



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: September 26, 2018

Department: Community Services Agenda Planning Date: September 20 Time required: 10 min

Audio/Visual aids

Contact: Tom Hogue Phone: 503-589-3277

Department Head Signature: *James Getts*

TITLE Consider Adoption of the Marion County Economic Strategy

Issue, Description & Background

Consider adoption of a county wide economic strategy.

The Community Services Economic Development Team is pleased to present the Marion County Economic Strategy. The plan was developed over several months with the help of many stakeholder conversations. The plan shapes future activities and investments into five goal areas. This plan and the lottery fund budget will help us all talk about what we are doing and why it is important.

Marion County's Role

Marion County has a unique role in bridging rural and urban communities through the identification and implementation of goals and actions to achieve a common vision. Economic development stakeholders want and need the county to serve as a convener and manager of the Economic Strategy and Action Plan to ensure that multiple stakeholders are engaged and working toward the common vision. Marion County's role will include the following elements:

- Invest grant dollars in alignment with the strategic goals.
- Drive and encourage innovative and collaborative solutions.
- Monitor and implement the action plan.
- Influence policy tied to the strategic goals.
- Convene and coordinate opportunities.
- Manage the land inventory.

The Five Goals

Goal 1: Build Organizational Capacity.
 Goal 2: Strategically Use of Land.
 Goal 3: Create Business Opportunity.
 Goal 4: Enhance Natural Resource Innovation.
 Goal 5: Foster a Great Place.

This plan is intended to be the Marion County Economic Plan. Adoption of this document and the five goals should provide the impetus across the organization for the challenging work ahead. The strategy will guide the use of video lottery resources, economic development staff work plans, related activities across county departments, and activities with external partners. County staff, consultants, and internal and external stakeholders have been working on the Marion County Economic Strategy since the fall of 2017. Most recently, it was presented to the Marion County Department Heads and Elected Officials



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meeting on September 6, 2018. Data research and the results of stakeholder interviews were presented at a board work session in November of 2017.

Financial Impacts:

No direct financial impacts.

Impacts to Department & External Agencies

The Marion County Board of Commissioners currently designates lottery dollars to support SEDCOR, Travel Salem, Grow EDC, and The Oregon Garden. Lottery dollars are transferred to Public Works annually. Lottery dollars are used to fund various economic and community development grants. In addition, lottery dollars are used to fund a variety of technical projects and internal resources.

The Marion County Economic Strategy will guide regular and one-time expenditures to best align the use of resources to help increase prosperity for our citizens, success for our businesses, and revenue to support public services.

Options for Consideration:

1. Adopt the Marion County Economic Strategy.
2. Refer the plan back to staff for additional work.

Recommendation:

Staff recommends adoption of the Marion County Economic Strategy.

List of attachments:

Marion County Economic Strategy Summary
Marion County Economic Strategy

Presenter:

Tamra Goettsch, Tom Hogue

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to:

Heather Johnson

MARION COUNTY ECONOMIC DEVELOPMENT STRATEGY

What is the Benefit of an Economic Development Strategy?

#1: Document a Playbook

#2: Identify Specific Actions and Metrics

Our Values

Partners - Marion County will create a culture of collaboration and convene partners to foster opportunities and derive solutions that break down barriers that impede growth.

Natural Resource Innovation - Marion County's agricultural and forestry industries provide significant employment opportunities in both urban and rural areas. The future of these industries depends on the integration of new technologies and innovation. The county will foster collaboration within the agriculture and technology industries to build a modern and distinct economy.

People - Marion County's actions will have a direct impact on the health, vibrancy, and job opportunities for county residents. Access to employment is a fundamental need for residents. This access is achieved by enhancing the skills of the workforce through training, as well as physically supporting access through the provision of affordable housing and transportation options. Finally, it is important to provide opportunities to start a new business to empower residents and diversify the economic base, especially in rural areas.

Place - Marion County will celebrate and enhance its diverse geographic and demographic assets that offer a range of opportunities for businesses and residents in both rural and urban areas. Additionally, it will focus on creating distinct places, which is an important factor in attracting and retaining a talented workforce.

GDP and Revenue - At its core, local economic development efforts are about increasing the prosperity of the citizens and the ability to provide an array of public services.

Marion County's Role

Marion County has a unique role in that it can **bridge rural and urban communities** through the identification and implementation of goals and actions to achieve a common vision. Economic development stakeholders want and need the county to **serve as a convener** and manager of the Economic Strategy and Action Plan to ensure that multiple stakeholders are engaged and working toward the common vision. Marion County's role will include the following elements:

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- Manage the land inventory

Goal 1: BUILD ORGANIZATIONAL CAPACITY

Objective 1.1 Align the governance and management model with the Strategy

Objective 1.2 Collaborate among departments to remove barriers to business growth

Objective 1.3 Define alignment of stakeholder strategies with the Strategy

Goal 2: STRATEGICALLY USE LAND

Objective 2.1 Define developable land inventory

Objective 2.2 Build strategic infrastructure

Goal 3: CREATE BUSINESS OPPORTUNITIES

The county will focus on small business, start-ups, and micro-enterprises in key industries:

- Forestry & Wood Products
- Agriculture, Food & Beverage Products
- Natural Resource Innovation
- Metals, Machinery & Equipment (including electrical)

Objective 3.1 Enhance existing industry cluster

Objective 3.2 Support a healthy workforce

Objective 3.3 Foster a startup ecosystem

Goal 4: ENHANCE NATURAL RESOURCE INNOVATION

Objective 4.1 Encourage innovations and R&D

Objective 4.2 Define and promote market opportunities

Goal 5: FOSTER A GREAT PLACE

Objective 5.1 Support and promote agri-tourism, rural downtowns, and recreation destination development

Objective 5.2 Support and promote urban places

Objective 5.3 Tell the Marion County story of place to attract a skilled workforce

Marion County
Economic Development Strategy
2018-2022

Table of Contents

Introduction	3
Background	3
What is the Benefit of an Economic Development Strategy?.....	3
Values/Measuring What Matters Most	4
Marion County’s Role.....	6
Authority	6
Goals and Objectives.....	6
Goal 1: BUILD ORGANIZATIONAL CAPACITY	6
Goal 2: STRATEGICALLY USE LAND.....	7
Goal 3: CREATE BUSINESS OPPORTUNITIES.....	8
Goal 4: ENHANCE NATURAL RESOURCE INNOVATION	9
Goal 5: FOSTER A GREAT PLACE.....	10

Introduction

The Strategy consists of defined values, goals and objectives that articulate the assets unique to Marion County and establishes a long-range vision that guides future investments of money and staff resources. In conjunction with the Strategy, an action plan will be developed that outlines detailed tasks of what will be accomplished in the next five years to start realizing the long-term vision. The Strategy is established to provide clear direction, whereas the action plan may change to leverage multiple opportunities and avenues to achieve the vision and direction.

The county's economic development goal is "Advance Marion County's economy by working with policymakers, community leaders and entrepreneurs to grow the economy, increase employment, and improve the standard of living." To realize this goal, the county invests in economic development to take advantage of opportunities, as well as provide leadership that addresses growth, increasing population, and focuses resources on needs of the county's changing business, manufacturing, agricultural, and residential needs.

The Strategy was developed in conjunction with numerous stakeholders and depends on their continued engagement. The county recognizes the importance of partnering with stakeholders to accomplish all necessary actions to achieve the goal of increasing employment and improving the standard of living. Continued, significant collaboration and alignment in meeting the Strategy objectives is an important factor in achieving results.

Background

In preparing this Strategy, national, regional and local trends were reviewed to consider their impacts on economic development opportunities. This information was compared with county demographics and employment characteristics that make the community distinct. The county has determined to focus on existing industry clusters identified by the State of Oregon, SEDCOR, and the Mid-Willamette Valley Comprehensive Economic Development Strategy (CEDs). Information on these existing clusters is summarized in the Marion County Economic Development Background Study completed in November 2017.

What is the Benefit of an Economic Development Strategy?

In order to prepare a community to engage proactively with rapidly changing trends, it must have a strategy in place. Without a strategy, efforts are often reactive, non-collaborative, and not connected for meaningful impact. This economic development strategy will:

#1: Document a Playbook

For an economic development strategy to succeed, numerous partners and organizations must be engaged and collaborate toward common goals. At the same time, it is essential for public and private entities to recognize that they are partners in economic development efforts, as one cannot be sustained without the other. To efficiently and effectively align goals, a community must understand, document, and achieve consensus on its vision, values, opportunities, and objectives.

The world's economy is changing rapidly. An established "playbook" provides enough broad goals to recognize opportunities when they arise. Clear direction regarding the county's role will help determine projects that should be pursued and those that should be opposed. **To effectively implement a strategy, it is as important to say "no" to certain opportunities as it is to say "yes" to others.**

#2: Identify Specific Actions and Metrics

Before action can be taken, goals and objectives must be identified. The intent of the strategy is to provide the context whereby the county and its partners can work towards the same overall goal. Finally, it is important to periodically revisit the strategic strategy to determine where progress is being made and where other areas are deficient. It will be necessary to update the strategic strategy every three to five years to keep up with the rapid pace of change in the economy.

Values/Measuring What Matters Most

An effective strategy must evolve as economic situations change, actions are accomplished, and new opportunities arise. However, certain values remain constant and guide future decisions for the region. These foundational elements are outlined below and serve as the basis for the goals, objectives, and actions that will shape the efforts of county staff and their economic development partners over the next five years.

In gathering feedback from stakeholders, consistent themes and feedback emerged that are summarized in the following values. These values represent what matters most regarding economic development outcomes and serve as the overall focus of this Strategy. How these values will be realized is further defined by the following goals and objectives.

Partners The county will create a culture of collaboration and convene partners to foster opportunities and derive solutions that break down barriers that may impede growth.

Metrics:

- County permit process timeline
- Economic development grant fund return-on-investment (ROI)

Natural Resource Innovation Marion County's agricultural and forestry industries provide significant employment opportunities in both urban and rural areas. The future of these industries depends on the integration of new technologies and innovation. The county will foster collaboration within the agriculture and technology industries to build a modern and distinct economy.

Metrics:

- Economic development grant fund return-on-investment (ROI)
- Annual new business innovation opportunities identified and promoted.

People The county's actions will have a direct impact on the health, vibrancy, and job opportunities for county residents. Access to employment is a fundamental need for residents. This access is

achieved by enhancing the skills of the workforce through training, as well as physically supporting access through the provision of affordable housing and transportation options. Finally, it is important to provide opportunities to start a new business to empower residents and diversify the economic base, especially in rural areas.

Metrics:

- Annual number of businesses and employees within each target industry cluster
- Housing and transportation costs as a percent of income
- Annual number of new business registrations

Place The county will celebrate and enhance its diverse geographic and demographic assets that offer a range of opportunities for businesses and residents in both rural and urban areas. Additionally, it will focus on creating distinct places, which is an important factor in attracting and retaining a talented workforce.

Metrics:

- Number of available employment sites ready for development
- Annual list of completed infrastructure projects tied to economic development
- New retail and destination business formations in North Santiam River Canyon (NSRC) area
- New retail business formations in urban downtowns
- Identified publications and social media promotions targeting workforce talent

GDP and Revenue At its core local government economic development efforts are about increasing the prosperity of the citizens and the ability of the county to provide an array of public services.

Metrics:

- Gross Domestic Product (GDP) per capita
- Taxable property value by property class

Meaningful Measurement To determine if actions are impacting valued outcomes they must be measured. The typical measures of economic performance, Gross Domestic Product (GDP) per capita, and revenues from increasing property values are somewhat abstract. Local citizens evaluate economic development most directly in terms of housing and traffic, which directly impacts their lives. Furthermore, stewardship and leverage of public dollars is important to the public and should be conveyed to the extent possible. Therefore, the metrics outlined above measure performance as well as convey a story to the community as to how the economy is faring in more approachable terms.

Marion County's Role

The county has a unique role in that it can bridge rural and urban communities through the identification and implementation of goals and actions to achieve a common vision. Economic development stakeholders want and need the county to serve as a convener and manager of the Economic Development Strategy and action plan to ensure that multiple stakeholders are engaged and working toward the common vision. The county's role will include the following elements:

- Invest grant dollars in alignment with Strategy goals
- Drive and encourage innovative and collaborative solutions
- Monitor and implement the action plan to hold accountable all economic development stakeholders
- Influence policy tied to Strategy goals
- Convene and coordinate opportunities
- Manage the land inventory

Authority

The Marion County Board of Commissioners establishes this Strategy articulating the economic development values, goals and objectives for the county.

Goals and Objectives

The following goals leverage the county's unique role and provide the framework for county staff and stakeholder direction in the next five years. Future allocation of staff time and funds will align with these goals. It is anticipated that values and goals will not change, but objectives and actions may change depending on stakeholder engagement and market forces. The following goals align with the core values of:

- Partners (Goal 1)
- Natural Resource Innovation (Goal 4)
- People (Goals 3 and 5)
- Place (Goal 2 and 5)
- GDP and Revenue (Goals 1-5)

Goal 1: BUILD ORGANIZATIONAL CAPACITY

Why this Goal?

To implement this ambitious strategy, the county must first build needed capacity internally and with our partners. The first step is to align the internal governance and management model with the Economic Development Strategy. The county is in a unique position to bridge perceived differences between rural and urban communities through the implementation of strategic actions that benefit all communities. Smaller communities have limited staff and budgets to foster economic growth and

development. With the county and its staff serving as a partner supporting these efforts, desired and needed development can be streamlined, and business growth realized. In developing this Strategy, economic development stakeholders identified a need for the county to serve as a convener and manager of the economic development vision and strategy.

Additionally, for communities to facilitate economic development, they need the county to serve as a proactive partner. Establishing a common proactive and problem-solving culture for permitting review and business development is an important element of economic development.

Objective 1.1 Align the governance and management model with the Strategy

It is important to clarify the roles, authority and procedures to identify, review, and approve economic development investments and activities. It is worthwhile to seek assistance from partners and engage citizen review as part of this process.

Objective 1.2 Collaborate among departments to reduce barriers to business growth

A significant hurdle facing small business owners is a complex permitting system. More seasoned developers or large corporation can hire a development consulting team to assist in the permitting process. By making the process more streamlined, new businesses can spend less money and time on starting the business and spend more time making products, providing services and hiring more employees.

Objective 1.3 Define alignment of stakeholder strategies with the Strategy

Marion County is fortunate to have several organizations working to foster economic development. Each of these organizations has a distinct role but also complement each other. The county's annual investment of grant dollars is a great opportunity for each organization to define its organization work plans to determine opportunities for collaboration and ensure duplication of efforts does not occur.

Goal 2: STRATEGICALLY USE LAND

Why this Goal?

To proactively support economic development, communities must understand the key industries driving the economy and the type of land and buildings that are available for each type of use. Agriculture, agriculture processing, and especially food processing are central to the Marion County economy and how it uses the land supply. The documentation of the county's available land inventory will establish if there is inadequate land to support desired employment uses. The county will work with communities regarding the definition of buildable land and then identify what infrastructure is necessary to make sites buildable. One of the most fundamental needs for economic growth is adequate infrastructure for development. The county serves an important role in bringing key funding partners and stakeholders together to finance complex and expensive projects that smaller communities cannot complete on their own. Additionally, the county can consider how transportation investments are made to foster equity across the community.

Objective 2.1 Define developable land inventory

To accurately determine if there is enough land to meet the needs of industry growth, a comprehensive inventory of employment lands is required. At the same time, it should be recognized that Marion County is home to a diverse range of industry clusters ranging from high-tech to manufacturing. These different types of industries have very different location, size, and infrastructure needs. This inventory should account for these different needs and recognize that not all employment is valued equally among businesses.

Objective 2.2 Build strategic infrastructure

Engage in dialog with industry leaders, aligned with the creation of the industrial lands inventory, to develop a more refined understanding of critical infrastructure improvements. Building infrastructure in conjunction with private investment serves as a significant incentive that will grow the economic base. Furthermore, enhancing the basic services in more rural areas is a critical factor in retaining and attracting further investment in the community.

Goal 3: CREATE BUSINESS OPPORTUNITIES

Why this Goal?

The most efficient way to grow the economic base is to support the existing traded-sector companies by understanding barriers to growth. Various industries in the county (outlined below) at different stages of growth have unique needs and barriers to growth and will need different types of support. It is important to understand what is most needed and how strategic investments can leverage growth. The county will focus on fostering micro-enterprise business and start-ups for each of the following clusters, as well as local sector businesses.

- Forestry & Wood Products
- Agriculture, Food & Beverage Products
- Natural Resource Innovation
- Metals, Machinery & Equipment (including electrical)

Across the nation and within Marion County, businesses are struggling to find a skilled workforce to meet the demand for services and products across all industries. Willamette Workforce Partnership, the local workforce board, and Chemeketa Community College are important stakeholders in addressing the needs of a skilled workforce, but additional initiatives such as those involving the K-12 system are emerging and need support. The county should monitor these efforts, facilitate collaboration, and engage if necessary to maximize efforts by all parties.

There are several organizations in the county working to support business growth. Within this goal, it is important to recognize that other stakeholders may be the lead party in completing actions, but the county has the important role of ensuring completion and collaboration on behalf of all communities in the county.

Objective 3.1 Enhance existing industry clusters

The most efficient way to grow the economic base is to support and enhance existing business. In-depth understanding and messaging of the industry clusters allow Marion County to present a substantial business case. This message of strength and growth helps existing businesses understand why they should stay and continue to invest in Marion County, as well as convey to future employees why there is ample opportunity to work in Marion County. An understanding of where certain clusters tend to locate within the county also helps create marketing messages focused on distinct industry hubs.

Objective 3.2 Support a healthy workforce

Attracting and keeping qualified talent is the number one issue for businesses today. The main barriers that businesses face are a lack of affordable housing, limited transportation options for their employees, and inadequate skills within the available workforce. An adequate supply of housing and transportation options must be available throughout the county. Additionally, it is important to make career technical education (CTE) training programs readily available in addition to university degree programs to ensure economic opportunities for Marion County residents.

Objective 3.3 Foster a startup ecosystem

New businesses account for nearly all net new job creation and almost 20 percent of gross job creation. Furthermore, companies less than one-year-old have created an average of 1.5 million jobs per year over the past three decades.¹ People generally start businesses in the places they are already located, and many of the resources they access are at the local or regional level.

New traded sector startups generally stem from university research or an existing industry cluster. These new businesses have limited space needs and may just be starting out of the home or garage. These businesses need exposure to capital and industry networks for collaboration and support. It is important to support an ecosystem where startups are supported and celebrated to create new jobs.

Goal 4: ENHANCE NATURAL RESOURCE INNOVATION

Why this Goal?

Marion County is a distinct economic community tied to its agricultural heritage with a culture of diversity that embraces change and challenges. This unique combination positions the county as a premier location for agricultural and high-tech innovation (natural resource innovation) and a place to make unique products. Several stakeholders are currently making significant investments in ag-tech: Chemeketa Community College is building a \$12 million ag-tech facility, SEDCOR is hiring an ag-tech specialist, and Corban University is developing an ag-tech business degree program. Defining Marion County with a unique high-tech focus inspires businesses to stay and grow in the region as it conveys an opportunity for forward-thinking companies that can attract a diverse talent base.

¹ The Importance of Young Firms for Economic Growth, Kaufman Foundation, September 13, 2015.

Objective 4.1 Encourage innovation and R&D

Business owners are focused on running an operation, making a profit, and maintaining engaged employees. If new ideas within the business emerge, it is challenging to research and develop connections to commercialize the innovation and bring it to market. The county and stakeholders can play an important role in fostering a robust and seamless research and development (R&D) ecosystem to help foster innovation and create new markets for local businesses within the natural resource industry.

Objective 4.2 Define and promote market opportunities

Natural resource innovation is a unique asset for Marion County that conveys a culture of innovation tied to historical economic roots. This positive message should be embraced and promoted. As the county and stakeholders focus efforts on this market opportunity, a detailed understanding of Marion County's competitive advantage, leading employers, supportive ecosystem, and success stories will emerge. It is important to articulate these assets and promote them so that other businesses can benefit from the programs.

Goal 5: FOSTER A GREAT PLACE

Why this Goal?

People of all ages desire access to a dynamic lifestyle with housing, restaurants, entertainment, recreation, and retail nearby. These amenities are the most important factor for cities, regions, and businesses to attract and retain its workforce and prosper economically. A great place has affordable housing, transportation options, access to recreation, and retail amenities. The county can't do this alone. This goal can only be achieved with proactive and collaborative engagement from cities. The county's role is to partner with local communities to foster the development of these "great place" assets.

Objective 5.1 Support and promote agri-tourism, rural downtowns, and recreation destination development

The proximity of the Santiam River, Detroit Lake, and access to local agriculture and wineries is a highly desirable asset that should be leveraged as much as possible. Not only are these features interesting to tourist, but to potential employees of the businesses located in the county. In supporting and promoting these assets, Marion County is building a compelling brand. Furthermore, the growth of these types of businesses provides economic opportunity to the rural communities in the county.

Objective 5.2 Support and promote urban places

Marion County is also home to thriving urban areas. The rapid recent investment in downtown Salem and the cultural hub of Woodburn are compelling and distinct stories that are also attractive to a younger and skilled workforce that is not familiar with these growing areas. It is important to showcase and promote opportunities for authentic entertainment and recreation as a way to help employers attract and retain new workers.

Objective 5.3 Tell the Marion County story of place to attract a skilled workforce

The top priority for any business is to attract and retain talent. Economic development stakeholders in the county play an important role in promoting a well-coordinated message of why talent wants to come and stay in Marion County. This message regarding talent attraction will be somewhat different than one for tourists, but where the messages overlap they should be similar and told in the same manner by all parties.

This Strategy was developed in conjunction with numerous stakeholders and depends on their continued engagement. This Strategy was also developed with the assistance of LELAND Consulting Group.