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MINUTES

PLANNING COMMISSION MEETING March 17, 2022 5:30 p.m.

CITY HALL COUNCIL CHAMBERS 313 COURT STREET THE DALLES, OREGON 97058

PRESIDING: Cody Cornett, Chair

COMMISSIONERS PRESENT: Philip Mascher, Maria Pena, Nik Portela

COMMISSIONERS ABSENT: Karly Aparicio, Alan Easling, Mark Poppoff

STAFF PRESENT: Director Alice Cannon, Secretary Paula Webb

CALL TO ORDER

The meeting was called to order by Chair Cornett at 5:37 p.m.

Chair Cornett welcomed Nik Portela to the Planning Commission.

PLEDGE OF ALLEGIANCE

Chair Cornett led the Pledge of Allegiance.

APPROVAL OF AGENDA

Chair Cornett requested Item 6, Staff Comments, and Item 7, Commissioner Comments, be moved permanently to the end of the agenda.

It was moved by Cornett and seconded by Mascher to permanently move Items 6 and 7 to the end of the agenda. The motion carried 4/0; Cornett, Mascher, Pena and Portela voting in favor, none opposed, Aparicio, Easling and Poppoff absent.

It was moved by Mascher and seconded by Portela to approve the agenda as amended. The motion carried 4/0; Cornett, Mascher, Pena and Portela voting in favor, none opposed, Aparicio, Easling and Poppoff absent.

PUBLIC COMMENT

None.

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QUASI-JUDICIAL PUBLIC HEARING

ADJ 056-22: Brady Wolf, 800 E. 13th Street, 1N 13E 3 CD tax lot 13500

Request: Approval to reduce the minimum lot depth from 60 feet to 50 feet, to allow the applicant to partition the property into two lots on an existing 50-foot wide property. This results in a lot depth reduction of approximately 16%.

Chair Cornett read the rules of a public hearing. He then asked if any Commissioner had ex parte contact, conflict of interest or bias, which would prevent an impartial decision.

Hearing none, Chair Cornett opened the public hearing at 5:45 p.m.

Assistant Planner Cook provided the staff report.

In response to Commissioner Mascher's inquiries, Cook replied the applicant is a representative of Columbia Gorge Habitat for Humanity. The Code allows up to a 20% reduction. Future adjustment applications would be decided by the Commission on a case-by-case basis.

Brady Wolf, 395 SW Irie Road, White Salmon, WA 98672

Mr. Wolf stated this corner lot provides a unique opportunity. Land costs hamper the ability to provide affordable houses. Splitting the property into two lots will provide additional opportunity. The current plan is to build a one single story house, and a one and one-half story house with a walk-out basement.

Phil Johnson, 6603 Little Buck Creek Road, White Salmon, WA 98672

Mr. Johnson is a volunteer for Habitat for Humanity. Two narrow lots with townhomes were considered. A two- or three-story construction is prohibitive due to safety concerns.

Chair Cornett closed the public hearing at 6:04 p.m.

It was moved by Mascher and seconded by Pena to approve Adjustment 056-22 subject to the conditions of approval as outlined in the staff report. The motion carried 4/0; Cornett, Mascher, Pena and Portela voting in favor, none opposed, Aparicio, Easling and Poppoff absent.

RESOLUTION

Resolution PC 602-22: Approval of ADJ 056-22, Brady Wolf

It was moved by Mascher and seconded by Portela to approve Resolution PC 602-22. The motion carried 4/0; Cornett, Mascher, Pena and Portela voting in favor, none opposed, Aparicio, Easling and Poppoff absent.

DISCUSSION ITEMS

Review of Land Use and Development Ordinance (LUDO) text amendments to implement stream protection/water quality improvement standards along three creeks that travel through The Dalles.

Director Cannon stated lower water temperatures are necessary to protect migrating fish. Adequate creek buffers encourage riparian vegetation, which in turn lowers water temperature. MINUTES Planning Commission Meeting March 17, 2022 Page 3 of 23

The current Code requires a 50-foot setback from the top of the bank. The City's Code does not meet the state's safe harbor requirements. This amendment will change the way the buffer can be modified for development.

Director Cannon presented the staff report with the proposed updates. In response to Commissioner questions, Director Cannon replied:

- A TMDL plan was required in 2010. The City has not yet met the deadline; the amendment must be adopted by this spring.
- Staff must send notice to the Department of Land Conservation and Development (DLCD) 35 days prior to the hearing and the legislative hearing notice must be published in the newspaper.
- Wasco County must also meet DEQ requirements.

Review of draft Comprehensive Plan text amendments in support of the Industrial Buildable Lands/Economic Opportunity Analysis.

Director Cannon provided the presentation, Exhibit 1. Cannon noted Kelly Howsley-Glover, Wasco County Planning, was attendance at the meeting. Howsley-Glover said she was happy to answer any questions.

Commissioner Mascher asked if the proposed text amendments focused entirely on business development. Director Cannon replied the focus was on commercial and industrial land supply and the policies that support development and redevelopment of those lands.

The Housing Needs Analysis, completed in 2017, was not adopted. State law requires the Housing Needs Analysis. Numbers will be updated and adoption will be completed in late 2022 or early 2023.

Commissioner Mascher said he liked that even though this focuses on business development, it touches on quite a few quality of life and standard of living points. Mascher stated he read an interesting article around the factors that have the biggest return of investment on economic development of communities. The article found investments that were not traditionally considered economic or business investments, but were clearly lifestyle investments such as parks, transportation, recreation, etc., had a higher return of investment in the economic development of towns. The article is Exhibit 2.

STAFF COMMENTS / PROJECT UPDATES

Director Cannon welcomed new Commissioner Nik Portela. Commissioner Portela is a long-time resident of Oregon, currently working at The Next Door managing health promotion services and underserved residents. He is also on the Board of the Columbia Gorge Pride Alliance.

Director Cannon stated in response to a difficult hearing at the last meeting, draft revisions have been made to the Code. These revisions will be presented at the April meeting.

Also returning to the April meeting will be further discussion and adjustments to the downtown ground floor requirements. These adjustments would add flexibility to current requirements.

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Director Cannon provided updates on Urban Renewal projects:

- Recreation Building Development continues on the project. Two storefronts are
 complete and ready to occupy pending final tenant improvements. Temporary
 certificates of occupancy have been issued. Within the next two months, closing on two
 storefronts is expected [215 and 219 E. Second Street]. Development continues on the
 remaining building [213 E. Second Street].
- Tony's Building This Agency-owned building will be demolished and offered as a shovel-ready redevelopment site. Grant funds from the Environmental Protection Agency have assisted in the environmental study and removal of an underground storage tank. The Business Oregon Brownfield Cleanup Fund is expected to provide an additional \$250,000 to \$400,000 for demolition.
- First Street Streetscape Project Design phase continues. Bid documents should be complete by this time next year, out to bid, and construction complete by early 2024.
- The Urban Renewal Agency is revamping the grant program. The new Incentive Program will hopefully be adopted in May. Cannon expects development of new units downtown within the coming months. Developers have taken advantage of available Brownfield grants to alleviate costs of clean up.
- The Town Hall hosted by the City had 120 participants. Pending results from the meeting, a second survey will be offered to collect additional input.

COMMISSIONER COMMENTS / QUESTIONS

Commissioner Mascher called attention to two new projects. A market consisting of individual vendors will be offered in the old Sears building [116 E. Second Street]. The Dalles Art Center is moving forward with creation of a pocket park at the southwest corner of E. Second and Washington Streets.

ADJOURNMENT

Chair Cornett adjourned the meeting at 6:55 p.m.

Meeting conducted in a room in compliance with ADA standards.

Submitted by/ Paula Webb, Secretary

Community Development Department

SIGNED:

Cody Cornett

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Cody Cornett, Chair

ATTEST:

Paula Webb, Secretary

Paula Wesh

Community Development Department

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Exhibit 1



City of The Dalles Planning Commission

THURSDAY, MARCH 17, 2022 | 5:30 PM

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Exhibit 1

Regulatory Basis for Economic Opportunities Analysis and Employment Buildable Lands Inventory

Economic Opportunities Analysis (OAR 660-009-0015).

- Identify the major categories of industrial/employment uses that could be expected to locate or expand.
- Identify the number of sites needed to accommodate projected employment growth.
- Inventory vacant and developed lands for industrial or other employment use.
- · Estimate types and amounts of industrial and other employment uses likely to occur.

Comprehensive Plans - Industrial and commercial development policies (OAR 660-009-0020).

- Cities over 2,500 are required to develop commercial and industrial development policies based on the EOA.
- Must state objectives for economic development and identify categories/types of industrial/employment uses desired.
- Must include policies that commit the City to designate adequate employment sites.
- Plan must also include policies to provide necessary public facilities and transportation facilities.

Implementation Policies and Measures - Designation of lands for industrial and commercial uses. (OAR 660-009-0025).

- Cities must adopt measures to implement policies adopted pursuant to OAR 660-009-0020.
- Include amendments to plan/zone map designations, land use code, public facility plans & transportation plans.
- Plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial/employment uses to implement policies.

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Exhibit 1

Employment Buildable Lands Inventory Comprehensive Plan Text Amendments - History

- October 2020, Angelo Planning Group Angelo Planning Group (APG) completed the methodology and updated results of the 2020 Employment Buildable Lands Inventory (BLI):
- November 19, 2020, the Planning Commission recommended that the City Council adopt the EOA/BLI.
- February 8, 2021, City Council discussion on options and staff's ability to complete the amendments.
- April 12, 2021, City Council unanimously agreed with the Planning Commission's recommendation.

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Exhibit 1

Employment Buildable Lands Inventory Comprehensive Plan Amendments

- The Dalles Comprehensive Plan, Volume II Background Documents to be updated/added:
 - · Economic Opportunities Analysis (Bridge Economic Development, 2019)
 - Economic Development Action Plan (Bridge Economics Development, 2019)
 - Buildable Land Inventory Memorandum (Angelo Planning Group, 2020)
- Goal #9 Economic Development goal to be updated reflecting details included in EOA/BLI;
 - Purpose Statement to be removed
 - · Background Narrative updated
 - · Economic Overview updated
 - Economic Forecast updated
 - Economic Opportunities (2018) and Action Plan (2019-2024) updated
 - · Findings and Conclusions updated
 - Economic Development Goals, one Item added
 - Goal #9 Policies updated
 - Goal #9 Implementation Measures added

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Exhibit 1

Goal # 9 Policies, updated (1-9)

Goal 9 Policies

- Promote and support diversification of The Dalles' economic base focusing on growth of family wage jobs.
- To the extent possible, designate within the existing UGB suitable land with site size and locational characteristics required by targeted employment.
- Coordinate with property owners to retain large commercial and industrial sites identified in the EOA for their intended commercial and industrial uses through zoning and master planning.
- Actively support redevelopment efforts for under-utilized commercial and industrial sites
 within The Dalles UGB, recognizing that the Northwest Aluminum site provides the large
 industrial sites required by targeted employers during the 20-year planning period.
- Commercial and service uses in the City's industrial zones should be limited to small-scale retail and service uses that cater primarily to local area employees and customers and support surrounding businesses.
- Plan for and make <u>adequate</u> public investments to meet the <u>existing and</u> future demands of industrial, commercial, and residential growth in The Dalles.
- Encourage investment in The Dalles Central Business District, and support project activities in the Columbia Gateway/Downtown Urban Renewal Plan.
- Encourage tourism-related services as an element in the diversification of the community's economy.
- Support growth of businesses that create destinations that create destinations and experiences for residents of The Dalles and visitors.

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Exhibit 1

Goal # 9 Policies, updated (10-21)

- 10. Encourage the <u>continued</u> development of the Mid-Columbia Medical Center and other health services as an important resource to the economic base of The Dalles, and as an important element in extending the perimeter of The Dalles' trade area.
- Support and encourage the Columbia Gorge Community College in providing workforce development and training to meet the needs of new and existing businesses in The Dalles.
- Maintain The Dalles position as a primary agribusiness trade center by encouraging the growth of those businesses providing agricultural supplies and services, and those processing and marketing agricultural products.
- 13. Support the forest products industry as an element of the economy.
- Encourage the start-up and growth of small to medium sized businesses providing family wage jobs. Develop reasonable standards to allow home business start-ups.
- Encourage siting of new industries in The Dalles, and encourage existing industries to maintain high environmental standards.
- 16. Reserve industrial zones for industrial uses and uses compatible with industry.
- Review and revise administrative policies and procedures to streamline the planning process, and reduce delays in obtaining development approvals.
- 18. Coordinate economic planning and development with industrial development at Dallesport.
- Encourage educational, cultural, social and employment opportunities to enhance the quality of life in The Dalles for all age and income groups.
- Plan for and implement appealing streetscapes that encourage personal interaction, accommodate public gatherings, and enhance the experience of shoppers and workers.
- Encourage cooperation between public and private sectors to support economic growth.

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Exhibit 1

Goal # 9 Policies, updated (22-27)

- 22. Make prudent investments in The Columbia Gorge Regional Airport as needed to accommodate airport development.
- Pursue development of higher employment densities in areas with planned or existing facilities, utilities, and transportation infrastructure.
- 24. Establish streamlined permitting processes that allow for business expansions and modifications without undergoing the same level of review as new development.
- 25. Ensure The Dalles has the services and amenities necessary to attract workers and provide the services they need, such as medical services, child care services, educational training opportunities, public transportation, retail and restaurants, and other necessary amenities.
- 26. Support and encourage infill and redevelopment, especially in existing commercial areas, as a way to use land and infrastructure more efficiently.
- 27. Facilitate and support business incubators and other methods to assist start-up businesses

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Exhibit 1

Goal #9 Implementations Measures, added

Expand the Existing Industry Base

- Collaborate with MCEDD and other stakeholders to coordinate activities.
- Engage with existing organizations to determine barriers to address at the City and to foster collaboration.
- Align downtown urban renewal plan and visioning with the Economic Development Action Plan
- Prepare an inventory of sites and buildings that clearly define and highlight the infrastructure and inventive assets within the City.
- Promote a proactive permitting process and culture.
- Promote the Columbia Gorge Regional Airport Business Park
- Invest and promote maker space collaborations.
- Support, sponsor, and promote startup collaboration networking events in downtown.
- Encourage master planned redevelopment of the Northwest Aluminum site that retains larger parcel sizes for targeted industries.

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Exhibit 1

Goal #9 Implementations Measures, added

Grow and Attract Talent

- Encourage affordable and diverse housing types for a variety of residents.
- Encourage new higher-end market rate housing development for high-wage workforce.
- Enhance youth access to Science, Technology, Engineering, and Math (STEM) related occupations.
- Develop a consistent message for business to attract workers.

Create Place

- Determine and permit the necessary public infrastructure to encourage the desired private investment in conjunction with the project.
- Enhance the visual appearance in the Downtown Area.
- Define and promote a vision for The Dalles
- Attract new retailers
- Enhance and promote the bike trail network surrounding The Dalles
- Work with stakeholders such as Main Street, Chamber of Commerce, tourism organization, Northern Wasco County Park and Recreation District, and others to enhance promotion of the Gorge
- Conserve historically significant places and properties, and aid in the rehabilitation of buildings and properties, particularly in the Downtown Historic District.

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Exhibit 1

Next Steps

March

- · Submittal of formal land use application for the Comprehensive Plan Amendments.
- . Notice sent to the Department of Land Conservation and Development (DLCD)
- City Council Discussion Item (March 28th)
- · Notice sent to Wasco County Planning.

April

- Notifications of the Legislative Public Hearings before the Planning Commission and City Council will be published in the local newspaper.
- · April 12th Planning Commission public hearing

May

May 9th - City Council public hearing

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Exhibit 2

4/26/22, 4:41 PM

Improving quality of life—not just business—is the best path to Midwestern rejuvenation

BROOKINGS

The Avenue

Improving quality of life—not just business—is the best path to Midwestern rejuvenation

John C. Austin, Amanda Weinstein, Michael Hicks, and Emily Wornell Wednesday, January 26, 2022



ver the course of the 20th century and into recent years, America's industrial Midwest—once a landscape of similar small and large manufacturing and mill towns—has <u>evolved</u> into today's reality of two Midwests.

One Midwest features communities that have diversified and turned an economic corner in today's urbanized, global knowledge economy. In this Midwest, many of the region's major metro areas and <u>university towns</u> have found new economic dynamism and relative prosperity.

In the other Midwest, however, factory towns that have lost anchor employers continue to languish. Most of these small and midsized industrial heartland communities rely on traditional economic development strategies to reinvigorate their economies, including doling out incentives to attract or retain employers or attempting to create a more "business-friendly" environment with lower taxes and labor costs.

But now there is compelling <u>new data</u> that these traditional economic development tools may be ineffective compared to investments in quality of life and place. Our research on smaller communities has found that community amenities such as recreation opportunities, cultural activities, and excellent services (e.g., good schools, transportation options) are likely bigger contributors to healthy local economies than traditional "business-friendly" measures. Smaller places with a higher quality of life experience both higher employment and population growth than similarly situated communities, including those that rank high by traditional economic competitiveness measures.

https://www.brookings.edu/blog/the-avenue/2022/01/26/improving-quality-of-life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-business-is-t

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Exhibit 2

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Improving quality of life—not just business—is the best path to Midwestern rejuvenation

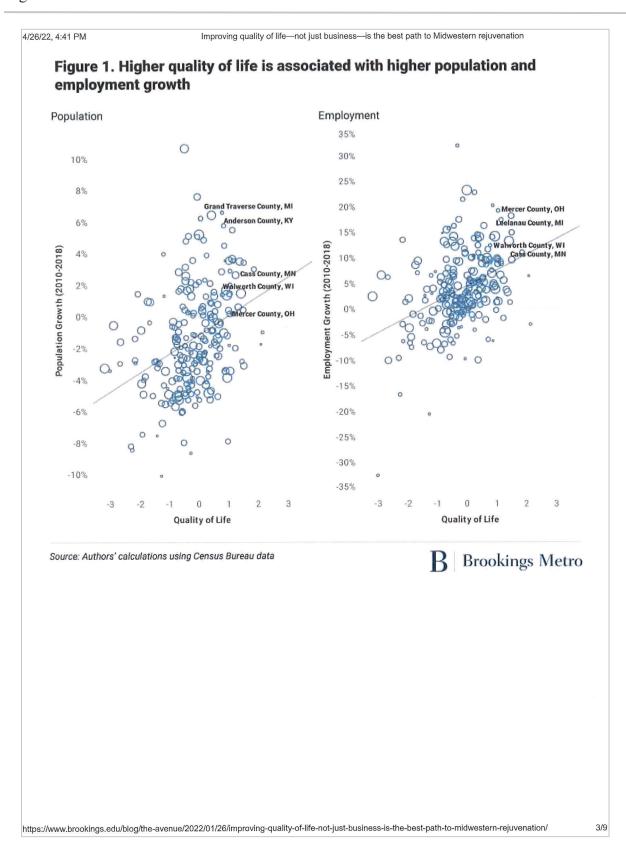
The methodology of this new research uses the expressed preferences of households and businesses themselves, rather than the many external rankings of factors that make a community a nice place to live. Previous research shows people are willing to pay higher housing prices and even accept lower wages to live in towns they think offer a higher quality of life. Similarly, businesses are willing to pay higher real estate prices and offer higher wages to locate in places with more productive workers. In this manner, housing and labor markets can reveal the preferences of households and businesses.

In this analysis "quality of life" is measured by the "extra" housing costs (be they positive or negative) that households appear willing to pay to live in a given county, above and beyond what local wages and housing and population characteristics would suggest. "Quality of business environment" is measured by the "extra" real estate and wage costs (again, positive or negative) that businesses appear willing to pay to locate in a given county, above and beyond what local economic structure and worker characteristics would suggest.

After estimating quality of life (what makes a place attractive to households) and quality of business environment (what makes a place especially productive and attractive to businesses) in communities across the Midwest, we found quality of life matters more for population growth, employment growth, and lower poverty rates than quality of business environment. This is seen in Figure 1 and 2:

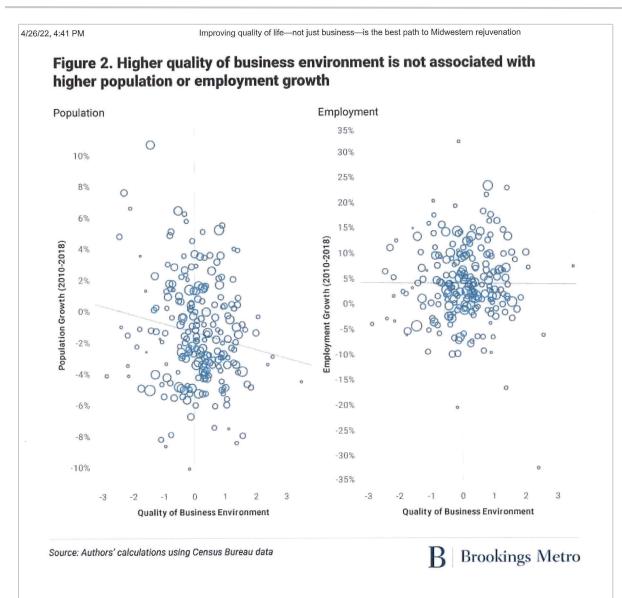
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Exhibit 2



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Exhibit 2



Many of the towns with higher estimated quality of life are places with natural amenities, such as lakes or mountains. In the Midwest, there may be no better example than Traverse City, Mich. area (Grand Traverse County and Leelanau County). Traverse City sits at the base of a large Lake Michigan bay. Like some other Great Lakes communities, the city cleaned up the residues of its <u>once-industrial waterfront</u> decades ago, and today is a thriving lifestyle community known for its four seasons of recreation, scenery, wineries, and a downtown that offers unique local restaurants, brewpubs, and boutiques.

https://www.brookings.edu/blog/the-avenue/2022/01/26/improving-quality-of-life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/life-not-just-business-is-the-business-i

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Improving quality of life—not just business—is the best path to Midwestern rejuvenation

Capitalizing on the natural amenities near these small towns and rural areas offers one potential path to economic success for many Midwest communities. It also offers better long-term prospects than the shorter-term gains associated with natural resource extraction. Such industries place some smaller communities in the "good place to work" side of the ledger, including Pike County, Ind., where at one time about one in six workers was employed in relatively well paid coal mining jobs and is home to a major coal-fired power plant. Yet Pike County has experienced a steady decline in population and employment for decades.

Our analysis suggests that across the nation, natural amenities are associated with higher growth. Yet there are some areas, including in the industrial Midwest, where natural amenities exist but have not been leveraged. In Ohio, for example, natural amenities aren't associated with higher growth—not because Ohio lacks parks, woodlands, and Great Lakes coastline, but because it hasn't effectively repurposed industrial sites and rebranded its communities as successfully as a place like Traverse City has.

With the COVID-19 pandemic heightening the importance of places' quality of life and making remote work more common, Great Lakes and Midwest lifestyle communities are becoming even more attractive <u>destinations of choice</u>. So, how can leaders in these communities leverage their quality of life attributes?

Obviously, leaders and policymakers can't build a Great Lake, mountain, or unique natural feature from scratch. But they can focus on enhancing other quality of life aspects and providing solid public services for their current residents.

For example, our analysis found that one of the strongest factors associated with higher quality of life in small towns is spending on public schools, with public school quality and the availability of early childhood education being two of the most important factors for working parents. And while school quality is important for both men and women, it is more important to women, as women tend to allocate more household resources toward their children. Recent research suggests women may be the household member that small Midwest towns have the best shot at attracting; women already show stronger preferences for the Midwest, and are more negatively affected by the congestion effects associated with large cities (for example, higher crime rates and worse air quality). Women's buying

https://www.brookings.edu/blog/the-avenue/2022/01/26/improving-quality-of-life-not-just-business-is-the-best-path-to-midwestern-rejuvenation/

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Improving quality of life—not just business—is the best path to Midwestern rejuvenation

power and influence over household decisions has been underestimated by policymakers and businesses alike and has likely grown over time, and quality of life features important to women (e.g., access to quality public education and child care) may be a prerequisite for the success of a community's other economic development policies.

Although quality of life surpasses quality of business environment in driving economic success, the *nature* of local businesses still plays an important role. Local employers that provide goods and services that add to the quality of life can be vital aspects of a communities' appeal. This includes not just recreation or arts and culture but also the nature of food stores, home furnishing stores, and personal care establishments; for example, farmers' markets, locally owned businesses, and quirky shops all enhance a community's quality of life to current and potential residents. It may also be important for employers in all industries to consider the work-life balance they are offering employees and ensure their workers have ample opportunities to enjoy the local amenities with friends and family.

One implication of this research is that local leaders, businesses, and decisionmakers need to identify and build on their particular assets and advantages that contribute to quality of life.

While any community's economic positioning for future growth is a nuanced consideration—informed by contexts ranging from natural assets to historical industrial mix to the existence of racial strife—this research suggests that smaller former industrial and rural Midwest communities with a high quality of life could be poised for new growth. This is particularly relevant as new bipartisan infrastructure legislation will deliver high-speed internet access to rural and small town America, and potential human infrastructure spending could offer less-resourced small towns better access to universal pre-K, which previous research has found to be the largest positive impact on preschool enrollment for rural areas—indicating that the market for preschool may be especially "thin" in rural areas.

Figure 3 displays smaller industrial towns based on the positive or negative housing and wage premiums residents and businesses are willing to pay to locate there. The upper left (blue) quadrant displays places with higher quality of life, where residents are willing to

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Exhibit 2

4/26/22, 4:41 PM Improving quality of life—not just business—is the best path to Midwestern rejuvenation pay higher housing prices and accept lower wages. This quadrant displays a number of smaller Midwest communities that appear well positioned for new growth, including Whitewater, Wis. (Walworth County); Celina, Ohio (Mercer County); and Brainerd, Minn. (Cass County), which all rank among the top small Midwest towns for quality of life in Figures 1 and 2.

Figure 3. Small industrial towns should focus on quality of life to realize



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Improving quality of life—not just business—is the best path to Midwestern rejuvenation

The upper right (green) quadrant displays places that both households and businesses believe are nice places to live and work. These include Sidney, Ohio (Shelby County), an historic town with an extensive parks and recreation system as well as various headquarters and manufacturing plants. Another example, Dixon, Ill. (Lee County), is a regional employment hub with several large employers along with art venues in its downtown.

We don't see current long-run growth potential for the places in the lower right (orange) quadrant such as Steuben County, N.Y., Jackson County, Ill., and other counties that rely on extractive industries and focus on the quality of business environment in a way that sacrifices quality of life. The same can be said for places in the bottom left (red) quadrant, which are viewed as unattractive places to both live and work. These counties are places that would likely require a significant refocusing of effort in the public and private sphere toward quality of life, or some other strategic intervention (e.g., building out education, medical, or research complexes to spur a growth trajectory).

The findings reinforce that local leaders and economic developers should prioritize quality of life strategies over tax incentives and lax regulation. The long-standing Midwestern community economic development strategy of low taxes, business incentives, and loose environmental regulations <u>usually doesn't work</u>, and has often <u>proven disappointing</u> to communities that have given away tax dollars and reduced business standards without seeing substantial returns. Low business taxes often hide a hidden opportunity cost by reducing available funding for local schools and other public amenities.

A shift in focus toward quality of life also favors regional cooperation rather than the zero-sum game of fiscal incentives. Places that focus narrowly on quality of business environment end up competing with their neighbors, reducing not only their own economic success but also the population and employment growth of their neighbors. Conversely, improving quality of life in a place improves the economic success not only of their own town, but also for nearby communities with the ability to enjoy the amenities their neighbors offer.

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Improving quality of life—not just business—is the best path to Midwestern rejuvenation

The importance of quality of life in economic development has been growing in recent decades, as prospective residents increasingly demand such amenities. But the change has come so slowly that it has gone unnoticed by many. Even if the populations that move to high quality of life Midwest communities are relatively small in number, these are small places to begin with, and newcomers can help reverse historic patterns of population decline.

Leaders in the smaller Midwest places looking for levers for economic development can be guided by the same wisdom that businesspeople have always known: It is much easier to attract new customers when you make your current customers happy. Improving quality of life for current residents in small Midwest towns can be a driving force for the community renewal they so eagerly seek.

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