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Good Afternoon,

My name is Robert Schumacher; I have been the Executive Director of the Illinois Valley Community Development Organization (IVCDO) for 5 years promoting the organization's mission to improve economic and social conditions in Oregon's rural southwest through programs designed to enhance the standard of living, create jobs and encourage sustainable community development. The IVCDO operates the Chateau at the Oregon Caves under a concessionaire agreement with the National Park Service.

My purpose in speaking here today is to emphasize the continued economic benefits to our community from the passage of HR 2889, also known as the Oregon Caves National Monument Boundary Adjustment Act of 2009.

### **Community Background**

The Illinois Valley consists of census tracts 3615 and 3616 located in southern Josephine County, Oregon bordering the California state line in the south and extending north to Hays Hill 15 miles south of Grants Pass, Oregon. The only incorporated city within this region is Cave Junction with an approximate population of 1,500. The total population of the Illinois Valley is approximately 16,000. The Illinois Valley is located in an area of incredible natural resources: the Wild and Scenic Illinois River, the Kalmiopsis Wilderness, the Oregon Caves National Monument, and is a part of the globally significant Klamath-Siskiyou bioregion.

The Illinois Valley remains an area with high levels of unemployment and resulting poverty. The area has been adversely affected by the job loss experienced with the gradual decline of timber and mining industries. These jobs have yet to be replaced. The unemployment rate for Josephine County averages 2 to 4 % above the national and state rates, with poverty levels averaging 3 to 5% above state and national rates even during good economic times. These figures are for Josephine County as a whole, the actual rates are higher outside of Grants Pass. The medium household income is approximately \$31,000 well below the state and national average. The rural geographic location has made it difficult to attract new businesses and most of the successful businesses that have started in the area have seen the need to relocate to the Grants Pass area. However, recreation and tourism continues to be an asset for our community.

## **IVCDO Organizational Background**

The Illinois Valley Community Development Organization (IVCDO) started in the 1970's as a group of citizens forming a vision for the Illinois Valley. In 1994 rural Josephine County was given enterprise community designation, which qualified it for federal assistance. The organization then incorporated as a 501(c) (3) non-profit corporation to administer the use of these funds. Areas of focus included tourism, infrastructure, education, and quality of life as well as economic development.

In addition to operating the Chateau at the Oregon Caves, the organization currently manages several grants for projects in the Illinois Valley. These include 1) business consulting and education service in conjunction with Rogue Community College at the Business Entrepreneurial Center in Kerby, Oregon; 2) a \$3,200,000 water improvement project funded through USDA Rural Development and OECDD to bring safe drinking water to the community of Kerby, Oregon; and 3) working in conjunction with local fire districts, Josephine County, US Forest Service and the Bureau of Land Management, the organization manages several projects to make neighborhoods safe from wildfires by reducing brush and small diameter trees on private property located within the Wildland Urban Interface. Over 1000 acres have been treated under this program. The IVCDO also administers a small loan program funded by the USDA Rural Development which provides financing to individuals and small businesses. Since its inception in 2000, this program has provided over \$500,000 in loans. In 2006, the IVCDO was awarded the "Great Strides Award" by the Northwest Area Foundation. This initiative was created to recognize the steps communities have already taken to reduce poverty for the long term. [www.nwaf.org](http://www.nwaf.org)

## **The Chateau at the Oregon Caves**

Designated as one of the great lodges of the National Park system, the Chateau at the Oregon Caves is a 23 room lodge, restaurant and gift gallery, which opened in 1934 and was built by a group of local businessmen during the great depression to stimulate the local economy. Seventy-five years later, the Chateau is now a National Historic Landmark. The Chateau is a six-story structure with a reinforced concrete foundation and a superstructure of wood frame construction with enormous post and beam interior supports. The building spans a small gorge and a great deal of the building's mass is banked into that depression. One of the reasons the building fits so well with its setting is that most of the construction materials are local in origin. The principal timbers were cut a short distance away. The cedar bark for the vertical siding came from a railroad-tie cutting operation nearby. The marble for the stone fireplace was blasted out of adjacent bedrock while the development was under construction.

In 2002, the IVCDO entered into an agreement to manage the Chateau at the Oregon Caves National Monument to provide services critical to the use and enjoyment of the National Monument, supporting education and respecting the history and diverse natural beauty of this unique environment while giving our guests the best in service and hospitality. The locally hired and trained staff of over 30 employees has adopted the chateau as their own and presents a friendly welcoming atmosphere to the guests. The gift gallery showcases the beautiful and creative art and crafts produced by many talented local artists.

The IVCDO has entered into a ten year agreement to manage the Chateau thru the 2013 season. The IVCDO continues to serve its mission by hiring locally and sourcing food and gift gallery items locally whenever possible. Now in the 8<sup>th</sup> year of this agreement, the Chateau annually produces over \$700,000 in revenues and returns to the community over \$250,000 in wages and \$100,000 in sales of locally produced goods. The IVCDO's support of tourism includes the management of the Illinois Valley Visitor Center, which started in 2006. Additionally, the IVCDO managed two campgrounds for the National Forest Service from 2004 thru 2008.

Although the odds of operating these facilities profitably was slim, the IVCDO took on these tasks to prevent these services from being reduced or eliminated altogether which would have had a significant negative economic impact on the community.

### **Community Support for the Monument**

In addition to the efforts of the IVCDO, the community helps in other ways to support and promote the Monument.

Realizing that the IVCDO does not have the financial resources to make the much needed improvements to the Chateau and its collection of rare Monterrey furniture, the organization initiated a "friend group" for the Monument in 2008. The "Friends of the Oregon Caves and Chateau" is now a separate 501c3 organization. Its mission is to raise awareness to the needs of the Monument and the Chateau and to raise the funding to accomplish these needs.

A marketing committee was formed in 2008 to help promote the centennial celebration of the Monument. The committee consisted of IVCDO, Park Service and community volunteers. The collaborative efforts of this committee resulted in many successful events, which are having a positive impact on visitation at the Monument.

## **Community Economic Benefits of HR 6889**

### 1) Watershed protection.

HR 6889 calls for the eventual termination of grazing rights in the proposed addition lands. Our concern is for the water quality at the Monument and the Chateau as it affects customers, employees, and the general public. For years, the National Park Service has been concerned about water quality impacts from grazing. The National Park Service treats the water that is used in the Chateau, and tests its quality per applicable regulations. However, if the water quality deteriorates to a level that requires excessive treatment measures prior to use, the water supply would be interrupted until such treatment can be completed.

Any contamination that requires the water supply to be interrupted will have a detrimental affect on the Chateau operations. Without water, the lodge and any of the restaurant facilities cannot be operated, resulting in the loss of revenue and loss of income for the employees who will lose work as a result.

As a non-profit community organization, the profits that are generated by the Chateau concession are used to advance the mission of improving the economic condition of the community. Therefore any loss in revenues directly affects the community. Allowing for the purchase of the grazing leases from the willing rancher will reduce the possibility of drinking water contamination. This legislation would secure a safer water supply for the Oregon Caves Monument.

### 2) Branding

Although either the Park Service or the Forest Service can manage public lands, the National Park Service has a marketing advantage in that it is a “brand” that is recognized through out the United States, as well as the rest of the world.. Increasing the size of the Monument tenfold will increase its presence on the map and be more than just a dot. Visitors are looking for features, facilities and trails within the Monument boundaries. 73% of respondents to a Park Service survey indicated they would stay longer if there were more trails with features. They want to know what’s available at the Monument beyond the cave tours when they check out the website. The Monument is below Mt. Elijah and one of the most botanically diverse temperate forests in the world. A hike into the proposed expansion area offers incredible experiences in old-growth forests and rich botanical areas with views stretching from California to Crater Lake. Hiking, camping and botanizing are but some of the activities that could lengthen visitors’ stays at the Monument. The Park Service is much better suited for this type of promotion. Having the area under one umbrella will result in increased visitation to the Monument resulting in increased spending in the area and longer stays. 77% of respondents to a Park Service survey spent 4 hours or less at the Monument. If people stay longer then they start to look for dining and lodging in the area. You need to fill out their entire day if they are to stay the night.

The issue of enlarging the Monument from its current 480 acres has been discussed since its inception. The original proposed acreage was 2,560 in 1907. In 1939, a 2,400-acre expansion was recommended and a 4,500-acre expansion was proposed in 1949. In 1998, the Park Service signed a final decision on its General Management Plan, which recommended a 3,410-acre expansion, because, "The boundary change would enable the Monument managers to better meet their legal responsibilities for protection of Monument resources, including providing for the important protection of Monument's national and visual resources and protection to the upper Lake Creek watershed which is the source of the Monument's public water supply." In the meantime, while consistent recommendations for expansion have not resulted in anything tangible, attendance has steadily decreased at the monument. The attendance in 2008 was 73,744, which is less than half of the attendance in 1978. The 2008 attendance was the same as 1946.

Now is the time to act on this issue. The financial viability of continuing to operate the Chateau is questionable at current attendance levels. Such a loss would have a significant impact on the local economy. The community's tourism industry is dependent on maintaining and increasing the number of visitors and the length of their stay at the Oregon Caves and in the Illinois Valley. The best use of this land asset is for increased recreational purposes for the visiting public. The best way to promote it is to move it under the umbrella of the Park Service brand.

As a grassroots non-profit community development organization and as the concessionaire for the Oregon Caves National Monument, we know first hand the results of the limited visitor experiences currently available at the monument. We are often asked at the Visitor Center in Cave Junction what other activities are available at the monument in addition to touring the caves. Although beautiful scenery, unique geology and great hiking surround the monument, they are not readily accessible to the visiting public. A major comment of travelers to our region is that they are often not willing to commit a 45 minute drive up to the Monument and back for an 1 1/2 hour cave tour alone. While the monument is the area's most recognized tourism attraction, we have seen visitation at the monument decline steadily over the last several years. The proposed boundary adjustment will open up enough new areas and additional recreational activities to fill an entire day or even more. The benefits of increasing tourist activities will have an exponential impact on the local economy of the Illinois Valley area, long noted for its high levels of unemployment and poverty. Our community has been very supportive of the Monument and the Chateau, as well as the other scenic and recreational features of the Illinois Valley. I ask that the committee help the community's efforts by supporting this legislation.

This concludes my prepared testimony. I will be happy to answer any questions that you may have. I thank you for your time.