Oregon
Theodore R. Kulongoski, Governor

Department of Land Conservation and Development
635 Capitol Street, Suite 150
Salem, OR 97301-2540
(503) 373-0050
Fax (503) 378-5518
www.lcd.state.or.us

NOTICE OF ADOPTED AMENDMENT

9/28/2009

TO: Subscribers to Notice of Adopted Plan or Land Use Regulation Amendments

FROM: Plan Amendment Program Specialist

SUBJECT: City of Jacksonville Plan Amendment
DLCD File Number 003-08

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. Due to the size of amended material submitted, a complete copy has not been attached. A Copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Wednesday, October 07, 2009

This amendment was submitted to DLCD for review prior to adoption with less than the required 45-day notice. Pursuant to ORS 197.830(2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

*NOTE: THE APPEAL DEADLINE IS BASED UPON THE DATE THE DECISION WAS MAILED BY LOCAL GOVERNMENT. A DECISION MAY HAVE BEEN MAILED TO YOU ON A DIFFERENT DATE THAT IT WAS MAILED TO DLCD. AS A RESULT, YOUR APPEAL DEADLINE MAY BE EARLIER THAN THE ABOVE DATE SPECIFIED.

Cc: Paul Wyntergreen, City of Jacksonville
Gloria Gardiner, DLCD Urban Planning Specialist
John Renz, DLCD Regional Representative
Thomas Hogue, DLCD Regional Representative

<paa> YA/

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DLCD
Notice of Adoption

THIS FORM **MUST BE MAILED** TO DLCD
WITHIN 5 WORKING DAYS AFTER THE FINAL DECISION
PER ORS 197.610, OAR CHAPTER 660 - DIVISION 18

☐ In person ☐ electronic ☐ mailed

DEPT OF
SEP 21 2009
LAND CONSERVATION AND DEVELOPMENT
For DLCD Use Only

Jurisdiction: City of Jacksonville
Local file number:
Date of Adoption: **September 15, 2009**
Date Mailed: **September 16, 2009**
Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? **Select one**Date: August 22, 2008

☒ Comprehensive Plan Text Amendment
☐ Comprehensive Plan Map Amendment
☐ Land Use Regulation Amendment
☐ Zoning Map Amendment
☐ New Land Use Regulation
☐ Other:

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".

The City updated its economic element in order to comply with current administrative rules regarding economic opportunities analysis and to correct our land inventory.

Does the Adoption differ from proposal? Please select one

The amount and size of needed lands was reduced.

Plan Map Changed from: to:
Zone Map Changed from: to:
Location: Acres Involved:
Specify Density: Previous: New:
Applicable statewide planning goals:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
☐	☐	☐	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Was an Exception Adopted? ☐ YES ☒ NO

Did DLCD receive a Notice of Proposed Amendment...

45-days prior to first evidentiary hearing? ☒ **Yes** ☐ **No**
If no, do the statewide planning goals apply? ☐ **Yes** ☐ **No**
If no, did Emergency Circumstances require immediate adoption? ☐ **Yes** ☐ **No**

DLCD: 003-08 (17098) [15724]

DLCD file No. ________________________

Please list all affected State or Federal Agencies, Local Governments or Special Districts:

Jackson County

Local Contact: **Paul Wyntergreen** Phone: **(541) 899-1231** Extension: **105**

Address: **PO Box 7** Fax Number: **541-899-7882**

City: **Jacksonville** Zip: **97530** E-mail Address: **administrator@cityofjacksonvilleoregon.com**

ADOPTION SUBMITTAL REQUIREMENTS

This form **must be mailed** to DLCD **within 5 working days after the final decision**
per ORS 197.610, OAR Chapter 660 - Division 18.

1. Send this Form and **TWO Complete Copies** (documents and maps) of the Adopted Amendment to:

ATTENTION: PLAN AMENDMENT SPECIALIST
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
635 CAPITOL STREET NE, SUITE 150
SALEM, OREGON 97301-2540

2. Electronic Submittals: At least **one** hard copy must be sent by mail or in person, or by emailing **larry.french@state.or.us**.

3. Please Note: Adopted materials must be sent to DLCD not later than **FIVE (5) working days** following the date of the final decision on the amendment.

4. Submittal of this Notice of Adoption must include the text of the amendment plus adopted findings and supplementary information.

5. The deadline to appeal will not be extended if you submit this notice of adoption within five working days of the final decision. Appeals to LUBA may be filed within **twenty-one (21) days** of the date, the Notice of Adoption is sent to DLCD.

6. In addition to sending the Notice of Adoption to DLCD, you must notify persons who participated in the local hearing and requested notice of the final decision.

7. **Need More Copies?** You can now access these forms online at **http://www.lcd.state.or.us/**. Please print on **8-1/2x11 green paper only**. You may also call the DLCD Office at (503) 373-0050; or Fax your request to: (503) 378-5518; or Email your request to **larry.french@state.or.us** - **Attention: Plan Amendment Specialist.**

COPY

ORDINANCE NO. 598

AN ORDINANCE TO REPEAL AND REPLACE CHAPTER SIX, ECONOMIC ELEMENT OF THE JACKSONVILLE COMPREHENSIVE PLAN.

WHEREAS, the City of Jacksonville is required to update the Economic Element of its Comprehensive Plan in accordance with the Statewide Planning Goals.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF JACKSONVILLE, OREGON, ORDAINS AS FOLLOWS:

Section 1. The Jacksonville Comprehensive Plan is hereby amended to replace Chapter 6 with the document, "Jacksonville's Economic Element," attached hereto as Exhibit 'A' and to include all the provisions included in Exhibit 'A' as though fully set forth herein.

Section 2. This action is based upon the Findings of Fact in the "City of Jacksonville Economic Opportunities Analysis," which is marked as Appendix 'A' of "Jacksonville's Economic Element" and by this reference incorporated herein.

Signed by me in open session in authentication of its passage this 15th day of SEPTEMBER, 2009.

Bruce W. Garrett, Mayor

ATTEST:

Sandra Miller, City Recorder

CHAPTER SIX

JACKSONVILLE'S ECONOMIC ELEMENT

Table of Contents

Economic Development Vision and Goal

Vision

The following statement was developed by the citizens of Jacksonville during the 2008 visioning process, Jacksonville Vision 2028, and serves as the basis for this chapter:

> "We value unique, individual, quality businesses, which reinforce Jacksonville's image and feel and are in harmony with Jacksonville's status as a National Historic Landmark District. We value a thriving, diverse economic base fostered by a proactive city government and Jacksonville's citizens. We value Jacksonville as one of the prime venues in the Pacific Northwest for cultural and performing arts events. We value strong, cooperative partnerships with Britt Festivals, the Southern Oregon Historical Society, our regional wine and artisan food industry and similar entities that ensure that Jacksonville is a year round destination for local residents and visitors alike."

Goal

To provide for and enhance the economic viability and vitality of the City of Jacksonville by making provisions for expanding and diversifying its economic base while preserving Jacksonville's National Historic Landmark designation. This may be achieved by promoting Jacksonville as a year round destination while enhancing the community's unique historical character, cultural attractions, and livability for City residents.

Introduction

Jacksonville's economic history started with the discovery of gold. By the summer of 1852, more than 1,000 men were engaged in mining in the Jacksonville area. In addition to mining, agriculture and lumber production were important industries. The boom town matured into a regional commerce and agricultural center, all the while presiding as the County Seat. Jacksonville in the late 1800's enjoyed a full period of prosperity as the "Queen City of Southern Oregon."

As history so often shows us, this could not last forever; the eventual cyclic decline that was bound to occur had its seeds planted in the 1880s when the railroad lines bypassed Jacksonville for a route through the center of the Bear Creek Valley. Merchants in the City could not compete with those having convenient railroad access, and most moved to the new community of Medford. In 1927, the County seat was moved to Medford, further depressing the Jacksonville economy. An extended period of economic depression ensued. In this decline, however, the seeds of the next period of prosperity were planted. Because Jacksonville's old structures were not removed to make way for continuing economic modernization, they were boarded up and frozen in time by the neglect that bad times brought.

In the 1950s, the historic value of Jacksonville was recognized, and tourism began to emerge as the new economic lifeblood of the community. Designation of the City as a National Historic Landmark in 1966 clearly established Jacksonville as a destination of great historical significance. This tourism base has been expanding ever since and remains today as the City's largest economic reality, opportunity, and one of the greatest sources of problems, such as traffic congestion.

As history has shown, an economic downturn will eventually occur, and the City needs to prepare itself to soften the blow by solidifying its current strengths and diversifying its economic bases.

This plan must attempt to guide the tourism industry and the City's historic character in addition to other appropriate industries that will be blended with the needs of the overall community.

The Planning Process

Jacksonville desires to maintain a balance between the quality of life that its citizens now enjoy with a strong local economy. This Comprehensive Plan element is intended to guide City government with land use decisions that influence commercial and industrial development. To comply with statewide planning requirements, this plan was developed in accordance with the provisions of Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in the technical appendix used as the factual basis for this chapter is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

The City is responsible for keeping Jacksonville an attractive place to do business while maintaining its physical assets and preserving its historic character. The City is also responsible for creating an appropriate framework for economic development. This includes zoning updates when an identified need for additional commercial land is recognized and the development of reserve areas to meet future needs. In addition, the City may adopt appropriate disincentives or promotional policies. These policy decisions need to be made with citizens and business interests to insure that the economic development needs of Jacksonville are met now and in the future.

The information in this chapter is based upon the *Vision 2028* economic vision statement and outline and is supported by information in the City of Jacksonville's *Economic Opportunities Analysis* (EOA), which is attached to this document as **Appendix A**.

National, State, and Local Economic Trends

Employment Trends

Goal 9 requires Comprehensive Plans to include an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends. National trends are a broad indicator of statewide, regional, and community trends that will assist us in projecting growth. The analysis of population and employment data will help the City with land use decisions that relate to geographic and economic growth.

The economy of the nation changed significantly between 1980 and 2007. Since 1980 National trends indicate a major shift in job distribution. While the service industry has become more diverse with jobs ranging from lower paid (restaurant workers, retail) to higher paid (lawyers, engineers), an overall loss of employment diversity has occurred with the service industry becoming more dominant over the production and manufacturing of goods. Resource extraction, increased worker productivity and the international outsourcing of routine tasks have led to declines in employment in the major goods-producing industries.

In the 1970s, Oregon started transitioning away from reliance on traditional resource-extraction industries. An important 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 and concurrent growth of employment in high-technology manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments). Although Jacksonville has not recently been a major producer of goods, these changes affected the composition of the statewide economy.

The current trend in Oregon has been a decline in natural resource-based industries and an increase in service industries. The share of Oregon's total employment in Service industries increased from its 1970s average of 19% to 30% in 2000, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 12% in 2000 as seen in **Figure 1.**

Figure 1
State and Local Employment Diversity Trends

The changes in employment in Jackson County have followed similar trends as changes in national and state employment. **Figure 2.4** shows the changes in covered employment by sector in Jackson County between 1980 and 2005. Covered employment[1] in the County grew from 42,626 in 1980 to 73,614 in 2000, an increase of 73% or 30,988 jobs.

In 2000, the largest sectors of growth in the County were Services with 20,385 jobs (28% of jobs) as shown by **Table 2.3** in the EOA; Retail Trade with 18,865 jobs (26%); Government[2] with 10,186 jobs (14%); and Manufacturing (including Agriculture) with 9,231 jobs (13%). The sectors with the greatest increase in employment were Services and Retail Trade, together adding a total of 22,295 jobs or about 72% of all new jobs. No sector lost jobs over the period.

Between 2001 and 2007 Jackson County employment changed as shown in **Table 2.4** in the EOA. Jackson County added more than 10,200 jobs during the period. The two sectors with the greatest increases in employment were Construction and Health and Social Assistance, adding more than 3,500 jobs or 34% of new jobs.

Local Business Activity

Over the last several decades, the retail sector has been the largest source of employment in Jacksonville, taking advantage of the historic core downtown area as a key visitor attraction. **Table 2.5** in the EOA shows covered employment in Jacksonville in 2007, based on data from Oregon Prospector.[3] In summary, Jacksonville had 123 establishments, with an average of nearly six employees per firm.

[1] Covered employment: jobs with unemployment insurance.

[2] Government jobs are all jobs in government, including education or local government (or state government, Feds, etc.).

[3] Oregon Prospector is the State's official web site to promote economic development. It is available at: www.oregonprospector.com. Note that Table 3 only shows "covered employment" (e.g., employment covered by unemployment insurance. "Uncovered" employment such as sole proprietors and other businesses without employees are not reflected in **Table 3**. Thus, total employment is more than the 722 employees reported in **Table 3**. No data sources report total employment for Jacksonville.

The sectors with the most employees were Retail (21%), Accommodations and Food Services (17%), Government (15%), and Health and Social Assistance (13%). These sectors accounted for 472 jobs or 65% of Jacksonville's jobs. The production of goods (manufacturing and agriculture) only comprise 4% of the jobs.

Jacksonville licenses businesses that operate in the City. **Table 1** shows the change in the number and types of businesses in Jacksonville from 1990 to 2009, based on the City's business license system. The number of businesses increased by about 15% (22 businesses) in Jacksonville over the 19-year period. The types of businesses with the largest growth were services (e.g., professional services, real estate) and contractors (engineering and building). The largest business declines over the period were other retail and financial, with a combined loss of 9 businesses. Of the 262 businesses in Jacksonville, 40 hold Home Occupation licenses.

Table 1: Business Licenses Issued, Jacksonville, 1990 - 2009

Business Type	1990-1991	1995 - 1996	2006-2007	2007-2009	Change from 1990 to 2009	
					Number	Percent
Restaurants	10	10	13	16	5	50%
Art Galleries	6	4	8	7	1	17%
Antique Shops	13	11	4	4	-9	-69%
Other Retail	56	72	46	54	-4	-8%
Service	33	61	79	52	12	-37%
Contractors	19	16	22	37	13	69%
Financial	10	12	8	5	-5	-50%
Visitor Lodging	7	6	13	14	7	100%
Care Facilities	1	3	2	3	2	200%
Other	-	-	13	11	-	-
Total	**155**	**195**	**208**	**203**	**-5**	**77%**

Source: City of Jacksonville
Note: 'Other' category was not counted prior to 2006.

Tourism in Jacksonville

Tourism accounts for 2.5 million overnight visitors annually or 13% of Oregon's statewide travel. It is an important source of economic activity in Southern Oregon and Jacksonville. More than half of visitors to Southern Oregon stay 3 or more days, with average daily expenditures of $134 to $151.[4]

Direct travel spending accounted for $813 million in Southern Oregon in 2007. In Jackson County, direct travel spending accounted for $372 million in 2007. The categories of expenditures that accounted for the majority of visitor spending were: food and beverages, accommodations, arts, entertainment and recreation.[5]

Overnight stays generated $4.6 million in room tax receipts in Jackson County in 2007. Room tax receipts increased 37% in Jackson County between 2000 and 2007. Room tax receipts were $57,000 in Jacksonville in 2006, an increase of 32% since 2000.[6] Jacksonville increased the lodging tax during the 2000 to 2006 period, which accounted for some of the 32% increase in room receipts during the six-year period. Due to the rate increase and the lack of data for number of occupied rooms, it is difficult to correlate room tax revenue and increased tourism.

[4] "SOVA 2006 Visitor Profile," The Southern Oregon Visitors Association, 2006 and "Medford Visitors Bureau Fact Sheet," Medford Visitors Bureau

Analysis of Economic Factors

Economic conditions in Jacksonville, relative to economic conditions in other portions of Jackson County and Southern Oregon, form Jacksonville's comparative advantages for economic development. Jacksonville's comparative advantages will influence the types of firms most likely to locate and expand in Jacksonville, as well as the tourists who choose to visit Jacksonville.

There is little that Jacksonville can do to influence national and state conditions that affect economic development. Jacksonville can, however, influence local factors by implementing policies that influence where businesses will locate.

Jacksonville's primary comparative advantages are its historic character, pedestrian friendly layout, small town atmosphere, established restaurants and taverns, established small scale overnight accommodations, bounteous open space and viewsheds, and proximity to regional attractions. Jacksonville also has a population with an higher than average education and income. These factors make Jacksonville appealing to residents and businesses that want an exceptional quality of life where they live and work.

Contributions to Economic Strength

Economic strengths provide the basis for expanding the local economy and maintaining the viability of existing businesses. The following areas of strength provide economic opportunities for development in Jacksonville:

1. **Historic character.** Jacksonville benefits greatly from its history. The downtown core area dates back to the 1850's. Many of the buildings have been kept architecturally intact or have been restored to their original condition. Approximately 260 intact historic, primarily residential, structures surround the core area in a variety of architectural themes.

   Near the downtown core is the Jacksonville Cemetery, which was platted in 1859 and provides another door to Jacksonville's past. The Cemetery serves as a burial ground, historical resource, visitor attraction, and a wildlife and botanical habitat. The park-like setting is a major attraction for visitors.

   Also contributing to the historic character of Jacksonville are many peripheral sites, such as the old hydraulic gold mining "Diggins" on Rich Gulch and an array of historic sites located along woodland trails. These sites serve as additional attraction points for visitors.

   Preservation of the historic integrity of Jacksonville makes for some interesting partnerships. The Southern Oregon Historical Society (SOHS) within the City operates several key interpretive sites that attract visitors, including the Jacksonville Museum, the Beekman House, and the US Hotel.

2. **Exceptional quality of life.** Jacksonville, with its agricultural foreground and forested hillsides, has a mild climate, low crime rate, small town atmosphere, historic character, and a pedestrian-friendly village pattern of development which makes the city a desirable place to live and to own a business.

6 "SOVA 2006 Visitor Profile," The Southern Oregon Visitors Association, 2006 and "Medford Visitors Bureau Fact Sheet," Medford Visitors Bureau

In addition, in Jacksonville, nearby cities, and Jackson County, residents have access to cultural amenities and events, such as museums, concerts, galleries, wine tasting, and vineyard activities.

The downtown area is pedestrian-oriented due to its historical layout and includes a central concentration for merchants and commercial enterprises. Structures on California Street provide a compact downtown with connected facades.

Outdoor recreation is another key factor in Jacksonville's quality of life equation with its well maintained woodlands and historically interpreted trail system running throughout city lands. Jacksonville, which is surrounded by an abundance of federal lands, also serves as the gateway to the Applegate region, with its recreational bodies of water and world-class paragliding.

3. **Location.** Medford, Central Point, Phoenix and agricultural lands provide Jacksonville with buffers from the congestion that surrounds Interstate 5. While Jacksonville's proximity to I-5 is a detriment for spontaneous visitors, that distance provides the peaceful rural setting and the absence of "big box" retail that give Jacksonville its unique character.

4. **Professional workforce and cost of living.** Jacksonville's residents have an above average education and income level, which provides a good market base for businesses and an educated population for employment.

5. **Tourism and attractions.** The entire town of Jacksonville is a National Historic Landmark with over 100 buildings on the National Register of Historic Places, including an historic cemetery. Jacksonville is also popular for its summer Britt Festival, its historic museum and children's museum, its setting amidst agricultural lands and forested hillsides, and its access to outdoor recreation, including the Jacksonville Woodlands Trail System. Jacksonville is also near regional attractions, like the Ashland Shakespeare Festival, outdoor recreation (e.g., Rogue River sports or Mt. Ashland skiing), and agricultural tourism, which includes vineyards and wine tasting.

   Businesses in Jacksonville are heavily dependent on tourism for revenue. Jacksonville's largest sectors of employment are retail, accommodations, and food services, which account for nearly 40% of Jacksonville's employment (See **Table 2.5** of the attached EOA).

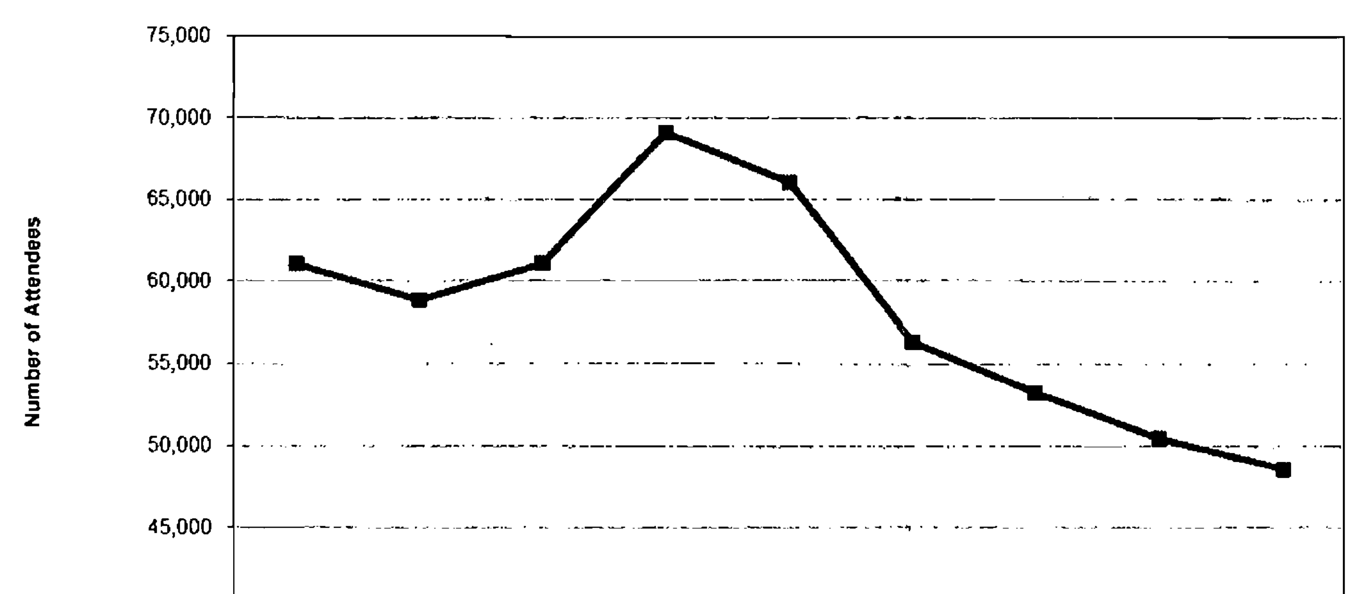
6. **The Britt Music Festival.** Running from June through September, the Britt Music Festivals bring nationally known classical, jazz, country western, and contemporary artists to Jacksonville. The Britt festival and related activities are an important component of the economy, particularly for food service and overnight accommodations. The Britt's park-like setting and excellent acoustics attract many repeat visitors to the performances. **Figure 2** shows that attendance at the Britt varied from a peak of 69,130 attendees in 2003 to 48,553 attendees in 2008.

7. **Local Art Community.** A growing artist community attracts visitors and contributes to the inflow of revenue.

8. **Families and Young Professionals.** Visitors are seeking vacation destinations that have a sunny climate and are separated from urban sprawl and suburbia.

   Jacksonville offers a vacation destination appealing to families and young professionals with opportunities for historic discovery, indoor and outdoor recreation, culinary attractions, educational opportunities, and performing arts.

Figure 2.
Britt Pavilion Attendance, 2000-2008



	2000	2001	2002	2003	2004	2005	2006	2007	2008
Attendance	61,043	58,845	61,065	69,130	66,022	56,332	53,255	50,422	48,553

Year

Source: Britt Music Festival

9. **Real Estate Tourism.** Another trend in tourism is the increasing number of people that engage in 'Real Estate Tourism.' These visitors, who will be retiring in the coming years, are using their vacations to identify possible retirement locations.

10. **Weddings.** With its historic architecture, picturesque setting, and romantic bed and breakfast inns and hotels, Jacksonville is an attractive location for weddings. Wedding destinations may also become annual anniversary trips for couples, providing additional visitors to Jacksonville.

11. **Outdoor recreation.** The City has many opportunities to attract visitors through outdoor recreational activities and events, such as bicycle touring, hiking events, photo touring, horseback riding, and paragliding events. Jacksonville is also nearby great fishing on rivers and lakes and has scenic drives around every corner.

12. **Agricultural products.** Jackson County's prime agricultural lands give Jacksonville a good opportunity to develop an agricultural processing cluster and subsequent retail opportunities, like Harry and David's. A possible niche for Jacksonville, then, would be small-scale production of high-quality food items.

Challenges Facing Jacksonville's Local Economy

Jacksonville, like all cities, faces some economic challenges that include the following:

1. **Transportation..**
Several internal transportation challenges potentially impact Jacksonville's economy.

    a. **Seasonal Truck Traffic Along California Street.** Seasonal increases in truck traffic along California Street (State Highway 238) pose concerns in regards to noise, vibrations, and diminished air quality.

    b. **Loading.** Loading and unloading of goods on narrow city streets can cause traffic congestion.

    c. **Proximity to I-5.**. Jacksonville is approximately 10 minutes from I-5, so many I-5 travelers will not make spontaneous stops in Jacksonville.

2. **Parking.** While a large amount of space is available for vehicle parking, visitors and residents struggle for convenient parking during highly attended Britt Festival concerts. The Britt ground's proximity to downtown businesses creates competition for convenient parking during the three months of the Britt season.

3. **Potential for Conflicting Land Uses.** Business operations may come into conflict with residential uses, especially in light of the limited amount and location of available commercial land within the City's tight-knit development pattern. Two islands of Historic Core designated properties, which are allowed commercial uses, are surrounded by residential zoned properties, which may be impacted by mobile influences, such as traffic, light, noise, smells, and drainage. These conflicts may discourage businesses; however, attitudes of residents are mixed. Some are concerned about disturbances while others are hopeful that neighboring commercial uses might increase their future property values.

4. **Strict Architectural and Land Use Regulations.** Although regulated by state law to process applications in a timely manner, it often takes months for permits to be issued. While the process protects Jacksonville's historic designation, it often frustrates new business owners and developers.

5. **Other Economic Challenges.** Other potential challenges for economic development include the following:

    a. Jacksonville has historically had a high rate of commercial turnover of retail businesses that cater primarily to tourists. As a result, Jacksonville typically has empty storefronts.

    b. The availability of certain services for residents is limited.

    c. Jacksonville's small-town population does not provide enough market to support multiple businesses of the same type, so residents lack choices in regards to goods and services.

    d. Jacksonville's economy, today, is highly dependent on tourism, which is seasonal and closely connected with regional and national economic cycles. As a result, Jacksonville's economy is vulnerable to economic variations.

e. Jacksonville's cost of living is higher than most other communities. This is primarily a result of housing prices and the limited availability of workers' housing to support the existing service industry employees that dominate the city's workforce. The result is a difficulty in attracting and retaining people that both work and live in Jacksonville.

f. Jacksonville has a lack of available two-acre parcels of land within the existing city limits. As a result some businesses that are desirable and compatible with Jacksonville have chosen not to locate here or have moved out of the City.

g. Jacksonville has a lack of land available for small-scale higher-impact fabrication and processing and packaging facilities. Land use regulation, a lack of appropriately-sized lots, the high cost of land, and the strict architectural design requirements make these more intensive uses difficult in Jacksonville.

Economic Growth Projections

Oregon's Statewide Goal 9 requires cities to 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." The number of needed sites is dependent on the types of businesses that are likely to locate or expand in Jacksonville and the amount of employment growth that Jacksonville is likely to have over the 20-year planning period.

Employment Forecast

Planning for the employment needs of a 20-year population allocation leads to the planning of potential commercial and industrial land needs. Some employment needs will be met by existing and new businesses within the existing urban growth boundary (UGB) while other needs may require expansion of the UGB boundary.

This section presents a projection of future employment levels in Jacksonville for the purpose of estimating demand for commercial and industrial land.

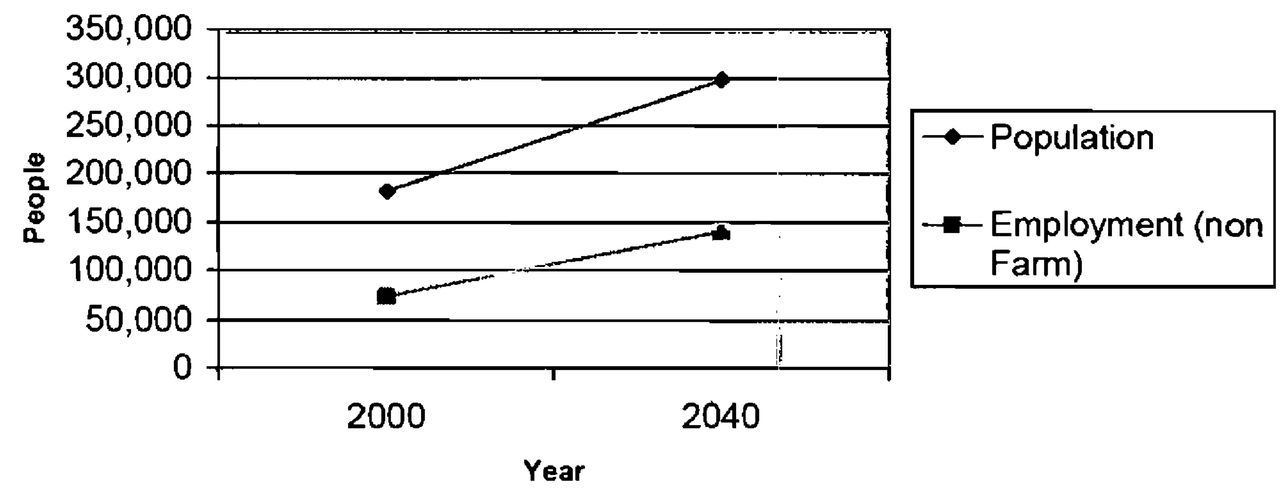
The Economic Opportunities Analysis presents the methodology used to develop an employment forecast for Jacksonville. **Table 2** shows Jacksonville's employment forecast for 2010 to 2030, using these assumptions. Jacksonville's workforce will grow by about 466 workers (28%) over the 20-year period, at an average annual rate of 1.3%.[6]

Jacksonville's ratio between population and employment in 2007 is 2.4 persons per job, compared to the State average of about 1.6 persons per job. In Jacksonville, housing is not supported by jobs and wages available within the city. Jacksonville does not follow typical trends of many cities where residents live in the same town where they work. Generally, workers come from outside Jacksonville to service Jacksonville's population.

[6] The assumption in the employment forecast is that the population employment ratio will remain the same over the 20-year period. It is possible that Jacksonville may have more (or less) employment growth in relation to population growth over the planning period resulting from the City's regional tourism industry base and expected increases in its retirement population. The employment forecast is somewhat conservative when compared to the historic trend of 34% growth from 1990 to 2007 and Jackson County population and employment projections. (See **Figure 3**.)

Figure 3

Jackson County Population and Employment Projections



Sources: Office of Economic Analysis, Department of Administrative Services, State of Oregon; Oregon Employment Department (August 2004); Portland State University

Table 2. Employment growth in Jacksonville's UGB, 2010–2030

Year	Total Employment
2010	1,163
2015	1,238
2020	1,317
2025	1,402
2030	1,493
Change: 2010 to 2030	
# of Employees	466
Percent	28.0%
AAGR	1.3%

Economic Development Strategy

Strategies

To enhance Jacksonville's economic base while preserving its landmark designation, the following strategies should be implemented:

1. Expand economic activity inside the Historic Core and the existing general commercial zoned area by increasing the opportunities for retail shopping, dining, and entertainment,

2. Encourage artisan and work/live businesses, using infill, while respecting spatial relationships within the core,

3. Promote Jacksonville as a year round destination by encouraging businesses and activities which will result in longer visitor stays,

4. Develop tourist draws through business retreats and additional off season events, and

5. Expand provision of goods and services for residents so they can meet their needs locally rather than travelling out of Jacksonville.

Target Industries

The Vision 2028 process identified several areas of concentration for economic growth in Jacksonville:

1. **National Historic Landmark.** Jacksonville's status as a National Historic Landmark provides opportunities for businesses that link to the City's history.

2. **Recreational attraction.** Outdoor recreation provides opportunities for businesses in Jacksonville to serve both visitors and local and regional residents.

3. **Culinary and wine tourism.** Jacksonville's location near farms and vineyards in the Rogue and Applegate Valleys provides opportunities for culinary and wine tourism, such as small-scale food production and wine making and tasting.

4. **Music and performing arts and the established artisan community.** The Britt Festival and other existing music and performing arts organizations combine with Jacksonville's artisan community to provide opportunities for businesses in art, music, and the performing arts.

5. **Local Art Community.** A growing artist community acts as a magnet to attract visitors and to contribute to revenue inflow.

6. **Cultural events and tourism.** Jacksonville, by supporting the service groups that organize and promote annual events, has opportunities for promoting cultural events that stimulate the local economy. The City should also support the currently underutilized service organizations in adding new events that reinforce Jacksonville's image, particularly events in the off-season. Current events include Trolley Tours, Chinese New Year, Britt Festival, The Woodlands Association's Hike-A-Thon, Museum Quilters, Starthistle Fly Over, The Fritellaria Festival, Celebrate the Arts, Oktoberfest, Meet the Pioneers, Children's Festival, Children's Harvest Carnival, Victorian Christmas, Community Wide Yard Sale, The Mutt Strut, The Firehouse Run, Old Stage Run, Cycling Events, and the Historic Gala Ball.

Potential Businesses Types

The types of businesses that may locate in Jacksonville are dependent on economic trends that affect Jackson County and Oregon along with Jacksonville's comparative advantages and the City's economic development policy. The types of businesses that may be attracted to Jacksonville include the following:

1. **Historic preservation.** Jacksonville's focus on history presents an opportunity for businesses to specialize in producing historically relevant goods. Valley residents with historic homes or period architecture could look to Jacksonville when spending their home and garden dollars.

2. **Artisan crafts and arts.** Relating closely to historic preservation, the fabrication of traditional crafts and artisan pieces could be an increased draw to the City. Businesses in Jacksonville could produce traditional goods or modern goods through historically accurate methods.

3. **Agricultural products.** Jackson County's prime agricultural location gives Jacksonville a good opportunity to develop an agricultural processing cluster. Possible businesses include coffee roasting, candy making, baking, wine making and brewing, nursery and garden center, preserving or processing fruits and berries, and a farmers market.

4. **Agricultural tourism.** Opportunities for agricultural tourism rely on existing agricultural or food processing businesses and are often coupled with organic farming. Agricultural tourism takes a number of forms: educational experiences (e.g., cannery tours, cooking classes, or wine tasting), entertainment (e.g., harvest festivals), or hospitality services (e.g., farm stays, guided tours). These businesses may appeal to both visitors and residents throughout Southern Oregon, especially residents of the Rogue Valley.

5. **Culinary tourism.** Culinary tourism is the "pursuit of unique and memorable culinary experiences of all kinds.[7]" Culinary tourism can vary from simple, commonly available foods (e.g., pastries or bread) to high-end restaurants, as long as the food is unique and memorable. Culinary tourism can be enhanced through use of locally produced foods in Jackson County. These businesses may appeal to both visitors and residents alike.

6. **Outdoor recreation.** Jacksonville's proximity to outdoor recreational opportunities, such as the Rogue River, Crater Lake, the Jacksonville Woodlands, and Woodrat Mountain, provides visitors and residents with many opportunities for outdoor recreation.

7. **Performing arts.** The presence of the Britt Music Festival in Jacksonville and other local and regional performing arts groups provide opportunities for growing the performing arts in Jacksonville.

8. **Film and television small scale production and onsite filming.** Southern Oregon has been the location of fourteen films or made-for-TV movies and numerous smaller productions (e.g., commercials) since 1970. Film and television firms in the region include Southern Oregon Film and Television, Pilot Rock Studio, and Landmines Studio. Jacksonville's small town atmosphere, historic character, existing arts community, and physical beauty make it an attractive place for filming and production work.

[7] Culinary Tourism Association Institute

9. **Services for existing residents**. In addition to many of the above business types that cater to both residents and visitors, Jacksonville will need to provide additional services to existing and new residents. Examples include, but are not limited to, financial, government, medical, and senior services; youth daycare and senior facilities; and educational, creative and performing arts facilities for all ages.

   During January 2009, a survey to determine the reasons that residents traveled outside of Jacksonville during a month-long period indicated the following purposes:

   Restaurants
   Movies/theater
   Groceries (includes specialty food stores for baked goods, fish/meat, delicatessen products, organic produce, locally grown produce)
   Grange: pet supplies and nursery items
   Hardware
   Gym/YMCA
   Office supplies & related services (duplicating, computer related, stationery)
   Haircuts / beauty salons
   Meetings (thus, meeting spaces)
   Auto related (gasoline, service)

   If the Council's goal is to increase the number of 'resident services' within Jacksonville in order to expand beyond the 'tourist based' economy, then the above list might offer some business types to be considered.

Commercial/Industrial Lands Inventory

The Jacksonville Commercial and Industrial Buildable Lands Inventory (BLI) is intended to identify lands available for development within the Jacksonville Urban Growth Boundary (UGB) that can accommodate employment growth. BLIs are sometimes characterized as *supply* of land to accommodate growth. Population and employment growth drive *demand* for land. The amount of land needed depends, in part, on the density of development as well as assumptions about redevelopment and infill.

The Jacksonville Economic Opportunities Analysis (EOA) presents the methods used to develop the inventory of land available to meet employment needs. This section presents a summary of the results of the commercial and industrial BLI, which considers both vacant buildable land that can be considered for 'infill' sites as well as vacant commercial spaces that can provide additional employment opportunities.

A key step in doing a buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories. Consistent with accepted methods for BLIs and applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

1. **Vacant land**. Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, lands with improvement values under $10,000 are considered vacant (not including lands that are identified as having mobile homes).

Note: This definition is more inclusive than what statewide planning policy requires.

OAR 600-009-0005(14) provides the following definition: "Vacant Land" means a lot or parcel: (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

Note: An inventory using the state definitions would identify no land as currently vacant within the Jacksonville UGB.

2. **Underutilized land**. Land that has over $10,000 of improvement value, is larger than one-half acre in size, and is designated for employment uses. These lots are largely vacant and have potential for infill development.

3. **Developed land**. Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands classified as vacant, potentially redevelopable, or public are not considered developed.

   Lands in public ownership were generally considered unavailable for development unless identified by City staff as being available for development at some time during the planning period. This includes uses such as electrical substations, parks, and cemeteries.

   Lands in Federal, State, County, or City ownership were also considered committed.

   Jacksonville has 1,073 acres within the UGB and 2,240 tax lots. The majority of land is zoned for Single-Family Residential (66%) or Open Space (21%). Land zoned for Commercial accounts for only 5% of land within Jacksonville's UGB, and Industrial land accounts for about 0.5% of Jacksonville's land.

Table 3 shows vacant employment land by generalized zoning and lot size in Jacksonville's UGB in 2009. Jacksonville has 6 sites in the General Commercial Zone, all of which are on lots smaller than 0.5 acres and most are on lots one-quarter acre and smaller. The City has four sites in the Cottage Industry zone, ranging in size from smaller than one-quarter acre to one-half an acre. The land zoned for Cottage Industry use is constrained by steep slopes, floodplain, and access constraints due the lack of a bridge on the old highway right-of-way. Also, these sites do not have the water and wastewater services that are necessary for development.

Table 3: Vacant employment land by generalized zoning and lot size, Jacksonville UGB, 2009

Lot Size (Gross Buildable Acres)							
Zone	**<0.25**	**0.25 to 0.49**	**0.50 to 0.99**	**1.00 to 1.99**	**2.00 to 4.99**	**5.00+**	**Total**
# of Vacant Tax Lots							
Commercial	18	2	0	0	0	0	20
Artisan District	5	2	1	0	0	0	8
Subtotal	**23**	**4**	**1**	**0**	**0**	**0**	**28**
Vacant Acres							
Commercial	0.9	0.7	0.0	0.0	0.0	0.0	1.5
Artisan District	0.2	0.6	0.9	0.0	0.0	0.0	1.8
Subtotal	**1.1**	**1.3**	**0.9**	**0.0**	**0.0**	**0.0**	**3.3**

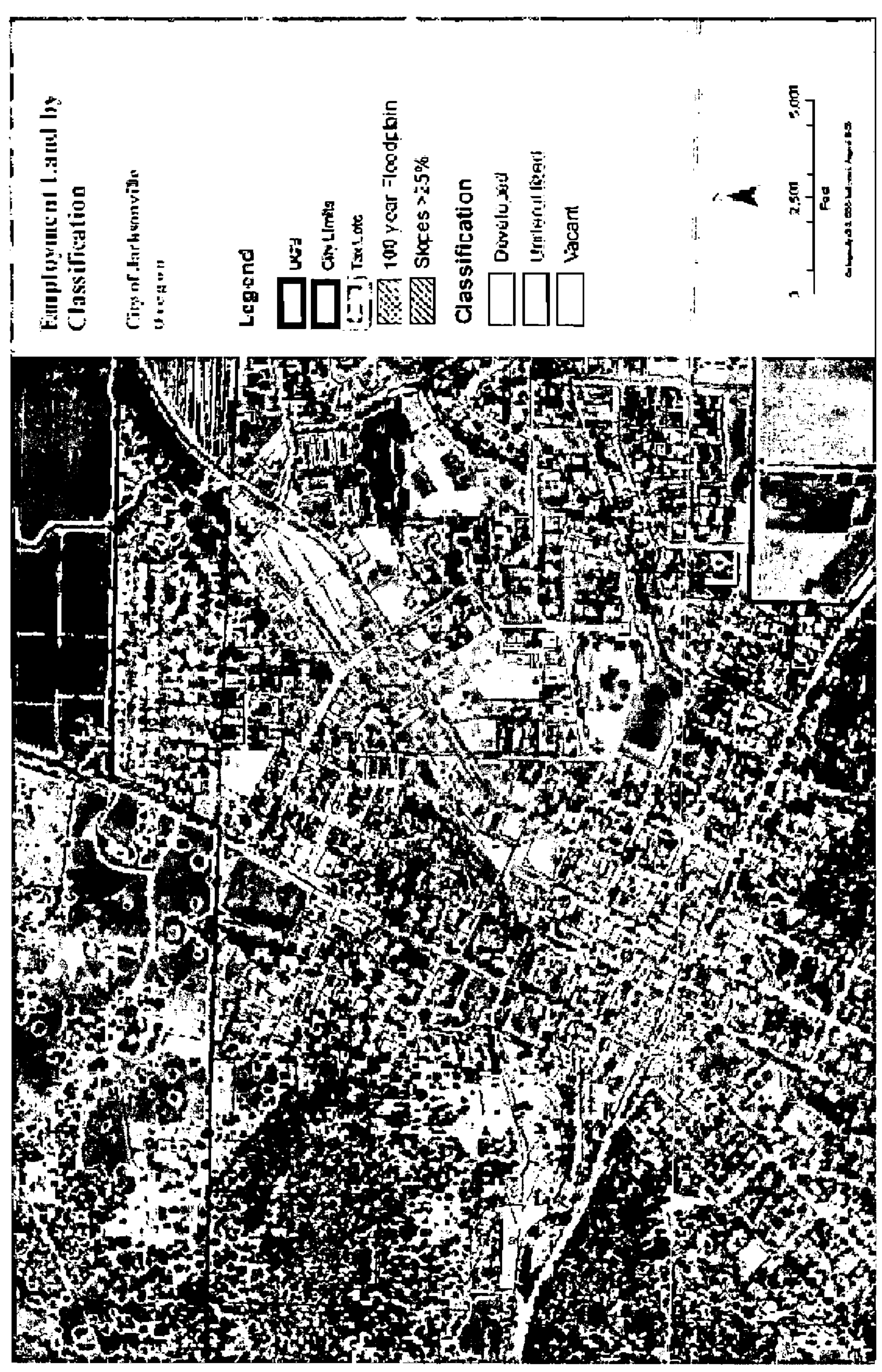
Source: data from www.smartmap.org; analysis by ECONorthwest

Table 4: Underutilized employment land by generalized zoning and lot size, Jacksonville UGB, 2009

Lot Size (Gross Buildable Acres)							
Zone	**<0.25**	**0.25 to 0.49**	**0.50 to 0.99**	**1.00 to 1.99**	**2.00 to 4.99**	**5.00+**	**Total**
# of Underutilized Tax Lots							
Commercial	0	0	0	2	0	0	2
Artisan District	0	0	1	0	0	0	1
Subtotal	**0**	**0**	**1**	**2**	**0**	**0**	**3**
Underutilized Acres							
Commercial	0.0	0.0	0.0	2.4	0.0	0.0	2.4
Artisan District	0.0	0.0	0.9	0.0	0.0	0.0	0.9
Subtotal	**0.0**	**0.0**	**0.9**	**2.4**	**0.0**	**0.0**	**3.3**

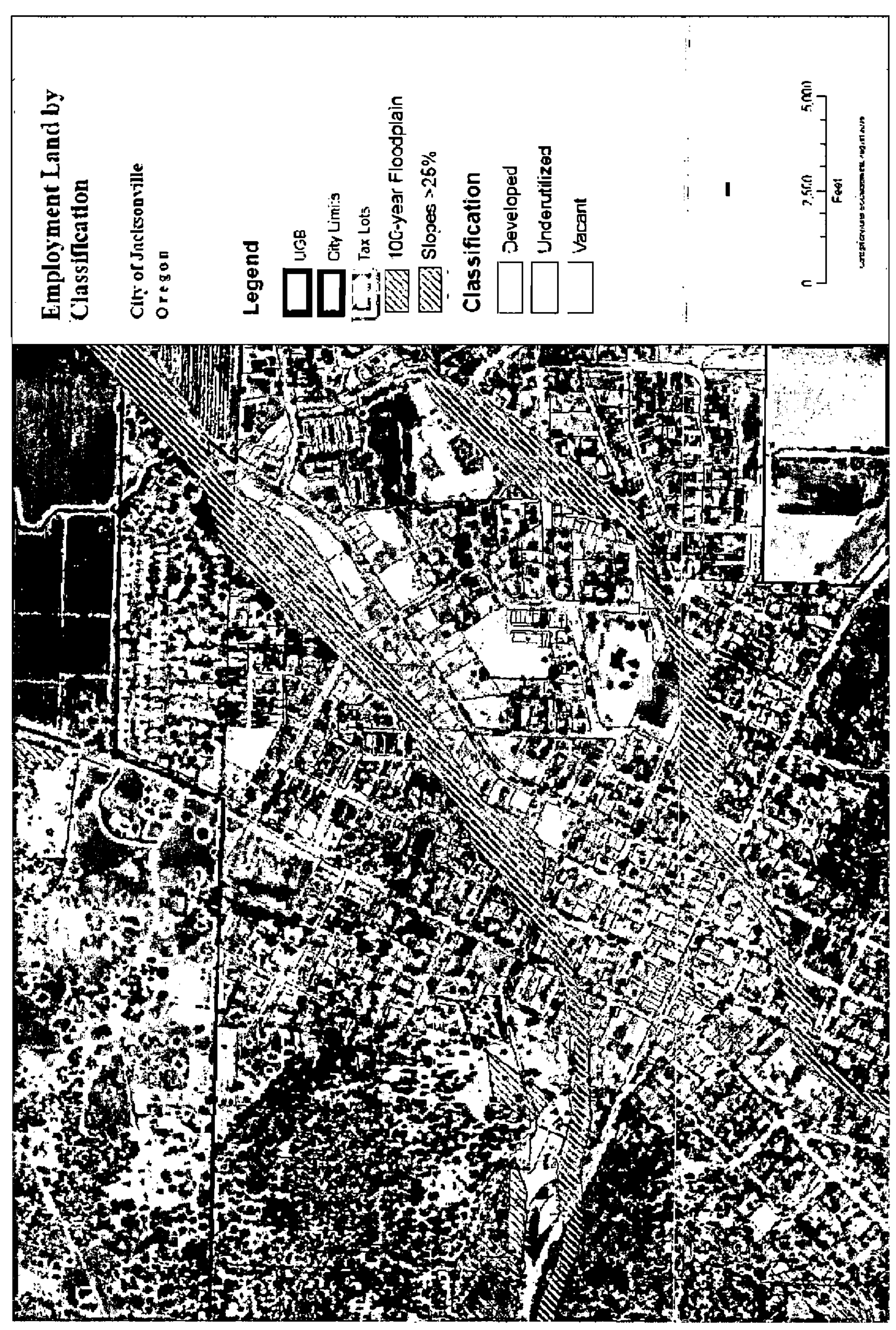
Table 4 shows underutilized land on employment land by generalized zoning and lot size. Jacksonville has three lots that are underutilized, accounting for about 3 acres of land.

Map 1. Land by Classification, Jacksonville, 2009



Map 1 shows developed, vacant, and underutilized employment land in Jacksonville.

Map 2. Land by classification with constraints, Jacksonville, 2009



Map 2 shows constraints on developed, vacant, and underutilized employment land in Jacksonville.

In addition to underutilized lands, Jacksonville has a number of unoccupied commercial spaces that could provide capacity for future employment.[8] While commercial vacancy rates tend to be cyclical, the number of unoccupied spaces might suggest some capacity for future retail and service employment. Keep in mind, however, that a previous business with two employees would have to be replaced by a business of three or more employees for any net growth in employment to take place. Jacksonville's unoccupied commercial spaces could meet the site needs of businesses that require sites of less than one acre.

Site needs for development strategies and targeted industries

The City may achieve its three economic development strategies by providing for a variety of sites designated for employment over the 20-year planning period:

1. **Small sites in the downtown core to accommodate a variety of uses.**
   Jacksonville has few vacant, undeveloped sites available for development within its downtown area. In 2009, however, the City has a considerable number of vacancies in existing commercial spaces that might meet some of the site needs during the planning period. Also, residences in the Historic Core are permitted a usage change to commercial space. These locations may be suitable for retail stores, restaurants, overnight accommodations, and artisan businesses meeting many of the above business types.

2. **Sites to accommodate arts education or small scale production facilities.**
   Accommodating arts education and small scale production facilities, two of Jacksonville's economic development strategies, would require sites of different sizes. Some arts facilities could be developed on sites smaller than one acre and some may require larger sites of one to two acres.

3. **Redevelopment of existing sites.** While Jacksonville protects its history by limiting irreversible changes to historic structures, there are several sites within the Historic Core Zone that could be modified or redeveloped to meet the needs of business, such as historical product sales and distribution, artisan crafts and arts, agricultural tourism, culinary tourism, outdoor recreation, performing arts, and services for existing residents.

Projected Land Needs and Availability

Goal 9 and OAR 660-009 require cities to maintain a 20-year supply of sites needed for economic development. They are also required to conduct an inventory of sites that are designated for employment uses or mixed-use development.

OAR 660-009-0015(2) requires the EOA to identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses.

The Goal 9 rule provides flexibility in how jurisdictions conduct and organize an analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

[8] The Economic Opportunity Analysis presents an inventory of unoccupied commercial space in Jacksonville in October 2008.

The analysis of site needs presented in this section builds from existing development patterns in Jacksonville, an employment forecast, Jacksonville's economic development vision, and an evaluation of the types of site needs of industries most likely to locate in Jacksonville. The analysis is presented in aggregate and by major uses (e.g., industrial and retail/services).

Table 5 shows site needs by site size within the Jacksonville UGB for the 2010 to 2030 period. The estimate of needed sites builds off of the 20-year employment forecast. The site needs analysis in **Table 5** assumes that Jacksonville will have growth of employment in the targeted industries.

The results show that Jacksonville needs to provide several sites of varying sizes to accommodate employment growth between 2010 and 2030. Some targeted businesses, such as services for existing residents, culinary tourism, historic preservation, and artisan crafts and arts, will require sites less than one acre. Agricultural products, agricultural tourism, larger production culinary tourism, outdoor recreation, performing arts, and film and television production may require sites between one and two acres.

Table 5
Comparison of the supply of existing employment land within Jacksonville's existing UGB to the demand for sites, 2010-2030

	Existing Supply		2010-2030 Demand		Employment Land Need Surplus or (Deficit)	
Site Size	**Sites**	**Acres**	**Sites**	**Acres**	**Sites**	**Total Acres**
> 2 acres	**0**	**0**	**0**	**0**	**0**	**0**
1-2 acres	**2**	**2.4**	**5 - 12**	**13**	**(3 - 10)**	**(10)**
< 1 acre	**20**	**6.2**	**10 - 15**	**4**	**0**	**0**

The identified site needs shown in **Table 5** do not distinguish sites by comprehensive plan designation. While some needed employment sites may locate in residential or planned mixed-use areas, artisan uses with production or educational facility requirements may not be compatible with the Historic Core.

Table 5 presents Jacksonville's existing *supply* of commercial and artisan sites in contrast to the City's site *needs* as based on Jacksonville's need for employment land over the 2010 to 2030 period.

Table 5 indicates that Jacksonville has a deficit of 3 - 10 parcels on 10 acres of employment land.

Jacksonville does not show a deficit of employment sites smaller than one-acre. The vacant lands combined with unoccupied commercial structures suggest that Jacksonville has a surplus of sites and structures available for smaller commercial or artisan uses.

Conclusions and Findings

1. Based on generalized population-ratio assumptions, it is forecasted that Jacksonville's workforce will grow by about 466 workers (28.8%) over the 20-year period, at an average annual rate of 1.3%.[9]

2. Much of Jacksonville's current employment centers around tourist-related businesses, including eating and drinking establishments, inns, and specialty retail shops. To further increase employment opportunities, the City should strive to diversify its economic base by providing goods and services for the local population.

3. Jacksonville's Economic Strengths include the following:
   - **a.** the town's historic character and outstanding architecture draw a large number of tourists,
   - **b.** the pedestrian-friendly town size encourages walk-by shopping,
   - **c.** the well-educated population provides a strong employment base,
   - **d.** the strong purchasing power of local residents provides a good market base,
   - **e.** attractive open spaces and viewsheds draw visitors and new residents, further increasing the market base,
   - **f.** a residential population devoted to volunteerism and supportive of events draws visitors to town,
   - **g.** local attractions, like the Britt Music Festival, Southern Oregon Historical Society's museum, the Children's Museum, and Jacksonville Woodlands Trails, draw visitors,
   - **h.** the town's traditional events, including seasonal parades, art shows, and wine walks, all of which draw visitors and valley residents to downtown,
   - **i.** the town's location in the Rogue Valley, extends the market base beyond local residents,
   - **j.** the town's location at the Applegate Valley gateway, further extends the market base, and
   - **k.** a growing local art community also draws tourists.

4. Challenges facing Jacksonville's local economy include the following:
   - **a.** internal transportation problems, which include seasonal truck traffic in the historic downtown core, the difficulties of loading and unloading goods on the City's narrow streets, and high-season limited parking availability in downtown,
   - **b.** the City's location away from the I-5 corridor, which is a strength in maintaining the town's historic, rural character but which limits access to and from the city via the Interstate system,
   - **c.** a lack of signage for parking to direct visitors to the 200 spaces for autos located at the Intermodal Center,
   - **d.** a potential for land use conflicts in mixed-use and transitioning (residential to commercial use) areas,
   - **e.** a lack of certain goods and services for residents,

[9] The assumption in the employment forecast is that the population employment ratio will remain the same over the 20-year period. It is possible that Jacksonville may have more (or less) employment growth in relation to population growth over the planning period resulting from the City's regional tourism industry base and expected retiree population increases. The employment forecast is somewhat conservative when compared to the historic trend of 34% growth from 1990 to 2007 and Jackson County population and employment projections.

f. the city's current high economic dependency on tourism,
g. the limited availability of workforce housing,
h. a limited amount of developable employment land in the UGB,
i. a lack of available two-acre land parcels within the exiting general commercial zone,
j. a lack of land available for small-scale higher-impact fabrication facilities.

5. Based on the City's economic development strategies, target industries for Jacksonville might include the following:
    a. providing goods and services for the residential population,
    b. diversifying the economy to provide varied employment opportunities,
    c. attracting a larger tourist base through production of historically related goods and artisan crafts,
    d. promoting recreational attractions,
    e. promoting culinary and wine tourism, and
    f. expanding music and performing arts productions.

6. The City's economic development strategies should include the following:
    a. expand economic activity inside the Historic Core and the existing general commercial zoned area by increasing the opportunities for retail shopping, dining, and entertainment,
    b. encourage artisan and work/live businesses to use infill while respecting spatial relationships within the core,
    c. promote Jacksonville as a year round destination by encouraging businesses and activities which will result in longer visitor stays,
    d. develop off season tourist draws through business retreats and additional off season events,
    e. expand provision of goods and services for residents so they can meet their needs locally rather than by travelling out of Jacksonville.

7. The City government can support economic activity by the following:
    a. preserving Jacksonville's agricultural buffers and separation from Medford and Central Point in order to maintain the town's appeal to residents and visitors,
    b. fostering a thriving, pedestrian friendly downtown core,
    c. preserving the historic character of Jacksonville,
    d. supporting activities and events that reinforce Jacksonville's image and 'sense of place,' and
    e. providing opportunities for businesses that compliment the economic strategies stated in this Element.

8. Jacksonville has few vacant, undeveloped sites available for development within its downtown area. In 2009, however, the City has a considerable number of vacancies in existing commercial spaces that could meet some of the site needs during the planning period. Also, residential properties within the Historic Core may undergo a permitted change to commercial uses.

9. In 2008, the Transportation Committee proposed reducing congestion through the historic core. This could be eased by connecting Highway 238 through to Old Stage Road. Such connectivity would share the burden of traffic between California and Oregon Streets and would ease the congestion on California Street in the Historic Core.

10. To diversify Jacksonville's economy and reduce its seasonality, a resort facility has been discussed at length. Citizens and government officials have expressed a variety of concerns over the conversion of Exclusive Farm Use land to a commercial resort and the lack of connectivity a resort would have to Jacksonville's centralized commercial Historic Core. At this time, the Planning Commission and City Council have identified the idea of a resort facility as more detrimental to the historic nature and downtown commercial concentration of the town than beneficial.

Policies and Implementation Measures

Policy 1: Promote year-round tourism and compatible businesses.

1. Establish partnerships that expand marketing of the town as a tourist destination that includes, for example, Britt concerts, historic tours, architectural tours, haunted houses, mystery tours, film festivals, winery tours, and recreational events, like bike tours, marathons, and hang-gliding events.
2. Establish partnerships that strive for two-day events that promote overnight stays.
3. Coordinate events so that various entities (Chamber of Commerce, the Southern Oregon Historical Society, the Britt Festival, the Jacksonville Woodlands, etc.) can participate in the event, if applicable.
4. Establish partnerships that develop 'annual' events that establish traditions and encourage return visitors.
5. Enhance Website promotion.
6. Explore niche markets that draw regional customers on a year-round basis.
7. Cultivate an environment conducive to retreats and workshops. Inventory the number of rooms and seats per meeting facility in order to promote retreats and workshops for overnight stays.
8. Actively work with the Southern Oregon Historical Society to identify and promote unique Jacksonville exhibits.
9. Encourage and support the Britt Music Festivals. Develop a plan with the Britt Festival and Jackson County to mitigate any negative impacts while promoting and sharing benefits. Encourage a larger Britt Festival presence and the relocation of the Britt offices to Jacksonville.
10. Encourage Southern Oregon Historical Society to become more active in offering 'historical' events, like lecture series, 'western art' exhibits, and other cultural events.
11. Encourage an 'all town gallery' concept, whereby the majority of business owners exhibit 'art on consignment' from local artists. An 'all town gallery' will motivate pedestrian circulation.
12. Encourage the promotion of 'Brand Jacksonville' to be associated with quality, originality, and local talent.
13. Establish partnerships with other historic cities in Oregon and Northern California with the potential for forming a tour destination, the "Trail of Gold."
14. Establish partnerships with entities in the Applegate Valley in order to apply for a 'scenic highway' designation for Hwy. 238.
15. Establish partnerships that promote Jacksonville throughout the region and the west coast.

16. Encourage successful farming operations on the city's borders with eco-tourism-related ventures, like wine tasting, petting zoos, and equestrian centers.
17. Consider geographically expanding the Historic Core zoning boundary as demanded by future economic needs.
18. Consider developing special overlay zones to provide mitigation of sound, smell, noise, light, traffic, and viewshed protection from impacting economic uses.

Policy 2: Provide a diversity of employment opportunities for the 20-year projected employment base while still maintaining Jacksonville's historic character and pedestrian-friendly size.

1. Redirect Jacksonville's economic activities into areas beyond tourism in order to provide for economic diversification that ensures a more stable, year-round economic base.
2. Determine what available space within the current UGB might provide for economic diversification, considering existing businesses, available buildable land, and size of parcels needed for certain businesses.
3. Determine the amount of commercial, mixed use, artisan cluster, and culinary cluster land needed beyond the existing UGB.
4. Encourage live theater, film industry, eco-tourism, and agri-tourism.
5. Encourage appropriate film and video activities.
6. Encourage specialty education facilities related to art, music, and the performing arts.
7. Encourage and support home businesses and E-businesses through appropriate zoning.
8. Encourage suitable specialty food preparation facilities in a Culinary Cluster (CC).
9. Encourage suitable artisan ventures in an Artisan Cluster (AC).
10. Maintain a business environment that encourages private business owners to meet the needs of the local citizenry.
    a. Conduct a survey to determine what goods and services are needed by residents.
    b. Inventory existing businesses and the goods and services they provide.
    c. Determine which resident needs are not being met by existing businesses.
    d. Determine how some of those resident needs might be met.

Policy 3: Maintain a positive business environment that supports existing businesses and draws new businesses compatible with Jacksonville's historic character and pedestrian-friendly size.

1. Maintain and update, as needed, regulations and architectural standards that protect and maintain historic properties, impact areas, and viewsheds.
2. Maintain the walkability and small town character of Jacksonville.
3. Establish pedestrian paths and off-street bike paths (with planned bike parking) to connect commercial areas and important nodes with residential areas.
4. Focus street beautification efforts on 5th Street.
5. Explore redevelopment potentials along 5th Street.
6. Establish code language that imposes gross floor area limitations on bulk and mass of structures and determines the maximum amount of gross floor area per square foot of land in order to retain the historic rhythm of buildings and parcels radiating out of the center of town.
7. Continue efforts to take truck traffic out of the historic core.
8. Continue efforts for more efficient parking plans.

9. Develop a streetscape plan that guides pedestrians from parking areas to businesses.
10. Promote 'clustering' of supporting and complementary businesses in general commercial areas.
11. Maintain a buffer separation from other communities in order to retain the City's special identity and pattern of commercial development.
12. Maintain the City's attractiveness and visitor services, such as restrooms, trash receptacles, public seating, and parking.
13. Establish a plan for providing 'shady nooks' in the downtown core.
14. Establish open communication between the City, Chamber of Commerce, business owners, and residents.
15. Adjust General Commercial (GC) development regulations to raise the quality of commercial development while encouraging creative mixed use designs compatible with Jacksonville's historic character.
16. Require fully developed landscape architectural designs that enhance the streetscape to be submitted at the beginning of the development process and to be implemented with an in-ground irrigation system prior to receiving a certificate of completion.

Policy 4: Strive for efficiency in utility and transportation systems.

1. Encourage mixed use facilities that place residents and needed services in close proximity to each other and that are adjacent to transportation modes not reliant on the automobile.
2. Consider these site needs for artisan and/or culinary clusters:
    a. Frontage on an arterial or collector street,
    b. Located north of the City to maximize freight transportation efficiency and to minimize traffic through Jacksonville's historic core,
    c. A site large enough to provide effective land-use buffers around the facility for separation from other uses,
    d. Located in an area with existing or planned sanitary sewer, municipal water service, and telecommunications and internet connectivity, and
    e. Located in an area where the new infrastructure will provide connectivity to other parts of the City.
3. Track commercial and residential land consumption to be prepared for the State's 10-year review that requires maintaining a land supply for a 20-year planning horizon.
4. Improve and maintain public services and facilities to enhance existing and future commercial activity.
5. Prepare, utilize, monitor, and update a Capital Improvement Plan that will provide for visitors' services, parks, and parking in balance with financial constraints and tax base impacts. Explore grants to facilitate and augment funding.
6. When considering expansion for needed commercial/mixed use/ artisan/culinary land beyond the existing UGB, stress pedestrian and bicycle connectivity and utility and transportation efficiency.
7. Consider the potential of carbon offsets as a revenue source.

Policy 5: Appendices to this Economic Element may be updated and amended by resolution as approved by Jacksonville's City Council.

APPENDIX 'A'

City of Jacksonville

Economic Opportunities Analysis

Draft Report

August 10, 2009

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Executive Summary

To be included in future draft

Chapter 1

Introduction

This report presents an Economic Opportunities Analysis (EOA) for the City of Jacksonville consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes the EOA as "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the comparative advantage of the region within which the developments would be located."

This report serves as the factual basis for an update of the Economic Element of the Jacksonville Comprehensive Plan.

BACKGROUND

Jacksonville totally overhauled the Economic Element of its Comprehensive Plan in 1997. Since that last revision of the Economic Element, the economy of Oregon has changed. Most significantly, Oregon's economy has continued to diversify and become more services-oriented. At the same time, the demographic characteristics of Oregonians also changed, with continued aging of the baby boomers and increasing ethnic diversity. The economy and demographics in Southern Oregon have changed in similar ways.

The policy context for economic development planning in Oregon has also changed since 1997. In 2006, the State revised the requirements for planning for industrial and other employment land needs, as codified in OAR 660-009, which now requires that cities plan for future site needs of firms that may expand in or move to Jacksonville.

Jacksonville is located near the California border in Jackson County. The City is located along Highway 238, about 5 miles west of I-5. Jacksonville is a city of around 2,700 people and is near the larger cities of Medford and Central Point.

Citizens of Jacksonville are concerned both about developing and diversifying Jacksonville's economy and about preserving and improving Jacksonville's quality of life. Jacksonville is listed in the National Register of Historic Places as a National Historic Landmark District. As such, it is a historic resource of statewide significance.

Future economic activities in Jacksonville should complement and support, but not compete with existing businesses and activities in Jacksonville's downtown, which contains the greatest concentration of historic features in the community. The City's vision for economic development (as articulated in policy documents discussed in Appendix B) includes: developing an Artisan District where unique goods will be produced; promoting tourism and increasing tourism revenues through lengthening visitors stay (rather than attracting more visitors); providing necessary services for local residents; and promoting the diversification of Jacksonville's economy.

FRAMEWORK FOR ECONOMIC DEVELOPMENT PLANNING IN OREGON

The content of this report is designed to meet 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.[1] The analysis in this report is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 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 projected 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).* Cities with a population over 2,500 are required to develop commercial and industrial development policies based on the EOA.

[1] The amended OAR 660-009, along with a Goal 9 Rule Fact Sheet, are available from the Oregon Department of Land Conservation and Development at http://www.oregon.gov/LCD/econdev.shtml.

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 within a Metropolitan Planning Organization (which includes Jacksonville) must adopt policies that identify 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 to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation 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 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.

4. 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.

This report is an Economic Opportunities Analysis, the first key element required by Goal 9. This EOA includes an analysis of national, state, regional, and county trends as well as an employment forecast that leads to identification of needed development sites. It also includes an inventory of buildable commercial and industrial land in Jacksonville.

ORGANIZATION OF THIS REPORT

The remainder of this report is organized as follows:

- **Chapter 2, Economic Trends and Factors Affecting Future Economic Growth in Jacksonville** summarizes historic economic trends that affect current and future economic conditions in Jacksonville. It also summarizes Jacksonville comparative advantages formed by the mix of factors present in Jacksonville.

- **Chapter 3, Economic Development Strategies and Potential Growth Industries in Jacksonville** presents Jacksonville's economic development strategy (as articulated in existing policy documents) and potential growth industries in Jacksonville.
- **Chapter 4, Employment Land Demand and Site Needs in Jacksonville** presents the employment forecast for Jacksonville and an estimate of how much land is needed to accommodate the 20-year employment forecast. It also describes the types of sites that are needed to accommodate industries that are likely to locate or expand in Jacksonville.
- **Chapter 5, Conclusions** presents a comparison of land supply and site needs.

This report also includes three appendices:

- **Appendix A, Review of National, State, Regional, County, and Local Trends** describes national, state, and local economic trends that will influence the regional economy. It reviews local factors affecting economic development in Jacksonville and advantages, opportunities, disadvantages, and constraints these factors may present.
- **Appendix B, Comparative Advantages** discusses the comparative advantages formed by the mix of factors present in Jacksonville.
- **Appendix C, Trends in Tourism** presents information about tourism trends from the national to local level.

Chapter 2 National, State, County, and Local Trends Affecting Economic Growth in Jacksonville

This chapter summarizes national, state, county, and local trends and other factors affecting economic growth in Jacksonville. Each heading in this chapter represents a key trend or economic factor that will affect Jacksonville's economy and economic development potential. A more detailed analysis of economic trends and factors affecting Jacksonville's future economic growth is presented in Appendices A and B.

AVAILABILITY OF LABOR

The availability of trained workers in Jacksonville will impact development of Jacksonville's economy over the planning period. Key trends that may affect the workforce in Jacksonville over the next 20-years include Jacksonville's: growing population, aging population, labor force participation, commuting trends, and educational attainment.

GROWING POPULATION

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

Table 2-1 shows population growth in the U.S., Oregon, Southern Oregon, Jackson County, and Jacksonville for the 1990 to 2007 period. Jacksonville grew by 749 people (39%) over the period with an average annual growth rate of 1.95%, which was faster than growth rates in the County (1.92%), State (1.64%), or nation (1.14%) over the same period. In 2007, Jacksonville held less than 2% of Jackson County's total population.

Table 2-1. Population in the U.S., Oregon, Southern Oregon, Jackson County, and Jacksonville, 1990-2007.

	Population			Change 1990 to 2007		
Area	1990	2000	2007	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	301,621,157	52,911,284	21.3%	1.14%
Oregon	2,842,321	3,421,399	3,745,455	903,134	31.8%	1.64%
Southern Oregon	303,685	357,394	377,065	73,380	24.2%	1.28%
Jackson County	146,389	181,269	202,310	55,921	38.2%	1.92%
Jacksonville	1,896	2,235	2,635	739	39.0%	1.95%

Source: U.S. Census and Population Research Center at Portland State University.
Note: Southern Oregon consists of Douglas, Jackson, and Josephine Counties.

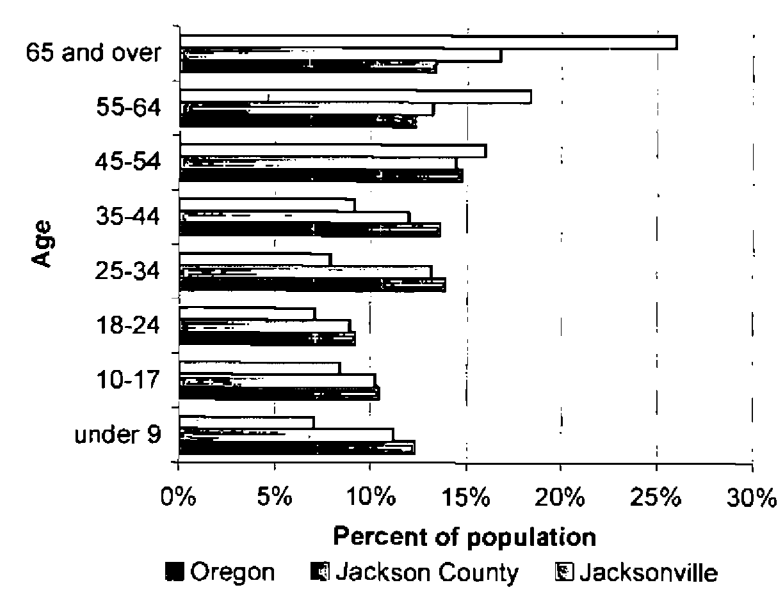
Migration is the largest component of population growth in Oregon. Between 1990 and 2007, in-migration accounted for 70% of Oregon's population growth. Over the same period, in-migration accounted for nearly 50,000 new residents of Jackson County (89%) over the seventeen-year period.

Migration is likely to continue to be an important component of population growth in Jackson County and Jacksonville. The largest source of interstate migration is likely to be from California. Oregon Department of Motor Vehicles collects data about state-of-origin for drivers licenses surrendered by people applying for an Oregon drivers license from out-of-state. Between 2000 and 2007, about one-third of licenses surrendered were from California, 15% to 18% were surrendered from Washington, and about 17% to 19% were from the following states: Arizona, Idaho, Nevada, Colorado, and Texas.

AGING POPULATION

Figure 2-1 shows the age structure for Oregon, Jackson County, and Jacksonville in 2008. Jacksonville's age distribution is different from the County and State averages. Jacksonville has a higher percentage of people above the age of 65 (26%) than the County (17%) or the State as a whole (13%). Similarly, Jacksonville has a smaller percentage of the population under the age of 17 (16%) than Jackson County (22%) or the State (23%).

Figure 2-1. Population by age, Oregon, Jackson County, and Jacksonville, 2008.



Source: Claritas 2008, percentages calculated by ECONorthwest.

LABOR FORCE PARTICIPATION

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

Table 2-2 summarizes Oregon, Jackson County and Jacksonville's labor force composition for 2000. Jacksonville's labor force participation rate was 57%, which was lower than the County (61%) and State (65%). This lower labor force participation rate in Jacksonville coincides with the high proportion of people over the age of 60 in the City, who are likely to be retired.

Table 2-2. Employment status for population 16 years and over, Oregon, Jackson County, and Jacksonville, 2000.

	Oregon		Jackson County		Jacksonville	
	Number	Percent	Number	Percent	Number	Percent
In labor force:	1,742,638	65%	87,189	61%	1,046	57%
In Armed Forces	2,340	0%	80	0%	2	0%
Civilian:	1,740,298	65%	87,109	61%	1,044	57%
Employed	1,627,769	61%	80,714	57%	1,007	55%
Unemployed	112,529	4%	6,395	4%	37	2%
Not in labor force	931,144	35%	55,108	39%	788	43%
Total	2,673,782		142,297		1,834	

Source: Census 2000

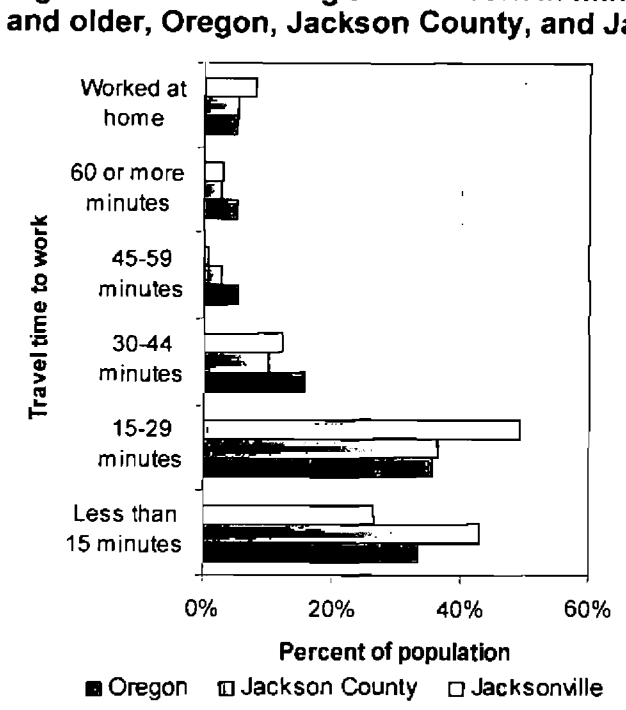
COMMUTING TRENDS

Another important factor in the labor force is the distance that workers are willing to commute. **Figure 2-2** shows a comparison of the commute time to work for residents 16 years and older for Oregon, Jackson County, and Jacksonville in 2000.

Jacksonville residents were more likely to have a commute of between 15 minutes and 44 minutes (62%), compared to 46% of workers in the County and 51% in the State. The large share of workers in Jacksonville commuting 15 to 44 minutes suggests that most people commute out of Jacksonville for work, probably to other cities in Jackson County (e.g., Medford). In 2000, Jacksonville had a greater share of workers that worked from home (8%), compared to 5% of workers in the County and State.

Since the 2000 Census, however, commuting trends may have shifted in Jacksonville. An analysis of business licenses in 2007 indicated 196 licenses for businesses located within Jacksonville, with 63 businesses (32%) located in the residential zone and 133 (68%) located in the commercial zone.

Figure 2-2. Commuting time to work in minutes for residents 16 years and older, Oregon, Jackson County, and Jacksonville, 2000.

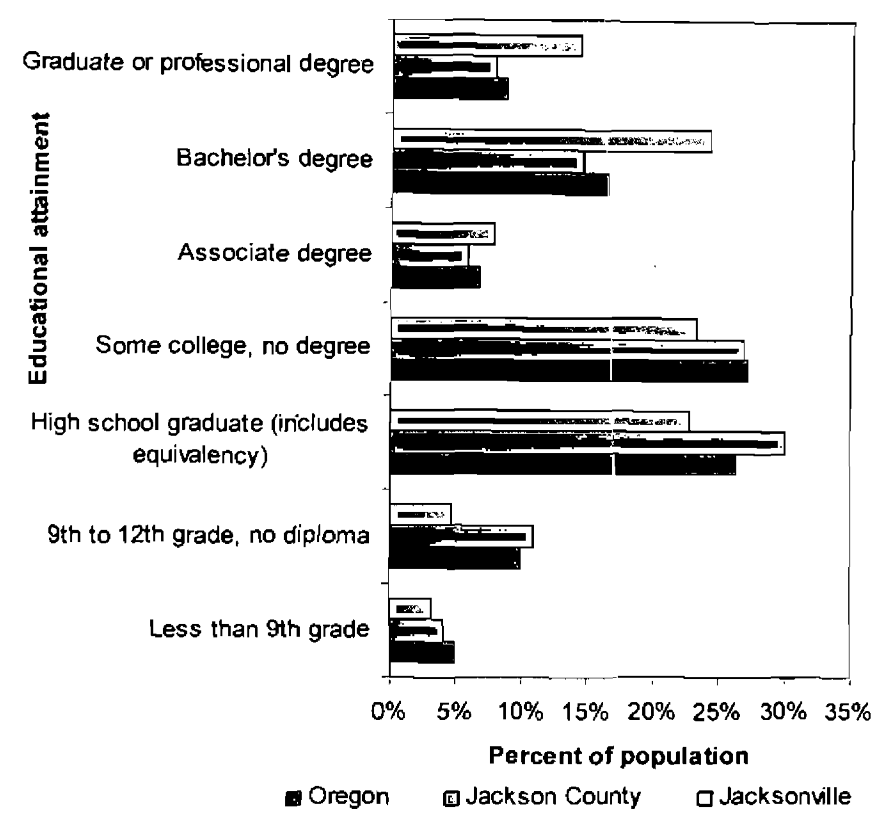


Source: U.S. Census 2000

EDUCATIONAL ATTAINMENT

Educational attainment is an important labor force factor because businesses need to be able to find educated workers. **Figure 2-3** shows the share of population by educational attainment in Jacksonville, Jackson County, and Oregon in 2000. **Figure 2-3** indicates that Jacksonville had a larger share of residents with a bachelor's degree or higher (38%) than residents of Oregon (25%) or Jackson County (22%). This high level of education in the City gives Jacksonville advantages in attracting businesses that need educated workers.

Figure 2-3. Educational attainment for the population 25 years and over, Oregon, Jackson County, and Jacksonville, 2000.



Source: U.S. Census 2000

Educational and workforce training opportunities in Jackson County include Southern Oregon University and Rogue Community College.

CHANGES IN EMPLOYMENT

The economy of the nation changed in the 1980 to 2007 period. These changes affected the composition of Oregon's economy, including Jackson County and Jacksonville. At the national level, the most important shift during this period was the shift in employment from a focus on manufacturing to services. During this 27-year period, Oregon's economy has diversified, shifting from a timber-based economy to a service-based economy with substantial amounts of manufacturing.

SHIFTS IN EMPLOYMENT

Over the past few decades, employment in the U.S. has shifted from manufacturing and resource-intensive industries to service-oriented sectors of the economy. Increased worker productivity and the international outsourcing of routine tasks have lead to declines in employment in the major goods-producing industries.

In the 1970s Oregon started to transition away from reliance on traditional resource-extraction industries. An important 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[2] and concurrent growth of employment in high-technology manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments[3]).

As Oregon has transitioned away from natural resource-based industries, the composition of Oregon's employment has shifted from natural resource based manufacturing and other industries to service industries. The share of Oregon's total employment in Service industries increased from its 1970s average of 19% to 30% in 2000, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 12% in 2000.

The changes in employment in Jackson County have followed similar trends as changes in national and state employment. **Table 2-3** shows the changes in covered employment by sector in Jackson County between 1980 and 2000. Covered employment in the County grew from 42,626 in 1980 to 73,614 in 2000, an increase of 73% or 30,988 jobs.

In 2000, the largest sectors in the County were Services with 20,385 jobs (28% of jobs), Retail Trade with 18,865 jobs (26%), Government with 10,186 jobs (14%), and Manufacturing with 9,231 jobs (13%). Government jobs accounted for 10,186 people (14%).

The sectors with the greatest increase in employment were Services and Retail Trade, together adding a total of 22,295 jobs or about 72% of all new jobs. No sector lost jobs over the period.

[2] SIC 24

[3] SIC 35, 36, 38

Table 2-3. Covered employment in Jackson County, 1980-2000.

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

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. Summary by industry and percentages calculated by ECONorthwest. Note: Total employment does not reflect confidential or non-classifiable jobs.

Table 2-4 shows the changes in employment in Jackson County between 2001 and 2007. Jackson County added more than 10,200 jobs during the period. The two sectors with the greatest increases in employment were Construction and Health and Social Assistance, adding more than 3,500 jobs or 34% of new jobs.

Table 2-4. Changes in employment, Jackson County, 2001-2007.

			Change from 2001 to 2007		
Sector	2001	2007	Difference	Percent	AAGR
Natural Resources & Mining	2,377	3,033	656	28%	4.1%
Construction	**3,640**	**5,534**	**1,894**	**52%**	**7.2%**
Manufacturing	7,702	6,906	-796	-10%	-1.8%
Wholesale	2,131	2,596	465	22%	3.3%
Retail	13,238	14,370	1,132	9%	1.4%
Transportation, Warehousing & Utilties	2,303	2,689	386	17%	2.6%
Information	1,815	1,683	-132	-7%	-1.3%
Finance & Insurance	1,845	2,524	679	37%	5.4%
Real Estate Rental & Leasing	1,062	1,200	138	13%	2.1%
Professional, Scientific & Technical Svcs	2,061	2,123	62	3%	0.5%
Management of Companies	**801**	**1,888**	**1,087**	**136%**	**15.4%**
Admin. & Support, Waste Mgmt Svcs	3,486	3,790	304	9%	1.4%
Education	508	610	102	20%	3.1%
Health & Social Assistance	**9,643**	**11,272**	**1,629**	**17%**	**2.6%**
Arts, Entertainment & Recreation	1,330	1,675	345	26%	3.9%
Accomodations & Food Services	7,182	8,139	957	13%	2.1%
Other Services	2,770	2,954	184	7%	1.1%
Private Non-Classified	25	43	18	72%	9.5%
Total All Government	10,189	11,306	1,117	11%	1.7%
Total Covered Employment	**74,108**	**84,335**	**10,227**	**14%**	**2.2%**

Source: Oregon Employment Department

The average pay per employee in Jackson County in 2007 was $32,895. The sectors with above average pay and high employment were Construction, Manufacturing, Government, and Health and Social Assistance. The sectors with below average pay and high employment were Retail, Accommodations and Food Services, Administration and Support, and Waste Management & Remediation Services.

BUSINESS ACTIVITY IN JACKSONVILLE

Table 2-5 shows covered employment in Jacksonville in 2007, based on data from Oregon Prospector.[4] Jacksonville had 123 establishments, with an average of nearly six employees per firm. The sectors with the most employees were the following: Retail (21%), Accommodations and Food Services (17%), Government (15%), and Health and Social Assistance (13%). These sectors accounted for 472 jobs or 65% of Jacksonville's jobs.

Table 2-5. Covered employment in Jacksonville, 2007.

Sector	Firms	Employment	% of Employment
Agriculture, Forestry & Fishing	5	15	2%
Construction	12	39	5%
Manufacturing	4	17	2%
Wholesale	5	15	2%
Retail	**27**	**150**	**21%**
Transportation and Warehousing	1	7	1%
Finance & Insurance	7	23	3%
Real Estate Rental & Leasing	9	34	5%
Professional, Scientific & Technical Svcs	10	43	6%
Health & Social Assistance	**9**	**91**	**13%**
Arts, Entertainment & Recreation	4	13	2%
Accomodations & Food Services	**11**	**126**	**17%**
Other Services	14	37	5%
Private Non-Classified	1	7	1%
Total All Government	4	**105**	**15%**
Total Employment	**123**	**722**	**100%**

Source: Oregon Prospector, summary and calculations by ECONorthwest

Jacksonville licenses businesses that operate in the City. **Table 2-6** shows the change in the number and types of businesses in Jacksonville from 1990 to 2007, based on the City's business license system. The number of businesses increased by about one-third (53 businesses) in Jacksonville over the 17-year period. The types of businesses with the largest growth were service (e.g., Professional Services, Real Estate, Engineering, and other services) and visitor lodging. The only types of businesses to decline

[4] Oregon Prospector is the State's official web site to promote economic development. It is available at: www.oregonprospector.com .

over the period were antique shops and other retail, with a combined loss of 19 businesses.

Table 2-6. Business growth in Jacksonville, 1990-2007.

Business Type	1990 - 1991	1995 - 1996	2006-2007	Change from 1990 to 2007	
				Number	Percent
Restaurants	10	10	13	3	30%
Art Galleries	6	4	8	2	33%
Antique Shops	13	11	4	-9	-69%
Other Retail	56	72	46	-10	-18%
Service	33	61	79	46	139%
Contractors	19	16	22	3	16%
Financial	10	12	8	-2	-20%
Visitor Lodging	7	6	13	6	86%
Care Facilities	1	3	2	1	100%
Other	-	-	13	-	-
Total	155	195	208	53	34%

Source: City of Jacksonville
Note: "Other" category was not counted prior to the 2006.

One substantial change in Jacksonville employment is that Cutler Investment Group has moved its corporate headquarters to Jacksonville. The 5-acre former high school property has been redeveloped for office and commercial uses by Cutler, which employees 60 persons, 55 of which are new to Jacksonville. Cutler is also redeveloping the building for the following uses: converting the gym into a ballroom for events (e.g., corporate training or weddings), four commercial office spaces, a pre-school, a German restaurant, and a day spa, which will be built in 2010. Cutler has also changed the landscaping to host outdoor events.

TOURISM IN JACKSONVILLE

Tourism is an important source of economic activity in Southern Oregon, accounting for 2.5 million overnight visitors annually or 13% of Oregon's travel. The primary market areas for travelers to Southern Oregon are California, Oregon, and Washington. More than half of visitors to Southern Oregon stay 3 or more days, with average daily expenditures of $134 to $151.[5]

[5] "SOVA 2006 Visitor Profile," The Southern Oregon Visitors Association, 2006 and "Medford Visitors Bureau Fact Sheet," Medford Visitors Bureau

Direct travel spending accounted for $813 million in Southern Oregon in 2007. In Jackson County, direct travel spending accounted for $372 million in 2007. The categories of expenditures that accounted for the majority of visitor spending were food and beverages, accommodations, arts, entertainment, and recreation.[6]

Overnight stays generated $4.6 million in room tax receipts in Jackson County in 2007. Room tax receipts increased 37% in Jackson County between 2000 and 2007. Room tax receipts were $57,000 in Jacksonville in 2006, an increase of 32% since 2000.[7]

OUTLOOK FOR GROWTH IN JACKSONVILLE AND JACKSON COUNTY

Table 2-7 shows Jacksonville's coordinated population forecast for the period from 2010 to 2030. Jacksonville is forecasted to grow at 1.3% annually over the 20-year period, slower than the County's forecast population change of 1.4% average annual growth. The forecast shows Jacksonville's population will grow from about 2,849 people in 2010 to 3,666 people in 2030, an increase of 817 people (28.8%) over the 20-year period.

Table 2-7. Population forecast, Jackson County and Jacksonville, 2010 to 2030.

Year	Jackson County	Jacksonville
2010	214,621	2,849
2015	230,168	3,020
2020	246,031	3,190
2025	261,497	3,350
2030	276,437	3,666
Change 2010 to 2030		
Population	61,816	817
% of Change	28.8%	28.8%
AAGR	1.4%	1.3%

Source: Jackson County Adopted Population Forecast, 2007

[6] "The Economic Impacts of Travel in Oregon," Dean Runyan Associates, 2007

[7] "The Economic Impacts of Travel in Oregon," Dean Runyan Associates, 2007

Table 2-8 shows the Oregon Employment Department's forecast for employment growth by industry over the 2006 to 2016 period for Region 8 in Oregon, which is Jackson and Josephine Counties. Employment in Region 8 is forecast to grow from 111,040 to 128,550 employees, an increase of 17,510 jobs over the 10-year period. Employment in Region 8 is forecast to grow at an average annual rate of 1.48%.

The sectors that are forecasted to lead employment growth in Region 8 for the ten-year period are Educational & Health Services (4,520 jobs), Retail Trade (2,860 jobs), Accommodation and Food Services (2,050 jobs), and Professional and Business Services (1,970 jobs). Together, these sectors are expected to account for 65% of employment growth in Region 8.

Table 2-8. Employment forecast by industry in Region 8 (Jackson and Josephine Counties), 2006-2016.

Sector	2006	2016	Change 2006-2016	
			Amount	% Change
Agriculture, Forestry, Fishing, and Hunting	2,160	2,470	310	14%
Natural resources and mining	980	1,000	20	2%
Construction	7,590	8,800	1,210	16%
Manufacturing	10,420	11,220	800	8%
Durable Goods	7,920	8,170	250	3%
Wood product manufacturing	3,030	2,860	-170	-6%
Trade, transportation, and utilities	25,030	28,740	3,710	15%
Wholesale trade	3,540	3,950	410	12%
Retail trade	**18,300**	**21,160**	**2,860**	**16%**
Transportation, warehousing, and utilities	3,200	3,630	430	13%
Information	2,010	2,170	160	8%
Financial activities	6,090	6,870	780	13%
Professional and business services	**9,580**	**11,550**	**1,970**	**21%**
Educational and health services	**15,730**	**20,250**	**4,520**	**29%**
Health care and social assistance	14,970	19,370	4,400	29%
Health care	13,280	17,380	4,100	31%
Leisure and hospitality	12,120	14,580	2,460	20%
Accommodation and food services	**10,340**	**12,390**	**2,050**	**20%**
Other services	3,800	4,310	510	13%
Federal government	1,960	1,900	-60	-3%
State government	3,680	4,040	360	10%
State education	1,470	1,640	170	12%
Local government	9,900	10,640	740	7%
Local education	5,640	5,900	260	5%
Other industries	360	420	60	17%
Total payroll employment	**111,040**	**128,550**	**17,510**	**16%**

Source: Oregon Employment Department. Employment Projections by Industry 2006-2016. Projections summarized by ECONorthwest.

JACKSONVILLE'S COMPARATIVE ADVANTAGES

Economic development opportunities in Jacksonville will be affected by local conditions as well as by national and state economic conditions described above and in Appendix A.

Economic conditions in Jacksonville, relative to other areas of Jackson County and Southern Oregon, form Jacksonville's comparative advantages and have implications for firms giving consideration to locating or expanding in Jacksonville.

Jacksonville's primary comparative advantages include its historic character, its ideal location, its quality of life, and its skilled workforce. These advantages are summarized below and described in detail in Appendix B.

- **Historic Significance and Character.** Jacksonville sets itself apart from similar communities through its history and its dedication to historic preservation. Jacksonville, which is listed in the National Register of Historic Places as a National Historic Landmark District, was, historically, a gold mining town. During the 19th Century, Jacksonville enjoyed an economic boom and became a regional economic center, in large part because of agriculture and lumber industries.

  The architecture in most of downtown dates back to the 1880's, with a few structures remaining from the 1850's. The layout of the town caters to pedestrian activity. Historic sites, such as the Jacksonville Museum, the Beekman House, the U.S. Hotel, and the Jacksonville Cemetery, give Jacksonville its authentic character.

- **Ideal location.** Jacksonville, nestled at the edge of the Bear Creek Valley, is a town surrounded by agriculture fields and forested mountains, both of which provide a buffer that allows the city to maintain a defined identity.

  While the small town has a rural character, it is located just five miles west of the city of Medford, which provides regional services, such as two major hospitals, an international airport, cultural events at the Craterian, Greyhound bus service, and Amtrak rail service. About fifteen miles south-east of Jacksonville is the city of Ashland, which offers the Shakespeare Festival, Southern Oregon University, and other cultural amenities.

  Jacksonville also has easy access to the State's highway system and other transportation opportunities. Interstate 5 runs about 6 miles to the east of Jacksonville and Highway 238 is the main east-west route through Jacksonville and out through the Applegate Valley to Grants Pass.

The hills surrounding Jacksonville are filled with hiking trails maintained by the Jacksonville Woodlands Association. In addition, the area has become popular with cyclists and paragliders. Nearby rivers and lakes provide ample opportunities for outdoor recreation.

- **Quality of Life.** Jacksonville's quality of life is based on its mild four-season climate, small town atmosphere, historic architecture, cultural amenities and events, the Britt Music Festival, strong public safety, quality businesses and restaurants, and easy access to higher education, fine medical facilities, and many recreational opportunities.

- **Skilled Workforce. Good Market Base.** Census 2000 indicates that 38% of Jacksonville residents have a Bachelor's degree or higher and 32% have an income above $75,000, which provides a good market base for businesses and an educated population for employment.

Economic Development Objectives and Potential Growth Industries in Jacksonville

Chapter 3

To provide for a 20-year supply of sites for employment consistent with local community development objectives, Jacksonville needs to assess demand for employment land based on potential growth industries. Demand for employment land will be driven by the expansion and relocation of existing businesses and by new businesses locating in Jacksonville.

Jacksonville seeks to create an economic base with the following attributes: a range of industries to support a year-round, diverse economy; a range of businesses that provide services and goods for residents; a range of stable jobs for skilled and unskilled labor, jobs that offer adequate pay and benefits; businesses that encourage tourism and longer visitor stays; and artisan and culinary industries that are compatible with Jacksonville's community values.

KEY TRENDS AFFECTING EMPLOYMENT GROWTH

Previous chapters reviewed historical growth trends by industry in Jackson County since 1980 and employment in Jacksonville. A review of Jacksonville's key employment trends can help identify potential growth industries in Jacksonville.

While nearly 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 the following:

- A substantial increase in the percent of employment in Services and Retail Trade, which increased from 44% to 58% of covered employment in Jackson County over the 1980 to 2007 period.
- A decrease in the share of Manufacturing employment from 18% to 8% from 1980 to 2007.

- A continued decline in the share of Government employment, which fell from 21% to 13% of covered employment between from 1980 to 2007.

- In 2007, Retail Trade, Government, Health and Social Assistance, Accommodations, and Food Services accounted for 54% of covered employment in the County.

- All other sectors accounted for less than 10% of employment each.

Employment trends show a substantial shift in the region's economy that mirrored shifts in the state and national economies, specifically the substantial growth in Services and the decline in 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:

- Growth in the Services sector has matured and should track more closely with overall employment and population growth rather than continuing to gain a substantial share of total employment.

- The decline in Manufacturing was due, in part, 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 may continue, much of what can be outsourced has already taken place. Remaining Manufacturing firms are tied to their particular regions to be near supplies or markets or they manufacture specialized goods, where small production quantities, fast turn-around times, and the need for quality limit the ability to outsource.

  Historically, Jacksonville has not had much Manufacturing employment. The 1997 Economic Element notes that Jacksonville did not have industrial-zoned lands, until the creation of the Cottage Industry (CI) zoning designation. The City, however, did not see substantial formation of cottage industries over the 1997 to 2007 period, possibly because the only properties available in the CI zone were limited in acreage, topography, accessibility, serviceability, and competing ownerships.

JACKSONVILLE'S ECONOMIC DEVELOPMENT OBJECTIVES

OAR 660-009-0020(1)(a) requires that communities state their "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." Appendix B provides excerpts from Jacksonville policy documents that articulate Jacksonville's economic development objectives, which are briefly summarized below:

- **Diversify Jacksonville's economy.** The City's Comprehensive Plan and community visioning process, which resulted in the "Jacksonville Vision 2028," state clearly that one of the City's key objectives is to have a diverse, year-round economy.

- **Develop new economic opportunities.** Another key objective is to develop economic opportunities that enhance the existing inventory, particularly in the historic core, through symbiotic compatibility and extended visitor-stays.

- **Attract businesses that reinforce 'Brand Jacksonville.'** The City envisions attracting unique businesses that reinforce 'Brand Jacksonville' and Jacksonville's status as a National Historic Landmark District.

- **Maintain Jacksonville's livability.** The City has passed resolutions defining livability and the importance of maintaining Jacksonville's livability.[8] Key components of Jacksonville's livability are preserving the City's historic context and character, managing growth, maintaining Jacksonville's view shed, controlling development density appropriate for Jacksonville, providing at least 8 acres of flatland for active parks, and diversifying the City's economy.

- **Promote development of the performing arts.** The City envisions promoting the development of performing arts in Jacksonville via a performing arts educational facility, film and television production, and performing arts troupes.

- **Mitigate the impacts of traffic.** Jacksonville's livability policies and development vision describe concerns about traffic congestion, especially regarding truck traffic in downtown Jacksonville. Where

[8] Resolutions 869 and 944 define the factors that are essential parts of Jacksonville's livability.

possible, economic development should decrease traffic congestion and promote transit oriented development.

- **Develop Artisan and Culinary Clusters.** The Comprehensive Plan encourages development of suitable artisan and culinary clusters for small-scale production and fabrication of goods.

- **Promote tourism.** The City's policies identify tourism as a key economic development strategy. Policies to support tourism include providing public facilities (e.g., attractive parks, an information center, public restrooms, and parking and pedestrian facilities), supporting special events (e.g., conferences and workshops), encouraging specialized businesses (e.g., fine apparel stores, jewelry stores, toy stores, and others) , and developing recreational industries and secondary agricultural enterprises.

TARGET INDUSTRIES IN JACKSONVILLE

POTENTIAL BUSINESS CLUSTERS

One way to encourage similar and complementary businesses to locate in a particular area is to promote growth in the context of clusters. A cluster is a grouping of similar or complementary businesses that benefit from clustering together in order to share commonly needed resources (e.g., labor, materials, administrative staff, showroom space, loading dock), services (e.g., marketing and transportation), and a consumer market for their similar or complementary goods or services.

The report *City of Jacksonville Cottage Industrial Economic Opportunities Analysis*, prepared for Jacksonville by Public Affairs Research Consultants (PARC) in 2004, discusses potential business clusters in Jacksonville. The report describes two types of industry clusters: vertically oriented and horizontally oriented.

- **Vertical clusters** are composed of multiple businesses in the same industry that contribute at different levels to a product's completion. For example, an automotive vertical cluster can be composed of first an automobile manufacturer, but supplemented by rubber, steel, plastic, and electronics companies that specialize in products necessary for automobile production.

  Jacksonville is not an ideal city for vertically oriented clusters because there is no product in Jacksonville built in large enough quantities to facilitate upstream and downstream supplementary businesses. In addition, these types of businesses are not consistent with Jacksonville's economic development strategy.

- **Horizontal clusters** are groups of businesses with similar functions at the same stage in the production process, businesses that can coexist in a location for one or more of the following reasons:
  - A high demand for particular goods or services exists in the local area,
  - An existing culture in the area pushes people towards a certain industry,
  - Resources necessary for production of particular goods or services are locally available, and/or
  - The presence of a business strong enough to attract collaborators and competitors has already been established.

  Jacksonville envisions artisan clusters for products that reflect Jacksonville's history, support architectural restoration, and take advantage of the town's active art community.

  Jacksonville also envisions culinary clusters for food processing that take advantage of surrounding agricultural products, provide goods for local residents, and support the agricultural industry.

  Jacksonville sees both of these clusters drawing tourists while providing goods and services for local residents.

TARGET INDUSTRIES

Jacksonville is targeting the following types of businesses that may occur independently or as business clusters, as described above. The Jacksonville Vision 2028 process identified several areas of concentration for economic growth in Jacksonville:

- **Historic Preservation.** Jacksonville's authentic architecture is preserved through maintaining the town's historic buildings, which requires specific skills to repair and replicate historic architectural patterns and craftsmanship. These same skills might be used for creating and repairing period furniture, as well.
- **Artisan Crafts and Arts.** To support the growing art presence in Jacksonville and to draw tourists, the fabrication of traditional crafts and artisan pieces might include the following: leather work (e.g., saddles or boots), metal work, blacksmithing, jewelry

production, specialized apparel, quilting, and the making of musical instruments, glass works, pottery, fine art, or sculpture.

- **Agricultural Products.** Jackson County's prime agricultural location gives Jacksonville a good opportunity to develop an agricultural processing cluster that includes, for example, coffee roasting, candy making, baking, wine making, brewing, and fruit processing.

Niche Retail. Specialized retail shops will draw residents from around the Rogue Valley.

- **Office Suites.** Offices work well in areas of the Historic Core. The Historic Core allows for performance zoning of commercial uses in residential areas, which often can result in land use conflicts. Offices, however, only minimally impact neighboring properties and, thus, are suitable options for transitional areas. These office spaces would provide for professionals, like accountants, doctors, dentists, real estate brokers, architects, engineers, computer technologists, and insurance agents, in Jacksonville. These services will not only accommodate employment, but will meet the needs of residents, as well.

- **Agricultural Tourism.** This form of tourism is made possible by Jackson County's existing agricultural base and food processing businesses. Agricultural tourism takes on a number of forms, which include educational experiences (e.g., cannery tours, cooking classes, or wine tasting), entertainment (e.g., harvest festivals), or hospitality services (e.g., farm stays, guided tours).

- **Culinary Tourism.** Culinary tourism is the "pursuit of unique and memorable culinary experiences of all kinds,[9]" which can include bakeries, restaurants, wine tasting rooms, or other types of businesses that sell high-quality food and/or beverages. This use works well in a cluster.

- **Overnight Accommodations.** Tourism is much more profitable to a city when the tourist stays overnight. According to a study conducted for the Oregon Tourism Commission in 2002, overnight visitors spent about $200 per trip, compared with $70 per trip spent by day visitors.[10] Jacksonville's goal, then, is to increase tourist draws and to extend over-night stays through multiple-day events and expanded marketing.

[9] Culinary Tourism Association Institute

[10] Longwoods International, "Oregon Tourism Commission Advertising Accountability Research Final Report," 2002

- **Outdoor Recreation.** Jacksonville's proximity to outdoor recreational opportunities, such as the Rogue River, Crater Lake, or Woodrat Mountain, provide visitors with many opportunities for outdoor recreation. Potential businesses in this cluster might include bicycle manufacturing and service, bike touring, hang gliding, recreational apparel fabrication, fishing gear production, and recreational equipment fabrication.
- **Performing Arts.** The presence of the Britt Music Festival in Jacksonville, along with other local and regional performing arts groups, provide opportunities for growing performing arts schools and facilities in Jacksonville.
- **Film and Television Production.** Southern Oregon has been the location of fourteen films or made-for-TV movies and numerous smaller productions (e.g., commercials) since 1970. Film and television firms in the region include Southern Oregon Film and Television, Pilot Rock Studio, and Landmines Studio. Jacksonville's small town atmosphere, historic character, existing arts community, and physical beauty make it an attractive place for filming and production work.
- **Services for Residents**. Jacksonville has a goal to expand goods and services for residents in order to decrease the number of vehicular trips residents currently make to outside cities. A survey conducted in January 2008 indicated that residents travelled outside Jacksonville for the following services: restaurants, movies, specialty food stores, pet supplies, nursery items, hardware, a gym, office supplies, medical services, haircuts/beauty salons, meetings, and car service. Providing goods and services for residents extends business potential to meet a year-round demand rather than being limited to only the tourist season.

Chapter 4

Employment Land Demand and Site Needs in Jacksonville

This chapter includes a buildable lands inventory of all industrial and other employment land within the Jacksonville UGB consistent with OAR 660-009-0015 (3). It also includes an analysis of land need for commercial and industrial uses in Jacksonville. Consistent with OAR 660-009-0015 (2), the chapter discusses the site needs for the target industries described in Chapter 3.

INVENTORY OF LAND AVAILABLE FOR EMPLOYMENT DEVELOPMENT

Goal 9 and OAR 660-009 require cities to maintain a 20-year supply of sites needed for economic development. They also require cities to conduct an inventory of sites that are designated for employment uses or mixed-use development.

The Jacksonville Commercial and Industrial Buildable Lands inventory is intended to identify lands that are available for development within the Jacksonville Urban Growth Boundary (UGB) that can accommodate employment growth. Buildable lands inventories are sometimes characterized as *supply* of land to accommodate growth.

Population and employment growth drive *demand* for land. The amount of land needed depends, in part, on the type of employment sites needed and their accompanying density of development characteristics as well as assumptions about the capability and propensity of such employment to utilize redevelopment and infill.

This section presents the inventory for the City of Jacksonville. The results are based on analysis of Geographic Information System data provided by Jackson County (www.smartmap.org) as well as work completed in 2009 by City staff. The buildable land inventory also used aerial orthophotographs and review by city staff for verification.

METHODS

The first step in the buildable inventory was to develop working definitions and assumptions. ECO initially classified land using a rule-based methodology. The rules applied by ECO to classify land are described below. The accompanying maps show the results of the application of those rules, with some adjustments made based on review of 2005 aerial photos and local review.

A key step in the buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories. Consistent with accepted methods for buildable lands inventories and applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, lands with improvement values under $10,000 are considered vacant (not including lands that are identified as having mobile homes).

  Note: this definition is more inclusive than what statewide planning policy requires. OAR 600-009-0005(14) provides the following definition: "Vacant Land" means a lot or parcel: (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

- An inventory using the state definitions would identify <u>no</u> land as vacant within the Jacksonville UGB.

- *Developed land.* Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, potentially redevelopable, or public are considered developed.[11]

  Lands in public ownership were generally considered unavailable for development unless identified by City staff as being available for development at some time during the planning period. This includes uses such as electrical substations, parks, and cemeteries. Lands in Federal, State, County, or City ownership were also considered committed.

- *Potentially Redevelopable land.* Land on which development has already occurred but on which, due to present or expected market forces, there exists the potential that existing development will be converted to more intensive uses during the planning period. Redevelopable land is a subset of developed land and was identified using improvement to land value ratios and building coverage ratios. Specifically, tax lots with improvement to land value ratios less than 0.3:1 were considered to have redevelopment potential.

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[11] Note that OAR 66-009-0005(1) uses the following definition: (1) "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. This study defines developed land as developed and defines land "likely to be redeveloped" as potentially redevelopable.

The land classifications result in identification of lands that are vacant or potentially redevelopable. The inventory includes all lands within the Jacksonville UGB.

RESULTS

Table 4-1 shows land by plan designation within the Jacksonville UGB in 2010. Jacksonville has 1,073 acres within the UGB and 2,240 tax lots. The majority of land is zoned for Single-Family Residential (66%) or Open Space (21%). Land zoned for Commercial accounts for only 5% of land within Jacksonville's UGB and Industrial land accounts for about 0.5% of Jacksonville's land.

Table 4-1. Land by generalized zoning, Jacksonville UGB, 2009.

Generalized Zoning	# of Tax Lots	Acres	% of Acres
Commercial	278	55.9	5%
Farm	49	9.0	1%
Forest	11	0.0	0%
Industrial	11	2.9	0%
MF Residential	130	44.1	4%
Open Space	66	223.9	21%
Rural	47	21.9	2%
SF Residential	1,569	702.9	66%
Suburban	21	5.2	0%
No Data	58	6.7	1%
Total	2,240	1,072.5	100%

Source: data from www.smartmap.org; analysis by ECONorthwest
Note: the generalized zoning shown in Table 4-1 is based on the zoning districts identified in the Existing Lands Element of Jackson County's Comprehensive Plan.

Table 4-2 shows land with generalized zoning of Commercial and Industrial designations. Commercial designations include Generalized Commercial (GC) and Historic Core (HC). Industrial land, now called the "Artisan District," is zoned Cottage Industrial (CI). As described in Chapter 17.28 of the City's zoning ordinance, the City has refined its zoning ordinance to provide land for small-scale production and fabrication of artisan and culinary goods in the Artisan District[12].

[12] The City recently changed the name of the district from a "Handworker District" to the "Artisan District."

Jacksonville has a total of 56 acres zoned Commercial and 3 acres in the Artisan District. The majority of Jacksonville's commercial land (52 acres) is developed. Jacksonville has approximately 3 acres of underutilized and 3 acres of vacant Commercial and Artisan District land in 28 tax lots.

Table 4-2. Employment land by classification, Jacksonville UGB, 2009.

Generalized Zoning	Developed	Underutilized	Vacant	Total
Acres				
Commercial	51.9	2.4	1.5	55.9
Artisan District	0.3	0.9	1.8	2.9
Total	**52.2**	**3.3**	**3.3**	**58.8**
# of Tax Lots				
Commercial	256	2	20	278
Artisan District	2	1	8	11
Total	**258**	**3**	**28**	**289**

Source: data from www.smartmap.org; analysis by ECONorthwest

Table 4-3 shows employment land by classification and constraint status in the Jacksonville UGB. Jacksonville has 3 acres of unconstrained buildable acres zoned for commercial uses and 1.5 acres of unconstrained buildable acres zoned in the Artisan District.

Table 4-3. Employment land by classification and constraint status, Jacksonville UGB, 2009.

Zone/ Classification	# of Tax	Total Acres	Unconstrained Acres	Constrained Acres	Buildable Acres
Commercial					
Developed	256	51.9	44.3	7.6	0
Underutilized	2	2.4	2.4	0.0	2.4
Vacant	20	1.5	0.5	1.1	0.5
Subtotal	278	55.9	47.2	8.7	2.9
Artisan District					
Developed	2	0.3	0.0	0.2	0
Underutilized	1	0.9	0.9	0.0	0.9
Vacant	8	1.8	0.6	1.1	0.6
Subtotal	11	2.9	1.5	1.4	1.5

Source: data from www.smartmap.org; analysis by ECONorthwest

Table 4-4 shows vacant employment land by generalized zoning and lot size in Jacksonville's UGB in 2009. Jacksonville has 20 sites in the generalized commercial zone, all of which are on lots smaller than 0.5 acres and most are on lots one-quarter acre and smaller. The City has eight sites in the Artisan District zone, two of which are split by the old highway right-of-way. The sites in the Artisan District range in size from smaller than one-quarter acre to one-half an acre.

Table 4-4. Vacant employment land by generalized zoning and lot size, Jacksonville UGB, 2009.

	Lot Size (Gross Buildable Acres)						
Zone	**<0.25**	**0.25 to 0.49**	**0.50 to 0.99**	**1.00 to 1.99**	**2.00 to 4.99**	**5.00+**	**Total**
# of Vacant Tax Lots							
Commercial	18	2	0	0	0	0	20
Artisan District	5	2	1	0	0	0	8
Subtotal	**23**	**4**	**1**	**0**	**0**	**0**	**28**
Vacant Acres							
Commercial	0.9	0.7	0.0	0.0	0.0	0.0	1.5
Artisan District	0.2	0.6	0.9	0.0	0.0	0.0	1.8
Subtotal	**1.1**	**1.3**	**0.9**	**0.0**	**0.0**	**0.0**	**3.3**

Source: data from www.smartmap.org; analysis by ECONorthwest

In 2009, the Commercial/Industrial inventory indicated the following:

Table 4-5. Undeveloped Parcels: Total 2.03 Acres.

TAX LOT #		ZONE	ACRES	TAX LOT #		ZONE	ACRES
372W29CD	1300	GC	0.38	32BB	1800	CI	0.11
29DA	300	GC	0.49		1900	CI	0.45
32BA	7800	HC	0.14		2100	CI	0.13
	8400	HC	0.22		2200	CI	0.11
						TOTAL	2.03

This represents a reduction of 1.92 acres of vacant Commercial land since the inventory was prepared for the old Economic Element. No Cottage Industry land was consumed due to unserviceability. By definition, **OAR 660-009-0005 (14)(a)** none of these parcels even qualify as vacant land because they are not *"equal to or larger than one half-acre"*.

Table 4-6. Underdeveloped Parcels: Total 5.17 Acres.

(Larger parcels with minimal existing commercial development)

TAX LOT #		ZONE	ACRES
372W29DC	300	GC	1.39
	400	GC	1.06
32BB	2000	CI	2.72
		TOTAL	**5.17**

This represents a reduction of 7.2 acres of partially-vacant Commercial land since the inventory was prepared for the old Economic Element. No Cottage Industrial land was consumed due to unserviceability. By definition, **OAR 660-009-0005 (14)(b)** none of these parcels even qualify as vacant land because they are not *"equal to or larger than five acres"*.

Even though by State law, these lands do not technically qualify to be included in an inventory, the total undeveloped and underdeveloped land in Jacksonville's current UGB is 7.2 acres.

Next redevelopment potential was examined. The following is a list of underutilized commercial/industrial land in the General Commercial and Cottage Industrial zones (the Historic Core is discussed above). Underutilized means that although the property is fully developed, the land is currently being used for strictly residential purposes.

Table 4-7. Underutilized Parcels: Total 0.53 Acres.

TAX LOT #		ZONE	ACRES
372W29DC	2601	GC	0.23
32BB	1700	CI	0.30
		TOTAL	**0.53**

This represents a reduction of 4.91 acres of underutilized Commercial land since the inventory was prepared for the old Economic Element. No Cottage Industrial land was consumed. By definition, **OAR 660-009-0005(1)** these parcels do not qualify as "Developed Land" for inventory purposes because they are not *"likely to be redeveloped during the planning period;"* both are committed residences with minimal economic development potential.

Table 4-8. Underutilized employment land by generalized zoning and lot size, Jacksonville UGB, 2009.

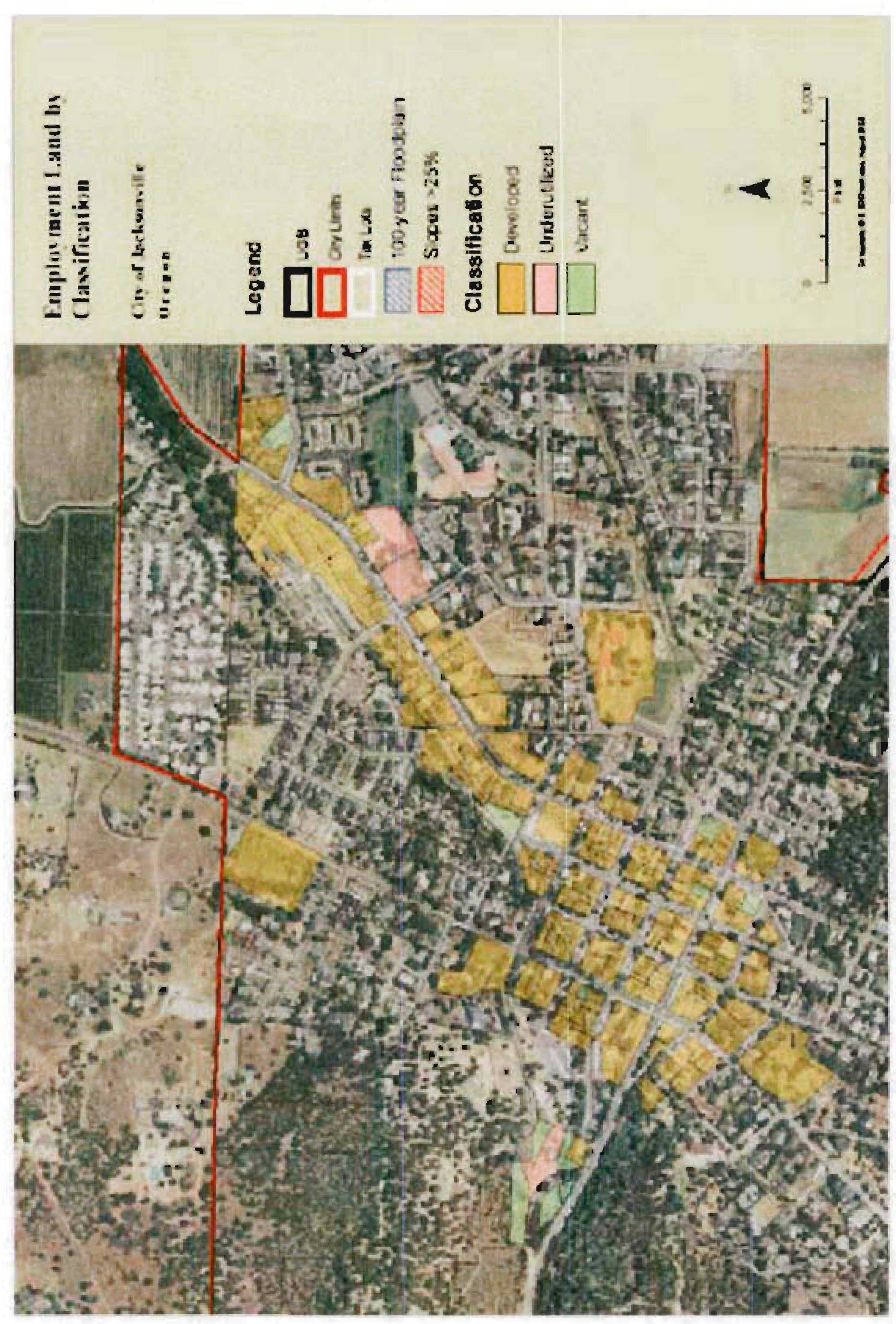
Lot Size (Gross Buildable Acres)							
Zone	**<0.25**	**0.25 to 0.49**	**0.50 to 0.99**	**1.00 to 1.99**	**2.00 to 4.99**	**5.00+**	**Total**
# of Underutilized Tax Lots							
Commercial	0	0	0	2	0	0	2
Artisan District	0	0	1	0	0	0	1
Subtotal	**0**	**0**	**1**	**2**	**0**	**0**	**3**
Underutilized Acres							
Commercial	0.0	0.0	0.0	2.4	0.0	0.0	2.4
Artisan District	0.0	0.0	0.9	0.0	0.0	0.0	0.9
Subtotal	**0.0**	**0.0**	**0.9**	**2.4**	**0.0**	**0.0**	**3.3**

Source: data from www.smartmap.org; analysis by ECONorthwest.

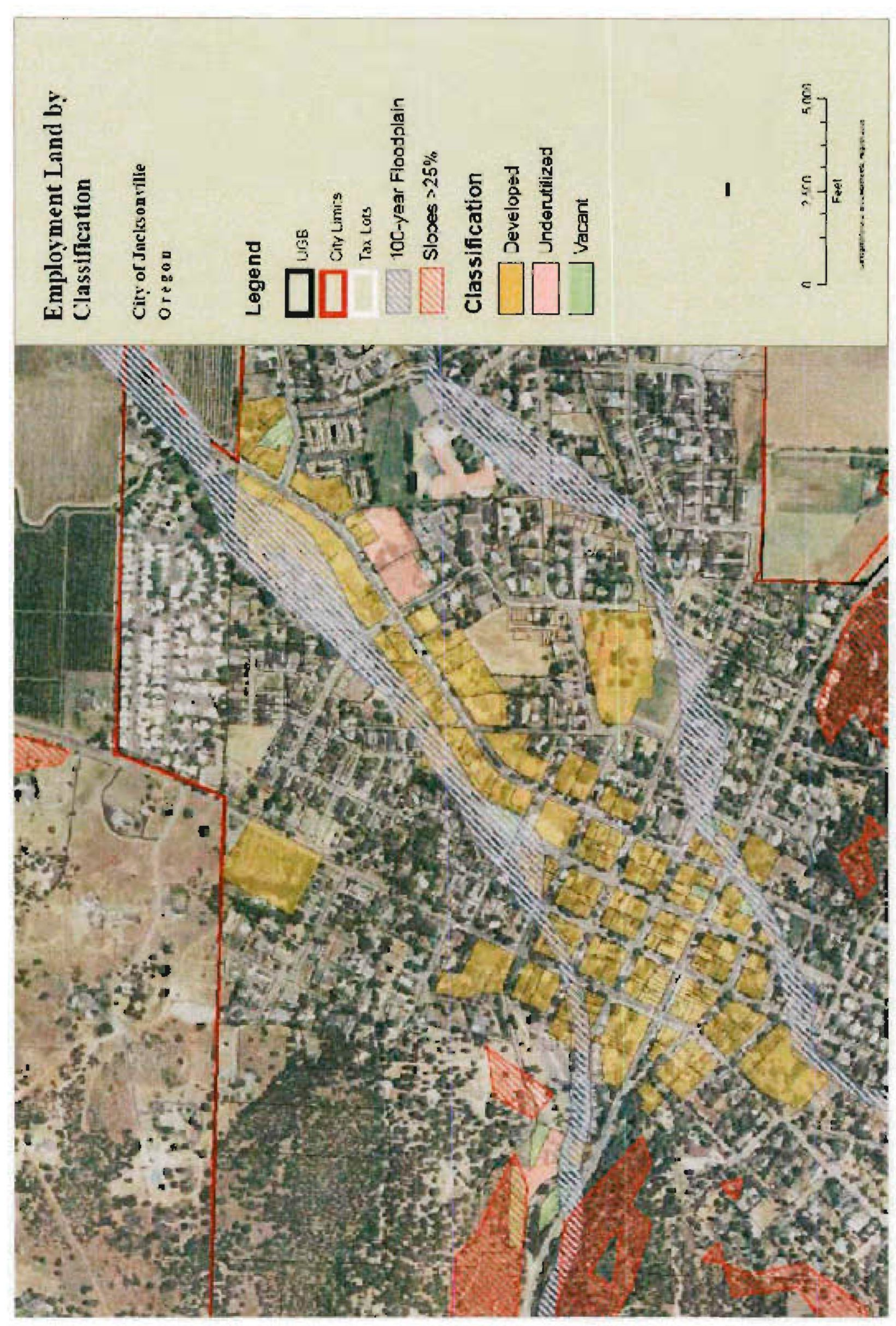
Redevelopment potential addresses land that is classified as developed but which may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. Different studies use different improvement to land value ratio thresholds. Common thresholds range from 0.3:1.0 to 0.5:1.0. This analysis uses 0.3:1.0 as the threshold. In simple terms, if the improvement value is less than 30% of the land value, a parcel was considered redevelopable.

Because the improvement to land value ratio is a gross indicator, it is reasonable to assume that not all of parcels that meet this criterion for redevelopment *potential* will be assumed to redevelop during the planning period. **Table 4-8** shows redevelopment potential on employment land by generalized zoning and lot size. Jacksonville has three lots with redevelopment potential, accounting for about 3 acres of land.

Map 4-1. Employment Land by Classification, Jacksonville, 2009.



Map 4-2. Employment Land by classification with constraints, Jacksonville, 2009.



EMPLOYMENT FORECAST

To provide for an adequate supply of commercial and industrial sites consistent with Comprehensive Plan policies, Jacksonville needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Goal 9 requires that cities 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." The number of needed sites is dependent on the site requirements of employers. The estimate of land need is presented in the site needs analysis in the next section.

Demand for commercial and industrial land will be driven by the expansion and relocation of existing businesses and new businesses locating in Jacksonville. The level of this business expansion activity can be measured by employment growth in Jacksonville. This section presents a projection of future employment levels in Jacksonville for the purpose of estimating demand for commercial and industrial land.

Forecasting employment growth in Jacksonville requires an estimate of current employment in Jacksonville (the employment base) and an estimate of the rate of employment growth. The employment forecast for Jacksonville uses the following assumptions about Jacksonville's employment base and growth rate:

- **Employment base.** The employment projection is based on employment data presented in Table 2-6. In 2007, Jacksonville had 722 *covered* employees, with an average of about six employees per firm. Covered employment only includes workers covered by unemployment insurance, which excludes some workers, namely sole proprietors. Total employment estimates, which include all workers, are available at the County level but not for cities. If we assume that Jacksonville's ratio of covered to total employees is similar to Jackson County's average, Jacksonville had about 1,120 *total* employees in 2007.[13]

- **Growth rate.** The safe harbor method for forecasting employment growth in OAR 660-0024-0040(8)(a)(ii) allows Jacksonville to assume that employment will grow at the same rate as the population.

[13] The assumption that about 35% of Jacksonville's workers are not covered by unemployment insurance seems reasonable given Jacksonville's large number of sole proprietors. Oregon Prospector estimates that Jacksonville had 123 firms with covered employees in 2007. The City's Business Licensing database estimates that Jacksonville has 208 firms with business licenses in 2007. By these estimates, only about 60% of Jacksonville's businesses have covered employees.

Table 4-9 shows Jacksonville's employment forecast for 2010 to 2030, using these assumptions. Jacksonville's workforce will grow by about 466 workers (28%) over the 20-year period, at an average annual rate of 1.3%.

Table 4-9. Employment growth in Jacksonville's UGB, 2010–2030.

Year	Total Employment
2010	1,163
2015	1,238
2020	1,317
2025	1,402
2030	1,4[illegible]3
Change: 2010 to 2030	
# of Employees	466
Percent	28.0%
AAGR	1.3%

To estimate employment growth by land use type in Jacksonville's UGB, ECONorthwest took the forecasted level of total employment in 2028 (1,456) and estimated the distribution of this employment among the three categories of land use types. **Table 4-10** shows the share of employment by land use type in 2007 and the assumed shares in 2030.[11]

[11] The majority of industrial employment in 2007 (136 employees) are in businesses located in commercial zones. A large share of industrial employment growth over the 20-year period (82 employees) is expected to occur in areas zoned for the Artisan District. However, some industrial type employment (ie. construction contractors or small-scale manufacturing) may continue to occur on land zoned for commercial uses, assuming that there is no conflict between the types of uses.

Table 4-10. Employment growth by land use type in Jacksonville's UGB, 2007–2030.

Land Use Type	2007 Employment	2007 % of Total	2030 Employment	2030 % of Total	Change from 2007 to 2030
Industrial: includes Artisan District	136	12%	224	15%	88
Commercial and Retail	872	78%	1,120	75%	248
Government	111	10%	149	10%	38
Total	1,119	100%	1,493	100%	374

The forecast by land use category does not anticipate a significant shift in the distribution of employment between 2007 and 2030. The forecast does indicate that the percent of employment that requires industrial land will increase to 15%, resulting in the City's policies to encourage development of an Artisan District. The percent of employment in Commercial and Retail will decrease to 75% of employment and Government will remain at about 10% of employment.

SITE NEEDS

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

The analysis of site needs presented in this section builds from existing development patterns in Jacksonville, an employment forecast, Jacksonville's economic development vision (described in Appendix B), and an evaluation of the types of sites that industries most likely to locate in Jacksonville might need. The analysis is presented in aggregate and by major uses (e.g., industrial and retail/services).

SITE REQUIREMENTS OF EXISTING AND FUTURE BUSINESSES AND TARGET INDUSTRIES

The industries that Jacksonville has targeted for growth can be broadly categorized as small-scale artisan and culinary fabrication in the Artisan District and goods and services for residents and tourists in the Generalized Commercial and Historic Core zones. Site needs for firms in potential growth industries include the following attributes:[15]

- **Flat sites:** Flat topography (slopes with grades below 10%) is desirable for firms involved in fabrication and the transport of incoming materials and outgoing products, as would be needed for the artisan and culinary clusters and commercial uses.
- **Parcel configuration and parking:** Jacksonville has potential for infill development, especially in Historic Core and Generalized Commercial zones. However, for particular businesses, infill sites will have limited flexibility due to size and zoning regulations. Certain types of businesses on infill sites will also impact an already tight parking availability in downtown.

  Since the City supports artisan and culinary clusters, then one or two acre sites located in a master planned parcel would offer adequate flexibility for planning site circulation and building layout, would reduce development costs and delays, and would allow for the creation of a cohesive district with adequate parking.
- **Soil type:** Soil types are not important for the types of firms likely to locate or expand in Jacksonville—provided that drainage is not a major issue.
- **Road transportation:** Most firms are heavily dependent upon surface transportation for efficient movement of goods, customers, and workers. In Jacksonville, the main transportation corridor runs through the City's Historic Core, which creates delays from congestion and which poses maneuverability issues, especially for deliveries.
- **Air transportation:** Proximity to air transportation is important for some firms. Jacksonville is located about 6 miles from the Rogue Valley International Airport in Medford.
- **Pedestrian and bicycle facilities:** Jacksonville's pedestrian and bicycle facilities will need to connect areas of new development with the downtown district, adjacent employment centers, and existing neighborhoods.

[15] The following discussion is taken in part from the *Bear Creek Valley Economic Opportunities Analysis*, ECONorthwest, 2006.

- **Transit:** Rogue Valley Transit District offers bus service on Highway 238 to downtown Jacksonville.
- **Location:** Highway 238 provides transportation connections with Medford and other greater Bear Creek Valley locations. Hanley Road to Rossanley Drive connects Jacksonville to Interstate 5 in under ten minutes. Expansion to the north of the City does not bring additional traffic into or through the downtown core for deliveries.
- **Fiber optics and telephone:** Most 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. The demand for water for fire suppression also varies widely.
- **Power requirements:** Electric 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. For comparison, the typical household requires 2,500 kwh per day.
- **Land use buffers:** Jacksonville's policies identify land-use buffers as an important component of development. These buffers are especially important in mixed use areas. Land-use buffers are also necessary in separating urban and agricultural land uses.

In summary, the site requirements for industries have many common elements. Firms in all industries rely on efficient transportation access and basic water, sewer, and power infrastructure, but may have varying needs for parcel size, slope, configuration, and buffer treatments. Pedestrian and bicycle access are also needed for potential commuting options.

LAND AND SITE NEEDS

Employment growth in Jacksonville is expected in the each of the categories defined by type of land use: Retail and Services, Artisan District, 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 Jacksonville is required to accommodate expected growth.

Table 4-11 shows site needs by site size in the Jacksonville UGB for the 2010 to 2030 period. The estimate of needed sites builds off of the 20-year employment forecast. The site needs analysis in **Table 4-11** assumes that Jacksonville will have growth in employment in the Artisan District and in providing goods and services for visitors and residents. The results show that Jacksonville needs to provide 10 acres beyond the existing Urban Growth Boundary to accommodate employment growth between 2010 and 2030.

Table 4-11. Comparison of the supply of existing employment land within Jacksonville's existing UGB to the demand for sites, 2010-2030

	Existing Supply		2010-2030 Demand		Employment Land Need Surplus or (Deficit)	
Site Size	Sites	Acres	Sites	Acres	Sites	Total Acres
> 2 acres	0	0	0	0	0	0
1-2 acres	2	2.4	5 - 12	13	(3 -10)	(10)
< 1 acre	20	6.2	10 - 15	4	0	0

The identified site needs shown in **Table 4-11** do not distinguish sites by comprehensive plan designation in regards to commercial or industrial uses. Some needed employment sites, especially those related to office uses and retail, may locate in the Historic Core or in residential or mixed-use planned designations.

The City has four economic development strategies that influence the types of sites that Jacksonville will need during the 20-year planning period: (1) provide necessary services to existing and new residents, (2) develop performing arts facilities, (3) develop artisan and culinary clusters, and (4) encourage tourism and longer visitor stays.

- *Need for small sites to accommodate retail and service uses.* As **Table 4-11** indicates, Jacksonville has up to 20 sites of less than one acre within its current urban growth boundary. This does not include mixed use options that have the potential for integrating residential and general commercial uses.

- *Need for sites to accommodate arts facilities.* One of Jacksonville's economic development strategies is to promote growth of the arts. There may be demand for sites for arts educational facilities or studios for film, dance, music, and/or plastic arts. The site needs for these uses will vary, depending on the size of the facility or studio developed.

- *Site needs of Artisan and Culinary Clusters.* The City's policies and vision for economic development specify the goal of developing Artisan and Culinary Clusters. The City envisions these clusters in a mixed use, neighborhood-like setting that is relatively compact, transit-oriented, and includes a variety of housing and general commercial uses. The mixed use neighborhood would require buffer areas and open space. The actual mix of uses and development density should be decided in a master planning process, which would determine the mixture of housing, location of artisan and commercial uses, location and character of land-use buffers, and the location of open space.

Developing small-scale fabrication of unique products is one of Jacksonville's economic development strategies. However, the City's currently zoned Artisan District of about 4 acres has many issues that nearly prohibit its development: water and sanitary sewer infrastructure is about 400 feet from the site, which makes service comparatively expensive; most of the site has steep hills; and transportation access to the site is limited. So, to carry out the City's economic development strategy, the City envisions another development site for its Artisan and Culinary Clusters.

The site should have the following characteristics:

- Frontage on an arterial or collector street that connects with Jacksonville's downtown core.
- Located on the north side of the City to maximize freight transportation efficiency and to minimize traffic through Jacksonville's historic core.
- Accessibility to and from Jacksonville's downtown by automobile, transit, bicycle, and by walking
- Large enough to provide effective land-use buffers in the mixed use area.
- Located on relatively flat land.
- Located in an area with existing or planned sanitary sewer, municipal water service, and telecommunications and Internet connectivity.

Conclusions

This chapter presents a comparison of Jacksonville's supply of commercial and artisan sites with the City's site needs. This comparison shows Jacksonville's need for employment land over the 2010 to 2030 period.

The chapter also presents a summary of findings of information presented throughout the document, including demographic and economic trends, Jacksonville's economic development objectives, buildable employment land in Jacksonville, and expected employment growth in the City.

COMPARISON OF LAND CAPACITY AND DEMAND

Chapter 4 presented Jacksonville's inventory of buildable employment land within the UGB and an estimate of needed sites for employment growth over the 2010 to 2030 period. Jacksonville's number of employed, today, is 1,134 and, based on the population allocation for 2030, is expected to increase to 1,493 employed with 1,120 in General Commercial, 224 in Artisan District, and 149 in Government.

Jacksonville currently has 59 acres of general commercial and industrial zoned land within its UGB. Approximately 9 of those acres are undeveloped or underutilized, so 50 acres have provided for 1,134 jobs at an overall employment density of approximately 21 persons per acre.

At the same job/acre ratio, accommodating an additional 359 jobs between 2010-2030 would potentially require 17 gross acres of General Commercial and Industrial land.

17.0 gross acres (to meet potential 20-year employment need)

- 3.0 acres (potential redevelopable land within current UGB)

- 1.5 acres (3 acres of currently zoned Artisan District face many constraints, leaving 1 acre available for development)

- 3.0 acres (vacant general commercial lands available for development within current UGB)

9.5 acres (needed to meet employment for 2010-2030)

Jacksonville, then, has a potential need for an additional 10 acres* of General Commercial and Industrial land beyond its current UGB to meet its potential 20-year employment growth. (*The 9.5 acres has been rounded up to 10 acres.)

Table 5-1 shows the comparison of the City's existing supply of employment land and the need for additional employment land over the planning period.

Table 5-1 indicates that Jacksonville has a surplus of sites to meet employment needs under one acre in size. Jacksonville, however, has a deficit of employment land for sites between 1 to 2 acres in size. The total estimated deficit is 10 acres of employment land with 3 - 10 sites ranging between 1 to 2 acres in size, sites to accommodate general commercial uses and the artisan and culinary clusters.

Table 5-1. Comparison of the supply of existing employment land within Jacksonville's existing UGB to the demand for sites, 2010-2030.

	Existing Supply		2010-2030 Demand		Employment Land Need Surplus or (Deficit)	
Site Size	**Sites**	**Acres**	**Sites**	**Acres**	**Sites**	**Total Acres**
> 2 acres	0	0	0	0	0	0
1-2 acres	2	2.4	5 – 12	13	(3 – 10)	(10)
< 1 acre	20	6.2	10– 15	4	0	0

FINDINGS

DEMOGRAPHIC AND LABOR FORCE TRENDS

1. Jacksonville's population grew from 1,896 residents in 1990 to 2,635 residents in 2007, an increase of 739 people or 39%. Jacksonville grew at an average annual growth rate of 1.95% over the 1990 to 2007 period, which was faster than growth rates in the County (1.92%), State (1.64%), or nation (1.14%) over the same period. In 2007, Jacksonville held less than 2% of Jackson County's total population.
2. According to Jackson County's coordinated adopted population forecast, Jacksonville will grow by about 817 people between 2010 (population 2,849) and 2030 (population 3,666) , an increase of 28.8% at an average annual growth rate of 1.3%.
3. The population of the nation is aging. The number of people age 65 and older will double by 2050, while the number of people under age 65 with 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.
4. Jacksonville has a higher percentage of people above the age of 65 (26%) than the County (17%) or the State as a whole (13%).

5. The labor force participation in Jacksonville was 57% in 2000, which was lower than the County (61%) and State (65%). This lower labor force participation rate in Jacksonville coincides with the high proportion of people over the age of 60 in the City, people who are likely to be retired. Some people over 60 may prefer or need to continue working (full- or part-time) past retirement age. These people may form a pool of highly educated, experienced workers, possibly with management or other experience that may provide local companies with needed skills.

6. In 2000, Jacksonville residents were more likely to have a commute of between 15 minutes and 44 minutes (62%), compared to 46% of workers in the County and 51% in the State. The large share of workers in Jacksonville commuting 15 to 44 minutes suggest that most people commute out of Jacksonville for work, probably to other cities in Jackson County (e.g., Medford). In 2000, Jacksonville had a greater share of workers that worked from home (8%), compared to 5% of workers in the County and State.

   Since the 2000 Census, however, commuting trends may have shifted in Jacksonville. An analysis of business licenses in 2007 indicated 196 licenses for businesses located within Jacksonville, with 63 businesses (32%) located in the residential zone and 133 (68%) located in the commercial zone.

EMPLOYMENT TRENDS

OAR 660-009-0015 (1) requires cities to conduct a review of national, state, regional, county, and local trends. This information forms the basis for identifying major categories of industrial or other employment uses that may reasonably be expected to locate or expand in the City. The findings below identify trends that may affect the type of employment growth that Jacksonville has over the planning period.

7. Jackson County added more than 41,200 jobs between 1980 and 2007. The sectors with the largest job growth included Retail Trade and Services, such as Health Care and Social Assistance and Management of Companies.

8. In 2007, Jacksonville had 123 establishments with 722 covered workers. The sectors with the greatest percentage of employment in 2005 were Retail (21%), Accommodations and Food Services (17%), Government (15%), and Health and Social Assistance (13%). These sectors accounted for 472 jobs or 65% of Jacksonville's jobs.

9. The number of businesses in Jacksonville increased by about one-third (53 businesses) in Jacksonville over the 1990 to 2007 period. The types

of businesses with the largest growth were service (e.g., Professional Services, Real Estate, Engineering, and other services) and visitor lodging. The only types of businesses to decline over the period were antique shops and other retail, with a combined loss of 19 businesses.

10. Tourism is an important source of economic activity in Southern Oregon, accounting for 2.5 million overnight visitors annually or 13% of Oregon's travel. Direct travel spending accounted for $813 million in Southern Oregon and $372 million in Jackson County in 2007.

11. Overnight stays generated $4.6 million in room tax receipts in Jackson County in 2007. Room tax receipts increased 37% in Jackson County between 2000 and 2007. Room tax receipts were $57,000 in Jacksonville in 2006, an increase of 32% since 2000.

12. The Oregon Employment Department forecasts that Jackson and Josephine County will grow from 111,040 to 128,550 employees, an increase of 17,510 jobs over the 2006 to 2016 period. The State forecasts that employment in Jackson and Josephine County will grow at an average annual rate of 1.48%.

13. The State forecasts that the following sectors will lead employment growth in Jackson and Josephine Counties: Educational & Health Services (4,520 jobs), Retail Trade (2,860 jobs), Accommodation and Food Services (2,050 jobs), and Professional and Business Services (1,970 jobs). Together, these sectors are expected to account for 65% of employment growth in Jackson and Josephine Counties.

ECONOMIC DEVELOPMENT OBJECTIVES

OAR 660-009-0015 (5) encourages cities to "assess community economic development potential through a visioning or some other public input based process." OAR 660-009-0020 (1) (a) requires that cities state their community economic development objectives. The findings below identify community economic development objectives, based in large part, on Jacksonville's policies and visioning process.

14. Diversifying Jacksonville's economy is an important objective of the City's Comprehensive Plan and the community visioning process, which resulted in the "Jacksonville Vision 2028."

15. Maintaining Jacksonville's livability is an important public policy objective for the City. The City passed Resolutions 869 and 944, defining livability and the importance of maintaining Jacksonville's livability. Key components of Jacksonville's livability are preserving the City's historic context and character, managing growth, mitigating traffic congestion, providing parks and open space, and diversifying the City's economy.

16. An important component of maintaining Jacksonville's livability is mitigating the impacts of traffic. Jacksonville's livability policies and development vision describe concerns about traffic congestion, especially regarding truck traffic in downtown Jacksonville.
17. The City' policy document identifies development of Artisan and Culinary Clusters as important economic objectives. The Artisan and Culinary Clusters might be in a mixed-use area, providing opportunities for people to work where they live. The intended purpose of the Artisan and Culinary Clusters is to encourage development of small businesses that produce unique and high-quality goods.
18. Promoting and developing tourism is a key economic development objective for the City. Policies to support tourism include providing public facilities (e.g., an information center, public restrooms, and parking and pedestrian facilities), supporting special events like conferences and workshops, and encouraging specialized businesses (e.g., fine apparel stores, jewelry stores, toy stores, and others). Other policies that support tourism are encouraging development of recreational industries and secondary agricultural enterprises.

BUILDABLE EMPLOYMENT LAND

OAR 660-009-0015 (3) requires that cities inventory "vacant and developed lands within the planning area designated for industrial or other employment use." The findings below present the results of the inventory of employment lands in Jacksonville.

19. Jacksonville's UGB has 56 acres of land in generalized commercial zones and 3 acres of land in generalized industrial zones, accounting for about 5.5% of the land within Jacksonville's UGB in 2008.
20. Jacksonville has about four acres of underutilized or vacant land in commercial zones within the existing UGB. Of that, about one acre is constrained and three acres are buildable. All of Jacksonville's 20 vacant commercial lots are on sites smaller than one acre, with 18 sites on lots of one-quarter acre or smaller.
21. Jacksonville has about three acres of underutilized or vacant land in its Artisan District within the UGB. Of that, about one acre is constrained and one and a half acres are buildable. All of Jacksonville's vacant industrial lots are on sites smaller than one acre, with 5 sites on lots of one-quarter acre or smaller. Two of the vacant industrial lots are split by the old highway right-of-way.
22. Jacksonville has three lots with redevelopment potential, accounting for about 3 acres of land.

EMPLOYMENT GROWTH

OAR 660-009-0015 (2) requires that cities "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." OAR 660-009-0015 (2) requires that cities "identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies." The findings below present Jacksonville's expected employment growth and sites needed to accommodate expected employment growth over the planning period.

23. Based on the City's economic development objectives, target industries for Jacksonville include the following: Historic Preservation, Artisan Crafts and Arts, Agricultural Products, Office Suites, Agricultural Tourism, Culinary Tourism, Overnight Accommodations, Outdoor Recreation, Performing Arts, Film and Television Production, and Services for Residents.

24. OAR 660-024-0040 (8) (a) (ii) allows the City to determine employment land needs based on "The population growth rate for the urban area in the adopted 20-year coordinated population forecast…" Based on this safe harbor, employment in the Jacksonville UGB can be assumed to grow at 1.3% annually from 2010 to 2030. Based on this forecast, Jacksonville will have about 1,493 jobs by 2030, an increase of 359 jobs, which indicates that Jacksonville currently has 1,134 jobs.

25. Jacksonville currently has 59 acres of general commercial and industrial zoned land within its UGB. Approximately 9 of those acres are undeveloped, so 50 acres have provided for 1,134 jobs at an overall employment density of approximately 21 persons per acre.

    At the same job/acre ratio, accommodating an additional 359 jobs between 2010-2030 would potentially require 17 gross acres of General Commercial and Industrial land.

17.0	gross acres (to meet potential 20-year employment need)
- 3.0 acres	(potential redevelopable land within current UGB)
- 1.5 acres	(3 acres of currently zoned Artisan District face many constraints, leaving 1.5 available for development)
<u>- 3.0 acres</u>	(vacant general commercial lands available for development within current UGB)
9.5 acres	(needed to meet employment for 2010-2030)

    Jacksonville, then, has a potential need for an additional 10 acres* of General Commercial and Industrial land beyond its current UGB to meet its potential 20-year employment growth. (*The 9.5 acres has been rounded up to 10 acres.)

26. Jacksonville has a surplus of land in sites less than one acre in size and has a deficit of employment land for sites between 1 to 2 acres in size. The total estimated deficit is 10 acres of employment land with 3 - 10 sites ranging between 1 to 2 acres in size, sites to accommodate general commercial uses and the artisan and culinary clusters.

27. Jacksonville does not have a need for small sites to accommodate retail and service uses. For the Artisan and Culinary Clusters, however, there will be a demand for one to two acre sites. Jacksonville has only two sites of this size available for development within its existing UGB.

28. One of Jacksonville's economic development strategies is to promote growth of the arts. There may be demand for sites for development of arts educational facilities or studios for film, dance, music, and/or plastic arts. The site needs for these uses will vary, depending on the size of the facility or studio developed.

29. Based on the City's economic development objectives, Jacksonville will need to provide a site for development of the Artisan and Culinary Clusters. These clusters might be integrated into a master planned mixed-use development that includes multiple family and single family residential, general commercial uses, along with buffers and open space.

30. The site characteristics of the Artisan District are as follows:

    a. frontage on an arterial or collector street that connects with Jacksonville's downtown core;

    b. located on the north side of the City to maximize freight transportation efficiency and to minimize traffic though Jacksonville's historic core;

    c. accessibility to and from Jacksonville's downtown by automobile, transit, bicycle, and by walking;

    d. large enough to provide effective land-use buffers in the mixed use area;

    e. located on relatively flat land; and

    f. located in an area with existing or planned sanitary sewer and municipal water service, and telecommunications and Internet connectivity.

Appendix A

National, State, Regional, County, and Local Trends

This appendix summarizes national, state, regional, county, and local trends affecting Jacksonville. It presents a demographic and socioeconomic profile of Jacksonville (relative to Jackson County and Oregon) and describes trends that will influence the potential for economic growth in Jacksonville. This appendix covers recent and current economic conditions in the City, and forecasts from the State Employment Department for employment growth in Jackson County. This appendix meets the intent of OAR 660-009-0015(1).

NATIONAL, STATE, AND REGIONAL TRENDS

NATIONAL TRENDS

Economic development in Jacksonville over the next twenty years will occur in the context of long-run national trends. The most important of these trends include:

- **The aging of the baby boom generation, accompanied by increases in life expectancy.** The number of people age 65 and older will more than double by 2050, while the number of people under age 65 with grow only 22 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.[16]

  Baby boomers are expecting to work longer than previous generations. An increasing proportion of people in their early to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with about 30% in 1992.[17] This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2% of the workforce

[16] The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2008, *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, April 10, 2008

[17] "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

in 1992 to 3% of the workforce in 2002, an increase of 64%. Over the same ten-year period, workers 45 to 64 years increased by 70%.[18]

- **Tightening labor force.** Growth in the labor force is projected to slow over the 2006-2016 period as a result of: (1) aging and retirement of the baby boomer generation and (2) the labor force participation by women has peaked. Job growth is expected to outpace population growth, with a 10% increase in employment (15.6 million jobs) compared to a 9% increase in civilian noninstitutional population 16 years and older (22 million people).[19]

- **Need for replacement workers.** The need for workers to replace retiring baby boomers will outpace job growth. According to the Bureau of Labor Statistics, net replacement needs will be 33.4 million job openings over the 2006-2016 period, more than twice the growth in employment of 15.6 million jobs. Management occupations and teachers will have the greatest need for replacement workers because these occupations have older-than-average workforce.[20]

- **Increases in labor productivity.** Productivity, as measured by output per hour, increased over the 1995 to 2005 period. The largest increases in productivity occurred over the 1995 to 2000 period, led by industries that produced, sold, or intensively used information technology products. Productivity increased over the 2000 to 2005 period but at a slower rate than during the later half of the 1990's. The sectors that experienced the largest productivity increases over the 2000 to 2005 period were: Information, Manufacturing, Retail Trade, and Wholesale Trade. Productivity in mining decreased over the five-year period. [21]

- **Continued trend towards domestic outsourcing.** Businesses continue to outsource work to less expensive markets. Outsourcing generally falls into two categories: (1) moving jobs from relatively expensive areas to less expensive areas within the U.S. and (2) moving jobs outside of the U.S. to countries with lower labor costs.

[18] "Growing Numbers of Older Workers in Oregon," Oregon Employment Department.

[19] Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

[20] Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

[21] Corey Holman, Bobbie Joyeaux, and Christopher Kask, "Labor Productivity trends since 2000, by sector and industry," Bureau of Labor Statistics *Monthly Labor Review*, February 2008.

About three-quarters of layoffs in the U.S. between 1995 and 2004 were the result of domestic relocation, involving movement of work within the same company. The industries with the largest amounts of domestic outsourcing were: manufacturing, retail trade, and information.[22]

- **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 through implementing quality- and productivity-enhancing technologies, such as robotics or factor automation. In addition, some production processes will be outsourced offshore.[23]

- **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 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 healthcare and social assistance, professional and business services, and other service industries. Construction employment will also grow but manufacturing employment will decline.[24]

- **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.[25]

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[22] Sharon P. Brown and Lewis B. Siegel, "Mass Layoff Data Indicate Outsourcing and Offshoring Work," *Monthly Labor Review*, August 2005, pp. 3-10.

[23] Eric B. Figueroa and Rose A. Woods, 2007, "Industry Output and Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 53-85.

[24] Eric B. Figueroa and Rose A. Woods, 2007, "Industry Output and Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 53-85.; Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

[25] 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.

- **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.[26]

- **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. The fastest growing of occupations requiring an academic degree will be: computer software application engineers, elementary school teachers, and accountants and auditors. Occupations that do not require an academic degree (e.g., retail sales person, food preparation workers, and home care aides) will grow, accounting for about half of all jobs by 2016. These occupations typically have lower pay than occupations requiring an academic degree. [27]

  The national median income in 2006 was about $32,000. Workers without a high school diploma earned $13,000 less than the median income and workers with a high school diploma earned $6,000 less than median income. Workers with some college earned slightly less than median and workers with a bachelor's degree earned $13,000 more than median. Workers in Oregon experience the same patterns as the nation but pay is generally lower in Oregon than the national average.[28]

- **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 is expected to decline, but growth in the population and in the economy is expected to increase the total amount of energy demanded. Energy sources diversify and the energy efficiency of automobiles, appliances, and production processes are projected to

"Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

[26] 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.

[27] Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

[28] "Growing Number of Older Workers in Oregon," Oregon Employment Department and American Community Survey, U.S. Census, 2006.

increase. The result of the increases in total amount of energy demanded and increases in energy efficiency and production methods may result in little change in the per capita energy use over the 2008 to 2030 period. [29]

- **Potential impacts of global climate change.** There is growing support for but not a consensus about whether global climate change is occurring as a result of greenhouse gas emissions. There is a lot of uncertainty surrounding global climate change, including the pace of climate change and the ecological and economic impacts of climate changes. Climate change may result in the following changes in the Pacific Northwest: (1) increase in average temperatures, (2) shift in the type of precipitation, with more winter precipitation falling as rain, (3) decrease in mountain snow-pack and earlier spring thaw and (4) increases in carbon dioxide in the air.[30] Assuming that global climate change is occurring and will continue to occur over the next 20-years, a few broad, potential economic impacts for the nation and Pacific Northwest include:[31]
  - *Potential impact on agriculture and forestry.* Climate change may impact Oregon's agriculture through changes in: growing season, temperature ranges, and water availability.[32] Climate change may impact Oregon's forestry through increase in wildfires, decrease in the rate of tree growth, change in mix of tree species, and increases in disease and pests that damage trees.[33]
  - Potential impact on tourism and recreation. Impacts on tourism and recreation may range from: (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising

[29] Energy Information Administration, 2008, *Annual Energy Outlook 2008 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2008), April.

[30] "Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

[31] The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

[32] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

[33] "Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

sea levels,[34] and (3) negative impacts on summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows.

- *Potential changes in government policies.* There is currently no substantial national public policy response to global climate change. States and regional associations of states are in the process of formulating policy responses to address climate change including: increasing renewable energy generation, selling agricultural carbon sequestration credits, and encouraging energy efficiency.[35] Without clear indications of the government policies that may be adopted, it is not possible to assess the impact of government policies on the economy.

Global climate change may offer economic opportunities. The search for alternative energy sources may result in increased investment and employment in "green" energy sources, such as wind, solar, and biofuels. Firms in the Northwest are well positioned to lead efforts on climate change mitigation, which may result in export products, such as renewable technologies or green manufacturing. [36]

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 2007 following declines in the housing market and the mortgage banking crisis. The result of the economic downturn has been a decrease in employment related to the housing market, such as construction and real estate. Employment in these industries will recover as the housing market recovers and will continue to play a significant role in the national, state, and local economy over the long run. This report 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.

[34] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

[35] Pew Center on Global Climate Change website: http://www.pewclimate.org/what_s_being_done/in_the_states/

[36] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

industries. The share of Oregon's total employment in Service industries increased from its 1970s average of 19% to 30% in 2000, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 10% in 2005.

- **Shift in manufacturing from natural resource-based to high-tech and other manufacturing industries.** Since 1970, 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 and concurrent growth of employment in other manufacturing industries, such as high-technology manufacturing (Industrial Machinery, Electronic Equipment, and Instruments), Transportation Equipment manufacturing, and Printing and Publishing. [40]

- **Continued importance of manufacturing to Oregon's economy.** Revenue from exports totaled $16.5 million in 2007, an increase of $5.1 million or 45% since 2000. Four of the five industries that accounted for more than three-quarters of revenue from exports in 2007 ($12.6 million) were manufacturing industries: Computers and Electronic Production ($6.3 million); Crop Production ($2.2 million); Transportation Equipment ($1.7 million); Machinery Manufacturers ($1.7 million); and Chemical Manufacturers ($0.7 million). Manufacturing employment is concentrated in five counties in the Willamette Valley or Portland area: Washington, Multnomah, Lane, Clackamas, and Marion Counties. Average wages for employees of manufacturing firms in these counties in 2006 ranged from $71,500 to $34,200 and were generally above the state's average (about $38,000) [41]

- **Small businesses continue to account for over 50% of employment in Oregon.** Small business, with 100 or fewer employees, account for 51% of private sector employment in Oregon, up from about 50.2% of private employment in 2000 and down from 52.5% in 1996. Workers of small businesses typically had lower wages than the state average, with average wages of $33,130 compared to the statewide average of about $38,000 in 2006.

[40] Although Oregon's economy has diversified since the 1970's, natural resource-based manufacturing accounts for more than one-third of employment in manufacturing in Oregon in 2006, with the most employment in Wood Product and Food manufacturing.

[41] OECDD, "*Economic Data Packet, March 2008.*"

- **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 35th in diversity (1st = most diversified) based on Gross State Product data for 1963–1986, and 32nd based on data for the 1977–1996 period.[42] A recent analysis, based on 2006 data, ranked Oregon 31st.[43] 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.

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[42] LeBre, Jon. 1999. "Diversification and the Oregon Economy: An Update." *Oregon Labor Trends*. February.

[43] CFED, 2007, The Development Report Card for the States, http://www.cfed.org.

ECONOMIC TRENDS IN JACKSON COUNTY AND JACKSONVILLE

Future economic growth in Jacksonville will be affected in part by demographic and economic trends in the city and surrounding region. A review of historical demographic and economic trends provides a context for establishing a reasonable expectation of future growth in Jacksonville. In addition, the relationship between demographic and economic indicators such as population and employment can help assess the local influence of future trends and resulting economic conditions. This section addresses the following trends in Jacksonville:

- Population and demographics
- Household and personal income
- Employment
- Outlook for growth in Jacksonville

POPULATION AND DEMOGRAPHIC CHARACTERISTICS

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. As the nation's economic growth has slowed during 2007, Oregon's population growth began to slow.

Oregon's population grew from 2.8 million people in 1990 to 3.7 million people in 2007, an increase of more than 900,000 people at an average annual rate of 1.6%. Oregon's growth rate slowed to 1.3% annual growth between 2000 and 2007.

Jackson County grew faster than the State average between 1990 and 2007, growing at 1.9% annually and adding nearly 56,000 people. Jacksonville's population grew faster than the County average, at 2.4% annually, adding 739 residents over the seventeen-year period. Less than 2% of the County's population lived in Jacksonville in 2007.

Table A-1. Population in the U.S., Oregon, Jackson County, and Jacksonville, 1990-2007

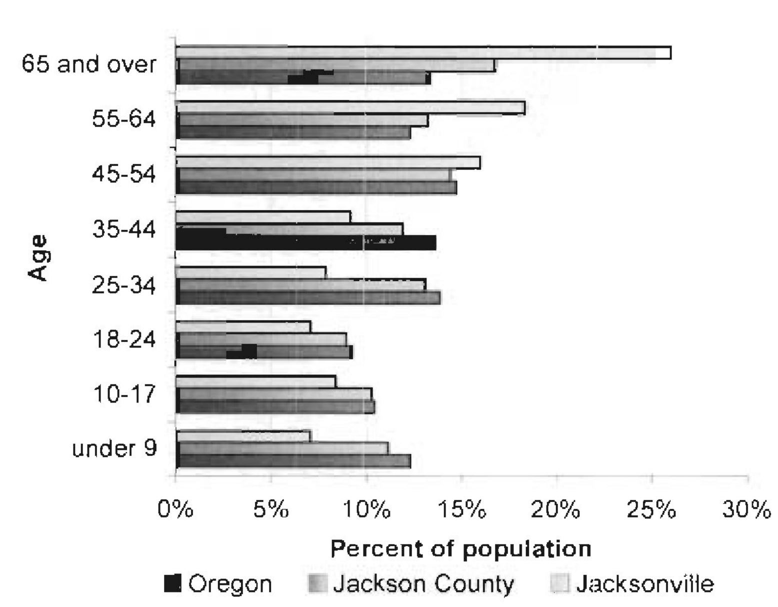
	Population			Change 1990 to 2007		
Area	1990	2000	2007	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	301,621,157	52,911,284	21.3%	1.14%
Oregon	2,842,321	3,421,399	3,745,455	903,134	31.8%	1.64%
Jackson County	146,389	181,269	202,310	55,921	38.2%	1.92%
Jacksonville	1,896	2,235	2,635	739	39.0%	1.95%

Source: U.S Census 1990 & 2000, the Population Research Center at Portland State University.

Migration is the largest component of population growth in Oregon. Between 1990 and 2007, in-migration accounted for 70% of Oregon's population growth. Over the same period, in-migration accounted for nearly 50,000 new residents of Jackson County, account for 89% of population growth over the seventeen-year period.

Figure A-1 shows the age structure for Oregon, Jackson County, and Jacksonville in 2008. Jacksonville's age distribution is different from the County and State averages. Jacksonville has a higher percentage of people above the age of 65 (26%) than the County (17%) or the State as a whole (13%). Similarly, Jacksonville has a smaller percentage of the population under the age of 17 (16%) than Jackson County (22%) or the State (23%).

Figure A-1. Population by age, Oregon, Jackson County, and Jacksonville, 2008



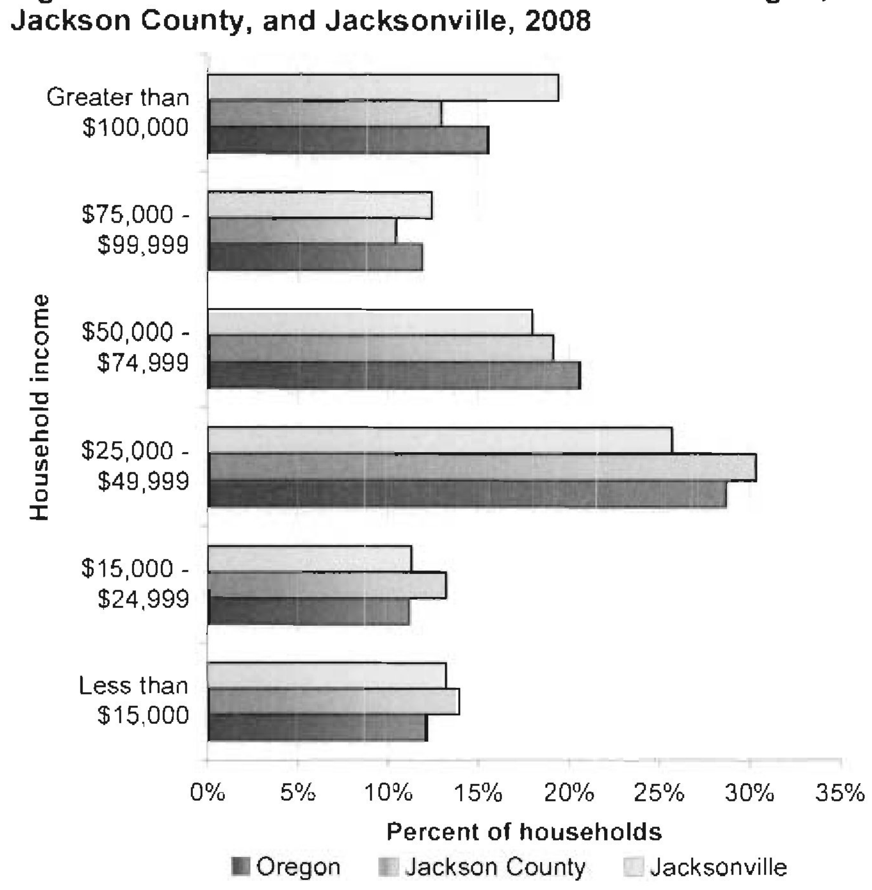
Source: Claritas 2008, percentages calculated by ECONorthwest.

HOUSEHOLD AND PERSONAL INCOME

Income in Jacksonville has historically been fairly close to that of the State. Jacksonville's median household income in 1999 was $41,250, compared with $40,916 for Oregon and the national average of $41,994. The median household income in Jackson County in 1999 was $36,461, 89% of the city's median income.

Figure A-2 shows the distribution of household income in Oregon, Jackson County, and Jacksonville in 2008. **Figure A-2** shows that a larger share of households in Jackson County (27%) had an income of $25,000 or less, compared to Oregon (23%). Jacksonville had a higher share of households with an income above $75,000 (32%) than the County (23%) or State (27%).

Figure A-2. Distribution of household income of Oregon, Jackson County, and Jacksonville, 2008



Source: Claritas 2008

Table A-3 shows average annual pay per employee in the Oregon and Jackson County for 2000 to 2007. Jackson County's average annual wage increased by 24% (more than $6,000) from $26,567 to $32,895 over the 2000 to 2007 period. Jackson County's average pay has grown slightly faster than the State average, increasing from 81% of the State average in 2000 to 83% in 2007. The average annual pay in the State grew by 21% (almost $6,800) over the period.

Table A-3. Average annual pay, Oregon and Jackson County, 2000-2007

Year	Oregon	Jackson County	County % of State
2000	$32,776	$26,567	81%
2001	$33,202	$27,224	82%
2002	$33,685	$28,098	83%
2003	$34,455	$28,801	84%
2004	$35,627	$29,775	84%
2005	$36,593	$30,515	83%
2006	$38,070	$31,693	83%
2007	$39,566	$32,895	83%
Change 2000 to 2007			
Nominal Change	$6,790	$6,328	
Percent Change	21%	24%	

Source: Oregon Employment Department

EMPLOYMENT

REGIONAL EMPLOYMENT TRENDS

Tables A-4 and **A-5** present data from the Oregon Employment Department that show changes in covered employment[11] for Jackson County between 1980 and 2007. The changes in sectors and industries are shown in two tables: (1) between 1980 and 2000 and (2) between 2001 and 2007. 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.

Employment data in this section is summarized by *sector*, each of which includes several individual *industries*. For example, the Retail Trade sector includes General Merchandise Stores, Motor Vehicle and Parts Dealers, Food and Beverage Stores, and other retail industries.

Table A-4 shows the changes in covered employment by sector in Jackson County between 1980 and 2000. Covered employment in the County grew from 42,626 in 1980 to 73,614 in 2000, an increase of 73% or 30,988 jobs.

[11] Covered employment refers to jobs covered by unemployment insurance, which includes most wage and salary jobs but does not include sole proprietors, seasonal farm workers, and other classes of employees.

In 2000, the largest sectors in the County were Services with 20,385 jobs (28% of jobs), Retail Trade with 18,865 jobs (26%), Government with 10,186 jobs (14%), and Manufacturing with 9,231 jobs (13%). Government jobs accounted for 10,186 people (14%).

The sectors with the greatest increase in employment were Services and Retail Trade, together adding a total of 22,295 jobs or about 72% of all new jobs. No sector lost jobs over the period.

Table A-4. Covered employment in Jackson County, 1980-2000

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

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. Summary by industry and percentages calculated by ECONorthwest. Note: Total employment does not reflect confidential or nonclassifiable jobs.

Table A-5 shows the change in covered employment by sector for Jackson County between 2001 and 2007. Employment increased by 10,227 jobs or 14% during this period. In 2007, the largest sectors were Retail with 14,370 jobs (17% of jobs), Government with 11,306 jobs (15%), and Health and Social Assistance with 11,272 jobs (13%). These sectors and Management of Companies had the greatest job growth over the period. Manufacturing and Information were the only sectors to lose jobs in the period, losing 796 (10%) and 132 jobs (7%) respectively.

Table A-5. Covered employment in Jackson County, 2001-2007

			Change from 2001 to 2007		
Sector	**2001**	**2007**	**Difference**	**Percent**	**AAGR**
Natural Resources & Mining	2,377	3,033	656	28%	4.1%
Construction	**3,640**	**5,534**	**1,894**	**52%**	**7.2%**
Manufacturing	7,702	6,906	-796	-10%	-1.8%
Wholesale	2,131	2,596	465	22%	3.3%
Retail	**13,238**	**14,370**	**1,132**	**9%**	**1.4%**
Transportation, Warehousing & Utilties	2,303	2,689	386	17%	2.6%
Information	1,815	1,683	-132	-7%	-1.3%
Finance & Insurance	1,845	2,524	679	37%	5.4%
Real Estate Rental & Leasing	1,062	1,200	138	13%	2.1%
Professional, Scientific & Technical Svcs	2,061	2,123	62	3%	0.5%
Management of Companies	801	1,888	1,087	136%	15.4%
Admin. & Support, Waste Mgmt Svcs	3,486	3,790	304	9%	1.4%
Education	508	610	102	20%	3.1%
Health & Social Assistance	**9,643**	**11,272**	**1,629**	**17%**	**2.6%**
Arts, Entertainment & Recreation	1,330	1,675	345	26%	3.9%
Accomodations & Food Services	7,182	8,139	957	13%	2.1%
Other Services	2,770	2,954	184	7%	1.1%
Private Non-Classified	25	43	18	72%	9.5%
Total All Government	10,189	11,306	1,117	11%	1.7%
Total Covered Employment	**74,108**	**84,335**	**10,227**	**14%**	**2.2%**

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. Summary by industry and percentages calculated by ECONorthwest. Note: Total employment does not reflect confidential jobs.

BUSINESS TRENDS IN JACKSONVILLE

Table A-6 shows employment in Jacksonville in 2007, based on data from Oregon Prospector. Jacksonville had a total employment of 722 people, with 123 establishments and an average firm size of nearly six employees per firm. The categories of employment with the most employees were Retail (150 jobs), Accommodations and Food Services (126 jobs), Government (105 jobs), and Health and Social Assistance (91 jobs). These sectors accounted for 472 or 65% of Jacksonville's jobs.

Table A-6. Covered employment in Jacksonville, 2007.

Sector	Firms	Employment	% of Employment
Agriculture, Forestry & Fishing	5	15	2%
Construction	12	39	5%
Manufacturing	4	17	2%
Wholesale	5	15	2%
Retail	**27**	**150**	**21%**
Transportation and Warehousing	1	7	1%
Finance & Insurance	7	23	3%
Real Estate Rental & Leasing	9	34	5%
Professional, Scientific & Technical Svcs	10	43	6%
Health & Social Assistance	**9**	**91**	**13%**
Arts, Entertainment & Recreation	4	13	2%
Accomodations & Food Services	**11**	**126**	**17%**
Other Services	14	37	5%
Private Non-Classified	1	7	1%
Total All Government	**4**	**105**	**15%**
Total Employment	**123**	**722**	**100%**

Source: Oregon Prospector, summary and calculations by ECONorthwest

Jacksonville licenses businesses that operate in the City. **Table A-7** shows the change in the number and types of businesses in Jacksonville from 1990 to 2007, based on the City's business license system. The number of businesses increased by about one-third (53 businesses) in Jacksonville over the 17-year period. The types of businesses with the largest growth were service (e.g., Professional Services, Real Estate, Engineering, and other services) and visitor lodging. The only sectors to shrink over the period were antique shops, other retail, and financial, with a combined loss of 21 businesses, although some loss may be attributable to the recent use of the "other" category.

Table A-7. Business growth in Jacksonville, 1990-2007

Business Type	1990-1991	1995-1996	2006-2007	Change 1990 to 2007 Number	Change 1990 to 2007 Percent
Restaurants	10	10	13	3	30%
Art Galleries	6	4	8	2	33%
Antique Shops	13	11	4	-9	-69%
Other Retail	56	72	46	-10	-18%
Service	33	61	79	46	139%
Contractors	19	16	22	3	16%
Financial	10	12	8	-2	-20%
Visitor Lodging	7	6	13	6	86%
Care Facilities	1	3	2	1	100%
Other	-	-	13	-	-
Total	**155**	**195**	**208**	**53**	**34%**

Source: City of Jacksonville
Note: "Other" category was not counted prior to the 2006.

One substantial change in employment in Jacksonville is that Cutler Investment Group has moved its corporate headquarters to Jacksonville. Cutler Investment group purchased a five-acre property, the old Jacksonville High School, and is redeveloped it for office and commercial uses. Cutler's corporate headquarters is located on the property, with a total of 60 employees, 55 of which are new to Jacksonville. Cutler is also redeveloping the building for the following uses: converting the gym into a ballroom for events (e.g., corporate training or weddings), four commercial office spaces, a pre-school, a German restaurant, and a day spa, which will be built in 2010. Cutler has also changed the landscaping to host outdoor events.

OUTLOOK FOR GROWTH IN JACKSONVILLE

Table A-8 shows Jacksonville's the population forecast for the period from 2008 to 2028 from Jackson County's adopted population forecast. Jacksonville is forecast to grow at 1.3% annually over the 20-year period. The forecast shows Jacksonville's population will grow by 817 people over the 20-year period, a 28.8% increase.

Table A-8. Population forecast, Jackson County and Jacksonville, 2010 to 2030

Year	Jackson County	Jacksonville
2010	214,621	2,849
2015	230,168	3,020
2020	246,031	3,190
2025	261,497	3,350
2030	276,437	3,666
	Change 2010 to 2030	
Population	61,816	817
% of Change	28.8%	28.8%
AAGR	1.4%	1.3%

Source: Jackson County Adopted Population Forecast

Table A-9 shows the Oregon Employment Department's forecast for employment growth by industry for Region 8 in Oregon, consisting of Jackson and Josephine Counties over the 2006 to 2016 period. The sectors that are forecasted to lead employment growth in Region 8 for the ten-year period are the following: Educational & Health Services (4,520 jobs), Retail Trade (2,860 jobs), Accommodation and Food Services (2,050 jobs), and Professional and Business Services (1,970 jobs). Together, these sectors are expected to account for 65% of employment growth in Region 8.

Table A-9. Employment forecast by industry in Region 8 (Jackson and Josephine Counties), 2006-2016

Sector	2006	2016	Change 2006-2016 Amount	Change 2006-2016 % Change
Agriculture, Forestry, Fishing, and Hunting	2,160	2,470	310	14%
Natural resources and mining	980	1,000	20	2%
Construction	7,590	8,800	1,210	16%
Manufacturing	10,420	11,220	800	8%
Durable Goods	7,920	8,170	250	3%
Wood product manufacturing	3,030	2,860	-170	-6%
Trade, transportation, and utilities	25,030	28,740	3,710	15%
Wholesale trade	3,540	3,950	410	12%
Retail trade	**18,300**	**21,160**	**2,860**	**16%**
Transportation, warehousing, and utilities	3,200	3,630	430	13%
Information	2,010	2,170	160	8%
Financial activities	6,090	6,870	780	13%
Professional and business services	**9,580**	**11,550**	**1,970**	**21%**
Educational and health services	**15,730**	**20,250**	**4,520**	**29%**
Health care and social assistance	14,970	19,370	4,400	29%
Health care	13,280	17,380	4,100	31%
Leisure and hospitality	12,120	14,580	2,460	20%
Accommodation and food services	**10,340**	**12,390**	**2,050**	**20%**
Other services	3,800	4,310	510	13%
Federal government	1,960	1,900	-60	-3%
State government	3,680	4,040	360	10%
State education	1,470	1,640	170	12%
Local government	9,900	10,640	740	7%
Local education	5,640	5,900	260	5%
Other industries	360	420	60	17%
Total payroll employment	**111,040**	**128,550**	**17,510**	**16%**

Source: Oregon Employment Department. Employment Projections by Industry 2006-2016. Projections summarized by ECONorthwest.

Appendix B

Factors Affecting Future Economic Growth in Jacksonville

This appendix presents a detailed analysis consistent with the requirements of OAR 660-009-0015(4) of Jacksonville's comparative advantage relative to the Medford area, Jackson County, Southern Oregon, and Oregon. The information presented in this appendix is summarized in Chapter 2.

WHAT IS COMPARATIVE ADVANTAGE?

Economic development opportunities in Jacksonville will be affected by local conditions as well as by national and state economic conditions described above and in Appendix A.

Economic conditions in Jacksonville, relative to other areas of Jackson County and Southern Oregon, form Jacksonville's comparative advantages and have implications for firms giving consideration to locating or expanding in Jacksonville.

Jacksonville's primary comparative advantages include its historic character, its ideal location, its quality of life, and its skilled workforce. These advantages are summarized below and described in detail in Appendix B.

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.[15]

[15] OAR 660-009-0015(4) requires assessment of the "community economic development potential." This assessment must consider economic advantages and disadvantages – or what Goal 9 broadly considers "comparative advantages."

An analysis of comparative advantage depends on the geographic areas being compared. In general, economic conditions in Jacksonville will be largely shaped by national and regional economic conditions affecting the Willamette Valley. Chapter 2 and Appendix A present trends and forecasts of conditions in Oregon and Jacksonville to help establish the context for economic development in Jacksonville. Local economic factors will help determine the amount and type of development in Jacksonville relative to other communities in Oregon.

This chapter focuses on the comparative advantages of Jacksonville as a recreation destination relative to the rest of Oregon. The implications of the factors that contribute to Jacksonville's comparative advantage are discussed at the end of this chapter.

LOCATION

Jacksonville is a city with a population of approximately 2,635 people in 2007, located in Southern Oregon, near Medford. Interstate 5 runs to the east of Jacksonville and Highway 238 runs east-west through Jacksonville.

Jacksonville's location has been and will continue to be important in the City's future economic development.

- Jacksonville is located in Jackson County, the sixth-most populated county in the State, with 202,310 people in 2007. Jacksonville is about five miles west of Medford, the eighth-most populated city in the State. Other nearby, relatively large cities include Ashland, Central Point, and Grants Pass.

- Jacksonville has easy access to the State's highway system and other transportation opportunities. Interstate 5 runs about 6 miles to the east of Jacksonville and Highway 238 is the main east-west route through Jacksonville. Residents and businesses in Jacksonville can also access other modes of transportation in Medford, including the Medford Airport, Greyhound bus service, and Amtrak rail service.

- Residents of Jacksonville have easy access to shopping, cultural activities, indoor and outdoor recreational activities, and other amenities in Jacksonville, Medford, and throughout Jackson County.

- Jacksonville residents have nearby opportunities for post-secondary education: the Southern Oregon University and Rogue Community College.

- Jacksonville is nestled at the edge of the Bear Creek Valley with an expanse of farmland serving as a buffer between Jacksonville and other cities, allowing Jacksonville to maintain its unique identity.

Jacksonville's location, access to Highway 238, and proximity to larger cities in Southern Oregon are primary comparative advantages for economic development in Jacksonville. Jacksonville's distance from I-5 is a disadvantage for attracting businesses, such as warehousing and distribution centers, which need easy access to I-5 for freight shipping.

BUYING POWER OF MARKETS

The buying power of Jacksonville and the Medford metropolitan region form part of Jacksonville's comparative advantage by providing a market for goods and services. Table B-1 shows the combined total expenditures in Jacksonville and Jackson County in 2007. Total expenditures in Jacksonville were $56.7 million in 2007, about 1.6% of the County's $3.6 billion expenditures.

The biggest expenditures were for transportation and shelter, which accounted for nearly 40% of expenditures in Jacksonville and Jackson County. Expenditures on food and beverages, entertainment, apparel, household furnishings, and gifts, accounted for about one-third of expenditures in Jacksonville.

Per capita expenditures were greater in Jacksonville than the County average. Per capita expenditures in Jacksonville were about $21,500 in 2007, nearly $3,800 higher than the County average of nearly $17,800. The difference in expenditures may reflect the above average incomes in Jacksonville, resulting in greater discretionary purchasing power, as well as the revenue brought in by tourism.

For example, in 2007, per capita expenditures on food and beverages were more than $500 greater in Jacksonville than the County, and expenditures on entertainment were more than $200 greater.

Table B-1. Annual consumer expenditures, Jacksonville and Jackson County, 2007

	Jacksonville			Jackson County		Per Capita Difference
	Total Expenditures	Per Capita	% of Total	Per Capita	% of Total	(J-ville minus JC)
Transportation	$11,310,000	$4,292	20%	$3,563	20%	$729
Shelter	$10,978,000	$4,166	19%	$3,415	19%	$752
Food and Beverages	$8,665,000	$3,288	15%	$2,753	16%	$536
Utilities	$3,944,000	$1,497	7%	$1,270	7%	$226
Health Care	$3,526,000	$1,338	6%	$1,122	6%	$216
Entertainment	$3,169,000	$1,203	6%	$987	6%	$216
Apparel	$2,694,000	$1,022	5%	$846	5%	$177
Household Furnishings & Equip.	$2,497,000	$948	4%	$763	4%	$185
Contributions	$2,154,000	$817	4%	$642	4%	$176
Household Operations	$2,026,000	$769	4%	$614	3%	$155
Gifts	$1,526,000	$579	3%	$460	3%	$119
Education	$1,343,000	$510	2%	$404	2%	$105
Miscellaneous Expenses	$952,000	$361	2%	$302	2%	$60
Personal Care	$821,000	$312	1%	$258	1%	$54
Personal Insurance	$583,000	$221	1%	$176	1%	$45
Tobacco	$371,000	$141	1%	$123	1%	$18
Reading	$188,000	$71	0%	$58	0%	$13
Total Expenditures	**$56,747,000**	**$21,536**	**100%**	**$17,755**	**100%**	**$3,781**

Source: Oregon Prospector, 2008

AVAILABILITY OF TRANSPORTATION FACILITIES

Businesses and residents in Jacksonville have access to a variety of modes of transportation: automotive (Interstate 5, multiple State highways, and local roads); bus (Greyhound); rail (Amtrak in Klamath Falls); and air (Medford Airport).

Jacksonville has sufficient automotive access for commuting via Highway 238, Interstate 5, Old Stage Road, South Stage Road, and Hanley Road. Businesses and residents of Jacksonville also have access to Highway 140 in Medford and Highway 66 in Ashland.

Jacksonville's transportation access for moving freight, however, is more limited because of the City's distance from I-5. In addition, Highway 238 runs through Jacksonville's downtown, which makes moving freight along Highway 238 very slow for the truckers and undesirable from the City's perspective because of the disruptions to the downtown area resulting from trucks.

PUBLIC FACILITIES AND SERVICES

Provision of public facilities and services can impact a firm's decision on location within a region but ECONorthwest's past research has shown that businesses make locational decisions primarily based on factors that are similar with a region. These factors include the availability and cost of labor, transportation, raw materials, and capital investments in infrastructure, technology, and public services. The availability and cost of these production factors are usually similar within a region.

Once a business has chosen to locate within a region, they consider the factors that local governments can most directly affect: tax rates, the cost and quality of public services, and regulatory policies. Economists generally agree that these factors only modestly affect economic development.

PUBLIC POLICY

OAR 660-009-0020(1)(a) requires that communities must state their "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."

Jacksonville has articulated their economic development objectives and identified the types of industrial and other employment uses desired by the community and reflected in the City's policy documents: the Economic Element of the Jacksonville Comprehensive Plan, the City's Livability policies, the City's Unified Development Code, and the "Jacksonville Vision 2028" visioning process. This section presents excerpts of these policy documents that articulate Jacksonville's economic development objectives.

COMPREHENSIVE PLAN POLICIES

Local governments support economic development through the use of public policies, such as economic development policies. In order to create and maintain a positive business environment, Jacksonville implemented the following public policies in the Economic Element of the City's Comprehensive Plan:

- Encourage community and economic development simultaneously so residents, businesses, and the City may reach common goals without compromising the historic integrity and unique character of Jacksonville.

- Encourage and support the Britt Music Festivals. Develop a plan with the Festival and Jackson County to mitigate any negative impacts while promoting and sharing benefits.
- Support the tourism industry through the provision of a visitor information center, public restrooms, weekly downtown trash pick-up, an attractive parks system, and a comprehensive well-directed parking and pedestrian system.
- Support, cooperate, and coordinate with special events. Cultivate an environment for conferences and workshops.
- Explore the potential for a combination business development / parking district organization to study the possible benefits and impacts of regional, national, and international tourism in Southern Oregon and Jacksonville. Encourage specialized businesses to locate in Jacksonville, businesses that will draw regional customers on a year-round basis.
- Investigate redirecting Jacksonville's economic activities into areas other than the tourism industry and provide for economic diversification to insure a more stable economic base.
- Encourage suitable artisan and culinary ventures in the Artisan District to increase the number of workforce positions and to further diversify Jacksonville's economic base.
- Given Jacksonville's proximity to the Applegate and Bear Creek valleys, encourage the development of recreational industries and secondary agricultural enterprises, including bicycle tours and small parcel agriculture.[16]

LIVABILITY POLICIES

In 2003, the City of Jacksonville adopted Resolution No. 869, which established the definition of the word "livability" with regard to the Oregon Statewide Planning Goals. This resolution was further refined through Resolution No. 944 in November 2006. The City adopted the following components as its definition of "livability:"

- First and foremost, the livability of Jacksonville is vitally dependent upon the preservation of its historic context and character.
- The livability of Jacksonville requires that a "village pattern" of growth, as balanced by the "neighborhood" pattern of the City, be

[16] Jacksonville's Economic Element.

used as a guide to future urbanization patterns, which will result in lower densities than found elsewhere in the Rogue Valley.

- The livability of Jacksonville requires that farming foreground and wooded backdrop of the City be preserved or enhanced.
- The livability of Jacksonville requires that future growth incorporate significant portions of parks or open space, including at least eight acres of flat parkland.
- The livability of Jacksonville requires that future growth provide for the diversification of the City's economy.
    - Where the additional commercial and cottage industry areas are designated, workforce housing in a Transit-oriented Development (TOD) format also needs to be provided.
    - Jacksonville needs to designate areas for recreational industries, conferences, workshops, film and video facilities, specialty education facilities, and secondary agricultural enterprises that are combined with a comprehensive well-directed parking and pedestrian system that is tied to transit facilities and an attractive parks system in such a way as to minimize impacts on the historic core.
- The livability of Jacksonville requires that key transportation connections be protected or completed in order to enhance and promote walkability and to alleviate congestion and negative impacts in historic areas and neighborhoods.
- The livability of Jacksonville requires that areas which are accessed solely by traversing City roads should be annexed in order to allow equity in service provisions.
- The livability of Jacksonville requires that future growth only occur in the finite quantity of available serviceable areas.
- The livability of Jacksonville requires that, once the above factors have been satisfied, Jacksonville's further urbanization will cease.[17]

ZONING FOR THE ARTISAN DISTRICT

The Economic Element of Jacksonville's Comprehensive Plan includes a policy to promote an Artisan District[18] that allows for an artisan cluster for craft and artwork fabrication and a culinary cluster for specialty food

[17] City of Jacksonville Resolution No. 869

[18] The City recently changed the name of the district from a "Handworker District" to the "Artisan District."

preparation, as defined in the City's zoning ordinance (Chapter 17.28). Relevant excerpts include:

- The purpose of the Artisan District is to provide opportunity for craft and artwork fabrication made onsite and to be sold as retail from the same property, which will also be used as a residence. The district is designed to continue protection of the historical characteristics of the City of Jacksonville.
- The following uses and their accessory uses are permitted subject to a satisfactory Performance Review:
  - Product creation or fabrication, educational and professional operations and activities;
  - Rooming and boarding of not more than two persons;
  - Special agricultural uses and other uses including wineries and other agricultural processing facilities;
  - Motion picture, television, or radio broadcasting studios
- The above-listed uses may be permitted subject to a review and a determination of compliance with the following performance standards:
  - The proposed use shall preserve the historic integrity of and provide affirmative maintenance for structures and sites included on the Jacksonville Landmark List.
  - All business, services, and processes shall be conducted entirely within a completely enclosed structure.[49]

It is important to note that the policy decisions made by the City ensure that the Artisan District remains primarily a residential zone with provisions for industry and commerce. The Artisan District allows people to work at home, not live at work.

JACKSONVILLE VISION 2028

In 2007, Jacksonville's Citizen Advisory Committee (CAC) drafted a vision statement entitled "Jacksonville Vision 2028." The CAC divided into seven groups, each focusing on one concern for Jacksonville's future. Their respective answers to these concerns illustrate the values the City currently has and the progress they wish to make in the future.

[49] Jacksonville Zoning Ordinance Chapter 17.28

As part of the visioning process, the CAC discussed the types of businesses that contribute to "Brand Jacksonville." These include businesses that pay attention to detail, are concerned with artistry or handmade products, and take pride in the City's history. "Brand Jacksonville" is likely to benefit and appeal to businesses with small-scale production of unique products, especially hand made items or items related to Jacksonville's history.

The value of "Brand Jacksonville" for businesses is from the recognition of the quality of products and services found in Jacksonville. As "Brand Jacksonville" becomes more widely known and businesses congruent with it grow in Jacksonville, "Brand Jacksonville" may provide a competitive advantage within Southern Oregon because of the perceived quality associated with Jacksonville.

The value statement for economic development in the "Jacksonville 2028 Vision" envisions a continuation and further developing of "Brand Jacksonville:"

> We value a thriving, diverse economic base fostered by a proactive, "business friendly" environment. We value unique, character or focus, that reinforces "Brand Jacksonville" and Jacksonville's status as a National Historic Landmark District. We value Jacksonville as one of the prime venues in the Rogue Valley for cultural and performing arts events. We value strong, cooperative partnerships with Britt Festivals, and Southern Oregon Historical Society, our regional wine and artisan food industry, and similar entities that ensure that Jacksonville is a year round destination for residents and visitors alike.

TAX POLICY

The tax policy of a jurisdiction is a consideration in economic development policy. **Table B-2** shows that Jacksonville's consolidated property tax rate, which includes County, school, and other taxing districts, is $12.50 per $1,000 of assessed value, compared with the County average of $13.43 and the State average of $15.20.

Table B-2. Property tax rate per $1,000 assessed value for Oregon, Jackson County, and Jacksonville, 2007.

Area	Tax Rate (per $1,000 assessed value)
Oregon	$15.20
Jackson County	$13.43
Jacksonville	$12.50

Source: Oregon Department of Revenue

WATER[50]

The Medford Water Commission provides water services to the city of Jacksonville. All cities served by the Medford Water Commission 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.

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.

[50] The information presented in this section is based on an update of the Economic Element of Jackson County's Comprehensive Plan, done by ECONorthwest in 2007.

WASTEWATER[51]

The Medford Regional Water Reclamation Facility provides wastewater treatment to all cities in the Bear Creek Valley, including Jacksonville. 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 cost of waste treatment from the Medford Regional Water Reclamation Facility is lower than the costs that neighboring cities pay for waste treatment.

LABOR MARKET FACTORS

The availability of labor is critical for economic development because businesses consider availability, quality, and cost of labor when making locational decisions. 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 in Jacksonville and 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. According to the 2000 Census, Jackson County has more than 87,000 people in its labor force, with less than 2% of the County's labor force located in Jacksonville (1,046 participants in the labor force). **Table B-3** summarizes Jackson County and Jacksonville's labor force situations.

[51] The information presented in this section is based on an update of the Economic Element of Jackson County's Comprehensive Plan, done by ECONorthwest in 2007.

Table B-3. Employment status for population 16 years and over, Jackson County and Jacksonville, 2000.

Occupation	Jackson County Number	Jackson County Percent	Jacksonville Number	Jacksonville Percent
In labor force:	87,189	61%	1,046	57%
In Armed Forces	80	0%	2	0%
Civilian:	87,109	61%	1,044	57%
Employed	80,714	57%	1,007	55%
Unemployed	6,395	4%	37	2%
Not in labor force	55,108	39%	788	43%
Total	**142,297**		**1,834**	

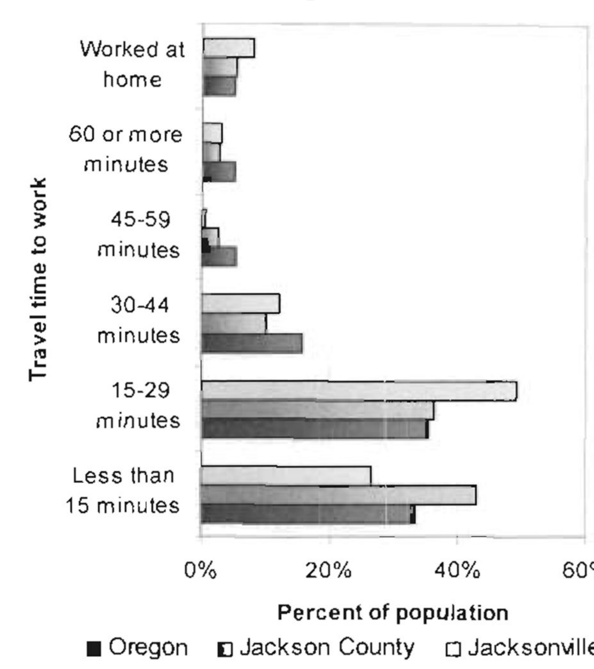
Source: Census 2000.

The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. Labor force data from the Bureau of Labor Statistics shows that unemployment in Jackson County was 6.7% in May 2008, higher than the State average of 5.3%.

Another important factor in the labor force is the distance that workers are willing to commute for work. **Figure B-1** shows a comparison of the commute time to work for residents 16 years and older for Oregon, Jackson County, and Jacksonville in 2000.

Jacksonville residents were more likely to have a commute of 15 minutes to 44 minutes (62%), compared to 46% of workers in the County and 51% in the State. The large share of workers in Jacksonville commuting 15 to 44 minutes suggest that most people commute out of Jacksonville for work, probably to other cities in Jackson County (e.g., Medford). Jacksonville has a greater share of people working from home (8%), compared to 5% of workers in the County and State.

Figure B-1. Commuting time to work in minutes for residents 16 years and older, Oregon, Jackson County, and Jacksonville, 2000



Source: U.S. Census 2000

Table B-4 shows changes in ethnicity Oregon, Jackson County, and Jacksonville between 1990 and 2000. This table shows that the Jacksonville has a smaller share of Hispanic or Latino residents than Jackson County in 2008. 2.6% of residents in Jacksonville were Hispanic compared to the County average of 8.6%. Between 1990 and 2000, Jacksonville's Hispanic and Latino population grew by 38% (15 people), compared with growth in the Hispanic and Latino population of 104% in Jackson County and 144% in Oregon.

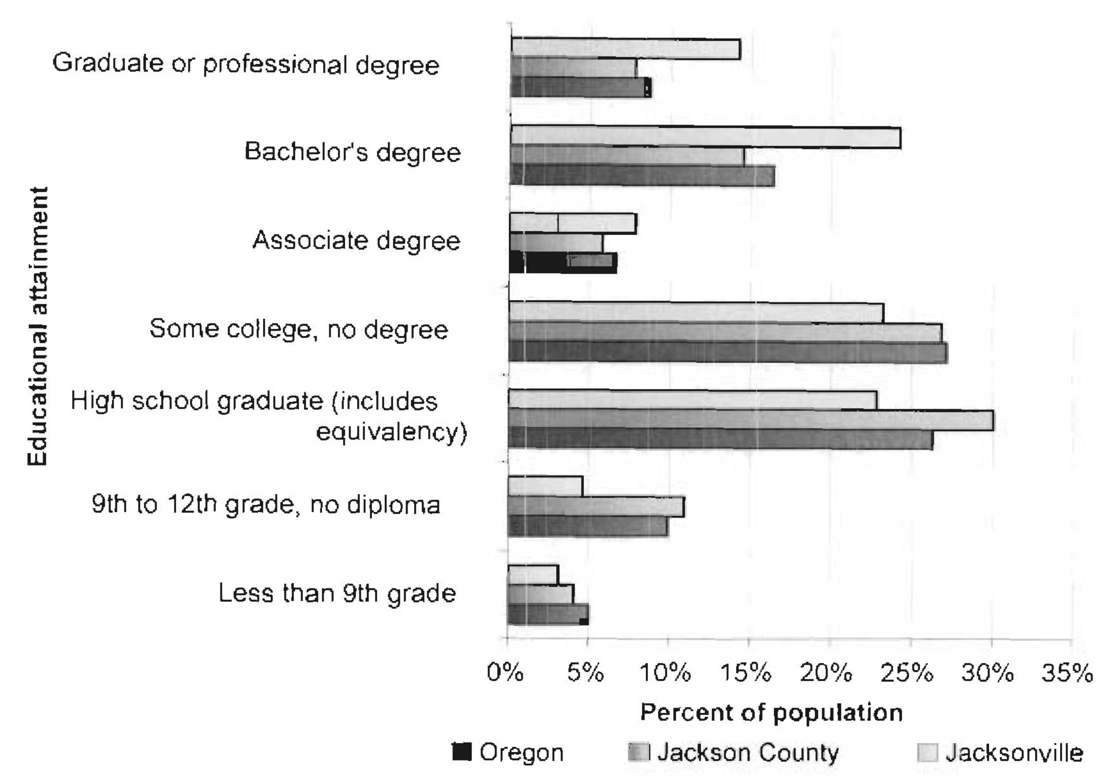
Table B-4. Changes in ethnicity, Oregon, Jackson County, and Jacksonville, 1990, 2000, and 2008

	Oregon	Jackson County	Jacksonville
1990			
Total Population	2,842,321	146,389	1,896
Hispanic or Latino	112,707	5,949	40
Percent Hispanic or Latino	4.0%	4.1%	2.1%
2000			
Total Population	3,421,399	181,269	2,235
Hispanic or Latino	275,314	12,126	55
Percent Hispanic or Latino	8.0%	6.7%	2.5%
2008			
Total Population	3,772,854	202,011	2,213
Hispanic or Latino	400,435	17,418	58
Percent Hispanic or Latino	10.6%	8.6%	2.6%
Change 1990-2000			
Hispanic or Latino	162,607	6,177	15
Percent Hispanic or Latino	144%	104%	38%
Change 2000-2008			
Hispanic or Latino	125,121	5,292	3
Percent Hispanic or Latino	45%	44%	5%

Source: U.S. Census 1990 and 2000, Claritas 2008

Educational attainment is an important labor force factor because businesses need to be able to find educated workers. **Figure 3-3** shows the share of population by education level completed in Jacksonville, Jackson County, and Oregon in 2000. **Figure B-2** shows that Jacksonville had a larger share of residents with a bachelor's degree or higher (38%) than residents of Oregon (25%) or Jackson County (22%). This high level of education in the City gives Jacksonville advantages in attracting businesses that need educated workers.

Figure 3-2. Educational attainment for the population 25 years and over, Oregon, Jackson County, and Jacksonville, 2000.



Source: U.S. Census 2000

The workforce in Jacksonville and Jackson County differ from the workforce Oregon in terms of educational attainment and ethnicity. Compared to the County and State averages, residents of Jacksonville are less likely to be Hispanic or Latino and have greater educational attainment.

Businesses in Jacksonville have access to workers living in Jacksonville. In addition, commuting patterns in Jackson County suggest that businesses locating in Jacksonville should be able to attract workers from surrounding rural parts of Jackson County and residents of nearby cities (e.g., Medford and Central Point).

QUALITY OF LIFE

Quality of life is difficult to assess because it is subjective—individuals have different opinions about factors that affect quality of life, the 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.

Jacksonville's quality of life is a key comparative advantage for economic development. Key quality of life factors in Jacksonville are:

- **Small town atmosphere.** Jacksonville has a small town atmosphere with a relatively compact downtown that offers opportunities for shopping and dining.

- **Mild weather.** While Jacksonville clearly experiences the four seasons, each with its particular beauty, the seasons are mild.

- **Historic Character.** Jacksonville is listed in the National Register of Historic Places as a National Historic Landmark District. The city's residents are dedicated to preserving it. The architecture in most of downtown dates back to the 1850's, and the layout caters to pedestrian activity. The Jacksonville Museum, the Beekman House, and the Jacksonville Cemetery are just a few of the many historic attractions in Jacksonville. The history of the gold mining industry can also be seen in the city and the surrounding area.

- **Outdoor recreational activities.** A number of outdoor recreational opportunities are available throughout the surrounding Jackson County; they include hiking on the Jacksonville Woodlands trails, fishing, rafting, and boating on the Rogue River, biking and jogging along the Bear Creek Greenway, paragliding at Woodrat Mountain, skiing at Mt. Ashland, and many other activities.

- **Ease of auto access.** Jacksonville is connected to Medford by Highway 238 and has relatively easy automobile access to I-5.

- **Cultural amenities and events.** Residents of Jacksonville have access to cultural amenities and events in Jacksonville and throughout Jackson County; these include the Britt Festival, the Craterian performances, the Medford Jazz Festival, the Shakespeare Festival, the Jackson County Fair, Jacksonville's Victorian Christmas, city and county-wide orchestras, local live theater, and many other events.

- **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 to residents of Jacksonville and the rest of the County.

- **Access to medical care.** Residents of Jacksonville can access medical care through two regional medical centers: the Rogue Valley Medical Center and the Providence Medford Medical Center.

- **Access to an international airport.** The Medford International Airport provides convenient connections for air travel.

Jacksonville's quality of life makes the City attractive to new residents and businesses that are seeking relocation in Southern Oregon and Jackson County.

Trends in Tourism

Tourism is an important source of business and employment in Oregon and Southern Oregon. Jacksonville's Comprehensive Plan and other policy document identify tourism as an economic development strategy for the City.

This appendix presents data about the economic impact of tourism at the national and state level, as well as the regional and local impacts of tourism in Jacksonville.

NATIONAL AND STATEWIDE TOURISM TRENDS

Travel and tourism is a major and growing industry worldwide. According to the Foresight Management Group, several current trends are evident in the travel industry:

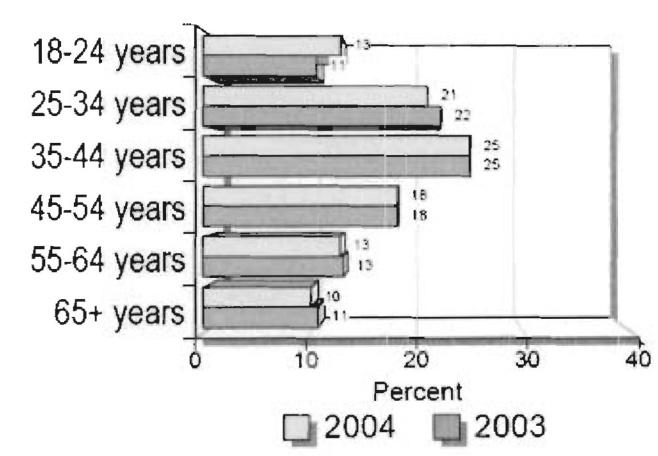
- Consumers want trusted locations that provide pleasurable experiences and no surprises; interest in new destinations may be decreasing in favor of repeat visitation. Overnight travel to destinations with multiple attractions is increasing.
- Travelers are seeking vacations that bring them closer to the environment, nature, and the outdoors.
- Travelers are more cost conscious. Not surprisingly, people are staying closer to home. Vacations are shorter and more frequent; the weekend travel market is a growing segment.
- Travel is on the rise. Industry performance indicators (IPI) are a set of monthly measurements that provide a snapshot of recent trends in travel-related industry segments. The IPI for July of 2007 showed hotel/motel room demand increased 1.0% and room revenue increased 6.2% from twelve months prior (TIA, www.tia.org).

The Oregon Tourism Commission (OTC) provides research and marketing support to the Oregon tourism industry. The OTC commissioned a survey of Oregon travelers in 2004 by Longwood International. Following are some of the key findings from the Longwood study:

- Travel in the US generated 1.53 billion overnight stays in 2004. Of these, 42% were marketable pleasure trips.
- Oregon generated 19.1 million overnight stays in 2004. Of these, 44% (8.5 million) were marketable pleasure trips.

- Overnight stays in Oregon grew by nearly 10% (1.7 million stays) between 2000 and 2004; marketable travel grew by 18% during the same period.
- 83% of overnight stays in Oregon are from Pacific states; 51% of overnight stays originate in Oregon; 45% in Portland.
- Individuals aged 25-44 accounted for the greatest percentage of overnight stays **(Figure C-1).**

Figure C-1. Age distribution of marketable overnight travelers to Oregon

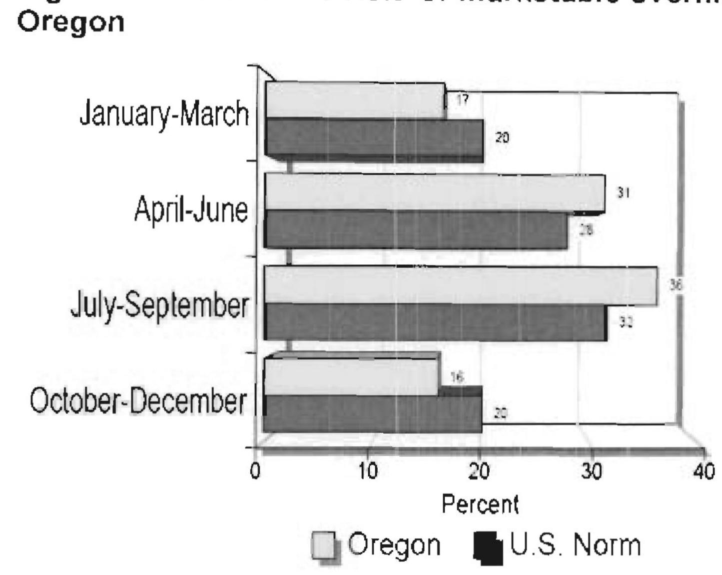


	2004	2003
Average Age	42.7	43.6

Source: Longwood International.

- A majority of visits are by households with no children (66%); 44% have at least a college degree; 64% are employed full time; 69% work in white collar professions; 59% have household incomes of $50,000 or more.
- The largest percentage of visits occur in summer, but visits occur in all seasons **(Figure C-2).**

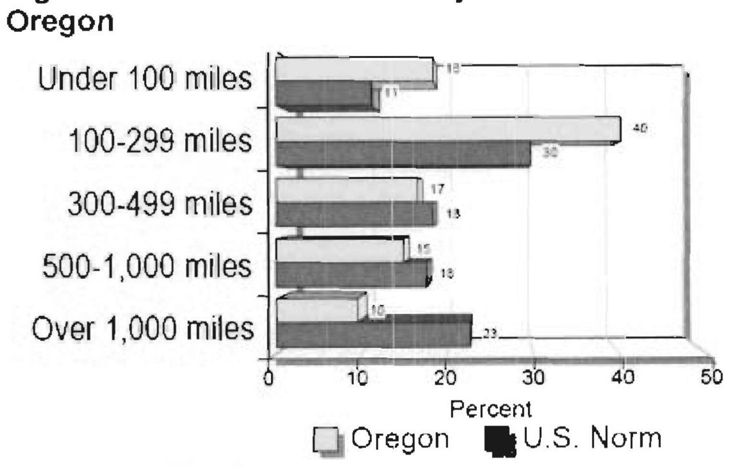
Figure C-2. Season of visit for marketable overnight travelers to Oregon



Source: Longwood International.

- More Oregon visitors travel regionally than the US norm. About 58% of all overnight travelers in Oregon travel less than 300 miles.

Figure C-3. Distance traveled by marketable overnight travelers to Oregon



Source: Longwood International.

- Oregon travelers tend to take more weekend trips than the US average. Nearly 25% of Oregon trips are two nights, compared to 17% nationally.
- 19% of trips included destinations in Southern Oregon; 11% of trips had Southern Oregon as the primary destination.

The OTC also contracted with Longwood International to evaluate the impact of advertising on tourism in 2002. They found that overnight visitors spent an average of about $200 per trip compared to about $70 per day spent by visitors on day trips in 2002.[51]

TOURISM TRENDS IN SOUTHERN OREGON AND JACKSONVILLE

The Southern Oregon Visitors Association (SOVA) and the Medford Visitors Bureau gather regional statistics on travel. The following information is from the SOVA 2006 visitor profile and the Medford Visitors Bureau fact sheet. Broadly, travelers to Southern Oregon account for the following:

- 2.5 million overnight visitors annually; 13% of Oregon Travel; 3rd largest destination in the state.
- Primary market area for travelers is California, Oregon, and Washington: 30-35% of Southern Oregon visitors are from California; 20-25% are from Oregon; and 8-10% are from Washington.
- 50% are repeat visitors.
- 42% stay 2 or fewer days; 42% stay 3-6 days; and 16% stay 7 or more days.
- Visitor expenditures average $134 to $151 per day.
- About 80% of visits are by automobile; 10% travel by RV.
- Visitors are affluent, older, and well-educated: nearly 70% have college degrees; 42% are between 50-64; 26% are 65+; 20% earn between $50 and $70k; 27% earn between $70 and $100k; and 21% earn over $100k

Tourism has a major economic influence on the State of Oregon and the Southern Oregon region. **Table C-1** shows the economic impacts of travel and tourism in 2000 and 2007. In 2007, visitors spent $7.6 billion dollars in Oregon.

In Southern Oregon travel-related expenditures were $813 million in 2007, an increase of 28% since 2000. Of this, $141 million was on accommodations, $182 million was for food and beverages, and $120 million was for arts, entertainment, and recreation.

[51] Longwoods International, "Oregon Tourism Commission Advertising Accountability Research Final Report," 2002

In 2007, Jackson County generated $372 million in direct visitor expenditures, an increase of 31% since 2000. Of this, $68 million was on accommodations, $82 million on food and beverage services, and $45 million on arts, entertainment, and recreation.

Beyond revenue, the tourism industry is a significant employer in Oregon and Jackson County. In 2007, 91,100 jobs were directly supported by tourism in the state. About 4,270 jobs in Jackson County (5% of County employment) were directly tied to travel and tourism.

Table C-1. Economic impacts of travel and tourism, Oregon, Southern Oregon, and Jackson County 2000 and 2007

	Expenditures (millions)		Increase	
	2000	2007	Dollars	Percent
Oregon				
Direct Travel Spending	$5,461	$7,613	$2,152	28%
Accommodations	$949	$1,362	$413	30%
Food/Beverages	$1,624	$1,723	$99	6%
Arts/Entertainment/Rec	$716	$907	$191	21%
Retail	$896	$1,036	$140	14%
Southern Oregon				
Direct Travel Spending	$564.5	$813.4	$248.9	31%
Accommodations	$98.3	$140.6	$42.3	30%
Food/Beverages	$179.6	$182.1	$2.5	1%
Arts/Entertainment/Rec	$92.7	$119.7	$27.0	23%
Retail	$76.2	$87.5	$11.3	13%
Jackson County				
Direct Travel Spending	$249.9	$371.7	$121.8	33%
Accommodations	$48.0	$68.2	$20.2	30%
Food/Beverages	$79.7	$82.1	$2.4	3%
Arts/Entertainment/Rec	$35.1	$45.2	$10.1	22%
Retail	$32.3	$37.5	$5.2	14%

Source. The Economic Impacts of Travel in Oregon, Dean Runyan Associates, 2007

Table C-2 shows that overnight stays generated $4.6 million in room tax receipts in Jackson County in 2007. Room tax receipts increased 37% in Jackson County between 2000 and 2007. Room tax receipts were $57,000 in Jacksonville in 2006, an increase of 32% since 2000.

Table C-2. Room tax receipts, Oregon, Southern Oregon, Jackson County, and Jacksonville, 2000 and 2007

	Receipts (millions)		Increase	
	2000	2007	Dollars	Percent
Oregon	$72.0	$109.0	$37.0	34%
Southern Oregon	$5.0	$8.6	$3.6	42%
Jackson County	$2.9	$4.6	$1.7	37%
Jacksonville*	$0.39	$0.57	$0.18	32%

Source: The Economic Impacts of Travel in Oregon, Oean Runyan Associates, 2007
Note: Jacksonville's data is for 2000 to 2006 because 2007 lodging tax receipt data is not available for Jacksonville in 2007

Focusing more locally, Jacksonville hosts a variety of events and attractions. Table C-3 shows key Jacksonville attractions and visitation for 2003.

Table C-3. Key Jacksonville attractions and visits, 2003

Attraction	Annual Visits
Britt Festival	76,764
Jacksonville Museum	10,200
Jacksonville Children's Museum	9,293
Beekman House	2,111

Source: Medford Visitors Bureau fact sheet

Cultural tourism is important in Jacksonville. **Table C-3** shows that the Britt Festival is Jacksonville's most popular attraction. The Britt runs from June through September and brings nationally known classical, jazz, and contemporary artists to Jacksonville. Another important cultural tourism event in Southern Oregon is the Shakespeare Festival in Ashland, which runs from February through October and attracts nearly 100,000 people.

According to a report from the Oregon Arts Commission, cultural and heritage tourists:[53]

- Spend more than other travelers ($623 compared to $457),
- Are more likely to stay overnight in a hotel, motel, or bed and breakfast (65% compared with 55%), and
- Take longer trips (5.2 nights compared to 3.4 nights)

[53] "Exploring Authentic Oregon; The Importance of Cultural Tourism" Oregon Arts Commission, 2006.

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