actions	Status
C.2. Encourage renewable energy and energy generation projects.	C.1.d	Develop linkages to Kingsley Field to support aviation related opportunities.	Committee working on
	C.1.e	Work with OHSU on planning for a Rural Medical Health Services Campus	Campus opened in fall of 2015
	C.1.f	Identify value added market opportunities for agriculture.	Held Specialty Ag industry cluster meetings. OSU working on training center
	C.2.a	Provide support to the Swan Lake Pump storage project.	Ongoing
	C.2.b	Look for opportunities to use renewable energy to offset costs of power for agricultural operations.	Marketing REAP program

	C.2.c	Work with communities on expansion of geothermal resource for geothermal heating districts and utilization of geothermal for industrial uses.	Held discussions with City of Paisley on feasibility study to bring geo-thermal to the school and main street businesses
C.3 Partner with Lake County Resources Initiative (LCRI) on using Innovation and Learning Center to expand on renewable energy innovation.	C.3.a	Create an incubator environment for scientists, engineers, businesses and community leaders to evaluate renewal energy projects and brain storm innovation in renewable energy.	LCRI working on Innovation and Learning Center. Funding received from Regional Priorities towards completing community center.

Strategy		Actions	Status
	C.3.b	Identify companies that are developing new technologies and invite them to use Lake County as a testing site.	Red Rock Biofuels is in the process of siting a bio-refinery plant in Lake County that will convert woody biomass to aviation fuel.
	C.3.c	Hold symposiums and workshops on Renewable Energy opportunities and develop renewable energy curriculum for future certification.	LCRI working with Sustainable Northwest on workshops.
C.4 Work with ODOT on feasibility of developing rail hub facilities in Klamath Falls.	C.4.a	Seek funding to identify potential sites and work with Class 1 railroads to develop hub.	Discussed at ACT meeting

C.5 Incorporate recreation and tourism activities assets into economic development promotional material.	C.5.a	Work with county tourism organizations to develop creative materials that communicate county’s brand messaging while reinforcing that the region is a great place to ‘live-work-play’.	Applied for funding to hold branding workshop
	C.5.b	Explore potential opportunities within Discover Klamath’s and Lake County Chamber out-of-area marketing efforts to integrate an economic development messaging.	Rural Tourism studio workshops to be held in Fall 2017
	C.5.c	Continue efforts to designate areas of Lake and Klamath Counties as scenic bikeways.	Lake County received designation

GOAL D: Work with industry, entrepreneurs, and public entities to ensure workforce training opportunities are aligned with the needs of regional employers

Strategy		Actions	Status
D.1 Create a regional learning center with both on-site and distance education opportunities.	D.1.a	Participate in the implementation of the Innovation and Learning Center project located in the Daly School in Lakeview.	Center is operating as KCC extension campus with 60 students in 2015
	D.1.a	Establish Training/Testing Center on KCC and OREGON TECH campuses to offer recertification programs and continuing education requirements for local professionals.	Will be implemented as part of the KCC Works Skills Center

D.2 Work with KCC and OREGON TECH to develop curriculum geared to meet the needs of the regional business community.	D.2.a	Seek partnerships with local businesses to identify training needs for employees.	Ongoing
	D.2.b	Participate in the Industry advisory committees at OREGON TECH.	Ongoing
	D.2.c	Promote student internships with area businesses.	Ongoing
	D.2.d	Identify funding for the World of Work Program.	Received funding from Meyer Memorial Trust
D.3 Work with Regional High Schools to ensure we have a work ready community.	D.3.a	Continue to collaborate on the Career/Job Expo.	Ongoing
	D.3.b	Develop a coordinated plan to significantly reduce Klamath County's high school dropout rate.	Klamath Promise

GOAL E: Expand new business formation in the region by focusing on entrepreneur development programs

Strategy		Actions	Status
E.1 Provide more training opportunities targeted specifically for aspiring entrepreneurs.	E.1.a	Offer business “boot camp” such as FastTrac or NxLevel to help entrepreneurs develop their business idea, research and test the market, and better understand how to manage a business.	SBDC offering Smart Start Up class, and SBM classes to started in the fall 2015
E.2 Enhance access to capital.	E.2.a	Develop an Entrepreneur Development fund that fronts the money to make student loan-repayments for up to three years if	Applied for funding – not received. Hoping to access regional solutions funding for Seed Funds

		the student starts a business in Klamath County.	
	E.2.b	Identify and work with a steering committee to develop a Business Plan competition for OREGON TECH and KCC students.	Catalyze Klamath happened May 21, 2015. Five teams participated for \$9,000 in prize funding.
	E.2.c	Market existing gap financing programs.	Ongoing
E.3 Help foster an entrepreneurial spirit in the region.	E.3.a	Raise awareness of entrepreneurship by profiling successful business owners in local media sources.	Klamath IDEA
	E.3.b	Creation of a Tech Shop to aid in prototype development.	Gaicho Collective opened July 2015
	E.3.c	Sponsor an Entrepreneur Expo	Chamber Academy
	E.4.b	Develop Marketplace for kiosk/food cart training and product development	No action

EVALUATION OF PERFORMANCE

As defined in the CEDS, the key indicators of success for the region will be based on the following objectives:

- Increase average wages to statewide average
- Lower the unemployment rate to less than statewide average
- Increase the number of locally formed businesses
- Reduce business dampening expenditures by improving air quality and keeping power, water and sewer rates low
- Increase local opportunities to keep our trained youth and college graduates in the community.
- Diversify the economy by creating economic opportunities in renewable energy and energy efficiency

Indicator: Increase average wages to statewide average

As depicted in **Table 1. Average Wage per Jobs** are at 77 percent of the national average with 2015 average wage per job at \$37,010 in Lake County (up from \$34,490 in 2012) and 76 percent at \$36,528 in Klamath (up from \$34,062 in 2012). This compares to a 2015 average wage in Oregon of \$48,322. Overall Average Wages have increased closer to National Average.

Table 1. Average Wage Per Job as Percent of National Average

	2008	2009	2010	2011	2012	2013	2014	2015
Oregon	90%	89%	89%	87%	90%	90%	98%	100%
Klamath	71%	71%	71%	68%	69%	69%	75%	76%
Lake	69%	68%	69%	69%	70%	70%	75%	77%

Indicator: Lower the unemployment rate to less than statewide average

As of the end of December 2016, the 24-month unemployment rate for the region is 7.4 percent compared to 5.0 percent nationally and 5.3 percent statewide. As shown in Table 2, both Klamath and Lake County’s unemployment rates have trended at about three percentage points above the national average. However, during 2016, both Klamath and Lake Counties had an unemployment rate of 2 to 1.6 percentage points above the state rate of 4.9 percent. Although not meeting the goal of lower than statewide average the gap is narrowing.

Table 2. Unemployment Rates

Area	2010	2011	2012	2013	2014	2015	2016
Oregon	10.7	9.6	8.7	7.9	6.9	5.6	4.9
United States	9.6	8.9	8.1	7.4	6.2	5.0	4.9
Klamath	13.3	12.3	11.7	10.8	9.7	8.0	6.9
Lake	13.6	13.2	12.8	9.8	9.8	7.8	6.5

Klamath County			
	Labor Force	Employed	Unemployed
2013	28,838	25,724	3,114
2016	29,433	27,403	2,030
	595	1,679	-1,084

Lake County			
	Labor Force	Employed	Unemployed
2013	3,465	3,071	394
2015	3,498	3,269	229
	33	198	-165

Further analysis shows that both Klamath and Lake Counties have increased both Labor Force and Employment since 2013. Overall, the region has regained and grown its labor force by 628 individuals plus added a total of 1,877 employed persons which has dropped the unemployment rate by more than 1% percentage points from 2013 to 2016.

Indicator: Increase the number of locally formed businesses

Based on a comparison of the number of privately operated business, from 2012 to 2014 both Klamath and Lake added 9 businesses units with employees in each county. This was partly offset by a net loss of 14 nonemployee businesses between the two counties. Klamath gained 23 business, and Lake lost 37 non-employer businesses between 2012 and 2014.

Indicator: Reduce business dampening expenditures by improving air quality and keeping power, water and sewer rates low

With Supplemental Environmental Program funding, in 2015 50 non-certified woodstoves were removed from the Klamath Falls non-attainment area for a total reduction in emissions of 2.76 tons. Utilizing Regional Solutions funding during 2016, 110 non-certified stoves were removed in Klamath Falls for a reduction in emissions of 4.85 tons and 65 stoves were removed in Lakeview for an emission reduction of 2.85 tons.

Indicator: Increase local opportunities to keep our trained youth and college graduates in the community.

Through the Klamath IDEA and Catalyze Klamath we have assisted four potential companies that are looking to locate in Klamath County. These companies are made up of 12 Oregon Tech students or graduates.

Indicator: Diversify the economy by creating economic opportunities in renewable energy and energy efficiency

The Red Rock Biofuels project in Lakeview is will create up to 35 new jobs.