Clackamas Investment Strategy
Ready for the New Economy

Development Services Building, Room 118
February 22, 2012 9:40am to 11:30pm

Clackamas County is at a pivot point. The economy is changing. The traditional sources of funds we have used to build our roads, streets and bridges are shrinking. Many citizens, feeling economic stress themselves, are taking a hard look at what we should and should not build.

On the other hand, it is clear that the county will continue to grow. And to grow, we need infrastructure to move people and goods. We need to provide opportunities for development, and to ease the path for entrepreneurs and companies who want to invest and put people to work.

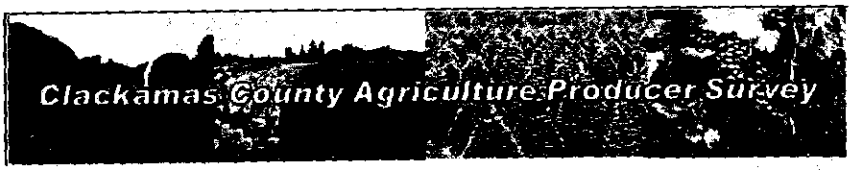
To move that discussion forward, Clackamas County is working toward a Clackamas Investment Strategy to guide the county in targeting smart investments, not only of county funds, but of county staff and political resources.

To help form the strategy, the Board of County Commissioners is having a series of planning meetings, focusing on different features of the county's economic landscape, and evaluating the county's development assets.

Planning Meeting Agenda

February 22, 2012

9:40 – 9:45	**Welcome and Introduction** Dan Chandler Gary Barth
9:45 – 10:30	**Agriculture Investment Plan Report and Discussion** Bob Wise, Cogan Owens Analisa Phenix, EcoTrust Mike Mertens, EcoTrust Catherine Comer, Clackamas County Jamie Johnk, Clackamas County
10:30 – 11:00	**BCC Discussion: Investment Strategy Resolution**

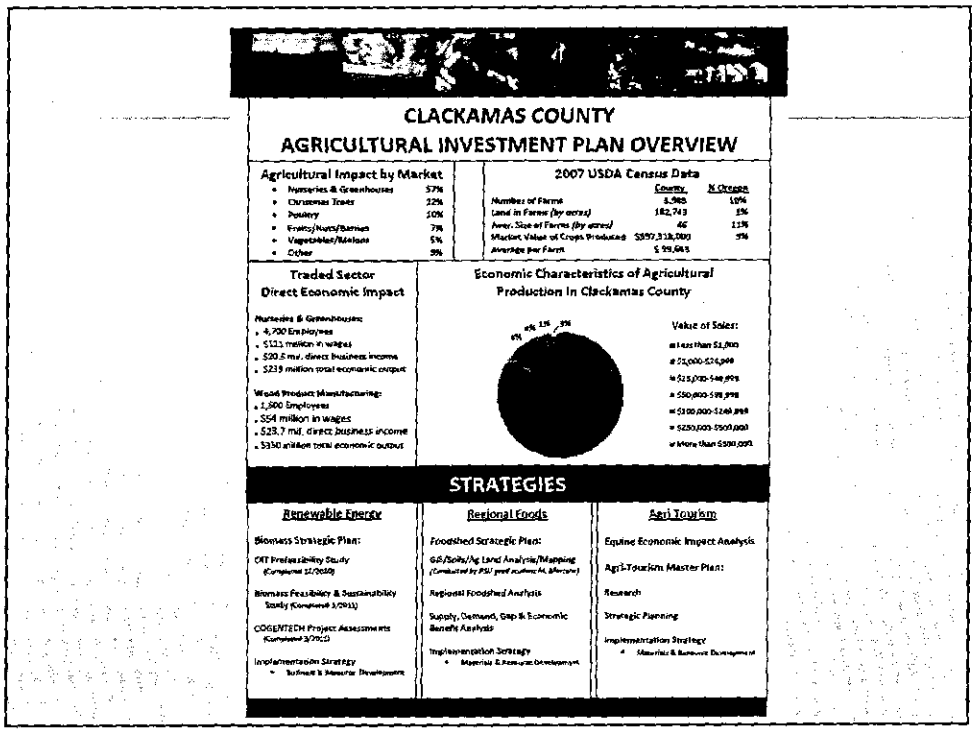


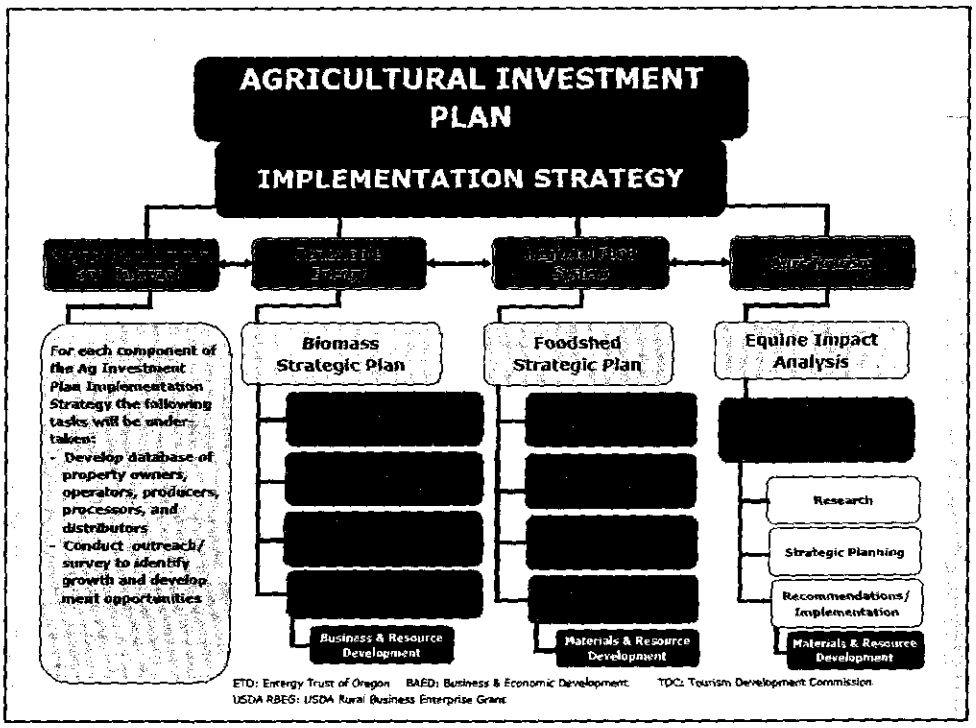
CLACKAMAS COUNTY AGRICULTURAL INVESTMENT PLAN

February 22, 2012

INTRODUCTION

- The Clackamas County Agricultural Investment Plan (AIP) focused on expanding countywide economic growth by fostering and capturing emergent markets and business opportunities in the County's agricultural sector.
- The agricultural "cluster" of farms and associated business in Clackamas County is an economic engine for the region and a vital part of the County's industrial mix.
- Clackamas County is
  - ranked first among Oregon counties for the sale of nursery crops and Christmas trees with $400 million in annual revenue;
  - is first in the number of farms (3,700); and
  - first in the number of organically-certified farms (63).


CLACKAMAS COUNTY
AGRICULTURAL INVESTMENT PLAN OVERVIEW
Agricultural Impact by Market
Nurseries & Greenhouses 57%
Christmas Trees 22%
Poultry 10%
Fruits/Nuts/Berries 7%
Vegetables/Melons 5%
Other 3%
2007 USDA Census Data
County
N Oregon
Number of Farms 8,985 10%
Land in Farms (by acres) 182,743 1%
Aver. Size of Farms (by acres) 46 11%
Market Value of Crops Produced $957,318,000 5%
Average per Farm $ 99,665
Traded Sector
Direct Economic Impact
Nurseries & Greenhouses:
4,700 Employees
$121 million in wages
$20.5 mil. direct business income
$239 million total economic output
Wood Product Manufacturing:
1,500 Employees
$54 million in wages
$23.7 mil. direct business income
$330 million total economic output
Economic Characteristics of Agricultural Production in Clackamas County
Value of Sales:
Less than $1,000
$1,000-$24,999
$25,000-$49,999
$50,000-$99,999
$100,000-$249,999
$250,000-$500,000
More than $500,000
STRATEGIES
Renewable Energy
Biomass Strategic Plan:
OIT Prefeasibility Study
Biomass Feasibility & Sustainability Study
COGENTECH Project Assessments
Implementation Strategy
Business & Resource Development
Regional Foods
Foodshed Strategic Plan:
GIS/Soils/Ag Land Analysis/Mapping
Regional Foodshed Analysis
Supply, Demand, Gap & Economic Benefit Analysis
Implementation Strategy
Materials & Resource Development
Agri-Tourism
Equine Economic Impact Analysis
Agri-Tourism Master Plan:
Research
Strategic Planning
Implementation Strategy
Materials & Resource Development


AGRICULTURAL INVESTMENT PLAN
IMPLEMENTATION STRATEGY
For each component of the Ag Investment Plan Implementation Strategy the following tasks will be undertaken:
- Develop database of property owners, operators, producers, processors, and distributors
- Conduct outreach/ survey to identify growth and development opportunities
Biomass Strategic Plan
Foodshed Strategic Plan
Equine Impact Analysis
Research
Strategic Planning
Recommendations/ Implementation
Business & Resource Development
Materials & Resource Development
Materials & Resource Development
ETO: Energy Trust of Oregon BAED: Business & Economic Development TDC: Tourism Development Commission
USDA RBEG: USDA Rural Business Enterprise Grant

PROJECT TEAM

- Catherine Comer and Jamie Johnk – CC Business & Economic Development
- Susan Ziolko and Eben Polk- CC Office of Sustainability
- Danielle Cowan – CC Tourism & Cultural Affairs
- Tom Salzer and Lisa Bucy – CC Soil & Water Conservation
- Mike Bondi – OSU Extension Service/NWREC
- Elizabeth Peters – Oregon Association of Nurseries/EDC
- Laura Barton – Oregon Department of Agriculture
- Kat West and Janine Leaper – Multnomah County
- Contractor Team:
  - Bob Wise/Steve Faust/Kirstin Greene – Cogan Owens Cogan
  - Mike Mertens/Analisa Fenix – Ecotrust
  - Mary Stewart – MARStewart
  - Todd Chase – FCS Group

AGRICULTURAL INVESTMENT PLAN PURPOSE

- The Agricultural Investment Plan
  - Is focused on supporting key traded sector clusters while exploring three major areas of potential growth in the agricultural sector: renewable energy; regional foods; and agricultural tourism.
  - Will serve as a framework for the long-term preservation of the County's foundational lands.
  - Is a tool for fostering rural revitalization and economic sustainability through the creation of new employment opportunities in the agricultural industry.

COMPONENTS OF THE PLAN

- A database of agricultural producers, processors and distributors.
- Outreach to key stakeholder groups.
- A supply and demand analysis for the agricultural sector.
- An analysis to identify opportunities to support the agricultural sector.

OUTREACH AND SURVEYS

- Direct mailing surveys to approximately 5,700 agricultural land owners and 265 food processors/aggregators/ distributors
- Interviews with several major producers
- Follow-up phone calls
- Counter-top and bulletin board displays
- Presentations at formal/informal gatherings of ag producers
- Articles in industry newsletters and websites
- Results:
  - 1,008 survey responses from agricultural producers
  - 118 survey responses from equine operations
  - 34 survey responses from food processors/aggregators/distributors

FINDINGS AND RECOMMENDATIONS
AGRICULTURE AND ECONOMIC CLUSTER STRATEGY

Findings

- The food production sector (farming and supply) is only one part of a much larger "food cluster" that also includes food processing, distribution and consumption.
- Markets for agricultural production depend on producers' connections to processors, distributors and consumers. Understanding the current relationship among these four sub-sectors of the economy is critical to economic development strategies to help farmers

Recommendations

- Deepen economic landscape analysis.
- Regional marketing/branding.
- Link resources.

FINDINGS AND RECOMMENDATIONS
IMPORT SUBSTITUTION

Findings

- The Portland region currently imports over 95 percent of the food consumed.
- Direct farmer-to-consumer sales is a relatively small part of the regional foodshed economy at $12 million; 1.5 percent of farm sales and 0.25 percent of the region's consumer market.
- There appears to be capacity in the region to produce more food for local sales and exports.

Recommendations

- If ten percent of food currently imported from outside the region was locally produced, this would generate approximately $470 million in increased local economic wealth per year, not including economic multipliers.
- Initiate an import substitution strategy.
- Deepen information on demand and production capacity.

FINDINGS AND RECOMMENDATIONS
BI-PRODUCT RESOURCES BUSINESS MODELS

Findings

- Clackamas County is exploring opportunities for *waste to energy* projects and included questions on the agriculture producer survey inquiring as to whether their agricultural operations generated residual waste.
- More than 53 percent of survey respondents affirm a residual waste product from operations, such as surplus Christmas trees, clippings, slash and animal waste.
- The most reported waste management practices by respondents include composting the waste and spreading on fields, burning, grinding and chipping.

Recommendations

- The County has major farm, forest and Christmas tree biomass assets. These assets can potentially be converted to energy production or other uses.
  - Continue efforts on bio-mass opportunities.

FINDINGS AND RECOMMENDATIONS
SPECIALTY AND ORGANIC AGRICULTURE FOR EXPORT

Findings

- Results of the producers' survey reflect that organic production comprises more than 29 percent of all farm sales generated in Clackamas County.
- According to survey responses, the primary reasons for organic production are stewardship practices, food safety and marketing.
- Clackamas County agriculture producers interested in increasing the size of their operation cited that their primary reason is to create new market opportunities.
- Crops/species of interest include: hay/grains/grass, grapes, nursery stock, fruit crops, truffles, vegetables/produce and livestock.

Recommendations

- Clackamas County and Oregon are known for highly specialized agriculture, such as blueberries and hazelnuts. Based on Ecotrust's work to date there is capacity in Clackamas County to supply the entire region's needs for many fruits and vegetables.
  - Expand organic certification.
  - Provide information on alternative crops and farm suitability.
  - Encourage strategic crop development.

FINDINGS AND RECOMMENDATIONS
FARM OWNERSHIP - SUCCESSION PLANNING

Findings

- Results of the Clackamas County producers' survey indicate that the average age of the principal owner/farmers is between 63 and 71 years old (30.6%).
- Results of the survey reflect that succession planning is an area where additional assistance and resources may be needed.
- Of the 889 respondents to the question regarding the transfer of ownership, more than 61 percent answered that they do not currently have a plan of transfer.
- Of the approximately 39 percent that have a plan in place, most indicate their intention to transfer ownership to family members, a spouse, child, or trust.

Recommendations

- Convene efforts to address succession planning.

FINDINGS AND RECOMMENDATIONS
MARKETING

Findings

- Producer survey respondents indicate the primary market for farm products is direct to consumers who visit farms or a nearby retail outlet with additional markets including wholesale, retail and processors.
- Approximately 24 percent of respondents say their market outlets are not satisfactory and 14 percent would like marketing assistance.
- Connecting with customers was the most noted marketing assistance needed, followed by marketing strategies, planning and branding.
- Considering other market opportunities for agricultural producers to expand in to, respondents identified key areas of expansion including direct to consumers at their farm or nearby farm retail outlet , wholesale market, retail outlets, direct to consumers through farmers markets and direct to restaurants.
- Other noted markets reported by respondents include Community Supported Agriculture (CSA), institutional buyers, processors, increased export markets, out of state markets, and web-based markets.

Recommendations

- Develop a growers' website.
- Pursue expanding markets (west coast, food chains, fast food).

FINDINGS AND RECOMMENDATIONS
SMALL BUSINESS ASSISTANCE AND TRAINING

Findings

- Respondents to the producers survey indicate a need for financial, legal and tax assistance.
- Oregon State University, as part of the SARE project, identifies improved farm business practices as a major target for development of future education and training packages.

Recommendations

- Build awareness of capital sources.
- Provide assistance information.
- Continue/deepen business practices training.
- Investigate local industry incubation.
- Undertake customer relations training.

FINDINGS AND RECOMMENDATIONS
LABOR

Findings

- Responses to the processors and distributors survey indicate that the availability of a skilled work force impacts their bottom line performance and is a barrier to growth.
- Approximately 44 percent of processing and distribution employers are interested in workforce training resources.
- More than 31 percent of agricultural producers who are considering producing or expanding current product for market say that labor costs and availability are one of the most significant barriers to doing so.

Recommendations

- Support agricultural-specific workforce training program.
- Create shared labor opportunities.
- Investigate farm worker housing programs.
- Develop food safety and handling information.

FINDINGS AND RECOMMENDATIONS
DIVERSIFICATION/AGRI-TOURISM

Findings

- Agricultural-tourism is another economic growth opportunity in Clackamas County.
- Survey respondents interested in learning more about agri-tourism opportunities indicates the greatest interest lies in:
  - selling products direct to consumers on the farm through a stand or shop
  - farm tours/educational experiences/wine or product tasting
  - hosting celebrations/events and/or festivals on the farm

Recommendations

- Review land use policies regarding agriculture-tourism areas of interest; advocate for changes.
- Approved farm models.

FINDINGS AND RECOMMENDATIONS
AGGREGATION

Findings

- Most Clackamas County farms are relatively small in terms of acreage and production.
- Currently, there is no organization focused on helping these small producers improve their business operations or market, process and distribute their food within the region.
- Few funding sources exist to cultivate key grower/distributor partnerships necessary to expand regional markets.
- Approximately 30 percent of agricultural producers would be interested in joining a cooperative or similar organization to explore new market opportunities, expand their current market and gain access to equipment and resources they are currently lacking.

Recommendations

- Pursue the formation of a producers' cooperative and/or a CSA cooperative.
- Expand farmers' markets.
- There appears now to be the need for an organization similar to the original cooperative to focus on the Portland regional foodshed market.

FINDINGS AND RECOMMENDATIONS
REGULATORY

Findings

- More than 35 percent of producers say fertilizer/ pesticides regulations are a primary regulatory barrier.
- 18 percent of producers indicated that they experience conflicts in producing products in a safe and efficient manner, the majority identify spraying as the largest concern.
- Interviews in the SARE project suggest that systems for producing and using organic fertilizers may need regulatory streamlining.

Recommendations

- Develop spraying mitigation plan.
- Safe spraying support program.
- Encourage use of organic fertilizer.

FINDINGS AND RECOMMENDATIONS
CONSERVATION

Findings

- Many Clackamas County producers are interested in conservation opportunities.
- One of the primary reasons cited by producers who would like to increase the size of their land base is "for the protection/preservation of the environment."
- When asked what technologies would help farmers to produce or expand their products, more than 23 percent identify irrigation systems technologies.
- As the cost of energy has increased growers are also interested in energy efficiency and developing renewable sources.
- The state energy plan and plans to address green house gasses in Oregon and the West Coast suggest emerging opportunities for growers.

Recommendations

- Develop a water system strategy.
- Encourage farm energy efficiency.
- Research carbon credits and ecosystem services.
- Promote Rural Renewable Energy Development (RRED) program.

CLACKAMAS COUNTY AGRICULTURAL OPPORTUNITIES ANALYSIS: GIS SOILS/AG LAND ANALYSIS/MAPPING COMPONENT

PRELIMINARY RESULTS

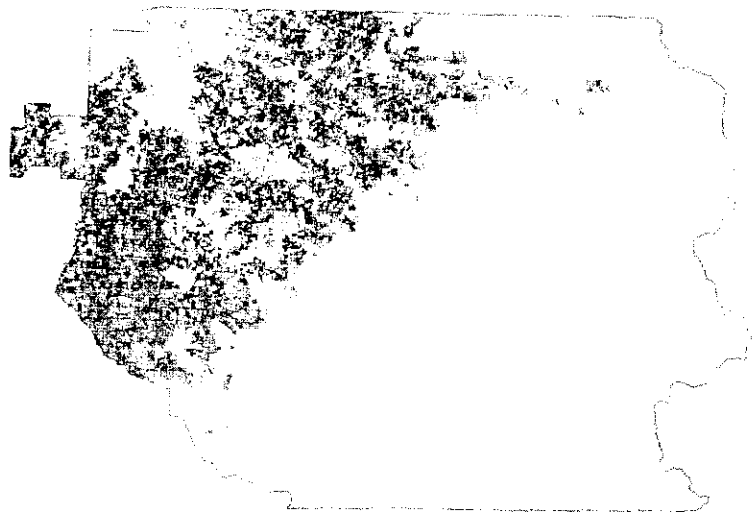
Analisa Fenix - GIS Manager
Mike Mertens – Director of Spatial Analysis
Ecotrust

WHERE WE ARE TO DATE

- Three broad categories of work:

1. Establish a baseline of spatially explicit agricultural use types characterized according to standard agricultural classification typology
2. Map current food infrastructure in the region
   a. Distributors, aggregators and production facilities
3. Mapping of available/re-developable lands for food production

MAPPED EXTENT OF CROP TYPES

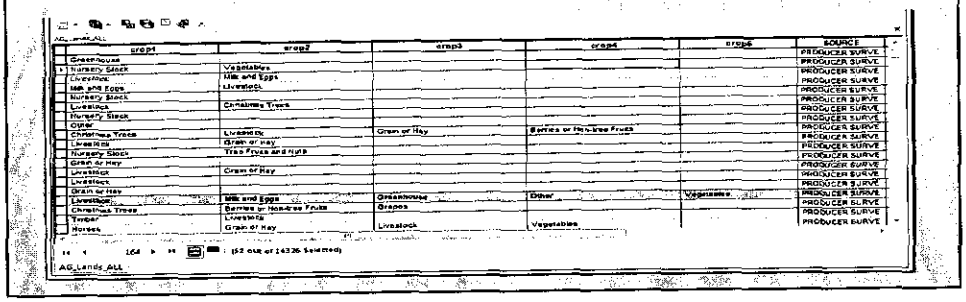


PROCESS STEPS

- Determined most appropriate mapping unit:
  - Must link to all current data owned by County (i.e. surveys, etc)
  - Resulting database must be directly applicable to future crop mapping refinement, analysis, and temporal crop mapping
    - Clackamas taxlot data
- Non-Crop lands masked
- Reviewed best available data for initial base crop map
  - USDA Crop Data 2010 –
    - Used data to impute USDA crop typology onto Clackamas taxlots
- Cleaned, standardized and geocoded all additional crop data provided by county
  - Clackamas Agricultural Producer survey, EFU Deference Table, Cogan Owens Cogan DBS
- Removed all parcels under .5 acres from analysis

PRELIMINARY RESULTS

- Baseline agricultural classification:
  - *Typology determined: 13 agricultural classes*
    - Berries or Non-tree Fruits, Christmas Trees, Grain or Hay, Grapes, Grass or Other Seeds, Greenhouse, Horses, Livestock, Nursery Stock, *Timber, Tree Fruits and Nuts*, Vegetables, and Other
    - Five potential crops mapped per parcel
      - Of the 14,326 agricultural parcels mapped:
        - 10,504 with two crops identified
        - 324 with three crops identified
        - 162 with four crops identified
        - 52 with five crops identified

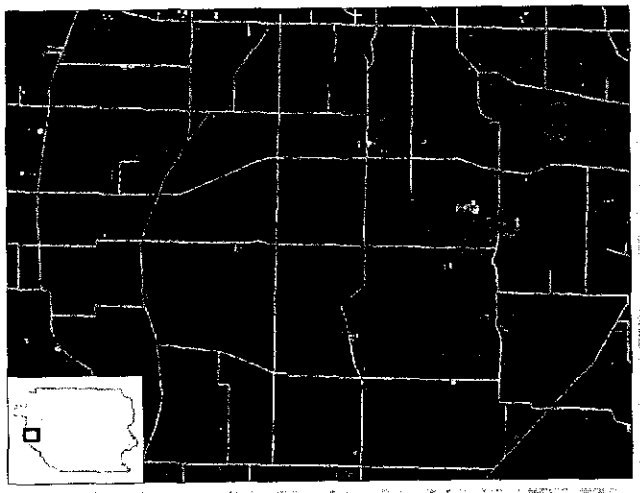


crop1	crop2	crop3	crop4	crop5	SOURCE
Greenhouse					PRODUCER SURVE
Nursery Stock	Vegetables				PRODUCER SURVE
Livestock	Milk and Eggs				PRODUCER SURVE
Milk and Eggs	Livestock				PRODUCER SURVE
Nursery Stock					PRODUCER SURVE
Livestock	Christmas Trees				PRODUCER SURVE
Nursery Stock					PRODUCER SURVE
Other					PRODUCER SURVE
Christmas Trees	Livestock	Grain or Hay	Berries or Non-tree Fruits		PRODUCER SURVE
Livestock	Grain or Hay				PRODUCER SURVE
Nursery Stock	Tree Fruits and Nuts				PRODUCER SURVE
Grain or Hay					PRODUCER SURVE
Livestock	Grain or Hay				PRODUCER SURVE
Livestock					PRODUCER SURVE
Grain or Hay					PRODUCER SURVE
Livestock	Milk and Eggs	Greenhouse	Other	Vegetables	PRODUCER SURVE
Christmas Trees	Berries or Non-tree Fruits	Grapes			PRODUCER SURVE
Timber	Livestock				PRODUCER SURVE
Horses	Grain or Hay	Livestock	Vegetables		PRODUCER SURVE

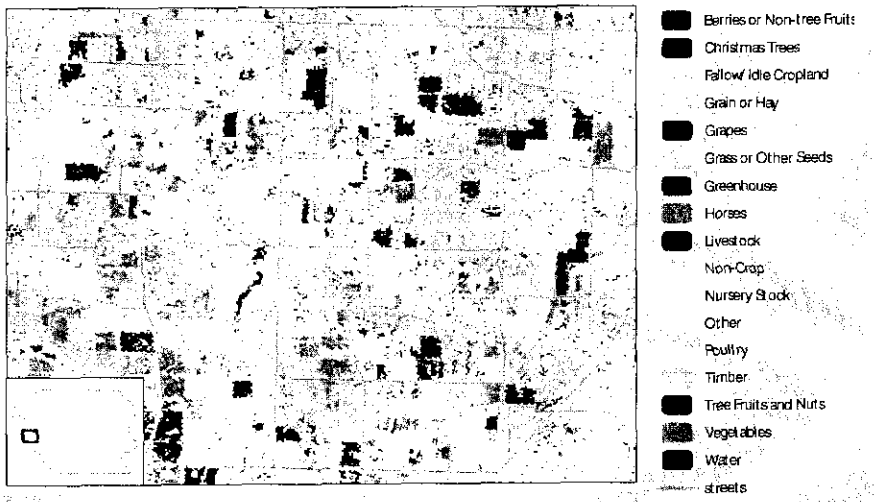
164 (52 out of 14326 Selected)

AG_Lands_ALL

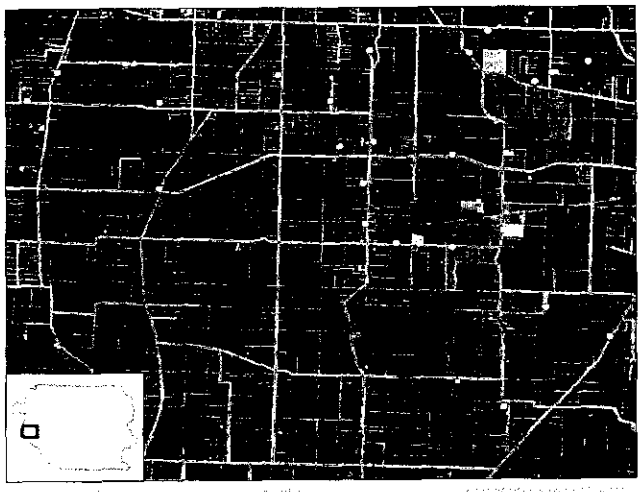
COMPLEXITY OF AGRICULTURAL LANDSCAPE



USDA CROP DATA LAYER



GEOCODING SURVEY RESULTS



FIRST ITERATION OF CROPS MAPPED

GIS SOILS/AG LAND ANALYSIS/MAPPING NEXT STEPS...

- Continue refinement of USDA data. Correlate with OAIN and other additional crop data sources
- QA/QC – Photo interpretation of USDA mis-classified crops
- Standardize typology of all crop fields
- Finalize mapping of food infrastructure, re-developable lands

OAIN COMMODITY	Harvest Unit	UOM	Eco_Commodity Crops that Match (Survey+USDA 2009) (Crop1 only)	GIS Acres	Survey Crop Class
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Grain or Hay
APPLES	100	ACRES	Apples	26	Berries or Non-tree Fruits
BARLEY	100	ACRES			Grain or Hay
BARTLETT PEARS	42	ACRES			Tree Fruits and Nuts
BEEF COW INVENTORY	12,000	NO. HEAD			Livestock
BENTGRASS, CREEPING	150	ACRES			Grass or Other Seeds
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Berries or Non-tree Fruits
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	Berries or Non-tree Fruits

GIS SOILS/AG LAND ANALYSIS/MAPPING RECOMMENDATIONS

- Further standardization of agricultural crop typology
- Farmland Priority Analysis:
  - i.e. overlay soil and irrigation data with particular crops being grown: determine vulnerability/importance-State/County/Region.
- Initiate Clackamas farmland crop monitoring and reporting
  - i.e. California Farmland Mapping and Monitoring Program since 1984
    - Farmland conversion reports-every 2 years

AG PLAN NEXT STEPS

- Complete the Regional Food System Analysis including:
  - Supply Analysis
    - Summary of regional and county data about agricultural producers and production
    - Producer/production trends as indicated by data and outreach
  - Demand Analysis: regional and local analysis of market potential.
    - Demand resources and market trends
    - Supply chain analysis (processing/distribution)
  - Gaps and Opportunities.
    - Analysis of gap between supply and demand
    - Opportunities as indicated by research and outreach
  - Economic Benefits
  - Food Safety Strategy
    - New state and regional legislation
    - Recommended policies and procedures

AG PLAN NEXT STEPS

- Complete the Implementation Strategy:
  - Opportunities
    - Clackamas County
    - Multnomah County
    - Shared
  - Barriers/resolutions
  - Business models
  - Funding/resources
  - Recommendations
    - Clackamas and Multnomah Counties
    - Private and nonprofit sectors

AG PLAN NEXT STEPS

- Partners to Carryout Implementation/ Recommendations:
  - CC Business and Economic Development
  - CC Tourism and Cultural Affairs
  - CC Office of Sustainability
  - Multnomah County
  - OSU Extension Service/NWREC
  - CC Soil and Water Conservation
  - Oregon Department of Ag
  - WICCO

2/22/12 Draft

Resolution Regarding the Clackamas Investment Strategy

Resolution No.

WHEREAS, in 2011, the Clackamas County Board of County Commissioners began discussions regarding a Clackamas Investment Strategy to guide the county in targeting smart investments, not only of county funds, but of county staff and political resources; and

WHEREAS, the County is working to understand the county's assets, its economic landscape and the needs of businesses; and

WHEREAS, a core goal of the County is to be a strong partner to local business, in order to support the creation and retention of good jobs; and

WHEREAS, property owners and members of the business community have come forward with honest and frank feedback on how the county can be a stronger partner; and

WHEREAS, the County has been developing and implementing a plan to become best in class in facilitating economic development:

NOW THEREFORE, be it resolved:

The Board of County Commissioners directs county staff to develop and implement a Clackamas Investment Strategy that contains the following elements:

1. **Regulatory Reform**

   a. A program to assure that, by 2015, Clackamas County will provide the community with a development review process that is the fastest in the region.

   b. A commercial planned development process that provides flexible development standards to allow the private sector to use its creativity and expertise to create the right kind of developments, with early outreach to neighbors and a broad vision of what is achievable.

   c. A formal customer service policy that assures that in interactions with the community, all development review staff work to find ways to "get to yes" and help customers succeed in achieving their goals.

   d. A program to evaluate and assure that Clackamas County has a sufficient supply of employment land to meet future needs.

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2. **Smart Investments**

   a. A program to assure that investments are coordinated between county departments and with our cities, service districts and state partners so that the public receives the best possible return on its investments.

   b. Continued implementation of the Clackamas Broadband Express project, that will provide better service, and will save county schools, fire stations, libraries and hospitals over $500,000 per year.

   c. Tri City Service District should continue to evaluate the purchase of the Blue Heron site in West Linn, which will likely result in an $80 million cost savings to ratepayers.

   d. Buy locally when entering into procurement or professional services contracts to the extent allowed by law.

3. **Transportation.**

   a. Continue to work to understand the kind of roads, improvements and maintenance that county residents want.

   b. Work to build a broad-based coalition and a high level of agreement about how to fund those improvements.

4. **Natural Resources.**

   a. Continue the work of the Agriculture Investment Plan to support our agricultural producers and agri-tourism industries.

   b. Work to support environmentally and economically sound production from our federal, state and private forests.

   c. Work to capitalize on Clackamas County's world-class tourism potential, and to support our growing recreation and tourism industries.

Deleted: A program that assures that Clackamas County and our County Service Districts continue to seek out opportunities for long term cost savings by making wise investments now

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Dated this 23rd day of February, 2012.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

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Chair

Recording Secretary