

2015

SCOEDD Semi-Annual Performance Report



SEMI-ANNUAL PERFORMANCE REPORT

SOUTH CENTRAL OREGON ECONOMIC DEVELOPMENT DISTRICT

JULY 1 2015 TO DECEMBER 31, 2015

ECONOMIC DEVELOPMENT ADMINISTRATION PLANNING GRANT
07-83-07216

PREPARED BY
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JANUARY 2016

The South Central Oregon Economic Development District, formed in 1999, serves as the primary conduit for regional economic development resources for Klamath and Lake Counties Oregon. It provides the professional staff to support economic development planning on a regional basis and the individual economic development efforts of Lake County and Klamath County. SCOEDD also manages and administers regional grant and loan programs.

The following is a brief synopsis of activities fulfilling the 2015/2016 EDA Planning grant scope of work during the past six months.

ECONOMIC DEVELOPMENT PARTNERSHIPS AND PLANNING

Facilitate the update to the District Comprehensive Economic Development Strategic (CEDS) planning process and work with individual counties and cities on their economic development strategies and project implementation priorities. Below are activities that SCOEDD staff has participated in during the reporting period.

Serve on technical committee for Joint Land Use Study being developed for Kingsley Field which is working to preserve the long-term land use compatibility between Kingsley Field and the surrounding communities;

Kingsley Field is an important asset to the regional economy, as it is the third largest employer in Klamath County with approximately 900 military personnel and state employees providing roughly \$114 million to the local and regional economy through various direct and indirect activities. While Kingsley Field provides important economic, social, and security contributions to the local communities, national guardsmen provide numerous community services to surrounding area, including mutual aid and community services.

In the past, incompatible development has been a factor in the loss of training operations and the restructuring of mission-critical components to other military installations. To protect the missions of military installations and the health of the economies and industries which rely upon them, encroachment must be addressed through collaboration and joint planning between installations and local communities. The Kingsley Field Joint Land Use Study (JLUS) attempts to mitigate future issues and strengthen coordination between the local communities and the training programs at Kingsley Field.

The goal of the Kingsley Field JLUS is to protect the viability of current and future training operations, while simultaneously guiding community growth, sustaining the environmental and economic health of the region, and protecting public health, safety, and welfare.

SCOEDD's Executive Director is serving on the JLUS Technical Committee (TC) which was responsible for identifying and studying technical issues, providing feedback on report development, and assisting in the development and evaluation of implementation strategies

and tools. Items discussed by the TC were brought before the Policy Committee for consideration and action.

A number of factors assist in determining whether community and military plans, programs, and activities are compatible or in conflict with joint land uses such as community activities and military installations. For this Joint Land Use Study (JLUS), the 12 compatibility factors below were reviewed to identify, determine, and establish a set of key JLUS compatibility issues.

1. Air Quality
2. Anti-Terrorism / Force Protection
3. Biological Resources Communication / Coordination
4. Energy Development
5. Frequency Spectrum Impedance / Interference
6. Land / Air / Sea Space
7. Land Use
8. Legislative Initiatives
9. Noise
10. Safety Zones
11. Vertical Obstructions
12. Water Quality / Quantity

The plan will be available for draft review in February 2016.

Enlist employers who would benefit by supporting and preferring their applicants take the National Career Readiness Certificate test;

In September 2015, the Klamath County Economic Development Association (KCEDA) had a presentation by WorkSource on the National Career Readiness Certificate. Based on the regions goal we needs to have 82 employers in the area support NCRC testing; currently there are 50.

Partnering with public land managers on the sustainable utilizations of our forest resources in an effort to prevent catastrophic wildfires in the region;

SCOEDD's Rural Development Specialist has been working with Lake County Resources Initiative and the US Forest Service to provide training to local contractors on doing business with the government. In November 2015, six Lake County contractors attended a workshop that went through Request for Quotes (RFQ's), using examples of responses from contractors and providing detailed instructions about "how to do it", etc. At least three of the contractors attending do not use computers much or email so both the forest service and the instructor got a good dose of what Lakeview contractors are really like. It was almost worth all of it for just that one point being made. We hope to do this again in the spring.

There is also an effort to establish a US Forest Service “Kitchen Cabinet” of 4-5 people to improve communications and increase project flow.

SCOEDD has subcontracted with Sustainable Northwest to help support the Western Juniper Alliance and stimulate market and supply chain improvements for the growing juniper industry in Oregon. SCOEDD’s tasks include:

1. Work with ranchers, farmers, harvesters public land managers and others to increase and regularize harvest levels of quality, merchantable Western Juniper.
2. Increase the competitiveness of existing, and cultivate the development of new companies that harvest, mill or produce products manufactured with Western Juniper.

This effort also contributes to Sage Grouse habitat improvement and water yield increases in the Klamath Basin watershed.

Continually update District web page to provide a current synopsis of projects and information and resources pertinent to the region.

The site at www.scoedd.org includes links to the regions CEDS and Demographic Profile, recent publications, business loan applications and the Dreamsaver Program. The site also links to the Klamath County community portal site <http://www.klamathcommunity.com/>.

INFRASTRUCTURE DEVELOPMENT & IMPROVEMENT

SCOEDD provides assistance to local jurisdictions and committees in researching funding resources, developing funding strategies, and providing grant assistance for economic development projects, infrastructure needs and essential community services. During the 2015/2016 grant year we will:

Provide follow-up support to the small communities in the Klamath and Lake Counties with ways to incorporate Main Street programs in their communities and address issues of community revitalization.

On November 11, 2015 a downtown revitalization workshop was held to hear revitalization updates, learn new tools and strategies, and clarify planning needs. A spokesperson from each small community team shared their 2014 goals and accomplishments to date:

Bonanza: began with a wellness committee; identified stakeholders informing them of group and goals and asked them to partner on upcoming projects; sign inventory of those needing repair or replacement. Of 4-5, improvements have been made on one of the signs; helped with clean-up day; received Trans-Canada grant of \$2,300 to use on flag program next year; bring more events to Bonanza is a goal, creating more events – contacted Rogue

Promotions to find out what can do; Bonanza Revitalization Team will host Redneck games next year; 4,000 people come to the community for the Chili Cook off each year.

Lakeview: Started Main Street program in March 2015, got nonprofit status, developed board of directors, created sparks in downtown to complete façade painting of buildings downtown; Indian Village restaurant closed for 2-3 years – painted outside of building and now is open for business again – packed with customers; project planned with Pacific Power light poles that are faded with chipped paint, working to get spiffed up; embarking on downtown inventory of buildings to understand potential of historic district and to find out what owners need to make more energy efficient; starting Festival of Trees downtown this year.

Malin: Received a grant for a public bathroom at park, hope to finish by 4th of July (would still like to see downtown bathroom); acquired land to create outdoor gathering area next to theater; concession stand and office almost finished and show monthly movies; participated in the Art of Survival Bike Ride with many partners; Christmas tree lighting December 9 where light 100 trees in park; reestablishing Friends of Malin Park to re-engage more people.

Merrill: Put in museum at City Hall; working on website, Facebook and twitter accounts; do not have a downtown revitalization committee yet, but will work on that with new folks at this workshop; Merrill Lumber Co. had facelift which helps that end of town; interested in having specialty businesses in town to bring in visitors; Martin's Food Store meets Basin's food needs; state highway is main street which makes signage improvements difficult; Dollar General coming to Merrill.

Oregon Main Street Conference Report:

Lost River High School students shared what they learned from the Oregon Main Street Conference that they recently attended. The Ford Family Foundation sponsored 17 Greater Klamath Basin community members to attend this conference, including six students from Lost River. Following are highlights from the student participants:

- We really do want to help. Care about the old buildings; amazing that they are restoring the old buildings (in The Dalles)
- I want to get FFA involved; kids to buy the flower basket: could get our kids to grow the flowers and sell; enjoyed the tour; bring back old timey feel; store windows
- I really enjoyed the Boot Camp presentation: insights how can make our community more inviting; flower baskets; bus tour and seeing old buildings they had; just a great experience

Feedback about the conference:

- It was suggested that there be a downtown revitalization workshop for just young people; 12 high schools in the Basin
- Suggested next conference have more breakouts for youth

- Will go back (to Merrill) and include them (youth) in their downtown plans

Jennifer Johnson provided a link to the Oregon Main Street Workshop video the students produced to share with participants - <http://bit.ly/1TBAKKX>.

What would support your community?

- Money
- Resources
- Expertise: architectural help for historic restoration
- Artist renderings to go out for grants; need stamp from architect or engineer: design programs at universities; resources
- Expensive for one small town; spread the resource to other communities
- Support from elected officials
- National Guard Field Days
- County prison work crew: provide meal, pay for gas and deputy to supervise; loved the outdoor job
- Support from local government

What would support the region?

- Liaisons from each community to attend county commissioner meetings; let them know what's going on. Possible to use SCOEDD board as forum for small communities to make presentations.
- Hiring a RARE

The group discussed forming a Regional Network and whether to continue working as a group and what that might look like.

- Choose a common theme throughout the Basin
 - Barn Quilts: Chris Baldwin suggested that they install barn quilts throughout the region: already have some in Dorris with all different themes / 8x8, 4x4 / Could do a map / Tillamook example
- Regional "Quest" – or geo-caching
- Regional tour: Passport/stamp program: memorabilia of your trip
- Events: promote large events regionally; could also do one large event where each community is represented; collaborative event/fundraiser/awareness or piggyback on existing large event, like Bonanza's chili cook off
- Art of Survival: more communities could participate
- PSA before a movie: what about a film to showcase the area?
- Rural Oregon Tourism Studio
- Build on Crater Lake National Park anniversary/promotion coming soon: highlight other areas; spinoffs
- Build on your natural amenities
- Use public television: Get the message out? Tell community stories

Identify feasibility of providing expanded broadband services to remote communities by exploring the siting of towers or equipment to service the target areas.

SCOEDD staff has worked with USDA Rural Development on format and agenda for a Broadband Conference to be held in Bend on February 2 and 3rd 2016. Agenda topics will include:

- Updates and information on current state and federal initiatives, including FirstNet and more
- Local and regional rural broadband success stories
- Strategies to leverage other local and regional economic development, infrastructure, healthcare, education, and public safety initiatives
- How to get a rural broadband project started
- The pros and cons of different technologies
- Funding opportunities and technical assistance from multiple sources
- Detailed updates and application information for USDA broadband programs
- Opportunity for your own, 30-minute project planning discussion with the experts

BUSINESS DEVELOPMENT PLANNING AND SUPPORT

Provide Development Planning and Support to new and existing businesses by:

Coordinate with regional and statewide partners to provide education, outreach, and site assessments for water and energy efficiency to agricultural producers and irrigators and developing grant applications for Energy Efficiency

A local team is exploring opportunities for improving energy development in the Klamath Basin. Sustainable Northwest has selected the community as part of the “Making Energy Work in Rural Oregon” series of events and they are promoting a Klamath Falls workshop scheduled for the winter of 2016. The focus of the workshop is energy savings and improvements in 4 local energy sectors: Residential – Agricultural – Small Business – Industrial

The intention of the planning group is to target long-term goals, such as a 30% cost savings throughout Klamath Falls and surrounding communities based on energy reduction. This area is rich in opportunity and we can improve community resiliency and become more energy independent if we work together. Topics of the planning group meetings have included:

- 1) Discuss energy efficiency and renewable resources
- 2) Discuss development of an ongoing strategy and working group
- 3) Explore energy project opportunities of interest
- 4) Discuss strategic plans and sponsorships
- 5) Discuss best place for the winter workshop event

Expanding Entrepreneurship in the Region through implementation of a coordinated and multi-faceted approach that enhances access to business support services including:

Partnering with Small Business Development Center at Klamath Community College to provide more training opportunities targeted specifically for aspiring entrepreneurs;

SCOEDD's Executive Director worked with Kat Rutledge, KCC SBDC Director to develop a scope of services and complete an application to the USDA Rural Business Development Grant program. \$21,125 was received from USDA which will leverage \$10,000 each from the Oregon SBDC network and KCC to develop and offer a Small Business Management program from October 2015 to June 2016. This program includes:

- **27 hours of classroom business education** with 9 monthly 3-hour sessions taught by subject-matter experts.
- **Up to 2 hours per month of one-on-one advising** in confidential meetings during the Small Business Management program.
- **Cohort learning and networking** to discuss challenges, exchange resources, and find solutions with peers.
- **Access to 25+ veteran business advisors** with a wide range of backgrounds and expertise including business strategy, search engine optimization, QuickBooks, and financing.
- **Access to market research** resources such as Southern Oregon University Market Research Institute, SBDCNet, Reference USA, MarketLink, and Euromonitor.

Funds are being used to hire a part time project coordinator that will coordinate the training and provide one-on-one advising during the program.

Identifying and working with a steering committee to develop a Business Plan competition for OIT and KCC students – would involve raising funds from investors, organizing the competition, identifying mentors, plus managing the annual event.

Building on the success of the first Catalyze Klamath Falls Challenge in 2015, Oregon Tech is revving up its innovative engines for Challenge II – the Sequel. Oregon Tech, Klamath Community College SBDC, Klamath IDEA, SCOEDD, Klamath Community Development Corporation and the Gaucho Collective will all be providing support to the teams.

Services to Support Teams Before the Catalyze Competition in May 2016 include:

Support at Oregon Tech:

- SharkTech Preparation and Competition with Professors Ahalt and Long (required of all teams)
- Consulting Services with Professor Ahalt: weekly office hour will be open to all teams
- Workshops for student teams: community experts will provide workshops based on student interests (complete the Student Input Form)
- Senior Project faculty support and lab access

Community Support:

- Smart Start-Up Workshop from Small Business Development Center for students interested in moving from innovator to business owner. (Fee sponsored by KCDC).
- Access to Market Research tools for business plan development and proof of market through the KCC Small Business Development Center (SBDC).
- Innovation Advising Sessions with Klamath IDEA Program Coordinator, Rob Jellesed: Sessions will be from 1:00 – 4:00 pm, one afternoon per week, at the Gaucho Collective. Subjects covered include (but are not limited to) ideation, conceptualization, innovation, networking, team communication and collaboration, critical thinking skills, and strategy.

Services to Support Teams After the Catalyze Competition in May 2016

- Space at the Gaucho Collective (TBD)
- KCC Small Business Development Center (SBDC) Business:
 - o One-to-one confidential no-cost advising
 - o Start-up assistance
 - o Business plan assistance
 - o Market and industry research
 - o Financial strategies
 - o Access to capital (funding)
 - o Management training
- SBDC Workshops:
 - o Smart Start-Up
 - o Small Business Management
 - o Marketing Plan Development
 - o QuickBooks and more
- Access to Resources:
 - o Small Business Innovation and Research (SBIR) grant assistance
 - o Referrals to angel investors
 - o Referrals to Klamath IDEA or
 - o Sustainable Valley Technology Group accelerators

ORGANIZATION AND ADMINISTRATION

The District, an ORS 190, is governed by a 23 member board of directors that includes representation from the counties, cities, and private sector throughout the region. **Attachment 1** includes a listing of current board members and their economic representation.

The District appoints an executive board to directly oversee the staff and finances of the organization. During the period of July through December 2015, the following members served on the Executive Committee:

District Executive Board Members

Ken Kestner, Chair	Jim Bellet, Vice Chair
Ernie Palmer, Treasurer	Nathan Cherpeski
Ray Simms	Jared Hall
Greg O’Sullivan, Ex Officio	

During the timeframe of this report, four professional staff served the SCOEDD Board of Directors plus provided administrative support to the South Central Oregon Area Commission of Transportation (SCOACT) and the Klamath Lake Regional Housing Center (KLRHC) doing business as Klamath Lake Center for Community Renewal (KLCCR).

District staff:

Betty Riley Executive Director	Kay McCarty Accounting/Finance Specialist
Ginger Casto Rural Development Specialist	Pamela Ruddock Economic Development Associate

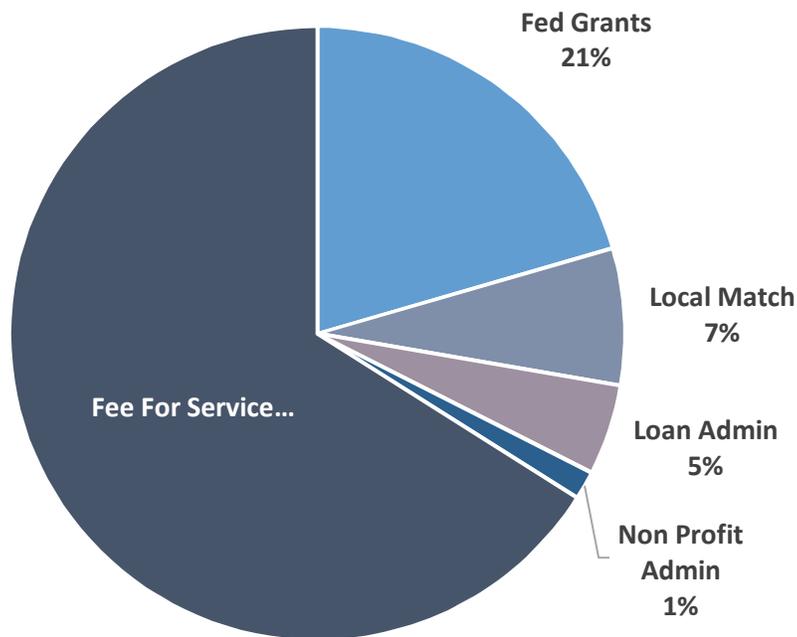
The Economic Development/Rural Development Specialist staffs the business retention/expansion and recruitment outreach efforts for Lake County and SCOEDD. The position is located in Lake County, Oregon.

In December 2015 SCOEDD moved its Klamath Falls office from its 7th Street location to 803 Main Street Suite 202. The new location is centrally located and adjacent to the Small Business Development Center.

Projected Revenue

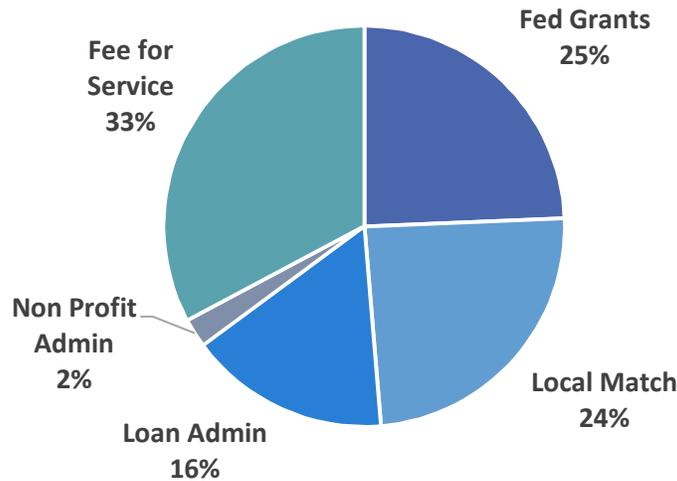
As shown in **Chart 1**, SCOEDD’s Federal EDA Grants make up 21% of the total projected budget. These include pass through dollars of \$162,500 for EDA’s Seattle Regional Office Conferences and Peer Review Travel. Local Match funding received from Klamath and Lake Counties and the City of Klamath Falls is 7% of total budget. Revolving Loan Fund administration revenue accounts for 5% of Revenue. Fee-for-Service contracts (including Woodstove Changeout funding of \$750,000) and non-profit administration fund make up 67% of the budget. Excluding pass-through funds and contingency, SCOEDD’s budgeted Revenue for FY2015/2016 is \$1,218,435.

**Chart 1
2015/2016 Budgeted Revenue**



The total budgeted for Administration and Travel is \$359,450 of which 25% comes from Federal EDA grants, 24% comes from Local funds, 33% from Fee for Service and the remaining 18% from Revolving Loan Fund income (interest and fees) and management of Klamath Lake Regional Housing Center non-profit.

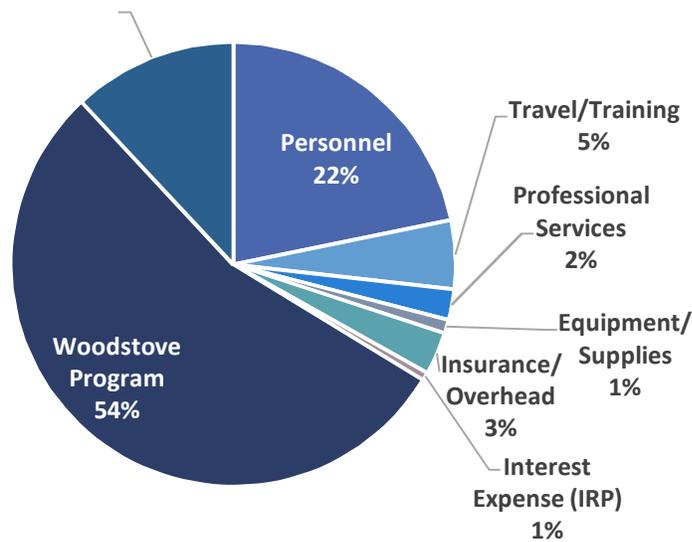
Chart 2 2015/2016 Budgeted Admin Revenue



Projected Expenses

Chart 3 depicts the projected expenses for Fiscal Year 2015/2016 as a percentage of the total. In house Personnel is budgeted at \$265,105 (22% of budget). Projected contracted services (12%) include funding for the contract with NADO to provide conference planning services for the EDA Regional Conference and World of Work Training offered through the non-profit. Woodstove Replacement funding budgeted at \$661,000 is 54% of total budgeted expenses. Overhead expenses including liability insurance, rent, telephone and postage is 3% of the total funds plus another 2% is budgeted for plus Professional Services which includes woodstove energy assessor, audit, legal services and website updates. \$18,000 is budgeted for Travel and Training budget for staff both in and out of the region.

Chart 3 Uses of Funds FY2015/2016



Attachment 1

SCOEDD BOARD MEMBERSHIP ROSTER

January 2016

Name	Organization	Position
Kelley Minty Morris	Klamath County	Commissioner
Tom Mallams	Klamath County	Commissioner
Jim Bellet	Klamath County	Commissioner
Brad Winters	Lake County	Commissioner
Dan Shoun	Lake County	Commissioner
Ken Kestner	Lake County	Commissioner
Kenneth McCoy	Bonanza, Town	City Council, Mayor Appointee
Joe Hobbs	Chiloquin, City	Mayor
Nathan Cherpeski	Klamath Falls, City	City Manager, Mayor Appointee
Ray Simms	Lakeview, Town	Town Manager, Mayor Appointee
Gary Zieg	Malin, City	Mayor
Tim Saunders	Merrill, City	Mayor
Dale Blair	Paisley, City	Mayor
Jared Hall	Klamath Tribes	Economic Development Director
Terry Utley	Arrow Realty	Owner, Manager
Charles Massie	Klamath County Chamber	Executive Director
Talluah Chiono	Lake County Chamber	Interim Executive Director
Roberto Gutierrez	Klamath Community College	President
Dave Brillenz	Forestry – US Forest Service	District Ranger
Jim Walls	Lake County Resources Initiative	Executive Director
Randall Norris	Worksource Oregon	Manager
Ernie Palmer	Basin Transit	Director
Greg O'Sullivan	Klamath County Economic Development Association (ad Hoc)	Executive Director

The position formerly held by Charlie Jones, Oregon Renewable Energy Center is currently vacant.