

# Roseburg, Douglas County, Oregon

Conducted by William Kay

## NEAI Projects\*

<b>Community Projects</b>					
<b>Year</b>	<b>Applicant</b>	<b>Project</b>	<b>Funding Source<sup>1</sup></b>	<b>Amount</b>	
1994	Umpqua Regional Council of Governments	Douglas County Technical Assistance Improvement Plan Model	EDA USFS-RCA	\$133,000	
1995		Project Development-Technical Assistance	EDA	\$133,000	
1995		County TA to Timber-Dependent Communities	EDA-Title 9	\$15,000 133,000	
1997		Capacity Building for Rural Communities-NEAI Project Coordination		\$22,230	
1997		Establish GIS to Market Industrial Development & Tourism	USDA-RD	\$349,000	
1998		Rural Information Technology	USFS-RCA	\$40,000	
1999		Infrastructure & Capacity Building		\$41,000	
1998		Douglas County Sustainability Forum	USFS-RCA	\$40,000	
1994 1998		Douglas County	Alcoholism treatment facility Relocation Douglas County Museum Strategic Plan	HUD USFS-RCA	\$10,000 \$21,600
1996		City of Roseburg and RUSA	Diamond Lake Corridor Water/ Sewer Transmission Lines	EDA	\$310,552
	OSPWF			\$204,977	
	Unknown			\$184,645	
1999		Roseburg Area Image Study	EDA OECD	\$25,000 \$15,000	
2000	Umpqua Community Development Corp.	Used Building Materials Business Plan	USFS-RCA	\$25,000	

\* Project funding reflects initial loan and grant totals. Final funding amounts may be different.

1. Key to federal funding sources: USFS-RCAP=United States Forest Service Rural Community Assistance Program; EDA=Economic Development Administration; USDA-RD=United States Department of Agriculture Rural Development; HUD=United States Housing and Urban Development; USDA-RD RBS=United States Department of Agriculture Rural Development Rural Business-Cooperative Services; BLM=Bureau of Land Management; USFS=United States Forest Service; USFWS=United States Fish and Wildlife Service; DOL=Department of Labor; and SBA=Small Business Administration, OSPWF=Oregon's Special Public Works Fund, RUSA=Roseburg Urban Sewer Authority.

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<b>Regional Projects</b>				
<b>Year</b>	<b>Applicant</b>	<b>Project</b>	<b>Funding Source</b>	<b>Amount</b>
1995	Coos Curry Douglas	Douglas County Forest Products	USDA-RDA	\$60,000
1998	Business Development Corp.	Umpqua Inc., Amusements	USDA-RD RBS	\$2,000,000
1994	Coos Curry Douglas	Intermediary Relending Program	USDA-RD RBS	\$2,000,000
1994	Business Development	Six Businesses	SBA	\$546,750
1995	Corporation	26 Businesses	SBA	\$3,178,455
1994	BLM & USFS	JITW Contracts	BLM & USFS	\$1,756,083
1995	USFS	JITW Contracts	USFS	\$1,617,698
1995	BLM	JITW Contracts	BLM	\$808,416
1995	Umpqua CDC	Ecosystem Restoration Pilot Project	USFS	\$30,000
1995	Oregon Department	Cavitt Creek Instream Enhancement	USFWS	\$30,000
1995	of Fish & Wildlife	Umpqua Basin Tributaries	USFWS	\$60,000
1995		Brush Creek Instream Enhancement	USFWS	\$30,000
1996		French Creek	USFWS	\$61,576
1996		Paradise Creek	USFWS	\$60,000
1996		Days Creek/Fate Creek	USFWS	\$35,000

<b>Worker and Family Projects</b>				
<b>Year</b>	<b>Applicant</b>	<b>Project</b>	<b>Funding Source</b>	<b>Amount</b>
1993-1996	Umpqua Training and Employment, Inc.	Dislocated Worker Training, Timber 6	Dept. of Labor	\$423,000*
1994-1996		Dislocated Worker Training, Timber 9	Dept. of Labor	\$373,000
1995-1997		Dislocated Worker Training, Timber 10	Dept. of Labor	\$373,000
1996-1998		Dislocated Worker Training, Timber 11	Dept. of Labor	\$587,713
1997-1999		Dislocated Worker Training, Timber 12	Dept. of Labor	\$517,828
1998-2000		Dislocated Worker Training, Timber 13	Dept. of Labor	\$395,000
1999-2001		Dislocated Worker Training, Timber 14	Dept. of Labor	\$750,000

\* An undisclosed amount of funds were de-obligated.

## Background Context

### Location

Roseburg is located in Douglas County, Oregon, on the Umpqua Valley floor, between the crest of the Cascade Mountains Range and the Oregon Coastal Range, at the entrance to the region known as the Hundred Valleys of the Umpqua. Roseburg is located along Interstate 5, 67 miles south of Eugene, 123 miles north of the California border, and 80 miles west of the Pacific Ocean. Roseburg is the largest city in Douglas County, serving as the county seat, as well as the commercial, retail, and financial center for the region.

### Settlement

There is evidence of Native American settlements in Douglas County, particularly along the North Umpqua River, for over 7,000 years. Several autonomous Native American groups lived in Douglas County. The three primary groups were the Cow Creek Band, who occupied the south Umpqua Valley, the Umpqua, who inhabited the western portion of the county, and the Molalla, who ranged to the east and over the Cascade divide.

The first white explorers arrived in the Umpqua Valley in the early 1820s. In 1836, a fort was established at Elk Creek on the Umpqua River. The fort was the first white settlement in what is now Douglas County, built to facilitate the fur trade and exploration.

The 1830s and 1840s brought the first of successive waves of migration to the Oregon Territory. In 1843, the Applegate brothers and their wives blazed the “South Road” to provide a safer route for settlers. The trail, which came to be known the Applegate Trail, became the established wagon road through the Umpqua Valley. When gold was found in California in 1848, many settlers in Oregon headed south to California on the Applegate trail. Aided by the increase in traffic and the passage of the Oregon Donation Act<sup>2</sup> in 1850, rapid development of the area ensued. Sev-

eral Douglas County towns were founded during this period, including Canyonville, established in 1852 as a stopover for miners, Riddle, established in 1851 and settled largely as an agricultural area, and Myrtle Creek, also established in 1851, home to the area’s only gristmill. In 1851, Aaron Rose, a pioneer born in New York, purchased a squatter’s claim and settled at the confluence of Deer Creek and the South Umpqua River. Through commercial improvements to the area, land and monetary donations, Rose and his wife were able to relocate the county seat to their settlement, Deer Creek, by 1854.

White settlement of the area pushed the Native Americans into surrounding areas, including the Rogue Valley, to the south. A series of skirmishes resulted, culminating with the Rogue River Indian Wars that concluded in 1856. Most Native Americans who were not exterminated were relocated to the Grande Ronde Reservation in northwest Oregon. The wars brought hundreds of soldiers to Deer Creek, leading to the establishment of commercial and retail businesses.

Two important developments increased economic opportunities for settlers and led to Deer Creek’s growth in the 1860s and 1870s. The first, in 1867, was the completion of the Coos Bay Wagon Road, a route through the Coastal Range from Coos Bay that terminated in Deer Creek. The second was the completion of the Oregon and California (O&C) Railroad from Portland to Deer Creek in 1872. In the same year, Rose’s townsite incorporated and was renamed Roseburg. The railroad terminus remained in Roseburg for 10 years.

The Coos Bay Wagon Road and the O&C Railroad increased Roseburg’s importance as a center for trade and the “offering of essential goods and services (Beckham 1986).” The first settlers to the area were farmers, but as the City of Roseburg grew, as a center for governance and government offices, as well as trade and labor, the population diversified. By 1880, Roseburg’s population was greater than 800, and less than

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2. “An Act to Create the Office of Surveyor-General of the Public Lands in Oregon, and to provide for the Survey, and to make Donations to Settlers of the said Public Lands” – otherwise known as the Oregon Donation Act – was passed by Congress in September 1850. The Act included three important provisions for: naming a Surveyor-General; implementing land surveys; and distributing land to settlers. American citizens over 18 who arrived in Oregon prior to December 1850, received 320 acres free. Those who arrived prior to December 1853, received 160 acres. (Beckham, 1987)

50 percent of the population was farmers, with a better part of the remainder working as laborers on the railroad and a variety of professional and craft trades. By 1900, the population had doubled to 1,789 (Beckham 1986).

**Natural Resources**

Douglas County, comprising 3,239,040 acres, encompasses the entire area of the Umpqua River watershed. Eighty-eight percent of the acres are designated forestlands, with roughly 400,000 acres in farm or ranch. Reportedly, home to the world’s largest stand of old growth timber, the county’s forestlands are the source of the area’s lumber and wood products industry and the county’s rich, scenic surroundings. Approximately 53.5 percent of the land in Douglas County is in public ownership. Forestlands are under federal and private ownership; the Forest Service and the Bureau of Land Management (BLM) manage the federal lands.

Douglas County forestlands have played a key role in the region’s development. As the result of a series of changes in the administration of federal lands between 1927 and 1948, the construction of the infrastructure on federal lands from 1933 to 1943, and the post-World War II housing boom, the timber industry, fueled by federal supplies, grew exponentially begin-

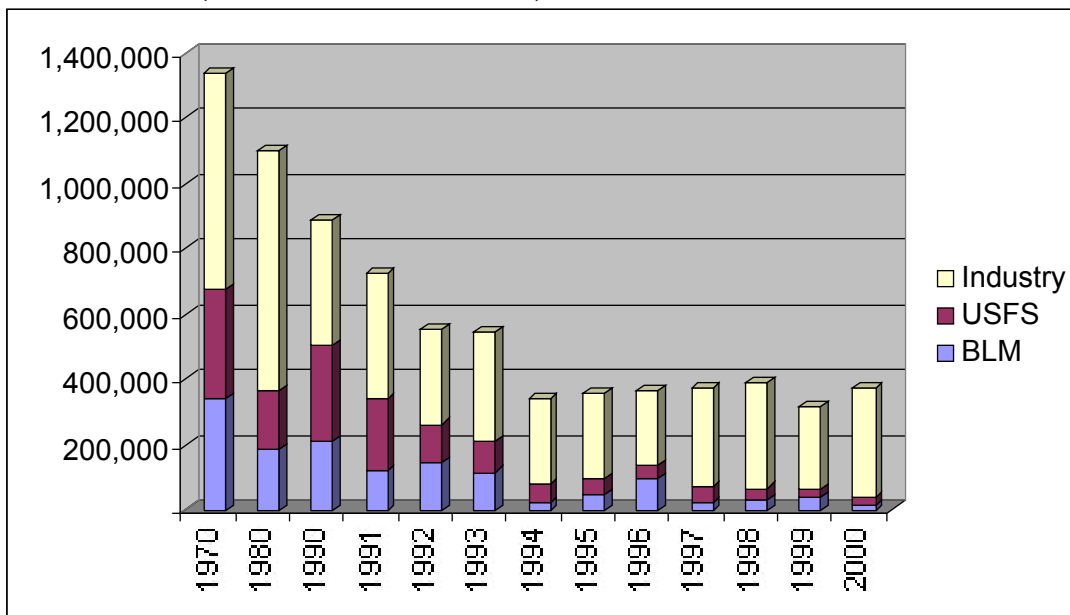
ning in 1945. The table below indicates harvest levels on federal and industrial lands in Douglas County in 1970, 1980, and through the 1990s. Figure 1 below indicates timber harvests on industrial forestland constitute a considerable portion of the annual harvest in Douglas County.

*Public Lands*

The Umpqua National Forest constitutes one million acres of Douglas County, from the crest of the Cascade Mountain Range to the foothills, roughly 30 miles east of Roseburg. Characterized as a conifer forest predominated by Douglas fir, the Umpqua National Forest has been one of the 10 largest producers of federal timber in the nation, and one of the top timber producing counties in Oregon. Besides timber production, the Umpqua National Forest includes three designated Wilderness Areas, a range of recreational opportunities, and several hydroelectric projects.

The Bureau of Land Management (BLM) Roseburg Unit manages a checkerboard of lands extending from the Umpqua National Forest west into the Coastal Range. The BLM manages 424,000 acres, 367,500 of which are commercial forestland; 400,000 acres under BLM management are Oregon and California (O&C) lands.

**Figure 1: Timber Harvests in 1970, 1980, 1990-2000  
(Thousands of Board Feet)**



O&C lands are a special category of federal lands resulting from a series of court cases and federal acts. At the turn of the century, Southern Pacific Transportation Company's land grant holdings were questioned for not holding up to the conditions of the 1869 grant. In 1908, the U.S. Attorney General filed suit for the forfeiture of the grant. The Supreme Court settled the suit in 1915, leading to the Chamberlain-Ferris Act in 1916. The Chamberlain-Ferris Act returned 2.5 million acres to the public domain; acreage removed from county tax roles. To offset the loss of income to the county, the O&C Act of 1937 was passed, stipulating that counties would receive 75 percent of the gross revenues from O&C land timber and mineral sales. Subsequently, counties agreed to reinvest 25 percent for forest management. Fifty percent of the timber receipts from the O&C lands are earmarked for the 18 counties with O&C lands within in their boundaries. Douglas County's share of those receipts is 13.7 percent. O&C funds are placed in the county's general fund, and can be used to support a variety of programs and services.

In addition to O&C payments, Douglas County relies upon a 25 percent share of national forest receipts that it receives through the state from the U.S. Forest Service for the non-O&C lands that it manages within the county. Unlike the O&C funds, which are discretionary funds, the 25 percent payments are reserved for funding schools and roads.

Douglas County also receives payments in lieu of taxes (PILT) for all tax-exempt federal lands within its boundaries. PILT payments are established on a per acre basis, and thus the amounts turned over to the county are independent of the receipts obtained for the use of those lands. Like the O&C payments, PILT payments are discretionary funds. The amount a county receives as part of the 25 percent payment is deducted from the PILT payment, so that the county isn't funded twice for the same land base.

PILT payments, FS payments to the county for roads and schools, and O&C payments have steadily declined over the past decade, from \$74.4 million in 1990 to \$42.4 million in 2000 (Douglas County and BLM). In 1993, Congress revised the O&C and 25 percent payment allocation formulas so that counties could continue to receive payments despite the con-

siderable drop in timber harvesting receipts resulting from implementation of the Northwest Forest Plan. The "owl safety-net" formula included a provision that the amount distributed to the counties would decline by three percent annually over a 10-year period.

#### *Private Lands and Mills*

In the post-World War II era, the timber and wood products industry was typified by a continuum of timber deals, capitalization in mills, and acquisitions largely by outside investors. While companies and land ownership changed hands several times, some investors remained and settled the area, reinvesting capital and increasing their fortunes. Since World War II, the timber industry in Roseburg has been dominated by Kenneth Ford's Roseburg Lumber Company. Ford secured a bank loan and built his first mill in Dillard, just south of Roseburg, in 1944. By 1970, the Dillard plant was the largest wood products manufacturing facility in the world. Ford reinvested profits back into his company; by 1979, Roseburg Lumber acquired 160,000 acres of timberland in the Umpqua region, and owned and operated some of the most modern facilities in the business. Integral to its operations were timber supplies from sales on public lands. In 1985, Roseburg Lumber Company split into three companies and a subsidiary, including Roseburg Forest Products Company. (Beckaham, 1987) In 2000, Roseburg Forest Products Company employed 3,500 people.

#### **Demographics and Economic Conditions**

More than 60,000 people live within Roseburg's Urban Growth Boundary, serving as home for nearly 65 percent of Douglas County's 100,300 residents. As well, Roseburg area employment accounts for 78 percent of the employment in Douglas County, suggesting that Roseburg demographic and economic conditions are strongly reflected in county level data. Roseburg experienced moderate growth between 1980 and 2000. During this time, County data shows that the average age of the area's residents is rising. Between 1970 and 1990, several key employment sectors declined and lower wage jobs in other sectors increased. As well, the percent of the population in poverty has increased, most markedly between 1979 and 1989.

**Table 1: City of Roseburg and Douglas County  
Population Growth 1980 – 2000**

	1980	1990	2000
Roseburg	16,644	17,069	20,490
Douglas County	93,748	94,649	100,399

Source: Oregon Economic and Community Development Department

**Table 2: Private Employment\*: Employment by Sector in  
Douglas County 1970-1990**

Sector	1970	1980	1990
Ag. serv., forestry, fishing, and other	2.0%	2.3%	3.1%
Mining	1.0%	1.2%	0.6%
Construction	5.0%	7.0%	4.1%
Manufacturing	42.0%	31.9%	30.1%
Transportation and public utilities	5.5%	5.5%	6.1%
Wholesale trade	2.1%	2.3%	2.6%
Retail trade	18.7%	20.7%	20.5%
Finance, insurance, and real estate	6.7%	8.0%	5.4%
Services	16.9%	21.2%	27.6%

\* Non-farm private employment accounted for 77 percent of all employment in 1970 and 79 percent of all employment in 1990.  
Source: US Census

Roseburg is growing roughly two percent annually and is increasingly an aged population. In 1970, 13.5 percent of the population was 60 years of age or older—in 1990, the same age group accounted for 20.4 percent of the population. In 1970, retirement income was 9.9 percent of all personal income earned—in 1990 it was 18 percent.

Between 1969 and 1989, the percent of population in poverty increased. In 1969, 13.3 percent of the population was in poverty. The change in percent of the population in poverty between 1979 and 1989, from 11.1 percent to 14.9 percent, was a 34 percent decadal increase.

Douglas County is often called the Timber Capital of the World; 20 percent of its workforce is

employed in the industry. In the 1980s, a downturn in the national economy, homebuilding in particular, resulted in job losses in the forest product industry. Manufacturing, largely consisting of wood products, accounted for one-third of all employment in Douglas County. Its decline depressed the county's overall employment at the time.

The increase in percent of the population in poverty is likely related to the change in the structure of the job market. Table 2 illustrates the change in non-farm private employment. The manufacturing sector, the largest and highest paying sector in private employment, experienced a steady and significant contraction between 1970 and 1990, from 42 percent of all private sector employment in 1970 to

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30.1 percent in 1990. At the same time, the service sector steadily increased from 16.9 percent in 1970 to 27.6 percent in 1990. Table 3 shows changes in the employment distribution in Douglas County in the 1990s. While there was increased employment in construction and wholesale trade, average wages are slightly lower than the manufacturing sector.

According to a report prepared in 2000, 23 percent of Douglas County employment remains in the manufacturing sector, three-quarters of which is timber industry related. Wood and lumber manufacturing account for 17 percent of all employment. Table 4 lists the Roseburg area's largest employers.

**Table 3: Employment Distribution in Douglas County**

Sector	Percent of Labor Force	# of firms	Average Size	# of jobs	Average Wage	90-98 Change in Jobs
Agriculture	7%	105	7	725	18.8	2.2%
Construction	6%	345	4	1310	27.2	5.5%
Government	19%	112	63	7018	29.9	6%
Manufacturing	23%	316	27	8494	33.5	-2.2%
Wholesale	4%	142	11	1566	23.1	8.2%
Services	23%	1011	8	8358	21	4.5%
Retail	18%	641	10	6664	13.9	1.4%
Totals	100.00%	2672	130	34135	23.91	

Source: E.D. Hovee & Company, 2000.

**Table 4: Largest Public and Private Employers in Roseburg**

Employer—Product/Service	# of Employees
Roseburg Forest Products Co./Plywood & Lumber*	3,500
Mercy Medical	1,450
Douglas County	1,041
Veterans Administration Hospital	680
Ingram/Distribution of Books, Periodicals, Videos	325
Sun Studs, Inc./Veneer	300
Douglas County Forest Products/Green Douglas Fir Veneer	220
Sunrise Enterprises of Roseburg/Lumber Remanufacturing; Lath/Cutstock	190

\*Not all positions are located in Roseburg.

Source: City Administration October 2000; Mercy Medical, Douglas County, Veterans Administration Hospital, April 2002.

### **Key Issues**

By 1994, changes in the wood products industry were having profound effects on Roseburg. Since 1945, a better part of its economy relied on lumber and wood products industry jobs. The steady contraction of the manufacturing sector, comprised largely of lumber and wood products, resulted in the loss of some of the highest paying jobs in the area. High unemployment and an average per capita income well below the state's average created a demand for new employment opportunities in sectors paying wages comparable to those in the manufacturing sector.

Employment in the timber industry had been unstable over several decades. Changes in federal policies, technology, international trade, and domestic market conditions led to boom and bust periods. In the early 1990s, some city employees and elected officials recognized that the decline marked by changes in

forest management practices would permanently alter the industry. Helping others recognize and understand the implications of the fundamental shifts in the economy was an important first step to undertaking efforts to diversify the economy and create employment opportunities. One Roseburg official said,

Economic development has been a long time goal of the city but it had been on the back burner for a number of years because, despite the timber industry's downturns, it usually rebounded. By the mid-1990s it became apparent some of the job losses were going to be permanent. Roseburg then saw the need to broaden its economic base.

Roseburg needed industrial lands prepared and ready for development, as well as cooperation among development organizations to facilitate job creation.

## **NEAI Projects and Programs**

The State Community Economic Revitalization Team (SCERT) process, a key component to the delivery of NEAI funds to communities, consisted of federal and state, county, and community activities. At the state level, the Oregon Economic and Community Development Department (OECDD) administered the Oregon Community Economic Revitalization Team (S-for state-CERT) that included federal, state, county, and community representatives. Committees formed to recommend investments in four areas; Community and Infrastructure, Business and Industry, Ecosystem Investment, and Workers and Families. Community and Infrastructure investments were made as an outcome of a broad-based community involvement component commonly referred to as the SCERT process. The process through which community and infrastructure investments were made and the project or programs will be described in this section.

### **State Community Economic Revitalization Team Process**

The Oregon Economic and Community Development Department (OECDD) coordinated the

SCERT. The SCERT, chaired by Bill Scott of the OECDD, constituted roughly 30 people from federal agencies, tribes, and representatives from communities, including a Douglas County commissioner. The SCERT visited different areas of the state each month, viewing the impact of changes in the industry and the efforts communities were making to address these changes. The SCERT worked to develop a streamlined process to disburse funds to address local needs. The process included identifying projects through county prioritization, removing obstacles and barriers to getting them done, and identifying the appropriate agency to move projects forward.

Local participation in the SCERT assured that Douglas County's concerns and interests were communicated to the state and federal agencies to inform them of their efforts. Douglas County representatives worked to advocate for Douglas County needs. One former Douglas County official related,

When the process first happened, it was for communities in western portions of Ore-

gon, Washington, and California and as it expanded, I was there to advocate focusing on issues in Douglas County. I spent time pulling together statistics to leverage the most funds to this area.

In Douglas County, four organizations took responsibility for coordinating and implementing the delivery of services corresponding with respective SCERT committees: Umpqua Training and Employment was responsible for Workers and Families, Coos, Curry, and Douglas Business Development Corporation was responsible for Business and Industry; and a local committee consisting of representatives from the Forest Service, Bureau of Land Management, and Umpqua Basin Fisheries Restoration, Inc. were responsible for prioritizing ecosystem investment needs. Each of the entities received NEAI funds directly from federal agencies or passed through state agencies. Umpqua Regional Council of Government (URCOG) was responsible for Community and Infrastructure investments and the overall coordination of the SCERT process in Douglas County.

The project prioritization process in Douglas County, coordinated by the URCOG, consisted of a host of community and county activities that fed into SCERT's process to facilitate NEAI investments. URCOG activities varied by year but its overarching responsibilities included outreach to solicit for proposals, assistance to help develop proposals, to review and prioritize proposals, represent Douglas County at SCERT, and participate on SCERT committees. NEAI funds granted through the Economic Development Administration covered a portion of URCOG's budget for salary and overhead for support and technical services required by project applicants, coordinating prioritization committee activities, and administrative support to implement the NEAI within Douglas County. Specific tasks included writing grants, providing information about funding, assisting with readiness to proceed, participating in SCERT meetings, and coordinating contacts between the SCERT, agencies, and project applicants.

The City of Roseburg had limited involvement in the SCERT process in Douglas County. Roseburg prepared forms notifying county, state, and federal

agencies of its needs per SCERT requirements. As well, Roseburg participated in the project prioritization process but did not receive direct assistance from URCOG, relying instead on its own professional staff.

#### *Observations of the CERT Process*

The focus of the SCERT was to solicit needs from "folks on the ground" to facilitate development. The process not only gave the state and federal agencies a sense of the communities' needs but helped the community recognize its needs as well. People interviewed were overwhelmingly supportive of the SCERT process as a positive change from past practices, because of the focus on funding decisions based on community needs submitted using a simple two-page Project Notification Form. The process, however, did not always live up to participants' expectations because the local prioritization process, the state process, and funding decisions often did not align. The lack of clarity regarding the SCERT process and funding decisions led many to question the purpose of their efforts and the legitimacy of the process. At times, what some referred to as a "black-box" decision-making process undermined the Umpqua Regional Council of Government's efforts to coordinate the SCERT process.

Initially, a "blue ribbon" committee, consisting of elected officials and community members, was selected to rank projects. The committee was faced with the challenge of prioritizing projects from all eligible applicants in the county; some viewed this task as tantamount to deciding the needs of one community were more important than the needs of another.

As communities grew more accustomed to the process, the competition and territorialism moderated. One county official said,

As the process evolved from one year to the next, the communities grew more accustomed to meeting together over the big list and were able to reach agreement on ranking the projects. At the meeting, many deals were made, projects that were ready to proceed would go to state and the other would be added the following year. By the third or fourth year there

was more recognition of other interests. Key players might not select top numbers. It was difficult...there was no plan and we were feeling our way, developing protocol and new ways.

Despite its progress, the committee was abandoned in 1997, and URCOG completed the identification and prioritization of projects as an internal function, relying on its relationship with Douglas County communities to inform its efforts.

The issue of recognizing and legitimizing the needs of communities through the prioritization process at the county level was compounded by recommendations made by the SCERT, the differences between county and regional priority lists, and funding decisions made by federal agencies. At the state and federal level, agents had to make decisions to fund or not fund projects. In many cases and for a variety of reasons, they did not always fund higher-ranking projects from Douglas County, at least partially due to the fact that local and county priorities differed from regional priorities. Roseburg's Diamond Lake Boulevard Water and Sewer Line Extension project ranked high on Douglas County's list of projects but did not receive consideration for funding until the third year. In some cases, projects received funding from federal agencies even though they did not submit the projects through the process. Several participants in the SCERT process in Douglas County grew wary of the prioritization process. A county official related,

People in the room believed that it did not matter where projects were (on the list). Feds requested prioritization but they didn't pick the top priorities. But they asked for the county's investment (of time). They kept making the county do the process but it fell apart toward the top.

Another person familiar with the process offered a more sympathetic critique:

It then gets political, what is an equitable process? The process did not work. Higher

priority projects were not funded and lower priorities were and people did not understand why. It is inherent to the process; someone along the way makes hard decisions. Do equitable decisions reflect highest need?

## **Projects**

This section describes projects funded with NEAI funds, awarded as the result of the SCERT process. While there were only three projects funded in Roseburg, several regional entities, including the Umpqua Regional Council of Governments and Douglas County, implemented projects that impacted Roseburg area residents.

### **Community and Infrastructure Projects**

#### *Umpqua Regional Council of Governments Technical Assistance and Capacity Building*

Between 1994 and 1999, the Umpqua Regional Council of Government received technical assistance and capacity-building grants totaling \$288,230 from the Economic Development Administration (EDA) and the Oregon Economic and Community Development Department (OECDD) to administer the SCERT process in Douglas County. Coordinating the local process comprised of a suite of complementary activities designed to prioritize and communicate community and infrastructure needs to SCERT to facilitate NEAI investments. The Improvement Plan Model project in 1997, funded by the Forest Service Rural Community Assistance Program (FS-RCAP), was a special effort to work intensively with four Douglas County communities.

At the outset of the NEAI, two URCOG staff and a county employee developed Douglas County's SCERT process. As part of the process they defined seven "labor market areas" to divide projects into more coherent county sub-regional groupings. Each region formed review teams to develop lists of projects using Project Notification Forms for their respective areas. The Project Notification Form was a two-page form applicants completed to notify agencies of community needs and projects. URCOG called the communities, special districts, tribes, and non-profit organizations, encouraging them to complete the Project Notification Forms. Due to the

brevity of the form and the ease of completing them, many entities responded to URCOG's call for proposals.

From 1994 to 1996, each labor market area submitted Project Notification Forms and a prioritized list of projects to URCOG on behalf of applicants in their respective areas. URCOG compiled the list of projects and convened the "blue-ribbon" committee to prioritize the projects for the county; county commissioners then adopted the list and submitted it to SCERT. From 1997 through 2000, URCOG continued to prioritize projects; for 1998-2000, despite the lack of a public call for project proposals, staff identified projects and completed the prioritization for the commissioners' approval.

#### Rural Information Technology Demonstration Project, Rural Information Technology Infrastructure and Capacity Building

Developed by URCOG staff, the Rural Information Technology Demonstration Project was conceived of as a way to market industrial lands, residential lands, and recreation opportunities in Douglas County on the internet to promote economic development. The project was also intended to increase local familiarity with technology, to demonstrate its capabilities, and increase access to information for decision-making.

URCOG received a \$349,000 Rural Business Enterprise Grant from USDA Rural Development (USDA-RD) in 1997. RBEG funds were used to purchase computer equipment, software and data, and to hire staff to develop a website presenting Geographic Information System generated maps showing industrial and housing development and tourism opportunities in Douglas County. URCOG received FS-RCAP grants in 1998 and 1999 for \$40,000 and \$41,000 respectively, to purchase additional data and to continue developing the project.

The website was completed, is online, and is updated occasionally. A software program to track site use was used initially to make adjustments to the site to increase its ease of use. While the software tracks site use, it does not enable URCOG to track the sites effectiveness in meeting project goals. In 2000, URCOG won two awards for the project,

including the Small Town and Rural Planning Award for Excellence from the American Planning Association, and the Oregon Planning Institute's Award for Achievement in Planning.

Many communities participated in the project by preparing and submitting data for use in the Geographic Information System. Communities also received the data on a Compact Disc and a computer application to allow them to interact with the data. As a result of the project, URCOG is doing more planning for communities using Geographic Information System. An example is a buildable land inventory it conducted for a Douglas County city to determine areas for Urban Growth Boundary expansion. Roseburg developed and relies on its own Geographic Information System for planning purposes and did not participate in the Rural Information Technology Demonstration Project. City employees were aware of the project but it has little visibility in Roseburg.

URCOG employees familiar with the project believe that one project goal has been achieved—marketing the area to support economic development. They express doubt regarding their success in increasing the use of technology in communities, despite holding training sessions in various communities. One person involved with the project said that he had hoped that completing the project would stimulate more interest in using Geographic Information Systems for community planning and problem solving, but added that smaller communities find it difficult to muster the resources and technical capacity to use the technology effectively.

#### Douglas County Sustainability Plan and Forum

URCOG proposed the Sustainability Plan and Forum as a way to develop community awareness of the importance of growth and economic diversification, and raise issues about the limitation and potential negative impacts of unrestrained development. In 1998, it received a \$40,000 grant from the FS-RCAP to develop and implement the Douglas County Sustainability Plan and Forum project.

The first phase of the project was holding forums. URCOG advertised and held two forums before deciding to abort the project due to lack of support. Funds were returned.

*Douglas County*  
Alcoholism Treatment Facility Relocation

ADAPT is a private non-profit alcohol and drug treatment facility based in Roseburg. It has five facilities, located in Roseburg, Grants Pass, Reedsport, and North Bend. ADAPT provides the range of services on the continuum necessary to intervene and eliminate drug or alcohol dependency, including drug prevention programs at schools, outpatient treatment, and family therapy. Started in 1981 with five employees, ADAPT now has 130 employees, serving 850 to 1,000 people monthly. Client fees, contracts, and federal funds passed through state agencies support its operations.

In 1994, Douglas County applied for Housing and Urban Development (HUD) Community Development Block Grant funds through the Oregon Housing and Community Development Department. The County applied for the funds on behalf of ADAPT, which, as a non-profit, was not an eligible applicant. The County subsequently contracted grant administration to the Umpqua Regional Council of Governments. Douglas County was awarded a \$10,000 technical assistance grant for ADAPT to develop a site plan and design for the relocation and expansion of its residential facility to prepare a Community Development Block Grant application.

In 1995, as a result of the \$10,000 grant, ADAPT applied for and received a \$368,000

Community Development Block Grant for the relocation and expansion of its residential treatment facility. ADAPT's \$371,000 match represented a special arrangement between Douglas County, the State of Oregon, and ADAPT, whereby the county traded the state for a piece of property and then gave title to ADAPT. The building on the donated property was remodeled, increasing Crossroad's inpatient treatment facility from 20 to 30 beds, as well as providing them with land for further expansion. Crossroads is ADAPT's only residential treatment facility and serves a 12 county area. The facility has been at capacity since it opened. The expansion allowed ADAPT to include beds for children of female clients so that families do not get broken up while mothers receive alcohol and drug abuse treatments. ADAPT is now seeking funds to further expand its facility.

Douglas County History and Natural History Museum Strategic Plan

The Douglas County History and Natural History museum, a department of the county, opened in 1969 at the Douglas County Fairground. The museum's collections include photographs, history, documents, and natural history. The museum proved popular beyond expectation. It added an exhibition annex in 1979 and expanded storage space in 1985. The museum currently employs four and a half full time employees, down two from 1997. A



The Douglas County History and Natural History Museum

director, whose work is based on the recommendations of the Museum Advisory Committee, manages the museum. The Museum Advisory Committee, appointed by the county board of commissioners, includes one commissioner.

Between 1992 and 1999, the museum's budget ranged between \$287,000 and \$386,000. As a department of the county, a major portion of its budget is drawn from county funds; fees make up the second largest source of revenue, contributing just \$14,000 in 1998. The reduction in federal payments to the county through the 1990s led to budget cuts; in 1997, the museum was directed by the county to make itself self-sufficient.

In 1998, URCOG approached the museum offering to do a strategic plan, tying the museum's development into tourism, an economic development focus for the state. URCOG believed the museum was vital to tourism development in Roseburg. URCOG wrote the grant and in 1998, the Douglas County Museum received \$21,600 to develop a strategic plan to guide the use, development, and marketing of the museum to make the museum more self-sufficient. FS-RCAP contributed funds for the project, and a match was provided by the state's Rural Investment Fund, administered through the Coos, Curry, Douglas Business Development Corporation.

The Museum Strategic Plan advisory committee—eight members, including a county commissioner—held several meetings to complete an analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT), and preferred future planning. The museum adopted a new mission statement and completed the strategic plan. The plan consisted of a management plan, marketing plan, program plan, and facility plan. It included goals for each with annual measurable objectives for the next 20 years.

The museum adopted dual objectives; to diversify programs and host special events to increase community support, and provide high quality exhibits and enhance marketing to expand interest and increase visitation. The museum has since begun the aggressive pursuit of self-sufficiency through growth and development, including advertising and marketing, and developing activities. In addition to

providing direction, the strategic plan is used to support applications for funds.

### *City of Roseburg*

#### Diamond Lake Corridor Water/Sewer Transmission Lines

In the early 1980s, with the completion of its comprehensive plan, the City of Roseburg identified areas appropriate for industrial development. With a scattering of development at varying levels of intensity and undeveloped stretches of land to the east, Diamond Lake Boulevard was identified as an area ripe for industrial uses. Although developers interested in the land approached the city many times, extending water lines to the land was not a priority.

Spurred by changes in the wood products industry and the economy in general, and the number of inquiries about land, the city decided to extend city services to Diamond Lake Boulevard to make the land available for development. The city prepared a Project Notification Form and submitted it to the SCERT in 1994, 1995, and 1996. According to the Project Notification Form, the two main elements of the project were the extension of a water main transmission system and sanitary sewer collection system to land adjacent to the city limits on Diamond Lake Boulevard. Furthermore, it stated that the project would facilitate industrial development and create as many as 63 jobs. The city participated in a "One-Stop" meeting held by the Oregon Economic Development Department. At the meeting, the city received advice about what agencies could do to facilitate the project's implementation. Through the One-Stop meeting, the city developed contact with the Economic Development Administration (EDA) and was invited to submit a grant application in 1996.

In 1996, the City of Roseburg budgeted \$1,204,977 for the Diamond Lake Boulevard water main transmission system. Roseburg provided \$650,403 toward the project and received \$310,552 from the EDA, a \$204,977 grant from Oregon's Special Public Works Fund Program, and other grants and loans for \$184,645. The sewer component of the project was completed and financed by the Roseburg Urban Sanitary Authority, the agency responsible for sewer services in Roseburg, with EDA assistance.

### Roseburg Area Image Study

In 1999, the Roseburg Area Chamber of Commerce was awarded funds to complete the Roseburg Area Image Study. As a result of its prioritization in the SCERT process, the chamber received \$25,000 from the Economic Development Administration (EDA). Oregon Economic and Community Development Department (OECDD) also contributed \$15,000 through the Regional Investment Fund administered by the Coos, Curry, Douglas Business Development Corporation. The study was a joint undertaking of the Roseburg Area Chamber of Commerce, the City of Roseburg, and the Douglas County Industrial Development Board. Each group appointed three representatives to the Joint Marketing Study Committee and contributed \$25,000 toward the cost of the project.

According to the Project Notification Form submitted to URCOG, the study's goal was to develop strategies to be utilized by local businesses to improve the economic health of the area. The Roseburg/Douglas County Image Assessment & Strategic Plan was completed in March 2000. The study included an image assessment, an industrial site and infrastructure assessment, and an economic development component. While much of the information in the study was pulled from existing documents with which many people were familiar, it included new information about the area's image gathered through

stakeholder interviews, a survey of area businesses, and a "business outlook forum." The study identified the importance of growing a number of existing businesses by a few employees, as well as the importance of cooperation between partner organizations.

From the outset, committee members were committed to acting on the results of the study. When the study was first completed, it did not include an implementation plan and the partners requested its addition to the study. The partners have since implemented several recommendations from the study. Importantly, they formed a more formal partnership, the Umpqua Economic Development Partnership, consisting of the Chamber of Commerce's Executive Director, the Roseburg City Manager, and the Douglas County Industrial Development Board Chair. A fourth member, the Coos, Curry, Douglas Business Development Corporation, has also joined the partnership. The group has since hired an Economic Development Director to recruit businesses to Douglas County.

The Umpqua Economic Development Partnership views itself as the area's primary recruiting agency, whose mission is economic development for revenue and job creation. Its objectives are to network, market, communicate, review, and monitor progress toward its mission. The partnership's director works to bring an industrial base into the area. This job entails recruiting, but also includes efforts to



The Used Building Materials store in Roseburg

retain and expand existing businesses. The director's efforts include networking, developing a relationship with the state, calling on local employers to support their needs, and creating access to capital and resources. The partnership provides a one-stop shop that responds and caters to the needs of potential clients. In one year's time, it recruited American Bridge to Reedsport, bringing in relatively high paying jobs with benefits.

#### Used Building Materials Business Plan

The Umpqua Community Development Corporation (UCDC), a non-profit corporation, provides affordable housing solutions and community economic development services in Coos, Curry, and Douglas Counties. UCDC created and manages a Micro-Enterprise Development and Lending program (MEDAL), to develop the business skills of low-income entrepreneurs.

In 1999, UCDC received grants from the Enterprise Foundation and the state's Regional Investment Fund to conduct a feasibility study for starting an enterprise to take advantage of materials in the waste stream. UCDC hired a University of Oregon graduate student to complete the study. The student convened a steering committee, and working with them, identified recyclable building materials.

In 2000, the Umpqua Community Development Corporation received a \$10,000 grant from FS-RCAP and \$15,000 from the Enterprise Foundation to create a business plan to develop a building deconstruction and materials re-use enterprise. UCDC was fortunate to hire a retiree with 30 years experience in waste businesses in Roseburg to write the Used Building Materials Business Plan. UCDC was then able to use the business plan as part of an application to the Office of Community Services for funds to start the used building material business. In 2001, UCDC received \$130,000 from the Office of Community Services and a second FS-RCAP grant to purchase equipment for the store, including a truck and a forklift for moving stock. Heartwood recently opened its doors for business and UCDC is confident that the store will do well. Heartwood employs five people and plans to expand to 13 within two years.

#### **Business and Industry: Loan Programs**

In Douglas County, NEAI investments in business and industrial development were made through a suite of loan programs funded by the Small Business Administration (SBA) and USDA Rural Development Rural Business-Cooperative Services (RD-RBS). Grants and loans were made directly by the agencies or through intermediaries in Douglas County.

#### *USDA Rural Development Rural Business-Cooperative Services*

RD-RBS provides assistance to businesses through a variety of programs, including its Intermediary Relending and Business and Industry Guaranteed Loan programs. The Intermediary Relending Program finances business facilities and community development projects in rural areas. Loans are made to intermediaries, who establish revolving loan funds for the establishment of new businesses, the expansion of existing businesses, creation of employment opportunities, saving of existing jobs, or community development projects. The Intermediary Relending Program will be described in greater detail in a following section.

#### Business and Industry Guaranteed Loans

RD-RBS offers Business and Industry Direct Loans and Guaranteed Loans. No direct loans were made in the Roseburg area. Business and Industry Guaranteed Loans are for rural businesses that will create jobs and stimulate the rural economy. RD-RBS guarantees up to 90 percent of a loan made by a commercial lender. The loan may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt refinancing. The Guaranteed Loan program is administered directly by RD-RBS, providing its services through a number of lending organizations in Roseburg. RD-RBS provides loan guarantees to businesses that are otherwise unable to secure loans. Loan guarantees function like an insurance policy for loans: if a bank suffers a loss, the guarantee is paid by RD-RBS. SCERT records indicate two loan guarantees were provided on loans made through local banks.

Records show that a wood products business received a loan guarantee on a \$100,000 loan in 1995 but the loan was never made. The intended recipient worked with several entities, including Coos, Curry, Douglas Business Development Corporation (CCD) and Oregon Economic Development Department, before acquiring finances to build their new mill from a private source.

Umpqua Jewelers, Inc., doing business as Umpqua Inc. Amusements, received a loan guarantee from RD-RBS for a \$2 million loan through South Umpqua Bank in 1998. Incorporated in 1976, Umpqua Jewelers, Inc., operates several businesses under its name. Umpqua Inc. Amusements operates an entertainment business that provides coin operated video game machines, driving games, and jukeboxes at over 180 locations in Western and Central Oregon. The guarantee enabled the business to get a low-interest, fixed-rate loan used to purchase amusement equipment and restructure existing debt. The loan saved eight jobs and created three new positions that pay between \$9 and \$12 an hour.

*Coos, Curry, Douglas Business Development Corporation Loan Programs*

Coos, Curry, Douglas Business Development Corporation (CCD) provides financial assistance to businesses in Coos, Curry and Douglas counties. CCD, a designated Economic Development District and Certified Development Company, administers an Economic Development Administration (EDA) funded Revolving Loan Fund, a revolving loan

program funded by Rural Development Rural Business-Cooperative Service (RD-RBS) Intermediary Relending Program, and the Small Business Administration 504 Loan program.

Intermediary Relending Program

CCD established its EDA funded Revolving Loan Fund in 1979. In 1994, CCD approached RD-RBS with a list of potential borrowers and it received \$2 million to establish an Intermediary Relending Program in Coos, Curry and Douglas counties. The Intermediary Relending Program requires and utilizes the same infrastructure as the Revolving Loan Fund and it is run similarly, but funds are regulated by a different set of rules. Loan funds can be used for land or building acquisition, construction, equipment, and working capital. Loans of up to \$250,000 are available, not exceeding 75 percent of the project cost and for every \$20,000 one job is to be created. Collections from loans are used to repay the RD-RBS loan; if collections are not sufficient, the intermediary is responsible for repaying RD-RBS.

Due to the area's economic situation, it took longer to loan out the funds than planned. CCD made \$2 million in loans to 18 businesses, averaging \$111,111, reportedly creating or saving 161 jobs. Six loans made to Roseburg area businesses are listed in the table below.

Of the six loans made in the Roseburg area, one loan is paid off and one defaulted. The software applications business, birdcage manufacturer, and plumbing supply business have all suffered due to the

**Table 5. Intermediary Relending Program Loans to Roseburg Area Business**

<b>Year</b>	<b>Business Type</b>	<b>Loan Amount</b>	<b>Other Funds</b>
1996	Sheet Metal Fabrication	\$150,000	\$225,000
1996	Design, manufacture, and sale of indoor seating and decor	\$145,000	\$235,000
1996	Commercial and residential plumbing	\$109,000	\$109,000
1997	Software applications	\$51,000	\$89,500
1997	Design and manufacture exotic bird cages	\$50,000	\$30,000
1998	Restaurant	\$132,500	\$160,000

Source: USDA Rural Development-Rural Business Services, 2002.

downturn in the economy. Although the businesses continue to make payments, all have downsized. More detailed information is provided below about the two remaining loans.

#### Company 1

Company 1 received a \$145,000 loan in 1996 and the business contributed \$235,000 toward its expansion. Company 1 is a family owned business that designs and manufactures fast food dining packages. Started 35 years ago in Southern California, the company designs and manufactures the “entire dining space” for fast food restaurants, including Taco Bell, McDonalds, and Burger King.

Company 1 is located roughly eight miles north of Roseburg. It moved to the area in 1993, lured by the labor pool and the low cost of business and manufacturing. Since relocating in the Roseburg area, the business has expanded twice, in 1998 and 1999, to add 55,000 square feet of manufacturing space. The company employs 126 people, down slightly from a high of 150 but up sharply from the 50 employees it began with in 1993. Approximately 65 percent of the workforce commutes from Roseburg, with the rest coming from Winston, Sutherlin, and other areas north of Roseburg. Many of their employees come from the wood products industry. Workers are usually not displaced; they are people looking for better work. Wages range from \$7.50 to \$18.00 in the plant and benefits include medical, dental, and vision care insurance.

#### Company 2

Company 2 is a sheet metal fabrication business that designs and manufactures pneumatic conveying systems for dust collection in mills. The business was incorporated in 1992 when business in the wood products industry was still strong. Company 2 located in the Green District, just south of Roseburg in 1993. The owner heard about CCD through a relative who works at a bank. He approached CCD with a business prospectus and

received a line of credit, which he used to move to Roseburg and rent a shop. In 1996, Company 2 got a \$150,000 loan from CCD and \$225,000 from two other banks, for land acquisition, shop construction, and equipment. CCD also guaranteed a portion of the loans.

Until 1995, the business consisted of the owner and labor hired on an as-needed basis. In 1995, Company 2 employed about 15 people. At its peak, the business had 50 to 80 employees working on job sites, primarily in Oregon, Washington, California, and Idaho. Thirty employees were based out of the Green District shop while crews were often hired on-site. Workers, commuting from Canyonville, Sutherlin, and Roseburg, made between \$8.00 and \$19.00 an hour.

Company 2 had several years of good business but because 90 percent of its business was in the wood products industry, the downturn in the industry slowed business substantially. “Once there was a large customer base and 40 percent of it has disappeared,” said the business owner as he pointed to a five-inch thick binder, “that is all of the mills that have been auctioned off in the past few years that were once clients.” Company 2 now deals in used equipment for pneumatic conveying and has a customer base large enough to support the engineering and design work but not the overhead of the shop and employees.

#### Small Business Administration 504 Loans

CCD administers Small Business Administration 504 Loans in Coos, Curry, and Douglas counties. SBA 504 loans are designed to help people buy land or equipment with the objective of creating or retaining one job for every \$35,000 loaned. CCD provides 40 percent of the funds needed and a traditional lender provides 60 percent toward a loan. The borrower has to provide at least 10 percent of the total cost, providing up to 35 percent. CCD made three SBA 504 loans to businesses in Roseburg between 1994 and 2000.

**Table 6: SBA 504 Loans Administered by CCD**

Year	Business Type	Approved Gross Amount
1994	Animal Clinic	\$207,000
1997	Health Club	\$326,000
2000	-- --	\$941,000

Source: Small Business Administration, 2002.

**Table 7: Jobs-in-the-Woods Contracts and Grants**

Year Award	Grant/Contract Amount	Agency	Project/Program
1994	\$423,290	Umpqua Training and Employment	Dislocated Worker Training*
1995	\$373,626	Umpqua Training and Employment	Dislocated Worker Retraining, Timber 10*
1994	\$1,756,083**	BLM and FS	Jobs-in-the-Woods Contracts
1995	\$2,426,114**	BLM and FS	Jobs-in-the-Woods Contracts
1995	\$30,000	Umpqua CDC	Ecosystem Restoration Demonstration Pilot
1995	\$30,000	ODFW***	Cavitt Creek Instream Enhancement
1995	\$60,000	ODFW***	Umpqua Basin Tributaries
1995	\$30,000	ODFW***	Brush Creek Instream Enhancement
1996	\$61,576	ODFW***	French Creek
1996	\$60,000	ODFW***	Paradise Creek
1996	\$35,000	ODFW***	Days Creek/Fate Creek

\* A portion of these funds was used for the Ecosystem Pilot Demonstration Project.

\*\* 1996 – 2000 records are unavailable.

\*\*\* Funds received from the US Fish and Wildlife Service.

### **Ecosystem Investment: Jobs-in-the-Woods**

The Jobs-in-the-Woods (JITW) program consists of a suite of programs administered by the United States Fish and Wildlife Service (USFWS), the Forest Service, the Bureau of Indian Affairs (BIA), and the Bureau of Land Management (BLM). In Douglas County, the public land management agencies, Forest Service, and BLM implemented an ecosystem pilot demonstration project with local partners, including Umpqua Training and Employment, Inc., and the Umpqua Community Development Corporation.

JITW, comprised of grant program through USFWS and BIA, focused on watershed restoration on private and tribal lands; watershed restoration work on BLM and Forest Service administered lands; and a demonstration program to restore watershed health and create economic opportunities for displaced workers. Table 5 on page 16 summarizes JITW contracts and grants in Douglas County.

The Ecosystem Investment Team, formed as a SCERT subcommittee, was convened to discuss the allocation of JITW funds. The committee consisted

of approximately 15 people, including representatives from the United States Fish and Wildlife Service (USFWS), the Oregon Department of Environmental Quality, the Forest Service, the Oregon Economic and Community Development Department, and local communities. For watershed restoration on public land, the Forest Service and BLM identified projects on lands under their jurisdictions and decided which would receive JITW funding. The agencies were responsible for implementing and monitoring the projects. Projects on private lands, first submitted to a committee in Douglas County, were prioritized and submitted to the SCERT, then reviewed and prioritized by the Ecosystem Investment Team. Prioritization was based on the following criteria: prevents/reduces non-point source pollution, utilizes dislocated workers, benefits threatened and endangered species, and increases local buy-in to issues. Ultimately, decisions to fund projects on tribal and private lands were made by the USFWS and the BIA.

#### **Watershed Restoration on Federal Land**

The Forest Service and Bureau of Land Management Jobs-in-the-Woods component entailed completing watershed restoration work through service contracts and participation in the Ecosystem Pilot Demonstration Program.

#### *Jobs-in-the-Woods Contracts*

The Forest Service and BLM both received Jobs-in-the-Woods (JITW) funds for watershed restoration work on lands under their jurisdiction. In 1994, these agencies awarded \$1,756,083 in JITW contracts. In 1995, the Forest Service and BLM awarded \$2,426,114 in contracts, nearly half of which went to Roseburg area contractors for 16 projects, including \$470,000 in Ecosystem Pilot Demonstration Project contracts.

#### *Ecosystem Pilot Demonstration Project*

In 1994, the Umpqua Basin Jobs-in-the-Woods Steering Committee formed to develop and implement the Ecosystem Pilot Demonstration Project. The committee included members from Umpqua Training and Employment, Inc., Douglas County, two local contractors, the Bureau of Land Management,

the Forest Service, Umpqua Community College, and the Umpqua Community Development Corporation. The pilot was designed to employ displaced timber workers to conduct restoration, enhancement, and survey work. It was supported using a portion of the JITW funds allocated to the Forest Service and BLM to develop and administer the workforce demonstration programs and for contracts. In addition, Umpqua Training and Employment received Department of Labor Job Training Partnership Act funds for the training component.

The Umpqua Basin JITW Steering Committee met to discuss and develop the pilot and each had responsibilities for facets of its implementation. The primary responsibility of the Forest Service and BLM was to provide projects and contracts. Umpqua Training and Employment and Umpqua Community College provided recruitment and training services for dislocated workers. The Umpqua Community Development Corporation was responsible for coordinating the ecosystem pilot demonstration project. It received \$30,000 in NEAI funds through the Forest Service to coordinate the partners of the Jobs-in-the-Woods Ecosystem Pilot Demonstration Project. Coordination entailed working with the partners to put together a package “creating whatever vehicle they could” to get dislocated timber workers employed.

The Forest Service and BLM selected projects for the pilot demonstration based on the availability of projects and whether they fit the needs of the pilot. The Umpqua Community Development Corporation worked with a contractor to determine whether the selected projects would meet JITW parameters and whether they could get bids on the contract. The Request-for-Proposals (or bid application) stipulated who could be hired through Umpqua Training and Employment, as well as parameters regarding how many hours they could work and how much income they could make. Because the Forest Service and BLM could not include such stipulations in their Request-for-Proposals due to federal competitive bid laws, Umpqua Community Development Corporation was necessary as a flow through entity. The BLM and Forest Service awarded the contracts to Umpqua Community Development Corporation, who then

put a Request-for-Proposals out for bid. When the contracts were put out to bid, the contractor who had originally helped develop the model contract, bid for, and subsequently, received the contract.

An important component to the JITW Ecosystem Demonstration Pilot Project was the dislocated worker retraining program. The retraining program's goal was the development of a workforce of highly skilled restoration workers. Umpqua Training and Employment, the local organization serving dislocated workers, was responsible for finding workers for the project and providing them with support. The training to learn watershed restoration skills was one training program option among many that people signed up for through Umpqua Training and Employment. The agency screened dislocated workers to create a pool of applicants for the pilot. The recruits received technical skills and forestry training at Umpqua Community College, paid for by Umpqua Training and Employment, using Department of Labor JTPA funds. Tioga Resources, Inc., the contractor awarded the contracts to complete JITW projects, hired recruits through Umpqua Training and Employment. Per contract requirements, workers received "new forest management" training on site from Tioga Resources, Inc. After the completion of the pilot, two dislocated workers remained employed with Tioga Resources, Inc.; the rest moved on to other work.

Most of the partners involved in planning and implementing the pilot demonstration project consider the project a success but they were not inclined to continue developing the program. In the end, the partners agreed that there were fundamental flaws to the program and that it should not be further developed. One steering committee member said,

There was a push to try something so we did it and it was successful, we tried it, implemented it, and came to a conclusion. It was a clean ending. What they learned, what they already knew, was you have to look at who is paying, and if the money is through Congress it will get done. The committee believed that markets work well and if there is a demand there will be a supply for workers.

### **Barriers to the JITW Pilot**

People who were interviewed identified a number of issues that contributed to the project's discontinuation in 1995:

#### *Supply of Contracts/Demand for Retrained Workers*

Very early in the project, the partners realized that there were not going to be jobs for the retrained workforce. The contractor who was awarded the contracts said,

The program was to try to push people into an industry where there was not enough to feed the existing workforce. The interesting thing was that I was displacing workers within my own company and, although my company was functioning, it was suffering too.

Due to the scarcity of contracts, retrained workers who remained employed after the pilot were required to travel great distances to work on contracts.

#### *Quality of Workers*

One critical component of the pilot project was the creation of a retrained and highly skilled workforce. Unfortunately, there were difficulties in attracting quality individuals to the retraining program. Of the initial six people that participated in the program, two made it though to the end of the project; none remain in the same line of work. Several people interviewed made the same remark, that the downturn had already taken place when the program began in 1994, and only the stragglers were left behind. One person said,

When the whole economic depression hit, people on the ball got it together pretty quickly. When the JITW program came along it was the stragglers who were left, people who had a hard time with life in many ways, people burdened with child support, jail time, etc.

#### *Training Goals*

The training dislocated workers received did not support some of the program's goals. Perhaps due to a

disproportionate focus on getting people “to work in the woods” the push was to get the contract out and training was limited to providing skills training to support on-the-ground work. Training included little in the way of entrepreneurial skills training, including how to work with the BLM, how to write and submit bids, and how to deal with contracts. One of the steering committee partners reflected, “there was no real entrepreneurial skill development—no one paid attention to it. They just tried to get them into the woods. The projects all ended well but there was no follow-up work. When the money was gone, the workers were gone.” One of the retrained workers made similar comments, “their goal was for us to do our own contracts for BLM but they did not provide much in the way of guidance and direction. I really liked the work and was learning stuff.” He added, “We lived from payday to payday [it would take] several years of work to save money, if there were no other major expenses, to become contractors.” Given that one of the goals of the program was to develop ecosystem restoration contractors, this was a critical oversight.

### *Contracting*

A Forest Service representative familiar with the pilot sited two difficulties that the agency encountered. First, much of the work needed was road improvements and decommissioning, work oriented toward the use of heavy equipment that requires substantial investment. Second, it was difficult to identify quality on-the-ground work and then package it to assure longer-term employment. He elaborated, “bundling takes a lot more time and coordination, and because it was new, it was not easy to do. If you bundle for bigger contracts it goes against the needs of others.”

### *Allocation and Use of Funds*

Some people reported that a large percentage of the JITW allotment went to bureaucracy and not to people doing the projects. One person interviewed who participated in the steering committee estimated that JITW funds paid for 30 positions and only six of

them were in the woods, “there are better ways to get the money onto the street than in that kind of program. JITW helped keep a few people employed on every level, a little heavy on the bureaucracy.”

### **Watershed Restoration on Private and Tribal Lands**

Jobs-in-the-Woods funds were allocated to the United States Department of Interior Bureau of Indian Affairs (BIA) and Fish and Wildlife Service (USFWS) for watershed restoration projects on tribal and private lands. BIA funds were used exclusively by tribes but not exclusively on tribal lands, while USFWS funds were used for projects on private, tribal lands, and federal lands.

The Oregon Department of Fish and Wildlife (ODFW), the primary recipient of USFWS-JITW grants in Douglas County, administers programs concerning management and conservation of fish resources, including the regulation of seasons, methods, and limits for recreational and commercial fishing. As well, ODFW works to enhance fish resources through habitat restoration and enhancement, hatcheries, wildlife areas, fishing access sites, and research stations. ODFW works across jurisdictional boundaries, focusing its efforts heavily on private lands.

In the early 1990s, ODFW was struggling with Endangered Species Act listings in the Umpqua Basin. As a result of the listing of Umpqua Cutthroat Trout and Coastal Coho Salmon, it was required to identify core and source area for listed species. To identify core and source areas, ODFW developed a basin management framework that entailed grading habitat types with a matrix using data from extensive physical habitat surveys. Projects were then prioritized based on criteria, including benefits to more than one species, uniqueness of habitat, and, importantly, ease of implementation. Emphasizing the importance and impact of “ease of implementation,” one ODFW employee said, “in the end a lot of this had to do with landowners. The first few years the efforts looked like a scattergram that related strongly to landowner willingness to do something. Things have been narrowed down now.”<sup>3</sup>

3. Beginning in 1999, ODFW initiated the use of the Bradbury Process, a process that brings together the local watershed council, agencies, and consultants, to examine the basin’s 31 fifth field watersheds and classifying them into three groups based on recovery potential.

*Grant Administration*

Grant administration of USFWS-JITW grants proved difficult. For the two years the USFWS grants were administered through the OR-CERT process, ODFW worked with private landowners to develop projects and submit Project Notification Forms to the Douglas County CERT. The county's Ecosystem Investment committee prioritized the projects and submitted them to the SCERT, where the Ecosystem Investment Team made funding decisions. All JITW funds for ODFW's work came from USFWS. As the relationship between ODFW and USFWS developed, the funding process grew far less formal.

During the first two years of the Initiative, USFWS-JITW grants were administered through the Oregon Economic Development Department. This turned out to be problematic for ODFW because it created onerous reporting requirements. The grants were then administered directly by ODFW. However, difficulties arose because ODFW's administration costs on the grants exceeded the federal limit of 10 percent. The state filed for a waiver to the 10 percent limit but in the meantime, USFWS identified the Umpqua Basin Watershed Council as a suitable flow-through organization. USFWS funds continue to flow through the watershed council and a greater

percentage of the grants fund on-the-ground work. Projects in Douglas County are now prioritized by the watershed council, of which ODFW is an integral member.

Although none of the grants were awarded for projects in the Roseburg area, all of the projects contributed to the overall health and productivity of the Umpqua Watershed, of which Roseburg is a part. No BIA-JITW grants were awarded in Douglas County.

Douglas County Projects

The United States Fish and Wildlife Service awarded six grants, totaling \$306,000, in Douglas County between 1994 and 2000. It also awarded \$213,111 in additional funds to complete the projects. Project design and engineering was completed by ODFW and contractors were hired to do the work to design specifications. JITW criteria require ODFW to follow standard federal contract requirements, including sending Request-for-Proposals to woman- and minority-owned small businesses and receiving at least three bids. ODFW currently has a list of 15 qualified contractors who receive notification regularly.

None of the USFSW-JITW funded projects (or project components) utilized dislocated work-

**Table 8: US Fish and Wildlife Service-JITW Grants to Oregon Department of Fish and Wildlife**

<b>Year Award</b>	<b>Grant Amount</b>	<b>Project Name</b>
1995	\$30,000	Cavitt Creek Instream Enhancement
1995	\$60,000	Umpqua Basin Tributaries
1995	\$30,000	Brush Creek Instream Enhancement
1996	\$61,576	French Creek
1996	\$60,000	Paradise Creek
1996	\$35,000	Days Creek/Fate Creek

Source: US Fish and Wildlife Service

ers or included training components for contractors or their workers. Four hundred twenty-one workers days were required to complete the projects and the average wages ranged between \$17.50 and \$25.00 an hour. Roseburg area contractors received contracts to complete the restoration work but the bulk of the work was awarded to contractors from out the area.

#### Paradise Creek Restoration and Enhancement

Creek Ranch's owner purchased the 360-acre ranch in 1971 and moved onto the property in 1976. Creek Ranch, a six-mile creek in a 12,000-acre watershed, runs through a checkerboard of public and private ownerships, including BLM managed O&C land and Roseburg Forest Product land before running through Paradise Creek Ranch, which consists of 270-acres of forestland and 50-acres of pastureland.

In 1998, the ranch owner, along with upstream landowners, Roseburg Forest Products (RFP) and Coos District-BLM, and downstream neighbors, established a cooperative agreement to work on the entire creek. The work was to address stream temperatures that exceeded Oregon Department of Environmental Quality standards. RFP and BLM both completed projects using their own funds. The ranch owner acquired funds from OWEB through the Umpqua Soil and Water Conservation District (Umpqua SWCD) and USFWS-JITW funds through ODFW. ODFW contributed \$19,000, USFWS-JITW, \$50,000, OWEB, \$108,000, and the landowner contributed \$400. The restoration and enhancement effort comprised two 4/10th of a mile projects on Paradise Creek on the ranch. One project included the placement of in-stream structures and the second involved riparian area work, including cost-share fence construction using Hire-the-Fishermen laborers, through Umpqua SWCD. Engineering was completed by ODFW.

Prior to the restoration and enhancement project the landowner worked to improve his property. The landowner installed fencing and replanted along the stream, in some cases getting the materials from ODFW but doing the work himself. After fencing livestock out of the stream, he set up a system for off-stream watering. Since the project, he has continued to invest in the property.

#### *JITW Fund Benefits*

USFWS-JITW grants enhanced Oregon Department of Fish and Wildlife's ability to implement habitat restoration and enhancement projects. The grants represented a vital increase in funds available to ODFW, served to develop a relationship with USFWS where none had existed before, and provided the opportunity to experiment and develop restoration techniques. The projects all increased populations of threatened and endangered species, as well as improved water quality in the Umpqua Watershed.

USFWS-JITW was a new and large funding source for ODFW. ODFW has no funds of its own for restoration; since 1985, it relied on Recreation and Enhancement Board (R&E) funds, derived from anglers' license fees, which did not represent very much money. JITW grants contribute 25 percent of the funds needed to complete 10 to 12 projects on an annual basis. ODFW staff identified several other funding sources frequently used, including fund raising events, landowner's in-kind donations, foundation matches, Wyden Amendment, private funds from industrial landowners, and Oregon Department of Environmental Quality 319 funds. Around the same time the USFWS-JITW grant program was launched, Oregon Watershed Enhancement Board began dispersing funds for watershed restoration. One ODFW employee said, "this was a good opportunity to get federal funds...The new funding source was big enough that we could start doing major reaches—a different level of project planning available on private land. It was unique." Furthermore, the investments provided assistance to landowners who invested significant time into improving stream and riparian conditions but did not have the money to invest in the important in-stream projects.

Besides providing an important source of financial support for projects, the USFWS-JITW grant program initiated a new relationship between ODFW and USFWS staff. This relationship not only increased the ease of acquiring funds but it gave ODFW flexibility in implementing its projects. Specifically, this flexibility meant that when it was not achieving desired results with a project it could move on and invest the funds in projects elsewhere. As well, it allowed the agency to utilize funds remaining at the

end of a project to complete additional work to meet grant objectives. The Days Creek was an early project and helped ODFW refine enhancement designs. The project was designed to facilitate easier access to good habitat to increase the number of fish and to improve water quality. The project also entailed riparian fencing to keep cattle away to encourage streamside vegetation for shade and bank stability. There were funds remaining after the work was completed in 1998. In 1999, ODFW returned to the project site to make stream crossings for cattle, not a prescription called for in the initial proposal but nevertheless meeting the goals of the grant.

### **Workers and Families: Timber Grants**

From the Job Training Partnership Act's (JTPA) passage in 1983 until the Workforce Investment Act was passed in 2000, Umpqua Training and Employment (UT&E) administered job training programs in Douglas County, as required by JTPA. To support worker retraining, UT&E coordinates with other entities to conduct outreach to employers and employees and provide assessment and training services to dislocated workers. During NEAI, it received additional Title III Secretary's Reserve Funds (called Timber Grants) through the U.S. Department of Labor, based on established need, to support its expanded range of activities, including its participation in the Ecosystem Pilot Demonstration Project.

#### *Umpqua Training and Employment, Inc.*

Douglas County was considered by many to be "ground zero" during the crisis resulting from changes in the woods products industry. UT&E responded in the early 1990s by developing a team to respond to mill closures. The "rapid response team," which includes representatives from the State Employment Department, Umpqua Community College, and

UT&E, went to wood products companies to inform employers about their responsibilities and employees about services available to them. This process served several purposes: providing an opportunity to refer employees to services available to them, such as Unemployment Insurance or debt counselors, as well as an opportunity for UT&E to conduct a needs assessment. The assessment informed reports submitted to the state's Community College and Workforce Development Department Dislocated Worker Branch, to receive funds to provide services.

UT&E receives its normal allocation of Department of Labor funds through The Oregon Consortium. Allocations are based on established level of need using Oregon State Employment Department figures and UT&E records. NEAI funds, allocated through the Department of Labor to The Oregon Consortium were available, beginning in 1993, to address the burgeoning needs of JTPA providers. The state notified UT&E about the Timber Grants that could be used to cover services for workers. UT&E did not immediately see the need to apply for the grants but soon realized the need for additional support. A UT&E staff person said,

The definition of 'dislocated workers'—anyone out of work for 12 weeks—meant that UT&E was serving a large number of people and by the time timber workers and those people who worked for industries supported by timber walked in the door, funds were depleted. Funds for rapid response teams were initially drawn from regular dislocated worker funds, too.

The following table shows the amount of NEAI funds UT&E received, how many additional people they were able to serve, and the outcome of the services.

**Table 9: Department of Labor NEAI Allocations to The Oregon Consortium and Timber Grants to Umpqua Training & Employment, Inc.**

Timber Grant #	Dates	Grant Amount		# Served		UT&E Actual Enter Employment Rate & Earnings
		TOC	UT&E	TOC	UT&E	
6	10/93-6/96	\$1,075,892	\$423,000*	322	N/A	73% / \$8.27/hour**
9	7/94-6/96	\$2,554,360	\$373,000	608	N/A	73% / \$9.04/hour**
10	6/95-6/97	\$4,361,643	\$373,000	961	67	N/A / \$9.00/hour
11	6/96-6/98	\$4,519,149	\$587,713	1,020	118	N/A / \$10.86/hour
12	6/97-6/99	\$3,697,539	\$517,828	840	111	85% / \$12.94
13	7/98-6/00	\$2,528,674	\$395,000	632	133	92% / \$16.47
14	7/99-12/01	\$2,448,832	\$750,000	531		N/A / \$11.51
Totals		\$23,381,268	\$3,419,541	5,506	429	

TOC, The Oregon Consortium; UT&E, Umpqua Training and Employment.

\* An undisclosed amount of funds were returned.

\*\* Represents TOC figures. UT&E figures were unavailable.

UT&E coordinated with a host of local private and public entities to provide assessment, training, and placement services for dislocated workers. Assessments, which serve as an orientation for clients, were done as group exercises with paper and pencil. An important aspect of the tests was to define individuals' literacy levels. Literacy determines the amount of time needed to provide training to the individual. Ultimately, however, Unemployment Insurance benefits constrain training options. Remediation for literacy deficiencies were addressed in-house, at the community college or at other local programs that UT&E coordinates. Assessments also include aptitude, interest, and value tests. The results were discussed with individuals and used to develop training plans. In some cases, UT&E helped individuals work with banks on mortgage payments, as well as taught them to negotiate health care expenses. Depending on the needs and interests of individuals, training took place locally, regionally, somewhere else in the state, or even out-of-state. Training included on-the-job training and long-term training, up to two years in community college or trade school, in addition to a year of remediation for deficiencies. One of the few professional training programs available locally was long-haul truck driving. During the early years of the

NEAI, the Ecosystem Pilot Demonstration Project provided limited opportunities for watershed restoration worker retraining.

NEAI funds allocated through the Department of Labor supported UT&E's efforts to provide a broader range of services to larger numbers of clients. Timber grants enabled UT&E to serve more people and to change the way it served people, responding to the challenge of sheer numbers and "processing people more humanely." UT&E's rapid response team utilized Timber Grant funds and enabled them to go to mills, rather than waiting for people to walk in the door. UT&E held sessions with smaller groups of clients and broke information into smaller bits to avoid overwhelming people with it. They also helped individuals work with banks to address mortgage issues and taught them to negotiate health care expenses that were no longer covered by insurance. On occasion, UT&E picked up the expense of a new pair of glasses or assisted with dentist fees. As well, Timber Grants supported UT&E's participation in the Jobs-in-the-Woods Ecosystem Pilot Demonstration Project. UT&E was responsible for finding workers and providing them with support, including tuition to attend Umpqua Community College for technical skills and forestry training.

## Socioeconomic Conditions and Effects of NEAI Projects on Community Well-Being

NEAI was intended to assist timber workers transition to new jobs, diversify timber-based economies, and enhance community infrastructure. NEAI funds enabled the City of Roseburg and several local entities to make important investments, providing physical, financial, and social infrastructure for creating jobs and diversifying the economy. While it is difficult to assess the effects of NEAI investments on socioeconomic conditions in Roseburg, changes in the community's capacity are evident.

### Socioeconomic Condition

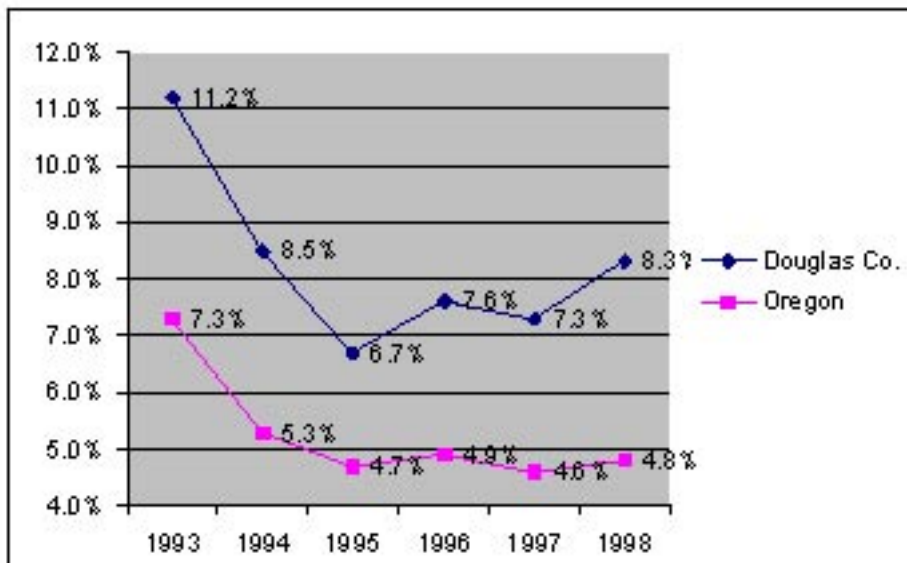
Douglas County and the City of Roseburg continued to grow at a moderate rate through the 1990s. As it has grown, its economic base—the wood products industry—has slowly contracted. More jobs were lost than created in the high paying manufacturing sector, while there was steady growth in other lower paying sectors, such as the service industry. It is unlikely that NEAI investments affected changes in socioeconomic conditions.

Douglas County is experiencing higher unemployment and averaging lower per capita income than the rest of Oregon. In 1998, there were 41,460

jobs in Douglas County. The Roseburg area is an employment hub for the region, accounting for 78 percent of the employment in the county, up from 71 percent in 1980. Labor force participation in Douglas County was 57 percent in 1998, compared to 68 percent for the state. Despite unemployment rates 50 percent higher than the state's average (nine percent in Douglas County versus six percent in Oregon in early 2002), unemployment has decreased markedly since the 1980s, when it peaked at nearly 18 percent. Unemployment in the 1990s peaked at 11.9 percent in 1992 (Oregon Employment Department). The unemployment rate in Roseburg in 1999 was four percent.

Douglas County not only suffers from high unemployment but per capita income is also relatively low. In 1998, per capita income in Douglas County was \$20,543, compared to \$25,912 for the state. Per capita income remained relatively stagnant through the 1990s, while state and national averages increased—increasing steadily through the 1990s. Nevertheless, the overall percentage of all people in poverty in Douglas County decreased between 1993 and 1998 (Figure 2). In 1999, 15.1 percent of Roseburg's population was living in poverty.

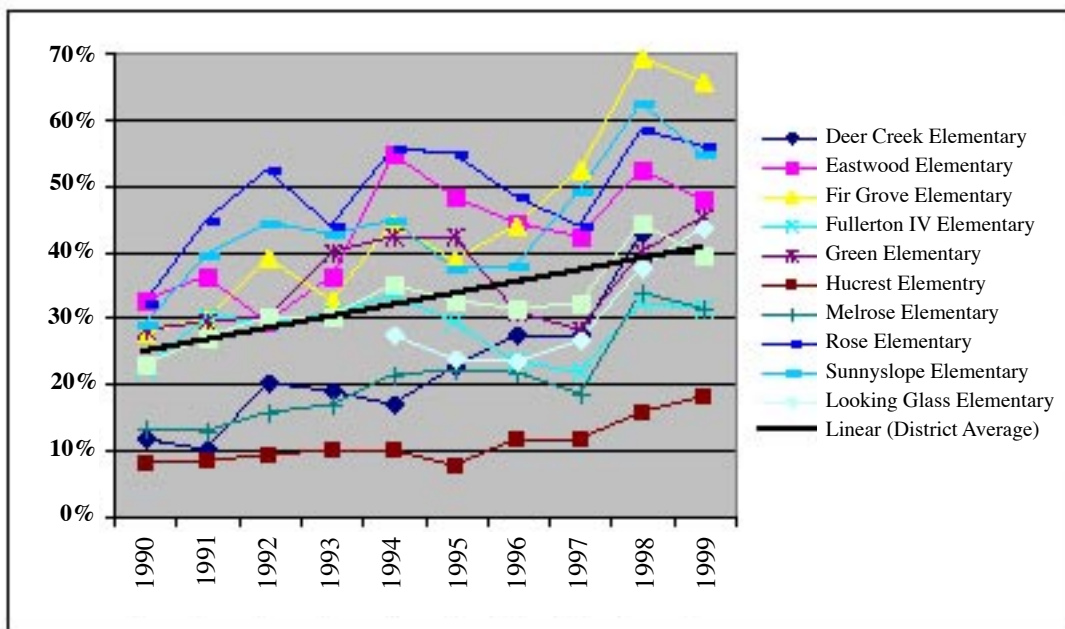
**Figure 2: Estimated Percentage of Douglas County Persons Living Below Poverty**



The number of children eligible for free lunch, in the meantime, increased by 15 percent on average at Roseburg's 10 elementary and intermediate schools between 1990 and 1998. Figure 3 suggests that while unemployment has declined since its

peak in 1993, impoverishment has steadily increased among younger families, indicating a higher level of underemployment in 1998, compared with the early 1990s. In 1999, 16.2 percent of all children under 18 were impoverished.

**Figure 3: Free Lunch Eligibility in Roseburg Area Primary Schools**



### Community Capacity

Community capacity is the collective ability of residents in a community to respond to external and internal stresses, to create and take advantage of opportunities, and to meet local needs. Community capacity consists of five dimensions: (1) physical capital; (2) financial capital; (3) human capital (see Effects of NEAI on Workers section); (4) cultural capital; and (5) social capital. Because there were several ecosystem investments made as a result of NEAI, effects on the natural capital will also be considered. Evaluating the impact of NEAI projects on the capacity of Roseburg thus requires a closer examination of these various dimensions of capacity.

#### *Physical Capital*

Physical Capital includes community physical infrastructure (e.g., sewer systems, business parks, capital assets such as equipment, housing stock and schools). The NEAI made a small but poten-

tially important contribution toward developing Roseburg's physical infrastructure. Using Economic Development Administration, state, and local funds, the city extended water service to the eastern edge of town, opening up a significant amount of land for development. As part of the same project, the local sewer utility also extended services to the same area. The land is zoned for mixed-use, allowing commercial, retail, and industrial uses. Despite incentives, including short-term property tax exemptions, slow economic conditions have curtailed commercial, retail, or industrial development, and the area has not realized its potential. To date, there have been a number of inquiries from smaller manufacturing companies and some development, including an alternative high school and a church recreation center. One significant outcome of the project was an investment by a private company to prepare an abandoned mill site for redevelopment.

#### *Financial Capital*

Financial capital includes money, credit, and other financial resources available for local use. The Coos, Curry, Douglas Business Development Corporation (CCD), the USDA Rural Development-Rural Business-Cooperative Services (RD-RBS), and the Small Business Administration made substantial investments in Roseburg area businesses through direct services and through local intermediaries. RD-RBS provided \$2 million in loan guarantees and loaned another \$2 million to local businesses through the CCD's Intermediary Relending Program. Combined, the investments helped to create or save approximately 20 permanent jobs. Several businesses that received Intermediary Relending Program loans have experienced difficulties due to changes in the wood products industry and the downturn in the national economy. The futures of all but one of the Roseburg area businesses remain uncertain.

#### *Cultural Capital*

Cultural capital includes the myths, beliefs, norms, and life ways that serve to organize groups and facilitate survival. A mix of organizations representing various interest groups, many with overlapping or similar goals, competing for limited resources, characterized the development community pre-NEAI. One of the most positive outcomes of the CERT process was the recognition of community need and the formation of one three-way partnership to launch cooperative efforts. As a result of the Roseburg Area Image Study, the City of Roseburg, Douglas County Industrial Board, and the Roseburg Area Chamber of Commerce established a formal partnership and increased the cooperative spirit among entities. Unfortunately, this change came at the end of NEAI, after many funding opportunities disappeared. Despite increased collaboration between the groups, however, antipathies between entities remain and are a barrier to the success of development efforts.

#### *Social Capital*

Social capital is the willingness of residents to work together toward community goals (and not just self-interested goals). NEAI funds contributed less than 20 percent toward the total cost of the

Roseburg Area Image Study but it may prove to be the most important single investment in Roseburg. The outcomes of the image study are stronger working relations and more information sharing between city government, local businesses, and quasi-governmental development entities. The partnership has led to a change in attitude toward working together. One of the partners in the study said "It has had a positive impact on work with others in the city and county. [We are] looking more at partnering relationships...looking to other areas too. The businesses do not just look at the city or county as someone to work against but to work with." The partnership has strengthened the relationship between the entities to achieve "development from within"—using existing resources to create jobs through business expansion and more coordinated and coherent attempts to recruit desirable industry.

NEAI funds contributed substantially to the stabilization of two Douglas County entities. Due to reductions in federal payments to Douglas County, the Umpqua Regional Council of Governments and the Douglas County Museum of History and Natural History were both directed by the County to become (more) self-sufficient organizations. Both organizations still receive allocations from the County but have also increased their revenues through the provision of services and other efforts to raise funds.

In the case of Umpqua Training and Employment, NEAI funds enabled a stable and high capacity organization to enhance its services. Overwhelmingly, community members praise UT&E for its efforts. They were proactive in working to address the immediate concerns and needs of dislocated workers, including the loss of health care benefits and making mortgage payments. As well, through the provision of services, they were able to help many workers transition to new careers in other industries. One person involved in community development efforts said, "UT&E did a fantastic job of going to mills when they were closing down. People could not believe the mills were going to shut down." Many dislocated workers subsequently found employment after completing UT&E's programs.

#### *Natural Capital*

The Umpqua Watershed is characterized by bedrock streambeds. While the watershed has been degraded by aggressive forestry and agricultural practices it was never gravel rich. Accordingly, most of the projects on private lands were designed to increase pools to increase gravel accumulation. Gravel is critical for spawning and rearing habitat and, therefore, helps to increase the numbers of salmonids, including Chinook, Coho, Cutthroat, and Steelhead. A closely related area of emphasis for Jobs-in-the-Woods projects was creating over-habitat, or slack-water pools. The pools increase the juveniles' chances of survival by enabling them to get larger before heading downstream and providing refuge during higher winter flows. To increase and improve habitat, Oregon Department of Fish and Wildlife put logs and boulders in-stream, angled to slow down the stream to accumulate gravel. The project on French Creek, a Coho stronghold, entailed pulling out a culvert, an obstacle to fish passage, that opened up one-and-a-half miles of habitat.

The monitoring plan Oregon Department of Fish and Wildlife uses is based on the Oregon Plan monitoring component, and entails staggered monitoring over 27 years. They expect results based on the design's enhancement parameters, e.g., for every piece of wood debris per mile they expect to see a certain number of Coho. Accordingly, Oregon Department of Fish and Wildlife monitors the number of pieces of wood still in place and the number of fish associated with each structure. Pre- and post-enhancement surveys conducted to date have included checking for pool/slack water area usage and size and species of fish. In many cases, the enhancements are doing what they intended and Oregon Department of Fish and Wildlife is finding larger numbers of fish using habitat in restored areas. Realistically, however, the impacts of the projects will take several life cycles to

understand.

The Jobs-in-the-Woods grants program has provided much needed support for promoting and subsidizing restoration on private lands to increase the multiple values of the land, for wildlife, water quality, economic uses, and aesthetics.

#### **Affects of NEAI on Workers**

NEAI funds were used to provide support services to help dislocated workers develop new skills and find employment. As well, funds were used to develop physical, financial, and social capital to save or create new jobs. Umpqua Training and Employment reportedly served approximately 500 workers in Douglas County, helping them to acquire jobs in other sectors, including health care and high technology. Many workers were retrained locally and moved to find work elsewhere. Those who remained, often found work and earned wages significantly lower than wages in the manufacturing sector. As noted earlier, the Ecosystem Pilot Demonstration Project failed to create job opportunities or a retrained restoration workforce. Umpqua Community Development Corporation's used building material enterprise, Heartwood Re-Sources, employs several people, including a former Forest Service employee. If the project is successful, it could lead to several employment opportunities or even spin-off enterprises. Other investments in the area, including the extension of water and sewer to facilitate industrial development hold promise for creating the kinds of jobs needed in the area. In the end, jobs lost in the high-paying manufacturing sector have not been replaced and efforts, such as those of the Umpqua Economic Development Partnership, have not yet benefited those affected by changes in the timber and wood products industries.

## Patterns and Themes

The Roseburg Area Image Study was successful in large part due to the Joint Marketing Study Committee members. The committee that provided oversight for the project participated because they saw the need for more coordinated development efforts to diversify the region's economy. Without exception, committee members were not just committed to acting on the results of the study, but had the power to make decisions and the ability to broaden the base of support to implement follow-up activities. The committee members saw the implementation of the study's strategic plan as the most important component to the project, thus the development of a formal partnership and the hiring of a development director to coordinate the partnership's activities. Many credit the success of the project to the fact that the committee was committed to action and success.

One of the major barriers to economic development efforts in Roseburg was competition among various local, county, and regional organizations for what were perceived as limited resources. Despite the

recent cooperation engendered by the image study project, antipathies remain, rooted in past events and the politics of Roseburg versus Douglas County interests or Douglas County versus Coos and Curry counties' interests. The result is the establishment of numerous governmental, quasi-governmental, and non-profit entities that often provide the same services. During NEAI, these organizations often did not cooperate when cooperation clearly would have improved their efforts. The Umpqua Regional Council of Governments Geographic Information System project, which successfully increased the organization's ability to serve its constituents, suffers for a lack of support and broad use even though it has obvious relevance to the image study and subsequent activities. The same can be said for Umpqua Regional Council of Government's sustainability forum that was aborted due to lack of support. Fragmented development efforts, inter-organizational competition, and territoriality reduced the overall effectiveness of the development complex and hamstrung several NEAI funded projects.

## Conclusions

Overall, NEAI investments in Roseburg had the intended affects on the area, but due to the level of investment relative to the size of the community, the aggregated affect is small. Additional funds resulting from the Initiative enhanced the provision of services to dislocated workers, assisting their transition into jobs in other fields. Unfortunately, besides the few positions created as a result of loan programs and Heartwood Re-Sources, NEAI did

not facilitate the development of new industries or much in the way of new jobs. Dislocated workers who received training and stayed in the area merely displaced others in the workforce. However, the increase in cooperation between development interests and a concerted effort tied to physical infrastructure improvements may lead to job creation in the future, depending on larger economic trends.

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**Interviewees**

Larry Andrew	Coos, Curry, Douglas Business Development Corporation
Bill Arsenault	United States Fish and Wildlife Jobs-in-the-Woods Grant recipients
Mickey Beach	Umpqua Community Development Corporation
Allen Beers	Roseburg area business owner, Intermediary Relending Program loan recipient
Susan Buell	Vice President, Umpqua Training & Employment Inc.
Helga Conrad	Director, Umpqua Economic Development Partnership
Helen Dias	Phoenix School
Sam Dunnivant	Oregon Department Fish & Wildlife
Mark Eason	Tioga Resources
Roger Evenson	Umpqua National Forest - Rural Community Assistance
Eric Fladager	City of Sutherlin, formerly Umpqua Regional Council of Governments
Dave Gilbert	Roseburg area business owner, Roseburg Area Chamber of Commerce
David Harris	Oregon Department Fish & Wildlife
Jimmy Holsapple	Retrained worker, Ecosystem Pilot Demonstration Project
Jean Kurtz	Roseburg Area Chamber of Commerce
David Loomis	Oregon Department Fish & Wildlife
Wayne Luzier	Director, Coos, Curry, Douglas Business Development Corporation
Russ and Sandy Lyons	United States Fish and Wildlife Jobs-in-the-Woods Grant recipients
Stacy McLaughlin	Director, Douglas County History and Natural History Museum
Joyce Morgan	Douglas County Commissioner
Preston, O'Hara	Roseburg area business, Intermediary Relending Program loan recipient
Charles Perino	Umpqua Regional Council of Governments
Bruce, Piper	Executive Director, ADAPT
Liz, Rizzeeuw,	Umpqua Regional Council of Governments
Tom Simonson	USDA Rural Development Rural Business Services
Mark Stephens	City of Roseburg Community Development Department
Betty Tamm	Executive Director, Umpqua Community Development Corporation
Randy Wetmore	Roseburg City Manager