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Falls City Economic ResiliencE Plan

2019 Falls City Economic Roadmap

**Introduction**

The City of Falls City, Oregon has spent the majority of 2019 working with Rural Development Initiatives and Business Oregon on a Community Roadmap process. The goal of this process has been to develop community projects to pursue goals identified by the community. Through a series of public meetings, organizing sessions, and data gathering processes, the Community Roadmap process was able to identify a multitude of projects for the community to pursue. However, these projects were chosen with a greater goal in mind; to develop the economic resilience of Falls City.

Economic resilience is commonly defined as the ability of an economy (be it a city, county, region, etc.), to recover to a state of normalcy after an economic shock. Economic shocks can include widespread economic recessions, the collapse of certain industries, or long term economic declines. For this analysis, we will be looking the unique nature of the Falls City economy, the existing challenges to economic resilience, and how, via the Roadmapping process, the community identified several paths to increase their economic resilience.

**Economic Resilience in Falls City**

Normally, when measuring economic resilience of a place, economists and economic developers focus on traditional measures like jobs and business establishments. This focus generally looks at “traded sector” industries that directly bring wealth into the community via the creation of exportable goods. A resilience analysis then looks at these sectors and identifies the risks of these industries leaving the community and the likely outcomes if an industry were to leave. However, this method is problematic in the case of small communities like Falls City. Falls City, due to its location and its history, lacks establishments in traded sectors. While there are some traded sector jobs in forestry, agriculture, and tourism, the vast majority of jobs in the community are in “secondary sector” industries that support the people in the community rather than exporting goods outside of the community. In Falls City, these primarily include retail businesses, government, schools, and churches.

So while traded sectors bring some wealth into Falls City, most wealth in the city is brought into the community via residents who work outside city limits and bring wealth back to the city. Of the 370 residents that are in the labor force, 77.1% work outside of the city. Also, due to the substantial number of residents who are veterans, disabled, or retired, a significant proportion of community wealth comes from Social Security, disability, or other public programs. These statistics suggest that Falls City’s economy is dependent on commuters and households rather than commercial business or industry. Resilience has different implications in types of communities like Falls City. While the economic assets of a community with significant industrial presence are often natural resources, physical infrastructure, businesses, and institutions, commuter communities’ primary assets are its residents.

However, there are still strategies to increase the economic resilience of a community like Falls City. While Falls City lacks major primary traded sector businesses, there are still opportunities to capitalize on community assets and grow existing industries. This can mean an expansion of existing businesses or the creation of new firms in the region. However, in order to increase economic resilience, the primary focus of efforts should remain on enhancing the quality of life of residents. Doing so will ensure that Falls City can retain and attract residents, ensuring community wealth and well-being.

**The Data Case**

Key to community development is a basic understanding of the facts of a community. While incorporating public opinion and the thoughts of leadership is vital, properly identifying challenges and solutions is impossible without a basic knowledge of the facts. In order to better understand the key issues that Falls City is facing, this report looks at community statistics gathered from the Census as well as several proprietary data sources to create a community data profile.

While many rural communities across the United States are experiencing population decline, this is not the case in Falls City. Falls City has actually been growing in population every decade since its incorporation, and is now at its highest population (1,047 residents) in its history. While population loss is not a problem for the city, there are aspects of the population that pose various challenges. With a median age (47.5) much higher than the state of Oregon’s (39.2) and a higher rate of disability (approximately 10% of residents) than the state, the community faces a higher demand for healthcare and transportation than other communities. The high number of retirees also likely correlates with, but does not fully explain, the lower median household income in the community. While Oregon has a median household income of $56,119, Falls City only has a median household income of $35,500. This trend can also be seen in the poverty rate; Falls City’s poverty rate is double that of the state, with approximately a third (30.0%) of residents experiencing poverty.

While high rates of disability and an aging population can explain some of the poverty rate, other factors likely contribute. The laborforce participation rate measures the percentage of the working age population in a community that is employed or is looking for work. In Falls City, that rate is 18% lower (44.6% vs. 62.2%) than that of the state average. The unemployment rate is also much higher than state averages; at least 10% of the laborforce is unemployed. While disability plays a role in this discrepancy, there are other barriers that likely depress these figures.

There are few jobs within Falls City itself; according to EMSI data, there were only 154 jobs in the city in 2018. Because of this, most residents who work (77.1% of them, to be exact) work outside the city. Most residents travel to Salem or Dallas for work, which means that almost all (91.4%) workers take a car for their daily commute. Lack of public transportation options means that car ownership is a barrier to employment.

While there are some jobs in Falls City, most are in secondary sector industries (those that support residents, rather than produce goods for export). Due to Falls City’s size, there are few reliable sources of data on the types of jobs that exist in Falls City. Of the sources that do exist, the numbers suggest the following:

* The school district is by far the largest employer in the community
* Government jobs are also large contributors to the economy, city workers and post office workers make up the bulk of these jobs
* Restaurants, bars, and retail convenience stores make up the majority of the private sector jobs in the community
* The few primary sector (exporting industry) jobs include agriculture, crop production, and logging
* There are a couple of painting and plumbing contractors based in Falls City
* There are a number of home based businesses that, while not large enough to be listed under any other industry title, were noted by government statistics

None of these data points should be surprising to any resident of Falls City, however, what is notable is the lack of fluctuation in any of these industries over the years (2001-2019) that we have statistics. While other communities experienced major job changes and industry instabilities throughout the Great Recession, Falls City has seen significantly less change.

From the perspective of a Falls City consumer, the data shows plenty of opportunities for business development in Falls City. With much of the demand currently being met outside the community, Falls City is currently underserved in terms of restaurants and grocery stores. Additionally, ESRI data suggests that demand for sporting goods stores exists; this is likely due to the increased demand for mountain-biking products caused by popularity of the Black Rock Mountain Biking trails. These demands are likely to grow as the city continues to expand.

While growth and opportunity abounds in Falls City, the city faces several obstacles to continued growth. The primary challenge is housing. In most rural communities, housing challenges include housing vacancy, lack of quality housing, and lack of affordable housing. Falls City struggles with each of these challenges to differing degrees. While vacant housing exists in Falls City, the rate of vacancy (approximately 10% vacant) is similar to that of the state. Larger problems exist in housing quality and affordability. Housing quality is not captured by federal census data, however, housing age and type can provide some information about the state of housing in a community. About a third (31.1%) of the houses in Falls City are mobile homes, and about a quarter (28.8%) of the houses were built before 1940. These statistics, while not direct correlates to housing quality, do suggest that there is likely a need for better housing in Falls City, whether through the building of new housing or the improvement of existing housing stock. Due to Oregon land use laws and the cost of new housing, housing stock improvement programming is more likely.

Housing affordability is the biggest housing challenge that Falls City is facing. While the median house value in Falls City is about half that of the state ($126,700 in Falls City vs. $265,700 in Oregon), the cost of housing is still a major issue. Due to both the cost of housing as well as high rates of poverty, almost a third of residents (31.6%) are cost burdened by their rent or mortgage. This means that approximately a third of residents in Falls City are spending over 35% of their income on housing. The lack of affordable properties to rent intensifies this problem. Only 19.2% of houses in the city are for rent. As young people are more likely to rent, this limits the ability of the city to retain and attract young people.

**Falls City Roadmapping**

Analysis of government statistics by third party organizations, while informative, should not be the basis of community resilience-building strategies. Rather, strategies should be developed, adopted, and implemented by community members themselves through a fact informed process. The Community Roadmapping process was developed with the belief that rural communities hold the keys to their own destiny. Through proper facilitation and organization of community voices, communities can develop strategies that lead to vital outcomes.

The Roadmapping process is a multi-step method by which a community identifies strategies to confront its obstacles to community vitality. While the process does change from community to community, most Roadmapping processes do the following:

* Recruit community members to participate in process
* Identify community assets through a public mapping process
* Survey the community to ascertain key community issues and goals
* Prioritize issues via community input sessions
* Organize community members into issue steering committees
* Develop and implement strategies

Depending on community schedules and goals, Roadmapping processes can last a few months to a whole year. The challenges that communities have selected to take on have included community cleanliness, housing, economic development, downtown redevelopment, and community parks, as well as many others. The results of Roadmapping process can range from developing short, one-off community events, to organizations that last for years.

*Roadmapping Process*

The Falls City roadmapping process started in January 2018 when the City Council adopted “Develop a strategy to encourage economic development in Falls City,” as one of its main goals. No real action was taken to achieve the goal until May, 2018, when the City Council appointed Mac Corthell as the new City Manager. In an effort to reach the Council’s goal on economic development, Mac reached out to Alex Paraskevas from SEDCOR, and Dennie Houle from Business Oregon. This group assessed Falls City’s economic resilience and development, or lack thereof, and were ultimately able to identify a Business Oregon, Local Economic Opportunity Fund (LEOF) grant as a likely and proper funding source to spur economic development and resilience in Falls City.

At that point, and with the council of Dennie and Alex, Mac and Mayor Gordon engaged with Michael Held from Rural Development Initiatives (RDI) to determine what assistance his organization could provide in the process. After meeting with Michael, Mac and Mayor Gordon pitched the project and grants to the City Council and received resounding approval.  Memorandums of Understanding were created to govern the relationship between RDI and Falls City for each of the mentioned grants. RDI was able to assist in securing the LEOF grant for $45,000 to be spent on Falls City Economic Resilience and Development, and in securing an additional $38,500 from Ford Family Foundation for a regional element of the project (that also benefits Falls City). However, this work obtaining funding and setting a plan of attack, was just the tip of the iceberg for the process and for the partnership between the City of Falls City, RDI, Business Oregon, and more!

In February of this year, 70 Falls City residents congregated to begin the roadmapping process with asset mapping. Residents discussed the places, events, and organizations in and around Falls City that made the city what it was. Through a World Café styled mapping process, community members were able to flesh out what assets they valued and thought would be key to community development. Through this process, the community identified the natural features around town, including the forests, bike trails, hiking trails, parks and waterfalls as key physical assets to be built upon. Also important was the downtown which features several businesses, the high school, and many organizations that help promote community vitality. These organizations are especially important, as they represent the social networks and community that exists in Falls City. Additionally, the community listed the events in town that added to community networking and engagement. All of these assets identified by the community can be found in Tables 1, 2, and 3 in the attached appendix.

Following this process, RDI conducted surveys, interviews, and focus groups with residents to identify the key issues facing the community as well as what residents saw as the communities’ strengths and weaknesses. Community opinions on community attributes were combined to identify, in the whole, which attributes the community thought were important, and whether these attributes were a strengths or weaknesses. The full results of this analysis can be seen in Table 4. This process culminated with a public data review, where residents were able to learn from secondary data sources as well as what the general public felt their community needed. This data review led to an issue prioritization process, where residents were able to discuss which issues were most urgent and important for long term community resilience. Based on these discussions, the community decided to focus their energy on three issues: housing, downtown revitalization, and community volunteerism.

In a final large public meeting in early June, the community came together once again to prioritize and plan projects around the selected topics. The community split into groups and deliberated over potential ideas that might be able to improve community outcomes on each of their three focus areas. For housing, the group identified a particular housing development that was in dire need of assistance, as well as a general need for housing weatherization programs across the city. For downtown revitalization, the group expressed the general need to clean the downtown, but also to place effort in making the downtown a more attractive place to be. The group suggested the city could also pursue some downtown landscaping planning, as well as specific investments in signage, bike infrastructure, and foliage. Finally, there was a recognition that the city needed greater capacity to take on projects. The group wanted to track and appreciate existing volunteers, create greater communication between organizations utilizing volunteers, and build the base of volunteers in the city. To do this, the group wanted to build a volunteer database that could be shared by Falls City organizations and to provide more opportunities for volunteers in the city.

Several developments have occurred within this group that went through the roadmapping process since the last meeting in July. A main group of steering committee members has formed, and has continued to meet on a monthly basis. Subgroups of the steering committee, each concentrating on a different area of focus, have met several times as well. Additionally, Falls City, recognizing its need for greater staffing capacity, has applied for and hired a RARE Americorps member to assist in community development projects. Through these actions, Falls City has organized and increased their capacity in order to increase their chances of success.

**Next Steps**

Moving forward, the community is in an excellent position to capitalize on each of its goals. The city will have access to additional staffing capacity over the coming year through the RARE Americorps Fellowship, but has also created a dynamic team of volunteers who are committed to seeing the city succeed. Through the Roadmapping process, the steering committee was able to identify the following potential projects:

*Housing*

Housing is a heavy lift for most Oregon communities, but Falls City would like to improve housing for residents. While the City and Steering Committee recognize that they do not have the capacity to develop large scale housing projects, they may be able to work with local partners to improve the existing housing stock. The steering committee selected the following projects.

* Assistance with the purchase and renovation of the Green Haven RV Park by Polk County CDC
* Workshops to inform residents of opportunities for housing assistance
* Direct assistance for residents that are applying for housing weatherization and assistance programs

*Downtown Revitalization*

In addition to improving housing to residents, the community would like to improve its core downtown district. The projects the steering committee has identified include both economic development projects as well as community improvement projects. Some of these projects include:

* Signage to inform tourists about historical sites as well as maps to community assets
* Additional bike infrastructure to support cyclists that visit the Black Rock bike trails and the Breadboard
* Aesthetic improvements, including flowers, banners, and signage
* Employment of a landscape architect to develop a comprehensive downtown plan
* Creation of a riverwalk trail that provides greater access to Falls City’s titular falls
* Development of a city-owned commercial building located along Main Street; potential uses include the development of a business incubator, co-working space, and/or retail space
* Marketing of available retail space via commercial real estate websites
* Potential development of a community Main Street Organization

*Social Networking & Volunteerism*

Falls City recognizes the need for volunteer capacity to achieve its goals. Establishing a community identity and additional community engagement will be key to encouraging more residents to become dependable volunteers. To enhance volunteer coordination and encourage involvement, the steering committee seeks:

* Development of a volunteer database
* A common communication network between volunteer-run organizations
* Additional community events, parties, and celebrations

**Conclusion**

The “Road” as identified by the Roadmapping process is not necessarily well-defined. Falls City will still have to remain responsive to changes in funding and staffing to identify the best possible next steps. In the meantime, steps to improve the capacity of community leaders will be paramount to success. Leaders should seek to increase their skills, more leaders should be recruited, and networks should be leveraged to increase the ability of the community to pursue identified projects. The Roadmapping process has identified the destinations that the community wants to go to, and some of the potential routes to get there. The community leaders will now need to navigate these routes.

As for community economic resilience, while many of these projects do not directly create jobs, increase wealth, or attract new businesses into the community, they do enhance the economic resilience of Falls City. By strengthening community networks, Falls City increases its capacity for organizing and direct engagement. By improving its housing stock, Falls City not only materially improves the lives of those living in Falls City today, it also makes it more likely that Falls City will be able to retain and attract residents in the future. By investing in its downtown, Falls City can improve its spaces for community members, develop its tourism industry, and create new businesses. Falls City can do all of these things by capitalizing on existing assets. In the long term, this will result in greater community economic resilience.

**TABLE 1**

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| **Falls City Physical Assets** |
| * **Methodist Church**
* **Mountain Gospel Fellowship**
* **Falls City Schools**
* **Lombard Park**
* **Davis 1900 House**
* **Upper Park**
* **The Stairs**
* **Little Luckiamute B&B**
* **Valsetz Forest Road**
 | * **Main Street**
* **Black Rock Mountain Bike Trails**
* **Frinks**
* **Scenic Beauty**
* **Secure Water Supply**
* **Old Doctor's Office**
* **Library**
* **The Falls**
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**TABLE 2**

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| **Falls City Organizational Assets** |
| * **School District**
* **Fire Department**
* **FACES**
* **Frinks**
* **Bread Board**
* **Boondocks**
* **Mountain Gospel**
* **7th Day Adventist**
* **Parks Committee**
* **Post Office**
* **It'll Do Nursery**
* **Black Rock Wellness Center**
* **Bob Young Construction**
* **Service Integration Team**
* **Polk County Services**
* **Weyerhauser**
* **Americorps**
* **Rural Outreach Music Education Program**
 | * **Western Oregon University**
* **Camp Tapawingo**
* **Salvation Army**
* **Free Methodist Church**
* **Little Raven Creations**
* **Hardware Store**
* **Direct Connect**
* **Goodwill**
* **James 2 Church**
* **BRMBA**
* **BRAVE**
* **DHS**
* **Marion-Polk Foodshare**
* **Spirit Mountain**
* **SIT**
* **MAPS**
* **OCF**
* **Monmouth Christian Church**
* **Ford Foundation**
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**TABLE 3**

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| **January*** **CPR Class (2)**
* **Homeless count**
* **Winter Fest**
 | **December*** **Xmas tree lighting (5)**
* **Shop w/ Sheriff**
* **Toys 4 Tots (2)**
* **Foodbox**
* **Boondocks Christmas Party**
* **Winter Solstice Concert**
 | **November*** **Thanksgiving Community Dinner (4)**
 |
| **February*** **Valentines Day Dinner @ UMC**
 |  | **October*** **Harvest Party (2)**
* **Fire prevention week**
* **Halloween (2)**
* **Emergency Services Career Fair**
 |
| **March*** **Foodbox**
* **Alumni B-ball**
 | **September*** **Mushroom Festival**
* **Solv River Cleanup (3)**
* **Stairs Clean**
* **Bad 2 Bone BBQ**
 |
| **April*** **Easter Egg hunt (4)**
* **Arbor Day Tree Planting (2)**
* **F.C. Community Night**
 | **August*** **Back 2 School (2)**
* **School Supply Shop**
* **National Night out**
* **Pride (4)**
* **Baptisms**
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| **May*** **Citywide garage sale**
* **BACC**
* **Celebrate Recovery**
* **Memorial Day**
 | **June*** **Spring Clean (4)**
* **Graduation (2)**
* **Bad 2 Bone chili cookoff**
* **Summer Solstice**
 | **July*** **3rd of July fireworks (5)**
* **3rd of July Parade (5)**
* **Summer Celebration**
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**TABLE 4**

