

# ECONOMY

## INTRODUCTION

Jackson County's population and economy have grown substantially over the last twenty-six years. Population has grown by nearly 50%, increasing from 132,456 people in 1980 to 198,615 people in 2006. Most of the growth has occurred in urban areas, especially in the core cities (Medford, Phoenix, Central Point, Talent, and Ashland) along Interstate 5. The County's economy has grown even faster, with covered employment increasing by 86% since 1980. This growth has a broad range of impacts—it creates demand for housing and built space, demand for cultural amenities and a broader range of shopping opportunities. Growth also creates congestion, consumes land, and can increase housing prices.

Jackson County's economy has diversified over the last twenty-five years, with increases in employment in services and retail, which mirrors state and national trends. Over that period, the sectors that have had the most growth in covered employment are Services and Retail. Manufacturing and Government have experienced the greatest decrease in covered employment. Resource dependent industries, such as agriculture and wood products manufacturing, continue to play an important part in Jackson County's economy.

The foundation of any long-term regional planning process is estimating how much growth will occur. How population and employment are dispersed within a county can make a big difference in how growth impacts the county. The Goal 9 plan element provides an Economic Opportunities Analysis (EOA) and a forecast of employment for Jackson County.

### **Framework for Economic Development Planning in Oregon**

The content of this chapter meets the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The Land Conservation and Development Commission adopted amendments to this administrative rule in December 2005. The updated Goal 9 administrative rule is explicit on applicability: "This division applies to comprehensive plans for areas within urban growth boundaries. This division does not require or restrict planning for industrial and other employment uses outside urban growth boundaries" (OAR 660-009-0010(1)). Thus, state policy on economic development is primarily concerned with areas inside UGBs. While state policy on economic development planning primarily focuses on cities, there is still merit to evaluating economic opportunities at the county level and in rural areas.

The analysis in this chapter conforms to the requirements for an Economic Opportunities Analysis in OAR 660-009-0015 as amended:

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area

designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies.

2. *Industrial and commercial development policies (OAR 660-009-0020).* Jurisdictions under periodic review are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.

Finally, cities and counties within a Metropolitan Planning Organization (which includes Jackson County) must adopt policies that identify having a competitive short-term supply of land for desired industrial and other employment uses as an economic development objective.

3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025).* Cities and counties must adopt measures adequate to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementing measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

Plans for cities and counties within a Metropolitan Planning Organization or cities and counties that adopt policies relating to the short-term supply of land must designate suitable land to respond to economic development opportunities as they arise.

## **Organization of this Chapter**

The remainder of this chapter is organized as follows:

- **National and state trends affecting Jackson County** describes national and state, economic trends that will influence economic development in the County
- **Context for Economic Growth in Jackson County** presents a demographic and socio-economic profile of Jackson County. It also profiles major employers and presents national and state economic trends that will influence Jackson County's economy.
- **Factors Affecting Future Economic Growth in Jackson County** reviews local factors affecting economic development in Jackson County and advantages, opportunities, disadvantages, and constraints these factors may present. It ends with a discussion of the comparative advantages formed by the mix of factors

present in Jackson County and the implications for the types of firms most likely to locate in Jackson County.

- **Demand for Industrial and Other Employment Land in Jackson County** presents a projection of future employment levels in Jackson County for the purpose of estimating demand for industrial and other employment land. The forecast includes an allocation of employment and estimates of industrial and other land needs to cities.

### **Long-run national and state trends affecting growth in Jackson County**

Economic development in Jackson County over the next twenty will occur in the context of long-run national trends. The most important of these trends includes:

- **The aging of the baby boom generation, accompanied by increases in life expectancy.** The number of people age 65 and older will double by 2050, while the number of people under age 65 will grow only 12 percent. The economic effects of this demographic change include a slowing of the growth of the labor force, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.<sup>1</sup>
- **The growing importance of education as a determinant of wages and household income.** According to the Bureau of Labor Statistics, a majority of the fastest growing occupations will require an academic degree, and on average they will yield higher incomes than occupations that do not require an academic degree. In addition, the percentage of high school graduates that attend college will increase.<sup>2</sup>
- **Continued growth in global trade and the globalization of business activity.** With increased global trade, both exports and imports rise. Faced with increasing domestic and international competition, firms will seek to reduce costs and some production processes will be outsourced offshore.<sup>3</sup>
- **Innovation in electronics and communication technology, and its application to production.** Advancements in communication and manufacturing technology increase worker productivity. There will be growth in the production of both services and goods, but the economy's emphasis on services will increasingly dominate.<sup>4</sup>
- **Continued shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy.** Increased worker productivity and the international outsourcing of routine tasks lead to declines in

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<sup>1</sup> The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2006, *The 2006 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, May 1; Congressional Budget Office, 2006, *The Budget and Economic Outlook: Fiscal Years 2007 to 2016*, January; and Congressional Budget Office, 2005, *The Long-Term Budget Outlook*, December.

<sup>2</sup> Daniel E. Hecker, "Occupational Employment Projections to 2014," *Monthly Labor Review* 128: 11, November, pp. 70-101.

<sup>3</sup> Jay M. Berman, 2005, "Industry Output and Employment Projections to 2014," *Monthly Labor Review* 128:11, November, pp. 45-69.

<sup>4</sup> Jay M. Berman, 2005, "Industry Output and Employment Projections to 2014," *Monthly Labor Review* 128:11, November, pp. 45-69.

employment in the major goods-producing industries. Projections from the Bureau of Labor Statistics indicate that U.S. employment growth will continue to be strongest in professional and business services, healthcare and social assistance, and other service industries. Construction employment will also grow.<sup>5</sup>

- **The combination of rising energy costs, strong energy demand, and requirements to reduce emissions and increase use of renewable fuels.** Output from the most energy-intensive industries will decline, but growth in the population and in the economy will increase the total amount of energy demanded. Energy sources will diversify and the energy efficiency of automobiles, appliances, and production processes will increase.<sup>6</sup>
- **Continued westward and southward migration of the U.S. population.** Although there are some exceptions at the state level, a 2006 U.S. Census report documents an ongoing pattern of interstate population movement from the Northeast and Midwest to the South and West.<sup>7</sup>
- **The importance of high-quality natural resources.** The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. Increases in the population and in households' incomes, plus changes in tastes and preferences, have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.<sup>8</sup>

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times these trends may run counter to the long-term trends described above. A recent example is the downturn in economic activity in 2001 following the collapse of Internet stocks and the attacks of September 11. The resulting recession caused Oregon's employment in the Information Technology and high-tech Manufacturing industries to decline. Employment in these industries has partially recovered, however, and they will continue to play a significant role in the national, state, and local economy over the long run. This analysis takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run national business cycles on employment or economic activity.

## State and Regional Trends

State and regional trends will also affect economic development in Jackson County over the next twenty years. The most important of these trends includes: population changes, continued in-migration from other states, distribution of population and employment

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<sup>5</sup> Jay M. Berman, 2005, "Industry Output and Employment Projections to 2014," *Monthly Labor Review* 128:11, November, pp. 45-69; and Daniel E. Hecker, "Occupational Employment Projections to 2014," *Monthly Labor Review* 128: 11, November, pp. 70-101.

<sup>6</sup> Energy Information Administration, 2006, *Annual Energy Outlook 2006 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2006), February.

<sup>7</sup> Marc J. Perry, 2006, *Domestic Net Migration in the United States: 2000 to 2004*, Washington, DC, Current Population Reports, P25-1135, U.S. Census Bureau.

<sup>8</sup> For a more thorough discussion of relevant research, see, for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

across the State, shift from natural resource to high-tech industries, continued lack of diversity in the State economy, and public policy.

### **Population changes in Oregon**

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is more cyclical than the nation's, growing faster than the national economy during expansions, and contracting more rapidly than the nation during recessions. Oregon grew more rapidly than the U.S. in the 1990s (which was generally an expansionary period) but lagged behind the U.S. in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade.

Oregon's population growth regained momentum beginning in 1987, growing at annual rates of between 1.4% and 2.9% between 1988 and 1996. Population growth for Oregon and its regions slowed in 1997, to 1.1% statewide, the slowest rate since 1987. Between 2000 and 2005 the rate of population growth in Oregon increased slightly to 1.2% annually.

Migration is the largest component of population growth in Oregon. Migration slowed from about 35,000 people in 1996 to 18,000 in 1999. The rate of migration increase between 2000 and 2004 averaged about 22,800 people moving to Oregon annually. The reasons most often cited for the slowing of migration since 1996 are the recovery of the California economy, the combination of a high cost of living (especially housing) and low wages in Oregon, and a perceived decline in the quality of Oregon's schools.

### **Continued in-migration from other states**

Oregon's population is also related to economic conditions in other states—most notably, in California. During downturns in California's economy, people leave the state for opportunities in Oregon and elsewhere. As California's economy recovers, the population exodus tapers off. Such interstate migration is a major source of population change.

According to a U.S. Census study, Oregon had net interstate in-migration (more people moved *to* Oregon than moved *from* Oregon) during the period 1990-2004.<sup>9</sup> Oregon had an annual average of 26,290 more in-migrants than out-migrants during the period 1990-2000. The annual average dropped to 12,880 during the period 2000-2004.<sup>10</sup>

The Oregon Department of Motor Vehicles collects data on out-of-state driver licenses surrendered by applicants for Oregon licenses. These data provide an indicator of the source of Oregon's in-migration. During the period 1999-2005, over 30% of surrendered licenses were from California and approximately 17% were from Washington. All other states each accounted for less than 5% of the surrendered licenses.<sup>11</sup> The DMV also collects data on Oregon driver licenses surrendered in other states. These data indicate that Washington and California are the top destinations for Oregon's out-migrants.<sup>12</sup>

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<sup>9</sup> Marc J. Perry, 2006, *Domestic Net Migration in the United States: 2000 to 2004*, Washington, DC, Current Population Reports, P25-1135, U.S. Census Bureau.

<sup>10</sup> In contrast, California had net interstate *out-migration* over the same period. During 1990-2000, California had an annual average of 220,871 more out-migrants than in-migrants. The net outmigration slowed to 99,039 per year during 2000-2004.

<sup>11</sup> See Oregon Department of Motor Vehicles, "Driver Issuance Statistics,"

[http://www.oregon.gov/ODOT/DMV/news/driver\\_stats.shtml](http://www.oregon.gov/ODOT/DMV/news/driver_stats.shtml), accessed May 25, 2006.

<sup>12</sup> For a discussion of the DMV data, see Ayre, A., 2004, *People Moved to Oregon Despite Recession*, Oregon Employment Department, July.

The *1999 Oregon In-migration Study* found that migrants to Oregon tend to have many of the same characteristics as existing residents, with a few notable differences—recent in-migrants to Oregon are, on average, younger and more educated, and are more likely to hold professional or managerial jobs, compared to Oregon’s existing population. The race and ethnicity of in-migrants generally mirrors Oregon’s established pattern, with one exception: Hispanics make up more than 7% of in-migrants but only 3% of the state’s population. The number-one reason cited by in-migrants for coming to Oregon was family or friends, followed by quality of life and employment.<sup>13</sup>

### **Distribution of population and employment across the State**

Oregon’s population is not distributed equally across the state. Nearly 70% of Oregon’s population lives in the Willamette Valley. With higher growth rates than the rest of the state, the Willamette Valley and Central Oregon have each captured a higher percentage of the state’s population over the period 1970-2005. After the Willamette Valley, Southern Oregon is the second-largest population center in the state. The *1999 Oregon In-migration Study* found that the majority of in-migrants moved to the Willamette Valley.

Employment growth generally follows the same trend as population growth. Employment growth varies between regions even more, however, as employment reacts more quickly to changing economic conditions. Total employment increased in each of the state’s regions over the period 1970-2004, but the increases in employment did not materialize uniformly across the state. Over 70% of Oregon’s employment growth located in the Willamette Valley over the period 1970-2004.

### **Shift from natural resource-based to high-tech industries**

The composition of Oregon’s employment has changed since 1970. Employment growth has been led by the Services sector. The share of Oregon’s total employment in this sector increased from its 1970s average of 19% to 30% in 2000. Slow growth in Manufacturing caused its share of total employment to decline from its 1970s average of 18% to 12% in 2000.

During the same period, Oregon started to transition away from reliance on traditional resource-extraction industries. A significant indicator of this transition is the shift within Oregon’s manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry<sup>14</sup> and concurrent growth of employment in high-technology manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments<sup>15</sup>).

This pattern is shown in Figure 1, which charts the changes in the level of employment since 1979. The peak of Oregon’s employment, Lumber & Wood Products industry was in 1979. From 1979 to 2000, employment in the Lumber and Wood Products industry declined 40%. Over the same time period, employment in high-tech industries increased by 60%, and employment in the Services sector increased by over 130%.

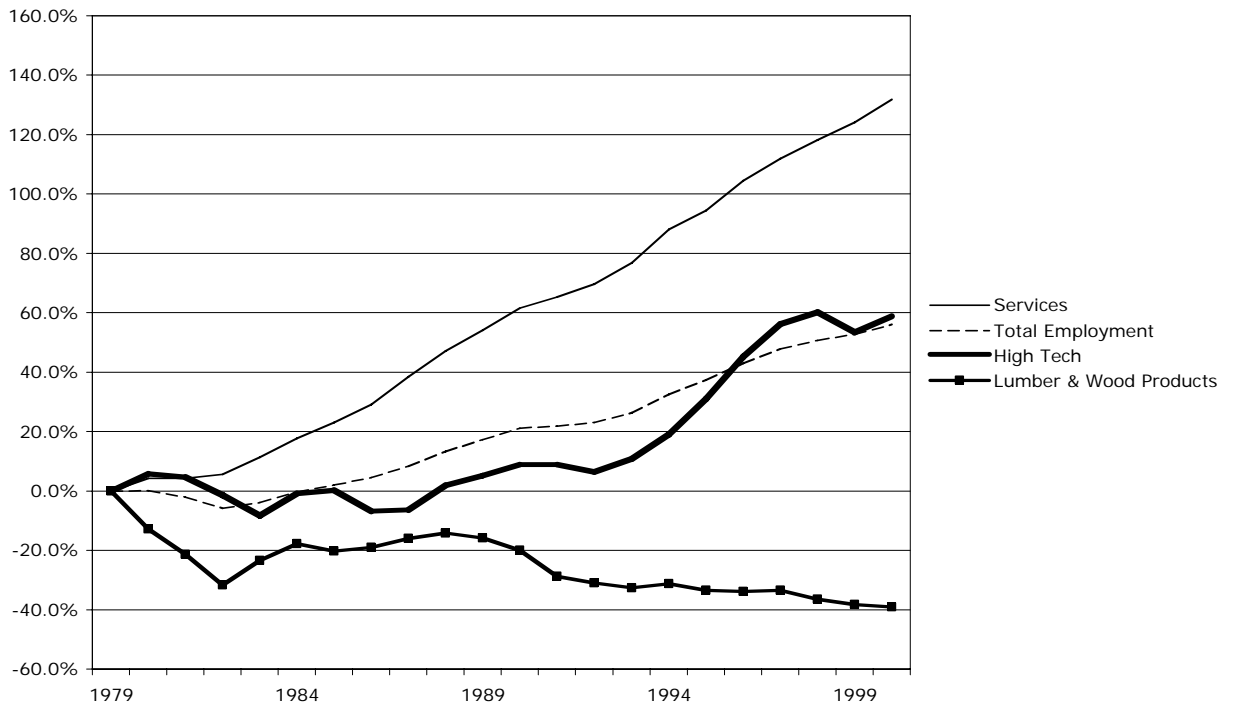
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<sup>13</sup> State of Oregon, Employment Department. 1999. *1999 Oregon In-migration Study*.

<sup>14</sup> SIC 24

<sup>15</sup> SIC 35, 36, 38

**FIGURE 1. COMPARISON OF OREGON EMPLOYMENT TO 1979 LEVELS, 1979-2000**



Source: ECONorthwest, based on data from the Bureau of Economic Analysis.

### **Continued lack of diversity in the State economy**

While the transition from Lumber and Wood Products manufacturing to high-tech manufacturing has increased the diversity of employment within Oregon, it has not significantly improved Oregon's diversity relative to the national economy. Oregon's relative diversity has historically ranked low among states. Oregon ranked 35<sup>th</sup> in diversity (1<sup>st</sup> = most diversified) based on Gross State Product data for 1963–1986, and 32<sup>nd</sup> based on data for the 1977–1996 period.<sup>16</sup> A recent analysis, based on 2003 data, ranked Oregon 33<sup>rd</sup>.<sup>17</sup> These rankings suggest that Oregon is still heavily dependent on a limited number of industries. Relatively low economic diversity increases the risk of economic volatility as measured by changes in output or employment.

The changing composition of employment has not affected all regions of Oregon evenly. Growth in high-tech and Services employment has been concentrated in urban areas of the Willamette Valley and Southern Oregon, particularly in Washington, Benton, and Josephine Counties. The brunt of the decline in Lumber & Wood Products employment was felt in rural Oregon, where these jobs represented a larger share of total employment and an even larger share of high-paying jobs than in urban areas.

### **Public policy**

Changing economic conditions in Oregon have not only been affected by national and international trends, but also by government action in Oregon. State policy made a concerted effort to attract industries with tax policy (e.g., no unitary tax, which would tax

<sup>16</sup> LeBre, Jon. 1999. "Diversification and the Oregon Economy: An Update." *Oregon Labor Trends*. February.

<sup>17</sup> CFED, 2006, The Development Report Card for the States, <http://www.cfed.org>.

world-wide corporate income of businesses operating in Oregon), changes in corporation codes, reforms to reduce the costs of workers' compensation, investments in infrastructure, and other incentives (e.g., enterprise zones and the Strategic Investment Program, which attempts to stimulate capital-intensive industries through property tax abatement). The State has encouraged international trade and investments with missions and offices in Japan, Taiwan, and other Pacific Rim countries. State policy on land use and environmental quality aim at preserving the natural and cultural amenities that make Oregon attractive to its current and potential residents and businesses—but their effects, however, are not unambiguous, since they may also raise taxes, fees, and land development costs.

## **Context for Economic Growth in Jackson County**

This section presents a demographic and socioeconomic profile of Jackson County and describes external (national, state, and regional) trends that will influence the potential for economic growth in Jackson County. It covers recent and current economic conditions in the County, long-run national and statewide economic trends that affect local growth, and forecasts from State for growth in Jackson County.

### **Economic Conditions in Jackson County**

Current and historical economic conditions are a reasonable place to start in evaluating future economic growth in a region. While history is not the only factor that should be considered in this evaluation, it is a foundational step in such an analysis. Although economic development planning and other factors influence economic development, future economic growth in Jackson County will be affected in part by demographic and economic trends within the County. This section addresses the following trends within Jackson County: population and demographics, household and personal income, employment, and business activity.

#### **Population and Demographics**

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is generally more cyclical than the nation's, growing faster than the national economy during expansions and contracting more rapidly than the nation during recessions. Oregon grew more rapidly than the U.S. in the 1990s (which was generally an expansionary period) but lagged behind the U.S. in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade. Oregon's population growth regained momentum beginning in 1987, growing at annual rates of between 1.4% and 2.9% between 1988 and 1996.

Population growth for Oregon and its regions slowed to 1.1% statewide in 1997, the slowest rate since 1987. Net migration into Oregon, which is the largest component of population growth, dropped from 35,000 in 1996 to 18,000 in 1999. Net migration averaged about 22,800 people annually between 2000 and 2004. The reasons most often cited for this slowing of population growth are the recovery of the California economy, the combination of a high cost of living (especially housing) and low wages in Oregon, and a perceived decline in the quality of Oregon's schools.

Table 1 shows population trends from 1980 to 2006 for the cities within Jackson County, Jackson County, Oregon, and the U.S. Between 1980 and 2006, Jackson County grew from 132,456 people to 198,615 people, an increase of 66,159 people. About 97% of this



growth occurred in the cities of Ashland, Central Point, Eagle Point, Jacksonville, Medford, Phoenix, Talent, and White City. The majority of growth in unincorporated Jackson County occurred in White City, which added 3,167 residents between 1980 to 2005.<sup>18</sup>

**TABLE 1. POPULATION TRENDS, U.S., OREGON, AND JACKSON COUNTY, 1980-2006**

Area	Population				Change 1980 to 2006		
	1980	1990	2000	2006	Number	Percent	AAGR
U.S.	226,545,805	248,709,873	281,421,906	299,398,484	72,852,679	32%	1.08%
Oregon	2,639,915	2,842,321	3,421,399	3,690,505	1,050,590	40%	1.30%
Southern Oregon	285,059	303,685	357,394	383,555	98,496	35%	1.15%
Josephine County	58,855	62,649	75,726	81,125	22,270	38%	1.24%
Jackson County	132,456	146,389	181,269	198,615	66,159	50%	1.57%
Ashland	14,943	16,234	19,522	21,430	6,487	43%	1.40%
Butte Falls	428	252	439	445	17	4%	0.15%
Central Point	6,357	7,509	12,493	16,550	10,193	160%	3.75%
Eagle Point	2,764	3,008	4,797	8,340	5,576	202%	4.34%
Gold Hill	904	982	1,073	1,080	176	19%	0.69%
Jacksonville	2,030	1,896	2,235	2,555	525	26%	0.89%
Medford	39,746	46,951	63,154	73,960	34,214	86%	2.42%
Phoenix	2,309	3,239	4,060	4,740	2,431	105%	2.80%
Rogue River	1,308	1,759	1,847	2,010	702	54%	1.67%
Shady Cove	1,097	1,351	2,340	2,760	1,663	152%	3.61%
Talent	2,577	3,274	5,589	6,415	3,838	149%	3.57%
White City	4,333	5,891	5,466	7,500	3,167	73%	2.13%
Other Unincorp.	57,993	59,934	63,720	58,330	337	1%	0.02%

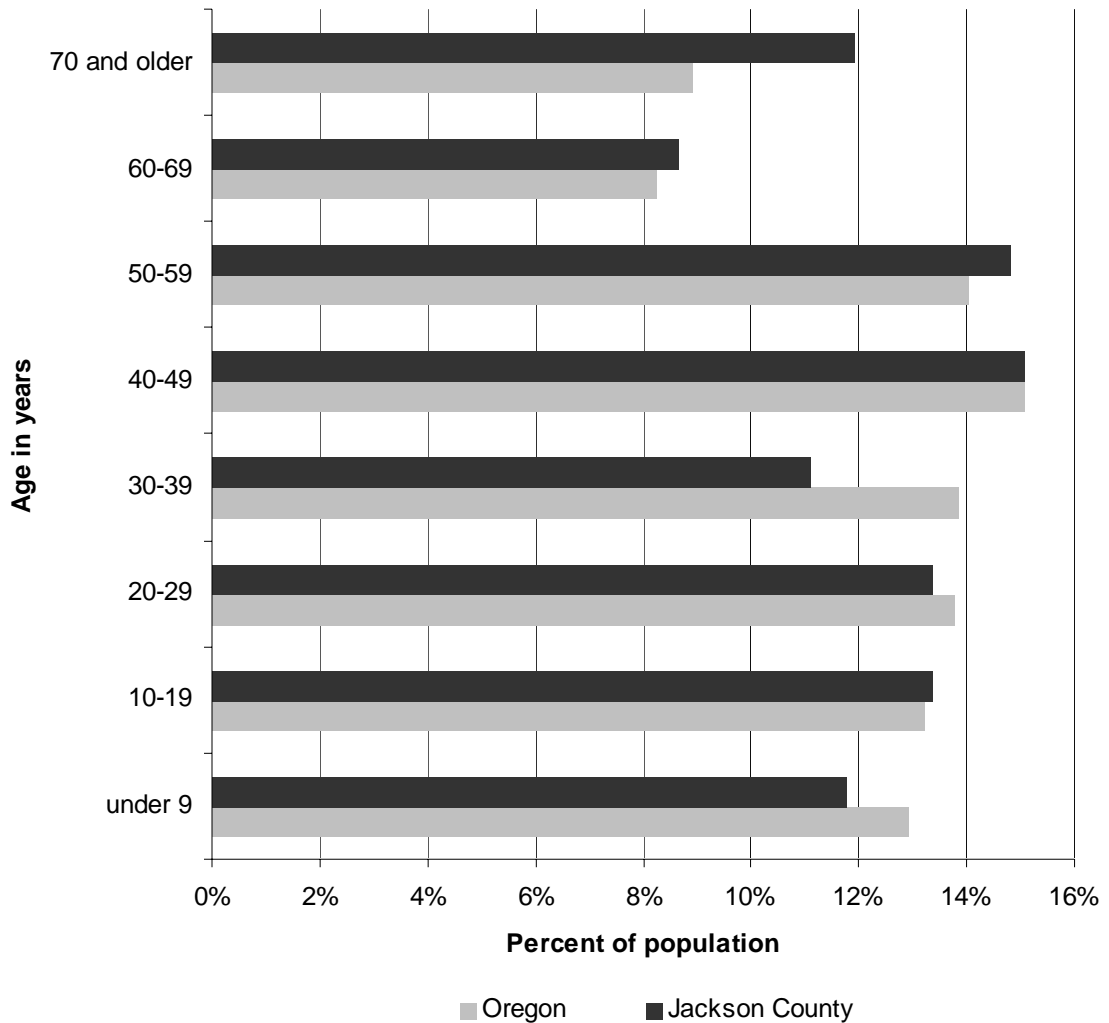
Source: U.S. Census and Population Research Center at Portland State University

\*Note: White City 1980 population is an estimate from the 1998 Jackson County Comp Plan. The 2006 estimate for White City is actually an estimate of 2005 population from the Medford Water Commission .

Figure 2 shows the populations of Oregon and Jackson County by age for 2005. The age distribution is similar for Oregon and Jackson County. Jackson County has a greater share of residents aged 50 and older than Oregon. The County has a comparatively fewer residents aged 20 to 49.

<sup>18</sup> The 2006 population estimate for White City in Table 1 is for 2005, rather than 2006. There was no population estimate available for White City for 2006.

**FIGURE 2. POPULATION DISTRIBUTION BY AGE, OREGON AND JACKSON COUNTY, 2005**



Source: U.S. Census American Community Survey, 2005

Table 2 shows population by age for Jackson County for 1990 and 2005. The data show that Jackson County grew by 42,931 people between 2000 and 2005, which is a 29% increase. The age breakdown shows that the County experienced an increase in population for every age group. The fastest growing age groups were aged 18 to 24 years and 45 to 64 years. The under 5 years, 5 to 17 years, and 25 to 44 years were the slowest growing groups.

**TABLE 2. POPULATION BY AGE, JACKSON COUNTY, 2000 AND 2005**

Age Group	1990		2005		Change		
	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	9,758	7%	10,516	5%	758	8%	-1%
5-17	26,947	18%	32,746	17%	5,799	22%	-1%
18-24	12,375	8%	17,638	9%	5,263	43%	1%
25-44	43,897	30%	48,197	25%	4,300	10%	-4%
45-64	29,700	20%	52,504	27%	22,804	77%	7%
65 and over	23,712	16%	29,864	16%	6,152	26%	0%
<b>Total</b>	<b>148,534</b>	<b>100%</b>	<b>191,465</b>	<b>100%</b>	<b>42,931</b>	<b>29%</b>	<b>0%</b>

Source: U.S. Census

Note: The population estimate for Jackson County in 2005 from the Census' American Communities Survey is lower than the population estimate for the County from the Population Research Center, shown in Table 1.

Table 3 shows the household composition for the Jackson County and Oregon. Household composition is very similar for each of these areas. Jackson County had a slightly larger share of households without children than the state average. Jackson County had a smaller average household size than the state average, 2.46 people per household compared with the state average of 2.50 people per household.

**TABLE 3. HOUSEHOLD COMPOSITION, JACKSON COUNTY AND OREGON, 2005**

Household Type	Jackson County		Oregon	
	Number	Percent	Number	Percent
<b>Households with children</b>	<b>23,251</b>	<b>30%</b>	<b>454,648</b>	<b>32%</b>
Married couples	14,647	19%	306,577	22%
Female householder, no husband present	6,321	8%	103,547	7%
Other families	2,283	3%	44,524	3%
<b>Households without children</b>	<b>54,615</b>	<b>70%</b>	<b>970,692</b>	<b>68%</b>
Married couples	23,297	30%	397,184	28%
Other families	2,608	3%	64,317	5%
Nonfamilies	28,710	37%	509,191	36%
<b>Total Households</b>	<b>77,866</b>	<b>100%</b>	<b>1,425,340</b>	<b>100%</b>
Average Household Size	2.46		2.50	

Source: U.S. Census American Community Survey, 2005

### Household and Personal Income

Table 4 shows the median household income in 1999 for Oregon and Jackson County. The median income in Jackson County was 89% of Oregon's median income. Jacksonville had the highest median income; Rogue River had the lowest median income.

According to the U.S. Census, from 1999 to 2005 median household income in Jackson County increased faster than the State average. Jackson County's median household income in 2005 was \$41,194, an increase of over \$4,500 (13%). In comparison, Oregon's median household income in 2005 was \$42,944, an increase of approximately \$2,000 (5%).

**TABLE 4. MEDIAN HOUSEHOLD INCOME,  
1999 (IN 1999 DOLLARS)**

	<b>Median income</b>
Oregon	\$ 40,916
Jackson County	\$ 36,461
Ashland	\$ 32,670
Butte Falls	\$ 23,750
Central Point	\$ 40,622
Eagle Point	\$ 37,557
Gold Hill	\$ 32,500
Jacksonville	\$ 41,250
Medford	\$ 36,481
Phoenix	\$ 31,701
Rogue River	\$ 23,419
Shady Cove	\$ 33,429
Talent	\$ 29,063
White City	\$ 29,342

Source: U.S. Census, 2000

Table 5 shows the distribution of household income for Oregon and Jackson County in 2005. Compared with Oregon, Jackson County has a larger share of households with income less than \$50,000 and smaller share of households with annual income over \$100,000.

**TABLE 5. DISTRIBUTION OF HOUSEHOLD INCOME BY NUMBER AND  
PERCENTAGE OF HOUSEHOLDS, OREGON AND JACKSON COUNTY, 2005**

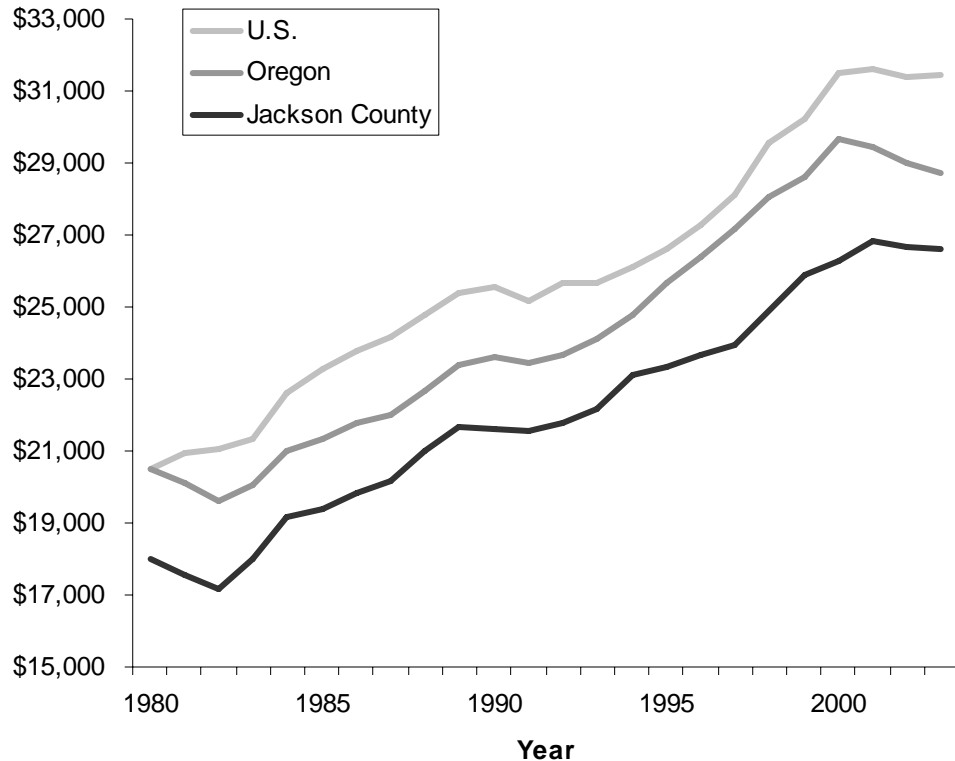
	<b>Oregon</b>		<b>Jackson County</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
< \$15,000	223,800	16%	12,456	16%
\$15,000 - \$24,999	181,992	13%	10,179	13%
\$25,000 - \$34,999	174,035	12%	10,348	13%
\$35,000 - \$49,999	230,530	16%	13,631	18%
\$50,000 - \$74,999	278,365	20%	15,102	19%
\$75,000 - \$99,999	156,015	11%	8,759	11%
\$100,000 - \$124,999	79,652	6%	3,565	5%
\$125,000 - \$149,999	38,438	3%	1,547	2%
\$150,000 - \$199,999	34,950	2%	1,134	1%
\$200,000+	27,563	2%	1,145	1%
<b>Total</b>	<b>1,425,340</b>	<b>100%</b>	<b>77,866</b>	<b>100%</b>

Source: U.S. Census American Community Survey, 2005

Figure 3 shows the change in per capita personal income for the U.S., Oregon, and Jackson County between 1980 and 2004. Oregon's per capita personal income is consistently lower than the U.S. personal income. Jackson County's personal income is consistently lower than Oregon's personal income. Over the twenty-four year period, per capita personal income grew at nearly the same pace in each of these areas. Fluctuations in the national economy generally resulted in larger changes in per capita personal income in Oregon and Jackson County than for the entire U.S. Jackson County's per capita personal income grew by nearly 54% during the time period, while personal income grew by 45% in Oregon and 57% nationally.

There are four basic reasons that per capita earnings are lower in Oregon and Jackson County than in the U.S.: (1) wages for similar jobs are lower; (2) the occupational mix of employment is weighted towards lower paying occupations; (3) a higher proportion of the population has transfer payments (e.g. social security payments for retirees), which are typically lower than earnings; and (4) there is a lower proportion of working age residents. To a certain degree, these factors are all true for Oregon and Jackson County. The combination of these factors results in lower per capita income for Oregon and Jackson County.

**FIGURE 3. PER CAPITA PERSONAL INCOME, U.S., OREGON, AND JACKSON COUNTY, 1980-2004 (IN 2004 DOLLARS)**



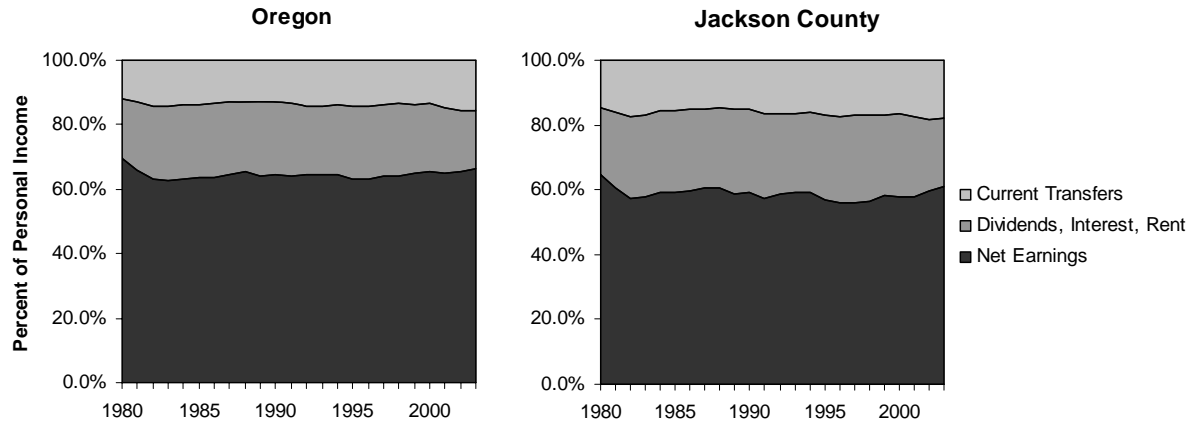
Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

Figure 4 shows the major sources of per capita personal income for Oregon and Jackson County between 1980 and 2003. The distribution of major sources of income was relatively stable over the twenty-three year period and was similar between Oregon and Jackson County. In general, Jackson County's share of personal income from net earnings was lower than for Oregon. The County's share of personal income from current transfers, as well as dividends, interest, and rent, was higher than for Oregon.

The people most likely to have personal income from current transfers and dividends, interest, and rent are retirees. Figure 4 shows that Jackson County has a higher percentage of residents over 60 years old than the State average. Table 2 shows that the share of population aged 65 and older increased by 22% between 1990 and 2000 in Jackson County, compared with a 12% statewide increase in population 65 and older. Census data show that 26% of people who moved to Jackson County between 1995 and

2000 were aged 50 or older. Three quarters of whom came from out-of-state, including 25% who moved to Jackson County from California.

**FIGURE 4. PER CAPITA PERSONAL INCOME BY MAJOR SOURCES, OREGON AND JACKSON COUNTY, 1980-2003**



Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce.

The implications of the demographic data presented in this section are:

- **Population growth will drive demand for retail and services.** Jackson County's population has grown at a faster rate than population in Oregon or the U.S. Increases in the County's population will drive demand for retail and services.
- **Growth in retirees will drive demand for retail and services targeted towards retirees.** The increasing age distribution and popularity of the region for retirees will create additional demand for retail and service industries, especially health services.
- **Changes in income will be affected by the share of income from net earnings.** Personal income from net earnings makes up a smaller share of total personal income in Jackson County than the state average because of the larger share of retirees or near retirees. As a result, changes in income in the County will continue to be more affected by the real estate and financial markets than the state or national averages.
- **Wages will continue to be below national and state averages.** The demand for retail and services, coupled with external economic trends will continue to hold wages below the national and state averages.

## Employment

Tables 6 through 9 present data from the Oregon Employment Department that show changes in sectors and industries in Jackson County between 1980 and 2004. The changes in sectors and industries shown in two tables: (1) between 1980 and 2000 and (2) between 2001 and 2004. The analysis is divided in this way because of changes in

industry and sector classification that made it difficult to compare information about employment collected after 2001 with information collected prior to 2000.

Until 2001, industries were classified under the Standard Industrial Classification (SIC) system, which grouped industries according to their primary activity. Although the SIC classification structure was updated periodically to include new industries, SIC's structure was essentially unchanged since its development in the 1930's.

The North American Industrial Classification System (NAICS) was developed by the U.S., Canada, and Mexico address the following deficiencies in SIC: (1) NAICS classifications reflected changes in the economy that emerged since SIC was developed, such as the shift to a service based economy and industries based on new technologies; (2) NAICS groups industries based on similarities in the processes the industries use in producing goods and services, while some of SIC's classifications were based on demand factors and others based on production factors; (3) NAICS allows for international industry comparisons with the International Standards Classification System (ISIC), while comparing SIC and ISIC classifications was difficult or impossible; and (4) NAICS was developed to classify industries in the North American Free Trade Agreement (NAFTA).

The switch-over in between SIC and NAICS began in 1997, when NAICS data was first reported, and was completed in 2001, when SIC data was no longer reported. Although the Bureau of Labor Statistics does provide correspondence tables to compare NAICS and SIC data, such comparisons are difficult, time consuming, and prone to errors for the following reasons:

1. Matching up industries between NAICS and SIC is complex because NAICS classifies data in more detail than SIC. NAICS uses a six-digit classification system and SIC classified industries to four-digits.
2. Some industries in SIC are represented by multiple NAICS codes, making it necessary to assign SIC data to multiple NAICS codes.
3. Companies may have multiple lines of business that are represented by multiple NAICS codes.
4. NAICS includes some new and specialized industries that were not represented in SIC.
5. The level of detail required to translate between SIC and NAICS is not generally publicly available because of confidentiality issues with employment data.

In 2000, the largest employment sectors in Jackson County were Services, Retail Trade, Government, and Manufacturing. Together these industries accounted for 58,667 jobs or 80% of the total employment in Jackson County. Government and Manufacturing were the highest paying sectors, while Services and Retail Trade were the lowest paying sectors. The Finance, Insurance, and Real Estate; Mining; Transportation, Communication, and Utilities; Wholesale Trade; and Construction sectors all had annual payrolls higher than the County average.

Table 6 shows the changes in covered employment by sector and industry for Jackson County for between 1980, 1990 and 2000. Total employment in the County grew from

42,626 to 73,614, adding 30,988 jobs. Moreover, every sector added jobs during this period. The sectors with the greatest change in share of employment were Services and Retail Trade, adding 22,295 jobs. The sectors that grew slowest during this period were Wholesale Trade, Government, and Manufacturing.

**TABLE 6. CHANGE IN COVERED EMPLOYMENT BY SECTOR IN JACKSON COUNTY, 1980 TO 2000**

Sector	1980	1990	2000	Change from 1980 to 2000			
				Difference	Percent	AAGR	Share
Agriculture, Forestry and Fishing	881	1,475	2,223	1,342	152%	4.7%	1%
Mining	86	83	159	73	85%	3.1%	0%
Construction	1,997	2,100	3,646	1,649	83%	3.1%	0%
Manufacturing	7,604	8,840	9,231	1,627	21%	1.0%	-5%
Trans., Comm., and Utilities	2,182	2,827	3,834	1,652	76%	2.9%	0%
Wholesale Trade	2,352	2,472	2,512	160	7%	0.3%	-2%
Retail Trade	9,752	13,647	18,865	9,113	93%	3.4%	3%
Finance, Insurance and Real Estate	1,659	2,018	2,544	885	53%	2.2%	0%
Services	7,203	12,021	20,385	13,182	183%	5.3%	11%
Nonclassifiable/all others	2	32	29	27	1350%	14.3%	0%
Government	8,908	8,704	10,186	1,278	14%	0.7%	-7%
<b>Total</b>	<b>42,626</b>	<b>54,219</b>	<b>73,614</b>	<b>30,988</b>	<b>73%</b>	<b>2.8%</b>	<b>0%</b>

Source: Oregon Employment Department

Table 7 shows the average annual growth rates of industrial sectors in Jackson County for 1980 to 1990 and 1990 to 2000. The sectors that grew fastest during the 1980's were Services, Agriculture, Forestry, and Fishing, Retail Trade, and Nonclassifiable and other sectors. The sectors that grew fastest during the 1990's were Mining, Construction, Services, and Agriculture, Forestry, and Fishing. These differences reflect the trend in employment in Oregon away from a resource-based economy but reflect the continued importance of resource-based sectors in the state and local economy.

**TABLE 7. AVERAGE ANNUAL GROWTH RATE BY DECADE BY INDUSTRIAL SECTOR, JACKSON COUNTY, 1980-2000**

Sector	1980 to	1990 to
	1990	2000
Agriculture, Forestry and Fishing	5.3%	4.2%
Mining	-0.4%	6.7%
Construction	0.5%	5.7%
Manufacturing	1.5%	0.4%
Trans., Comm., and Utilities	2.6%	3.1%
Wholesale Trade	0.5%	0.2%
Retail Trade	3.4%	3.3%
Finance, Insurance and Real Estate	2.0%	2.3%
Services	5.3%	5.4%
Nonclassifiable/all others	32.0%	-1.0%
Government	-0.2%	1.6%
<b>Total</b>	<b>2.4%</b>	<b>3.1%</b>

Source: Oregon Employment Department

Table 8 shows change in covered employment by sector for Jackson County between 2001 and 2004. Annual employment growth slowed during this period, from an average annual growth rate of 2.8% between 1980 and 2000 to an average annual growth rate of 1.7%. Jackson County added 5,266 jobs during the 2000-2004 period, which is slower



growth than Jackson County experienced during the 1990's. This slowing in employment growth is related to the nation-wide recession and slow growth at the beginning of this decade. The sectors that added the most employees were Management Companies, Construction, and Health & Social Assistance. Manufacturing lost the most employees.

**TABLE 8. CHANGE IN COVERED EMPLOYMENT BY SECTOR IN JACKSON COUNTY, 2001 TO 2004**

Sector	2001	2004	Change from 2001 to 2004			
			Difference	Percent	AAGR	Share
Agriculture, Forestry, Fishing & Hunting	2,218	2,738	520	23%	5.4%	0.5%
Mining	158	154	(4)	-3%	-0.6%	0.0%
Construction	3,640	4,617	977	27%	6.1%	0.9%
Manufacturing	7,702	6,768	(934)	-12%	-3.2%	-1.9%
Utilities	255	267	12	5%	1.2%	0.0%
Wholesale	2,131	2,339	208	10%	2.4%	0.1%
Retail	13,238	13,591	353	3%	0.7%	-0.7%
Transportation & Warehousing	2,049	2,343	294	14%	3.4%	0.2%
Information	1,815	1,805	(10)	-1%	-0.1%	-0.2%
Finance & Insurance	1,845	2,200	355	19%	4.5%	0.3%
Real Estate Rental & Leasing	1,062	1,345	283	27%	6.1%	0.3%
Professional, Scientific & Technical Services	2,061	1,932	(129)	-6%	-1.6%	-0.3%
Management of Companies	801	1,801	1,000	125%	22.5%	1.2%
Admin. Support & Cleaning Services	3,486	3,818	332	10%	2.3%	0.1%
Education	508	538	30	6%	1.4%	0.0%
Health & Social Assistance	9,643	10,530	887	9%	2.2%	0.3%
Arts, Entertainment & Recreation	1,330	1,379	49	4%	0.9%	-0.1%
Accommodations & Food Services	7,182	7,592	410	6%	1.4%	-0.1%
Other Services (except Public Admin.)	2,770	2,990	220	8%	1.9%	0.0%
Private Non-Classified	25	20	(5)	-20%	-5.4%	0.0%
Government	10,189	10,607	418	4%	1.0%	-0.4%
<b>Total Covered Employment &amp; Payroll</b>	<b>74,108</b>	<b>79,374</b>	<b>5,266</b>	<b>7%</b>	<b>1.7%</b>	<b>0.0%</b>

Source: Oregon Employment Department

Table 9 shows covered employment by sector for Jackson County in 2004. The table shows that Jackson County had 6,881 establishments and 79,201 covered employees. The average pay per employee was \$30,132.

The sectors with the largest share of employment were: Retail Trade (17%), Health Care and Social Assistance (13%), Government (13%), Accommodation and Food Services (10%), and Manufacturing (8%). Of these sectors, Health Care and Social Assistance and Government were among the sectors with the highest average pay per employee. The Retail and Accommodation and Food Services sectors paid less than average. Compared with the County's average pay per employee, Retail paid nearly \$6,000 less per employee and Accommodation and Food Service paid about \$17,000 less per employee.

**TABLE 9. COVERED EMPLOYMENT BY SECTOR, JACKSON COUNTY, 2004**

Sector/Industry	Annual Average		Annual Payroll	% of	Average
	Est.	Emp.		total	
<b>Agriculture, Forestry, Mining</b>	<b>174</b>	<b>2,897</b>	<b>\$74,537,350</b>	<b>4%</b>	<b>\$25,729</b>
<b>Construction and Utilities</b>	<b>921</b>	<b>4,900</b>	<b>\$161,792,146</b>	<b>6%</b>	<b>\$33,019</b>
<b>Manufacturing</b>	<b>358</b>	<b>6,637</b>	<b>\$237,982,730</b>	<b>8%</b>	<b>\$35,857</b>
Wood Product Manufacturing	46	2,272	\$84,475,863	3%	\$37,181
Chemical Manufacturing	14	600	\$31,594,260	1%	\$52,657
Nonmetallic Mineral Product Manufacturing	15	517	\$20,914,650	1%	\$40,454
Food Manufacturing	30	449	\$12,961,870	1%	\$28,868
Printing and Related Support Activities	27	442	\$14,147,229	1%	\$32,007
Fabricated Metal Product Manufacturing	43	418	\$13,010,000	1%	\$31,124
Transportation Equipment Manufacturing	27	313	\$11,633,186	0%	\$37,167
Other Manufacturing	156	1,626	\$49,245,672	2%	\$30,286
<b>Wholesale Trade</b>	<b>330</b>	<b>2,446</b>	<b>\$93,370,595</b>	<b>3%</b>	<b>\$38,173</b>
Merchant Wholesalers, Durable Goods	144	1,372	\$53,226,241	2%	\$38,795
Merchant Wholesalers, Nondurable Goods	83	881	\$29,901,915	1%	\$33,941
Wholesale Electronic Markets & Agents and Brokers	103	193	\$10,242,439	0%	\$53,070
<b>Retail Trade</b>	<b>861</b>	<b>13,645</b>	<b>\$328,324,919</b>	<b>17%</b>	<b>\$24,062</b>
General Merchandise Stores	32	2,206	\$48,174,495	3%	\$21,838
Food and Beverage Stores	86	2,083	\$43,609,265	3%	\$20,936
Motor Vehicle and Parts Dealers	117	1,772	\$63,352,700	2%	\$35,752
Clothing and Clothing Accessories Stores	102	854	\$12,272,550	1%	\$14,371
Other Retailers	524	6,730	\$160,915,909	8%	\$23,910
<b>Transportation and Warehousing</b>	<b>198</b>	<b>2,405</b>	<b>\$79,494,374</b>	<b>3%</b>	<b>\$33,054</b>
<b>Information</b>	<b>126</b>	<b>1,805</b>	<b>\$65,769,278</b>	<b>2%</b>	<b>\$36,437</b>
<b>Finance and Insurance</b>	<b>361</b>	<b>2,208</b>	<b>\$91,958,885</b>	<b>3%</b>	<b>\$41,648</b>
<b>Real Estate, Rental, and Leasing</b>	<b>318</b>	<b>1,261</b>	<b>\$27,806,540</b>	<b>2%</b>	<b>\$22,051</b>
<b>Professional, Scientific, &amp; Technical Services</b>	<b>495</b>	<b>1,982</b>	<b>\$65,971,121</b>	<b>2%</b>	<b>\$33,285</b>
<b>Management of Companies &amp; Enterprises</b>	<b>43</b>	<b>1,797</b>	<b>\$96,368,180</b>	<b>2%</b>	<b>\$53,627</b>
<b>Administrative Services &amp; Waste Management</b>	<b>328</b>	<b>3,802</b>	<b>\$75,321,173</b>	<b>5%</b>	<b>\$19,811</b>
<b>Educational Services</b>	<b>62</b>	<b>542</b>	<b>\$10,607,163</b>	<b>1%</b>	<b>\$19,570</b>
<b>Health Care and Social Assistance</b>	<b>610</b>	<b>10,660</b>	<b>\$392,043,191</b>	<b>13%</b>	<b>\$36,777</b>
Ambulatory Health Care Services	392	4,067	\$188,322,676	5%	\$46,305
Hospitals	7	3,423	\$144,035,109	4%	\$42,079
Nursing and Residential Care Facilities	115	2,077	\$40,476,776	3%	\$19,488
Social Assistance	96	1,093	\$19,208,630	1%	\$17,574
<b>Arts, Entertainment, and Recreation</b>	<b>112</b>	<b>1,382</b>	<b>\$26,445,233</b>	<b>2%</b>	<b>\$19,135</b>
<b>Accommodation and Food Services</b>	<b>571</b>	<b>7,669</b>	<b>\$97,527,321</b>	<b>10%</b>	<b>\$12,717</b>
Food Services and Drinking Places	476	6,510	\$79,777,491	8%	\$12,255
Accommodation	95	1,159	\$17,749,830	1%	\$15,315
<b>Other Services</b>	<b>692</b>	<b>3,009</b>	<b>\$58,589,546</b>	<b>4%</b>	<b>\$19,471</b>
<b>Government</b>	<b>321</b>	<b>10,254</b>	<b>\$389,713,845</b>	<b>13%</b>	<b>\$38,006</b>
Federal Government	229	6,757	\$233,122,209	9%	\$34,501
State Government	50	1,688	\$60,580,621	2%	\$35,889
Local Government	42	1,809	\$96,011,014	2%	\$53,074
<b>Total</b>	<b>6,881</b>	<b>79,301</b>	<b>\$2,373,623,591</b>	<b>100%</b>	<b>\$29,932</b>

Source: Oregon Employment Department, Confidential QCEW Employment Data provided to ECONorthwest.

Table 10 shows covered employment by UGB in Jackson County. The data show that 82% of employment in the region is within UGBs. Moreover, 60% of the employment in the County is within the Medford UGB. About 8% of the employment is within the White City and Medford-Phoenix urban containment boundaries (UCB), while the remaining 10% is in other unincorporated areas of the County.

**TABLE 10. CURRENT COVERED EMPLOYMENT BY UGB, JACKSON COUNTY, 2004**

<b>Location</b>	<b>Number of firms</b>	<b>Covered Employment</b>
<b>Within Urban Growth Boundaries</b>		
Ashland UGB	1,008	9,037
Butte Falls UGB	--	--
Central Point UGB	348	3,356
Eagle Point UGB	117	861
Gold Hill UGB	40	240
Jacksonville UGB	105	622
Medford UGB	3,342	48,027
Phoenix UGB	143	1,275
Rogue River UGB	75	428
Shady Cove UGB	72	383
Talent UGB	96	945
<b>Subtotal</b>	<b>5,346</b>	<b>65,174</b>
<b>Within Urban Containment Boundaries</b>		
Medford Phoenix UCB	206	3,428
White City UGB	68	2,571
<b>Subtotal</b>	<b>274</b>	<b>5,999</b>
<b>Other Unincorporated</b>	<b>1,261</b>	<b>8,128</b>
<b>Total</b>	<b>6,881</b>	<b>79,301</b>

Source: Oregon Employment Department, Confidential QCEW Employment Data provided to ECONorthwest.

### **Business Activity**

The Goal 9 administrative rule (specifically, OAR 660-009-0015(2)) suggests that local governments take into consideration expansion plans of major employers when determining the site requirements of major employers. Thirteen major employers in Jackson County were interviewed about their plans for the next twenty years, including: (1) their plans for adding employees, (2) plans for expanding their facilities, (3) whether they would need to purchase land for expansion, (4) whether they have plans to move their facilities outside of Jackson County, and (5) whether there are infrastructure deficiencies that affect their ability to continue operations in Jackson County.

Table 11 presents a summary of the firms' plans to add jobs and expand their facilities. A number of the major employers plan to expand their workforce and/or expand their facilities. Of the 13 firms interviewed, seven firms have expansion plans and expect to add employees over the next twenty years. Three firms have no plans to add employees or expand their facilities. Of the remaining three firms, one plans to add employees and two plan to expand their facilities. Most firms did not expect to add a large number of employees or purchase significant amounts of land for expansion. Most firms did not have an estimate of the number of employees they expected to hire but most firms did not expect to hire a large number of new employees.

**TABLE 11. SUMMARY OF FIRMS' PLANS TO ADD JOBS AND EXPAND THEIR FACILITIES IN JACKSON COUNTY, 2006**

<b>Firm name</b>	<b>Plans to add jobs</b>	<b>Plans to expand facility</b>	<b>Plans purchase land for expansion</b>
Bear Creek Operations (Harry and David)	No	Yes	Yes, agricultural land
Asante Health System	Yes	Yes	No
Barrett Business Service, Inc.	No	No	N/A
Jackson County	No	Yes	Yes
Boise Cascade Corporation	No	Yes	No
Southern Oregon University (SOU)	Yes	Yes	Probably
Erickson Air-Crane Inc.	Yes	Yes	No
Oregon Shakespeare Festival Association	Yes	Yes	Yes
Rogue Valley Manor	Yes	No	N/A
Veterans Administration (VA) Domiciliary	Yes	Maybe	No
Eastman Kodak Company	No	No	No
Ashland Community Hospital	No	No	No
Cascade Wood Products	Yes	Yes	No

Source: ECONorthwest, 2006.

Four of the firms interviewed have a significant number of seasonal employees. These firms are all agricultural (e.g., timber production or fruit processing). The number of seasonal employees varies from 11,000 for Bear Creek Operations to 100 employees at Cutting Edge Forestry Inc.

The following is a list of the major employers interviewed, and their responses regarding firm expansion plans.

**Bear Creek Operations (Harry and David) (1,700+ employees):** Harry and David have about 1,700 year-round employees and about 11,000 seasonal employees. They are in the process of moving some of their operations, such as office operations, to Ohio. They expect the number of people that they employ in Jackson County to remain stable. But they may change their workforce mix, adding more agricultural jobs and moving office and other production jobs to other parts of the country. In the 1990's, Bear Creek Operations started land banking agricultural land for future production needs. They are beginning to sell the less productive agricultural land and purchasing more productive land. They do not expect to expand their warehousing or office facilities within Jackson County within the next 20-years.

**Asante Health System (2,200+ employees):** Asante Health Systems operates the Rogue Valley Medical Center hospital, which has about 2,200 employees. They have plans to expand their workforce but were not specific about the amount that their workforce will expand. When they recently expanded their facilities, their workforce expanded by about 100 employees. They expect to expand their facilities again by 2010 and may add a similar number of new employees. The expansion will occur on the existing hospital site or on property they currently own.

**Barrett Business Service, Inc. (1500+ employees):** The size of Barrett's workforce changes in response to the demand in Southern Oregon for temporary workers. They have seven permanent staff and a pool of about 1,500 staff that work temporary assignments all over Southern Oregon, including in Jackson County. Barrett expects that their staffing needs will change in response to the staffing needs of the Valley's businesses. They plan to add staff as needed to meet demand. Barrett does not foresee any additional land needs beyond their current office space, which is leased.

**Jackson County (1,050+ employees):** Jackson County does not expect to expand employment. They expect to expand their facilities. They expect to need about one-third of an acre for new planning facilities and may need about two acres for a new jail.

**Boise Cascade Corporation (900+ employees):** Boise Cascade does not expect employment to change in their Medford and White City locations. They plan to expand their facilities by one acre on land they currently own.

**Southern Oregon University (SOU) (725+ employees):** SOU does not have immediate plans for increasing employment. The University currently has about 5,000 to 5,500 students and may have 7,000 students within ten years. If student enrollment continues to grow, they will add faculty and build additional facilities. The University is currently planning to build new facilities. These facilities and potential future facilities will either be located on land that SOU currently owns or on land adjacent to current facilities, which the University would purchase.

**Erickson Air-Crane Inc. (550+ employees):** They expect their workforce to grow over the next 20 years but did not specify the amount of growth they expect. They recently purchased 40 acres of land in White City, which should provide sufficient space for their expected facilities expansions. This site has a 50,000 square foot warehouse on it and they expect to build additional facilities over the next five years.

**Oregon Shakespeare Festival Association (550+ employees):** The Shakespeare Festival expects to add 10 to 20 employees over the next 20 years. They expect to replace the Black Swan Theatre with a new building on their current site that will include additional rehearsal, classroom, and office space. They also expect to expand their scenery construction shop and will need to purchase land for this expansion.

**Rogue Valley Manor (500+ employees):** They expect to expand employment to meet demand. Their workforce has doubled over the last twenty years and may do the same in the next twenty years. Rogue Valley Manor recently purchased about 100 acres near their existing facility, as well as additional land elsewhere in Medford. They recently completed expansion of office space and are in the process of expanding other facilities, including adding office space, developing a new golf course and planning to build additional residential facilities.

**Veterans Administration (VA) Domiciliary (420+ employees):** The VA typically adds about four staff per year. They expect the number of people they serve to increase as the number of veterans in Jackson County increases. If the VA does serve more people, they expect to hire more staff than usual. VA owns about 143 acres of land, which is more than sufficient to meet their current and future needs. If demand for services increases, the VA may build new facilities on part of this land. They are also considering leasing the land to complementary businesses, such as assisted living facilities, residential care facilities, or transitional housing.

**Eastman Kodak Company (410+ employees):** They have no plans to expand their workforce or their facilities. If they choose to expand their facilities in the future, they have developed 20 of the 80 acres of land that they own.

**Ashland Community Hospital (400+ employees):** The hospital does not expect to hire more employees. They are currently in the process of expanding by adding new surgical facilities. They have no other expansion plans. If they were to need to expand, they own about 1 acre of land adjacent to their current facilities that they would expand onto.

**Cascade Wood Products (400+ employees):** Employment at Cascade Wood Products fluctuates seasonally between 400 to 500 employees. They expect to hire about 50 non-seasonal employees over the next 20 years. Their seasonal employment needs will vary from year to year. Their plans for expansion are still preliminary but they own 15 acres of vacant land and plan to do their expansions on this land.

In addition to information gathered from interviews, information available on the Oregon Labor Market Information System (OLMIS) web site indicates that other firms plan to expand or add jobs. The types of business expansion include:

- Retail firms. Jackson County has both large scale and smaller scale firms expanding or locating in the area. Some retail firms include: Small Craft Advisory in Ashland; B'dazzled, Dependable Plumbing, and Rustic Home in Central Point; Tuxedo Florist and Wal-Mart in Eagle Point; Mazama Mosaic, Veranda, David's Bridal, UrbanMinx, Abbey Road, Forever After, Pacific Blue Divers, and Kohl's in Medford.
- Food services and accommodations. A number of restaurants and hotels have opened in Jackson County, including: Liquid Assets in Ashland; The Branch, The Trolley Stop, Dolce Ultra Lounge, Black Bear Diner, McAndrew's Avenue Grill, and the Ramada Inn and Convention Center in Medford; and Si Casa Flores in Phoenix.
- Light industrial/ manufacturing/ distribution: A number of these types of firms have opened recently in Jackson County, including: the Interstate Business Park in Medford, Brammo Motorsports in Ashland, the Rogue Creamery in Central Point, and the Umpqua Dairy Products in Central Point.
- Professional and medical services: Jackson County has several firms expanding or locating in the area: Ticor Title, Rogue Valley In Home Care Services, Renal Care Consultants PC and Rogue Valley Dialysis Services Mortgage Marketplace, and Washington Federal Savings in Medford; PMG/ Phoenix Family Practice in Phoenix; Vertebrae (data backup and online storage) in Rogue River; and the Central Point Retirement Community in Central Point.
- Mixed-use developments: Lone Pine Square in Medford will have 13 buildings, including retail as well as professional and medical offices. The U.S. Forest Service Site in Medford will be developed with business and medical offices.

Jackson County is likely to see expansion in jobs from existing businesses and businesses that choose to locate in the County. The areas with the greatest expectation of expansion are in health care, specialty manufacturing, and food services and accommodations.

### **Agricultural trends in Jackson County**

Agricultural production is an important component of Jackson County's economy. In 2006, Jackson County had approximately \$82 million in total gross sales from agriculture. In 2004, about 32,532 acres in Jackson County were used for agricultural production.

The crops that used the most land are hays and forage with 21,110 acres and tree fruits and nuts with 8,978 acres.<sup>19</sup>

Pears are a primary agricultural product of Jackson County. According to Phil van Beskirk with the Oregon State University Extension Office in Jackson County, the three largest producers of pears in the nation operate in Southern Oregon. Approximately 6,000 acres of farmland in Jackson County are used for pear production. The pear crop had a value of \$30.9 million in 2005.

Table 12 shows a comparison of changes in farm characteristics in Jackson County between 1987 and 2002. Jackson County has about 1.5% of the acres of farmland in Oregon. Table 12 shows that Jackson County had 252,185 acres of farmland in 2002, of which 34,470 acres (14%) was harvested land (land from which crops were harvested). While the amount of farmland in Jackson County decreased by more than 46,000 acres between 1987 to 2002, the amount of harvested cropland increased by nearly 2,500 acres. Over the fifteen-year period, the average farm size decreased by 59 acres to 129 acres.

Table 12 shows market value of agricultural products in Jackson County in 2002 was \$54.2 million, which is about 1.7% of the market value of all agricultural products in Oregon. The market value of agriculture products (in 2002 dollars) decreased by \$4.98 million from 1987 to 2002. The average market value of agricultural products per farm decreased by about \$9,500 to \$27,750 per farm.

**TABLE 12. CHANGE IN FARM CHARACTERISTICS, JACKSON COUNTY 1987 TO 2002**

Farm characteristics	1987	2002	Change 1987 to 2002	
			Number	Percent
Number Farms	1,588	1,953	365	23%
Land in Farms, acres	298,471	252,185	(46,286)	-16%
Harvested cropland, acres	32,021	34,470	2,449	8%
Average Size Farms, acres	188	129	(59)	-31%
Market Value of Production (\$2002)	\$59,171,027	\$54,192,000	-\$4,979,027	-8%
Average per farm (\$2002)	\$37,261	\$27,748	-\$9,513	-26%

Source: USDA Census of Agriculture, 2002 and 1987; Calculations by ECONorthwest

Table 13 shows the top five agricultural products in Jackson County in 1987 and 2002. The agricultural products with the greatest sales value has not changed significantly over the fifteen-year period. The most significant change was that dairy products had the third highest sales in 1987. But by 2002, Jackson County only had seven farms producing dairy products and the value of dairy products sales was not disclosed for confidentiality reasons.

The agricultural products with the greatest sales in 1987 and 2002 were fruit, tree nuts, and berries, as well as cattle and calves. Products of fruit, tree nuts, and berries accounted for \$29.5 million or 54% of the value of agricultural products in Jackson County in 2002. Sixty-eight of the 198 farms that grew these products grew pears. In 2002, Jackson County had 6,674 acres of orchard land devoted to growing pears, which was 33% of the land for growing pears in the state.

<sup>19</sup> 2004 Oregon County and State Agricultural Estimate, Oregon State University Extension Service, 2004.

**TABLE 13. FIVE AGRICULTURAL PRODUCTS WITH THE HIGHEST SALES VALUE (2002 DOLLARS), JACKSON COUNTY 1987 AND 2002**

	Value of Sales (2002\$)	Farms	Average Value of Sales per Farm (2002\$)
<b>2002 Total Sales</b>	\$54,192,000	1,953	\$27,748
Fruit, Tree nuts, and berries	\$29,523,000	198	\$149,106
Cattle and calves	\$9,535,000	643	\$14,829
Nursery, greenhouse, floriculture, and sod	\$3,594,000	102	\$35,235
Other crops and hay	\$3,231,000	400	\$8,078
Vegetables, melons, potatoes, and sweet potatoes	\$1,200,000	89	\$13,483
<b>1987 Total Sales</b>	\$59,171,027	1,588	\$37,261
Fruit, nuts, and berries	\$28,553,698	119	\$239,947
Cattle and calves	\$15,245,179	920	\$16,571
Dairy products	\$3,417,979	33	\$103,575
Hay, silage, and field seeds	\$3,247,226	412	\$7,882
Nursery and greenhouse crops	\$1,438,995	36	\$39,972

Source: USDA Census of Agriculture, 2002 and 1987; Calculations by ECONorthwest

Note: The definition of the following categories of farm products changed between 1997 and 2002: Nursery, greenhouse, floriculture, and sod; Other crops and hay; and vegetables, melons, potatoes, and sweet potatoes. These changes prevent direct comparison between the Total Sales of these agricultural products in 1987 and 2002.

The Rogue Valley is becoming increasingly known for wine production. Table 14 shows trends in viticulture in Jackson and Josephine Counties from 1984 to 2006. In 2006 the Rogue Valley had 105 growers, an increase of 84 growers over the twenty-two year period. In 1984 growers planted 309 acres and in 2005 growers planted 1,760 acres, an increase of 1,451 acres.

The number of wineries and value of the wine produced also increased over the twenty-two year period. In 2006, the Rogue Valley had 16 wineries, with a crop valued at \$7.7 million.

**TABLE 14. CHANGES IN VITICULTURE, JACKSON AND JOSEPHINE COUNTIES, 1984 TO 2006**

	1984	1994	2006	Change 1984 to 2006	
				Number	Percent
Growers	21	54	105	84	400%
Acres Planted	309	572	1,760	1,451	470%
Acres Harvested	229	389	1,402	1,173	512%
Production Tons	530	680	4,425	3,895	735%
Tons per acre	2.3	1.8	3.2	0.9	39%
Average price paid/Ton (2005\$)	\$988	\$1,030	\$1,750	\$762	77%
Wineries in Rogue Valley	3	10	16	\$13	433%
Value of Crop (2005\$)	\$225,880	\$400,816	\$7,743,750	\$7,517,870	3328%

Source: Southern Oregon Research and Extension Center, Oregon State University  
<http://extension.oregonstate.edu/sorec/research/vineyards.php> Accessed 2/17/2007.

Note: The value of the crop is shown in dollars returned to the grower.

According to Phil van Beskirk, other trends in agriculture in Jackson County include greater production of organic crops and direct marketing. Organic farming has become more common in Jackson County. In 2006, Jackson County had 15 farms with 1,083 acres certified for organic production. Direct marketing via farmers markets and farm stands has also become more common in Jackson County.



Another trend affecting agriculture in Jackson County is increasing urban uses of agricultural land. Most urbanization of agricultural land is residential, resulting in increased population density in rural areas. The urbanization of agricultural land can be the result of **direct** conversion to a non-agricultural use, such as building a factory or development of a subdivision. Another way that agricultural land becomes urbanized is from **indirect** conversion, which may arise from several pressures: (1) Small parcels of farmland may become surrounded by land that has directly converted to urban uses and the remaining “islands” of agricultural land cannot be farmed efficiently; (2) Farmland may be abandoned and revert to open space due to lack of farming interest; (3) Indirect conversion may also occur due to high input costs (land, labor and inputs) that render conventional farming uneconomic. The distinction among these three factors is often a matter of degree.

Urbanization of farmland can lead to conflicts between farm operators and residents. The conflicts experienced by farm operators often include: trespass, vandalism, theft of crops, refuse and litter, illegal activities, fire, and noxious weeds. Residential conflicts often include: noise, dust, smoke, sprays, odors, machinery, and stray live stock. These complaints can result in increased costs to farm operators.

Previous research by ECO indicates that the size of a farm is typically connected to the efficiency and the productivity of a farm. According to the Census of Agriculture, most of Oregon’s agricultural output and sales result from a small proportion of farms, which are generally large farm. Generally, smaller scale versions of conventional farms growing the same crops are less cost effective than their larger counterparts, productivity decreases on farms smaller than 100 acres and the lowest productivity on farms of 1 to 9 acres. Reasons for the decrease in productivity include:

- **Farm size.** Smaller farms are often “life style” or “hobby” farms. The main intent of the owner of this type of farm is living in a rural setting, rather than maximizing agricultural output. The purpose of agriculture on this type of farm is to meet the state’s criteria for farm production to minimize property taxes.
- **Economies of scale.** Larger farms often have cost savings by spreading the costs of equipment purchases or specialized management across a larger operation and larger income.
- **Type of crops grown.** Traditional grain crops, such as wheat, are grown more efficiently on larger farms because of inefficiencies in farm operations. Specialty crops, such as nursery and greenhouse crops, are often highly productive when grown on smaller farms.

Based on the importance of large commercial farms, there is a tendency to conclude that large acreage farms are more efficient than smaller acreage farms, but this is not always the case. There is not an exact relationship between farm size and value of production due to variations in crops produced and the degree of capital intensity. For example, Jackson County’s crop with the highest sales value is fruit, tree nuts, and berries, with the majority of sales from pears. The average pear orchard size in Jackson County is less than 100 acres. Cultivation of wine grapes provides another example of a high value crop that is typically grown on small farms. The average size of a vineyard in the Rogue Valley is less than 20 acres.

## Outlook for growth in Jackson County

Jackson County is poised for sustained economic and population growth. The State's long-term forecast of population change in Oregon and Jackson County is shown in Table 15, which shows that population in Oregon is expected to grow at an average annual rate of 1.16% over the 2005-2040 period. Growth in Jackson County is expected to exceed the State average, with an average annual growth rate of 1.23% over the same period. Jackson County is expected to add more than 103,000 residents over the thirty-five year 2005-2040 period.

**TABLE 15. POPULATION FORECAST FOR OREGON AND JACKSON COUNTY, 2000-2040**

<b>Year</b>	<b>Oregon</b>	<b>Jackson</b>
2000	3,436,750	182,200
2005	3,618,200	194,005
2010	3,843,900	208,370
2015	4,095,708	223,464
2020	4,359,258	238,865
2025	4,626,015	253,881
2030	4,891,225	268,385
2035	5,154,793	282,669
2040	5,425,408	297,496
<b>AAGR 2005-2040</b>	<b>1.16%</b>	<b>1.23%</b>
AAGR 2005-2010	1.22%	1.44%
AAGR 2010-2015	1.28%	1.41%
AAGR 2015-2020	1.26%	1.34%
AAGR 2020-2025	1.19%	1.23%
AAGR 2025-2030	1.12%	1.12%
AAGR 2030-2035	1.06%	1.04%
AAGR 2035-2040	1.03%	1.03%

Source: Office of Economic Analysis, 2004.  
Average annual growth rate (AAGR) calculated by ECONorthwest

Table 16 shows the Oregon Employment Department's ten-year forecast for employment by industry for Oregon and Region 8, a combination of Jackson and Josephine Counties. Table 16 shows that Oregon Employment Department forecasts that nonfarm employment growth for 2004-2014 will be faster in Region 8 than the State average. The sectors that will lead employment growth in Oregon for the ten-year period are Professional and Business Services, Health Care & Social Assistance, Leisure & Hospitality, and Retail Trade. Together, these four sectors are expected to add 146,900 new jobs or 61% of employment growth in Oregon. Employment growth in Region 8 is expected to be led by these same three sectors over the 2004-2014 period, which are expected to add 13,050 jobs or 66% of employment growth in Jackson and Josephine Counties.

**TABLE 16. NONFARM EMPLOYMENT FORECAST BY INDUSTRY IN OREGON AND  
REGION 8 (JACKSON AND JOSEPHINE COUNTIES), 2004-2014**

Sector/ Industry	Oregon				Region 8*			
	2004	2014	Growth	% Growth	2004	2014	Growth	% Growth
<b>Natural Resources &amp; Mining</b>	9,600	9,400	-200	-2.1%	970	990	20	2.1%
<b>Construction</b>	82,300	97,200	14,900	18.1%	5,940	7,270	1,330	22.4%
<b>Manufacturing</b>	199,500	205,500	6,000	3.0%	10,010	10,870	860	8.6%
Durable Goods	147,600	154,300	6,700	4.5%	7,640	8,160	520	6.8%
Wood Product Manufacturing	32,000	30,200	-1,800	-5.6%	3,030	2,940	-90	-3.0%
Other Manufacturing	51,900	51,200	-700	-1.3%	2,370	2,710	340	14.3%
<b>Transportation, &amp; Utilities</b>	56,800	65,700	8,900	15.7%	3,080	3,660	580	18.8%
<b>Wholesale Trade</b>	75,400	85,300	9,900	13.1%	3,130	3,590	460	14.7%
<b>Retail Trade</b>	188,200	215,400	27,200	14.5%	17,010	20,270	3,260	19.2%
<b>Information</b>	33,000	38,200	5,200	15.8%	2,170	2,570	400	18.4%
<b>Leisure &amp; Hospitality</b>	155,800	184,400	28,600	18.4%	11,410	14,030	2,620	23.0%
Accommodation & Food Services	135,100	160,500	25,400	18.8%	9,730	12,120	2,390	24.6%
Other Leasure & Hospitality	20,700	23,900	3,200	15.5%	1,680	1,910	230	13.7%
<b>Financial Activities</b>	96,700	108,100	11,400	11.8%	5,480	6,340	860	15.7%
<b>Professional &amp; Business Services</b>	176,800	225,700	48,900	27.7%	9,100	11,740	2,640	29.0%
<b>Education</b>	26,100	32,300	6,200	23.8%	690	920	230	33.3%
<b>Health Care &amp; Social Assistance</b>	166,900	209,100	42,200	25.3%	13,870	18,400	4,530	32.7%
<b>Other Services</b>	57,400	63,700	6,300	11.0%	3,650	4,190	540	14.8%
<b>Government</b>	269,800	293,900	24,100	8.9%	15,110	16,600	1,490	9.9%
Federal Government	30,200	29,200	-1,000	-3.3%	2,040	2,050	10	0.5%
State Government	62,100	65,100	3,000	4.8%	2,780	3,010	230	8.3%
State Education	26,700	28,200	1,500	5.6%	1,480	1,580	100	6.8%
Other State Government	35,400	36,900	1,500	4.2%	1,300	1,430	130	10.0%
Local Government	177,500	199,600	22,100	12.5%	10,290	11,540	1,250	12.1%
Local Education	93,900	104,000	10,100	10.8%	6,030	6,650	620	10.3%
Other Local Government	83,600	95,600	12,000	14.4%	4,260	4,890	630	14.8%
<b>Total Nonfarm Payroll Employment</b>	<b>1,594,300</b>	<b>1,833,900</b>	<b>239,600</b>	<b>15.0%</b>	<b>101,620</b>	<b>121,440</b>	<b>19,820</b>	<b>19.5%</b>

Source: Oregon Employment Department. Employment Projections by Industry 2004-2014. Projections summarized by ECONorthwest.

\*Note: The Oregon Employment Department issues employment forecasts by region. Region 8 is Jackson and Josephine Counties combined.

## **Factors Affecting Future Economic Growth in Jackson County**

Economic development opportunities in Jackson County will be affected by local conditions as well as national, state, and regional economic conditions. Factors affecting future economic development in Jackson County include its location, buildable land, labor force, housing, public services, transportation, natural resources, and quality of life. Economic conditions in Jackson County relative to these conditions in other portions of the southern Oregon form Jackson County's comparative advantage for economic development. Jackson County's comparative advantages have implications for the types of firms most likely to locate and expand in Jackson County.

This section begins with a description of comparative advantage and why it is relevant for the Economic Opportunity Analysis. This section then reviews local factors affecting economic development in Jackson County and any advantages, opportunities, disadvantages, and constraints these factors may present. It ends with a discussion of the comparative advantages formed by the mix of factors present in Jackson County and the implications for the types of firms most likely to locate in Jackson County.

There is little that Jackson County can do to influence national and regional conditions that affect its economy. Jackson County, however, can influence local factors that affect its economy. The review of local factors in this section provides a basis for the economic development policies included in this chapter.

## **What is comparative advantage?**

Each economic region has different combinations of productive factors: land (and natural resources), labor (including technological expertise), and capital (investments in infrastructure, technology, and public services). While all areas have these factors to some degree, the mix and condition of these factors vary. The mix and condition of productive factors may allow firms in a region to produce goods and services more cheaply, or to generate more revenue, than firms in other regions.

By affecting the cost of production and marketing, comparative advantages affect the pattern of economic development in a region relative to other regions. Goal 9 and OAR 660-009-0015(4) recognizes this by requiring plans to include an analysis of the relative supply and cost of factors of production. An analysis of comparative advantage depends on the geographic areas being compared. Economic conditions in Jackson County will be largely shaped by national and regional economic conditions affecting Southern Oregon. The previous section presents forecasts of conditions in Oregon and Jackson County to help establish the context for economic development in the County. Local economic factors will help determine the level and type of development in Jackson County relative to other counties in Oregon.

This section focuses on the comparative advantages of Jackson County and its cities relative to the rest of Oregon. The implications of the factors that contribute to Jackson County and each city's overall comparative advantage are summarized at the end of this section.

## **Location**

Jackson County's location will have a substantial influence on its future development. Jackson County is located in Southern Oregon, along the border with California. The location of Jackson County has played a critical role in the growth of Jackson County and will continue to have implications for economic development in the region:

- Interstate 5 runs through Jackson County. Five of the cities in the County are located along I-5, including Ashland, Talent, Phoenix, Medford, and Central Point. Jacksonville is located about five miles southwest of I-5 and Eagle Point is located about 10 miles northeast of I-5.
- Jackson County has access to workers and markets of the cities within the County, as well as in other parts of Southern Oregon and Northern California.
- Residents of Jackson County have access to shopping, cultural activities, recreational activities, and other amenities within the region.
- Jackson County offers access to rural housing and recreational opportunities in the smaller cities and unincorporated areas of the County.
- Tourism plays an important part of the economy of Jackson County. Tourist draws to the region include: outdoor recreational opportunities, viticulture, events such as the Shakespeare Festival or the Britt Music Festival; and the historic character of cities in the County.

- Jackson County is located near the mid-point between Portland and San Francisco. The proximity to California and access to I-5 makes the cities of Jackson County a logical place to locate warehousing and freight operations.
- The Rogue River runs along the northern edge of Jackson County. The Rogue plays an important role in the County. It provides economic opportunities for natural resource industries, such as fishing, and it provides a draw for tourism. The Rogue also enhances the quality of life in the County by providing recreational opportunities and scenic beauty.
- The climate in Jackson County is relatively mild and sunny. The region's climate is well suited to agriculture, especially the fruit industry.

In summary, Jackson County's location, proximity to I-5, and mixture of urban and rural amenities are primary comparative advantages for economic development in the region.

### Inventory of lands available for industrial and other development

Chapter 5 of this report presents a generalized inventory of lands available for industrial and other employment. Table 17 summarizes the inventory of industrial and other employment lands in Jackson County. The results show that the region has about 3,477 vacant unconstrained acres that are designated for industrial or other uses. More than 50% of these lands are located in unincorporated Jackson County.

**TABLE 17. SUMMARY OF VACANT, UNCONSTRAINED COMMERCIAL AND INDUSTRIAL LAND, JACKSON COUNTY, 2006**  
**County GIS staff are working to provide this information. If it is available, this summary will be included with the final report.**

ORS 197.719 allows the County to zone for industrial use abandoned or diminished mill sites located outside of an UGB. Jackson County has approximately # of abandoned or diminished mill sites. These sites may not be in high demand for industrial use because of brownfield issues, such as clean-up costs, and the cost of providing necessary services like water or sewer to these sites.

Revisions to OAR 660-009-0025 require that the cities and counties within a Metropolitan Planning Organization maintain 25% of their buildable land for short-term development, or select a different local target. Sites that are Certified by the State of Oregon as project-ready satisfy part of this requirement. Table 18 shows that Jackson County has three Certified sites, ranging in size from 1.5 million square feet to 59 acres.

**TABLE 18. PROJECT CERTIFIED INDUSTRIAL SITES IN JACKSON COUNTY, 2006**

Location	City	Site size
3213 Hamrick Rd.	Central Point	34.4 acres
Airport Breeze	Medford	59.0 acres
Avenue G	Unincorporated	8.6 acres

Source: www.oregonprospector.com, accessed 9/13/2006

### Labor Force

The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of

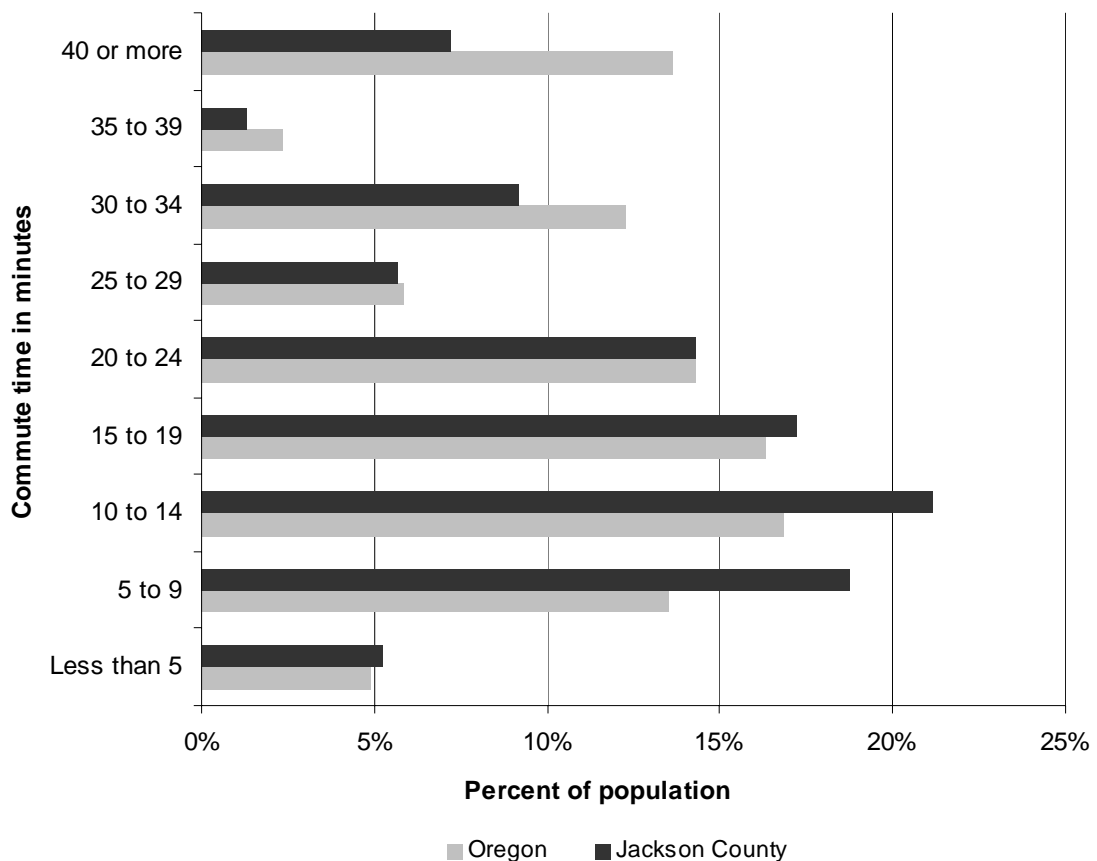
available workers as well. This section examines the availability of workers to Jackson County.

The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force.

The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. Labor force data from the Oregon Employment Department shows that unemployment in Jackson County was 6.0% of the labor force, compared with 6.1% in Oregon.

Figure 5 shows a comparison of the commute time to work for residents 16 years and older for Oregon and Jackson County. Residents of Residents of Jackson County spend less time commuting to work than residents of Oregon. Sixty-two percent of Jackson County residents have a commute shorter than 20 minutes, compared with 52% of residents of Oregon.

**FIGURE 5. COMMUTING TIME TO WORK IN MINUTES FOR RESIDENTS 16 YEARS AND OLDER, OREGON AND JACKSON COUNTY, 2005**



Source: U.S. Census American Community Survey, 2005

Table 19 shows the percent of population by education level completed in Jackson County and Oregon. Table 19 shows that residents of Jackson County have similar levels of education as all residents of Oregon. The majority of Jackson County's

residents cluster around being a high school graduate, having some college, or having an associate's degree (64%). Jackson County's share of population with a Bachelor's or graduate degree is near the state average.

**TABLE 19. EDUCATIONAL ATTAINMENT FOR THE POPULATION 25 YEARS AND OVER, OREGON AND JACKSON COUNTY, 2000**

<b>Educational Attainment</b>	<b>Oregon</b>	<b>Jackson County</b>
Less than 9th grade	4%	4%
9th to 12th grade, no diploma	8%	9%
High school graduate (includes equivalency)	26%	28%
Some college, no degree	26%	29%
Associate degree	7%	7%
Bachelor's degree	18%	16%
Graduate or professional degree	10%	8%
<b>Total population</b>	<b>100%</b>	<b>100%</b>

Source: U.S. Census American Community Survey, 2005

Table 20 shows the percent of population by race/ethnicity in Oregon and Jackson County. This table shows that Jackson County had a lower proportion of Hispanic or Latino residents than Oregon in 2000. Between 1990 and 2000, the Hispanic and Latino population grew slower than the state average. In 2000, the cities with the largest proportion of Hispanic and Latino residents were Talent (12%), Medford (9%), and Phoenix (9%). Butte Falls and Jacksonville had the smallest shares of the population of Hispanic or Latino residents in 2000, at 2.5% respectively.

**TABLE 20. PERCENT OF POPULATION BY RACE/ETHNICITY IN OREGON AND JACKSON COUNTY, 1990 AND 2000**

	<b>Oregon</b>	<b>Jackson County</b>
<b>1990</b>		
Total Population	2,842,321	140,440
Hispanic or Latino	112,707	5,949
Percent Hispanic or Latino	4.0%	4.2%
<b>2000</b>		
Total Population	3,421,399	181,269
Hispanic or Latino	275,314	12,126
Percent Hispanic or Latino	8.0%	6.7%
<b>Change 1900-2000</b>		
Hispanic or Latino	162,607	6,177
Percent Hispanic or Latino	144%	104%

Source: U.S. Census

Table 21 shows the total employment by occupation for persons 16 years and older in Jackson County and Oregon in 2005. This table shows that the distribution of occupations for residents of Jackson County was roughly similar to that of Oregon. Jackson County has a larger share of residents who are not in the labor force than Oregon. The occupations with the largest percentage of employment were Sales and related Fields or Office and Administration Services, accounting for approximately 15% of employment for both Jackson County and Oregon.

**TABLE 21. TOTAL EMPLOYMENT BY OCCUPATION, 16 YEARS AND OLDER,  
JACKSON COUNTY AND OREGON, 2005**

Occupation	Jackson County		Oregon	
	Number	Percent	Number	Percent
Not in Labor Force	59,751	38%	994,491	35%
In Armed Forces	104	0%	2,811	0%
Civilian, Unemployed	6,916	4%	119,592	4%
Civilian, Employed	88,765	57%	1,750,955	61%
Management, except Farmers and Farm Manager:	7,163	5%	153,247	5%
Farmers and Farm Managers	493	0%	14,097	0%
Business Operation Specialists	1,429	1%	34,676	1%
Financial Specialists	1,345	1%	32,915	1%
Computer and Mathematical	1,045	1%	40,058	1%
Architecture and Engineering	1,062	1%	39,781	1%
Life, Physical, and Social Science	1,006	1%	18,161	1%
Community and Social Services	1,627	1%	29,427	1%
Legal	566	0%	16,228	1%
Education, Training, and Library	5,078	3%	94,464	3%
Arts, Design, Entertainment, Sports, Media	2,060	1%	36,320	1%
Healthcare Practitioners and Technical	4,191	3%	72,370	3%
Healthcare Support	1,971	1%	32,688	1%
Protective Service	1,214	1%	27,297	1%
Food Preparation and Serving	5,117	3%	88,607	3%
Building and Grounds Cleaning, and Maintenance	3,515	2%	58,756	2%
Personal Care and Service	3,520	2%	57,962	2%
Sales and Related	11,423	7%	199,759	7%
Office and Administration Services	12,295	8%	258,309	9%
Farming, Fishing, and Forestry	1,320	1%	29,513	1%
Construction and Extraction	4,840	3%	94,585	3%
Installation, Maintenance, and Repair	3,655	2%	65,401	2%
Production	6,464	4%	142,688	5%
Transportation and Material Moving	6,366	4%	113,646	4%
<b>Total</b>	<b>155,536</b>	<b>100%</b>	<b>2,867,849</b>	<b>100%</b>

Source: Claritas, 2005. Percentages calculated by ECONorthwest.

The implications of the workforce analysis reinforce the point made earlier in this chapter that the majority of working age residents of Jackson County work within the County. The labor force in Jackson County is mobile and available to each city within the County.

In addition, it appears that the workforce in Jackson County is similar to the workforce in Oregon in terms of educational attainment and ethnicity. It does not appear that workforce will be a constraint on employment growth in Jackson County or have a substantial impact on the type of employment growth likely to occur.

## Housing

Housing is an important component of any economic development strategy because it affects the type of residents and employers who may be attracted to a region. Housing and economic development strategies should consider the availability of affordable housing for all income levels.

Housing choices includes choices about location and the type of housing. When making location decisions, households may consider many factors: views, neighborhood characteristics, quality of schools, tax rates, commute times, and other quality of life issues. Housing type is defined by many attributes, the most important of which are



structure type (e.g., single-family, multi-family) and size, lot size, quality and age, price, and tenure (own/rent).

Housing type and tenure are important components of housing choice. Table 22 shows dwelling units by type in Jackson County and Oregon in 2005 as reported by the Census. Jackson County has the same proportion of single-family dwelling units as Oregon. It has a larger share of manufactured and mobile dwellings and smaller share of multifamily dwellings than Oregon. Homeownership rates in Jackson County are slightly higher than Oregon.

**TABLE 22. DWELLING UNITS BY TYPE AND TENURE,  
JACKSON COUNTY AND OREGON, 2005**

	Jackson County		Oregon	
	Number	Percent	Number	Percent
<b>Total Housing Units</b>	<b>84,243</b>	<b>100%</b>	<b>1,558,421</b>	<b>100%</b>
Single-family	52,784	63%	977,497	63%
Multifamily	18,451	22%	427,198	27%
Manufactured/Mobile	12,817	15%	148,904	10%
<b>Occupied Housing Units</b>	<b>77,866</b>	<b>100%</b>	<b>1,425,340</b>	<b>100%</b>
Owner Occupied	50,578	65%	909,113	64%
Renter Occupied	27,288	35%	516,227	36%

Source: U.S. Census American Community Survey, 2005

Housing prices are an important factor in a business's choice about where to locate. Businesses may choose to relocate from an area with high housing costs to an area with lower housing costs. An analysis of the affect of housing prices on comparative advantage in Jackson County should include the following: (1) a comparison of housing costs for Jackson County with other metropolitan areas and (2) a comparison of housing costs within the cities of Jackson County.

Table 23 shows a comparison of the median sales price of homes for selected MSAs in the West, including the Medford-Ashland MSA (which includes Jackson County). Table 23 shows that the median sales price in the Medford-Ashland MSA was lower than the median sales price in the following MSAs: Seattle, WA; Sacramento, CA; Los Angeles, CA; and San Francisco, CA. As a result, Medford has a comparative advantage over these cities because of lower housing costs.

**TABLE 23. MEDIAN SALES PRICE RESIDENCES FOR SELECTED METROPOLITAN STATISTICAL AREAS, FOURTH QUARTER 2004 AND 2005**

Area	Median Sales Price 4th Quarter 2004	Median Sales Price 4th Quarter 2005
San Francisco-San Mateo-Redwood City, CA	\$680,000	\$750,000
Los Angeles-Long Beach-Glendale, CA	\$415,000	\$500,000
Sacramento--Arden-Arcade--Roseville, CA	\$360,000	\$415,000
Seattle-Bellevue-Everett, WA	\$274,000	\$324,000
<b>Medford-Ashland, OR*</b>	<b>\$215,000</b>	<b>\$270,000</b>
Phoenix-Mesa-Scottsdale, AZ	\$183,000	\$255,000
Portland-Vancouver-Beaverton, OR-WA	\$201,000	\$244,000
Denver-Aurora, CO	\$220,000	\$230,000
Boise City-Nampa, ID	\$181,000	\$222,000
Salt Lake City, UT	\$183,000	\$218,000

Source: National Association of Home Builders, 2006

\*Note: the Medford-Ashland MSA includes all of Jackson County.

An examination of housing prices within Jackson County shows that housing prices have increased significantly over the past five years, making housing less affordable in Jackson County. A 2006 housing needs analysis that ECONorthwest conducted for the Regional Problem Solving in the Bear Creek Valley showed that one-third of Jackson County's households paid 30% or more of their income for housing. The rate was much higher for renters (47%) than for homeowners (25%).

Table 24 shows changes in the sales price of single-family residences by year in Jackson County between 2002 and 2005. The results show a substantial increase in sales prices between 2002 and 2005. The average sales price of single-family residences increased by nearly \$95,000 from \$184,283 in the last two months of 2002 to nearly \$279,000 in 2005. The median sales price increased from just under \$150,000 in 2002 to \$241,000 in 2005. The U.S. Census reported the median value of homes in 2000 was \$140,000 and the median price asked was about \$148,000. This suggests that most of the increase in housing price has occurred since 2002.

**TABLE 24. MEDIAN RECORDED SALES PRICE OF SINGLE-FAMILY RESIDENCES BY YEAR, JACKSON COUNTY, 11/02 – 12/05**

Year	Number of Sales	Average Price (\$)	Median Price (\$)
2002 (Nov-Dec)	822	184,283	149,650
2003	5965	186,977	162,000
2004	6407	266,524	193,900
2005	6071	278,834	241,000
<b>Change 2002-2005</b>			
Price		94,551	91,350
Percent		51%	61%

Source: Jackson County Assessor; analysis by ECONorthwest

A breakdown by location provides a better picture of how sales prices are changing. Table 25 shows the recorded sales price of single-family residences by city and year for the cities located in the Bear Creek Valley and one category for the rest of Jackson

County. The results show that single-family home prices increased throughout the County.

The results show that median single-family home prices increased in all areas. Of the seven Bear Creek Valley cities, Ashland saw the smallest percentage increase (55%) and Jacksonville saw the largest increase (87%). The dollar figures are more telling—average sales prices increased between \$91,100 in Phoenix and \$194,000 in Jacksonville. Median sales price increased by \$76,500 (61%) for the rest of the County. By any measure the sales data show a substantial increase between the end of 2002 and 2005.

The trends are generally the same with average sales prices. Not surprisingly, average sales prices were higher than median sales prices. Average sales price increases in Ashland and Phoenix were lower than median sales price increases.

**TABLE 25. MEDIAN AND AVERAGE RECORDED SALES PRICE OF SINGLE-FAMILY RESIDENCES BY CITY AND YEAR, JACKSON COUNTY, 11/02 – 4/06**

CITY	Year				Increase (2002-2005)	
	2002	2003	2004	2005	Dollars	Percent
<b>Median Sales Price</b>						
Ashland	251,000	277,000	315,000	389,000	138,000	55%
Central Point	143,900	156,000	198,000	242,000	98,100	68%
Eagle Point	142,700	139,900	194,000	259,900	117,200	82%
Jacksonville	223,000	269,950	343,667	417,000	194,000	87%
Medford	145,250	161,000	190,000	245,000	99,750	69%
Phoenix	150,900	178,800	195,750	242,000	91,100	60%
Talent	149,900	160,000	181,450	250,000	100,100	67%
Rest of County	125,000	127,555	158,900	201,500	76,500	61%
<b>Average Sales Price</b>						
Ashland	300,897	310,437	360,637	428,058	127,161	42%
Central Point	142,548	161,582	293,489	261,578	119,031	84%
Eagle Point	170,932	165,350	233,984	295,074	124,142	73%
Jacksonville	269,918	271,656	361,739	534,588	264,670	98%
Medford	164,875	179,774	239,041	273,474	108,599	66%
Phoenix	159,521	175,964	206,800	248,892	89,371	56%
Talent	145,670	176,891	188,177	266,182	120,512	83%
Rest of County	150,457	153,087	197,561	237,345	86,887	58%

Source: Jackson County Assessor; analysis by ECONorthwest

Note: This table only contains sales price information for cities in the Bear Creek Valley.

Note: includes property classifications 101 – 109, includes sales outside the AQMA. The Talent 2006 data does not include one sale for \$2.7 million that skews the average.

The implication of this housing sales analysis is that housing may be a constraint on the availability of workers, especially in the cities located within the Bear Creek Valley. The increase in housing prices and lack of workforce housing may constrain the types of people who move to Jackson County, making it difficult for employers to fill lower paying jobs. Workers may have to live in communities further from the Bear Creek Valley (where the majority of jobs are located), causing an increase in commuting.

## Transportation

Transportation is a comparative advantage that primarily affects the overall type of employment and its growth for the region. A number of transportation options are available in Jackson County, including Interstate 5 and multiple State highways, Central Oregon and Pacific Railroad, the Rogue Valley International-Medford Airport, and the Rogue Valley Transportation System.

Jackson County is located on Interstate 5, a primary north-south transportation corridor linking the County to domestic markets in the United States and international markets via West Coast ports. The cities of Ashland, Talent, Phoenix, Medford, Central Point, Gold Hill, and Rogue River are located along I-5 and have at least one interchange on I-5.

State highways also play an important role in transportation in Jackson County. State highways within Jackson County include: Highway 99, Highway 238, Highway 62, Highway 227, Highway 66, and Highway 140.

Traffic congestion is a problem on I-5 and several of the State highways. ODOT is working with local agencies to increase capacity on the roads within the County by replacing or upgrading highway interchanges, widening roads and bridges, and building new roads. According to the Rogue Valley Council of Governments (RVCOG), some of the worst traffic problems include:

- The entire I-5 corridor in Jackson County
- The I-5 interchange at Phoenix
- The south Medford I-5 interchange
- The I-5 interchange in Central Point
- Highway 99 through Phoenix
- Highway 99 through Ashland
- Highway 62 from the north Medford interchange to White City
- Highway 238 in Jacksonville

Other transportation opportunities in Jackson County include: the Central Oregon and Pacific Railroad, the Rogue Valley International-Medford Airport, and the Rogue Valley Transportation System.

The Central Oregon and Pacific Railroad provides freight service for Jackson County. The rail line runs approximately parallel to I-5 and runs between Northern California and Eugene, Oregon.

The Rogue Valley International-Medford Airport is serviced by four air carriers and has approximately 56 arriving and departing flights per day.

The Rogue Valley Transportation District (RVTD) serves several of the larger cities in the County, except for Eagle Point. It provides 8 fixed bus routes that operate Monday through Friday. RVTD offers a wheelchair accessible shared ride service for people whose disabilities prevent them from using the fixed route bus system.

## Public Services

Public services provide comparative advantages for the region and for the cities within the County. Wastewater services are provided on a regional level (except for Ashland, which provides its own wastewater services). Water is provided by the Medford Water Commission, which serves all the urban areas in the County except Ashland. Each of the cities is in the process of obtaining water rights to provide water for future growth, except for Medford, which appears to have sufficient water rights for the planning period. They provide comparative advantages for the region rather than the cities because the distribution of water and wastewater services is not likely to affect the type or distribution of employment within the region unless respective cities fail to obtain sufficient water rights to support growth within their boundaries. Issues related to maximum expansion capacities of water treatment facilities may also result in servicing challenges within the study period.

Planning and public policy support for economic development generally takes place at the local level. The individual cities' economic development policies and planning can provide comparative advantages to each city because these policies may affect whether a firm locates in a particular city within the County.

## Tax Policy

The tax policy of a jurisdiction is an important factor in economic development policy. Table 26 shows the property tax rates per \$1,000 assessed value for the cities within Jackson County. The property tax rates vary between \$13.36 and \$15.37 per \$1,000 of assessed value.

**TABLE 26. PROPERTY TAX RATE  
PER \$1,000 ASSESSED VALUE FOR  
JACKSON COUNTY AND OREGON, 2005**

<b>Jurisdiction</b>	<b>Tax Rate (\$/1,000)</b>
Oregon	15.37
Jackson County	13.36

Source: Oregon Department of  
Revenue, Property Tax Annual Statistics

## Water

Water services are provided by a number of organizations in Jackson County. The Medford Water Commission provides drinking water to all the cities in the Bear Creek Valley on a contractual basis, except for Ashland. Ashland, Butte Falls, Gold Hill, Rogue River all have municipal water systems to provide drinking water. Shady Cove does not have a municipal water system; residents have individual wells. With a few exceptions, residents of rural Jackson County get their drinking water from wells. The following section describes water services for the cities within Jackson County.

### *The Medford Water Commission*

The Medford Water Commission provides drinking water to all the cities in the Bear Creek Valley on a contractual basis, except for Ashland. The Commission also provides drinking water to White City and four rural water districts.

According to Laura Hodnett with the Medford Water Commission the Bear Creek Valley's drinking water is taken from the Big Butte Springs aquifer and the Rogue River:

- Big Butte Springs provides up to 26.4 million gallons of water per day. The water from Big Butte Springs is high quality and requires no treatment except for disinfection. Water from these springs is used year round.
- During peak months for water usage (May through October), the Commission also draws water from the Rogue River. They have water rights to 65 million gallons per day and a current treatment capacity for 45 million gallons per day.

The Medford Water Commission has sufficient access to water and water treatment to meet current demands. The water treatment facility on the Rogue River is currently only used between May and October. The peak water usage in 2005 was about 58 to 60 million gallons per day. About 26 million gallons came from Big Butte Springs and the remaining 35 million gallons came from the Rogue River. The water treatment facility could have treated approximately an additional 10 million gallons per day.

The Medford Water Commission is requiring cities to acquire additional water rights to provide water to their growing populations. All cities in the Bear Creek Valley are in the process of purchasing water rights from the Lost Creek Reservoir and other sources. The Commission will continue providing treatment and transportation for the additional water that the cities purchase, subject to eventual infrastructure limitations. The Commission is in the process of updating their Facilities Plan to assess future water treatment and distribution needs. They note that limitations to the expansion of existing treatment facilities will also be evaluated.

The future availability of water will be influenced by available water rights and public policies, such as conservation and business attraction policies. The Medford Water Commission is emphasizing the need to conserve water as the population increases. Of particular concern is the amount of water required for irrigation of landscaping. The type of industries attracted to the region will also be a factor in water availability. Over the last 20-years, the amount of water used by industries has decreased and residential uses have increased. Industries use less water now than they did in the past. If the region attracts water intensive industries (or gains are not made in water use efficiency), availability of water could become a problem.

The water provided by the Medford Water Commission is very high quality and is currently inexpensive. The areas served by the Medford Water Commission pay some of the lowest water rates in the nation because of the low cost (minimal treatment and pumping demands) for the Big Butte Spring water, and the fact that most of the major infrastructure was constructed decades ago and debt payment has been retired.

#### *Ashland*

Ashland is the only city in the Bear Creek Valley that does not get its water from the Medford Water Commission. According to Mike Morrison with the City of Ashland's Water Treatment Department, Ashland gets the majority of its water from Reeder Reservoir, which can provide 18 million gallons per day. They can also get one million gallons per day from the Talent Irrigation district.

Ashland's water treatment facility can treat up to 10 million gallons per day when operating at full capacity. It is currently operating at a reduced capacity and can treat

about 8 million gallons per day. The City recently upgraded the pipeline between Reeder Reservoir and the treatment facility so that it is able to transport at least 10 million gallons per day, up from 8 million gallons per day. If necessary, they will operate the treatment facility to produce up to 10 million gallons per day.

Ashland can meet current demands for water. During the summer peak, Ashland uses about 8 million gallons of water per day. The new pipeline should be able to bring more water to the treatment facility (the volume of water is unknown because the pipeline has not been tested yet). In the future, Ashland will address increases in water needs in the following ways: (1) expand its treatment facility to increase its capacity, (2) promote water conservation, and (3) possibly complete a connection with the Medford Water Commission to provide additional water in the event of a drought. Water service in Ashland costs more than from the Medford Water Commission, in part because Ashland's water requires more treatment.

#### *Butte Falls*

Butte Falls gets its water from a spring, which produces approximately 250,000 gallons of water per day. Butte Falls has more water than it for expected growth through 2026.

#### *Gold Hill*

Gold Hill gets its water from the Rogue River. In 2006, The City had to make changes to the water system related to diversion of the River because of environmental concerns. The City may need to build an additional reservoir to accommodate long-term population growth but otherwise expects to be able to provide drinking water to expected population growth through 2026.

#### *Rogue River*

The City of Rogue River provides its residents with drinking water. The City gets water from two locations in the Rogue River and from several wells. The City has short-term plans to acquire water rights to Lost Creek and long-term plans to build a new reservoir in approximately ten years. The existing water treatment plan has capacity to treat water from Lost Creek, if the City buys the water rights.

According to a recent buildable lands study, the City has sufficient water (without additional water from Lost Creek) to service expected growth for approximately five years. With the additional water rights from Lost Creek, the City expects to have sufficient water and treatment capacity to provide service for expected growth through 2026.

#### *Shady Cove*

Shady Cove does not have a municipal water system. Residents of Shady Cove get their water from their own wells. The lack of municipal water system is a barrier to economic development.

### **Wastewater**

Wastewater services are provided by a number of organizations in Jackson County. The Medford Regional Water Reclamation Facility provides drinking water to all the cities in the Bear Creek Valley on a contractual basis, except for Ashland. Ashland, Butte Falls,

Gold Hill, Rogue River, and Shady Cove have municipal wastewater treatment facilities. Residents of rural Jackson County generally have septic systems. The following section describes water services for the cities within Jackson County.

#### *Medford Regional Water Reclamation*

The Medford Regional Water Reclamation Facility provides wastewater treatment to all cities in the Bear Creek Valley, except for Ashland. According to Jim Hill, the facility processes about 17 million gallons of wastewater per day in dry weather and 80 million gallons per day in wet weather. Their peak load in the winter of 2005 was 106 million gallons per day. The increase in wastewater load during wet weather was caused by infiltration and inflow into the collection system.

The Medford Regional Water Reclamation Facility is planning to increase capacity to meet future demands. Rather than increasing capacity once every 10 or 20 years, they increase the capacity of the facility yearly. They also revise their 20-year Capital Improvements Plan frequently. As a result of the incremental upgrades, they expect to be able to meet the demands of the growing population.

The Department of Environmental Quality (DEQ) is expected to change the standards for effluent they release into the Rogue River. The DEQ is several years overdue in releasing the new standards, which are now expected in 2007. The Medford Regional Water Reclamation Facility may need to make upgrades to the plant to meet the new standards. They are especially concerned about changes in the standards for the amount of ammonia discharge allowed and requirements for lowering the temperature of the effluent.

The cost of waste treatment from the Medford Regional Water Reclamation Facility is lower than the costs that neighboring cities pay for waste treatment.

#### *Ashland*

Ashland's wastewater plant is operated by the City of Ashland's Public Works Department. According to Terry Ellis, the plant has a dry weather capacity of 2.3 million gallons per day and a wet weather capacity of 3.3 million gallons per day. Their peak flow was 8.5 million gallons per day.

Ashland expanded the capacity of the wastewater plant three years ago. Based on a study from July 2005, they expect to have sufficient capacity to meet demands until 2025. They expect future demand increases to come primarily from residential customers, rather than industrial users.

The City's main concerns are focus on removing phosphorus from effluent and cooling the temperature of the effluent before releasing it into the river. They are working to address these issues.

#### *Butte Falls*

The City of Butte Falls provides wastewater services to its residents. The City is in the process of upgrading the wastewater treatment plant and expects to complete the upgrades by 2016. With the upgrades to the wastewater treatment plan, Butte Falls expects to be able to provide wastewater treatment services for expected population growth through 2026.



### *Gold Hill*

The City of Gold Hill provides wastewater services to its residents. The sewage treatment facilities were designed to service 1,750 people and treatment capacity can be doubled through construction of new sewer lines and other improvements. The City expects to be able to provide wastewater treatment services for expected population growth through 2026.

### *Rogue River*

The City of Rogue River provides wastewater services to its residents. They recently expanded the wastewater treatment facility and it now has the capacity to provide wastewater treatment for City's anticipated population growth through 2026.

### *Shady Cove*

The City of Shad Cove provides wastewater services to its residents. The plant was built in 1981 and upgraded in 2006. The City expects the plant to be able to provide services to a little more than 4,000 residents, which is more than sufficient to provide service for expected population growth through 2026.

## **Private utilities**

Most of the cities in Jackson County share utility providers, although various cities provide some of their own services. Utility providers are summarized in Table 26.

**TABLE 26. UTILITY PROVIDERS, JACKSON COUNTY, 2006**

<b>Jurisdiction</b>	<b>Electricity</b>	<b>Natural Gas</b>	<b>Cable</b>	<b>Telephone</b>	<b>Sanitation</b>
Ashland			Charter Cable, Ashland Fiber		
Butte Falls	City Pacific Power and Light	Avista n/a	Network Mallard Cablevision	Qwest Sprint and AT&T	Ashland Sanitary Southern Oregon Sanitation
Central Point	Pacific Power and Light	Avista	Charter Cable	Qwest	Rogue Disposal
Eagle Point	Pacific Power and Light	Avista	Charter Cable	Sprint	Southern Oregon Sanitation
Gold Hill	Pacific Power and Light	Avista	Charter Cable	Qwest	City
Medford	Pacific Power and Light	Avista	Charter Cable	Qwest	Rogue Disposal
Phoenix	Pacific Power and Light	Avista	Charter Cable	Qwest	Rogue Disposal
Rogue River	Pacific Power and Light	Avista	Charter Cable	Qwest	Southern Oregon Sanitation
Shady Cove	Pacific Power and Light	n/a	Charter Cable	Sprint	Southern Oregon Sanitation
Talent	Pacific Power and Light	Avista	Charter Cable	Qwest	Ashland Sanitary

Source: Oregon Economic and Community Development Department, compiled by ECONorthwest

## **Quality of life**

Quality of life is difficult to assess because it is subjective—different people will have different opinions about factors affect quality of life, desirable characteristics of those

factors, and the overall quality of life in any community. Economic factors such as income, job security, and housing cost are often cited as important to quality of life. These economic factors and overall economic conditions are the focus of this report, so this section will focus on non-economic factors that affect quality of life.

Jackson County's quality of life, combined with its location and access to transportation, is a key comparative advantage for economic development. In interviews with staff at the cities in the County, staff was asked to identify the key quality of life factors for each city. The following list summarizes the quality of life factors that affect the county:

- Mixture of rural and urban places to live. Jackson County includes smaller, more rural cities and larger, more urban cities. This allows residents to choose to live in more urban or rural areas based on their preference.
- Small town atmosphere. Even the largest town in Jackson County, Medford, has an element of a small town atmosphere.
- Sunny, mild weather. The weather in Jackson County is generally sunny and mild.
- Outdoor recreational activities. There are a number of outdoor recreational opportunities available in Jackson County, including: hiking, fishing and boating on the Rogue River, the Bear Creek Greenway (which runs along the Bear Creek from Ashland to the Rogue River), skiing, and other activities.
- Ease of auto access. Although some of the roads in the region suffer from congestion, Jackson County has excellent automobile access, especially to I-5.
- Cultural amenities and events. Jackson County has a number of cultural amenities, such as museums and wine tasting and vineyard activities. The county is home to a number of events, including: the Shakespeare Festival, the Britt Music Festival, the Jackson County Fair, and other events.
- Shopping opportunities. Medford provides larger scale shopping opportunities, such as the Rogue Valley Mall. The smaller cities provide different shopping opportunities.
- Access to the Oregon Coast and Crater Lake. Jackson County is located a few hours drive from the Oregon Coast and Crater Lake.
- Access to higher education. Southern Oregon University, located in Ashland, and Rogue Community College, located in Medford and White City, provide access to higher education.
- Regional hospitals. Jackson County has two regional medical centers: the Rogue Valley Medical Center, and the Providence Medford Medical Center.

The County's advantages from quality of life and location suggest that Jackson County and its cities will continue to attract residents and businesses that are attracted to Southern Oregon and Northern California.

## Comparative advantage in Jackson County

The mix of productive factors present in Jackson County and its cities, relative to other communities and regions in Oregon, are the foundation of the County's comparative advantage. A primary comparative advantage in Jackson County is its location on I-5, proximity to California, and high quality of life. This makes Jackson County attractive to residents and businesses that want a high quality of life where they live and work. Jackson County provides a mixture of urban amenities and communities with a small town feel, as well as access to major transportation networks.

Jackson County's comparative advantages are similar to Oregon's comparative advantages. The County's labor force has similar levels of education and occupations as Oregon. Most businesses moving to Jackson County would likely be able to find skilled workers. Jackson County's economy is diverse and has a similar mixture of industries as Oregon's economy. The County has a full range of services to support businesses and a full range of amenities to create a high quality of life.

Jackson County may also have some factors that constrain future employment growth. Water availability and air quality could affect some types of industries in certain locations. Transportation could also be an issue in some locations. Housing affordability—particularly workforce housing—is likely to continue to be an issue in the county.

Previous sections in this chapter discuss industries that have shown growth and business activity in Jackson County over the past few years. These industries are indicative of businesses that might locate or expand in Jackson County. The characteristics of Jackson County will affect the types of businesses most likely to locate in Jackson County:

- **Manufacturing.** The type of manufacturing businesses likely to locate in Jackson County are those that need easy access to transportation, clean water, skilled workers, and a semi-rural setting. Examples include: food processing, high-tech electronics, recreation equipment and apparel, and other specialty manufacturing.
- **Warehousing and transportation.** Jackson County's location and access to I-5 make it attractive for regional warehousing and distribution firms that serve the population located in Jackson County and the southern Oregon region. Jackson County's proximity to the California border and location on I-5 will also help the region attract truck terminals and warehousing facilities.
- **Retail.** Population growth will drive the growth of retail and local government. The type and location of retail development will vary within the region. Large scale retailers, like big box retailers, are likely to locate in more urban areas, such as Medford or Central Point. The smaller cities are likely to have growth in small scale retailers to serve people living within the city and tourists.
- **Professional, Scientific, and Technical Services.** Jackson County's high quality of life and semi-rural setting could attract software design, engineering, research, and other professional services that are attracted to high-quality settings.

Table 27 shows a summary of the comparative advantage for the cities within Jackson County and the types of industries that are likely to locate in each city.

**TABLE 27. COMPARATIVE ADVANTAGE FOR JACKSON COUNTY AND ITS CITIES**

Community	Comparative advantage
Ashland	<p>Ashland’s proximity to I-5, high quality of life, the presence of Southern Oregon University, and abundance of cultural amenities and events make it attractive to businesses that need access to educated workers and want a high quality of life. These types of businesses could include software design, engineering, research, and other professional services that are attracted to high-quality settings.</p> <p>Ashland’s cultural amenities and events are likely to attract high-end retailers, lodging, and food service firms. The high cost of housing and a limited land supply in Ashland may be a constraining factor for future employment growth.</p>
Butte Falls	<p>Butte Falls offers opportunities for rural living. Butte Falls may attract small scale retail or service firms to provide services to residents. Butte Falls may also attract a firm interested in using the City’s excess drinking water capacity to produce bottled water.</p>
Central Point	<p>Central Point’s public policies focus on attracting and developing small businesses. These policies may attract small retail businesses and specialty manufacturing.</p> <p>Central Point is located along I-5 and has easy access to the airport. Central Point has a project ready industrial site. These factors make Central Point attractive to industrial firms.</p>
Eagle Point	<p>Eagle Point is located about ten miles from Medford and I-5. This distance makes it likely that Eagle Point will attract retail to serve the existing population, such as a community shopping center. Services like banking, real estate, and construction services may be attracted to Eagle Point as the population grows.</p> <p>Eagle Point’s small town atmosphere and quality of life may attract specialty manufacturing or entrepreneurs that are attracted to a high quality of life.</p>
Gold Hill	<p>Gold Hill’s location on I-5 between Medford and Grants Pass and small town atmosphere may attract small retail and small-scale manufacturing businesses.</p>
Jacksonville	<p>Jacksonville’s combination of small town atmosphere, cultural amenities, and public policies that promote small business may attract small retail and small-scale manufacturing businesses.</p>
Medford	<p>Medford has a diverse economy, with a similar mixture of industries as Oregon. Medford is located along I-5 and has a project ready site. Medford is likely have a mixture of types of employment growth. Medford is likely to attract large scale retail, such as big-box retailers, light industrial employers, health services, high-tech firms, manufacturing, and agricultural related firms.</p>
Phoenix	<p>Phoenix’s location on I-5 between Ashland and Medford may attract regional retailers, such as big box retailers, discount retail, or factory</p>

Community	Comparative advantage
	outlets. Phoenix will probably attract firms that want a location near I-5 but a small-town atmosphere. These types of businesses could include services, such as local contractors and builders, and specialty manufacturing.
Rogue River	Rogue River location on I-5 between Medford and Grants Pass and small town atmosphere may attract small retail and small-scale manufacturing businesses.
Shady Cove	Shady Cove is located on Highway 62 in the north part of the County. Shady Cove's distance from Medford and I-5 makes it likely that Shady Cove will attract small scale retail to serve the existing population.
Talent	Talent's location on I-5 between Ashland and Medford may attract regional retailers, such as big box retailers, discount retail, or factory outlets. Talent may attract businesses to serve local needs, such as local contractors, small scale retailers, banking, real estate, and other services.
White City	White City has the largest concentration of industrial land within the Bear Creek Valley. It is located along I-5 and it has a project ready industrial site. These factors make White City attractive to industrial firms.
Unincorp. Jackson County	Unincorporated Jackson County offers rural housing choices with access to urban amenities from the larger cities within the County. Unincorporated Jackson County is likely to be attractive to firms that need to be close to the natural resources they use, such as mining, wood products manufacturing, food processing, or recreation related business and support services. Unincorporated Jackson County may also be attractive to multimodal transportation facilities, which need direct access to I-5 and large amounts of land. Unincorporated Jackson County is also an ideal setting for agriculture, especially fruit trees, grapes, and other agricultural products.

Source: ECONorthwest

### **Demand for Employment Land in Jackson County**

To provide for an adequate supply of commercial and industrial sites, Jackson County needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by the expansion and relocation of existing businesses and new businesses locating in rural Jackson County. The level of this business expansion activity can be measured by employment growth inside and outside of cities in Jackson County. This section presents a projection of future employment levels in Jackson County for the purpose of estimating demand for commercial and industrial land. It provides an estimate of land needs for the entire county and also comments on the role of commercial and industrial lands in unincorporated areas.

The employment projection has three major steps:

1. **Establish base employment for the projection.** This analysis started with the estimate of covered and total employment in Jackson County. Employment by sector is summarized into three broad land use types for the purposes of estimating land demand by type.
2. **Project total employment.** The projection of total employment considers a variety of factors, including historical growth rates and projections for growth in Jackson County.
3. **Identify potential growth industries in Jackson County.** Given trends in economic activity and expected growth in Oregon, and Jackson County's comparative advantages relative to other regions in Oregon, the final step is to identify the types of firms and industries that are likely to locate or expand in unincorporated Jackson County over the forecast period.

The remainder of this section is organized by headings that correspond to these three steps.

### **Employment base for projection**

Table 28 shows *covered* employment and *total* employment for Jackson County. Covered employment refers to employment that is covered by unemployment insurance laws. *Covered* employment does not include jobs that are not covered by unemployment insurance laws; this group consists primarily self-employed proprietors. Table 28 shows that covered employment includes 72% of total employment in Jackson County, based on our comparison of covered and total employment data. The share of *total* employment included in covered employment varies by sector, from a low of 27% in Real Estate to a high of 98% in Management of Companies. Table 28 also classifies sectors into three land use types: Industrial, Retail and Commercial, and Public. Sectors with similar land use types are grouped together in Table 28. For example, Transportation & Warehousing is included in the Industrial land use type because most businesses in this sector will locate in buildings that are industrial in character and primarily on land zoned for industrial uses. These land use types are the categories that will be used to project employment growth for the purposes of estimating land demand in the Jackson County.

**TABLE 28. COMPARISON OF COVERED AND TOTAL EMPLOYMENT FOR JACKSON COUNTY, 2004**

<b>Land Use Type / Sector</b>	<b>Covered</b>	<b>Total</b>	<b>Covered % of Total</b>
<b>Industrial</b>	<b>19,226</b>	<b>25,700</b>	
Agriculture, Forestry, Fishing & Hunting	2,738	3,243	84%
Mining	154	270	57%
Utilities	267	283	94%
Construction	4,617	7,935	58%
Manufacturing	6,768	7,960	85%
Wholesale Trade	2,339	2,836	82%
Transportation & Warehousing	2,343	3,173	74%
<b>Retail and Commercial</b>	<b>49,521</b>	<b>73,167</b>	
Retail	13,591	16,978	80%
Information	1,805	2,197	82%
Finance & Insurance	2,200	3,524	62%
Real Estate Rental & Leasing	1,345	5,004	27%
Professional, Scientific & Technical Services	1,932	4,882	40%
Management of Companies	1,801	1,844	98%
Admin. Support & Cleaning Services	3,818	5,910	65%
Education	538	1,235	44%
Health & Social Assistance	10,530	13,515	78%
Arts, Entertainment & Recreation	1,379	2,998	46%
Accommodations & Food Services	7,592	8,496	89%
Other Services (except Public Admin.)	2,990	6,584	45%
<b>Public</b>	<b>10,607</b>	<b>11,620</b>	
Government	10,607	11,620	91%
<b>Total Non-Farm Employment</b>	<b>79,354</b>	<b>110,487</b>	<b>72%</b>

Source: Covered employment from the Oregon Employment Department, Covered Employment and Wages, <http://www.qualityinfo.org/olmisi/CEP> (accessed 10/17/06). Total employment from the U.S. Department of Commerce, Bureau of Economic Analysis, <http://www.bea.gov/bea/regional/reis/default.cfm#a> (accessed 10/17/06).

### Projection of total employment

The review of historical trends and expected growth of population and employment presented earlier in the Chapter shows several indicators of future employment growth in Jackson County:

- Population in the County grew at an average annual rate of 1.55% between 1980 and 2005, which was faster than the rate in Oregon or the U.S.
- Total covered employment in Jackson County grew at an average annual rate of 2.8% between 1980 and 2000, compared to only 1.6% for population growth in the State over the same period.
- The ratio of total employment to population in Jackson County grew from 0.45 in 1980 to 0.56 in 2000. Increased labor force participation by women, more workers with several part-time jobs, and workers commuting in from areas outside of Jackson County are the most likely reasons for this shift. The expectation is that the ratio of jobs to population will decline slightly over the forecast period due primarily to an aging population in the region.

- The State of Oregon’s Office of Economic Analysis projects that population in Jackson County will grow at an average annual rate of 1.4% between 2005 and 2025, faster than the 1.2% annual growth rate projected for Oregon as a whole over the same period.
- The Oregon Employment Department projects that total covered employment in Jackson and Josephine County combined will grow at an average annual rate of 1.8% between 2004 and 2014.
- Given our expectation that the ratio of jobs to population in Jackson County will fall over the forecast period, employment will have to grow at a slower rate than population. With a 1.7% rate of population growth in the Bear Creek Valley over the forecast period, this suggests that total employment will grow at an average annual rate of 1.5% over the forecast period.

Table 29 shows the 2006-2040 employment projection for Jackson County. An average annual growth rate of 1.5% results in total employment in the County increasing from 113,826 in 2006 to 153,307 in 2026, an increase of 39,481 jobs over the twenty-year forecast period. Consistent with county coordinated population forecasts, the assumption was that the rate of employment growth will slow to 1.1% annually after 2026. Over the thirty-five year period between 2006 and 2040, the forecast results in an increase in employment of 64,854 jobs.

**TABLE 29. FUTURE EMPLOYMENT IN JACKSON COUNTY, 2006–2040**

	Total
Year	Employment
2006	113,826
2011	122,623
2016	132,100
2021	142,309
2026	153,307
2031	161,926
2036	171,030
2040	178,680
<b>2006-2026</b>	
Growth	39,481
% Growth	35%
AAGR	1.5%
<b>2006-2040</b>	
Growth	64,854
% Growth	57%
AAGR	1.3%

Source: ECONorthwest.

### Potential growth industries

Previous sections review historical growth trends by industry in Jackson County since 1980. While all sectors of the economy in the County experienced growth over this period, some sectors grew faster than others, resulting in a shift in the distribution of employment by sector. Key **historical trends** include:



- A substantial increase in the share of employment in Services, which increased from 17% to 28% of total employment.
- A small increase in the share of employment in Retail Trade, from 23% to 26%.
- A decline in the share of employment in Government, which fell from 21% to 14% of total employment.
- A decline in the share of employment in Manufacturing, which fell from 18% to 13% of total employment.

Together, these sectors represent about 80% of employment in the County. Other sectors of the County's economy have a relatively stable and small share of the County's employment.

Historical employment trends show a substantial shift in the County's economy that mirrored shifts in the State and national economies, specifically the substantial growth in Services and decline of Manufacturing. While these trends are expected to continue into the future, **future shifts** are not expected to be as dramatic as those experienced over the past twenty years. There are several reasons for this expectation (e.g., that the future will be somewhat different than the past):

- Growth in the Services sector has matured and should track more closely with overall employment growth rather than continuing to gain a substantial share of total employment.
- The decline in Manufacturing was primarily due to decreased timber harvests and the outsourcing of production to facilities in countries with lower costs. Timber harvests are expected to level off and increase in the future as commercial forests that were replanted since the 1970s grow to a harvestable size. While outsourcing will continue, much of what can be outsourced has already gone. Remaining Manufacturing firms are tied to their region to be near supplies or markets, or manufacture specialized goods were small production quantities, fast turn-around times, and the need for quality limit the ability to outsource.
- Jackson County had a relatively large share of employment in Government in 1980 due to the presence of SOU and employment in the Forest Service in an otherwise small economy. Growth of employment at SOU has not kept pace with the rest of the economy, and a reduction in the number of Forest Service employees limited the growth of Federal Government. Government is expected to retain a relatively stable share of the County's employment in the future as population growth drives growth in Local Government jobs in schools, police and fire services, public works, planning, and other functions.

One way to assess the types of businesses that are likely to have future growth in an area is to examine relative concentration and employment growth of existing businesses. This method of analysis can help determine relationships and linkages within in industries, also called industrial clusters. Sectors that are highly concentrated (meaning there are more than the "average" number of businesses in a sector in a given area) and have had high employment growth are likely to be successful industrial cluster. Sectors

with either high concentration of businesses or high employment group may be part of an emerging cluster, with potential for future growth.

The School of Business at Southern Oregon University prepared a report titled “Industrial Clusters and Jackson and Josephine Counties.” This report identified twelve industrial clusters in the Rogue Valley. The clusters that may be successful or have potential growth in unincorporated Jackson County include:

- **Food and Beverage Production.** The report identifies Food and Beverage Production as an emerging cluster with opportunities for growth. This cluster includes wine production, which has shown substantial growth in the Rogue Valley over the last 20-years.
- **Logging and Support Activities.** Despite declines in logging, Jackson and Josephine Counties have much higher concentrations of employment in these industries than the U.S. average. The report identifies this cluster as having room for employment growth.
- **Wood Products.** While some industries in this cluster are declining, such as primary wood processing, other industries are growing. The most significant growth has been in Household and Institutional Furniture and Kitchen Cabinet Manufacturing.
- **Metals Manufacturing.** The report identifies industries involved with fabricating metal, such as Machine Shops, as an emerging cluster with opportunities for growth.
- **Wholesalers.** The report identifies Wholesalers involved with electrical goods and miscellaneous durable goods as industries with potential for employment growth.
- **Freight Transportation.** Freight transportation, including General Freight Trucking and Freight Transportation Arrangement, are identified by the report as having opportunities for growth. Growth in the Freight Transportation and Wholesaler clusters are likely to benefit both clusters because of the need to transport wholesale goods.
- **Electronic Shopping.** This cluster includes Electronic Shopping and Non-store Retailers. Growth in this cluster will be dependent on availability of high speed Internet access (among other things), which may be less available in rural Jackson County than in White City.
- **Tourism and Recreation.** This cluster includes industries that are generally located in urban areas, such Accommodations, Restaurants, or Performing Arts Companies. It also includes industries that are likely to be located in rural areas, such as Scenic and Sightseeing Transportation. Growth in this cluster will depend on a combination of elements present in urban and rural Jackson County.

Table 30 shows projected employment by land use type for Jackson County. Table 30 shows that growth will be led by jobs in Retail & Services, which will add over 26,000 jobs between 2006 and 2026. Industrial will add nearly 9,000 jobs and Government employment will add over 4,000 jobs during the 2006-2026 period.

**TABLE 30. DISTRIBUTION OF EMPLOYMENT BY LAND USE TYPE IN  
JACKSON COUNTY, 2006-2026 AND 2006-2040**

Land Use Type	2006		2026		2040		Growth			
							2006 to 2026		2006 to 2040	
Retail & Services	75,378	66%	101,523	66%	118,326	66%	26,145	66%	42,948	66%
Industrial	26,477	23%	35,660	23%	41,562	23%	9,183	23%	15,085	23%
Government	11,971	11%	16,123	11%	18,792	11%	4,152	11%	6,821	11%
<b>Total</b>	<b>113,826</b>	<b>100%</b>	<b>153,307</b>	<b>100%</b>	<b>178,680</b>	<b>100%</b>	<b>39,481</b>	<b>100%</b>	<b>64,854</b>	<b>100%</b>

Source: ECONorthwest.

About 97% of the County’s covered employment in 2004 was located in the cities in the Bear Creek Valley, including 7% of the County’s covered employment that is located in the unincorporated urban area of White City. Put another way, about 10% of the County’s covered employment is located in the unincorporated areas of the County. Economic pressures and land use policy suggest that the majority of employment will continue to be concentrated in the core cities, including Ashland, Central Point, Eagle Point, Medford, Phoenix, Talent, and White City. Additional reasons for continued concentration of employment in the urban areas include: proximity to the largest labor pools, access to transportation, and the high quality of life available in the cities.

Assuming this pattern of employment distribution continues and employment grows as shown in Table 29, employment in the County outside of incorporated cities will grow by an estimated 3,973 people between 2006 to 2026 and by 6,527 people between 2006 and 2040. More than half of this growth is likely to occur in White City. Much of the additional growth will probably occur within UGBs or urban reserve areas of incorporated cities. The implications are that the majority of employment growth will be located within UGBs—as state policy intends.

The types of industries that are likely to locate in unincorporated Jackson County (not including White City)<sup>20</sup> are industries that either need to be located close to natural resources or need large parcels of land. These industries include four categories:

- **Lumber and wood products.** It is likely that the lumber and wood products industry has reached an equilibrium point in Oregon, where there is relatively little change in the overall size of the industry. Jackson County is an ideal site for lumber and wood products industries because of the proximity to lumber and multiple modes of transportation. However, there will probably be little demand for new mill sites because existing and old mill sites will provide sites for industry growth.
- **Agriculture.** Jackson County is likely to continue experiencing growth in agriculture, especially in high value crops such as wine grapes and pears. Production of wine and wine grapes is likely to become increasingly important in Jackson County, as demand for Oregon wines increases nationally and internationally. However, urban and agricultural conflicts may become increasingly common in Jackson County, as residential development occurs in close proximity to agricultural land or cities bring agricultural land into their urban growth boundaries.

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<sup>20</sup> White City will continue to experience urban employment growth at urban densities, as described in the report “Bear Creek Valley Regional Problem Solving Project: Economic Opportunities Analysis,” ECONorthwest, 2006.

- **Mining.** Jackson County may experience growth in the mining industry. Mining activities are regulated under Goal 5 rules. If new mining sites are needed, the County will use the statutory framework in OAR 660-023.
- **Tourism.** Demand for provision of goods and services for tourism is likely to grow in Jackson County. Jackson County is likely to continue attracting tourism related to arts and entertainment, especially related to the Shakespeare Festival and other arts related activities. If wine production continues to grow, Jackson County will continue to attract visitors to vineyards. The open spaces and natural areas within Jackson County, such as the Rogue River or Mt. Ashland, are likely to continue attracting visitors interested in outdoor activities. However, tourism related industries are not likely to require large sites in unincorporated Jackson County, except for destination resorts. If one or more destination resorts are sited in Jackson County, the County will use the statutory framework for Goal 8 to address destination resort site needs.
- **Inter-modal transportation.** Jackson County's location along Interstate 5 and the California border make it an ideal location for inter-modal transportation operations, to serve freight needs for rail, trucks, airplanes, and pipelines. Jackson County identified five potential sites to for inter-modal transportation operations. It is likely that these sites will satisfy the majority of the need for this type of operation. Of particular importance is a proposed inter-modal hub on Interstate 5 at Exit 35 and Tolo Road on a 32.6 acre site. The Port Authority of Portland has recognized the importance of this location for use a freight-forwarding facility.

In summary, demand for land for large industrial and other employment-related activities within unincorporated Jackson County, especially outside of the Bear Creek Valley, is likely to be limited. The exception will be that White City will continue to experience industrial and commercial development at urban densities.

### **Site needs**

Firms wanting to expand or locate in unincorporated Jackson County will be looking for a variety of site and building characteristics, depending on the industry and specific circumstances. While there are always specific criteria that change from firm to firm, many firms share at least a few common site criteria. In general, all firms need sites that are relatively flat, free of natural or regulatory constraints on development, with good transportation access and adequate public services. The exact amount, quality, and relative importance of these factors vary among different types of firms. This section discusses the site requirements for firms in industries with growth potential in southern Oregon.

The site requirements discussed below will be important for the County to consider not only for expected growth sectors, but they are also important factors in the successful development of the site identified as industrial lands of statewide significance.

While the majority of employment will occur within UGBs, employment growth in unincorporated Jackson County (including White City) is expected in each of the categories defined by type of land use: Retail and Services, Industrial, and Government. There are a wide variety of firms within each of these categories, and the required site

and building characteristics for these firms range widely. As such, a variety of parcel sizes, building types, and land use designations in Jackson County are required to accommodate expected growth.

More specific site needs and locational issues for firms in potential growth industries include the following issues:

- **Flat sites:** Flat topography (slopes with grades below 10%) is needed by almost all firms in every industry except for small Office and Commercial firms that could be accommodated in small structures built on sloped sites. Flat sites are particularly important for Industrial firms in manufacturing, trucking, and warehousing, since these firms strongly prefer to locate all of their production activity on one level with loading dock access for heavy trucks.
- **Parcel configuration and parking:** Large Industrial and Commercial firms that require on-site parking or truck access are attracted to sites that offer adequate flexibility in site circulation and building layout. Parking ratios of 0.5 to 2 spaces per 1,000 square feet for Industrial and 2 to 3 spaces per 1,000 square feet for Commercial are typical ratios for these firms. In general rectangular sites are preferred, with a parcel width of at least 200-feet and length that is at least two times the width for build-to-suit sites. Parcel width of at least 400 feet is desired for flexible industrial/business park developments and the largest Commercial users.
- **Soil type:** Soil stability and ground vibration characteristics are fairly important considerations for some highly specialized manufacturing processes, such as microchip fabrications. Otherwise soil types are not very important for Commercial, Office, or Industrial firms—provided that drainage is not a major issue.
- **Road transportation:** All firms are heavily dependent upon surface transportation for efficient movement of goods, customers, and workers. Access to an adequate highway and arterial roadway network is needed for all industries. Close proximity to a highway or arterial roadway is critical for firms that generate a large volume of truck or auto trips or firms that rely on visibility from passing traffic to help generate business. This need for proximity explains much of the highway strip development prevalent in urban areas today.
- **Rail Transportation:** Rail access can be very important to certain types of heavy industries. The region has good rail access to many industrial sites.
- **Air transportation:** Proximity to air transportation is important for some firms engaged in manufacturing, finance, or business services.
- **Transit:** Transit access is most important for businesses in Health Services, which has a high density of jobs and consumer activity, and serves segments of the population without access to an automobile.
- **Pedestrian and bicycle facilities:** The ability for workers to access amenities and support services such as retail, banking, and recreation areas by foot or bike is increasingly important to employers, particularly those with high-wage

professional jobs. The need for safe and efficient bicycle and pedestrian networks will prove their importance overtime as support services and neighborhoods are developed adjacent to employment centers.

- **Labor force.** Firms are looking at reducing their workforce risk, that is, employers want to be assured of an adequate labor pool with the skills and qualities most attractive to that industry. Communities can address this concern with adequate education and training of its populace. Firms also review turnover rates, productivity levels, types and amount of skilled workers for their industry in the area, management recruitment, and other labor force issues in a potential site area.
- **Amenities.** According to the International Economic Development Council<sup>21</sup>, attracting and retaining skilled workers requires that firms seek out places offering a high quality of life that is vibrant and exciting for a wide range of people and lifestyles.
- **Fiber optics and telephone:** Most if not all industries expect access to multiple phone lines, a full range of telecommunication services, and high-speed internet communications.
- **Potable water:** Potable water needs range from domestic levels to 1,000,000 gallons or more per day for some manufacturing firms. However, emerging technologies are allowing manufacturers to rely on recycled water with limited on-site water storage and filter treatment. The demand for water for fire suppression also varies widely.
- **Power requirements:** Electricity power requirements range from redundant (uninterrupted, multi-sourced supply) 115 kva to 230 kva. Average daily power demand (as measured in kilowatt hours) generally ranges from approximately 5,000 kwh for small business service operations to 30,000 kwh for very large manufacturing operations. The highest power requirements are associated with manufacturing firms, particularly fabricated metal and electronics. For comparison, the typical household requires 2,500 kwh per day.
- **Land use buffers:** According to the public officials and developers/brokers, Industrial areas have operational characteristics that do not blend as well with residential land uses as they do with Office and Commercial areas. Generally, as the function of industrial use intensifies (e.g., heavy manufacturing) so to does the importance of buffering to mitigate impacts of noise, odors, traffic, and 24-hour 7-day week operations. Adequate buffers may consist of vegetation, landscaped swales, roadways, and public use parks/recreation areas. Depending upon the industrial use and site topography, site buffers range from approximately 50 to 100 feet. Selected commercial office, retail, lodging and mixed-use (e.g., apartments or office over retail) activities are becoming acceptable adjacent uses to light industrial areas.

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<sup>21</sup> International Economic Development Council. "Economic Development Reference Guide," <http://www.iedconline.org/hotlinks/SiteSel.html>. 10/25/02.

In summary, there is a wide range of site requirements for firms in industries with potential for growth in Jackson County. While firms in all industries rely on efficient transportation access and basic water, sewer and power infrastructure, they have varying need for parcel size, slope, configuration, and buffer treatments.