



Council Study Session Agenda

ASHLAND CITY COUNCIL

STUDY SESSION AGENDA

Monday, March 6, 2023, 5:30 p.m.

Council Chambers, 1175 E Main Street

View on Channel 9 or Channels 180 and 181 (Charter Communications)
or live stream via rvtv.sou.edu select RVTV Prime.

HELD HYBRID (In-Person or Zoom Meeting Access)

For written public testimony, email public-testimony@ashland.or.us
using the subject line: Ashland City Council Public Testimony

For public oral testimony, fill out a Speaker Request Form at ashland.or.us/speakerrequest
and return to the City Recorder at melissa.huhtala@ashland.or.us

5:30 p.m. Study Session

1. Public Input (Up to 15 min.)

2. Economic Round Table

a) Status of Ashland Presentations (45 min.)

- **City Staff** – Joe Lessard, City Manager
- **SOU** – Rich Bailey, Pres. Of SOU
- **Travel Ashland** – Katherine Cato, Travel Ashland Director
- **Asante/Ashland Community Hospital** – Dr. Steven Hersh, MD, VP of Medical Affairs/Admin.
Ashland Asante Community Hospital
- **Ashland Chamber of Commerce** – Sandra Slattery, Exec. Dir.

b) Key Discussion Questions: (90 min.)

- **What are our economic challenges and opportunities?**
 - Important trends or takeaways signaled from the last three years
- **What are the most important next steps for addressing our challenges and opportunities?**
 - Long-term sustainability (20-50 years)
- **What should our next "Better Together, "steps be?**
 - Three joint gateway or catalyst efforts.

3. Adjournment of Study Session

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Manager's office at 541.488.6002 (TTY phone number 1.800.735.2900). Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title I).





Economic Development Discussion

March 6, 2023

Participants



City of
Ashland



Southern
Oregon
University



Travel
Ashland



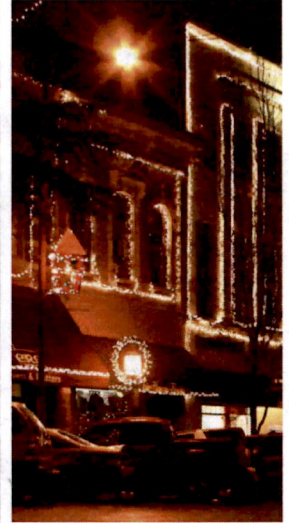
Oregon
Shakespeare
Festival



Southern
Oregon
Regional
Economic
Development



Asante



Chamber of
Commerce

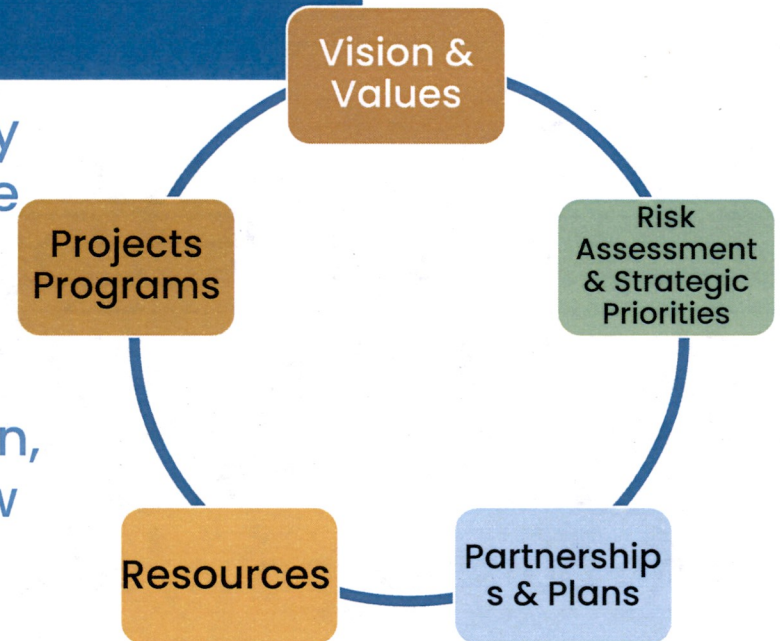
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 - ❑ Important trends or takeaways signaled from the last three years
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Vision

Ashland is a resilient, sustainable community that maintains the distinctive quality of place for which it is known.

We will continue to be a unique and caring city that stresses environmental conservation, fosters artistic expression, and is open to new ideas and innovation.

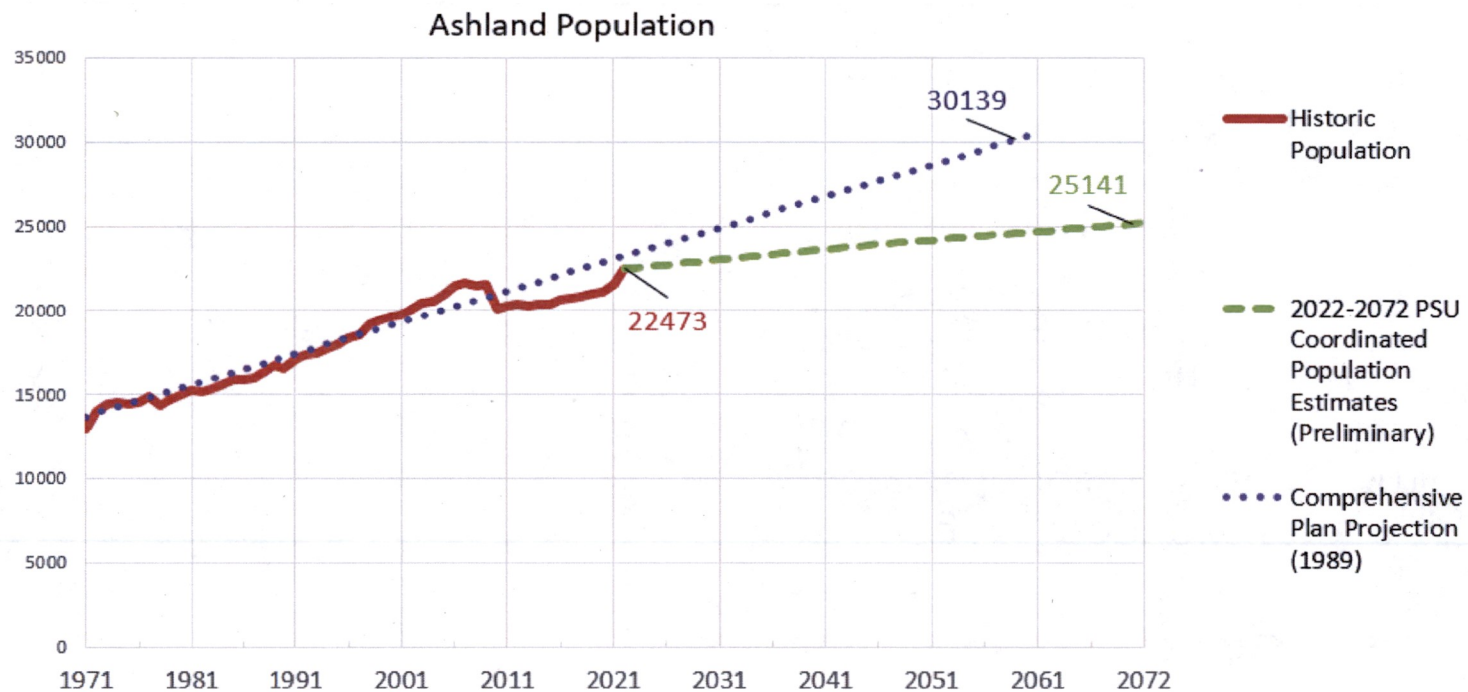
We will plan and direct our efforts to fulfill this Vision for the long term with a constant view toward being an **open, welcoming community for all with a positive economic future.**





Community Characteristics

- Population Growth



Population growth rate projected to slow over the next 50 years

Ashland Characteristics

- Risks

- Public Safety

- Fire (urban, wildfire & smoke)
 - Pandemic

- Environmental

- Climate Change
 - Extreme weather
 - Changing biodiversity
 - Water resources
 - Flood
 - Earthquake

- Organizational

- Turnover
 - Recruit, Train & Retain
 - Lost productivity

- Economic

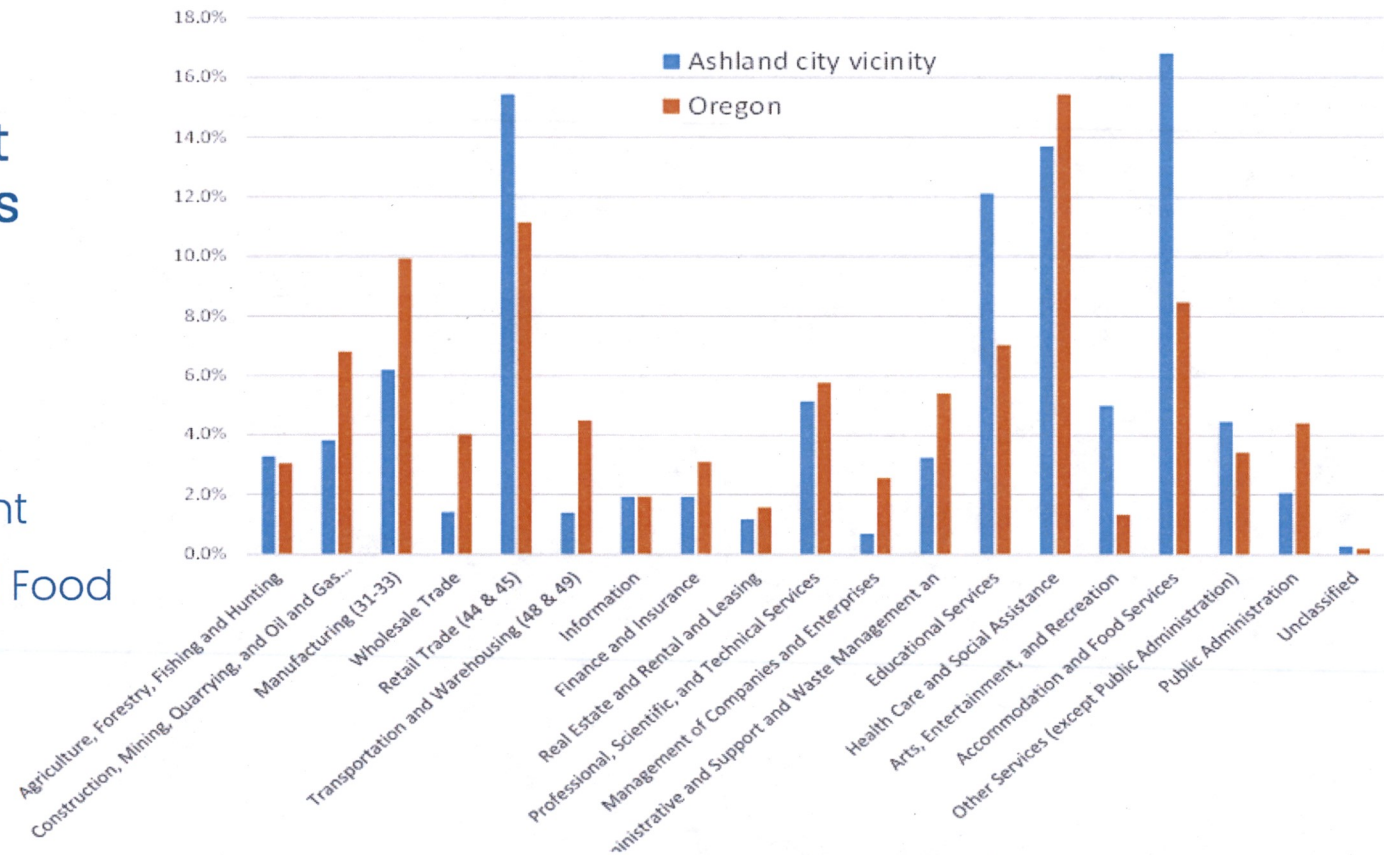
- Changing Economic trends
 - Service Industry/Fixed Income Economy
 - Workforce earnings outflow
 - Emergency Recovery/Resilience
 - High housing cost
 - Shift to high asset owners
 - Push out of affordable housing
 - Out flow of family housing
 - Economic downturn
 - Recession/Inflation



Ashland's Strongest Employment Sectors

- Retail
- Educational Services
- Health care
- Arts and Entertainment
- Accommodation and Food Service

2021 Annual Average Payroll Employment Percent of Total Ashland vs. Oregon statewide

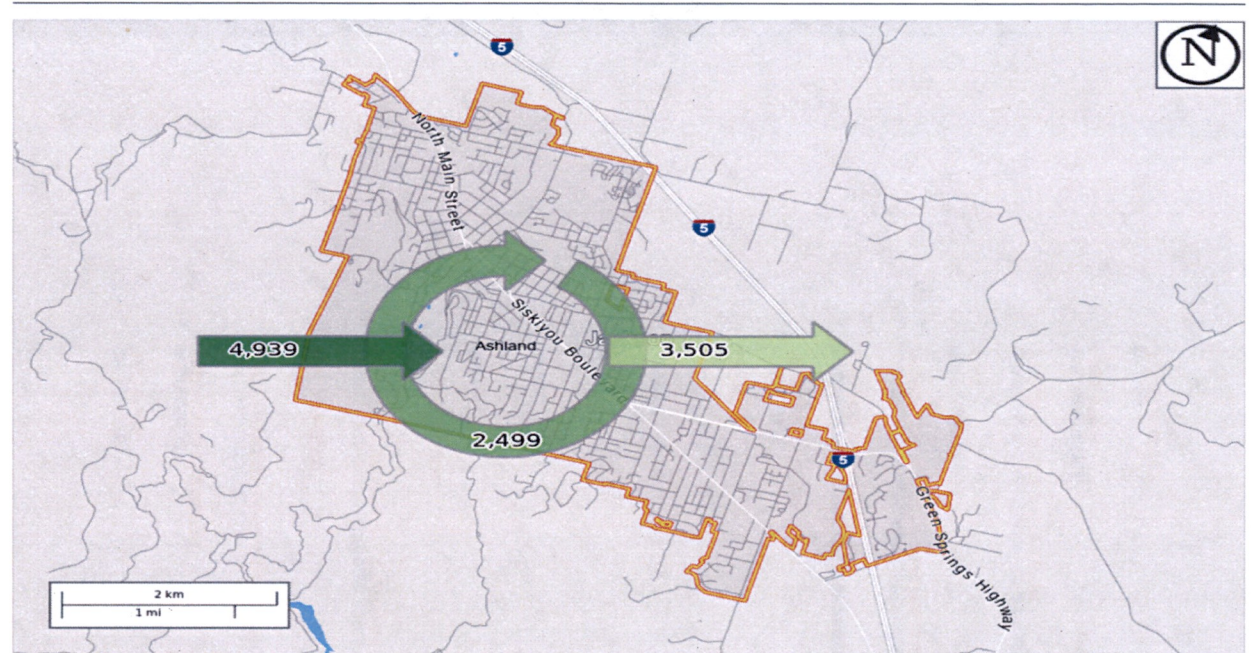


Inflow/Outflow Commuting

- 66% of people employed in Ashland commute in from outside the City
- 58% of workers that live in Ashland commute out of Ashland for work.

Inflow/Outflow Counts of Private Primary Jobs for Selection Area in 2019

All Workers



Map Legend

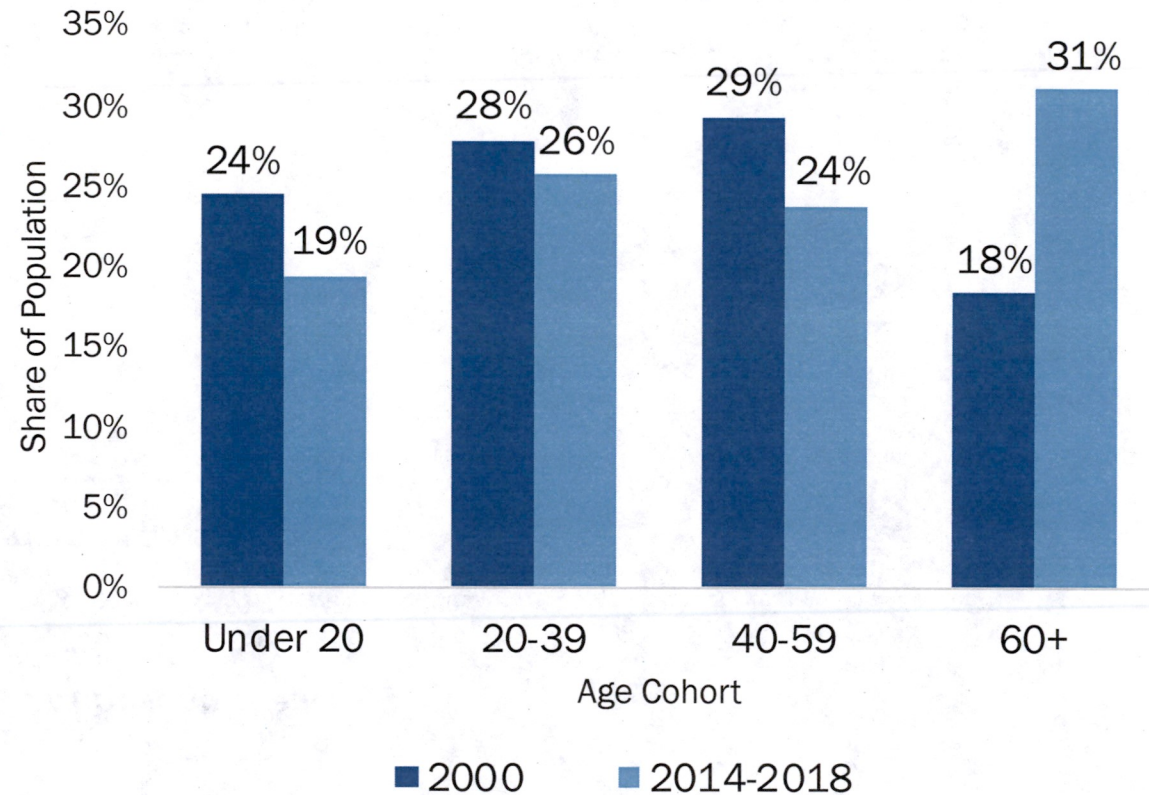
Selection Areas
 Analysis Selection

Inflow/Outflow
 Employed and Live in Selection Area
 Employed in Selection Area, Live Outside
 Live in Selection Area, Employed Outside
 Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.



Ashland Characteristics

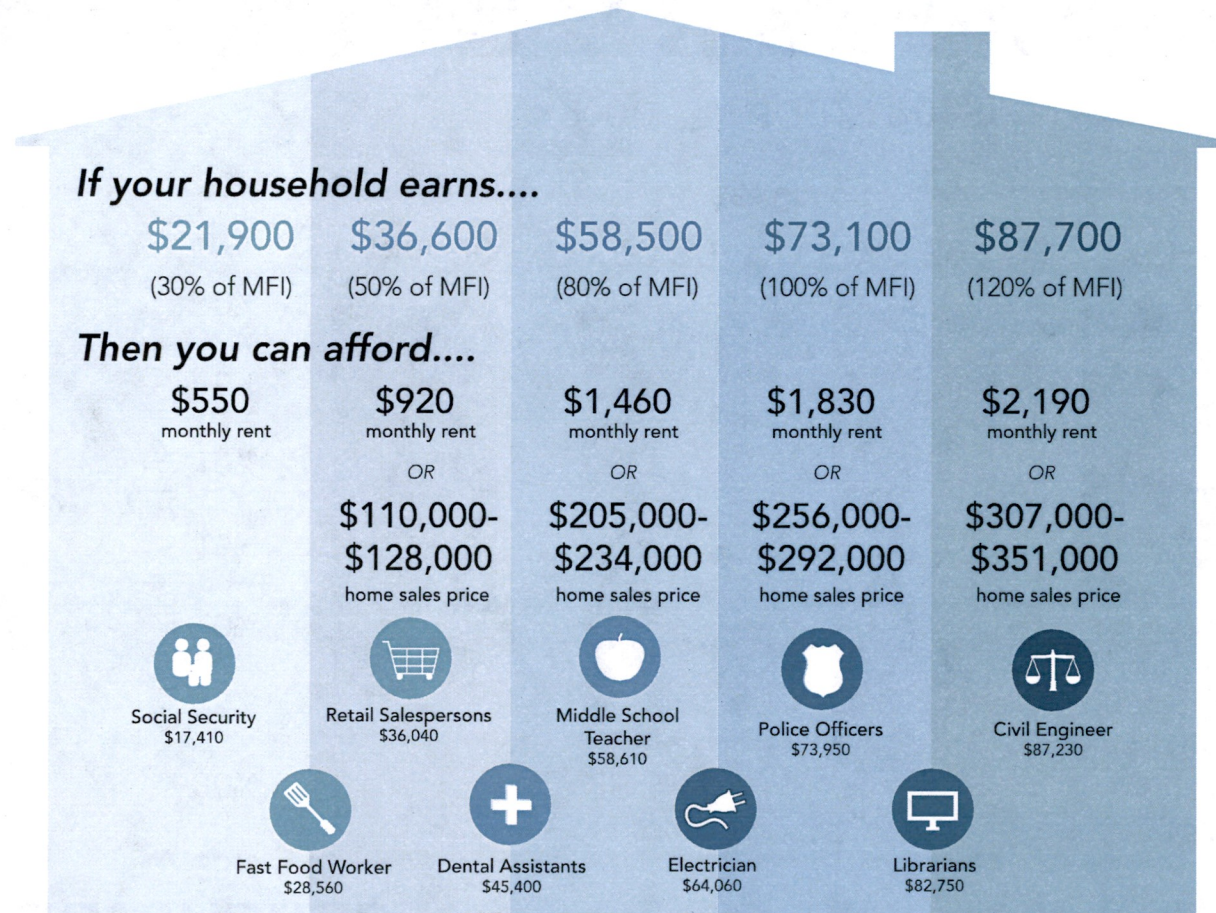
- Ashland's population is increasingly made up of older individuals
- Ashland's proportion of young households is decreasing



Population Growth by Age, Ashland, 2000 to 2014-2018

Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2014-2018 ACS, Table B01001.

- Ashland's Median home sale price is **549,000**
- Ashland's asking rent for a 2-bdr unit is **\$1550**

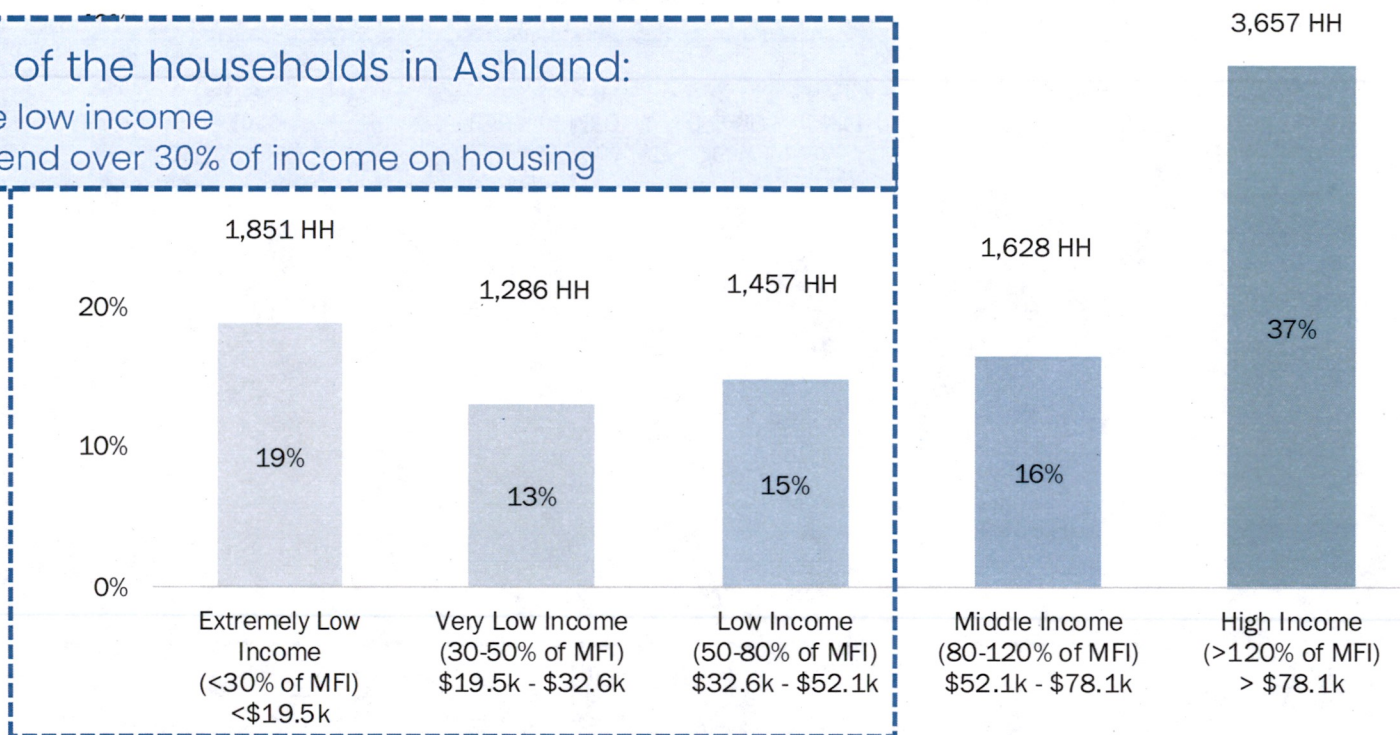


Source: U.S. Department of Housing and Urban Development, Jackson County, 2021. Oregon Employment Department.

Ashland Characteristics

Nearly $\frac{1}{2}$ of the households in Ashland:

- Are low income
- Spend over 30% of income on housing



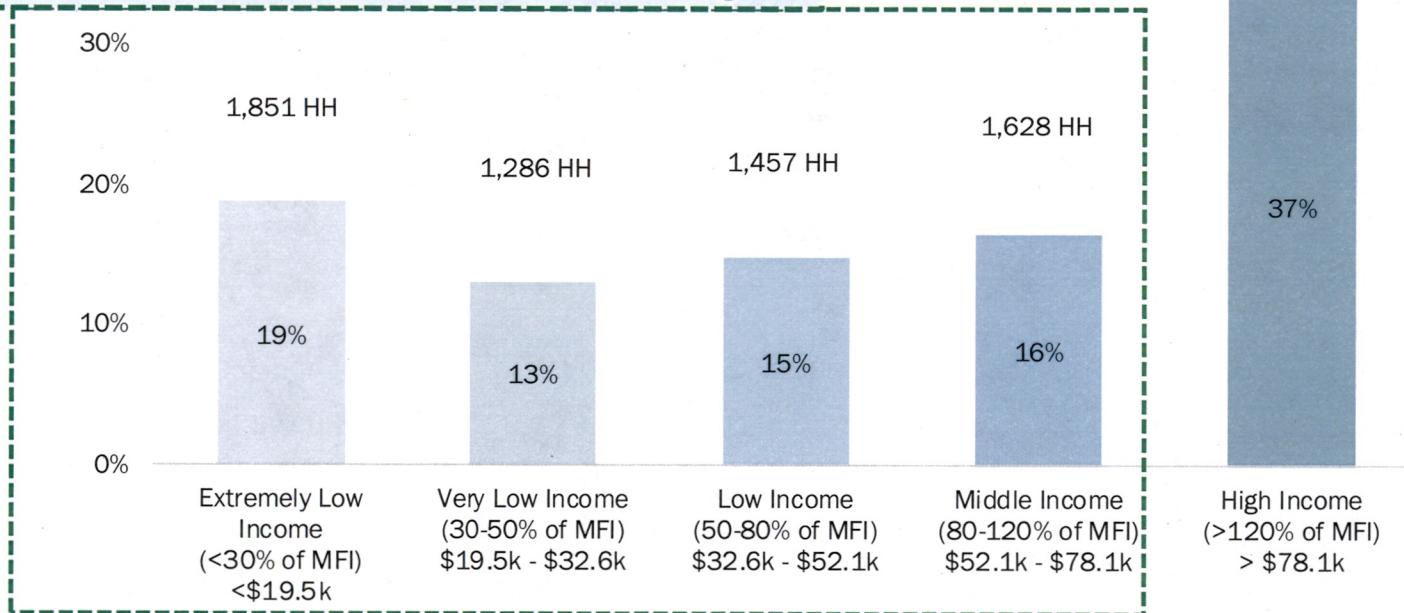
80% Median Income = \$52,100

Source: U.S. Department of HUD, Jackson County, 2020. U.S. Census Bureau, 2015-2019 ACS Table 19001.



Ashland Characteristics

63% of Ashland Households earn less than necessary to afford median priced housing



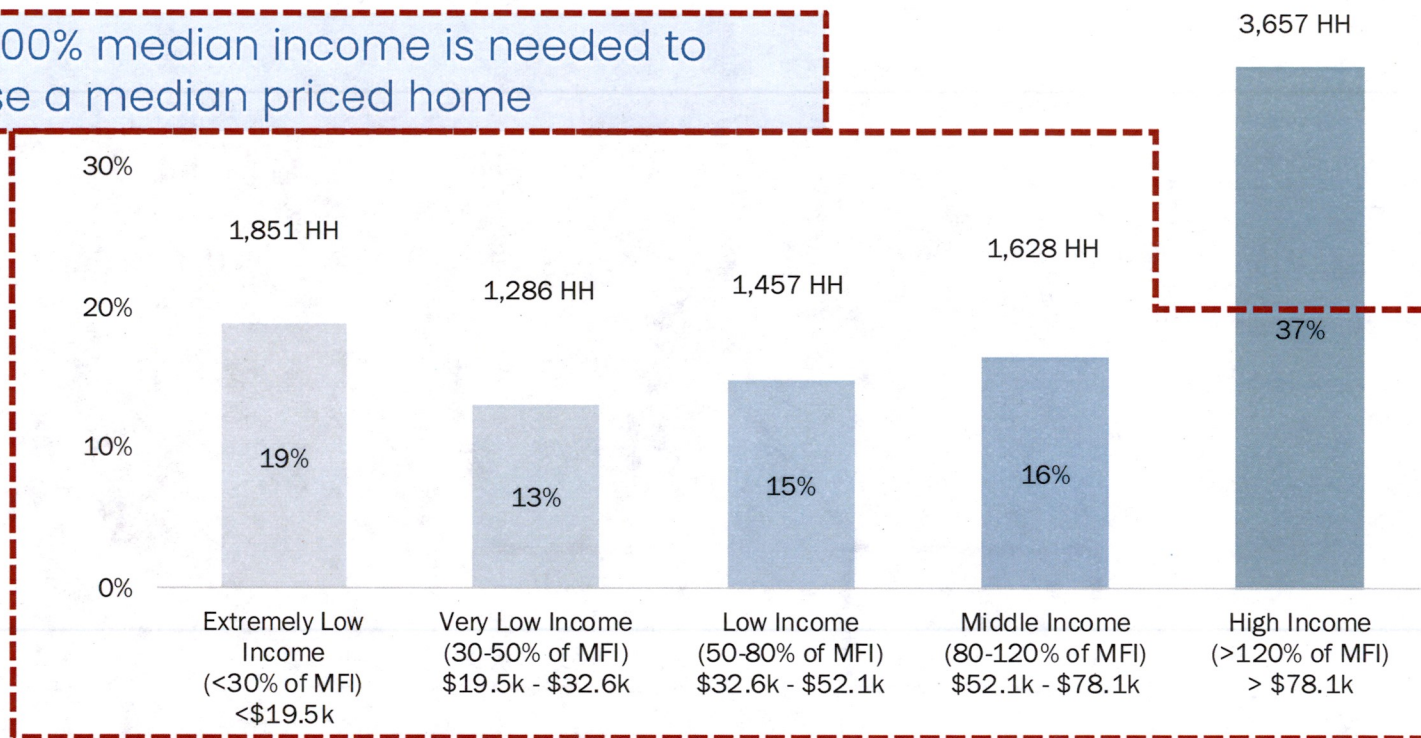
120% Median income = \$78100

Source: U.S. Department of HUD, Jackson County, 2020. U.S. Census Bureau, 2015-2019 ACS Table 19001.



Ashland Characteristics

Nearly 200% median income is needed to purchase a median priced home

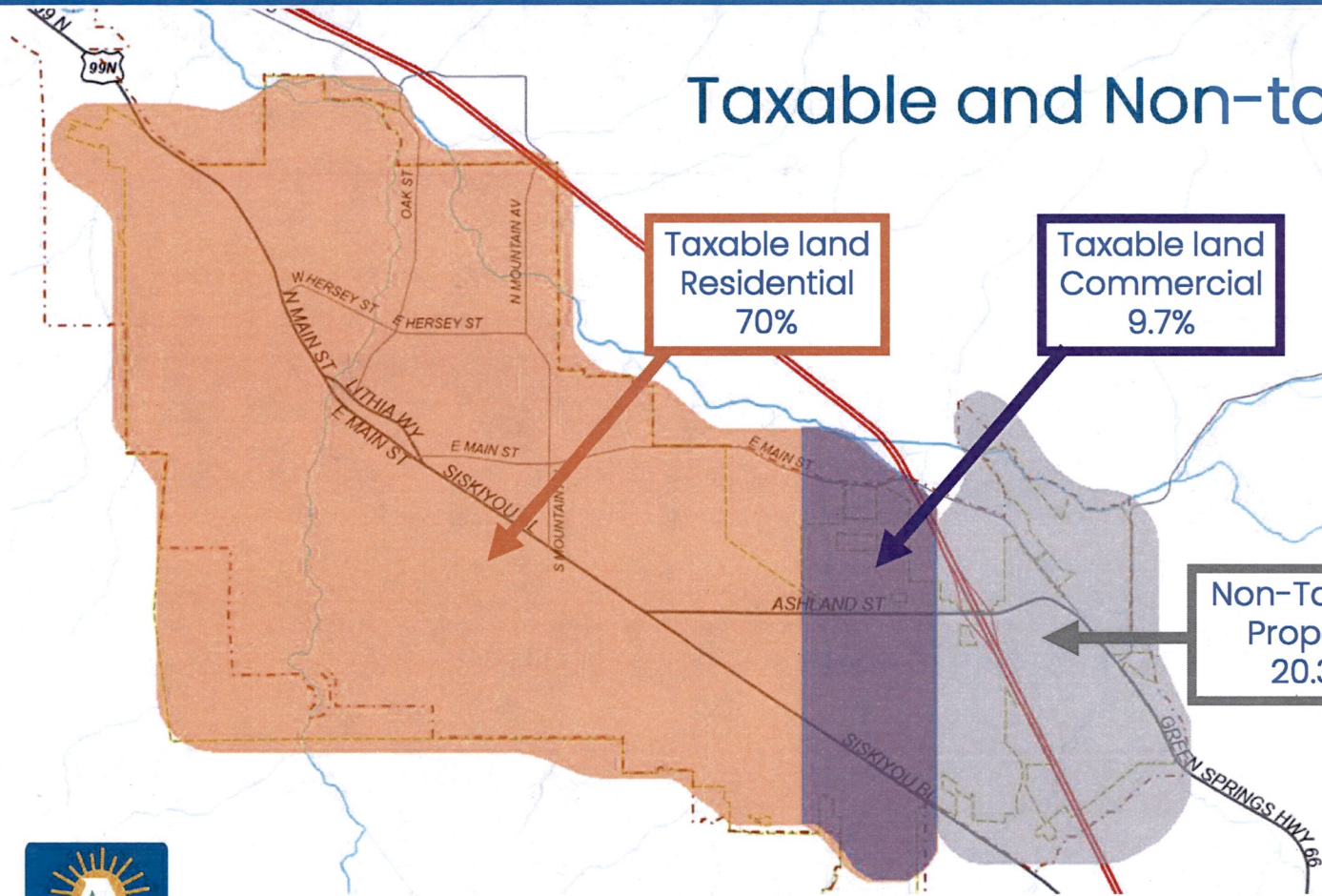


192% Median income = \$140,000

Source: U.S. Department of HUD, Jackson County, 2020. U.S. Census Bureau, 2015-2019 ACS Table 19001.

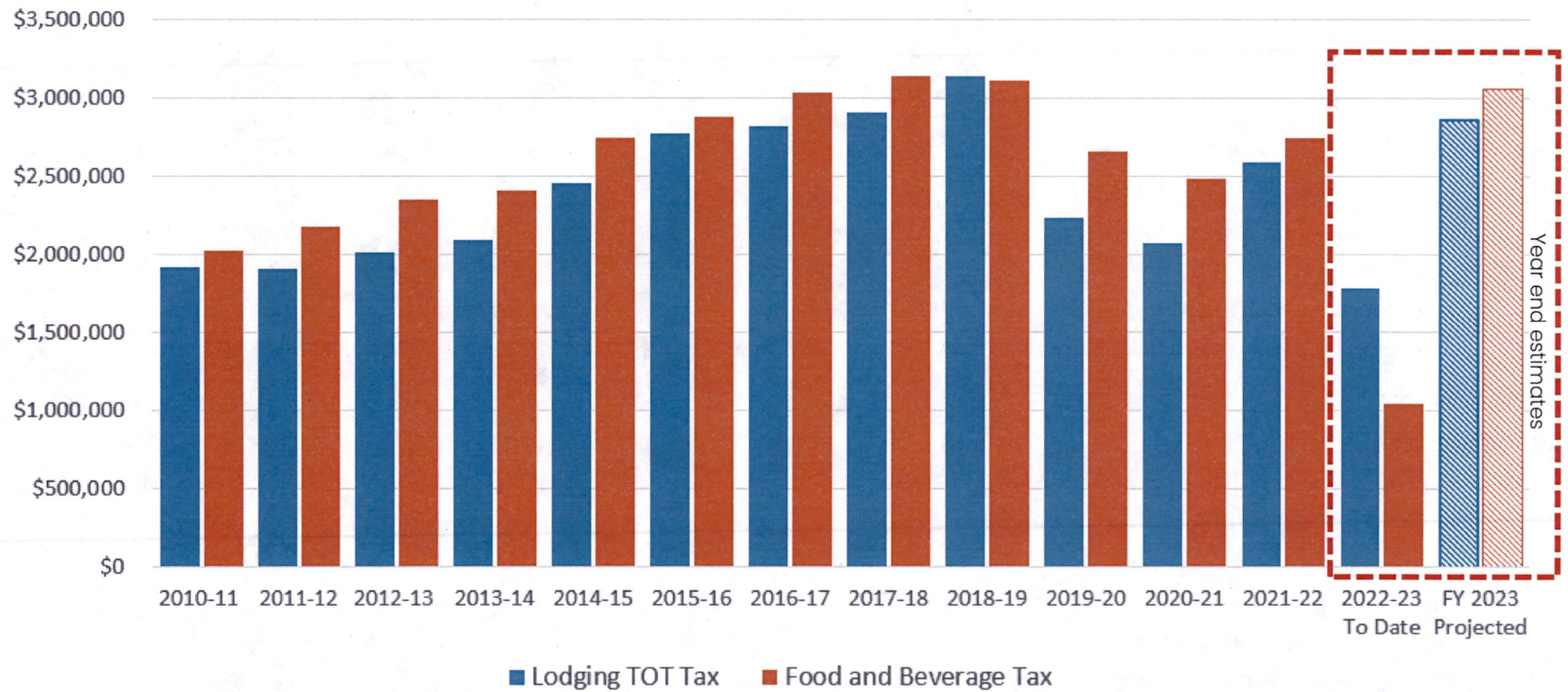


Taxable and Non-taxable Lands

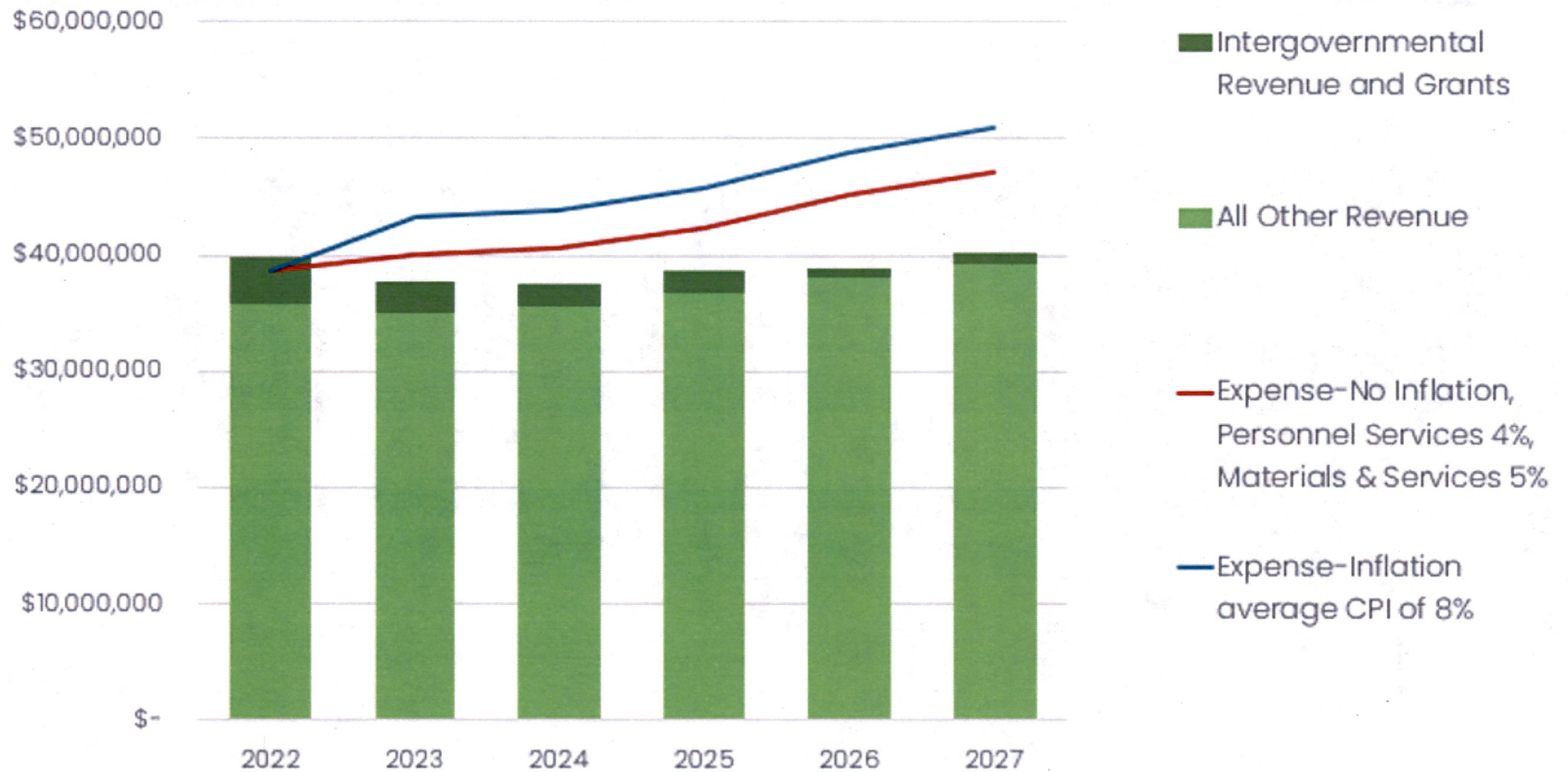


Taxable land (acres)	5028
Residential	4418
Commercial/Industrial	610
Non-taxable land (acres)	1280

Ashland Tax Revenue by Fiscal Year



General Fund Revenue





Southern Oregon University

Sou's path to fiscal success

Required Fiscal model: $R \geq C$



**Managing
Costs**



**Reimagining
Grants**



**Leveraging
Philanthropy**



**Diversifying
Revenue**

How we got here

If We Do Nothing

- 30% **enrollment** decline over 10 years (50% of revenue is tuition)
- 58% increase in **government mandates**
- **State funding** below current service level
- PERS **retirement obligation** jumps from \$7M to \$11M (projected over 5 years)
- **Healthcare** cost jumps from \$7M to \$9.5M (projected over 5 years)

	Revenue	Cost	Deficit
2022-23	\$ 61.2 M	\$ 62.5 M	\$ -1.3 M*
2023-24	\$ 65.1 M	\$ 70.0 M	\$ -4.9 M
2024-25	\$ 65.6 M	\$ 73.7 M	\$ -8.1 M
2025-26	\$ 66.4 M	\$ 79.7 M	\$ -13.3 M
2026-27	\$ 67.2 M	\$ 81.8 M	\$ -14.6 M

*includes \$3.6 M in one-time cuts

**85% OF OUR COSTS ARE
INVESTMENTS IN OUR
PEOPLE**

Solving for the future

Implementation of Cost Realignment

- Reorganization, process improvement, and program adjustments across the university
- 81.83 FTE reduction

	Revenue	Cost	Net	Ending Fund Balance	% Operating Revenue
2023-24	\$ 64.6 M	\$ 63.3 M	\$ 1.3 M	\$ 6.5 M	10.00%
2024-25	\$ 67.1 M	\$ 64.7 M	\$ 2.4 M	\$ 8.9 M	13.27%
2025-26	\$ 67.8 M	\$ 66.5 M	\$ 1.3 M	\$ 10.2 M	15.08%
2026-27	\$ 70.1 M	\$ 68.7 M	\$ 1.4 M	\$ 11.7 M	16.69%

**85% OF OUR COSTS ARE
INVESTMENTS IN OUR PEOPLE**



Aggressively pursue entrepreneurial revenue projects

- Cascade Complex replacement project
- Solar
- University District
- Workday Training Center



What are the issues that tourism is facing?

- **Inflation and rising cost** of travel are deterrents for some
- **Labor shortages** affects hours, services and availability
- There is a **shifting seasonality** in avoidance of wildfire season
- The need to **embrace the change** of our visitor base is crucial

What are the opportunities of Ashland's tourism?

- **Ashland's visitor has evolved** and is coming for new reasons
- This new visitor is **more active, spontaneous** and engaged
- **Continued investment** in tourism is key to educate the new visitor
- Visitor behaviors fuel and shape our amenities and industries
- Visitors are potential future residents



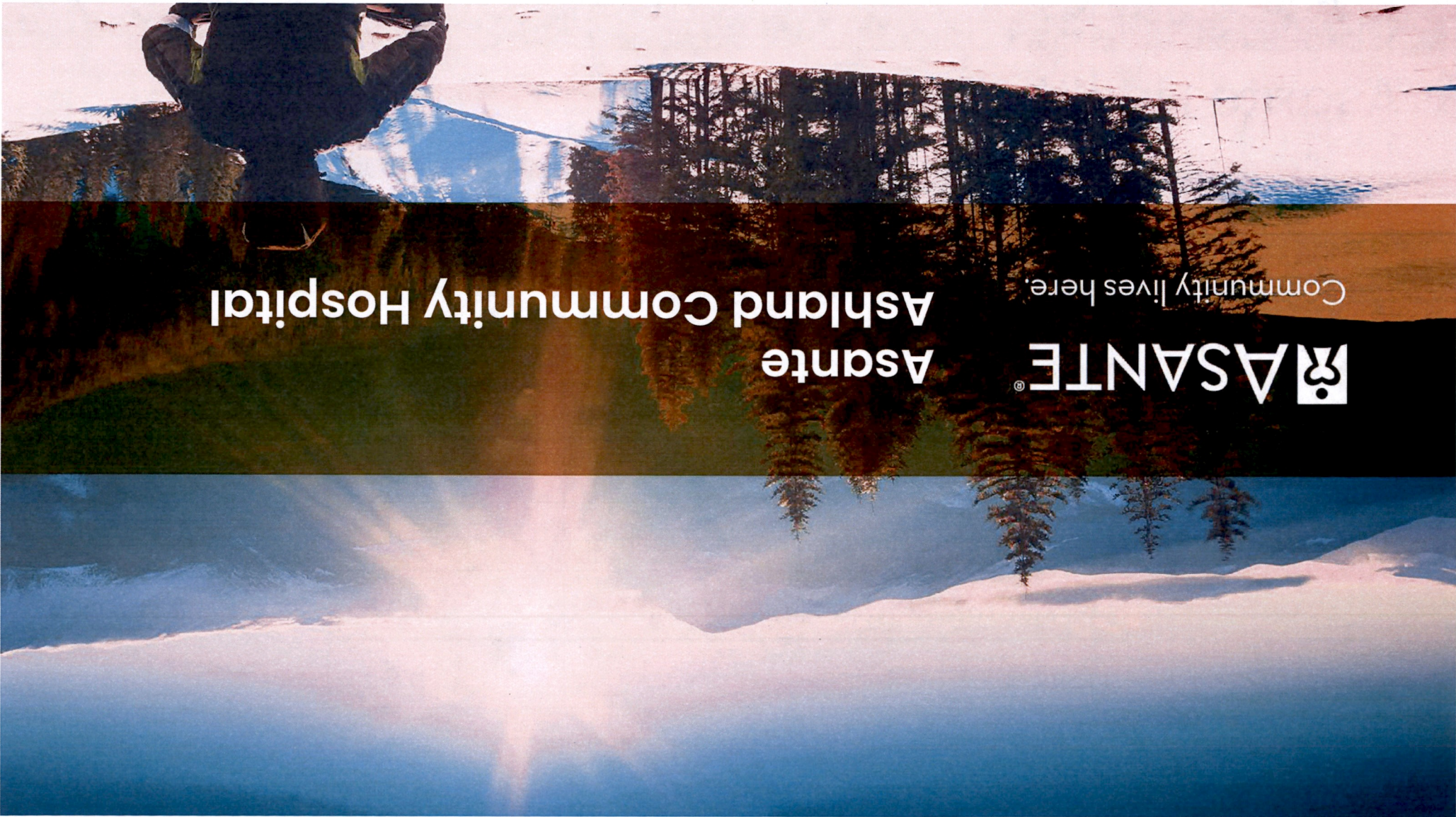
Photo by Bob Palermini



How does Ashland remain Strong?

- Anchor Ashland as a **basecamp** for visitors to explore the region
- Partner regionally** to expand our culinary and cultural offerings
- Develop our assets** for families, music, culture and outdoors
- Expand our spectrum of events** and festivals
- Continue to amplify our **access to outdoors, wine, friendliness and walkability**
- Attract conferences, tours and groups** for new reasons
- Support Travel Ashland's branding** to attract, educate and welcome these new visitors
- Target and market** to destinations we compete against such as Bend

Photo by Bob Palermini



Community lives here.

ASANTE®

Asante

Ashland Community Hospital

Asante Health System

All employees — headcount as of 01/16/2023

Entity	# Employees
Asante Ashland Community Hospital	264
Asante Corporate/Asante Foundation	1,003
Asante Physician Partners	622
Asante Rogue Regional Medical Center	2,939
Asante Three Rivers Medical Center	1,131
Total headcount	5,959

Asante Fast Facts

Asante Ashland Community Hospital

Economic impact of AACH (FY22)

- Supplies and purchased services: \$12,956,867
 - Per day: \$35,498
- Salaries and benefits: \$48,802,621
 - Per day: \$133,705

Community benefit (FY21)

- Charity care: \$650,558
- Other government: \$972,846
- Community programs: \$790,537
- Cash and in-kind: \$71,243
- Bad debt: \$1,144,072

Open jobs at Asante: 538 (total)

- Open jobs at AACH: 33
- Open jobs at APP-Ashland clinics: 10

Asante employees who live in Ashland: 472

A scenic landscape photograph featuring a calm lake in the foreground, a dense line of green trees in the middle ground, and a bright blue sky with scattered white clouds in the background. The image is divided into three horizontal sections. The top section shows the sky and the upper branches of trees. The middle section is a semi-transparent green band containing the text. The bottom section shows the grassy shore of the lake and the water's surface.

Ashland Chamber of Commerce



Ashland Chamber of Commerce

Demographic Trends

Strengths – Weaknesses – Opportunities – Threats

Ashland Chamber Economic Diversification Strategy



Action steps

Opportunities

Initial opportunities that arose in our discussions with stakeholders and exploration into potential strategies included:

- ❑ **Outdoor Recreation** – Mountain and gravel biking, river sports, snow activities, snowmobiling, rock climbing
- ❑ **Opportunity Sites** – Croman Mill, Railroad Site, University District, Downtown, housing development
- ❑ **Healthcare** -- Senior care, functional medicine, wellness
- ❑ **Remote Workers** – Worker attraction, remote companies
- ❑ **Arts and Culture** – Digital arts, film industry, visual arts, culinary arts, creative direction, music, Downtown events
- ❑ **SOU Programming** – Health care, digital arts, sustainability
- ❑ **Climate Adaptation** – Green technology, renewable energy
- ❑ **Diversity** – Population demographics, retail and restaurant options
- ❑ **Leadership** – New change agents, climate leadership
- ❑ **Small Scale Manufacturing** – Device manufacturing, boutique agricultural products

Threats

Moving further from current weaknesses to potential future threats to Ashland's economy, these themes emerged most often in our initial conversations:

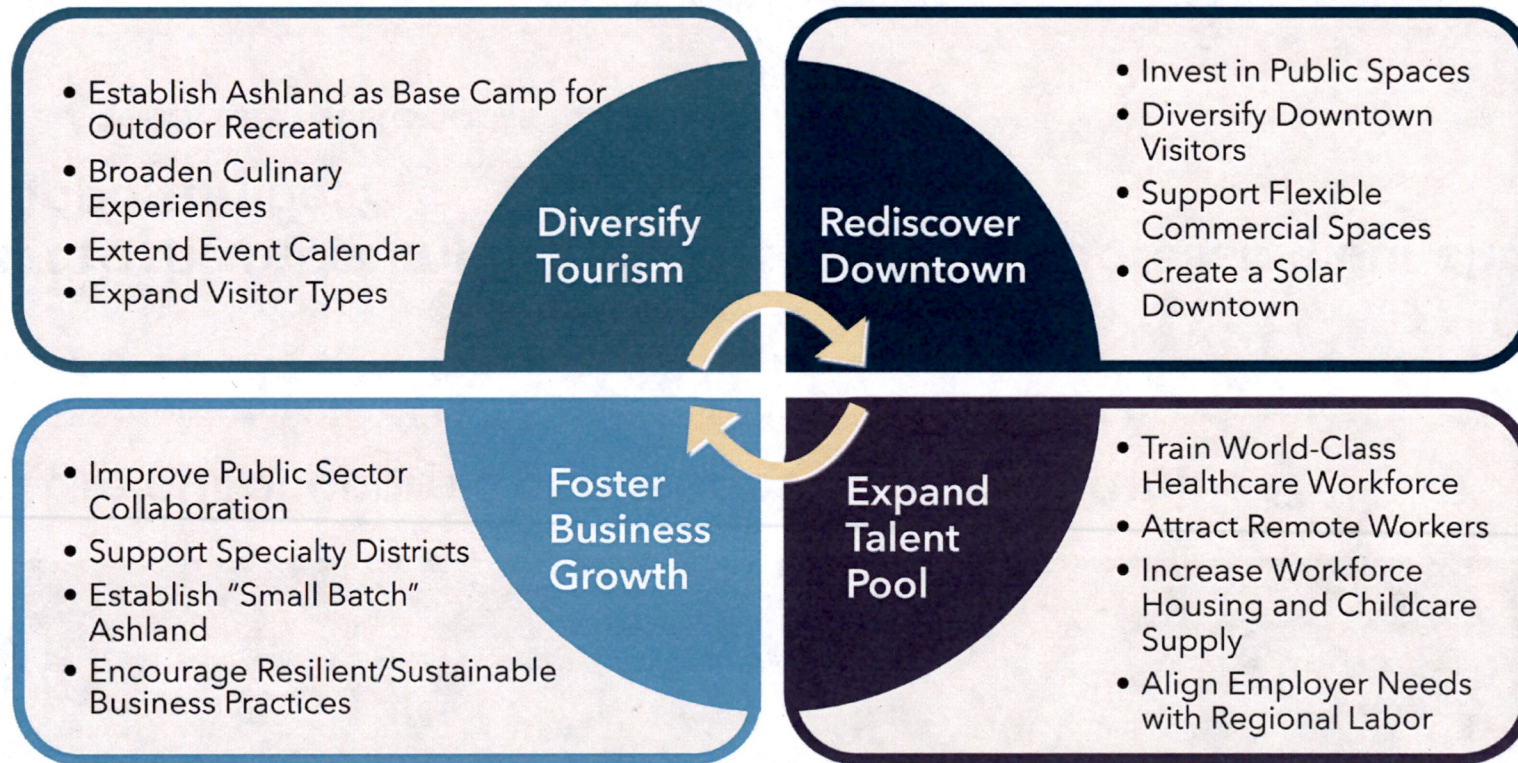
- ❑ **Climate Change:** Summer smoke and wildfires, extreme heat, reduced snowpack, reduced water availability
- ❑ **Housing Affordability:** Workforce and family friendly housing
- ❑ **Enrollment Decline:** Public K-12 schools and Southern Oregon University
- ❑ **Land:** Available supply and cost
- ❑ **Natural Resources for Recreation:** Camping areas and trails
- ❑ **Downtown Vibrancy:** Storefront vacancies, lack of nightlife
- ❑ **Competition:** Young workers relocating, walkable downtowns
- ❑ **Aging:** Customer base and local population
- ❑ **Government Functionality:** Development process
- ❑ **Infrastructure:** Lack of investment, stifled development
- ❑ **Diversity of Visitor Amenities:** Families, middle income households, people of color
- ❑ **Childcare:** Availability and affordability

Final Prioritization

EcoNorthwest identified the most promising opportunities areas included the following:

- ❑ **Outdoor Recreation** – Leverage access to regional attractions and year-round activities
- ❑ **Culinary Experiences** – Food production and workshops with cooking and winemaking
- ❑ **Commercial Development** – Business owner support and specialty districts
- ❑ **Healthcare** – Prepare for increasing need of senior care, build healthcare workforce
- ❑ **Sustainability and Climate** – Local renewable energy production and action on CEAP
- ❑ **Southern Oregon University** – Program connections with students and businesses
- ❑ **Opportunity Sites** – Downtown vibrancy and fostering a distinct University District
- ❑ **Business Operations** – Support resilient and sustainable business practices

Ashland's Greatest Opportunities





What are our economic challenges and opportunities?

- ☐ Important trends or takeaways signaled from the last three years

What are the most important next steps for addressing our challenges and opportunities?

- ☐ Long-term sustainability (20-50 years)

What should our next “Better Together, “steps be?

- ☐ Three joint gateway or catalyst efforts.



Thanks for Attending