

Grants Pass/Josephine County, Oregon Project: Industrial Park

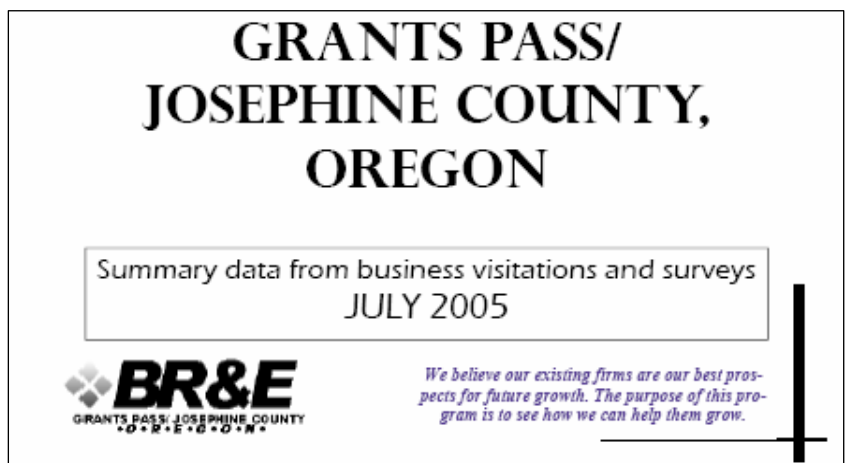
Josephine County Population, 2006: 81,686
Grants Pass Population, 2006: 30,930
Focus of Survey: Cross section of businesses
BR&E Drivers: Chamber of Commerce and City of Grants Pass
Economic Development Department

Background

In 1996, the city of Grants Pass, Oregon did not have an economic development plan. A newly hired economic development coordinator¹, along with the city manager were assigned the task of writing one, and decided that the core of the new plan would be business retention and expansion. At the same time, the local Chamber of Commerce reconvened a standing committee that had been dormant for many years – a committee that happened to be called the Business Retention and Expansion (BR&E)

Committee. The city's economic development coordinator was appointed chair of the newly organized BR&E Committee.

Through his research, he came across the BR&E program out of the University of Minnesota. After looking at a variety of options, the committee decided to pursue the University of



The cover from the 2005 report of BR&E surveys reinforced the community's belief in business retention and expansion.

¹ Much thanks to Charlie Mitchell for allowing us to interview him about the project.

Minnesota Extension BR&E visitation model. After training by the University of Minnesota Extension, he was certified by BREI (Business Retention and Expansion International) to manage a BR&E program. He then facilitated the program locally as a joint effort by the city and the local Chamber of Commerce.

With a population of just under 80,000, Josephine County's BR&E program conducted 100 interviews in the first two years. The businesses represented a cross-section of both the Grants Pass Urban Area (about 75%) and the rest of the county (about 25%), as well as a cross-section of business sectors within each.²

The Project

The city of Grants Pass and the local Chamber of Commerce have conducted and completed business visitations every three years since 1999. In 1999, the first round of surveys quantified a pent up demand in the community for additional industrial real estate.

Several local businesses needed to expand immediately.

The committee used their knowledge of land available in the area, and served as a conduit between the businesses and the landowners to facilitate the development of an industrial park. Because it was



a private development, the developers had been hesitant to build without guaranteed buyers. So the BR&E committee went to the developers with the confirmation that five local businesses needed the land

² One half of the 37 total businesses surveyed in 2002 were manufacturers; the median employment size was around 25 workers; over 75% were in the Grants Pass urban area; they ranged in size from four employees to over 600, large retailers to small consulting firms, private corporations and non-profits. The 2005 survey included 66 local businesses and 50 volunteers. The mean employment size of the businesses surveyed was 76, with a range of employees from one to 700. Half of those surveyed were manufacturers, and 77% were located in the Grants Pass urban area.

fast. The committee served as an important link between the businesses and the developers – a link that had not existed prior to the project.

Results

Even though three businesses had purchased land initially, the interest of one major business triggered the rest of the development. A local electronics manufacturer became the first tenant of the industrial park less than two years after the BR&E visits were completed. This manufacturer, which had operated in the community for over twenty years, described its expansion needs during the BR&E visits, and expressed a need for some help in getting the expansion done. The park made their business expansion goals possible. Since their expansion, they not only have a new facility and dramatically increased efficiency, but they have doubled their employment to over 200 workers.

The company's decision to locate in the industrial park allowed the committee to leverage grants to get the necessary infrastructure built. Other businesses began to follow when the economy picked up in 2002 and 2003. In the first two phases eighteen lots have been sold in the industrial park. All of the businesses employ fewer than 200 employees, and now there is a mixture of businesses in the park both new to Grants Pass and previously existing in the community.³

<u>Grants Pass Growth</u>
Grants Pass Population as of July 2006 = 30,930
11.8% growth since 2005
5.2% growth rate since 2004
13.3% growth since 2000
49.5% growth since 1990
Source: US Census Bureau and Grants Pass Registry www.grantspassoregon.gov

The industrial park was perhaps Josephine County BR&E program's most visible success, and it helped the program secure two awards. In 1999, the program won the Governor's Sustainable Oregon Award, which recognizes community-level, grassroots programs that sustain Oregon's quality of life. Then in 2001, the Grants Pass/Josephine County program won the Business Retention and Expansion International (BREI) award for Outstanding Community BR&E Program.

³ Some lots are still undeveloped and some lots have multiple tenants on them.

Challenges

The incredible growth of the program requires additional funding. The initiative is challenged to reserve more volunteer or staff time to raise these additional funds. Extensive use of volunteers means that Josephine County's program runs cost-effectively.

In the early stages of the program, the biggest challenge facing the committee was deciding how they were going to get where they wanted to be. Even though most of the participants knew what results they wanted, it was less clear how they would get there. Having very little to draw from, everybody in the initial stages solicited ideas and feedback. In fact, after the months of research that helped the committee decide on Minnesota's BR&E model, some people who were at the first meetings decided to end their involvement. Luckily, the committee found plenty of others along the way including hundreds of volunteers to conduct hundreds of interviews in the three rounds of visitation to date. Many of the survey volunteers came from the larger partnering organizations such as the daily newspaper, the community college, the city government and the state employment agency. Others came from the business community, recruited through the Chamber of Commerce. Core committee members were each tasked with recruitment of additional volunteers for survey/ visitation work. In the eight years since, very few people involved have questioned the validity of the program.

Even after deciding on the visitation model, it took the committee quite a while to discover just how often they would visit the businesses. Figuring out both the culture of the business community as well as the appetite of the volunteers for interviews was a process of trial and error. The committee realized that visiting a business more often than every three years was too much for both the businesses and the volunteers. They found that waiting longer than three years meant much of the data could lose its relevancy. Yet Charlie Mitchell, Grants Pass' economic development coordinator and chair of the BR&E committee, reminds us that there is no magic to three years, and that different communities will have varying conditions that may allow for more or less frequent visits.

Finally, even though the program enjoys consensus among its two sponsors, there are certainly times when a kind of 'tug-of-war' develops between them. Even eight years later, it is not always clear

who – the city or the Chamber – is responsible for what. Likewise, the program has seen new people coming in and going out, and oftentimes new partners want to take on a bigger piece of the project. But again, Mitchell notes, “That testifies to [the BR&E program’s] value because if people didn’t think it was worth anything, they’d be trying to push it off instead of pull it back.”

Resources

Like many award-winning programs, Josephine County’s BR&E team has maintained momentum by meeting regularly. They meet monthly, and then “ramp up” with more meetings and volunteers every three years as the next business visitations draw near. The effort has maintained its cooperation between the program’s two sponsors – the city and the Chamber of Commerce. It is also widely inclusive of the broader community, including a diverse team representing different public agencies, education facilities and private sector businesses. The volunteers conducting the interviews are involved in ongoing local economic development or job/ human resource development. In effect, the people involved in the project had a real “stake” in the outcome of local business growth.

Another asset to the success of this program has been the dedication of the economic development coordinator who acted as the committee chair. The only paid staff for the project was the city’s economic development coordinator, and just 10-15% of his time is reserved for the BR&E program. He is largely responsible for fundraising and outreach. After the surveys are completed every three years, he spends the next year making presentations around the entire region on the results of the surveys. He has presented to Rotary Clubs, school boards, the city council, and many other agencies and groups in the region. This committed staff time, along with the efforts of twelve to fifteen volunteers, makes the program happen.

Another source of exposure for the program has been the local media. Typically, the attraction of new businesses dominates the press coverage, and retention of existing businesses gets little attention. In Josephine County, however, the press has always been behind the BR&E effort. The higher level of awareness has made business retention and expansion the accepted core economic development strategy, and nobody has really questioned it. When there are local successes, the public hears about it. Consensus

on the direction of economic development in the county has been solidified by the community's wide support – and awareness – of the program.

Another factor in the ongoing success of the program has been the growth of an annual dinner and presentation of the program. What started as a strategic planning and wrap-up meeting costing a few hundred dollars has evolved into a \$10,000 annual event. In 2002, 45 business owners, public officials and concerned citizens attended the dinner to review the report and plan strategies for the BR&E program in the coming year. By 2006, the number of attendees had grown to around 130. The growth of the event reflects the growing value placed on it by the community. The dinner serves as a place and time when the community and its businesses hear the same message from a paid professional keynote speaker, learn about everything that is going on, celebrate successes and recognize local businesses with various awards and honors. Six awards are presented each year, and the awards are sponsored by the local natural gas utility. Nothing like it existed prior to the BR&E program – an event that truly recognizes the community's economic success, and particularly the contributions of its businesses.

In the case of Josephine County, the lack of an existing economic development plan actually was turned into an advantage. The team was able to make BR&E the center of their economic development strategy; in contrast to BR&E programs in other places that compete for a place within an existing core strategy. In this way, any improvement they could make was a great improvement to the community.

Additional Information

For additional information, contact:

Charlie Mitchell
Business Development Manager
Southern Oregon Regional Economic Development, Inc. (SOREDI)
541-660-1686 (cell)
541-773-8946
charlie@soredi.org

Author:
Emily Loehr

Project Designers:
Michael Darger, Area Program Leader
Liz Templin, Extension Educator
Community Economics

Editor:
Joyce Hoelting
Community Vitality



For ordering information call 612-625-8233 or email jhoeltin@umn.edu.
For Americans with Disabilities Act accommodations, please call (800) 876-8636.
The University of Minnesota Extension Service is an equal opportunity educator and employer.

<http://www.extension.umn.edu>