



Baker County Economic Development Strategic Plan

April 2008

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Baker County Economic Development Strategic Plan

BACKGROUND

Baker City and Baker County have a 20-year history of proactively envisioning the future, and developing and updating an Economic Development Strategic Plan that sets forth specific activities and recommendations to achieve that future.

Most recently, four such plans have been completed since 1991. This plan sets the stage for future community and economic development activities for a two-year period.

The City of Baker City contracted with Orbis Group, a Baker City-based community and economic development consulting firm, to complete this strategic plan.

The overall purpose of this plan is to fine-tune the specific activities that will preserve and enhance the quality of life and economic condition for all of Baker County.

Methodology

Orbis Group conducted the following activities in order to complete the strategic plan:

- Reviewed four previous economic development strategic plans
- Met with key community and economic development stakeholders, including the Baker County Economic Development Council
- Analyzed the current condition of the Baker County economy
- Conducted one-on-one, and small-group, interviews of key economic development practitioners
- Completed a survey of local economic development organizations and workforce quality advocates
- Interviewed four out-of-county economic development experts
- Relied on its internally-developed *Setting Your Community's Direction* document
- Formulated this report which contains the observations, conclusions, and recommendations for community and economic development

2008 represents a year of relatively significant change in how community and economic development activities are transacted. The most significant change is the contracting of a business recruitment specialist which allows for a more clearly defined delineation of duties between business recruitment and business assistance.

Orbis Group concludes that Baker City and Baker County are now served with a cadre of professionals that are very well equipped and motivated to successfully conduct community and business development activities.

A looming economic recession may provide some economic development challenges beyond the County’s control. These *uncontrollables* may likely be offset by the opportunity to have a more unified approach to community and economic development more characteristic of the activities conducted in the 1990s for Baker County.

This Economic Development Strategic plan recognizes that there are generally two levels of community and economic development activities: 1) more traditional economic development activities such as business recruitment, business retention, and community development (generally located in Baker City Hall), and 2) supplemental community development activities such as downtown development, tourism promotion, arts and cultural development, and advocacy for health care (generally located outside of City Hall). This plan respects all of these disciplines as important and integral to the future of Baker County.

Key Findings and Recommendations are found throughout the document, and succinctly summarized in the executive summary that immediately follows.

Plan Implementation Timeframe

The table below presents the timeline for the creation, implementation, and updating of this Economic Development Strategic Plan.

Economic Strategic Plan Timeframe	
TIMEFRAME	ACTIVITY
Request for Proposals for plan	Fall 2007
Selection of consultant to develop plan	November 2007 - April 2008
Development of plan	December 2007-April 2008
Presentation of plan	April 2008
Adoption of plan	May 2008
Implementation Phase 1 - broader experimentation with options	May 2008 - November 2008
Phase 2 - Refinement/identification of preferred options	December 2008 - May 2009
Phase 3 - Targeted implementation	December 2009 - May 2010



Recommendation

With a new organizational structure, positions, and plan in place, great latitude and creativity should be implemented to take fresh approaches, and experiment with new economic development ideas. A brief analysis and potential modification after six months should be conducted.

As the timetable above indicates, there will be three phases for plan implementation over the next two years.

The first phase recognizes that a new economic development team and structure is in place. Consequently, the team should have the freedom to explore options for the most strategic approach to community and economic development.

2008 represents a new era in economic development in that a specialized position is created for business recruitment. Although business-recruitment activities have been conducted in the past, such activities have been conducted by an individual also responsible for business retention and expansion activities.

This plan recognizes that a unique opportunity exists for the county to benefit from the efforts of an individual strictly focused on recruitment activities.

Additionally, this new era combines the traditional activities of the Baker Enterprise Growth Initiative (BEGIN) with the government-based business assistance efforts. Every opportunity should be exploited to benefit from the streamlined approach of having one individual conduct such business expansion/retention/start-up efforts.

The second Phase, targeted six months into the plan implementation, calls for a self-evaluation of efforts that have been successful (and unsuccessful). From this evaluation, a refinement in the targeted activities will be made.

Finally, the third phase of the plan—roughly the final six months—should be a time of high efficiency, focusing efforts on those activities proven successful during the previous 12 months.

EXECUTIVE SUMMARY

In total, the Strategic Plan offers seven conclusions and 42 recommendations.

Conclusions include:

- Baker City and Baker County have a 20-year track record of successful community- and economic-development efforts upon which to build.
- The six-phased framework for economic development, referenced in previous planning documents, remains as relevant today as it was when it was envisioned 20 years ago.
- There will not—and should not—be a significant departure in terms of the historical emphasis on community and economic development activities (in terms of targeted industries, target markets, and areas of emphasis).
- While historical emphasis areas are largely unchanged, the means to successfully target and implement community- and economic-development activities will change. In general, a more specific delineation of duties should increase the effectiveness of such efforts.
- A strong cadre of economic professionals are in place, although improved teamwork amongst the professionals and the leaders/volunteers of the community should be emphasized.
- The funding and staffing structure for community and economic development has recently evolved to allow activities to be conducted in a manner that is: 1) efficient, 2) provides a clear delineation of responsibilities, 3) provides a clear chain of command, and 4) uses local resources effectively.
- Baker County's economy is relatively strong (in Baker County terms), especially considering the potential recessionary trend of the state and national economies.

Recommendations are summarized in the table on the following page, and are detailed in text boxes throughout the document.

Plan Recommendations

Structure	Got it Right; Leave It; Experiment
Timeframe	Two Years; Experiment; Analyze; Modify if Needed
Selected Strategies	Business Retention and Expansion Value-Added Agriculture Downtown Development Business Recruitment Destination Tourism Value-Added Forest Products
Business Assistance	Business Retention and Enhancement Program BEGIN Guard Against Dilution of Enterprise Facilitation Hold Finance Forum
Business Recruitment	Industry-, Relationship-, Geographic-based Strategies Ensure Smooth, Consistent Lead Management Attend Relationship-Based Trade Shows Be State Leader on New, Improved Oregon Prospector Use SWOT Analysis Dabble with Clusters Consider Updating Slogan Capitalize on Locally-Based Electric Utility
Workforce Development	Become More Proactive to Define, Implement Solutions Team-Up on Chamber Initiative Rally Behind BMCC Expansion Effort
Downtown Development	Lead with Your Strength—Downtown Is It Become an Accredited Program Re-Establish the EID/BID Upper Story Development Destination Downtown Encore Destination Signage LAMP/Central Park
Chamber Initiatives	Work Drug-Free Program E-Myth Program Financial Self-Sufficiency Examine Role with Events
Destination Tourism	Anthony Lakes Destination Resort Development
Visit Baker	Keep Tactical Approach (Heads on Beds) Consider Strategic Approach Keep Cooperative marketing Campaign Focus on Boise/Add Business Recruitment Approach Integrate with New Community Development Image
Miscellaneous	Re-Establish Baker Progress Board

Organization and Staffing

The organizational structure in which community and economic development is conducted has evolved over the 20-year history of economic development in Baker County.

Today’s structure is similar to its original structure in 1987 with the economic development team reporting to the Baker City Manager.

The “team” is comprised of three individuals, each with a specific functional delineation of duties: community development, business expansion/retention, and business recruitment. This is consistent with *The Trinity of the Economic Developer* presented in Appendix A.

Organizational Structure

The graphic on the right represents the organizational structure for community and economic development in Baker County.

Although the economic development team reports to the City Manager, the responsibility of the team remains county-wide. A partnership between Baker City and Baker County—inclusive of funding, responsibility, and reporting—still exists.

The Baker County Economic Development Council is a City/County partnership responsible for the direction of economic development, as well as the dispersal of funding for economic development activities. This Economic Development Strategic Plan is one of the primary products and tools of this Council.

Broader Economic Development Context

This Economic Development Strategic Plan recognizes that there are two relatively distinct categories of economic development activity: 1) community/business development activity associated with the City Hall-located offices, and 2) broader community, downtown, and tourism-based activities.



Recommendation

The organizational structure is efficient and effective and should remain unchanged throughout the two-year period of implementing this strategic plan.

Economic Development Strategies

The specific economic development strategies presented in this report were identified by: 1) consulting with the Economic Development Council, 2) reviewing previous economic development strategic plans, and 3) relying on previous experience related to community and economic development.

While additional, more-detailed strategies are identified in the Business Recruitment section, this plan details six economic development strategies:

- Business retention and expansion
- Business recruitment
- Downtown development
- Destination tourism
- Tourism marketing
- Chamber of Commerce activities
- Value-added Agriculture
- Value-added Forest Products

Business Retention and Expansion

Business retention and expansion activities are recommended to fall under two broad initiatives: 1) implementation of a business retention and expansion program, and 2) continued operation of the Enterprise Facilitation (BEGIN) program. Also included in this section is information related to a business development finance forum and business clusters.

Business Retention and Expansion Program

A comprehensive Business Retention and Expansion (BR&E) effort was most recently conducted in Baker City in 2005. A collaboration between the Northeast Oregon Economic Development District and the Baker City Rotary Club resulted in the interviewing of over 30 existing businesses.



Recommendation

Take a proactive approach to conducting a Business Retention and Expansion program.

This plan recommends that a similar business retention and expansion outreach effort be conducted in 2008 (without perhaps the two outside organizations).

The BR&E approach utilizes a systematic outreach to existing companies to identify their needs, challenges, and opportunities.

Several programs exist that can be adapted for the specific needs of a particular community.

Benefits of the BR&E approach include:

- Identifying opportunities to encourage the expansion of new companies
- Identifying opportunities to avert pending job losses or business closures
- Ability to take a community-wide approach to addressing business needs



Recommendation

Develop a comprehensive survey, target existing businesses, visit and interview those businesses, and follow up on information gained.

- A systematic way to collect information
- Ability to immediately identify solutions for businesses
- Opportunity to engage civic groups or volunteers to partner in the work
- Building good public relations for municipalities and economic development organizations
- Identifying vendor and sub-contractor business networking opportunities

By meeting the needs of existing businesses, the stage is also better set for successful business recruitment efforts. Potential new businesses to a new community may investigate the satisfaction of existing businesses, and base a portion of their business-location decision on such satisfaction levels.

Additional key support services for business retention and expansion are provided by the Blue Mountain Community College Small Business Development Center and Pub Talk (a business development networking effort conducted in conjunction with the Oregon Entrepreneurs Network).



Recommendation

Continue the Enterprise Facilitation efforts, expand the voluntary board, and embrace the methodology as an integral part of Baker County's business development regime.

Enterprise Facilitation (BEGIN) Program

Since June of 2000, Baker City and Baker County have been benefited by one of the most long-standing and successful Enterprise Facilitation programs in the western United States.

Established as the Baker Enterprise Growth Initiative (BEGIN), the program is inspired by the Sirolli Institute which promotes the concept of *Enterprise Facilitation*. This approach engages an

Enterprise Facilitator who is responsible to respond to business start-up, retention, and expansion opportunities brought forward either by: 1) the Enterprise Facilitation board, 2) other members of the business development team, or 3) by word-of-mouth in the community about the value and services of the BEGIN program.

The new business development structure brings the Enterprise Facilitator into Baker City Hall to conduct all businesses retention/expansion activities under one roof.

Advantages of this consolidation include:

- Coordination of all business retention/expansion activities
- Substantially reduced need for fundraising and grant writing activities by the Enterprise Facilitation program
- Increased communication between the Enterprise Facilitation Board and City staff
- Continuation of Enterprise Facilitation efforts

Caveats of the combined approach include:

- Potential dilution of the Enterprise Facilitation methodology
- Work load concerns for the business retention/expansion specialist
- Potential long-term loss of Enterprise Facilitation programming if such methodology is not supported by the City in the future



Recommendation

Continue the Enterprise Facilitation efforts without diluting the methodology.



Recommendation

Help the community realize its economic development advocacy potential from a locally-based electric utility.

Business Development Finance Forum

In addition to the broader efforts described above, an additional business expansion/retention effort relates to improving the availability of information on business financing opportunities available to Baker County businesses.

A plethora of programs exists at the regional, state, and federal level. However, without a concerted approach by the local economic development community to inform existing businesses of these programs, they have rarely been used.

Business finance specialists are generally willing to participate in a “public business finance forum” where a local economic development professional invites a representative of the program to share the availability, qualifications, and benefits of such business finance programs. It would be timely to hold such a forum the summer or fall of 2008.

Local economic development planners can probably look to the Northeast Oregon Economic Development District for expertise on how to package and promote such a forum.

Business Development Clusters

Approaching business development from an industrial cluster standpoint may provide some advantages for Baker City/County.



An industry cluster is a geographically bound group of similar or related firms—connected by common markets, technologies, and/or knowledge—with common suppliers, skilled workers, and supporting institutions.

To thrive, clusters need four components: suppliers, customers, rivalry (competition that spurs innovation), and input (raw materials).

Although communities of all sizes have benefitted from taking a clustering approach, a population base the size of Baker County can find the lack of a robust economy, with many competing or complimentary businesses within one industry, to be a significant challenge to the clustering approach.

Amy Keiter of the Oregon Economic and Community Development Department has been on point for the State to advance business development clustering strategies.

Keiter recommends communities investigate and attempt this approach in order to pursue the following advantages:

- Efficiencies can be gained by understanding and advancing the needs of an entire industry rather than simply one business at a time.
- Frequently new business relationships between individuals in the same community generate advantages simply by getting to know one another.
- Communities can “adopt an issue”. That is, a group of business leaders can identify a problem or issue that can best be addressed and advanced by local government or economic development organizations. Goodwill is built, and jobs can be retained or created.

- *Import Substitution* opportunities can be realized. That is, a group of similar businesses may be able to identify new business opportunities (suppliers, professional services, etc.) that may generate business activity and create jobs by producing locally what has been “imported” into the county/region.

One example that hits home for Baker County is the success of Oregon Country Beef, recently renamed to Country Natural Beef. This group of beef producers has been able to increase margins by identifying production and marketing techniques beneficial to the industry.

Keiter indicates that pursuing clustering strategies “is not easy”. On the other hand, a clustering strategy can simply begin by calling a meeting of businesses in a similar industry, and asking about their needs, constraints, and plans for the future. Such a meeting can yield benefits even if it does not initiate a broader, more complex clustering initiative.

Business Recruitment

As noted previously, beginning in 2008, Baker City and Baker County will be benefited by having an individual exclusively focused on business recruitment activities. While business recruitment has been a component of Baker County’s economic development programming for over 20 years, the responsibility for business recruitment has always been grouped with other responsibilities of the economic development professional.

Four experts were interviewed to determine the best economic development strategies for Baker County. These individuals include three Business Development Officers for the Oregon Economic and Community Development Department (Rick Minster, Jill Miles, and Bruce Laird) and Anatalio Ubalde, whose business develops and manages Internet-based business development tools for cities and states throughout the country. Appendix B presents a complete summary of those interviews.

The table to the right presents a very high-level summary of their recommendations.

Recommendations of Business Development Experts	
Name/Title	General Recommendation
Rick Minster Business Development Officer OECD	Business development efforts should focus upon increasing average wage levels. Baker City is very competitive with other eastern Oregon communities in terms of its development team, land, and message. Consideration should be made now to the general policy on the provision of incentives based upon the anticipated benefit of various new businesses. The Business Development Officer should be “brought in early” in working with prospects.
Jill Miles National Business Development Officer - OECD	Focus business recruitment efforts on relationship-building. Opportunities exist to attend national trade shows with specialists in site selection and real estate. Long term relationships represent significant opportunities for business development lead creation.
Bruce Laird National Business Development Officer - OECD	Due to the rural nature of Baker County, the best economic development prospects might be generated through focusing on <i>lone eagles</i> . These are individuals and businesses that are location-independent, and focus upon quality of life factors for relocation.
Anatalio Ubalde President GIS Planning	Ensure a relevant, easy-to-navigate, current businesses development Website. Capitalize upon the next generation of Oregon Prospector (see Anatalio Ubalde interview in Appendix B for details).

Baker City has recently contracted with Jake Jacobs to conduct the business recruitment activities. Jake Jacobs brings a strong set of business development relationships to the job, particularly with business leaders in the Portland and Willamette Valley areas. Capitalizing on those relationships to generate business development leads and expanding the tools and financing available for existing business will be a key strength in 2008 and beyond.

Business recruitment strategies can take a number of varying approaches. Such approaches are described below.

Relationship-Based Business Recruitment

This approach recognizes that the development of a trusting relationship must be developed at some point in the continuum from community-identification to business-expansion commitment. This approach puts such relationships first, and develops opportunities from there.

Targeted or Key Industries

A targeted-industry approach attempts to identify expanding industries that have location requirements consistent with the labor force, infrastructure, and business development amenities based in the community.

Import Substitution

This approach recognizes that businesses frequently “import” goods (and sometimes services) into the city/county/region from beyond the area. Where significant out-of-area purchases are being made, opportunities may exist to expand or relocate businesses to serve this business niche.

Geographic-Based Recruitment

This approach begins by targeting geographic areas that may contain businesses seeking to expand or relocate into the community. The targeted communities can be in-state, regionally within the United States, nationally, or even internationally-based.



Recommended Recruitment Approaches

Of the four businesses-recruitment approaches identified above, this plan recommends two: relationship-based, and geographic-based strategies.

Relationship-based

Given the strength of the business recruitment specialist with such relationships, a “running start” already exists. Efforts to refresh, re-establish, and cultivate such relationships should be a priority.

Geographic-based

With respect to geographic-based recruitment, specific advantages exist in Portland (the state’s largest economic region), Bend (the state’s fastest-emerging region with many cultural and climate similarities to Baker City), and Boise, Idaho (the closest metropolitan area to Baker City with increased awareness of Baker City as a tourism destination).

Combining the relationship-based and geographic-based strategies also holds promise. Capitalizing on the network of business and government leaders familiar with Baker City as an emerging livability “hot spot” could be the basis for the strategy.

Finally, certain industry-specific recruitment efforts, based upon the specific expertise of the staff and volunteers, should be implemented. For example, expertise and connections held by Jake Jacobs in the industries of aviation, biotech, hi-tech, and alternative energy should be capitalized upon.

Prioritizing Business Development Strategies

The Baker County Economic Development Council and community/economic development professionals met on February 14, 2008 to review and prioritize specific economic development strategies.

Prior to that meeting, the EDC, Jennifer Watkins and Gene Stackle completed a preliminary survey calling for an *individual prioritization* of the top strategies. That is, without the benefit of the group dynamic, what are the preferred strategies of key individuals involved in the planning process?

The table at right summarizes the results of the individual survey process.

In the February 14 meeting, all of the participants reviewed the “individualized scores” and then revisited the top strategies. Brian Cole described each of these strategies, and then presented the *key success factors* of the respective strategies.

Each of the meeting participants discussed the strategies and key success factors, and then determined their own priority for the strategy after the discussion/re-examination.



Specifically, each of the meeting participants were asked to identify the relative priority of the strategy (both in the context of the *potential benefit* of the strategy as well as the viability of the strategy).

At the conclusion of the group discussion for each strategy, each participant was asked to immediately identify their priority for the strategy.

The table on the following page presents the “re-prioritized” findings after employing the group discussion.

A comparison of the two Tables shows that the group discussion caused the following changes in prioritization.

- Health Care dropped from its (tied for) second-place ranking to seventh place, primarily due to the challenge of creating significant job growth through this strategy
- Attracting Lone Eagles also dropped due to the challenge of creating significant job growth
- Downtown Development increased in its relative priority, largely by recognizing Baker City’s existing downtown “competitive advantage”

Individual Prioritized Strategies	
Strategy	Score
Business Retention and Expansion	18
Value-Added Forest Products	17
Health Care	17
Value-Added Agriculture	16
Business Recruitment	16
Infrastructure Development	16
Attracting Lone Eagles	15
Destination Tourism	15
Downtown Development	15
Entrepreneurship Development	14
Transportation Hub/Warehousing	13
Local/Regional Tourism	13
Cultural Tourism	13
Value-Added Mining	12
Energy Diversification	12
Environmental Restoration	12
Telecommunications Business	13
Attracting/Retaining Government Offices	11
Pass-Through Visitor Services	11
Plugging Retail Leakage/Import Substitution	11
Attracting Retirees	8
Value-Added Fisheries	7
Bedroom Community	7

The six individuals scored each strategy as either a high priority, medium priority, or a low priority. To assign a numeric compilation, “high” was assigned 3 points, “medium” was assigned 2 points, and “low” was assigned 1 point.

The end result of the *individual* and *group* prioritization process was that six economic development strategies rose to the top: business retention/expansion, value-added agriculture, downtown development, business recruitment, destination tourism, and value-added forest products.

Group Prioritized Strategies

Strategy	5s	4s	3s	2s	1s	0s	Score
Business Retention/Expansion	8	1	0	0	0	0	44
Value-Added Agriculture	8	1	0	0	0	0	44
Downtown Development	8	1	0	0	0	0	44
Business Recruitment	5	3	1	0	0	0	40
Destination Tourism	5	3	0	1	0	0	39
Value-Added Forest Products	4	3	2	0	0	0	38
Health Care	0	0	5	2	2	0	21
Attracting Lone Eagles	0	0	4	4	1	0	21

Comparison of Strategy Selection with Community Opinion Survey

Appendix C presents the complete findings of the community opinion survey related to the growth of Baker City and the Baker Valley.

Included in that survey are questions related to the *industrial preferences* of community members. These industry preferences represent the desirability of various industries as a building block toward the future growth of the community.

The table below presents the priorities of the EDC/community staff with that of the population at-large. Note that the names (categories) of the various strategies (industries) are somewhat different.

A comparison of the preferences shows:

- A focus on adding value to the natural resource-based industries is supported at both levels
- There is strong support for both business retention and business recruitment activities at both levels
- Heavy steel fabrication and mining-related activity is generally not supported when compared to other strategies

Strategy/Industry Development Preference

EDC/Staff Preferences		Community Preferences	
Score	Strategy	Score	Strategy
44	Business Retention/Expansion	265	Agricultural production and processing
44	Value-Added Agriculture	252	Light manufacturing (and secondary wood products)
44	Downtown Development	236	Timber production and processing
40	Business Recruitment	236	Recreation and tourism
39	Destination Tourism	230	Transportation and distribution center
38	Value-Added Forest Products	210	Light and heavy steel fabrication
21	Health Care	176	Mining and mineral refining
21	Attracting Lone Eagles		

In general, therefore, there is strong support for economic development strategies that create jobs both by retaining and expanding existing businesses as well as recruiting new businesses.

Business development activities that build upon the existing industrial base have strong support.

Industry-Specific SWOT Analysis

Completing a strengths, weaknesses, opportunities, and threats (SWOT) analysis is a traditional approach to conducting a community and economic development strategic plan.

In general, the following questions are asked and answered with respect to community and business development activities:

- What *strengths* currently exist?
- What *weaknesses* currently exist?
- What emerging *opportunities* exist?
- What emerging *threats* exist?

While the responses are helpful in identifying general conditions and factors related to economic development strategies, this information frequently falls short of a direct connection with the specific strategies being advanced through the planning process.

For this reason, Orbis Group focused this SWOT analysis approach to be *strategy-specific* by focusing on the *key success factors* relevant for each of the top identified strategies.

Members of the Economic Development Council and several of the community and economic development professionals considered these key success factors, and conducted a SWOT analysis in this more specific context. The table on the following page presents the results of this strategy-specific discussion.



Recommendation

Periodically consult the industry-based SWOT Analysis contained in this strategic plan to capitalize on strengths and address weaknesses.



Recommendation

Proactively develop a flexible policy with respect to the provision of locally-based business development incentives prior to the necessity of responding to a specific prospect.

In general, it was concluded that most, if not all, of the key success factors were in the “strengths and opportunities” column, rather than the “weaknesses and threats” column of the SWOT analysis. Where weaknesses and threats occur, specific efforts will be made to mitigate or resolve those challenges.

Note: a more thorough description of the top strategies and their respective key success factors is presented in Appendix D.

SWOT Analysis by Strategy

Strategy	Strengths/Opportunities	Weaknesses/Threats
Business Retention and Expansion	<ul style="list-style-type: none"> • Sufficient base of local businesses • Available small business financing • Capabilities of economic development professionals • Pro-business climate • Positive relations between local businesses and economic development professionals 	<ul style="list-style-type: none"> • Lack of awareness of available business finance programs • Adequacy of local labor force
Value-Added Forest Products	<ul style="list-style-type: none"> • Good proximity to forest and forest products • Existing leadership and activity of the Small Woodlands group • Ability to utilize Wallowa Resources as an advisor 	<ul style="list-style-type: none"> • Relatively high distance to markets and therefore cost of transportation • Continuing changing dynamics of forest management practices • Difficulty in securing stewardship contracts due to changing policies on National Forest lands
Downtown Development	<ul style="list-style-type: none"> • Excellent downtown with widespread positive reputation • Downtown organization and staff • Effective implementation of four-point approach • Active engagement by downtown building and business owners • Local government support 	<ul style="list-style-type: none"> • Availability of discretionary local funding for marketing and events • Significant out-of-town building ownership
Business Recruitment	<ul style="list-style-type: none"> • New staff dedicated to recruitment activities • Strong community support • Support from local businesses • Availability of land and infrastructure 	<ul style="list-style-type: none"> • Proximity to scheduled air service • Adequacy of local labor force • Availability of industrial buildings
Destination Tourism	<ul style="list-style-type: none"> • Relative strength of existing destination and regional attractions • Existence of marketing team • Community acceptance of the tourism industry • Adequate housing for labor force 	<ul style="list-style-type: none"> • Competitive marketing and public relations budget
Value-Added Agriculture	<ul style="list-style-type: none"> • Proximity to large volume of certain agricultural commodities, especially cattle and potatoes • Proximity to specialty markets • Available local labor force for this industry • Available industrial land 	<ul style="list-style-type: none"> • A challenge to overcome large barriers to entry • Available industrial buildings • High demand on limited infrastructure capacity
Health Care	<ul style="list-style-type: none"> • Emerging strengths in local hospital to build upon • Significant quality of life from which to draw a labor force • Competent, strategic-minded hospital and health care executives • Community support 	<ul style="list-style-type: none"> • Challenging local labor force, especially for nursing • Potential lack of “economic upside” from this strategy
Attracting Lone Eagles	<ul style="list-style-type: none"> • Availability of “quality of life” factors 	<ul style="list-style-type: none"> • Perceived low “bang for the buck” from this strategy

Business Development Slogan

Central Oregon became renowned in the 1990s for building a successful business-development campaign based on the slogan: *If You Like Playing Here, You Would Like Working Here Also*. Like many successful businesses, capitalizing on an increasingly well-known slogan can have benefits for communities as well.

Traditionally, Baker City has established its slogan as: *The Premier Rural Living Experience in the Pacific Northwest*. The community should determine if it desires to maintain and capitalize on this slogan that has existed since the early 1990s, or consider others. Three others that might be considered are presented below. It is beyond the scope of this plan to develop additional alternatives or recommendations.

- The Next Best Place in Oregon
- Living the Dream
- Baker City: Right Around the Next Bend



Delineation of Business Recruitment Responsibilities

Traditionally, business development activities are segmented into two categories: 1) business expansion/retention, and 2) business recruitment.

In general, Baker County is consistent with this delineation, with one position (Gene Stackle) responsible for business retention/expansion, and another position (Jake Jacobs) responsible for business recruitment.

A further refinement in the delineation of duties exists in the current structure. The Business Recruitment position is charged with the active solicitation and creation of business development prospects. Once a prospect has been created, the entire team will discuss how best to manage the follow-up. In most instances, the Business Recruitment Manager will take the responsibility of providing information to the prospect and “handling” the lead from beginning to end. However, there may be assistance provided by other members of the team when needed.



This plan recommends an evaluation of this delineation of duties after six months to determine if it is successful. Specific questions to address include: 1) is the “handoff” of leads successfully being transacted?, 2) is this handoff placing too significant a burden on the business recruitment/expansion position given other responsibilities?, and 3) have any leads been lost because a new relationship between the business prospect and the local “lead” could not be established?

Use of the Internet

Economic development efforts in Baker County have three primary Internet-based tools:

- www.bakercity.com
- www.bakercountyedc.org
- www.oregonprospector.com



Recommendation

Build upon the responsive information already on Oregon Prospector to package business development proposals.

The first two Websites are Baker County-specific, and will be maintained to contain all of the key community and economic development information necessary to meet community livability and job creation goals.

The responsibility for maintaining and updating these two sites falls in the community developer’s (Jennifer Watkins) office with the assistance of her Administrative Assistant, Becky Fitzpatrick.

More than ever, the Internet is a critical tool in community and economic development practices. Virtually all business recruitment opportunities are first evaluated on the Internet. Businesses looking to expand or relocate to Baker County, for example, almost always will conduct thorough research on the Internet before making a connection with any human contact. If the Internet-based information resource is not complete and competitive, such business-development opportunities frequently die before the community even knows the opportunity existed.

Downtown Development

Downtown development was identified by the Economic Development Council as one of the top three economic development strategies.

For 25 years, Baker City has taken an organized, concerted approach to downtown development under the leadership of its non-profit organization, Historic Baker City, Inc. (HBC).

HBC implements the four-point approach recommended by the National Trust Main Street Center: organization, promotion, design, and economic restructuring.

Organization recognizes that downtown development efforts must be led by a focused, dedicated, competent entity.

Promotion refers to marketing and public-relations efforts designed to increase awareness of the downtown as a destination.

Design encompasses efforts to preserve, protect, and rehabilitate the historic structures and supporting amenities that comprise the central business district.

Finally, *economic restructuring* refers to business assistance and business recruitment efforts benefiting the downtown.

HBC was established in 1982, and largely served as an all-volunteer organization until the late 1980s when grant funding from the Oregon Regional Strategies Program leveraged the formation of an *economic improvement district* and a *business improvement district* which collect funding from the downtown building and business owners to support the organization.



Recommendation

Implement the suite of recommendations presented in the Downtown Development section.

Over the past 25 years, and particularly in the last 15 years, HBC has been recognized as a statewide success story in its ability to rally the downtown, harness resources for building façade improvements, leverage private sector investment, and enhance community pride.

The 2008 edition of the *Opinions on Growth and Economic Development Survey* supported downtown development and historic preservation strategies.

94% of the respondents either “strongly agree or agree” with the statement: “local government, the Chamber of Commerce, and the downtown association must encourage the development of Baker City’s retail trade”.

93% of the respondents to the survey indicated that they “strongly agree or agree” with the statement: “it is important that Baker City’s historic assets are preserved and maintained”.

By virtually every account, Baker City has an extraordinary Historic District. Baker City’s downtown has been—and should continue to be—viewed as a *competitive advantage* for business development purposes. First-time visitors to the Historic District instantly recognize the special nature of the place, and frequently look for justification to invest in the community based upon the positive first impression of the downtown.

HBC outlines its priorities for the next two years as follows:



Recommendation

Recognize and focus upon the positive uniqueness of the Baker City Historic District as a basis for all forms of community and economic development.



Recommendation

Capitalize upon the re-constituted (and funded) commitment to downtown development accreditation coordinated by OECD.

Becoming an Accredited Main Street Program

For the first time in years, Oregon has an accredited Main Street Program being coordinated by the Oregon Economic and Community Development Department. Similar to Oregon’s downtown development advocacy heyday in the late 1980s and early/mid 1990s, Oregon once again is pursuing excellence in historic preservation and downtown development. Baker City should capitalize on this statewide initiative as an “early achiever”.

Re-Establishing the BID/EID

Both the economic improvement district and the business improvement district expire at the end of 2008. Without these two financing mechanisms, HBC would once again largely operate as a volunteer organization. Many of the responsibilities and desired achievements would fall back to city staff. This would result in the dilution of the focused efforts supporting the downtown.



Recommendation

Build a broad-based (beyond business and building owners) campaign to renew the EID and BID.

Upper Story Development

Increasingly, vital downtowns are recognized by the economic and residential activity on upper stories. HBC is leading an initiative to proactively assess and address fire and safety code issues that are prerequisites to building development and occupancy. The state's new Vertical Housing Program can support this strategy.



Recommendation

Address land use planning, building code, and economic barriers to support upper story downtown development.

Destination Downtown Encore

The large-scale, widespread, incentives-based redevelopment of historic building facades over the past 17 years has been known as the *Destination Downtown* program. In short, the program provides 50% grant funding for eligible building design and improvement projects.



Recommendation

Conduct another round of downtown development funding ensuring broad, large-scale building facade restoration and rehabilitation.

Combined with previous highway (Main Street) physical improvements as well as streetscape improvements, virtually 85% of the visible surface area (roads, sidewalks, and buildings) have been restored/renovated since 1988. The transformation, however, is not complete.

HBC received grant funding from the Leo Adler Community Fund in 2007 to leverage foundation funding for the next round of Destination Downtown projects. The community is poised

to leverage Leo Adler funding with other foundation grants to initiate another phase of grand-scale façade-renovation projects.

The Destination Downtown project has a profoundly positive impact on the way Baker County residents view their historic district. When such design/development projects are in full swing, everything that HBC does “seems like a winner”. When such projects are absent, individuals focus on less visible achievements, and question the validity and return-on-investment of the entire program. In short, the Destination Downtown project is the linchpin to continued downtown development success.

Destination Signage

One of the finest community-promotion signs on Interstate 84 in Oregon promotes Historic Baker City as travelers come west from Ontario. A similar sized and designed sign is planned to greet eastbound visitors.



Recommendation

Replicate the I-84 westbound downtown signage for eastbound traffic.



Recommendation

Ensure that the continued planning and development of the LAMP/Central Park project connects with the historic district.

LAMP/Central Park Project

The HBC Executive Director has been a key member of the Leo Adler Memorial Parkway/Central Park (LAMP/CP) Committee over the past year, and is working to ensure that this new city amenity integrates into the planning and development of the downtown. Park amenities have been identified, and a recommended pathway route from Madison Street South to Washington Street was approved by the City in 2008.

Continuing and Emerging Events

Whether initiated or not by HBC, Baker City's downtown increasingly will become the destination for large-scale events such as the Taste of Baker and the Hells Canyon Motorcycle Rally. While these events continue to place a premium on volunteer coordination, the economic and civic benefits of the events are profound for the community.

Parking Improvements

While the severity of the "parking problem" in downtown Baker City is debatable, HBC continues to lead initiatives such as the Angle Parking Initiative and a 2008 survey to identify the parking needs and desires of businesses and visitors to the downtown.

Destination Tourism

Baker County has consistently defined and implemented a Destination Tourism strategy over the past 20 years. The strategy was based upon overcoming being the "land of the missed opportunity".



Recommendation

Clearly understand and articulate the role of destination tourism; build and implement marketing plan accordingly.

Baker County had great proximity to the Oregon Trail, but nowhere to tell the story. Baker County was bordered by the deepest canyon in North America (Hells Canyon), but had no access to—or interpretation of—it. Sumpter had the most proximate historic gold mining dredge to the nation's Interstate system, but private ownership prohibited interpretation and promotion. Baker City had one of the Northwest's premier historic districts, but there was no programming and rehabilitation for it.

All of this changed beginning in 1987. The advent of the Oregon Regional Strategies Program inspired the community to develop a Destination Tourism strategy that developed attractions throughout Northeast Oregon, with Baker City strategically located in the center. This strategy had a significantly positive effect, and continues to be widely supported, as evidenced by the public opinion survey on growth and development summarized in Appendix C to this plan.

The question in 2008: What are the strategic Destination Tourism activities needed today? This plan recommends two activities in terms of product development.

Product Development Recommendation #1: Anthony Lakes Mountain Resort

Anthony Lakes Mountain Resort enjoys a positive reputation in eastern Oregon (perhaps all of Oregon) and western Idaho as a quality (albeit small) ski area offering excellent powder snow at Oregon's highest base elevation.



Recommendation

Seek a collaboration with Anthony Lakes Mountain Resort and other public, private, and non-profit partners to ensure continued and increased economic benefit from Anthony Lakes.

The current ownership of the resort desires to see the resort have an increasingly positive benefit to Northeast Oregon, and is willing to engage in discussions and strategies toward this goal.

Efforts should be made to examine such options, as well as advance planning, development, and ownership strategies. Attention should be paid to required federal processes and requirements.

Product Development Recommendation #2: Destination Resort Development

One of the specific implementation activities under Destination Tourism is Destination Resort Development.

Without question, one of the most profound economic development opportunities for certain rural counties is the development of destination resorts. In Oregon, such resorts have recently been developed in Deschutes, Jefferson, Crook, Klamath, Coos, and Curry Counties.



Recommendation

Examine benefits and costs of prospective destination resort development, and then act proactively (complete Goal 8 Study if appropriate)

Destination resorts are defined by Oregon statutes in terms of the capacity and amenities of such developments. Resort elements including housing, lodging, golf course development, and other amenities, are specified in Oregon land-use law.

Counties can prepare for—and potentially encourage the development of—destination resort development by completing a land-use process frequently referred to as a Goal 8 Study. These studies identify—and eliminate—areas within county boundaries for prospective destination resort development. By completing this type of study, prospective developers have more certainty as to where such resort development can—and cannot—take place.

Baker County began the destination resort planning process in the late 1990s, but has not finalized the process. County policy makers are aware that the advancement of a destination resort campaign would be met with strong elements of both support and opposition. Acknowledging that the completion of the land-use policy process does not ensure destination resort development, advancing the planning process is somewhat of a controversial decision.

For the purposes of this plan, it is acknowledged that the development of a destination resort has the greatest economic upside of any tourism development activity, and would complement many of the public investments successfully completed over the past two decades (Oregon Trail Interpretive Center at Flagstaff Hill, Sumpter Valley State Heritage Area, National Scenic Byways, etc.).

Tourism Marketing

The Baker County Development Corporation (BCDC), a 501(c)(3) organization, does business as Visit Baker with a primary function to maximize the number of “heads on beds” in Baker County. That is, the primary focus of Visit Baker is to promote overnight stays by visitors.

Funding established throughout Baker County through the transient lodging tax is administered by the Transient Lodging Tax Committee. Funding by this Committee is distributed for four primary functions: 1) the Baker County Economic Development Council, 2) the Baker County Chamber of Commerce for its visitor center operations, 3) a grant program to support a cooperative marketing program, and 4) the BCDC (doing business as Visit Baker).

Visit Baker has one employee, Kari Whitacre, who has a very specific mission: maximize the number of “heads on beds” in Baker County. Whitacre’s activities are overseen by a five-member volunteer advisory committee with representation from Oregon State Parks, local lodging establishments, and local restaurant establishments.



Recommendation

Continue outcome-based commitment of funding and efforts to maximize overnight visitor stays.



Recommendation

Continue Boise-based focus for tourism promotion; collaborate with business recruitment approach in Boise.

Baker County is benefited by Visit Baker’s focused, streamlined attention to only engaging in activities that directly result in increasing visitor stays.

Examples of efforts and investments include a recent sponsorship of the Walk for the Cure event in Boise, sponsorship at the Oregon Governor’s Conference on Tourism event, promotion of Baker County events and attractions in Boise, and attendance at the Western Idaho State Fair (historically, Baker County attended

the Oregon State Fair but proximity and timing have changed the targeted venue). Funding and effort is not expended, for example, working to attract additional visitors to Baker County when existing events have lodging facilities at capacity (i.e. Miner’s Jubilee, Hells Canyon Motorcycle Rally, etc.).

Two opportunities exist for improved effectiveness of the Visit Baker approach. First, the activities and efforts of Visit Baker are not informed and integrated with existing business recruitment



Recommendation

Develop common look and message for both business development and tourism marketing.

activities. A common theme, and perhaps attendance at events, would be beneficial. Second, efforts to re-establish a long-term tourism development vision and strategy could be supported by Visit Baker.



Recommendation

Continue 50%-matching fund program for community events that generate overnight stays.

Chamber of Commerce Activities

What is generally known as the Baker County Chamber of Commerce is technically a 501 (c) (6) corporation named Baker County Unlimited (BCU) which is doing business as the Chamber.

Overall, BCU provides three services: 1) a visitor center, 2) events coordination, and 3) the Chamber of Commerce.

The Chamber, through its Executive Director, expresses a clear desire to emphasize its “Chamber” role. That is, efforts and initiatives designed to support its member businesses by bringing real, bottom-line value to such businesses will be emphasized.

The BCU/Chamber is funded by two primary sources: 1) membership dues supporting the Chamber operations, and 2) transient lodging tax funding.

The Chamber identifies four current primary initiatives, two efforts that are service/external, and two that are operational/internal.

Initiative #1: Work Drug-Free Program

Widely recognized as one of the top deterrents to business expansion is the inability of existing businesses to attract a satisfactory workforce. The Chamber is exploring a strategic partnership with the Oregon Nursing Association to develop a form of mentoring program targeting Baker County’s future workforce—largely students in the public school system. This program would seek to indoctrinate community-wide social norms that set an expectation that “if you want a job, be drug-free”.

This effort would employ a curriculum and a set of mentors that would spread a philosophy that states: “if you want to work here, you cannot have any drug offenses on your record”.



Recommendation

Implement a program that establishes and reinforces a community norm for drug-free work places.

Initiative #2: The E-Myth Program

The E-Myth Program is based upon the notion that business owners typically work “in” their business, but rarely work “on” their business. That is, business owners so typically play the role of *customer service representative*, that they rarely step back to see the big picture, and *lead* their business.



Recommendation

Implement the E-Myth program to facilitate proactive planning and implementation by existing businesses to improve their bottom line.

The Chamber would partner with a business management professor at Central Oregon Community College to offer one three-hour class per month (in Central Oregon) plus two hours of on-site (in the business) mentoring.

One outcome of the program would be to allow business owners to “sell and retire from” their business rather than simply phase it out.

Business owners would take part in writing their own business plan based upon their mentoring experience. Assistance could also be provided by BMCC's SBDC.

Initiative #3: New Form of Chamber Financial Self-Sufficiency

The Chamber would like to investigate possibilities to generate income beyond their traditional reliance on membership dues, transient room tax funding, and event income.



Recommendation

Research, brainstorm, and implement (if possible) a new approach for financial sustainability of the Chamber (beyond simply membership dues).

One relatively nearby example is the revenue brought in by the Pendleton Round-Up through royalties associated with their reputation, logo, and overall image. Royalty income would be one of several potential long-term revenue sources to explore.

One very preliminary idea identified by the Chamber staff would be rental of skis, bikes, and other outdoor equipment. Areas where the Chamber can find a niche without competing with existing local businesses, especially Chamber members, could be explored.

Initiative #4: Examination of Chamber Role with Various Events

For years, the Baker County Chamber of Commerce has been synonymous with the coordination of the Miner's Jubilee festival. In more recent years, new events such as the Elkhorn Stage Race (bicycles) and the Hells Canyon Motorcycle Rally have brought new opportunities to "put Baker on the map" and generate revenues for local businesses, civic clubs, and youth groups.

The Chamber commits considerable time and effort to these events, but generally does not reap an economic reward for its activity.

The Chamber recommends a fresh examination of this policy. The intent would not necessarily be to consider dropping various events from the attention of the Chamber, but developing a more proactive policy with respect to revenues and expenses associated with such events.



Recommendation

Examine and implement a policy with respect to the Chamber's financial role with community events.

Value-Added Agriculture

Baker County's economy has been highly dependant upon the agriculture industry for generations. Cattle ranching has represented the largest sector within the agriculture economy at one time making Baker County one of the top-forty cattle producing counties in the nation.

Opportunities to add value to commodities such as beef and potatoes are highly supported both by the Economic Development Council and the general public at large (per the results of the Opinion Survey - see Appendix C).

Value-Added Forest Products

Approximately 1/3 of the land base of Baker County is managed by the US Forest Service. In addition, Baker County has considerable privately-owned forested acreage.

Additionally, Baker County is benefited by the operations of Marvin Woods Products which operates a cut-stock manufacturing operation which furnishes product to its windows, doors, and molding manufacturing operations.

The combination of the availability of forest products and an existing forest products-based manufacturer gives additional opportunities for value added forest-product businesses.

WORKFORCE DEVELOPMENT

Arguably one of the most important issues—and a serious constraint at times—is the availability and capability of the local labor force to meet the needs of existing and prospective businesses.

Four individuals/organizations were contacted for their perspectives on the capabilities and needs of the local workforce. These individuals are shown in the table on the right.

The following observations related to the local workforce are generated from these contacts.

Workforce Development Consultations	
Contact	Organization
Claire Berger	Oregon Office of Workforce Policy
Peggy Hudson	Blue Mountain Community College
Jake Jacobs	Blue Mountain Community College/ Business Recruitment Specialist
Jennifer Watkins	City of Baker City

- With local unemployment rates relatively low, the market is very tight for good employees, especially for entry-level positions.
- The local workforce is not sufficient for traded sector employers in town. Employers have a difficult time finding people with a strong work ethic and that can pass a drug test.
- There are shortages for entry-level, skilled, and management positions. Skilled positions that are needed most focus on welding, drafting, engineering, and computer expertise.
- Blue Mountain Community College (BMCC) does offer customized training. Significant effort, however, must be put forth in order to initiate and operate such training.
- Baker County student enrollment at BMCC is up by approximately 100% over the past two years (from 250 students representing 71 FTE to 500 students representing approximately 140 FTE).
- The AAOT/Associate of Arts/Oregon Transfer degree, which can be taken locally with live instructors, is critically important, and generally meets the requirements of Oregon's four-year degree programs.



Recommendation

Work with existing businesses to understand workforce requirements and devise specific tactics to develop business competitiveness.



Recommendation

Define and advocate the expansion (mini-campus) of BMCC. Consider full build-out of Baker City Armory in this regard.

- The AAOT degree can be completed in two years, rather than the statewide average of three to four years.
- Eastern Oregon University (EOU) offers nine full Baccalaureate degree programs locally, using both onsite and online course delivery. Masters degree programs in Education and Business are also delivered to Baker County students through a combination of online and on-campus courses. Baker County resident enrollment in these programs has risen over 500% in nine years.
- Eastern Oregon University’s online degree completion options allow students to accelerate Baccalaureate degree completion while residing and working in Baker County.



The Work Drug-Free Program, being initiated by the Baker County Chamber of Commerce, is designed to address many of the issues confronting Baker County businesses. The initiative should be designed and supported by all business development advocacy groups in the county.

Finally, efforts by Blue Mountain Community College to expand—potentially creating a “campus” in Baker County—should be advanced. Governor Kulongoski provided early “moral support” for this initiative, and significant progress in terms of finding and implementing this expansion of community college services—including physical improvements—should be a top priority for Baker County.

PREVIOUS STRATEGIC PLANS

Summary of Previous Strategic Plans

As noted previously in the Strategic Plan, Baker County has consistently updated its economic development strategic plan since it was originally authored in 1987. Most recent versions of the plan have been updated in 1995, 1999, and 2005.

The 2005-2007 plan presented a brief history of what is now a 21-year history with economic development strategic planning. That history is copied immediately below.

History

In 1987, Baker County and Baker City established a four-phase strategic plan which targeted the development of the visitor industry as the starting point for the area’s economic development efforts (see table on page 27). Central to this strategy was to expose the world (visitors) to the area’s: natural scenic beauty; affordable cost of living; quality of schools; and general outstanding quality of life.

Uniquely, the community has consistently held to this strategic plan, with very little variation for the past 21 years. Rather than attempting to “chase smokestacks” from the beginning of the tough economic times in the early and mid-1980s, the community prepared for internal business expansion and external business recruitment through a series of planned investments which built one on the other and pushed the area toward its identified goals.

The table below shows a summary of the first fifteen years of economic development strategic planning in Baker County (1987-2001), followed by a more detailed view of each planning phase and its results.

15 Years of Strategic Planning in Baker County		
<p>Phase I: 1987-1992 Establishment of “demand generator” for the visitor industry (National Historic Oregon Trail Interpretive Center)</p>	➔	<p>RESULTS: Building awareness of the community to the rest of the world.</p>
<p>Phase II: 1990-1999 Development of complementary visitor attractions designed to increase visitor stays.</p>	➔	<p>RESULTS: Expand visibility and building capacity for community and business development.</p>
<p>Phase III: 1994-2001 “If you would like playing here, you would love working here” marketing campaign (encouraging visitors to become business owners)</p>	➔	<p>RESULTS: Building momentum: Portfolio of success stories</p>
<p>Phase IV: 1996-2001 Marketing and business development program targeting growth industries.</p>	➔	<p>RESULTS: Fundamentally improve health and sustainability of local economy.</p>

Phase I has been completed, although several groups are working on a consistent marketing campaign (and budget) that will reverse a recent trend of declining visitation at the National Historic Oregon Trail Interpretive Center and other complementary attractions. However, the Center has proven successful in “putting Baker County on the map” in the minds of many throughout the Pacific Northwest.

Phase II was also largely finished with the 1998 opening of the Sumpter Valley Dredge State Heritage Area, the completion of 80 major and minor historic facades in downtown Baker City, development of the Hells Canyon Overlook, and a number of major capital improvements to other visitor products such as:

- Local museums (Eastern Oregon Museum in Haines, Adler House and Oregon Trail Regional Museum in Baker City, and the Huntington Museum)
- Expansion of Baker City’s golf course to 18 holes
- Completion of the Baker Sports Complex
- Development of the Leo Adler Memorial Parkway
- Construction of new multi-purpose buildings at the county’s fairgrounds

Another component of this part of the four-phase plan which in the past has not been identified specifically, but which is extremely important, was a coordinated marketing campaign (regional and national) for all the aforementioned visitor attractions.

Phase III—a complementary effort to encourage visitors to consider moving themselves and their businesses to Baker County—showed some success. A combination of capital investments and a can-do spirit developed in Phases I and II contributed greatly to those successes. The community developed what was then one of the best marketing documents in the Northwest—the Life in Balance community profile—as a first response piece in attracting visitors to become residents. Most importantly, Baker City and County built a reputation as being one of the most livable and progressive rural communities in Oregon and this status played very favorably in both small and large business development projects.

Phase III also included a proactive effort to build employment and financial strength of the community’s existing local businesses and industry. Through active outreach, local organization and government agencies did everything possible to ensure that existing companies were profitable and growing. As a result, nearly all manufacturers in Baker County expanded during the 1990s.

Phase IV began in earnest at the end of 1996 via a coordinated business recruitment campaign with neighboring Malheur County. In this effort, five key industries (four-digit SIC codes) were selected for targets through a lengthy and in-depth analysis of all sectors. They included: Prepackaged Software; Transportation Products, NEF; Plastic Products, NEC; Sporting Goods, NEC; and Printed Circuit Boards. The targets were chosen on the criteria of high employment growth, above county average annual wages, high capacity utilization (need for more space), and past precedence of locating in a rural community.

Additionally, the community continued to actively respond to a variety of leads coming from other sources such as the Oregon Economic Development Department, the National Association of Manufacturers, and internal leads generated from within the Baker City/County Economic Development Department. These produced several successful business recruitment projects.

This 2008 Economic Development Strategic Plan update complements the previous plans as follows:

- Builds upon the multi-phase, multi-decade approach
- As forecasted 20 years ago, focuses the business recruitment approach and equips the approach with a business recruitment specialist
- Broadens the business development targeting approach from being only industry-based to relationship-based and geographic-based
- Continues to recognize that economic development is broader than business recruitment and business development



Recommendation

Re-establish the Baker Progress Board to oversee the implementation of all of the recommendations in this Strategic Plan by existing organizations.

STRATEGIC PLANNING/IMPLEMENTATION BODY

The Baker Progress Board was formed in June of 1991 to serve as an informal corps of individuals that had the ability to examine many of the broad and emerging issues of the county, and to ensure that at least one existing organization was focused upon conducting strategic implementation activities.

Today, Baker County is not benefited by such a committee. While the Economic Development Council maintains a responsibility for many of the more direct business development opportunities, broader initiatives are not being strategically and holistically addressed.

INFRASTRUCTURE

Baker City Water System Capacity

The City of Baker City updated its Water Facilities Plan in 2000 with its engineering firm, Anderson Perry. In general, the City has sufficient water system capacity for not only the current needs of the City, but the projected needs based upon the projected “minimum growth rate”.

The Water Facilities Plan identifies four prospective population growth rates: *minimum* (0.3% increase annually), *low* (0.9% increase annually), *high* (1.6% increase annually), and *maximum* (2.0% increase annually).

The City is focused on the 0.3% growth rate, primarily as an extension of the growth rate over the past two decades.

In general, the City has sufficient water system capacity, with a few exceptions during summer months when the demand for water is at its peak and the supply is at its minimum. The City’s top strategy to address these periodic deficiencies is the development and implementation of a water conservation plan. This alternative is significantly less expensive than other measures to address system capacity.

With the exception of the establishment of a food processing company, or other larger-scale water (and waste water) user, the City forecasts having adequate capacity for the current and economic development needs of Baker City.

Options being considered to address future water capacity constraints include:

- Underground aquifer storage—the City is near completion of its 200 million gallon aquifer storage project. This addition of capacity is the equivalent of the current storage at Goodrich Reservoir.
- Reducing system leaks—the City is embarking on a maintenance project that will address any leaks in the existing water transmission pipeline which has joints every three feet.
- New above-ground reservoirs—should City growth require it, a new above-ground reservoir, probably on the eastside of Interstate 84, could be constructed.
- Additional under-ground aquifer storage—given the projected success of the current underground aquifer storage project, a second such project could be developed.

Waste Water System Capacity

The City of Baker City waste water system currently has sufficient capacity to meet the current and projected needs of the community. The one looming exception to this is regulatory requirements being required by the Oregon Department of Environmental Quality on behalf of the U.S. Environmental Protection Agency.

Unlike the water system, which faces its capacity constraints during the summer months, the waste water system faces its constraints during the winter months.

Because of frozen conditions in the winter months, the City's waste water system is nearing capacity to discharge its lagoon storage. Discharge of waste can only take place when weather conditions allow. Short-term measures to reduce inflow and infiltration are a partial solution.

Longer-term solutions for waste water capacity constraints include:

- Application of treated waste water in a wetland area (probably north of the Baker Airport)
- Treated water for irrigated crops
- Expansion of the existing lagoon system

In terms of the existing capacity of the piping system, no significant investments or improvements are necessary for current or projected demand.

System Development Charges

The City of Baker City is considering instituting System Development Charges (SDCs) as a means whereby a larger percentage of the infrastructure development costs would be borne by the developer (as compared to the citizenry/general fund). As of the completion of this report, the City was developing the language to update its ordinances to institute SDCs. The specific charges, and when they would be instituted, are still to be determined.

Power

The Oregon Trail Electric Cooperative (OTEC) and Idaho Power serve the power needs of Baker County. All of Baker City is served by OTEC.

From a capacity standpoint, the key issue is the ability of the local electrical system to serve additional load. OTEC indicates they could not only handle, but they would welcome, an additional load of up to 20 MW. A 20 MW industrial plant would be a significant industrial operation, and this 20 MW threshold is likely sufficient to meet any new (or existing expanding) industrial business activity.

Land

Although other industrially-zoned land is potentially available for development, there are three primary large-scale industrial land tracts currently being promoted by Baker City/Baker County: 1) Elkhorn View Industrial Park (certified site); 2) Ellingson South Baker Site; and 3) Ellingson Primary Lumber Site.

It is difficult to project the need for additional industrially-zoned land because the consumption of industrial land over the past 30 years has been infrequent and sporadic.

Nevertheless, a long-term assessment of the industrial land needs should encompass an analysis for infrastructure improvements to the Baker City Municipal Airport.

APPENDIX

The appendix to the strategic plan contains seven items as summarized below.

Appendix A - Trinity of the Economic Developer

This strategic plan recognizes that the skills and abilities of the team of community and economic development professionals is critical to the success of the community. Appendix A describes a new concept, the *Trinity of the Economic Developer*. This “trinity” is in place in Baker County.

Appendix B - Interviews with Economic Development Experts

Orbis Group conducted four interviews with individuals with relevant expertise in business development. Three of these individuals are business development officers with the Oregon Economic and Community Development Department: Rick Minster, Jill Miles, and Bruce Laird. A recap of those discussions is presented in Appendix B.

Appendix C - Community Opinion Survey Results

Simultaneous to the development of the strategic plan was the completion of the third version of the once-per-decade *Opinions on Growth and Economic Development Survey*. Several of the findings of the survey are incorporated into the narrative of this strategic plan. A complete set of findings relative to the strategic plan is presented in Appendix C.

Appendix D - Fuller Description of Strategies

Information is extracted from a soon-to-be published workbook by Brian Cole in his *Community Building Series* publications. Extracts from that document specific to the targeted strategies are provided in Appendix D.

Appendix E - Economic Profile

A current economic profile of the condition of Baker City and Baker County is provided in Appendix E. In general, Baker County’s economy has been relatively flat for the past decade. Emerging state and national economic recessionary trends portend a near-term challenge to Baker County’s economy, although such a threat appears significantly less than prior sessions in the mid 1980s and early 1990s and earlier this decade.

Appendix F - Baker Morrow Regional Partnership

Relevant information to this strategic plan has been developed by the Baker Morrow Regional Partnership in their identification of *top barriers to economic development* and *key infrastructure projects* in Baker County. A brief summary of this report is provided in Appendix F.

Appendix G - Tradeshow Calendar

One of the business recruitment strategies suggested in this plan is business recruitment by developing relationships through attending industrial development tradeshows. The Oregon Economic Development Association maintains a “Tradeshow Calendar” which is presented in Appendix G.

APPENDIX A

Trinity of the Economic Developer

Trinity of the Economic Developer

Inspired by the *Trinity of Management*® developed by the Sirolli Institute which identifies three core passions of business persons (product/service, marketing, and financial management), Orbis Group presents the *Trinity of the Economic Developer*, which hypothesizes that individuals in the community/economic development profession typically have one core area of interest—either community development/project advancement, business assistance, or business recruitment.

Based upon the economic developer’s core area of interest, each will focus his/her energies into one of these three areas, somewhat at the expense of the other two.

The table at right presents the core interest area of Baker County’s community and economic development professionals over the past 20 years (subjectively defined by Orbis Group).

Trinity of the Economic Developer	
Name	Passion/Interest
Brian Cole	Community Development
Roger Lee	Business Recruitment
Bob Shepard	Business Recruitment
Jennifer Watkins	Community Development
Ruth Townsend	Business Assistance
Troy Phillips	Business Assistance
Gene Stackle	Business Assistance
Jake Jacobs	Business Recruitment

APPENDIX B

Interviews with Economic Development Experts

Orbis Group conducted interviews with four economic development experts to gain insights and recommendations for business development activity, and the responses from the interviews formed the basis for many of the business recruitment recommendations contained in this strategic plan.

Each of the experts was asked individually the following question: “if you could design Baker County’s economic development program what would you do?”

The responses are summarized in tables on the following four pages.

Rick Minster, Business Development Officer
Oregon Economic and Community Development Department

Rick Minster is the Business Development Officer for the Oregon Economic and Community Development Department that serves Baker County and three other counties in eastern Oregon. Minster brings a specific, current perspective to his conclusions and recommendations related to business development activities for the county.

Business Development Recommendations	
General Observation/ Recommendation	Specifics/Details
Focus on Increasing Wage Levels	Minster believes that the primary focus should be to recruit and expand jobs at or above Baker County's current median wage. These are the types of jobs that bring the greatest benefit to the community and lowest impact on support services.
Recognize that Baker County is Already Well Positioned	Baker County has many comparative advantages to other eastern Oregon counties. Infrastructure such as certified industrial property, access to rail, sufficient water and sewer capacity, natural gas, and proximity to Interstate 84 position Baker County ahead of many of Oregon's rural counties.
Work Force Issues	Many existing employers express concern about the availability of the local labor force. One solution, if affordable, is for businesses to offer greater wages and benefits in order to attract a better work force.
Outstanding Livability	Without exception, Baker County has extraordinary livability to promote.
Capitalize on Cutter's Edge	Baker County has successfully recruited Cutter's Edge. The owner of the company is articulate and well connected. An opportunity exists, once Cutter's Edge has resolved any transitional issues, to reach out to other (San Diego) California-based companies to encourage similar moves.
10-15 Jobs at a Time	"Building Baker County 10-15 jobs at a time" is a recommended theme or motto for business development efforts.
Nicest Looking Industrial Park in the State	Baker County should reflect upon the extraordinary physical setting of the Elkhorn View Industrial Park. Few, if any, Oregon industrial parks offer such a positive first impression. This is a competitive advantage.
Involvement of Business Development Officer	The OECD Business Development Officer should be considered an integral part of the Baker County Business Development Team, and should be brought in early on discussions related to any business development prospects.
Predetermination of Incentives Offerings	Oregon's economic development incentives arsenal includes programs that give communities the discretion to determine if—and how much—incentives should be offered as an enticement for business investments. Communities that are uncertain about what to offer—or worse yet, argue in front of the prospect as to what to offer—are far less prepared for successful business recruitment.
Oregon Prospector Site Already Strong	Minster indicates that he frequently refers other communities to the information posted in Baker County on Oregon Prospector with respect to industrial sites.
Relationship-based Business Recruitment	Minster strongly agrees that a relationship-based approach to business recruitment should be emphasized. Furthermore, attendance at these types of tradeshows (CoreNet, for example) should be emphasized.

Jill Miles, National Business Development Officer Oregon Economic and Community Development Department

Jill Miles is a National Business Development Officer for the Oregon Economic and Community Development Department. Previously, Jill's territory was inclusive of Baker County, giving her first-hand knowledge of the resources, constraints, and opportunities for economic development.

Business Recruitment Recommendations	
Topic	Analysis
Existing Marketing Plan	Examining existing marketing plan to determine relevant components for implementation.
Role of Business Developer	Ensure that there is one respected "go to person" that both the community and outside potential investors recognize as the primary information source.
Relationship Based Business Recruitment	<p>Develop long-term relationships with business development real estate professionals and site selectors. Know who is "in the game", and establish a first-name relationship.</p> <p>Consider developing a reciprocal business development relationship with key out-of-state market areas such as Boise and the Tri-Cities to benefit from leads that they cannot capture.</p> <p>Seriously consider participating in Industrial Asset Management Council (IAMC) and CoreNet events. These are organizations and events that foster relationships with business recruitment specialists.</p> <p>Specifically, consider participating in the May 4, 2008 CoreNet in San Diego, California. This event can be attended relatively inexpensively (only airfare and hotel expenses). This is a tremendous event to establish networking relationships within and outside of Oregon.</p>
Responsive Website	Businesses and site selection firms should only be "three clicks away" from key information such as land, buildings, and labor force information. Consider establishing a "stand alone" business development Website.
Geographical Barrier	Unfortunately, many out-of-state businesses believe that there is a "Cascade Curtain", in other words, they only seriously consider business development sites west of the Cascade Mountain Range.
Considering Targeting Industries	<p>Resources are limited, so not all industries can be pursued.</p> <p>One option is participating in the Retail Industry Leaders Association's (RILA) event. This is the outdoor retailers' advocacy organization. Hood River County has been successful in targeting this market, for example. Carolyn Sanco is a key contact.</p>
Consider Targeting Geographic Regions	Many individuals and businesses in central Oregon, for example, are overwhelmed by growth issues, and may consider secondary or alternate business locations. A similar opportunity may exist in the state of Colorado. Recommendation from Orbis Group: consider a business recruitment campaign targeting central Oregon with the theme: Baker City— <i>Right Around the Next Bend</i> .
Ensure Industrial Lands Adequacy	Ideally, Baker City would have as much as 200 available industrial-zoned acres for business development purposes.
Conduct a Work Force Commuter Analysis	<p>Minimal investigation can cause a company to conclude that the existing Baker County labor force is barely sufficient (or even insufficient) for existing businesses. Such a company may conclude, therefore, that there is not a sufficient available work force for their labor force needs.</p> <p>One potentially beneficial activity is to conduct a work force commuter analysis that shows: 1) the available in bound labor force from out-of-county, and 2) potentially low turnover rates in existing businesses. This type of analysis was completed for the Procter & Gamble project.</p>
Avoid Advertising	Advertisements, particularly targeting business development magazines, do not work. Avoid this wasteful investment.
Consider Electronic Messages	The State now has some experience with the generation and distribution of email messages tailored to the business development marketplace. A copy of these email messages has been forwarded to Jennifer Watkins for further distribution if desired.
Examine the Menu of Industrial and Site Selector Trade Shows	The OEDA tradeshow calendar is attached as Appendix G. It would be advisable to review the tradeshow calendar with Rick Minster and Jill Miles in order to formulate a strategy with respect to the attendance of tradeshow.

Bruce Laird, National Business Development Officer Oregon Economic and Community Development Department

Bruce Laird is a National Business Development Officer with the Oregon Economic and Community Development Department based in Medford, Oregon. Bruce is responsible for the management of many of Oregon’s largest business development prospects.

Bruce has general familiarity with all of Oregon, and provides his insights on Baker County without first-hand experience in business development activity in eastern Oregon. .

Business Development Recommendations	
Topic	Specifics/Details
General Analysis	<p>First, what is Baker County’s desire with respect to business development and growth? The assumption is that it is supported.</p> <p>Laird complimented Baker County’s professionalism and response with a recent “distribution account” (Dot Foods). Laird then asserted that he assumed that the top reasons for pursuing business development in Baker County would be to: 1) retain or facilitate the return of recent high school graduates, and 2) to increase the disposable income and mobility of the existing labor force.</p> <p>Laird correctly assumed that the workforce size was approximately 6,000 individuals, and deduced that the largest new or existing business would be approximately 250 employees (a correct estimate given the size of Marvin Wood Products).</p> <p>Laird also accurately identified the infrastructure and amenity base of Baker County (rail, freeway, fiber optics, limited air, and extraordinary beauty).</p>
Major Trends/Globalization	<p>Major economic trends and globalization are major factors that continue to negatively affect the competitiveness of rural communities to compete in the business development/business recruitment marketplace.</p>
Value-Added Strategies	<p>After refining his understanding of the status of commodity production (cattle, no mills, cement plant, etc.) Laird doubted that there were many, if any, viable value-added strategies.</p>
Metals Industry	<p>An opportunity probably exists for an additional niche metals business. Laird noted that the high cost of shipping raw materials in and shipping finished materials out was a constraint, however.</p>
Site Selectors and Industry Trade Shows	<p>Laird immediately dismissed a strategy of attending business development and site selector trade shows as a “waste of time”. Laird did not believe that the community had sufficient population and labor force base to capitalize on such a strategy.</p>
Call Centers	<p>Although the community is not large enough for a large-scale telephone call centers (either outbound products/service selling, or inbound technical service centers), specialty calling centers could be a viable strategy for Baker County.</p> <p>While large scale centers may not be viable, specialty call centers could be a viable strategy for Baker County.</p>
Lone Eagle/Livability Strategies	<p>After considering Baker County’s constraints, Laird strongly recommended a “lone eagle recruitment strategy” based upon the community’s outstanding beauty and livability.</p> <p>Laird described the good fortune in Lakeview, Oregon where they sited a lone eagle law firm that specialized in “Olympic law”. The firm chose Lakeview due to the quality of life and beauty of its location, and utilized the airport in Klamath Falls, approximately every three months to travel to their Olympic-based clients worldwide. The company employees between 10-15 individuals of high-income and net worth, providing an economic spark to the community.</p> <p>The recruitment of lone eagles with fulfillment primarily being conducted by the Internet is a viable strategy. This strategy might also recruit “back office” facilities.</p> <p>The relative excellence of Anthony Lakes Ski Area should also be a major factor in the lone eagle campaign.</p>

Anatalio Ubalde, President
Oregon Economic and Community Development Department

Orbis Group contacted Anatalio Ubalde for a national perspective on best practices related to rural business development and business recruitment. Ubalde’s firm, GIS Planning, has developed and managed Oregon Prospector, a state-of-the-art industrial lands and business development Website.

Ubalde is a regular speaker and trainer of best economic development practices in Oregon and other states, and offers the following perspectives for Baker County.

Business Development Recommendations	
Topic	Analysis
The Rural Challenge	<p>Baker County’s status as a rural county places the community in the very challenging position of competing for business development opportunities with growing urban and suburban communities. Despite the increasing presence and effectiveness of the Internet, location is an increasingly important factor for business development site selectors.</p> <p>Additionally, rural communities typically are labor force-challenged. Increasingly, businesses have a high demand for talent, and the talent continues to migrate to urban locations.</p>
Importance of High-Speed Internet	<p>Communities that offer high-speed Internet allow “free agents”, businesses and individuals that are not location-dependent, significant opportunities for growth.</p> <p>By combining Internet capacity with proximity to an urban area, in this case Boise, business development opportunities can emerge. Ubalde indicated that the two-hour drive to Boise is a reasonable distance for business executives, and therefore Baker City should not consider itself isolated from urban areas. Baker City may wish to develop a strategy marketing the advantages of doing business in Oregon with proximity to Idaho.</p>
Importance of a Website	<p>Ubalde emphasized the importance of an up-to-date, easily navigated Website. Ubalde emphasized that communities have “equal visibility” on the Internet.</p> <p>Ubalde noted that FMM Corporation relocated from California to La Grande, Oregon based solely upon an Internet search on Oregon Prospector.</p>
New Internet-Based Opportunities	<p>With a USDA Rural Business Opportunity Grant secured by the Oregon Economic Development Association (OEDA), OEDA will soon launch an upgrade of Oregon Prospector (through its consultant GIS Planning) which will enhance the already-powerful Website to not only provide demographic and site/building information about Baker City/Baker County, but also package business development-specific proposals and responses online.</p> <p>Ubalde emphasized that Baker City should capitalize on this continually-emerging technology which will offer continually up-to-date demographic information with ease of packaging into industry/specific business development responses.</p> <p>This technology will be state-of-the-art nationwide—no other state will be able to match the speed and professionalism of business development responses. A unique logon and password will be provided to qualified business development specialists. The specialists will be able to view business development leads on-line, and respond on-line. This technology is in its “latter stages of development”, and will be activated soon.</p>
Trade Shows and Site Selectors	<p>With respect to Baker County engaging in trade show attendance and building relationships with site selectors, Ubalde cautioned that a strategic, low-cost approach should be employed, especially if an industrial target analysis has not been completed for the community. Mailing business recruitment materials to prospective businesses is a “complete waste of time and money”, but targeted cold call prospecting has some potential.</p>

APPENDIX C

Opinion Survey on Growth and Development

City of Baker City
Opinion Survey
on Growth & Development
April 2008



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City of Baker City

Opinion Survey on Growth and Development

April 2008

EXECUTIVE SUMMARY

The people of the City of Baker City (and much of the Baker Valley) are very satisfied with the current condition of their community, the services provided by their municipality, and their expectations for the future.

Over 97% of the population considers their community desirable, and a majority of individuals believe that life will get even better in Baker City.

The community strongly supports proactive efforts to improve the economy, support existing businesses and recruit new businesses, develop the tourism industry, develop the historic district, and create jobs in a variety of industries at a variety of wage levels.

Residents are mixed on their views on land use policy and its ability and desirability to shape the future of the community.

In general, the citizenry sees itself as active, supportive, and committed to its future, and shows some signs of willingness to invest in its future.

BACKGROUND

The City of Baker City has taken a systematic approach to understanding the business and community development desires and interests of its populous over the past 20 years.

In both 1988 and 1998, the City of Baker City, through its Baker Industrial Development Commission, coordinated with Eastern Oregon University to conduct a public opinion survey asking questions related to the economy and economic growth.

In the fall of 2007, the City of Baker City contracted with Orbis Group, a community and business development consulting firm based in Baker City, to conduct the third iteration of the survey.

METHODOLOGY

Orbis Group reviewed the findings of the two previous surveys, and then contacted development-related organizations serving Baker City and Baker County to develop a broader survey that would not only replicate most of the previous questions, but also address more contemporary issues and concerns. The organizations that were contacted included:

- Baker County Chamber of Commerce/Visitor and Convention Bureau
- City of Baker City Community Development Office
- Historic Baker City
- Baker County Economic Development Council
- Baker County Development Coalition

The result was the development of a 52-item survey. A copy of the survey is presented in the attached document entitled *City of Baker City Opinion Survey*.

Sessions were set up at two centralized calling locations—Elkhorn Title and Baker City Hall.

Because of the length of the survey, the average duration of the telephone interview was 20 minutes. Although it was acknowledged early-on that the length of the survey was a challenge

to administrate, the volume and specificity of information deemed the effort worthwhile by the City.

In total, 580 telephone calls were made to generate 189 partially- or entirely-completed surveys.

Because of the challenge of recruiting sufficient volunteers to complete the survey, it was determined at the mid-point of surveying to only ask the first 35 of the 52 questions. This would allow a more complete surveying of questions consistent with prior surveys, while still providing sufficient information on “contemporary issues” for the City.

Due to the challenge of attracting sufficient volunteers to conduct the survey at one time, the survey was completed in two batches. 80 calls were successfully completed during October 2007. An additional 109 calls were completed during the month of January 2008.

The successful completion of 189 calls in a population area of approximately 5,000 households creates a 95% confidence interval level that the total population would be plus-or-minus 7% points of the results in the survey.

Respondents to the telephone survey were randomly generated by selecting individuals in the [523] and [524] Prefix from the local telephone directory. An effort to first identify survey respondents through the list of registered voters proved unsuccessful, as the list generally did not contain telephone numbers.

The 2007/2008 survey provided a slightly larger geographic base of survey respondents. Whereas the first two surveys were exclusively Baker City residents, the 2008 methodology also generated responses from the Baker Valley.

Volunteer-Based Data Collection

In order to complete the survey, extensive use of volunteers was required.

Orbis Group reached out to the Ford Institute Leadership Program (FILP) class, the Baker High School Leadership class, the Baker City Rotary Club, and the Baker City Fire Department.

Although the Rotary Club and the Fire Department declined to provide volunteer services, the FILP class and the High School class were instrumental in completing the survey.

Individuals that volunteered of their time include the following:

Krista Birkmaier, Hallie Borgan, Monica Boyer, Bryan Braun, Kelsey Cole, Krysti Cole, Caleb Colton, Kim Countryman, Jackson Clarke, Melissa Clarke, Dallas Defrees, Dennis Dorrah, Keri Driggers, Justin Durflinger, Dianne Ellingson, Logan Ermovick, Carrie Folkman, Jeremy Haustetter, Trevor Howard, Ellen Jampolsky, Rachael Livingston, Lori McNeil, Brandon Miller, Dan Moore, Dakota Olsen, Megan Paoletti, Boo Phillips, Terry Schumacher, Gene Stackle, Toni Thompson, Peggi Timm, Don Ulrey, and Libby Wilson.

A special “thank you” goes to Dan Moore (Elkhorn Title) and Jennifer Watkins (City Hall) for the time and space they made available for the survey teams to make their calls while using the computer equipment.

SURVEY FINDINGS

In general, the survey questions related to the opinions of the local populous with respect to the growth and development of the community. Additional questions related to contemporary City-related issues were also asked.

General Findings

Desirability of Baker City

The people of Baker City consider their community to be “very desirable”. As the chart shows, fully 63.0% of the respondents consider Baker City to be “very desirable”, 34.4% consider Baker City to be “somewhat desirable”, and only 2.6% consider Baker City to be “somewhat or very undesirable”.

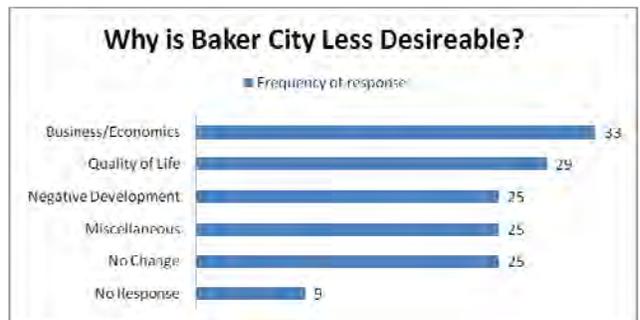
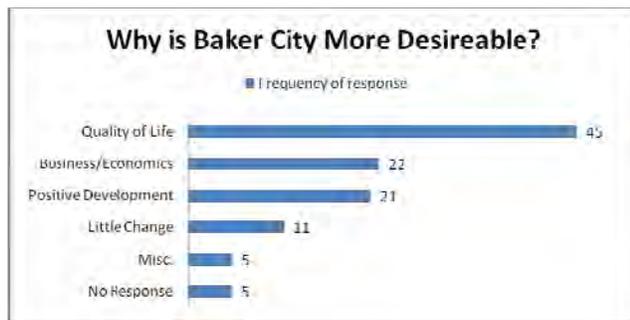
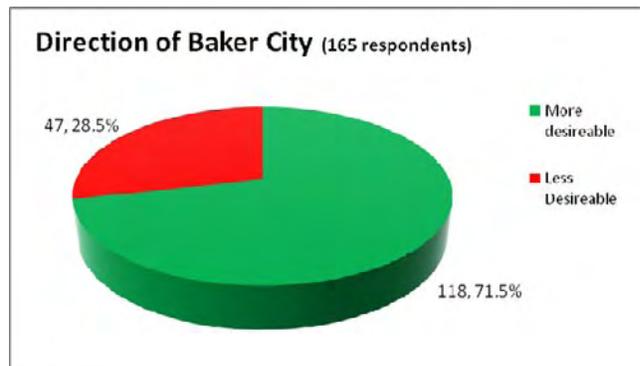
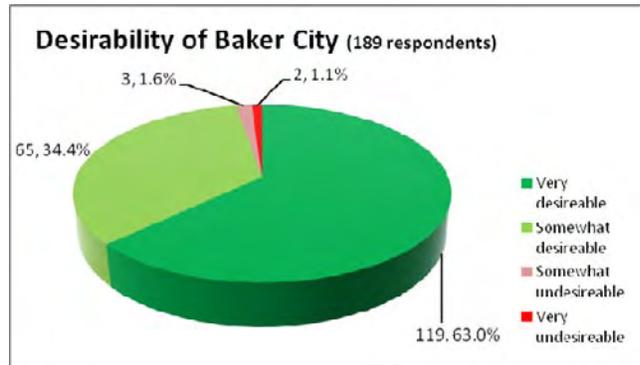
Survey respondents were then asked if they thought that the general direction of Baker City over the past five years was “more desirable” or “less desirable”. Over 70% of the respondents thought that the direction of Baker City was “more desirable”.

Quality of life factors dominated the responses of the individuals that think that Baker City is becoming more desirable.

Business and economic factors are the prevailing reasons why individuals respond with a belief that Baker City has become less desirable over the past five years.

In general, the positive outlook by the citizenry forms the basis for continued civic improvements and investment in economic development.

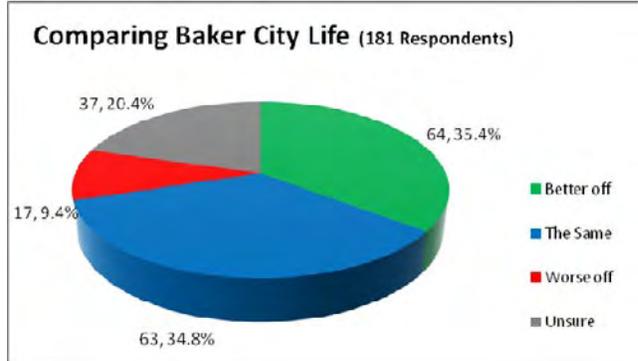
The reasons why people indicated that Baker City has become either “more” or “less desirable” are presented in the following two charts.



Comparing Baker City Life

When it comes to comparing “life in Baker City” to ten years ago, nearly four times the respondents indicated they were “better off” than “worse off”.

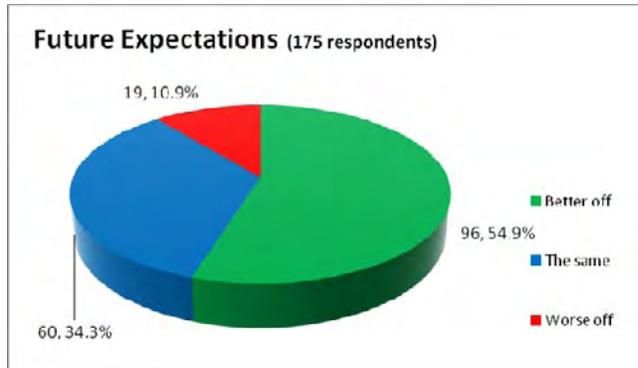
35.4% of the respondents indicated that life in Baker City is better than it was 10 years ago, as compared to 9.4% of the respondents that believe that life has gotten worse. Over one-third of the responses indicated that their life was basically unchanged from ten years ago, while approximately one-in-five respondents were “unsure”.



Future Expectations

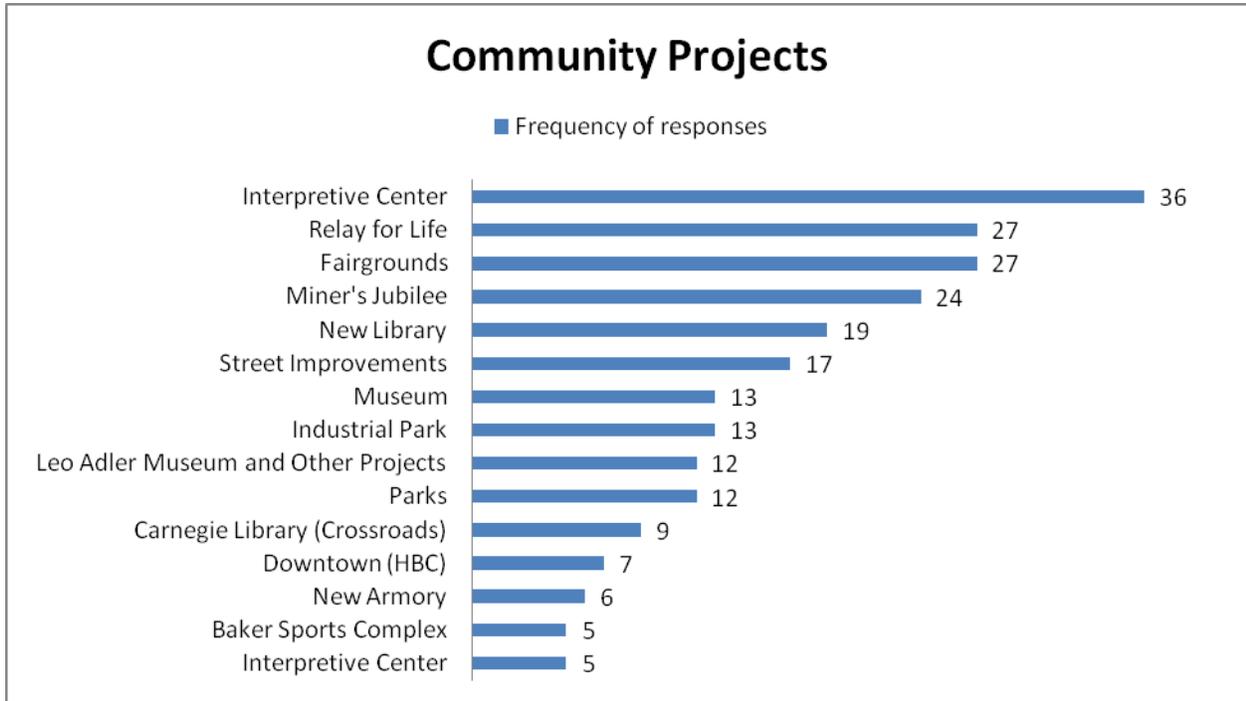
Even greater optimism exists amongst Baker City residents with respect to their future. People that believe that their life ten years from now will be “better off” exceeds that of those that believe that life will be “worse off” by a factor of 5: 1.

The chart to the right summarizes the responses of people in terms of projecting their lives ten years from now.



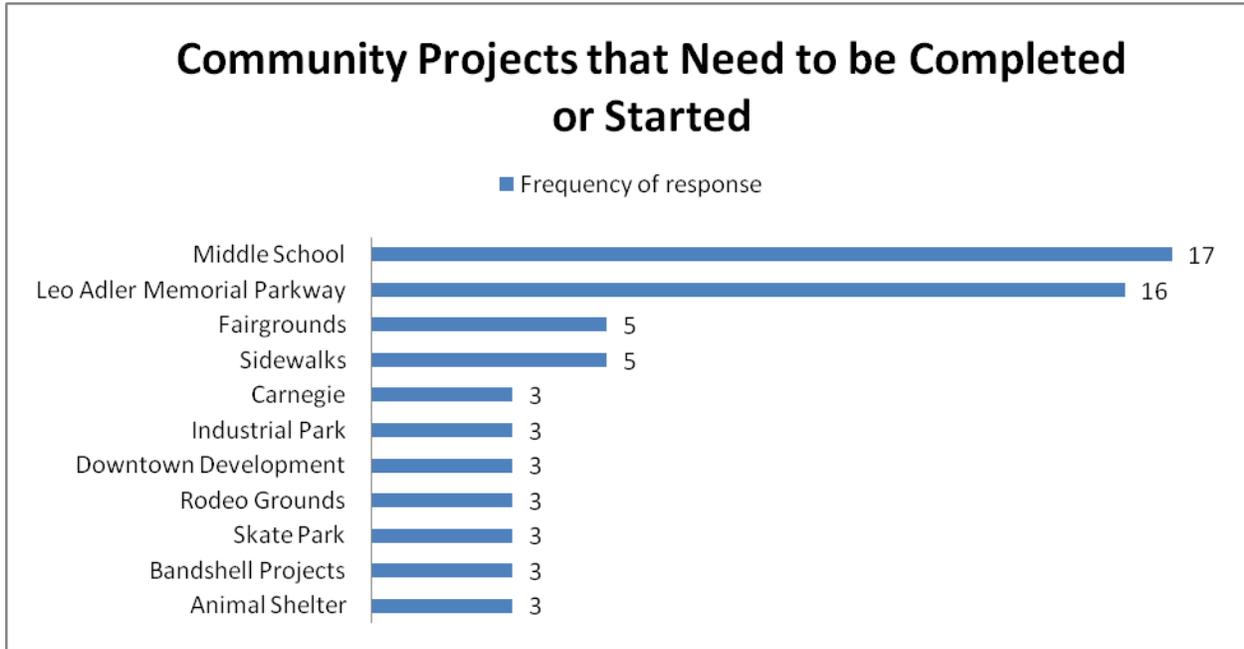
Community Projects

Survey respondents were asked two questions related to significant community projects. The first question related to community development projects completed in the past five years. The chart below presents a summary of the top projects/responses.



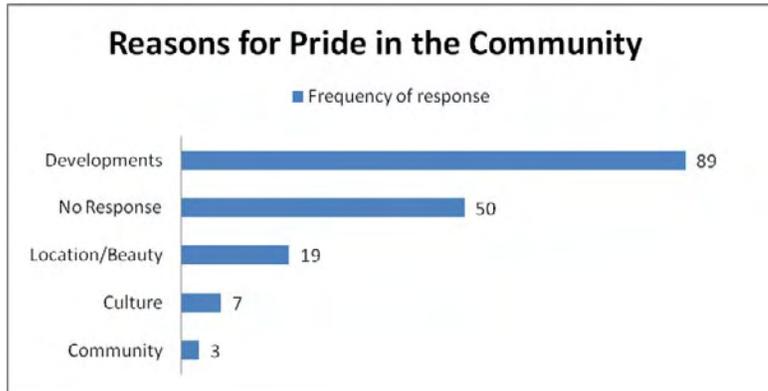
Future Projects

A related question to projects that are either underway or should be in the design-phase was also asked. The chart below provides those responses.



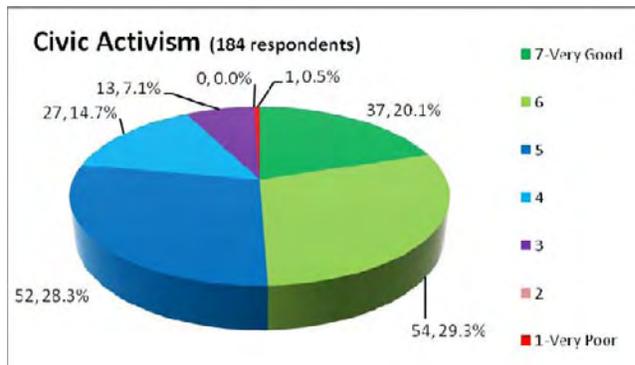
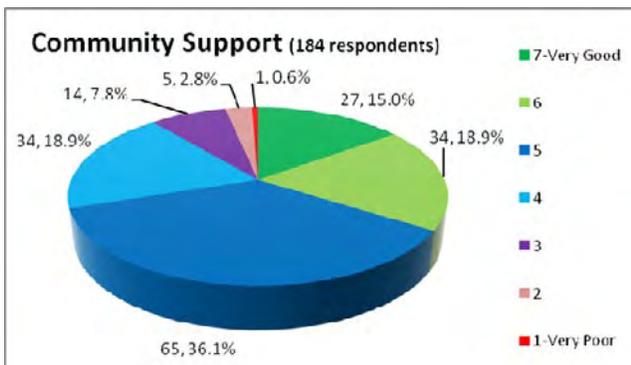
Community Pride

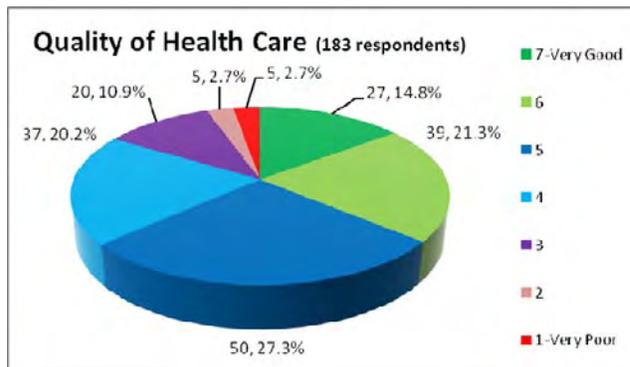
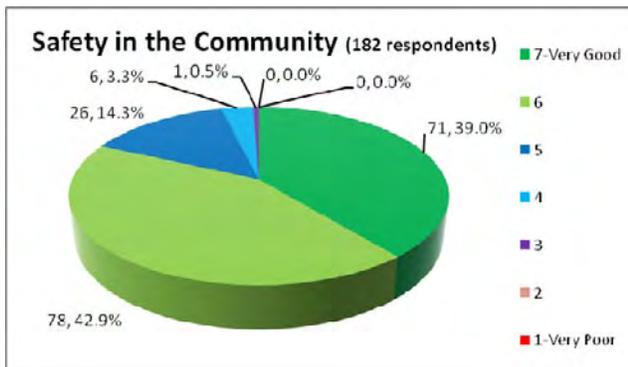
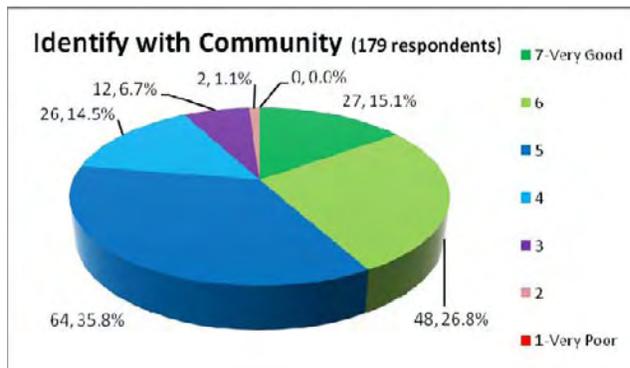
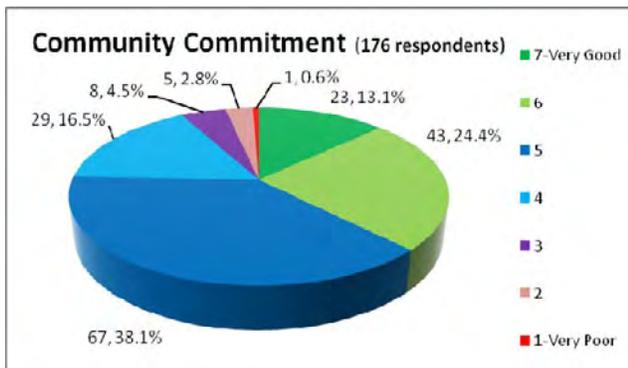
An open-ended question related to community pride was phrased: “what one thing are you most proud of in the community”. The table below presents a summary of responses.



Civic Activism and Community Support

A series of somewhat similar questions were then asked related to the *sense of place* and *commitment to community*. In general, respondents were asked to respond with a number between ‘1’ and ‘7’, generally with ‘7’ relating to higher civic commitment and ‘1’ referring to lower civic commitment. The table below presents the *weighted average* of the responses for each of the six questions.





Specific Findings

Direction of Baker City

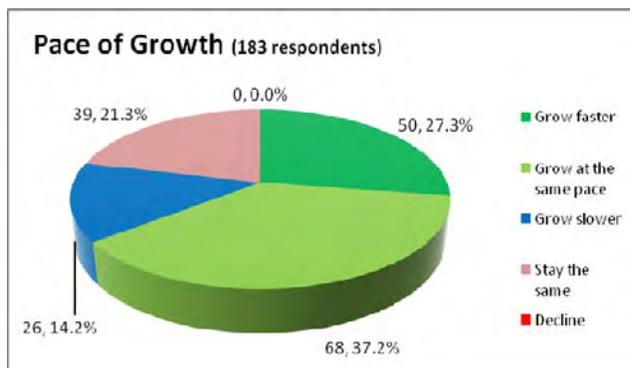
Next, a series of questions were asked to determine the preference of Baker City residents in terms of the community and economic development focus.

Pace of Growth

Consistent with questions asked during the two previous decades, a question inquired as to the *pace* of growth desired by the citizenry.

In general, the community still supports population, job, and economic growth, albeit at a slightly slower pace than 1998, and a significantly slower pace than the desire in 1988 (when the community was recovering from a significant economic recession).

27.3% of the population would like to see Baker City “grow faster” than the recent pace, 37.2% would like to see Baker City “grow at the same pace” as recent years, 14.2% would like to see Baker City’s population “grow slower”, while 21.3% would like to see the population “stay the same”. None of the survey respondents indicated they would like to see the population of Baker City decline.



It is interesting to compare the results of this survey to the two previous surveys in 1988 and 1998. The percentage of respondents that indicated that they wanted to “grow faster” was 27.3% in 2008 as compared to 39.6% in 1988 and 23.7% in 1998.

Respondents indicating that they want Baker City to “grow at the same pace” were 37.2% of the total in 2008 as compared to 56.1% in 1988 and 46.1% in 1998.

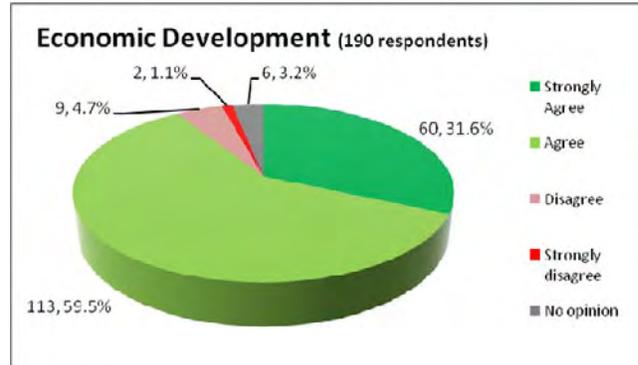
14.2% of the respondents in 2008 indicated that they wanted Baker City to “grow slower”. This compares to 13.3% in 1998 (not phrased this way in 1988).

Finally, 21.3% of the respondents in 2008 indicated that they desired to see the Baker City population “stay the same”. This compares to 4.3% in 1988 and 16.2% in 1998.

Economic Development

Broad support continues to exist for continued economic development activities. 91.1% of the respondents indicated that they “strongly agree or agree” in “promoting and supporting economic development.”

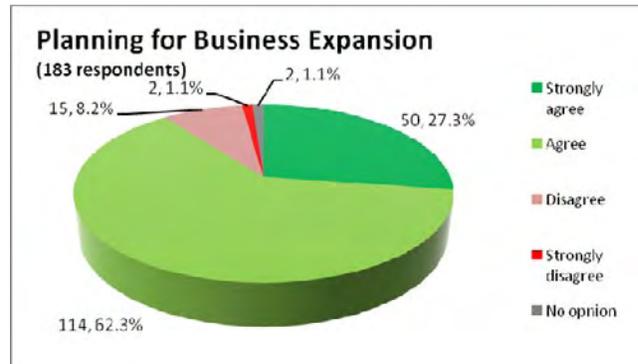
Notably, the percentage of respondents supporting economic development activities actually exceeds the percentage of respondents that desire to see some level of economic growth (78.7% desire growth).



Planning for Business Expansion

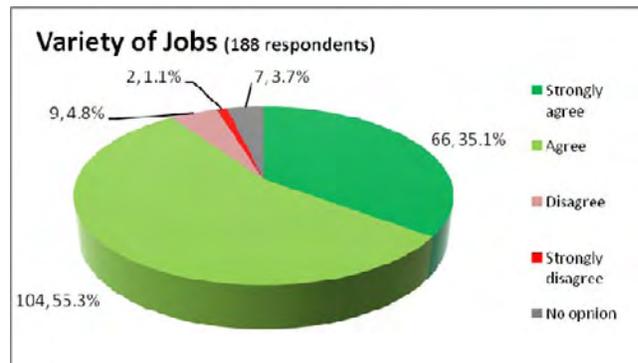
89.6% of the respondents either “strongly agree or agree” with the following statement: “in order for the City of Baker City to be a healthy and sustainable community 20 years from now, the City must plan today to attract new residents and businesses.”

Of the nearly 90% “strongly agree or agree” responses, 27.3% of the respondents “strongly agree” and 62.3% of the respondents “agree” on the notion of proactive planning for new residents and businesses.



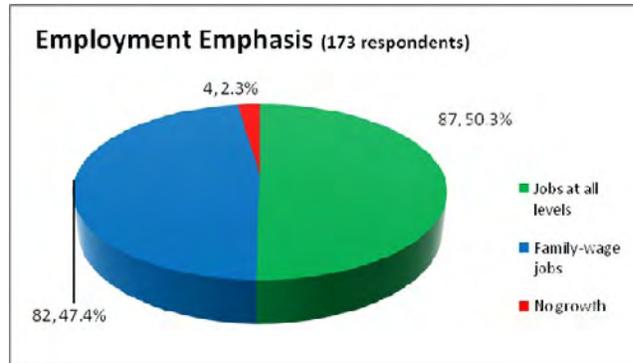
Variety of Jobs

Strong support continues for the creation of a variety of job opportunities. 90.4% of the respondents either “strongly agree or agree” with the following statement: “local government must increase the variety of job opportunities by promoting the growth of business and industry”.



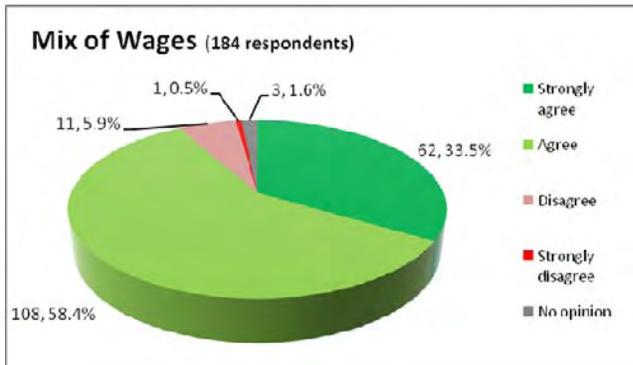
Employment Emphasis

Survey respondents were asked if they had a preference that jobs be “created at all wage levels” or at “family wage” levels. Respondents were split in their responses.



Mix of Wages

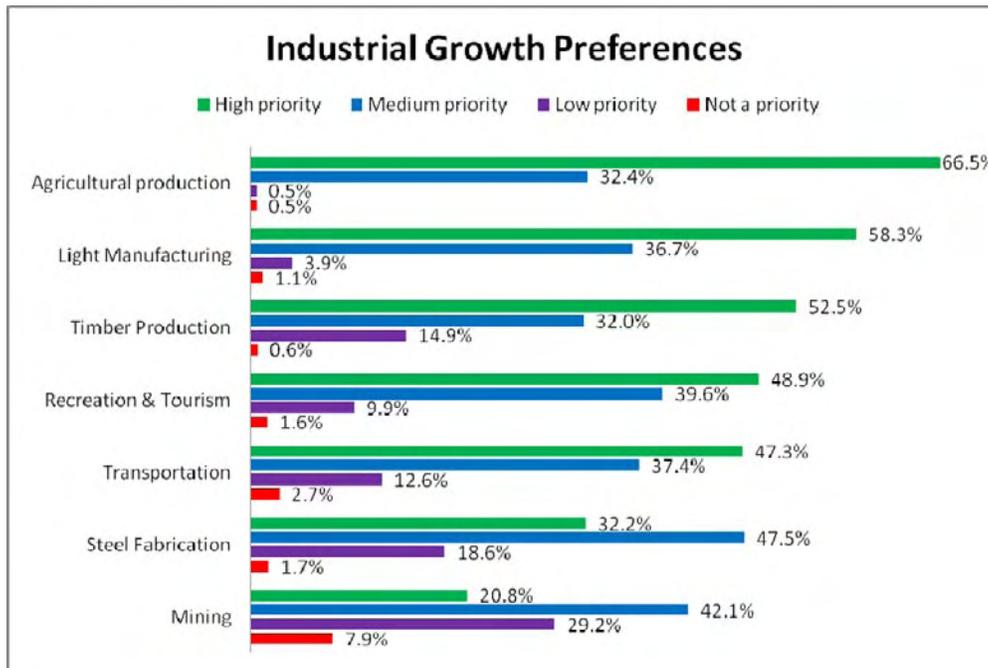
Consistent with the support of a variety of jobs is a focus on quality wages. 92.4% of the respondents either “strongly agree or agree” with the following statement: “a variety of entry-level and family-wage jobs must be created”.



Industrial Growth Preferences

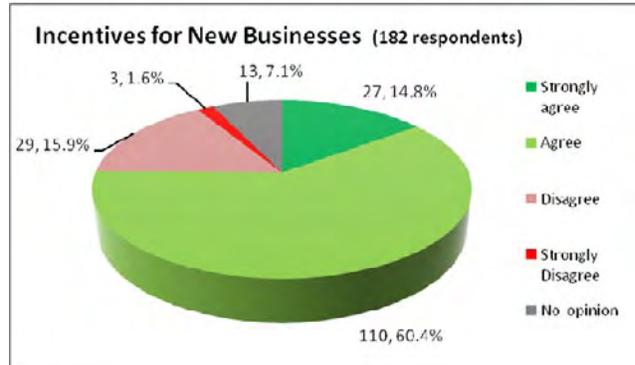
Survey respondents were asked a question related to the types of industry that they would prefer to see serve as the base for the economic growth of the community. The chart on the following page presents the findings with respect to the seven options presented.

- Recreation and tourism
- Agricultural production and processing
- Timber production and processing
- Light manufacturing and secondary wood products
- Mining and mineral refining
- Light and heavy steel fabrication
- Transportation and distribution center



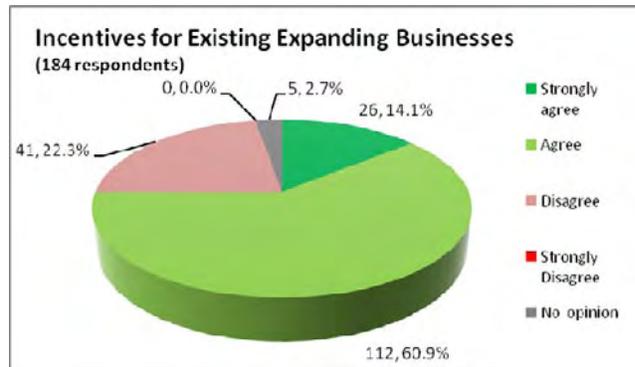
Incentives for New Businesses

Although less overwhelming than the positive responses to other similar questions, survey respondents still expressed general support for the provision of incentives for expanding local businesses. Specifically, 75.2% of the people either “strongly agree or agree” with the statement: “local government should give tax breaks to get new businesses to locate in Baker City”. 17.5% either “disagreed or strongly disagreed”, while 7.1% had “no opinion”.



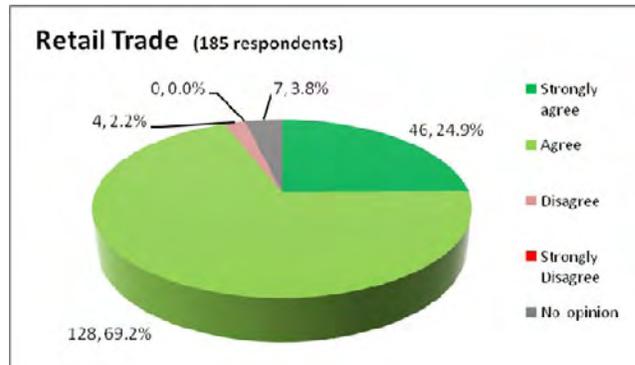
Incentives for Existing Expanding Businesses

Virtually an identical response to a question about incentives for *new* businesses was generated when inquiring about potential incentives for *existing expanding* businesses. Specifically, 75.0% of the respondents either “strongly agree or agree” with the following statement: “local government should give tax breaks to encourage current businesses to expand”.



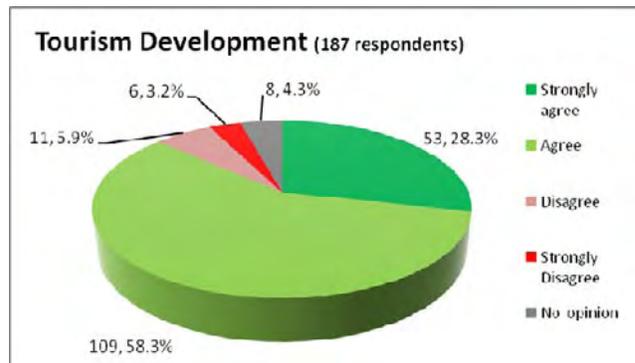
Retail Trade

Significant support remains for supporting the development of retail trade in Baker City. 94.1% of the respondents either “strongly agree or agree” with the statement: “local government, the Chamber of Commerce, and the downtown association must encourage the development of Baker City’s retail trade”. Only 2.2% disagreed with the statement, while 3.8% had no opinion.



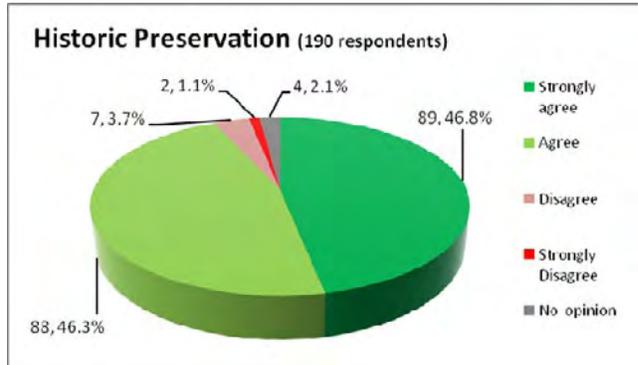
Tourism Development

Continued widespread support for tourism development exists amongst survey respondents. 86.6% of the respondents either “strongly agree or agree” with the statement: “tourism has been an economic development activity during the past 20 years, and this emphasis to attract more visitors to Baker County should be continued”. The table below presents these findings.



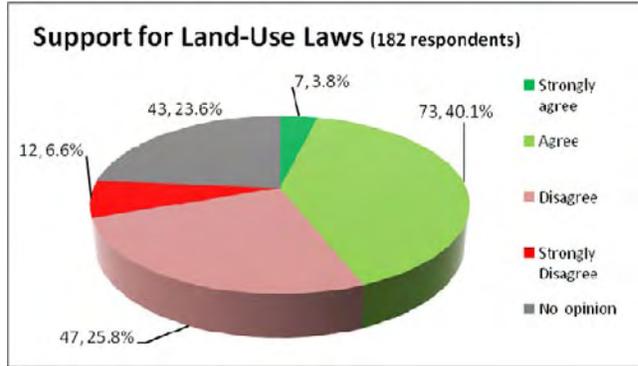
Historic Preservation

Over 93.1% of the respondents indicated that they “strongly agree or agree” with the statement: “it is important that Baker City’s historic assets are preserved and maintained”. The chart below presents this finding.



Support for Land Use Laws

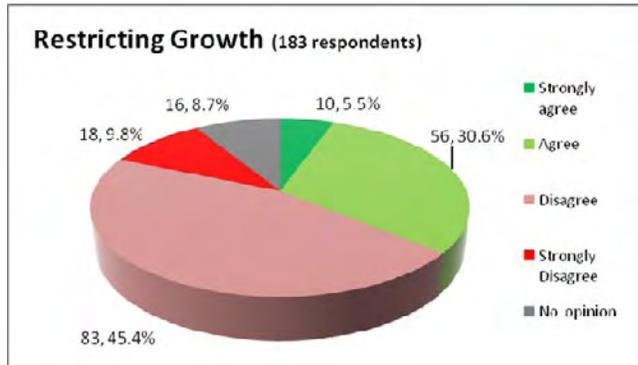
A question related to the ability of Oregon’s land use laws to balance environmental and economic development objectives generated a split of responses. 43.9% either “strongly agree or agree” with the statement: “Oregon land use laws and regulations adequately protect the natural resources and allow for industrial development”. 32.4% either “disagree or strongly disagree” with that statement, while fully 23.6% had “no opinion”.



It is notable that this survey was conducted at a time when Baker City and Oregon voters were considering Ballot Measure 49, a measure that would affect Oregon’s Land Use laws primarily governing rural residential land.

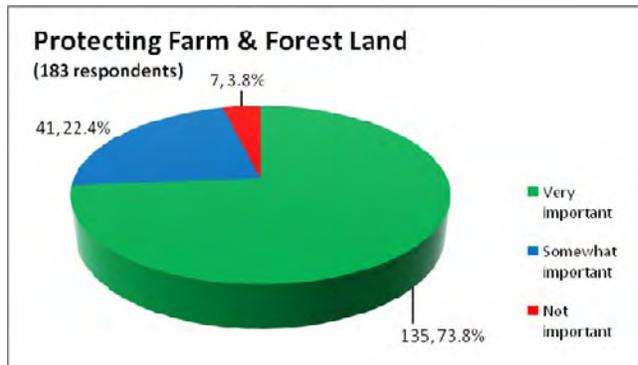
Restricting Growth

General opposition exists to the notion of restricting growth to preserve community livability. Specifically, 55.2% of the respondents either “disagree or strongly disagree” with the statement: “growth should be restricted in order to protect the present way of life in Baker City”.



Protecting Farm and Forest Land

A large majority of Baker City residents feel strongly that farm and forest land should be protected. 73.8% indicated that it is “very important” and 22.4% indicated that it is “somewhat important” to “protect and preserve the farm and forest lands and other open space around Baker City”.



Findings Related to City Services

Satisfaction with City Services & Policies

A series of questions was then asked related to the provision of City services and the development of City policies.

Overall Satisfaction

A remarkably high satisfaction level was shared with respect to the provision of City services. Fully 96.3% percent of the respondents indicated that they were either “very satisfied” or “somewhat satisfied” with how “Baker City provides services for parks, cemetery, streets, water, wastewater, public safety, law enforcement, land use planning, community development, economic development, and the airport”.

City Value for the Dollar

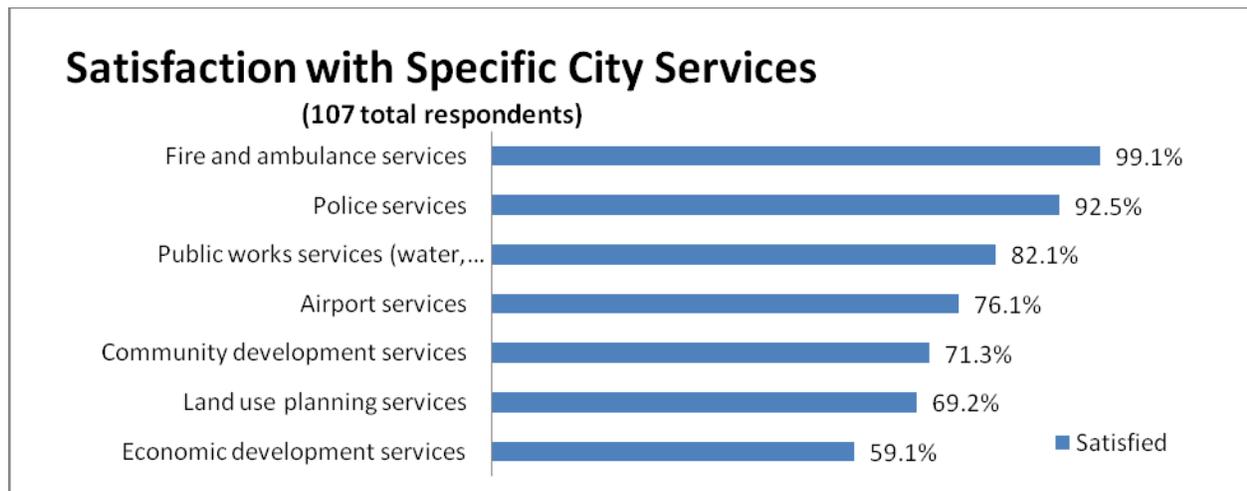
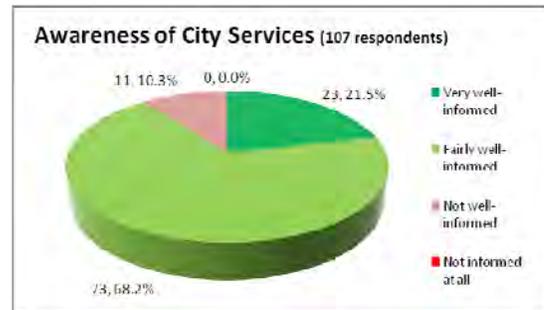
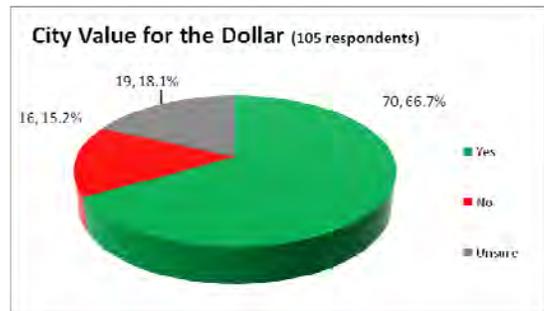
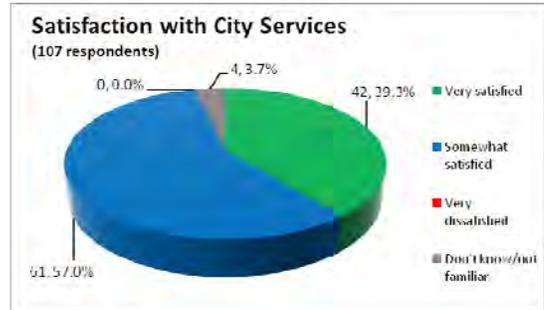
Respondents were very favorable in terms of evaluating the services that they receive for the “tax payer dollar”. Over four times the number of respondents replied favorably as compared to unfavorably.

Awareness of City Services and Policies

In general, respondents to this survey indicated that they were relatively well informed of the City’s services.

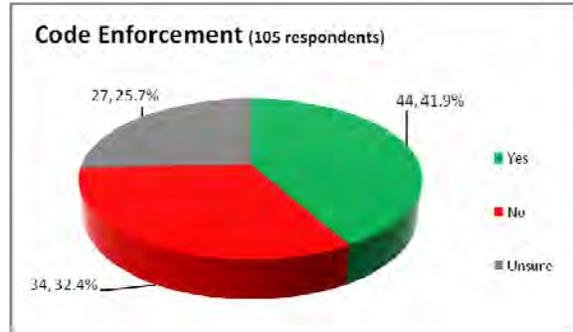
Satisfaction with Specific City Services

Respondents were asked if they were “satisfied” or “dissatisfied” with the provision of specific City services. The chart below presents these findings.



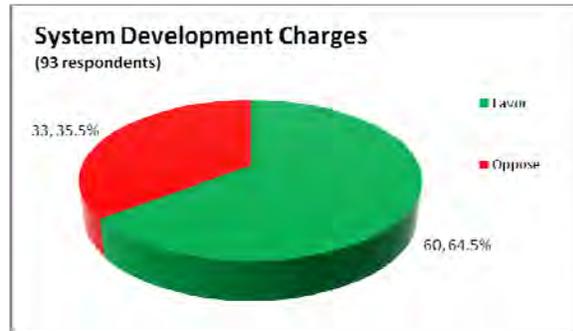
Code Enforcement

Respondents were generally split with respect to the question: “is the City expending enough time on code enforcement activities?” A slight majority indicated that they believed that sufficient time was spent on code enforcement activities, although a relatively large percentage (25.7%) was unsure.



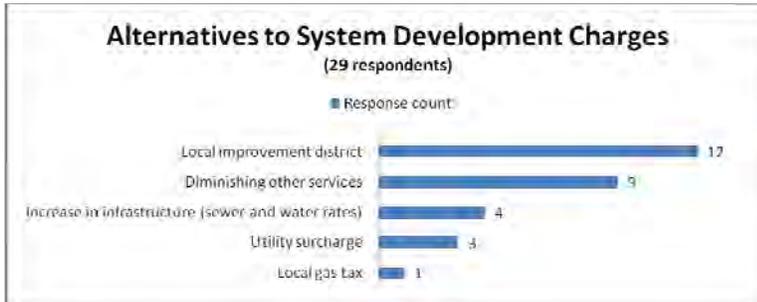
System Development Charges (SDCs)

The survey noted that the Baker City Council is “considering the establishment of System Development Charges to cover the cost of infrastructure”. Respondents were favorable by a ratio of nearly 2: 1 of the City instituting System Development Charges.



Alternatives to SDCs

Respondents that were unfavorable toward System Development Charges were asked about the alternatives that they would favor in lieu of such charges. The top two responses, as shown in the table below, were Local Improvement Districts and diminishing other City services.



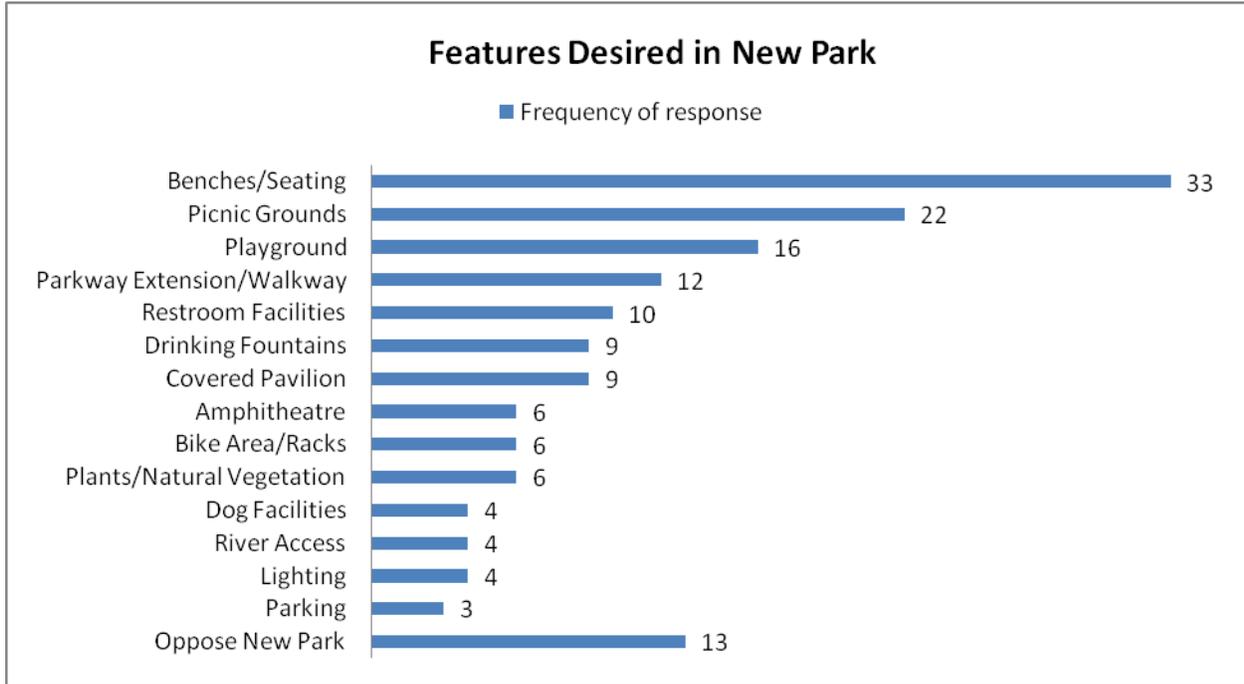
Sidewalk Improvements

Three questions were asked related to preferences on a City policy related to repairing—and paying for—sidewalks. As the tables below indicate, a vast majority of the respondents believed that the City should require that sidewalks be repaired, and the City should pay for these sidewalks. A slight majority of the respondents indicated they would support a “minimal tax rate for two years” to pay for such sidewalk improvements.



New City Park Features

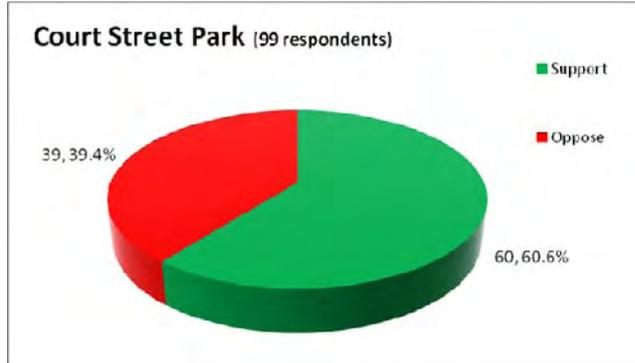
A City-appointed volunteer committee is designing the development of a new City park on City property along the Powder River near the downtown. Respondents were asked to name specific park features they would find desirable. The table below presents these responses. Benches/seating, picnic grounds, and play grounds lead the way in terms of the most responses. Many of the features identified are already targeted by the City volunteer advisory committee for the project.



Court Street Park

Respondents were asked if they would be supportive of closing Court Street between Main Street and Resort Street for the development of the Court Street Park. Respondents were favorable to this plan by a 3:2 margin.

Planning and development of the Court Street Park has been envisioned by downtown advocates for over 20 years.



Park on Broadway Street

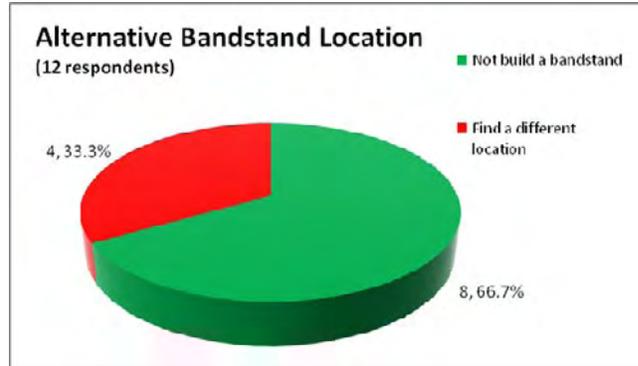
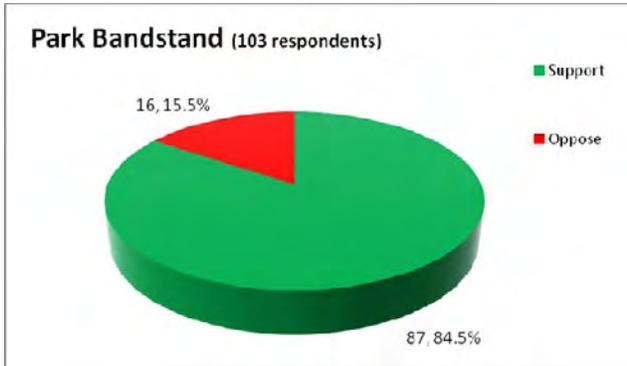
A similar question to the “Court Street Park” was asked related to closing Broadway Street between Main Street and Resort Street. Respondents were evenly split on this potential plan.

Unlike the prospective development of the Court Street Park, development of an alternate use on Resort Street has not been envisioned in previous planning efforts.



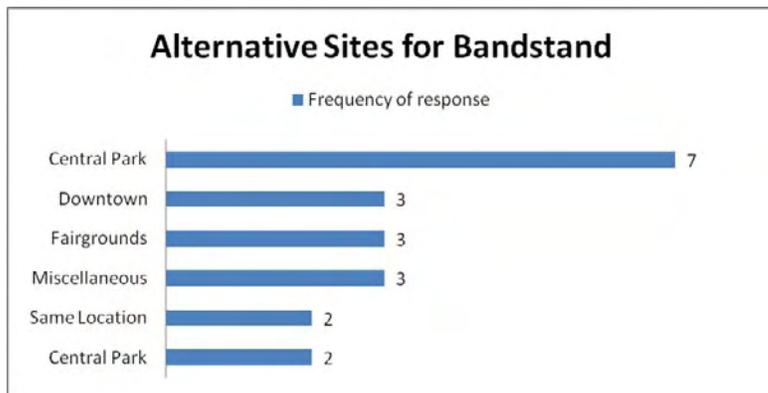
Park Bandstand

A local volunteer committee is working to locate and build a bandstand similar to a historic bandstand formally located in the Geiser Pollman Park. Respondents were asked if they “favored” or “opposed” locating such a bandstand in the Geiser Pollman Park.



Alternative Bandstand Locations

For the respondents that did not favor locating the bandstand in the Geiser Pollman Park, they were given an option of either “not building the bandstand”, or relocating the bandstand to a different location. Two out of every three respondents that did not want the bandstand built in the Geiser Pollman Park did not want the bandstand built at all.



Of the respondents that desired to locate the bandstand at an alternate location, their specific locations are presented in the chart to the right.

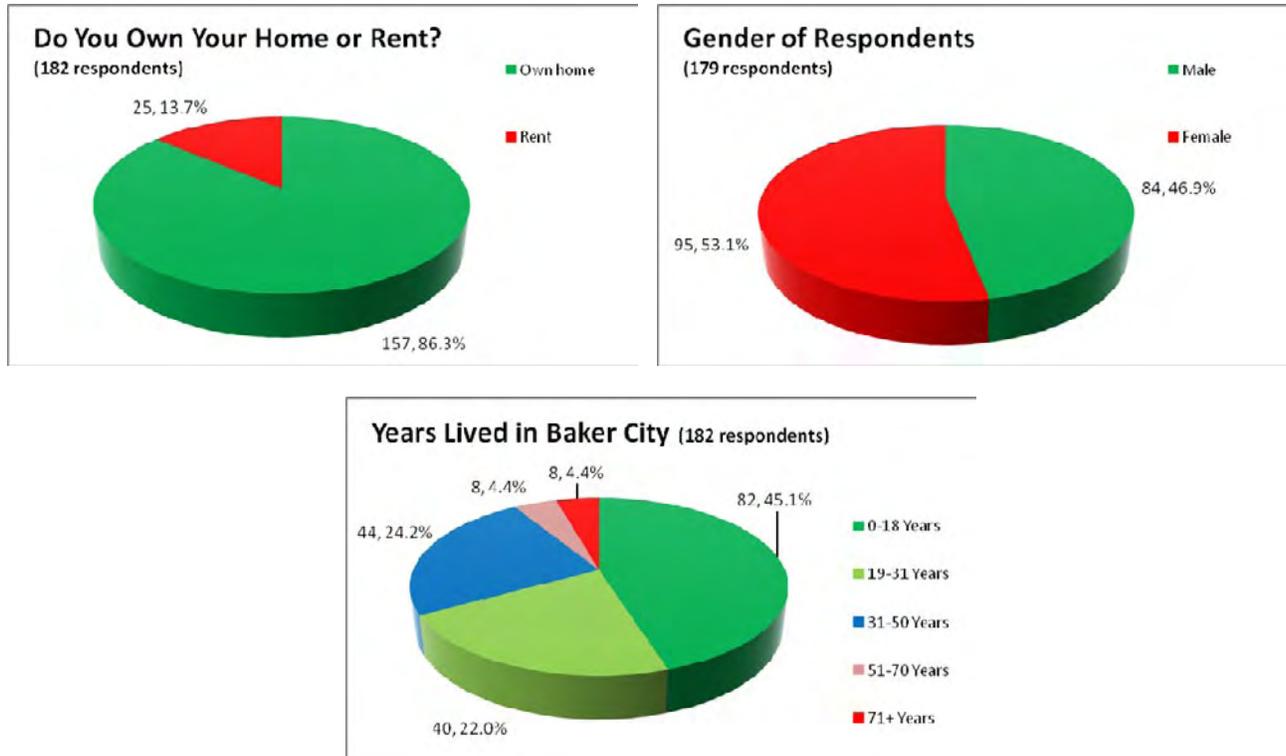
Future Industrial Park Location

Respondents were asked to identify their preference of new industrial park locations should the Elkhorn View Industrial Park be filled to capacity with business expansions and relocations. As seen in the chart below, five alternate locations were equally preferred by the respondents: (1) Baker Airport; (2) Land immediately south of the Elkhorn View Industrial Park; (3) Former Ellingson Lumber Mill site bordered by Broadway and Auburn streets; (4) South Baker Industrial Lands owned by Ellingson Lumber Company; (5) Property east of Interstate 84 between Exits 302 and 304.



Demographics

Three demographic questions were asked related to gender, home ownership, and length of time in Baker City. The responses to these questions are provided in the charts below.



APPENDIX D

Fuller Description of Strategies

Orbis Group will soon publish a business development workbook designed to assist communities to identify economic strategies.

The workbook contains a brief summary of 23 strategies. For the top economic development strategies identified in this strategic plan, a summary of each strategy, and their respective *Key Success Factors* is provided on the following pages.

Business Recruitment & Expansion

It is widely agreed by most economic development professionals that opportunities for job retention and job expansion with existing companies exceed the number of opportunities for recruiting new businesses to their respective communities.

Communities can employ a variety of approaches to foster the expansion of existing companies. One of these methods is to concept a Business Retention & Expansion (BR&E) program. The BR&E approach utilizes a systematic outreach to existing companies to identify their needs, challenges, and opportunities. Several programs exist that can be adapted for the specific needs of a particular community.

Benefits of the BR&E approach include:

- Identifying opportunities to encourage the expansion of new companies
- Identifying opportunities to avert pending job losses or business closures
- Ability to take a community-wide approach to addressing business needs
- A systematic way to collect information
- Ability to immediately identify solutions for businesses
- Opportunity to engage civic groups or volunteers to partner in the work
- Building good public relations for municipalities and economic development organizations
- Identifying vendor and sub-contractor business networking opportunities

By meeting the needs of existing businesses, the stage is also better set for successful business recruitment efforts. Potential new businesses to a new community may investigate the satisfaction of existing businesses, and base a portion of their business location decision on such satisfaction levels.

Business Retention & Expansion - Key Success Factors		
A	Sufficient base of local businesses	35
B	—	
C	Availability of small business financing	10
D	—	
E	Capabilities of economic development professionals Partnership interests by all education levels (K-12, Community College, University)	20
F	Adequacy of local labor force	10
G	Positive relations between local businesses and local government/economic development organization Local pro-business climate	15
H	Availability of local land, buildings, and infrastructure	10
	A tributes B arriers C apital D oor E xpertise F olks G overnment H ome	

Value-added Agriculture

Counties—and frequently clusters of counties—may produce an inordinate amount of one or more agricultural products based upon competitive advantages such as soil types, climate, and elevation.

If sufficient volumes of individual products are produced, communities may have an opportunity to “add value” to the raw commodities through processing.

Examples include producing french fries from potatoes, sugar from sugar beats/sugar cane, steaks from cattle, and wine from grapes.

Advantages from value-added agricultural business include retaining profits and job-creation opportunities locally, providing jobs consistent with skill levels of the local labor force, and reinforcing the culture and economy of local communities.

Drawbacks from a value-added agriculture strategy typically include a high demand on local utilities (typically water, sewer, and power), frequently below-to-average wage levels, and sometimes undesirable wastewater and air emissions.

Value-added Agriculture - Key Success Factors		
A	Availability of large volumes of agricultural commodities	60
B	Ability to overcome expensive capital costs/barriers to entry	10
C	Access to capital	5
D	Proximity and access to markets	5
E	—	
F	Available local labor force	10
G	—	
H	Availability of local land, buildings, and infrastructure Excess local infrastructure capacity (water, sewer, power)	10
	Attributes Barriers Capital Door Expertise Folks Government Home	

Downtown Development

Most communities have a central business district commonly referred to as their “downtown”. Frequently, this area is recognized as the community’s business center, and can become the emotional heart of the community.

The National Trust for Historic Preservation created the National Main Street Center approach which recognizes a four-point method for downtown advocacy:

- Organization (volunteers, staffing, board of directors)
- Promotion (events, public relations, advertising)
- Design (building and amenity stabilization, preservation, beautification)
- Economic Restructuring (supporting existing businesses; promoting new businesses)

Often ignored is the large employment centers represented by downtowns. While most downtown business activity is in response to serving other businesses and residents, it still represents a vital economic sector for most communities.

By capitalizing on the four-point approach described above, jobs are created, communities have increased vitality, and a sense of pride and optimism is maintained.

Downtown Development - Key Success Factors		
A	Recognizable central business district/downtown	40
B	—	
C	Availability of discretionary local funding for marketing, events, building façade improvements	20
D	—	
E	Downtown organization and staff Effective implementation of four-point approach	20
F	Active engagement by downtown building and business owners	10
G	Local government support	10
H	—	
	Attributes Barriers Capital Door Expertise Folks Government Home	

Business Recruitment

Perhaps the most widely recognized economic development strategy relates to business recruitment.

Business recruitment is the act of proactively soliciting existing businesses located out-of-region to expand or relocate into a community.

Business recruitment can be substantially advantageous for local communities desiring to establish new jobs, focus on family wage jobs, expand the local tax base, and generally enhance community vitality.

Business recruitment can have draw backs. Communities that do not have the desire or infrastructure capacity for growth may view business recruitment negatively.

Communities that rely on business recruitment as a substantial component of their economic development strategy should view their effort as a long-term endeavor. Frequently, communities can go months (even years) without tangible results. This does not necessarily mean that the community’s efforts are poorly planned or executed. The fact is, there are far more communities chasing new businesses than there are businesses looking for new communities.

Business recruitment efforts can also be expensive. Efforts such as advertising, public relations, attendance at industry trade shows, Website development and maintenance, and informational and promotional materials can be very expensive.

Business Recruitment - Key Success Factors		
A	—	
B	—	
C	Access to capital Dedicated local financial resources to staffing	20
D	Access to markets Proximity to scheduled air service	10
E	Sophisticated, focused local economical development staff	20
F	Adequacy of local labor force	20
G	Strong community support Support from local businesses	10
H	Availability of local land, buildings, and infrastructure	20
	Atributes Barriers Capital Door Expertise Folks Government Home	

Destination Tourism

Destination Tourism is simply what its name implies: visitor attractions and destinations that have established a favorable and widespread reputation. Such destinations can exist due to unusual geographic beauty or historic significance, or they may be man-made facilities such as resorts, amusement parks, and casinos.

Frequently, community advocates have an inflated perspective on the reputation of their community as a visitor destination. If the community is not blessed with existing natural, cultural, or historic assets, the community may be challenged to establish itself in the mindset of the traveling public.

Still other communities are able to build new facilities and attractions that position the community to attract travelers from hundreds—if not thousands—of miles away.

Destination travelers tend to expend more discretionary income every day than pass-through travelers. As such, destination travel is a more significant contributor to local economies.

Destination Tourism - Key Success Factors		
A	Proximity to significant natural, cultural, or historic attractions Proximity to significant man-made attractions	40
B	—	
C	Access to a significant marketing and/or public relations budget	20
D	—	
E	Sophisticated tourism development and promotion organization	20
F	—	
G	Community acceptance of the tourism industry	10
H	Adequate housing for labor force	10
	Attributes Barriers Capital Door Expertise Folks Government Home	

Value-added Forest Products

A variety of products can be produced from our federal, state, and private forests. Most commonly, lumber is produced from timber. Additionally, forests produce other potential products including fuel for biomass energy, hardwood for furniture manufacturing and flooring, and miscellaneous forest products such as mushrooms.

Policy changes on federal forests over the past 20 years have reduced the availability of the timber supply, causing the lumber production industry to be more centralized amongst fewer large-scale companies. Replacing these mill jobs with new jobs in a related industry can be an attractive strategy for communities.

In addition, the nation's increasing demand for renewable energy is increasingly making biomass-to-energy plants economically viable.

Value-added Forest Products - Key Success Factors		
A	Proximity and access to forests and forest products	50
B	Ability to overcome expensive capital costs/barriers to entry	10
C	Ability to secure long-term contracts for forest materials	10
D	Ability to successfully market materials Proximity and access to markets	10
E	—	
F	Adequate local labor force	10
G	—	
H	Availability of local land, buildings, and infrastructure	10
	Attributes Barriers Capital Door Expertise Folks Government Home	

APPENDIX E

Economic Profile

Baker County Economic Development Strategic Plan Economic Profile

A large number of key indicators of the performance of Baker County’s economy are available.

In general, Baker County’s rural economy is: 1) keeping pace with similar rural economies, and 2) falling behind most urban economies.

This analysis looks at Baker County’s economy, and compares it to: 1) its own economy (2001-present), 2) the economy of three surrounding rural Oregon counties, 3) the state economy, and 4) the national economy.

Employment Levels

Average employment levels in Baker County since 2001 have been flat. In 2001, the average annual employment was 5,300 workers. In 2006, the most recent year for a full 12-month analysis, the average was 5,310. This average employment level dropped by 3.0%, or 160 jobs, in 2003/2004, but then regained 2001 levels.

By way of comparison, three of Baker’s neighboring counties (Grant, Malheur, and Union) were relatively flat as well. Grant County’s economy lost 90 jobs (3.3%) in the six-year period, Malheur County lost 540 jobs (4.4%), and Union County gained 110 jobs (1.1%).

In general, Baker County’s growth rate has been 0.2% this decade, compared to an annual 1.0% growth rate in the 1990s.

The state of Oregon total employment has risen from 1.6 million to 1.7 million during the same period (6.0%).

A closer—and more recent—look at Baker County’s employment levels shows 2007 with a 1.0% growth rate in total jobs. With the exception of the manufacturing sector, all sectors of Baker County’s economy were flat or showed slight growth in 2007.

Year	Baker	Grant	Malheur	Union	Oregon
2001	5,300	2,690	12,240	10,210	1,605,500
2002	5,250	2,670	11,980	10,340	1,508,300
2003	5,140	2,680	11,740	10,170	1,574,300
2004	5,180	2,740	11,790	10,170	1,606,700
2005	5,250	2,640	11,710	10,030	1,654,500
2006	5,310	2,600	11,700	10,320	1,702,200
2001-2006 Net	+0.2%	-3.3%	-4.4%	+1.1%	+6.0%

Baker County Non-Farm Employment

Employment Sector	2007*	2006*	Change
Employment	5,380	5,320	60
Total Private	4,090	4,070	20
Natural Resources and Mining	50	30	20
Construction	310	310	0
Manufacturing	630	670	-40
Trade, Transportation and Utilities	1,010	990	20
Wholesale Trade	100	90	10
Retail Trade	660	650	10
Transportation/Utilities	250	250	0
Information	70	70	0
Financial Activities	200	200	0
Professional and Business Services	310	310	0
Education and Health Services	680	680	0
Leisure and Hospitality	570	570	0
Other Services	260	240	20
Government	1,290	1,250	40
Federal Government	230	220	10
State Government	270	260	10
Local Government	790	770	20

*As reported in November for each year

Total labor force statistics (including farm-related labor) typically mirror the non-farm statistics provided below.

Total Labor Force

Area	2001	2002	2003	2004	2005	2006	2007
Oregon	1,711,041	1,704,131	1,704,397	1,722,058	1,754,715	1,796,165	
United States	136,933,000	136,485,000	137,736,000	139,252,000	141,730,000	144,427,000	
Baker	6,698	6,723	6,659	6,656	6,672	6,730	
Grant	3,412	3,407	3,420	3,465	3,316	3,273	
Malheur	11,999	11,858	12,015	11,842	11,630	11,860	
Union	11,365	11,583	11,465	11,310	11,080	11,309	

Unemployment Rates

With respect to unemployment rates, Baker County matched the state and national trends in 2006 (again, the most recent full-year available statistics). Baker County's 6.6% unemployment rate was the lowest of the decade, and was closer to the state unemployment rate (which is virtually always lower than Baker County's) than in previous years.

The other three comparison counties (Grant, Malheur, and Union) also fared better in 2006 than any of the five previous years.

Baker County continued its annual cyclical trend, with higher unemployment rates in the winter and lower in the summer.

Annual Unemployment Rate							
Area	2001	2002	2003	2004	2005	2006	2007
Oregon	6.4	7.6	8.1	7.3	6.2	5.4	5.2
United States	4.7	5.8	6.0	5.5	5.1	4.6	4.6
Baker	8.5	9.1	9.5	8.9	7.4	6.6	6.0
Grant	9.3	9.4	10.4	9.9	9.7	8.4	8.2
Malheur	8.3	9.0	9.8	9.9	8.7	6.5	5.7
Union	6.4	6.5	7.4	7.3	6.8	6.0	5.6

Educational Attainment

With respect to education attainment, 19.7% of its population of age 25 and over has high school graduate equivalency. 11.6% of Baker County residents age 25 and over have a bachelor's degree. This compares to 16.4% statewide.

Baker County ranks 32 of Oregon's 36 counties with respect to per capita personal income. The Table below represents the income levels. Baker County's income level is typically 70% of that of the State of Oregon. Baker County has a higher per capita income than neighboring Malheur County, but lower than Grant and Union County.

Employment and Wages

Oregon Covered Employment and Wages					
NAICS Industry	Ownership	Units	Employment	Payroll	Average Pay
Ag, Forestry, Fish, Hunting		3,499	49,941	\$316,464,306	\$6,337
Mining	Private	147	2,201	\$26,336,013	\$11,965
Construction	Private	15,868	102,705	\$1,090,330,773	\$10,616
Manufacturing	Private	6,062	202,192	\$2,526,456,978	\$12,495
Trade, Transportation. & Utilities	Private	26,419	333,294	\$2,961,456,025	\$8,885
Retail	Private	13,618	197,067	\$1,259,655,182	\$6,392
Transportation, Warehousing & Utilities	Private	3,475	55,773	\$573,647,945	\$10,285
Information	Private	2,503	36,282	\$545,258,686	\$15,028
Financial Activities	Private	13,162	89,247	\$1,059,877,788	\$11,876
Professional & Business Services	Private	19,563	197,525	\$2,121,880,952	\$10,742
Education & Health Services	Private	12,229	204,625	\$1,998,586,232	\$9,767
Leisure & Hospitality	Private	11,385	172,282	\$678,959,945	\$3,941
Other Services	Private	13,691	62,874	\$407,679,253	\$6,484
Private Non-Classified	Private	1,366	1,385	\$13,927,651	\$10,056
Total All Government	All Govt.	4,859	281,632	\$3,001,053,680	\$10,656
Total Federal Government	Federal	984	28,966	\$443,674,357	\$15,317
Natural Resources/Mining	Federal	76	3,482	\$47,763,691	\$13,717
Trade, Transportation & Utilities	Federal	411	9,534	\$141,125,187	\$14,802
Financial Activities	Federal	12	104	\$1,979,056	\$19,029
Professional & Business Services	Federal	27	1,574	\$28,158,096	\$17,890
Education & Health Services	Federal	4	4,029	\$64,122,503	\$15,915
Leisure & Hospitality	Federal	12	134	\$1,352,598	\$10,094
Other Services	Federal	1	39	\$482,612	\$12,375
Public Administration	Federal	440	10,070	\$158,690,614	\$15,759
Total State Government	State	1,029	63,274	\$602,842,153	\$9,527
Natural Resources & Mining	State	45	455	\$4,365,791	\$9,595

Population

The most frequent population estimates in Oregon are produced by Portland State University (PSU).

Population							
Area	July 1, 2007	July 1, 2006	Census 2000	Change 2006-07	Percent Change 2006-07	Change 2000-07	Percent Change 2000-07
Baker	16,435	16,470	16,741	-35	-0.2%	-306	-1.8%
Grant	7,580	7,630	7,935	-50	-0.7%	-355	-4.5%
Malheur	31,620	31,725	31,615	-105	-0.3%	5	0.0%
Union	25,250	25,110	24,530	140	.6%	720	2.9%
Oregon	3,745,455	3,690,505	3,421,399	54,950	1.5%	324,056	9.5%

Source: Portland State University & U.S. Census

PSU estimates that as of July 1, 2007, 16,435 people live in Baker County, down 35 from one year prior.

Baker County Population by Age Group

Age/Classification	Number	Percent
Male	8,291	49.5
Female	8,450	50.5
Under 5 yrs	884	5.3
5-9 yrs	1,027	6.1
10-14 yrs	1,317	7.9
15-19 yrs	1,199	7.2
20-24 yrs	605	3.6
25-34 yrs	1,518	9.1
35-44 yrs	2,436	14.6
45-54 yrs	2,541	15.2
55-59 yrs	1,055	6.3
60-64 yrs	974	5.8
65-75 yrs	1,628	9.7
75-84 yrs	1,116	6.7
85 yrs and over	441	2.6
Median Age (yrs)	42.7	X

Source: U.S. Census

PSU also estimates that Baker County's population is down by 306 individuals since the 2000 Census. This represents a decline of 1.8%.

Population declines in rural communities are not unusual. Grant County, for example, has lost an estimate of 4.5% of its population since the 2000 Census. Malheur County has broke even over the past seven years, while Union County has a gain of 120 people since the 2000 Census (up 2.9%).

Oregon, like much of the nation, has seen its urban (and suburban) centers grow faster than its rural populations.

A slightly larger percentage of Baker County residents are female (50.5%) compared to male (49.5%). The table above vrepresents a breakdown of Baker County's population by age group. Not

surprisingly, Baker County has a higher percentage of people 60 and over compared to the state and national averages.

Baker County's population is 95.7% white. The second largest population demographic is American Indian/Alaskan Native at 1.1%.

Baker County Population by Race

Race	Number	Percent
One Race	16,464	98.3
White	16,018	95.7
Black or African American	39	.2
American Indian and Alaska Native	182	1.1
Asian	64	.4
Asian Indian	11	.1
Chinese	19	.1
Filipino	9	.1
Japanese	6	-
Korean	11	.1
Vietnamese	2	-
Other Asian	6	-
Native Hawaiian & other Pacific Islander	7	-
Native Hawaiian	1	
Guamanian or Chamorro	-	-
Samoan	4	-
Other Pacific Islander	2	-
Some other Race	154	.9
Two or more races	277	1.7

APPENDIX F

Baker Morrow Regional Partnership Recommendations

Regional Investment Program

The Baker Morrow Regional Partnership was created in order to invest state funding into strategic projects and strategies in Baker and Morrow Counties.

The 2007 Oregon Legislative Assembly required each region to identify its top three barriers to economic development, and key infrastructure projects necessary for the advancement of the state.

Top Three Barriers to Economic Development

The Baker Morrow Regional Partnership identified the “Top Three” barriers to economic development as follows:

- Limited Financial Resources and Access to Capital
- Transportation Barriers
- Healthy Water and Wastewater Systems

Infrastructure Inventory Project Lists

The top identified infrastructure projects in Baker County, in no particular order, are:

- Baker City Municipal Airport
- Haines Water System Improvements
- Halfway Wastewater Improvements
- Huntington Water System Update
- Richland Revamp Lift Station and Collection System Study

Additional identified projects in Baker County were:

- Baker City Downtown Jobs Initiative
- Elkhorn View Industrial Park Rail Spur
- Baker City Wetland Application for Waste Water
- Sumpter Valley Railroad Grade Crossings

APPENDIX G

Tradeshow Calendar

The Oregon Economic Development Association (OEDA) maintains a calendar of prospective business development tradeshows.

The following pages contain the identified tradeshows.



Tradeshaw Calendar

To add, remove or edit events email
admin@oeda.biz

Venue	Year	Month	Dates	Location	Cluster	Approach	Lead	Lead Individual
Building Materials & Infrastructure Sales Mission to Alberta	2008	January		Alberta, Canada	Building Products		State of WA	Larry Kvidera
NWFPA (Food Processors)	2008	January		Portland	Food Processing	ODOA Booth	ODOA	
RILA (Retail Industry Leaders Association)	2008	February	10-13	Orlando, FL	Logistics/Distribution	POP Booth	POP	Barry Horowitz
CERB Meeting	2008	January	17	SeaTac Airport			State of WA	Kate Rothschild
Go West Summit	2008	January	21-24	Colorado Springs, CO			State of WA	Betsy Gabel
Outdoor retailer - Winter	2008	January	23-26	Salt Lake City			PDC	Jennifer Nolfi
Biomass Finance Investment	2008	January	23-25	Miami			Stoel Rives	
Harvesting Clean Energy	2008	January	27-29	Portland	Green/Clean Energy		OECD Co-Sponsoring	
MD&M West	2008	January	28-31	Anaheim	Medical Devices	OEDA Booth	OEDA, PDC, OECD	Renate Mengelberg, Seth Hudson, Sarah Garrison
Renewable Energy & Fuels 2008 (PowerGen)	2008	February		Las Vegas	Renewable Energy	Attend/walk the floor	ODOE (proposed) PDC working with WA	Pam Neal
NBB	2008	February	3-6	Orlando, FL			Stoel Rives	
ISN and CTED India Education Mission	2008	February	3-8	Mumbai, Chennai and Ahmadabad, India	Education		State of WA	Cheryl Hansen
LA Times Travel Show	2008	February	9-10	Long Beach, CA			State of WA	Betsy Gabel

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International Student Network Gulf Mission 2008	2008	February	9-14	Abu Dhabi, Dubai, Kuwait City and Manama	Education		State of WA	Cheryl Hansen
Medical Design & Manufacturing West	2008	February			Medical Devices		OEDA	
Retail Industry Leaders Association	2008	February			Logistics		OEDA	
Singapore Airshow	2008	February	19-24	New Changi Exhibition Centre, Changi North, Singapore	Aerospace		State of WA	Bill King
CleanTech Forum XVI	2008	February	25-27	San Francisco	Green/Clean Energy	Attend	OECD	Laird/McCabe
Tokyo Health Industry Show (THIS) 2008	2008	February	27-29	Tokyo Big Sight			State of WA	June Chino
Tourism Commission Meeting	2008	February	28	Vancouver, WA			State of WA	Marsha Massey
Japan/TK/10X	2008	March			10X/Technology		OEDA	
Natural Products Expo West	2008	March					OEDA	
Washington International Renewable Energy Conference (WIREC)	2008	March	4-6	Washington, DC			Stoel Rives	
Architecture & Construction Materials Show	2008	March	4-7	Tokyo Big Site	Forest Products		State of WA	Larry Kvidera
ITB	2008	March	5-9	Berlin, Germany			State of WA	Betsy Gabel
Globe	2008	March	12-14	Vancouver, BC	Sustainable Development			

Trade Week	2008	March	17-21	To a city near you, WA			State of WA	Rhonda Bethurum
CERB Meeting	2008	March	20	Moscow Room SeaTac Airport			State of WA/ Kate Rothschild	
BBI Biomass	2008	April	15-16	Minneapolis, MN			Stoel Rives	
IAMC	2008	April	20-22	Phoenix, AZ	Horizontal	Private Event	OECD, PDC, PGE, State of WA	Allcock, Miles, Hudson, Susan St. Germain
Site Selector Visits (Outbound)	2008	April		Phoenix, AZ			OECD	Jill Miles
OEDA Spring Training	2008	April		tbd	Local			
Site Selector Visits (Outbound)	2008	May		Bay Area, CA				
CoreNet	2008	May	4,5,6,7	San Diego	Horizontal	Hospitality Reception	Corenet Team	Allcock/Mangan
CoreNet	2008	May	4,5,6,7	San Diego	Horizontal	Walk conference	Corenet Team, PDC, PGE, etc	Allcock/Hudson
Bio Technology Industry Association	2008	May					OEDA	
Tourism Commission Meeting	2008	May	8	Tri-Cities Area			State of WA	Marsha Massey
Downtown Institute	2008	May	13-15	Wanatchee, WA		Annual Conference - Sponsor	State of WA	Susan Kempf
CERB Meeting	2008	May	15	Port of Bellingham			State of WA	Kate Rothschild
SID	2008	May	18-21	Los Angeles, CA	Information Display			
Berlin Air Show	2008	May	27-6/1	Berlin, Germany	Aerospace		State of WA	Bill King
ISPO	2008	May	31-6/1	Munich, Germany	Sports Apparel	Walk Conference		
International Pow Wow	2008	May	31-6/4	Las Vegas			State of WA	Betsy Gabel

Pacific Coast Builders	2008	May					OEDA	
Society for Information Display	2008	May			Hi-Tech		OEDA	
RELF (Real Estate Logistics)	2008	June		Dallas, TX		POP Booth	POP	Barry Horowitz
AWEA	2008	June	1-4	Houston, TX			Stoel Rives	
TTRA (Travel and Tourism Research Assn.)	2008	June	15-17	Philadelphia			State of WA	Betsy Gabel
Fuel Ethanol Workshop	2008	June	16-19	Nashville, TN			Stoel Rives	
BIO 2008	2008	June	17-20	San Diego	BioPharma	Attend/walk the floor	OECD, PDC, State of WA	Garrison, Sears, Susan St Germain
CoreNet Eastern Regional Symposium	2008	June		Baltimore (John Hopkins Univ)??				
Medical Design & Manufacturing East	2008	June			Medical Devices		OEDA	
EAA Air Venture	2008	July			Aerospace		OEDA	
Farnborough International Air Show 2008	2008	July	14-18	Farnborough, UK	Aerospace		State of WA	Bill King
SemiCon West	2008	July	15-17	San Francisco		Attend/walk the floor	Seth PDC	
Intersolar North America	2008	July	15-17	San Francisco	Solar Power			
CERB Meeting	2008	July	17	Moscow Room SeaTac Airport			State of WA	Kate Rothschild
OEDA Summer Training	2008	July		tbd	Local			
Open Source Convention	2008	July			Software		OEDA	

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Outdoor Retailer - Summer	2008	August			Recreation Equipment		OEDA	
NW Economic Development Course (AKA The Games)	2008	August		Ellensburg, WA	ED Practices		State of WA	Maury Forman & Linda Alongi
Site Selector Visits (Outbound)	2008	August		Chicago				
International Woodworking	2008	August	20-23	Atlanta	Wood Products	Attend/walk the floor		
IGOP	2008	August			Apparel/Outdoor		OEDA	
International Economic Development Council	2008	September					OEDA	
IAMC	2008	September	14-18	Oklahoma City, OK	Horizontal	Private Event	PGE, OECDD, PDC	Allcock/Miles/Hudson
CERB Meeting	2008	September	18	Moscow Room SeaTac Airport			State of WA	Kate Rothschild
CleanTech XVIII	2008	September	15-17	Washington, DC	Green/Clean Energy	Attend	OECDD	Laird/McCabe
Advanced Medical Technology Association Conference	2008	September	21-24	Washington, DC	Medical Technology	Attend/walk the floor	OECDD	Garrison
National Association of Manufacturers	2008	September			Manufacturing		OEDA	
JA2008 / Japan International Aerospace Exhibition	2008	October	1-5	Pacifico Yokohama Exhibition Hall, Annex Hall & Heliport, Japan	Aerospace		Sate of WA	Bill King
SolarPower	2008	October	13-16	San Diego	Solar Power	Walk the floor		
IEDC	2008	October	19-21	Atlanta				
CoreNet	2008	October		Orlando, FL	Horizontal	Hospitality Reception	Corenet Partners	Allcock/Mangan

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CoreNet	2008	October		Orlando, FL	Horizontal	walk conference	Corenet Partners, OECDD, PGE, PDC, etc	Allcock/Hudson
IBEX	2008	October		Miami	Boat Building			
NAM	2008	October		Chicago	Manufacturing			
OEDA Annual Conference	2008	October		tbd	Local			
National Brownfields Conference	2008	October		Chicago		Attend	PDC	Hudson
National Association of Industrial and Office Properties	2008	October			Site Selectors		OEDA	
SEMA/ Aspex/ Nace	2008	November			Specialty Equipment		OEDA	
CERB Meeting	2008	November	20	Moscow Room SeaTac Airport			State of WA	Kate Rothschild
GreenBuild	2008	November		Chicago	Green Building	PDX Lounge	Pam Neil PDC	
Medica	2008	November		Germany	Life Sciences	Booth	OECDD	Garrison
SEMI PNW Business Outlook Dinner	2008	November		Portland		buy table		
Site Selector Visits (Outbound)	2008	November		New York				
Association of Oregon Counties	2008	November		Portland			OECDD	
NW Bio Tech Expo	2008	November			Hi-Tech		OEDA	
US Green Building Council	2008	November			Environmental Products		OEDA	
PowerGen	2008	January February	39403	New Orleans		Booth	PDC	Pam Neal