



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

April 4, 2008

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

FROM: Mara Ulloa, Plan Amendment Program Specialist

SUBJECT: Clatsop County Plan Amendment
DLCD File Number 001-07



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: April 17, 2008

This amendment was submitted to DLCD for review 45 days prior to adoption. 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 THAN IT WAS MAILED TO DLCD. AS A RESULT YOUR APPEAL DEADLINE MAY BE EARLIER THAN THE ABOVE DATE SPECIFIED.**

Cc: Gloria Gardiner, DLCD Urban Planning Specialist
Dave Perry, DLCD Regional Representative
Dianne Morris, City of Brookings

<paa> ya

DLCD NOTICE OF ADOPTION

DEPT OF

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

MAR 28 2008

(See reverse side for submittal requirements)

LAND CONSERVATION
AND DEVELOPMENT

Jurisdiction: CITY OF GRANTS PASS Local File No.: 07-4050006
(If no number, use none)

Date of Adoption: MARCH 5, 2008 (FINDINGS) Date Mailed: MARCH 25, 2008
(Must be filled in) (Date mailed or sent to DLCD)

Date the Notice of Proposed Amendment was mailed to DLCD: _____

- Comprehensive Plan Text Amendment
 - Comprehensive Plan Map Amendment
 - Land Use Regulation Amendment
 - Zoning Map Amendment
 - New Land Use Regulation
 - Other: _____
- (Please Specify Type of Action)

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

REPLACES CHAPTER B, ECONOMY ELEMENT, OF THE COMPREHENSIVE PLAN
WITH NEW UPDATED ELEMENT. CURRENT CHAPTER WAS LAST AMENDED
IN 1994 -

Describe how the adopted amendment differs from the proposed amendment. If it is the same, write "Same." If you did not give notice for the proposed amendment, write "N/A."

SAME

Plan Map Changed from : N/A to N/A

Zone Map Changed from: N/A to N/A

Location: N/A Acres Involved: N/A

Specify Density: Previous: N/A New: N/A

Applicable Statewide Planning Goals: GOAL 9

Was an Exception Adopted? Yes: _____ No: X

DLCD File No.: 009-07 (16540)

Did the Department of Land Conservation and Development receive a notice of Proposed Amendment **FORTY FIVE (45) days prior to the first evidentiary hearing.** Yes: No:

If no, do the Statewide Planning Goals apply. Yes: No:

If no, did The Emergency Circumstances Require immediate adoption. Yes: No:

Affected State or Federal Agencies, Local Governments or Special Districts: _____

DLCD, DECD, JOSEPHINE COUNTY

Local Contact: TOM SCHAUER, CODE ANALYST Area Code + Phone Number: 541-474-6355 x6418

Address: 101 NW 'A' STREET

City: GRANTS PASS Zip Code+4: 97526

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 (2) Copies 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. Submit **TWO (2) copies** the adopted material, if copies are bounded please submit **TWO (2) complete copies** of documents and maps.

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 copy this form on to 8-1/2x11 green paper only ; or 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.

CITY OF GRANTS PASS COMMUNITY DEVELOPMENT DEPARTMENT

**COMPREHENSIVE PLAN TEXT AMENDMENT
ECONOMIC ELEMENT
FINDINGS OF FACT- CITY COUNCIL**

Procedure Type: Type IV: Planning Commission Recommendation and City Council Decision
Project Number: 07-40500006
Project Type: Comprehensive Plan Text Amendment

Applicant: City of Grants Pass
Planner Assigned: Tom Schauer

Application Received: November 16, 2007
Application Complete: November 16, 2007
Date of Staff Report: January 3, 2008
Date of Planning Commission Hearing: January 9, 2008
Date of City Council Staff Report: February 12, 2008
Date of City Council Hearing: February 20, 2008

I. PROPOSAL:

Proposed amendment to the Comprehensive Plan adopting a new updated Economic Element. ***See Exhibit "A" to the ordinance in the City Council packet for the proposed amendment.***

II. AUTHORITY AND CRITERIA:

Sections 13.5.5 and 13.8 of the Comprehensive Plan provide that joint review by the City Council and Board of County Commissioners shall be required for amendment and revision to Comprehensive Plan findings, goals, and policies.

The review shall be in accordance with the procedures of Section 13.8.3 of the Comprehensive Plan, which provides for a recommendation hearing by the Urban Area Planning Commission prior to a joint hearing of the City Council and Board of County Commissioners.

However, with adoption of the 1998 Intergovernmental Agreement, this provision requiring a joint hearing is modified with the result that City Council will make the decision, and the County will have automatic party status, as summarized below:

Section III of the 1998 Intergovernmental Agreement (IGA) provides for transfer of authority for provision and management of planning services from the County to the City for the Urbanizing Area. It provides:

The City is hereby vested with the exclusive authority to exercise the County's legislative and quasi-judicial powers, rights, and duties within the Urbanizing Area...

Section V of the IGA contains provisions pertaining to notification and appeals for quasi-judicial and legislative decisions within the Urbanizing Area. For legislative decisions, the IGA provides:

The City agrees to provide written notice of all proposed legislative actions to the County at least 45 days prior to the public hearing at which the action is first considered. The County shall be deemed to have automatic party status regarding all such decisions for the purposes of standing for appeals.

Section 13.8.3 of the Comprehensive Plan provides that notice shall be as provided in Section 2.060 of the Development Code for a Type IV procedure. Section 13.8.3 further provides that the hearing shall be conducted in accordance with the Legislative Hearing Guidelines of Section 9 of the Development Code.

Therefore, the application will be processed through a "Type IV" procedure, with a recommendation from the Urban Area Planning Commission and a final decision by City Council. The County has automatic party status for appeals.

The text of the Comprehensive Plan may be recommended for amendment and amended provided the criteria in Section 13.5.4 of the Comprehensive Plan are met.

III. APPEAL PROCEDURE:

The City Council's final decision may be appealed to the State Land Use Board of Appeals (LUBA) as provided in state statutes. A notice of intent to appeal must be filed with LUBA within 21 days of the Council's written decision.

IV. PROCEDURE:

- A. The application was submitted on November 16, 2007. The application was deemed complete on November 16, 2007 and processed in accordance with Sections 13.5.5 and 13.8 of the Comprehensive Plan, Sections III and V of the 1998 Intergovernmental Agreement, and Section 2.060 of the Development Code.
- B. Notice of the proposed amendment and the January 9, 2008 public hearing was mailed to the Oregon Department of Land Conservation and Development on November 16, 2007 in accordance with ORS 197.610 and OAR Chapter 660-Division 18.
- C. Notice of the proposed amendment and the January 9, 2008 public hearing was provided to Josephine County on November 16, 2007 in accordance with the 1998 Intergovernmental Agreement.

- D. Notice of the proposed amendment and the January 9, 2008 public hearing was mailed to the Oregon Economic and Community Development Department on November 16, 2007.
- E. Public notice of the January 9, 2008 Planning Commission public hearing was published in the newspaper on January 2, 2008 in accordance with Sections 2.053 and 2.063 of the Development Code.
- F. A public hearing was held by the Planning Commission on January 9, 2008 to consider the request and make a recommendation to City Council. The Planning Commission recommended approval of the proposed amendment.
- G. Notice of the proposed amendment and the February 20, 2008 City Council public hearing was published in the newspaper on February 13, 2008 in accordance with Sections 2.053 and 2.063 of the Development Code.
- H. A public hearing was held by the Grants Pass City Council on February 20, 2008 to consider the request

V. SUMMARY OF EVIDENCE:

- A. The basic facts and criteria regarding this application are contained in the City Council staff report and exhibits, which are attached as Exhibit "A" and incorporated herein.
- B. The minutes of the February 20, 2008 public hearing held by the City Council, which are attached as Exhibit "B", summarize the oral testimony presented and are hereby adopted and incorporated herein.
- C. The PowerPoint presentation presented by staff at the February 20, 2008 public hearing is attached as Exhibit "C" and incorporated herein.

VI. GENERAL FINDINGS - BACKGROUND AND DISCUSSION:

This proposal will replace the existing Economic Element of the Comprehensive Plan with the new Economic Element.

- The Economic Element was last amended in 1994. However, the amendments at that time were limited to changes related to new population data in the Population Element that was also updated at the same time. Most of the other information in the Economic Element is data from the Comprehensive Plan adoption in 1982. Economic Development work since then has been undertaken separately, but it has not included revisions to the Comprehensive Plan economic or land use components.
- In addition, an additional document, *City of Grants Pass Economic Opportunities Analysis, October 2006*, prepared by Craig A. Stone & Associates, LTD. was adopted as a supplemental document on January 17, 2007. The proposal also repeats that supplement.

VII. FINDINGS OF CONFORMANCE WITH APPLICABLE CRITERIA:

For amending the findings, goals, policies, and Land Use Map of the Comprehensive Plan, the City Council and Board of County Commissioners shall base their conclusions upon, and adopt findings in consideration of, all of the following criteria:

CRITERION (a): Consistency with other findings, goals and policies in the Comprehensive Plan.

City Council's Response: Satisfied. The amendment replaces the old findings with updated findings, so the new Economic Element is internally consistent.

The new provisions of the Economic Element do not conflict with the existing Economy Goal and Policies. No changes are proposed to the Economy Goals and Policies as part of this proposed amendment at this time. That work will occur in subsequent actions. Adoption of the amendment does not preclude subsequent updates to the Economy goals and policies or other Land Use or Urbanization goals and policies.

The updated Economic Element is consistent with other findings, goals and policies in the Comprehensive Plan.

CRITERION (b): A change in circumstances, validated by and supported by the data base or proposed changes to the data base, which would necessitate a change in findings, goals and policies.

City Council's Response: Satisfied. The amendments are in response to a change in circumstances. The amendment updates the data base to reflect current economic conditions and forecasts, which have changed substantially from the conditions of the 1970s, upon which the current element is predominantly based. These changes necessitate updated findings, which are included in the revised element.

The amendment to the Economic Element is also consistent with the updated population element and forecast, and it provides an employment forecast through 2027.

The proposed Economic Element also repeals and replaces the *City of Grants Pass Economic Opportunities Analysis, October 2006*, prepared by Craig A. Stone & Associates, LTD. which was adopted as a supplemental document to the Comprehensive Plan on January 17, 2007. That document was submitted concurrent with an application for a comprehensive plan map and zoning map amendment. The repeal of that document and replacement with the updated document is due to a change in circumstances validated by and supported by changes to the data base and findings. That document provided an employment projection through 2026. It was adopted prior to the updated coordinated population forecast, and it used assumptions of lower population and employment forecasts. The assumptions used for the employment forecast in that document also differed from the basis for the employment forecast in the proposed amendment. The proposed amendment uses the "safe harbor" contained in OAR 660-024-0040(8)(a)(B) to develop the employment projection

for 2027. The amendment also conducts analysis of sites including inventory of sites by size, not only total acres within each plan designation. Goal 9 requires cities to consider site needs of industries.

The updated Economic Element documents a change in circumstances, validated by and supported by the updated data base, which also necessitates a change in findings.

CRITERION (c): Applicable planning goals and guidelines of the State of Oregon.

City Council's Response: Satisfied. Applicable goals and guidelines include Goal 9: Economic Development (OAR 660-015-0000(9) and associated statutes and administrative rules, including ORS 197.712 and OAR 660 Division 9, and OAR 660-012-0060 which implements Goal 12: Transportation.

Section 8.11 of the new Economic Element provides further information regarding consistency with the requirements of OAR 660 Division 9. The new Economic Element includes analysis and a 20-year employment forecast consistent with the statute and administrative rule.

In summary, the updated Element 8 provides the Economic Opportunities Analysis (EOA) consistent with the requirements of OAR 660-009-0015. This EOA also includes an employment forecast that leads to identification of needed development sites, and an inventory of commercial and industrial land in Grants Pass.

In short, the amendment is consistent with the applicable provisions of the first key element required by the Goal 9 (Economic Development) Administrative Rule: OAR 660 Division 9 (Industrial and Commercial Development). The proposed amendment provides the basis for subsequent work required in OAR 660 Division 9 and the Land Use Planning and Urbanization Goals. It also ensures that the basis for that subsequent work is consistent with applicable Goals, Guidelines, and their related Administrative Rules and Statutes.

Goal 2: Land Use Planning (OAR 660-015-0000(2))

While Goal 2 doesn't specify requirements for preparing the population or economic elements or forecasts, it does require that subsequent planning decisions be based on an adequate factual basis, including population and economic characteristics, as follows:

Goal

...PART I-PLANNING. To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to ***assure an adequate factual base*** for such decisions and actions...

Guidelines

...C. PLAN CONTENT

1. Factual Basis for the Plan. Inventories and other forms of data are needed as the basis for the policies and other decisions set forth in the plan. The factual basis should include data on the following as

they relate to the goals and policies and other provisions of the plan... **(c) population and economic characteristics of the area...**

The updated Economic Element will ensure a factual basis is provided for the subsequent decision-making consistent with the requirements of Goal 2.

Goal 14: Urbanization (OAR 660-015-0000(14))

While Statewide Planning Goal 14, Urbanization, itself doesn't provide specific requirements for the preparation of population or employment elements or forecasts, it does require that subsequent planning decisions address the following land need issues:

...**Land Need.** Establishment and change of urban growth boundaries shall be based on the following: ... (1) Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments... (2) Demonstrated need for housing, employment opportunities, livability, or uses such as public facilities, streets and roads, schools, parks or open space, or any combination of the need categories in this Subsection (2)...

The Goal 14 Administrative Rule, OAR 660 Division 24, which clarifies procedures and requirements of Goal 14, does address employment forecasts and contains provisions pertaining to land need. It provides more specific provisions than Goal 14 itself pertaining to employment forecasts and land needs.

OAR 660-024-0040(1) specifies:

The UGB must be based on the adopted 20-year population forecast for the urban area described in OAR 660-024-0030, and must provide for needed housing, employment and other urban uses such as public facilities, streets and roads, schools, parks, and open space over the 20-year planning period consistent with the land need requirements of Goal 14 and this rule. The 20-year need determinations are estimates which, although based on the best available information and methodologies, should not be held to an unreasonably high level of precision.

OAR 660-024-0040(8) provides "safe harbors" that may be applied in determining employment needs. The proposed Economic Element uses the safe harbor consistent with OAR 660-024-0040(8)(a)(B).

Goal 9: Economic Development (OAR 660-015-0000(9))

The updated Economic Element provides the Economic Opportunities Analysis (EOA) consistent with the requirements of OAR 660-009-0015. This EOA also includes an employment forecast that leads to identification of needed development sites, and an inventory of commercial and industrial land in Grants Pass.

The discussion in Section 8.11 of the proposed amendment is also included by reference pertaining to consistency with the applicable provisions of OAR 660 Division 9.

Criterion (c) is satisfied by providing a factual basis and employment forecast consistent with the requirements of the applicable Goals and Guidelines, Statutes and Administrative Rules outlined above. The employment forecast will also satisfy subsequent planning decisions that rely on the forecast, including the above requirements of Goal 2, Goal 14, Goal 9, OAR 660-009-0020 and 0025, and OAR 660-024-0040.

Goal 12: Transportation (OAR 660-015-0000(12))

ODOT requested that the City provide findings pertaining to the Transportation Planning Rule. The Transportation Planning Rule (OAR 660 Division 12) implements Goal 12. OAR 660-12-0060 pertains to Plan and Land Use Regulation Amendments. Subsection (1) of the rule specifies requirements for "amendments to functional plans, acknowledged comprehensive plans, and land use regulations which significantly affect a transportation facility." Subsection (2) of the rule defines situations where a plan or land use regulation amendment "significantly affects a transportation facility."

The amendment does not change the functional class of a transportation facility, change standards implementing a functional classification system, allow types or levels of land uses which would result in levels of travel or access which are inconsistent with the functional classification of a transportation facility, or reduce the performance standards of a facility below the minimum acceptable level identified in the TSP. Therefore, the proposed amendment does not significantly affect a transportation facility. Therefore, no actions specified in Subsection (1) of the rule are required at this time.

As addressed under Criterion (f), subsequent plan amendments that would result in impacts will require that public facility plans address any associated impacts of those amendments.

The amendment is consistent with applicable planning goals and guidelines of the State of Oregon.

CRITERION (d): Citizen review and comment.

City Council's Response: Satisfied. The City Council appointed a Steering Committee made up of diverse community representatives to review materials and make recommendations to the Urban Area Planning Commission and Grants Pass City Council. The Steering Committee recommended adoption of the proposed new Economic Element. In addition, Steering Committee meetings are open public meetings (not public hearings) that have been noticed on the City's web site and other locations. The agendas for their meetings include a time for input from the public and an opportunity to submit comments to the committee.

The draft element was discussed and revised through the course of several Steering Committee meetings, and the final or near final drafts recommended by the Committee have been available and posted on the City's website, and the current draft is currently available on the City web site. A joint workshop was held with the City Council, Josephine County Board of Commissioners, and Urban Area Planning Commission on September 4, 2007. This was an open

public meeting (not a public hearing) attended by citizens. Preliminary findings were discussed at that time.

So far, the City has also conducted an online survey and a community workshop which were publicized and advertised in the newspaper.

The City provided notice 45-days in advance of the Planning Commission hearing to DLCD and Josephine County. Public notice is provided for the public hearings, and the City is also maintaining a list of parties who have expressed interest in the UGB evaluation process. The City also maintains a website pertaining to the UGB evaluation process with information, draft documents, and minutes of the Steering Committee meetings. Interested parties have also been notified of the information available on the website.

The process provides opportunity for citizen review and comment.

CRITERION (e): Review and comment from affected governmental units and other agencies.

City Council's Response: Satisfied. 45-day notice was provided to the Department of Land Conservation and Development (DLCD) in accordance with OAR 660 Division 18. OAR 660-18-0035 provides that if DLCD is participating in the proceeding, they shall notify the local government 15 days prior to the first evidentiary hearing. DLCD has not provided notification to the City.

OAR 660-018-0035. Department Participation

If the Department is participating in a local government proceeding for which notice was received under OAR 660-018-0020, the Department shall notify the local government. The Department notification shall occur at least 15 days prior to the first evidentiary hearing on adoption as specified in notice received under OAR 660-018-0020 and shall indicate any concerns with the proposal and recommendations considered necessary to address the concerns including, but not limited to, suggested corrections to achieve compliance with the Goals.

DLCD has not provided notification to the City. DLCD's Southern Oregon Field Representative has also been attending and participating in Steering Committee meetings.

45-day notice was also provided to Josephine County in accordance with the 1998 Intergovernmental Agreement for the Urbanizing Area.

The Steering Committee includes representatives and liaisons from affected governmental units and agencies, providing an opportunity to participate as work products are developed.

Notice of the proposed amendment was provided to affected agencies and governmental units on the City's Site Plan Review distribution list. Notice of the proposed amendment was also provided to other agencies, including ODOT and the Oregon Economic and Community Development Department. By phone, ODOT staff requested that the City make findings pertaining to the

Transportation Planning Rule. This comment has been addressed under Criterion (c) above.

The process provides opportunity for review and comment from affected governmental units and other agencies.

CRITERION (f): A demonstration that any additional need for basic urban services (water, sewer streets, storm drainage, parks, and fire and police protection) is adequately covered by adopted utility plans and service policies, or a proposal for the requisite changes to said utility plans and service policies as a part of the requested Comprehensive Plan amendment.

City Council's Response: Satisfied. The amendment provides information about trends affecting economic conditions in Grants Pass and provides an economic forecast. It also provides information about the land needs based on the economic forecast. It does not make any changes to the land use plan or change any land use designations.

The updated Economic Element provides information that will be used to develop land use alternatives, policies, and efficiency measures to accommodate the additional needs. That work will be conducted as part of the work in updates to the Urbanization and Land Use Elements of the Comprehensive Plan. That work will include consideration and evaluation of alternatives and associated urban service needs and relative costs associated with the alternatives.

A proposal for changes to utility plans and service policies will be undertaken in coordination with subsequent comprehensive plan amendments for the preferred alternative.

The amendment provides the foundation and factual basis on which subsequent planning actions will rely. It is the prerequisite to subsequent steps in the planning process.

The amendment does not change the land use map, and does not result in additional need for basic urban services or changes to adopted utility plans and service policies. Prior to, or concurrent with, any subsequent changes to the plan that enable development with different need for basic urban services, the utility plans and service policies can be reviewed and modified as necessary at that time.

CRITERION (g): Additional information as required by the review body.

City Council's Response: Satisfied. The Planning Commission received sufficient information to make a recommendation to City Council, and the City Council received sufficient information to take action on the amendment.

CRITERION (h): In lieu of item (b) above, demonstration that the Plan as originally adopted was in error.

City Council's Response: Not Applicable. Criterion (b) is applicable. The Plan was not adopted in error. The proposed amendments are adopted in

response to a change in circumstances. See Criterion (b) for discussion of the change in circumstances.

VIII. DECISION AND SUMMARY:

The City Council found the applicable criteria were satisfied and APPROVED the Comprehensive Plan amendment.

This action repeals the existing Economic Element (Element 8) adopted by Ordinance 4471 and last amended by Ordinance 4795 in 1994. It also repeals the Economic Opportunities Analysis of October 2006, revised January 2007, which was adopted on January 17, 2007 by Ordinance 5394 as a supplement to the Comprehensive Plan.

IX. ADOPTED BY THE GRANTS PASS CITY COUNCIL this 5th day of March, 2008.



Len Holzinger, Mayor

t:\cd\planning\reports\2007\07-40500006_comp plan text amendment-economic element.tms\economic element city council findings.tms.doc

ORDINANCE NO. 5433

AN ORDINANCE AMENDING THE ECONOMIC ELEMENT OF THE COMPREHENSIVE PLAN

WHEREAS:

1. The Comprehensive Plan of the City of Grants Pass was adopted December 15, 1982. The Development Code of the City of Grants Pass was adopted August 17, 1983; and
2. The amendment updates the Economic Element of Comprehensive Plan, which was adopted by Ordinance #4471 in 1982 and amended by Ordinance #4795 in 1994. The amendment also repeals the Economic Opportunities Analysis which was adopted as a supplement to the Comprehensive Plan by Ordinance #5394 in January 2007; and
3. The amendment does not change the Economy Goal and Policies in the policies section of the Comprehensive Plan; and
4. The applicable criteria from the Comprehensive Plan are satisfied, and the amendment is recommended by the UGB Steering Committee and the Planning Commission.

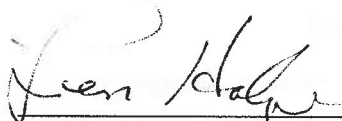
NOW, THEREFORE, THE CITY OF GRANTS PASS HEREBY ORDAINS:

Section 1: Element 8, Economic Element of the Comprehensive Plan, which was adopted by Ordinance #4471 in 1982 and amended by Ordinance #4795 in 1994, is hereby repealed, and the new Element 8, Economic Element as set forth in Exhibit 'A', which is attached to and incorporated in this ordinance, is hereby adopted.

Section 2: The Economic Opportunities Analysis of October 2006, revised January 2007, which was adopted as a supplement to the Comprehensive Plan by Ordinance #5394 in January 2007 is hereby repealed.

ADOPTED by the Council of the City of Grants Pass, Oregon, in regular session this 20th day of February, 2008.

SUBMITTED to and Agreed by the Mayor of the City of Grants Pass, Oregon, this 26 day of February, 2008.



Len Holzinger, Mayor

ATTEST:



Finance Director

Date submitted to Mayor: 2-22-08

Approved as to Form, Kris Woodburn, City Attorney

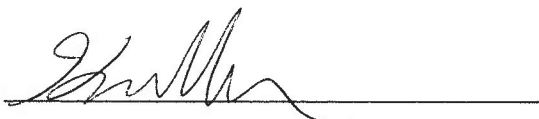


EXHIBIT A

TO ORDINANCE

11/05/07

8.00 ECONOMIC ELEMENT INDEX

8.10 Introduction

- 8.11 Framework for Economic Development Planning in Oregon
- 8.12 Organization of this chapter

8.20 Context for Economic Growth in Grants Pass

- 8.21 Long run national trends
- 8.22 Long run state and regional trends
- 8.23 Economic conditions in Grants Pass
- 8.24 Outlook for Growth in Grants Pass

8.30 Factors Affecting Future Economic Growth in Grants Pass

- 8.31 What is comparative advantage?
- 8.32 Location
- 8.33 Transportation
- 8.34 Labor force
- 8.35 Public services
- 8.36 Quality of life factors
- 8.37 Comparative Advantage in Grants Pass

8.40 Demand for Commercial and Industrial Land

- 8.41 Employment Forecast
- 8.42 Site Needs

8.50 Findings

- Population and demographic trends
- Personal income trends
- Employment trends
- Factors affecting employment growth in Grants Pass
- Employment growth

ECONOMIC ELEMENT

8.10 INTRODUCTION

8.11 Framework for Economic Development Planning in Oregon

The content of this element is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this element is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009.

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

Local governments are also encouraged to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies.

2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities with a population over 2,500 are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025)*. Cities and counties must adopt measures adequate to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementing measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to

implement plan policies, and must designate serviceable land suitable to meet identified site needs.

In summary, this chapter includes an Economic Opportunities Analysis, the first key element required by Goal 9. This EOA also includes an employment forecast that leads to identification of needed development sites, and an inventory of commercial and industrial land in Grants Pass.

8.12 Organization of this chapter

The remainder of this chapter is organized as follows:

- **Section 8.20** examines the context for economic growth in Grants Pass, including long run national, regional, and local economic trends that may affect Grants Pass
- **Section 8.30** provides an overview of the factors affecting future growth in Grants Pass' economy, and an evaluation of the comparative economic advantages of Grants Pass
- **Section 8.40** presents an employment forecast for Grants Pass for the 2007 to 2030 period and discusses site needs for industrial and other employment development
- **Section 8.50** identifies the key findings of this chapter for economic growth in Grants Pass

8.20 CONTEXT FOR ECONOMIC GROWTH IN GRANTS PASS

8.21 Long run national trends

Economic development in Grants Pass 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 double by 2050, while the number of people under age 65 will grow only 12 percent. The economic effects of this demographic change include a slowing of the growth of the labor force, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.¹
- **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

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

incomes than occupations that do not require an academic degree.² In addition, the percentage of high school graduates that attend college will increase.³

- **Continued growth in global trade and the globalization of business activity.** With increased global trade, both exports and imports rise. Faced with increasing domestic and international competition, firms will seek to reduce costs and some production processes will be outsourced offshore.⁴
- **Innovation in electronics and communication technology, and its application to production.** Advancements in communication and manufacturing technology increase worker productivity. There will be growth in the production of both services and goods, but the economy's emphasis on services will increasingly dominate.⁵
- **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 professional and business services, healthcare and social assistance, and other service industries. Construction employment will also grow.⁶
- **The combination of rising energy costs, strong energy demand, and requirements to reduce emissions and increase use of renewable fuels.** Output from the most energy-intensive industries will decline, but growth in the population and in the economy will increase the total amount of energy demanded. Energy sources will diversify and the energy efficiency of automobiles, appliances, and production processes will increase.⁷
- **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

² Jobs requiring an academic degree are those that require postsecondary education or training such as an Associate, Bachelor's, Master's, or Doctoral degrees, as compared to jobs where the most significant source of training is on-the-job-training.

³ Daniel E. Hecker, "Occupational Employment Projections to 2014," *Monthly Labor Review* 128: 11, November, pp. 70-101.

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

⁵ Jay M. Berman, 2005, "Industry Output and Employment Projections to 2014," *Monthly Labor Review* 128:11, November, pp. 45-69.

⁶ Jay M. Berman, 2005, "Industry Output and Employment Projections to 2014," *Monthly Labor Review* 128:11, November, pp. 45-69; and Daniel E. Hecker, "Occupational Employment Projections to 2014," *Monthly Labor Review* 128: 11, November, pp. 70-101.

⁷ Energy Information Administration, 2006, *Annual Energy Outlook 2006 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2006), February.

ongoing pattern of interstate population movement from the Northeast and Midwest to the South and West.⁸

- **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.⁹

Short-term national trends will also affect economic growth in the Josephine and Jackson county region, but these trends are difficult to predict. At times these trends may run counter to the long-term trends described above. A recent example is the downturn in economic activity in 2001 following the collapse of Internet stocks and the attacks of September 11. The resulting recession caused Oregon's employment in the Information Technology and high-tech Manufacturing industries to decline. Employment in these industries has partially recovered, however, and they will continue to play a significant role in the national, state, and local economy over the long run. This 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.

8.22 Long run state and regional trends

State and regional trends will also affect economic development in Grants Pass over the next twenty years. The most important of these trends includes: population changes, continued immigration from other states, distribution of population and employment across the State, shift from natural resource to high-tech industries, continued lack of diversity in the State economy, and public policy.

Population changes in Oregon and Southern Oregon

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

⁸ 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.

⁹ For a more thorough discussion of relevant research, see, for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

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

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

Continued in-migration from other states

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

According to a U.S. Census study, Oregon had net interstate in-migration (more people moved *to* Oregon than moved *from* Oregon) during the period 1990-2004.¹⁰ Oregon had an annual average of 26,290 more in-migrants than out-migrants during the period 1990-2000. The annual average dropped to 12,880 during the period 2000-2004.¹¹

The Oregon Department of Motor Vehicles collects data on out-of-state driver licenses surrendered by applicants for Oregon licenses. These data provide an indicator of the source of Oregon's in-migration. During the period 1999-2005, over 30% of surrendered licenses were from California and approximately 17% were from Washington. All other states each accounted for less than 5% of the surrendered licenses.¹² The DMV also collects data on Oregon driver licenses surrendered in other states. These data indicate that Washington and California are the top destinations for Oregon's out-migrants.¹³

The *1999 Oregon In-migration Study* found that migrants to Oregon tend to have the same characteristics as existing residents, with some differences—recent in-migrants to Oregon are, on average, younger and more educated, and are more likely to hold professional or managerial jobs, compared to Oregon's existing population. The race and ethnicity of in-migrants generally mirrors Oregon's established pattern, with one exception: Hispanics make up more than 7% of

¹⁰ 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.

¹¹ In contrast, California had net interstate *out-migration* over the same period. During 1990-2000, California had an annual average of 220,871 more out-migrants than in-migrants. The net outmigration slowed to 99,039 per year during 2000-2004.

¹² See Oregon Department of Motor Vehicles, "Driver Issuance Statistics," http://www.oregon.gov/ODOT/DMV/news/driver_stats.shtml, accessed May 25, 2006.

¹³ For a discussion of the DMV data, see Ayre, A, 2004, *People Moved to Oregon Despite Recession*, Oregon Employment Department, July.

in-migrants but only 3% of the state's population. The number-one reason cited by in-migrants for coming to Oregon was family or friends, followed by quality of life and employment.¹⁴

Distribution of population and employment across the State

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

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

Tightening of labor market as a result of retiring workers:

As the baby-boomers reach retirement age over the next two decades, the State may have a scarcity of qualified workers. In the next decade, the State projects that there will be almost twice as many job openings resulting from retirements compared to openings resulting from creation of new jobs. The sectors with the most employment and the largest share of employees 55 years or older include: Education Services; Real Estate; Transportation and Warehousing; Health Care and Social Assistance; Public Administration; and Agriculture, Forestry, Fishing, and Hunting. The State expects little or no growth in Manufacturing employment over the next decade but expects that retirements will create demand for employees in Manufacturing.¹⁵

Shift from natural resource-based to high tech industries

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

During the same period, Oregon started to transition away from reliance on traditional resource-extraction industries. A significant indicator of this transition is the shift within Oregon's manufacturing sector, with a decline in the level of employment in the Lumber & Wood

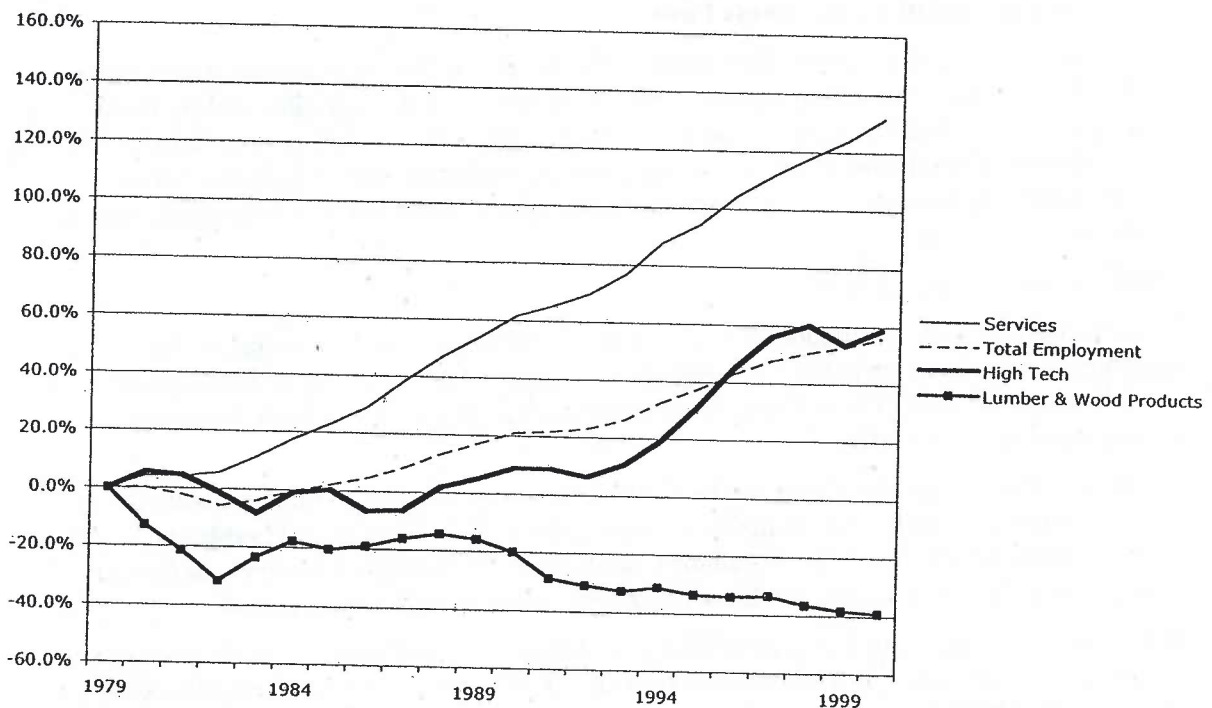
¹⁴ State of Oregon, Employment Department. 1999. *1999 Oregon In-migration Study*.

¹⁵ Oregon Employment Department Workforce Analysis Section, *Will Oregon Have Enough Workers?*, 2007

Products industry¹⁶ and concurrent growth of employment in high-technology manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments¹⁷).

This pattern is shown in Figure 8.20.1, which charts the changes in the level of employment since 1979. The peak of Oregon's employment in the Lumber & Wood Products industry was in 1979. From 1979 to 2000, employment in the Lumber and Wood Products industry declined 40%. Over the same time period, employment in high-tech industries increased by 60%, and employment in the Services sector increased by over 130%.

FIGURE 8.20.1
CHANGES IN EMPLOYMENT BY MAJOR SECTOR
Oregon, 1979-2000



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

Continued lack of diversity in the State economy

While the transition from Lumber and Wood Products manufacturing to high-tech manufacturing has increased the diversity of employment within Oregon, it has not significantly improved Oregon's diversity relative to the national economy. Oregon's relative diversity has historically ranked low among states. Oregon ranked 35th in diversity (1st = most diversified) based on Gross

¹⁶ SIC 24

¹⁷ SIC 35, 36, 38

State Product data for 1963–1986, and 32nd based on data for the 1977–1996 period.¹⁸ A recent analysis, based on 2003 data, ranked Oregon 33rd.¹⁹ 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. In Josephine County, the Service industries with the greatest employment growth were Health, Social, and Business services. 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.

8.23 Economic conditions in Grants Pass

Future economic growth in Grants Pass 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 Grants Pass. In addition, the relationship between demographic and economic indicators such as population and employment can help form judgments about future trends and resulting economic conditions.

Population and demographics

The interaction between population growth and economic development is complex. As population grows, the demand for retail and services grows. Growth in the economy, especially in traded-sector industries like manufacturing, can result in population growth, as the region attracts people to fill new jobs.

Table 8.20.2 shows population over the 1980-2006 period for the U.S., Oregon, Southern Oregon, Josephine County, and Grants Pass. During this period, Oregon and Southern Oregon grew at a faster rate than the U.S. Josephine County grew at about the same pace as Oregon, at an average annual rate of 1.29%, adding 22,270 residents over the 26-year period.

Grants Pass grew faster than Josephine County or Oregon. Grants Pass grew by an average of 2.93% annually and added 15,898 residents over the 26-year period. More than 4,600 of the new residents in Grants Pass were the result of annexations since 1990, rather than new migration to the Grants Pass area.

¹⁸ LeBre, Jon. 1999. "Diversification and the Oregon Economy: An Update." *Oregon Labor Trends*. February.

¹⁹ CFED, 2006, The Development Report Card for the States, <http://www.cfed.org>.

TABLE 8.20.2
POPULATION CHANGE
U.S., Oregon, Southern Oregon, Josephine County, and Grants Pass, 1980-2006

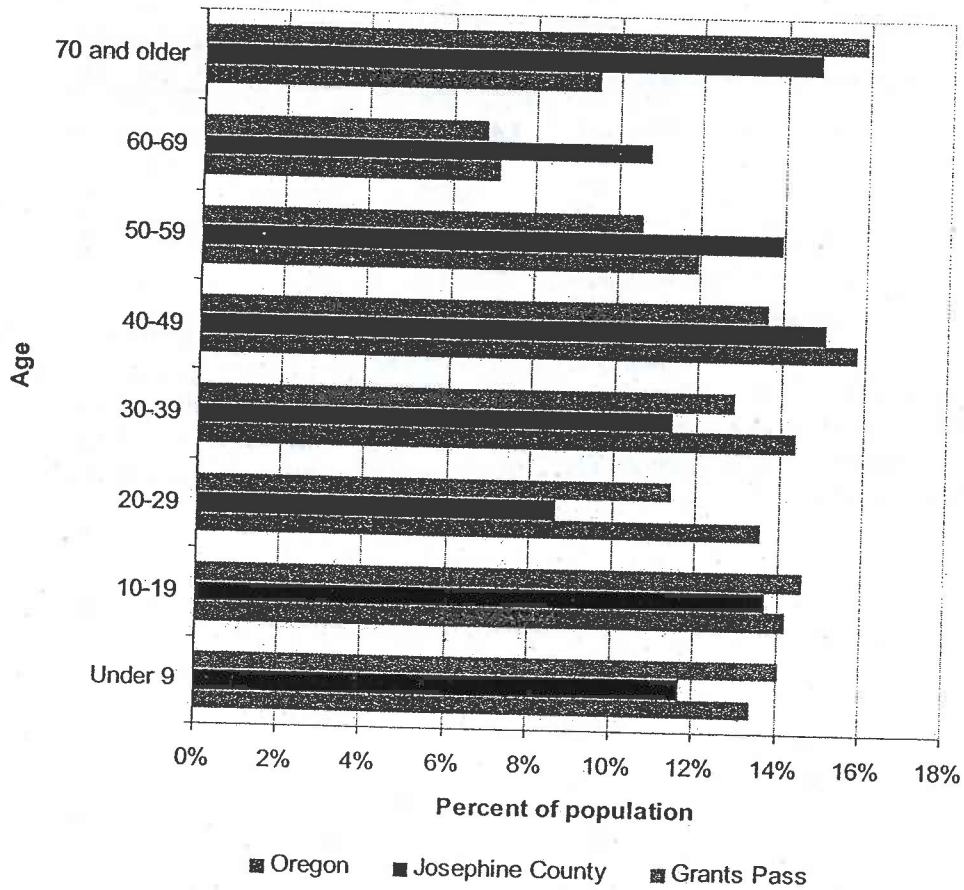
Area	Population				Change 1980 to 2006		
	1980	1990	2000	2006	Number	Percent	AAGR
U.S.	226,545,805	248,709,873	281,421,906	299,398,484	69,864,599	31%	1.08%
Oregon	2,639,915	2,842,321	3,421,399	3,690,505	988,785	37%	1.28%
Southern Oregon	285,059	303,685	357,394	383,555	98,496	35%	1.19%
Josephine County	58,855	62,649	75,726	81,125	22,270	38%	1.29%
Grants Pass	15,032	17,488	23,003	30,930	15,898	106%	2.93%

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

Notes: Douglas, Jackson and Josephine Counties represent the Southern Oregon region.

Figure 8.20.2 shows the age distribution of Grants Pass compared with Oregon and Josephine County in 2000. Grants Pass and Josephine County had a smaller share of population aged 20 to 59 than the state average. Grants Pass had a larger share of residents aged 20 to 39 years than the County average. Grants Pass had a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. These trends suggest that Grants Pass attracted retirees and families with children.

**FIGURE 8.20.2
AGE DISTRIBUTION,
Oregon, Josephine County, and Grants Pass, 2000**



Source: U.S. Census, 2000

During the 1990's Grants Pass experienced changes in the age structure of its residents. Table 8.20.3 shows population by age for Grants Pass for 1990 and 2000. Grants Pass grew by more than 5,500 people during the ten year period. While Grants Pass experienced an increase in population for every age group, the fastest growing groups were 45 to 64 years and 5 to 17 years. The slowest growing group was 65 years and older.

TABLE 8.20.3
POPULATION BY AGE,
Grants Pass, 1990 and 2000

Age Group	1990		2000		Change		
	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	1,257	7%	1,613	7%	356	28%	0%
5-17	3,087	18%	4,377	19%	1,290	42%	1%
18-24	1,406	8%	1,872	8%	466	33%	0%
25-44	4,902	28%	5,917	26%	1,015	21%	-2%
45-64	2,995	17%	4,760	21%	1,765	59%	4%
65 and over	3,841	22%	4,464	19%	623	16%	-3%
Total	17,488	100%	23,003	100%	5,515	32%	0%

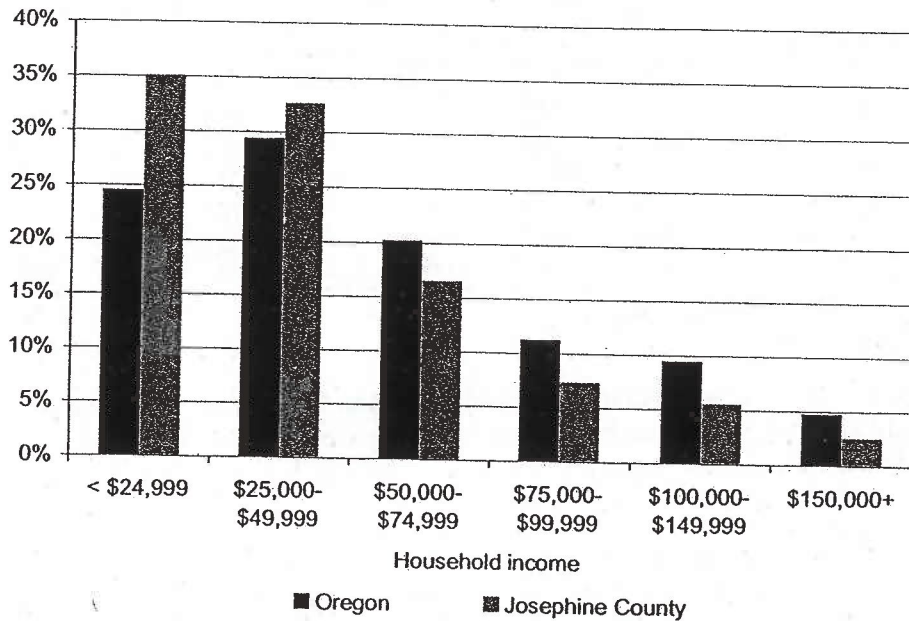
Source: U.S. Census, 1990 and 2000

Personal income

According to Census data the median household income in Grants Pass in 1999 was approximately \$29,197, which was lower than Josephine County's median household income of \$31,229 and Oregon's median household income of \$40,916. Median household income in Grants Pass was about 71% of the state average.

Figure 8.23.3 shows the distribution of household income of Oregon and Josephine County in 2005. Figure 8.23.3 shows that household income has generally remained higher for Oregon than Josephine County. A larger percentage of households in Josephine County had income of less than \$25,000 than in Oregon, 34% of households in Josephine County compared to 28% in Oregon.

FIGURE 8.20.3
DISTRIBUTION OF HOUSEHOLD INCOME
Oregon and Josephine County, 2005



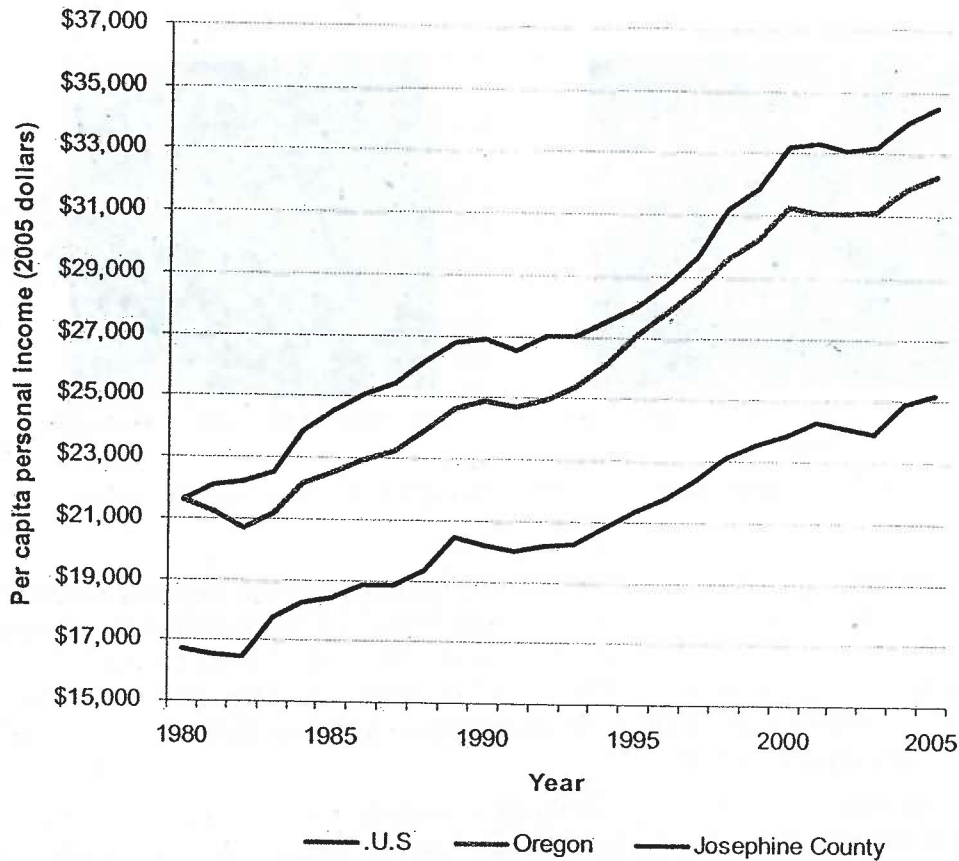
Source: U.S. Census Bureau, 2005 American Community Survey

Figure 8.20.4 shows the change in per capita personal income for the U.S., Oregon, and Josephine County between 1980 and 2005 (in constant 2005 dollars). In 2005, Josephine County's per capita personal income was about \$25,200, compared with the State average of about \$32,290 and national average of \$34,470.

Oregon's per capita personal income was consistently lower than the U.S. average between 1980 and 2005. While the gap between the Oregon and US average narrowed in the mid-1990s, it widened again starting in the late 1990s through 2003.

Josephine County's personal income over the 25-year period has been consistently lower than personal income in Oregon's or the U.S. In 2005, per capita personal income in Josephine County was approximately 78% of Oregon's per capita personal income and 71% of the U.S. per capita income. The gap between per capita income in Josephine County compared to the national average has widened since the late-1990s. During the 25-year period, Josephine County's per capita personal income grew by 51%, while personal income grew by 49% in Oregon and 59% nationally during the same period.

FIGURE 8.20.4
PER CAPITA PERSONAL INCOME
U.S., Oregon, and Josephine County, 1980-2005, (\$2005)

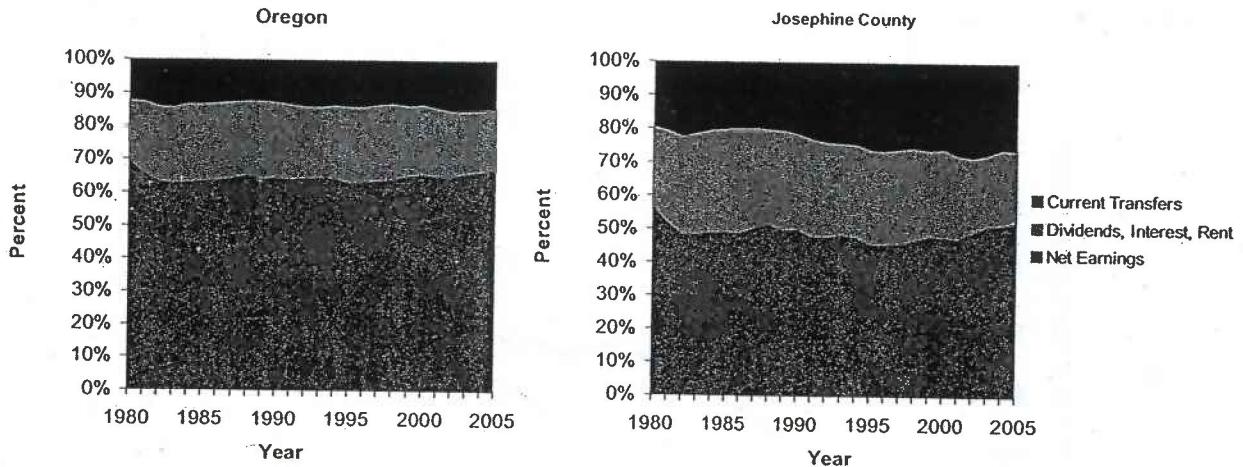


Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

Figure 8.20.5 shows the major sources of per capita personal income for Oregon and Josephine County between 1980 and 2005. The source of personal income was more variable in Josephine County than the state average. Josephine County consistently had a smaller share of personal income from net earnings than the State average, approximately 49% compared with the State average of 65% for the twenty-five year period.

Since 2000 the share of personal income from current transfers in Josephine County averaged about 27% of personal income, compared with the State average of 15%. During the same period, the average share of personal income from dividends, interest, and rent was 23%, compared with the State average of 19%. The people most likely to have personal income from these sources are retirees, which shows that retirees have been migrating to Josephine County.

FIGURE 8.20.5
SHARE OF TOTAL PERSONAL INCOME BY MAJOR SOURCE
Oregon, and Josephine County, 1980-2005



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

Employment

Tables 8.20.4 through 8.20.6 present data from the Oregon Employment Department that show changes in sectors and industries in Josephine County between 1980 and 2005. The changes in sectors and industries shown in two tables: (1) between 1980 and 2000 and (2) between 2001 and 2005. The analysis is divided in this way because of changes in industry and sector classification that made it difficult to compare information about employment collected after 2001 with information collected prior to 2000.

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

Tables 8.20.4 and 8.20.5 present data from the Oregon Employment Department that shows changes in covered employment²⁰ for Josephine County between 1980 and 2005. Table 8.20.4 shows the changes in covered employment by sector in Josephine County between 1980 and 2000. Total employment in the County grew from 15,111 to 22,370, adding 7,259 jobs. Every sector added jobs during this period, except for Manufacturing and Nonclassifiable jobs. The

²⁰ 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.

sectors with the greatest change in employment were Services and Retail Trade, adding a total of 4,815 jobs. The sector that decreased the most was Manufacturing, which lost 146 jobs, although that only accounted for 4% of total employment in Manufacturing.

TABLE 8.20.4
COVERED EMPLOYMENT
Josephine County, 1980-2000

Sector	1980	1990	2000	Change from 1980 to 2000			
				Difference	Percent	AAGR	Share
Agriculture, Forestry and Fishing	167	316	564	397	238%	5.0%	2%
Mining	55	76	86	31	56%	1.8%	0%
Construction	583	533	964	381	65%	2.0%	2%
Manufacturing	3,608	3,952	3,462	-146	-4%	-0.2%	-12%
Trans., Comm., and Utilities	568	600	724	156	27%	1.0%	1%
Wholesale Trade	293	474	736	443	151%	3.8%	1%
Retail Trade	3,391	4,397	5,061	1,670	49%	1.6%	2%
Finance, Insurance and Real Estate	566	662	868	302	53%	1.7%	0%
Services	2,565	3,908	5,710	3,145	123%	3.3%	8%
Nonclassifiable/all others	27	15	25	-2	-7%	-0.3%	0%
Government	3,288	3,193	4,171	883	27%	1.0%	-2%
Total	15,111	18,125	22,370	7,259	48%	1.6%	

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. Summary by industry and percentages calculated by ECONorthwest

Note: The number of employees in all sectors does not sum to the "Total Covered Employment" because of disclosure issues.

Table 8.20.5 shows the change in covered employment by sector for Josephine County between 2001 and 2005. Employment increased by 2,261 jobs or 10% during this period. The sectors with the largest increases in numbers of employees were Construction and Health and Social Assistance. Sectors that lost the greatest number of employees during this period were Government and Information.

**TABLE 8.20.5
COVERED EMPLOYMENT
Josephine County, 2001-2005**

Sector	2001	2005	Change from 2001 to 2005			
			Difference	Percent	AAGR	Share
Agriculture, Forestry, Fishing & Hunting	501	497	(4)	-1%	-0.2%	0%
Mining	80	53	(27)	-34%	-9.8%	0%
Construction	918	1,736	818	89%	17.3%	3%
Manufacturing	2,901	3,291	390	13%	3.2%	0%
Wholesale	630	930	300	48%	10.2%	1%
Retail	3,508	3,877	369	11%	2.5%	0%
Transportation, Warehousing, & Utilities	495	440	(55)	-11%	-2.9%	0%
Information	415	345	(70)	-17%	-4.5%	0%
Finance & Insurance	634	765	131	21%	4.8%	0%
Real Estate Rental & Leasing	335	376	41	12%	2.9%	0%
Professional, Scientific & Technical Services	445	522	77	17%	4.1%	0%
Management of Companies	111	141	30	27%	6.2%	0%
Admin. Support & Cleaning Services	777	957	180	23%	5.3%	0%
Private Education	184	162	(22)	-12%	-3.1%	0%
Health & Social Assistance	3,017	3,535	518	17%	4.0%	1%
Arts, Entertainment & Recreation	242	244	2	1%	0.2%	0%
Accommodations & Food Services	2,084	2,333	249	12%	2.9%	0%
Other Services (except Public Admin.)	979	986	7	1%	0.2%	0%
Government	4,173	3,500	(673)	-16%	-4.3%	-4%
Total Covered Employment	22,433	24,694	2,261	10%	2.4%	

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. Summary by industry and percentages calculated by ECONorthwest

Note: The number of employees in all sectors does not sum to the "Total Covered Employment" because of disclosure issues.

Table 8.20.6 shows covered employment by sector and industry within the Grants Pass Urban Growth Boundary (UGB) for 2005. The data in Table 8.20.6 is based on confidential records for individual employers provided to the Oregon Employment Department.²¹ Table 8.20.6 does not report employment in sectors where there were fewer than three firms or where one firm accounts for greater than 80% of employment in order to maintain the confidentiality of individual employers.

Table 8.20.6 shows that Grants Pass had 1,580 establishments with 18,765 covered workers. Employment in Grants Pass accounts for 76% of all employment in Josephine County in 2005. The sectors with the greatest percentage of employment in 2005 were Retail Trade (18%), Health Care and Social Assistance (18%), Manufacturing (11%), Government (11%), and Accommodation and Food Services (11%). Together these sectors accounted for 12,865 jobs or 69% of employment in Grants Pass.

²¹ The covered employment data presented in table 8.20.6 may contain information about employers not located in Grants Pass or may not cover all employers with covered employees in Grants Pass. The reason for these discrepancies is the way that the location for employers is tracked by the Oregon Department of Employment. Many of these problems have been fixed over the last several years but some inconsistencies may still exist.

11/05/07

The average pay for covered employees in 2005 was \$28,269. The sectors with greatest share of employment and above average pay were Government (\$39,238), Health Care and Social Assistance (\$33,429), Construction (\$30,680), and Manufacturing (\$30,117). The other sectors with a large share of employment had below average pay per employee, including Retail Trade (\$23,999) and Accommodation and Food Services (\$12,739).

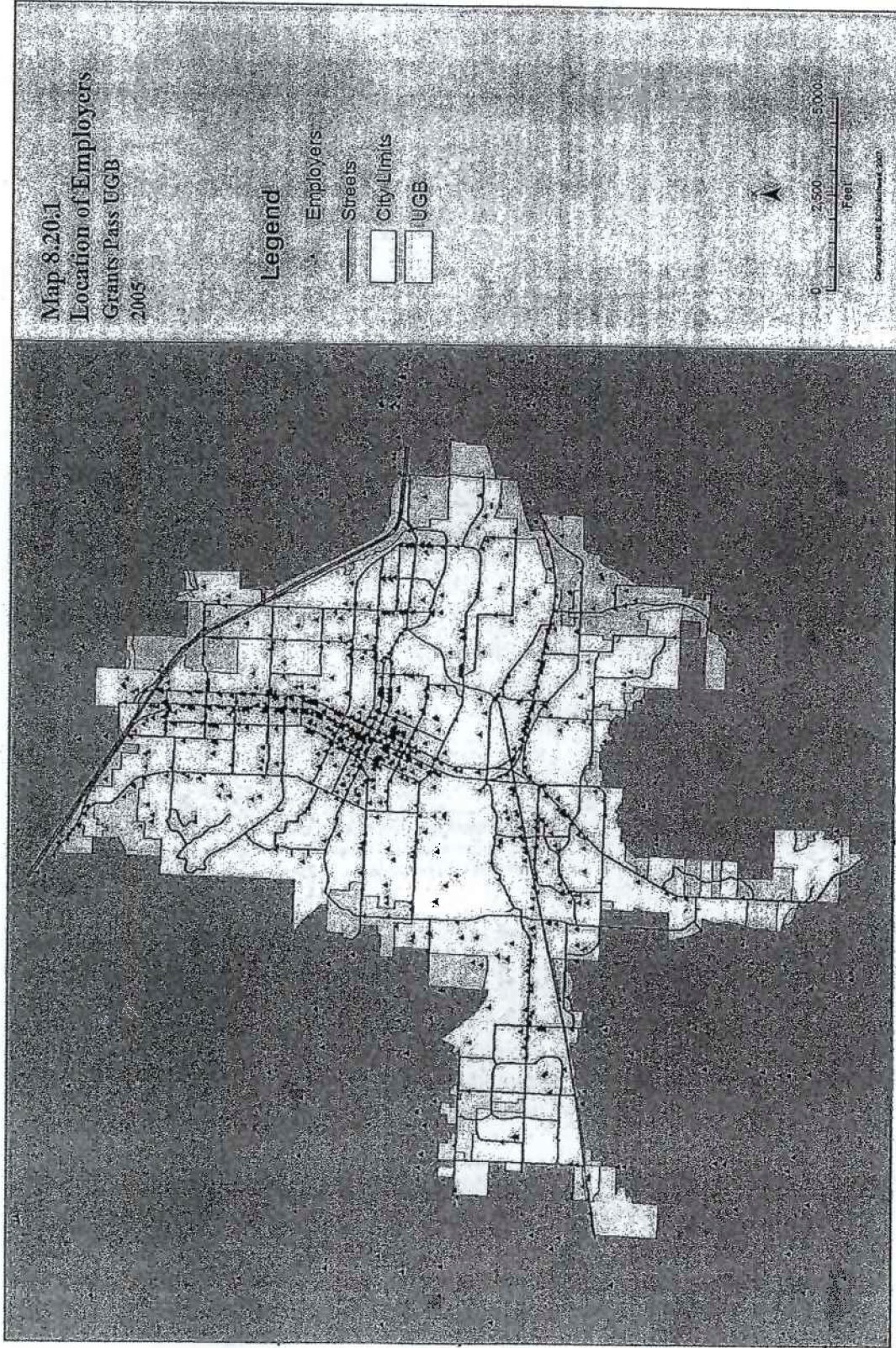
Map 8.20.1 shows the location of employers in and around Grants Pass in 2005 based on data from the Quarterly Census of Employment and Wages.

TABLE 8.20.6
COVERED EMPLOYMENT BY SECTOR AND INDUSTRY
Grants Pass UGB by sector and industry, 2005

Sector/Industry	Est.	Emp.	Average	
			Payroll	Pay/Emp.
Agriculture, Forestry, Fishing, Hunting, & Mining	12	95	\$3,141,167	\$33,065
Construction	167	1,022	\$32,376,946	\$31,680
Specially Trade Contractors	102	545	\$16,129,958	\$29,596
Construction of Buildings	59	351	\$9,812,619	\$27,956
Heavy and Civil Engineering Construction	6	126	\$6,434,369	\$51,066
Manufacturing	72	2,125	\$63,997,574	\$30,117
Wood Product Manufacturing	6	567	\$18,027,344	\$31,794
Computer and Electronic Product Manufacturing	4	254	\$7,639,506	\$30,077
Nonmetallic Mineral Product Manufacturing	6	228	\$6,508,796	\$28,547
Fabricated Metal Product Manufacturing	15	114	\$3,937,186	\$34,537
Other manufacturing	41	962	\$27,884,742	\$28,986
Wholesale Trade	52	860	\$23,891,639	\$27,781
Retail Trade	245	3,303	\$79,267,598	\$23,999
General Merchandise Stores	9	876	\$18,960,143	\$21,644
Food and Beverage Stores	36	676	\$12,991,191	\$19,218
Motor Vehicle and Parts Dealers	35	528	\$19,498,159	\$36,928
Gasoline Stations	21	207	\$3,112,797	\$15,038
Building Material & Garden Equip. & Supplies	17	197	\$4,983,246	\$25,296
Health and Personal Care Stores	15	170	\$4,360,467	\$25,650
Furniture and Home Furnishings Stores	17	150	\$4,683,795	\$31,225
Other Retail Trade	95	499	\$10,677,800	\$21,398
Transportation, Warehousing, and Utilities	29	312	\$9,866,952	\$31,625
Information	29	324	\$11,902,546	\$36,736
Finance and Insurance	100	739	\$30,145,757	\$40,793
Real Estate and Rental and Leasing	69	298	\$6,967,379	\$23,380
Professional, Scientific, and Technical Services	100	403	\$11,245,138	\$27,904
Management of Companies and Enterprises	9	80	\$3,080,144	\$38,502
Administrative & Support & Waste Mgt. Srv.	64	721	\$18,962,583	\$26,300
Educational Services	10	85	\$1,382,410	\$16,264
Health Care and Social Assistance	204	3,325	\$111,151,021	\$33,429
Ambulatory Health Care Services	134	1,181	\$47,721,474	\$40,408
Other Health Care	34	1,783	\$56,612,394	\$31,751
Social Assistance	36	361	\$6,817,153	\$18,884
Arts, Entertainment, and Recreation	20	177	\$2,359,473	\$13,330
Accommodation and Food Services	144	1,995	\$25,413,554	\$12,739
Accommodation	18	263	\$3,817,580	\$14,516
Food Services and Drinking Places	126	1,732	\$21,595,974	\$12,469
Other Services (except Public Administration)	160	784	\$12,246,882	\$15,621
Government	94	2,117	\$83,066,093	\$39,238
Federal Government	6	238	\$12,245,139	\$51,450
State Government	10	292	\$10,561,125	\$36,168
Local Government	78	1,587	\$60,259,829	\$37,971
Total	1,580	18,765	\$530,464,856	\$28,269

Source: Confidential Quarterly Census of Employment and Workforce (QCEW) data provided by the Oregon Employment Department. Summary by sector and industry, percent of total employment, and average payroll per employee by ECONorthwest.

11/05/07



Employment activities occur throughout the City, as shown in Map 8.20.1. Some employment activity occurs in residential plan designations. Table 8.20.7 shows the location of covered employment within the Grants Pass UGB by plan designation. About 28% of covered employment is located in residential plan designations, with employment spread nearly evenly among all residential plan designations.

TABLE 8.20.7
LOCATION OF COVERED EMPLOYMENT BY PLAN DESIGNATION
Grants Pass UGB by sector and industry, 2005

Plan Designation	Name	Covered Employment	Percent of Employment
Employment Designations			
BP	Business Park	2,183	13.2%
CBD	Central Business District	1,418	8.6%
GC	General Commercial	9,314	56.2%
I	Industrial	905	5.5%
IP	Industrial Park	205	1.2%
NC	Neighborhood Commercial	79	0.5%
RTC	Riverfront Tourist Commercial	6	0.0%
Subtotal		11,927	71.9%
Residential Designations			
LR	Low Density Residential	1,391	8.4%
MR	Moderate Density Residential	1,251	7.5%
HR	High Density Residential	940	5.7%
HRR	High Rise Residential	1,037	6.3%
Subtotal		4,619	27.9%
ND	No Designation	36	0.2%
Total		16,582	100.0%

Source: Confidential Quarterly Census of Employment and Workforce (QCEW) data provided by the Oregon Employment Department. Summary by plan designation by ECONorthwest using Grants Pass GIS data.

Note: Areas with "No Designation" are records that GIS reported as having no a plan designation because they were at the edge of a boundary or designation.

It is likely that not all of the employees working in residential plan designations work from home. The types of employment typically located in residential plan designations include schools, home-based businesses, telecommuters, small retail establishments like convenience stores, and other services such as churches or fraternal organizations. About 20% of the 4,619 jobs (about 920 jobs) located in residential designations are from public employers, such as city and county offices or the school districts. It should be noted that the summary of employment in 8.20.7 does not include uncovered workers, most importantly sole proprietors, who may also locate in residential areas.

The R-4 zone in the HRR plan designation also allows professional office use, and there is substantial office development in the R-4 zones, especially in the vicinity of city and county

offices, along 'A' Street, near the old hospital at 'A' Street and Highland, and south of Ramsey Avenue near the new hospital.

Census data give some indication of the amount of home-based employment in Grants Pass. According to the 2000 Census, about 4.2% (370) of residents of Grants Pass worked from home, compared with 6.8% of Josephine County and 5% of Oregon's workforce. In 2006, Census data indicated that the share of Oregonians working from home increased to 6%. If Grants Pass has followed State trends, then a larger share of people in Grants Pass may work from home. It is difficult to quantify the effect of this trend but it may have an impact on commercial land demand in Grants Pass during the planning period.

The analysis presented in Tables 8.20.4 through 8.20.6 show that the Services, Retail Trade, and Government sectors account for about two-thirds of employment growth in Josephine County since 1980, accounting for about 6,500 new jobs. Manufacturing continues to be an important source of employment in Josephine County, accounting for about 13% of employment in 2005. The Manufacturing industries with the greatest employment in Josephine County in 2005 included wood products manufacturing and plastics and rubber products manufacturing. The types of industries with the greatest share of employment in Grants Pass in 2005 were similar to the County: Retail Trade, Manufacturing, Government, and Services, such as Health Care and Social Assistance and Accommodations and Food Services.

Business activity

The Goal 9 administrative rule (OAR 660-009-0015(2)) suggests that local governments take into consideration expansion plans of major employers when determining the site requirements of major employers.

Eleven major employers in Grants Pass were interviewed about their expansion plans for the next twenty years, including their plans for adding employees, plans for expanding their facilities, whether they would need to purchase land for expansion, whether they have plans to move their facilities outside of Grants Pass, and whether there are infrastructure deficiencies that affect their ability to continue operations in Grants Pass. Table 8.20.8 summarizes the results of our interviews.

TABLE 8.20.8
FACILITY AND EMPLOYEE EXPANSION PLANS FOR MAJOR EMPLOYERS,
Grants Pass, 2007

Firm name	Plans to add jobs?	Plans to expand facilities?	Plans to purchase land for expansion?
Electronic Sub Assembly Manufacturing (ESAM)	Yes	Yes	No
Fire Mountain Gems Inc.	Yes	No	No
Grants Pass	Yes	Yes—long term	Yes—long term
Grants Pass High School	No	No	No
Hire Calling Staffing Solutions	Yes	Lease	New lease
Master Brand Cabinets	Maintain level	No	No
Royale Gardens Health & Rehabilitation Center	No	No	No
Three Rivers Community Hospital	Yes	Yes	No
Wal-Mart Supercenter Store #1834	Maintain level	No	No

Source: Interviews conducted by ECONorthwest.

Notes: On three or more occasions, ECONorthwest attempted to make contact with Diversified Collections and Rogue Valley Sash and Door to determine their future businesses expansion plans.

Four of the major employers plan to expand their workforce and three plan to expand their facilities. Four firms have no plans to add employees other than to maintain current staffing levels or expand their facilities. Only one employer, the City of Grants Pass, indicated that they may need to purchase land for a long-term expansion.

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

- **Three Rivers Community Hospital (747+ employees):** Three Rivers Community Hospital will be hiring physical therapists and registered nurses as fast as they can find qualified applicants. The various campuses on which Three Rivers operates have different expansion plans. In the next 5-8 years, Three Rivers plans to relocate the services on the Washington Street campus to the new campus. In addition, Three Rivers plans to expand the emergency department at the new campus, which will require moving parking onto additional land adjacent to the current parking facilities and using some of the existing parking facilities for the expansion. They plan to purchase no new land for the expansion.
- **Master Brand Cabinets (600+ employees):** Master Brand expanded 3 years ago and has no plans for additional expansion and no land upon which it could expand. If necessary, the plant would create a third shift to use existing space, which would require hiring 150 new employees, but Master Brand does not foresee this occurring in the short-term. Master Brand will continue hiring to replace turnover as necessary.

- **Fire Mountain Gems Inc. (490+ employees):** Fire Mountain Gems will be looking to add 10-20 technical staff positions over the next three to five years. Fire Mountain Gems recently constructed a new 68,400-square foot warehouse, which will provide manufacturing space for a projected 20 years. If additional built space is needed, Fire Mountain Gems has approximately two thirds of its 17-acre site to expand onto.²²
- **Wal-Mart (500+ employees):** The Wal-Mart store in Grants Pass already has made the transition from a standard store to a super center with grocery component, and therefore foresees no expansion or major hiring plans. The store will continue to maintain the current level of employees and hire as needed in response to turnover.
- **Electronic Sub Assembly Manufacturing (ESAM) (200+ employees):** Over the next five years ESAM plans to increase its employment by 50%, or hire an additional 100 semi-skilled employees over the next five years. Over the next three years ESAM plans to add 50,000 square feet of built space to their existing 47,000 square feet. At the time of this interview, ESAM was in escrow for purchasing a large property adjacent to its existing facility that would accommodate the proposed 50,000 square foot facility.²³
- **Royale Gardens Health & Rehabilitation Center (190+ employees):** Royale Gardens Health & Rehabilitation Center is stable at its current size and will not expand its employment or built space in the near future. The presence of Three Rivers Community Hospital within Grants Pass provides Royale Gardens Health & Rehabilitation Center with local clientele.²⁴
- **City of Grants Pass. (190+ employees):** The City of Grants Pass has outgrown its current site and will be searching for a site upon which to construct a new campus in the next 7-12 years. The City owns no suitable property for the new campus, estimated to require at least 6 acres. The City plans to add employees as necessary.
- **Grants Pass High School (185 employees):** Grants Pass High School has no current plans to expand employment or built space. School District representatives noted that the District's employment and built space needs are reactive to growth. Grants Pass High School has two acres adjacent to its current facilities to accommodate future built space needs if these needs should arise.²⁵

²² Personal communication with Nicky Wilhelm, Fire Mountain Gems, CFO, 4/12/07

²³ Personal communication with Dave Mytheney, Electronic Sub Assembly Manufacturing, Vice President, 4/13/07. ESAM notes their location in the Spalding industrial park, the current tax situation, and their good relationship with the City as the comparative advantages that have allowed them to thrive in Grants Pass in the face of overseas cost pressures.

²⁴ Personal communication with Randy Nations, Royale Gardens Health & Rehabilitation Center, Owner, 4/11/07

²⁵ Personal communication with Sherry Ely, Grants Pass School District, Business Office Supervisor, 4/11/07

- **Hire Calling Staffing Solutions (2.5 permanent employees, 100+ contract employees):** Hire Calling will be adding 1-2 permanent positions in the next year. They may relocate but will continue to lease space.

The Oregon Labor Market Information System (OLMIS) web site provided additional information about employment activity in Grants Pass.²⁶ Recent or upcoming changes in employment in Grants Pass include the following.

- **Retail firms:** Over 2006 and into 2007 retail was the most active business type entering and exiting the Grants Pass market. Businesses opening in 2006 included: Joleen's Touch at Body Dynamics, Book Boutique, Arabesque Dancewear, Fourth Street Beauty Co., Aaron's Sales and Lease Ownership, Valley Wine Cellar and Havoc, EBS Urban Boutique, and Monster's Workwear. Businesses opening in the first quarter of 2007 included: HeartSong, Fahrenheit Fashion Boutique, Alterations and Tailoring by Delia, and Avalon Tile. Marilyn's and the Redwood Select Market closed in April and December of 2006 respectively.
- **Food Services:** Businesses opening in 2006 and 2007 included: Denise's Family Restaurant, Ubaldi's Coffee, AJA, Muchas Gracias, Circle J Café, Tic-Toc Taco, Miranda Mae Café and Piano Bar, and Sonic Drive-In.
- **Professional Services:** Businesses opening in 2006 and 2007 included: Sterling Bookkeeping and Business Consulting, American General Financial Services, and Adventures in Computing. SOWAC Microenterprise Development Center closed in February of 2007.
- **Manufacturing:** Exceptional Metals, a division of Duro-Last Roofing, is adding a second manufacturing site in Grants Pass in June of 2007.

The 2005 Business Retention and Expansion Program Business Survey/ Visitation Summary Report²⁷ provided additional information about business activity in Grants Pass. The survey of business indicated the following trends:

- **Employment.** Of the 66 businesses surveyed, most anticipated adding new jobs in the next three years. These businesses projected adding a total of 931 jobs.
- **Facility expansion.** One third of business surveyed planned to add square footage in the next three years. Fifty nine percent expanded their facilities in the last 5 years, and 52% remodeled their facilities in the past 5 years.

²⁶ Oregon Employment Department, Oregon Labor Market Information System (OLMIS) Website: <http://www.qualityinfo.org/olmisj/PubReader?itemid=00000036>

²⁷ Mitchell, Charlie, *Grants Pass/ Josephine County Oregon Business Retention and Expansion Program 2005 BR&E Business Survey and Visitation Summary Report*, City of Grants Pass, 2005.

- **Relocation.** Thirty-seven percent of businesses surveyed relocated in the last 5 years, and 21% planned to relocate in the next 3 years.
- **Land.** Forty percent of businesses surveyed did not have sufficient land or building to accommodate necessary expansion.

8.24 Outlook for Growth in Grants Pass

Grants Pass is growing. The City grew at faster rate than Josephine County and Oregon, growing by 15,898 people at an annual average growth rate of 2.93% between 1980 to 2006. Over the same period, the County and State grew at an annual average growth rate of 1.29% and 1.28%, respectively.

According to the Josephine County's adopted forecast, the County will grow from 76,050 people in 2000 to 113,167 people in 2027, an increase of 37,117 people at an average annual growth rate of 1.48%. By 2057, Josephine County projects that it will grow to about 160,084 residents at an average annual growth rate of 1.26%.

Table 8.20.9 presents the population forecast for the Grants Pass UGB for 2007 to 2057. Grants Pass is expected to have 57,888 residents by 2027 and 79,272 residents by 2057.

**TABLE 8.20.9
POPULATION FORECAST
Grants Pass UGB, 2007 to 2057**

Year	Population
2007	37,460
2027	57,888
2057	79,275
Change 2007 to 2027	
Number	20,428
Percent	55%
AAGR	2.20%
Change 2007 to 2057	
Number	41,815
Percent	112%
AAGR	1.51%

Source: ECONorthwest

Table 8.20.10 shows the Oregon Employment Department's forecast for employment by industry between 2004 and 2014 for Oregon and Region 8, which includes Jackson and Josephine Counties. The Oregon Employment Department is forecasting 19,820 new jobs in Region 8 over the ten-year period, an increase of nearly 20%. The State forecast for growth in Jackson and Josephine County is for an average annual growth rate of 1.8%, compared to the State average of 1.4%.

The sectors that are expected to lead employment growth in Jackson and Josephine Counties are: Retail Trade, Health Care and Social Assistance, Professional and Business Services, and

Accommodation and Food Services. Together, these sectors are expected to add 12,820 new jobs, or 65% of the employment growth in Region 8 between 2004 and 2014.

TABLE 8.20.10
NONFARM EMPLOYMENT FORECAST BY SECTOR AND INDUSTRY
Region 8 Jackson and Josephine Counties, 2004-2014

Sector/ Industry	Jackson and Josephine Counties			
	2004	2014	Growth	% Growth
Natural Resources & Mining	970	990	20	2.1%
Construction	5,940	7,270	1,330	22.4%
Manufacturing	10,010	10,870	860	8.6%
Durable Goods	7,640	8,160	520	6.8%
Wood Product Manufacturing	3,030	2,940	-90	-3.0%
Transportation, & Utilities	3,080	3,660	580	18.8%
Wholesale Trade	3,130	3,590	460	14.7%
Retail Trade	17,010	20,270	3,260	19.2%
Information	2,170	2,570	400	18.4%
Leisure & Hospitality	11,410	14,030	2,620	23.0%
Accommodation & Food Services	9,730	12,120	2,390	24.6%
Financial Activities	5,480	6,340	860	15.7%
Professional & Business Services	9,100	11,740	2,640	29.0%
Education	690	920	230	33.3%
Health Care & Social Assistance	13,870	18,400	4,530	32.7%
Other Services	3,650	4,190	540	14.8%
Government	15,110	16,600	1,490	9.9%
Federal Government	2,040	2,050	10	0.5%
State Government	2,780	3,010	230	8.3%
State Education	1,480	1,580	100	6.8%
Local Government	10,290	11,540	1,250	12.1%
Local Education	6,030	6,650	620	10.3%
Total Nonfarm Payroll Employment	101,620	121,440	19,820	19.5%

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

8.30 FACTORS AFFECTING FUTURE ECONOMIC GROWTH IN GRANTS PASS

Economic development opportunities in Grants Pass will be affected by local conditions as well as the national and regional economic conditions that were addressed in the beginning of this chapter. Factors affecting future economic development in Grants Pass include its location, labor force, housing, public services, and transportation. Grants Pass shares the general characteristics and advantages of the Rogue Valley, Oregon, and the Pacific Northwest as a whole, such as a high quality of life, proximity to I-5 and the recreational amenities of the Rogue Valley, Siskiyou Mountains, Cascade Mountains, and access to the California and Oregon Coasts. Moreover, Grants Pass is, and will continue to be, a regional employment center. Economic conditions in Grants Pass relative to conditions in Southern Oregon form Grants Pass' comparative advantage for economic development, which has implications for the types of firms most likely to locate and expand in Grants Pass.

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

There is little that Grants Pass can do to influence national and regional conditions that affect economic development. Grants Pass, however, can influence local factors that affect economic development.

8.31 What is comparative advantage?

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

By affecting the cost of production and marketing, comparative advantages affect the pattern of economic development in a region relative to other regions. Goal 9 and OAR 660-009-0015(4) recognizes this by requiring plans to include an analysis of the relative supply and cost of factors of production. An analysis of comparative advantage depends on the geographic areas being compared. Economic conditions in Grants Pass will be largely shaped by national and regional economic conditions affecting Southern Oregon. This section focuses on the comparative advantages of Grants Pass relative to Southern Oregon, as well as Josephine County. The implications of these individual factors for Grants Pass overall comparative advantage are discussed at the end of this section.

8.32 Location

Grants Pass' location will substantially influence its future development. Grants Pass is located on Interstate 5 and Highways 99 and 199 and a railroad line in Southern Oregon, near the California border. It is located along the Rogue River in the Rogue Valley. Much of the City is surrounded by federally owned forestland and low-lying hills and mountains. Grants Pass' location has played a critical role in the City's growth and will continue to have implications for economic development within the City.

- **Transportation access.** Grants Pass' location provides opportunities for multiple forms of transportation. Interstate 5 passes through the City, providing access to the major West Coast north-south freight route. Grants Pass' easy access to I-5 provides businesses with access to markets in Northern California and the Willamette Valley. Grants Pass is located along State Highways 99 and 199. Highway 99 provides a secondary connection between Grants Pass and Medford. Highway 199 connects Grants Pass with Cave Junction and the northern California Coast. Further, the City is located along one railroad route and is located 30 miles from the Rogue Valley International Airport in Medford.

- **Proximity to the Bear Creek Valley.** Grants Pass has access to workers and markets of the major cities in Southern Oregon (known as the Bear Creek Valley). Grants Pass is located near Southern Oregon's largest cities, approximately 30 miles from Medford and 40 miles from Ashland. Grants Pass is also within close proximity to other cities within the Rogue Valley, including Gold Hill, Eagle Point, White City and Central Point. The City's proximity to these cities gives Grants Pass access to the labor force, employment opportunities, cultural amenities and markets of these cities. The proximity to these cities also provides workers in Grants Pass opportunities to live in an urban area other than Grants Pass.
- **Quality of life.** Grants Pass offers access to rural housing and recreational opportunities. Grants Pass maintains a small town atmosphere and access to a rural lifestyle, which provides housing and lifestyle options to workers in the Rogue Valley. Grants Pass' location within the Rogue Valley provides opportunities for outdoor recreation, including hiking, biking, rafting, fishing, and skiing. Grants Pass has urban amenities, such as shopping and cultural and recreational opportunities, like the Rogue Valley Symphony, art galleries, the Rogue Theater, and other cultural activities. The weather in Grants Pass is relatively mild in the summer and winter. This factor has helped the City attract many retirees from Oregon and California.

Grants Pass' location is a comparative advantage for economic development within the City because of its proximity to I-5 and Highway 99 provide easy automotive access. Although Grants Pass is growing rapidly, it still offers residents a small town lifestyle, with major employers and urban amenities within driving distance. However, Grants Pass' distance from larger urban areas, such as the Willamette Valley, may create disadvantages for economic development because some businesses may wish to be located in an area with more urban amenities. In addition, the hills near Grants Pass, an element of the City's natural beauty, make expansion of city services and development difficult in some areas.

8.33 Transportation

A number of transportation options are available in Grants Pass, including state and interstate highways, and the Central Oregon & Pacific Short Line Railroad. Grants Pass is located on Interstate 5 and Highways 99 and 199, which give the City access to domestic and international markets via West Coast ports. Interstate 5 gives Grants Pass a direct connection to Medford and California to the south and Eugene to the north.

According to the Oregon Department of Transportation, average daily traffic volumes on Interstate 5 just north and south of Grants Pass have increased between 1996 and 2005. Table 8.30.1 shows average daily traffic volumes on Interstate 5 between 1996 and 2005. Traffic volume is heaviest south of Grants Pass and near the Louse Creek Interchange north of Grants Pass. The area with the greatest increase in traffic volume (44%) was near the Redwood Highway Interchange.

The share of freight traffic is higher north of Grants Pass than south of Grants Pass. In 2005 18.6% of traffic at the Grave Creek Automatic Traffic Recorder north of Grants Pass was single

trailer trucks. About 14.4% of traffic 2 miles west of Gold Hill (not shown in Table 8.30.1) was single trailer trucks.

TABLE 8.30.1
AVERAGE DAILY TRAFFIC COUNTS ON INTERSTATE 5 NEAR GRANTS PASS
Interstate 5, 2005, 2000, and 1996

	Location and Mile Post (MP)	2005	2000	1996	Change 1996-2005	
					Number	Percent
North ↑	Grave Creek Automatic Traffic Recorder (MP 64.20)	22,300	20,400	17,700	4,600	26%
	Near Louse Creek Interchange (MP 61.05)	32,900	29,700	26,900	6,000	22%
	Near the Redwood Highway Interchange (MP 57.56)	29,100	23,400	20,200	8,900	44%
	Near the East Grants Pass Interchange (MP 55.38)	32,900	31,700	28,900	4,000	14%
South	Rogue River Bridge (MP 45.61)	34,600	32,500	28,400	6,200	22%

Source: Oregon Department of Transportation, 2007

One rail line runs through Grants Pass: the Central Oregon & Pacific Railroad (CORP), Oregon's second largest short line railroad. The main north-south line runs from Eugene in the north, through Grants Pass and connects with Medford and Ashland in the south before heading into California. Very little of the freight on this line originates in Grants Pass.²⁸ Passenger rail service is not available in Grants Pass.

As Grants Pass grows, transportation capacity and connectivity could become a constraining factor on economic development. In addition, business survey respondents to the Grants Pass and Josephine County Business Retention and Expansion Survey indicated that the distance from markets is a disadvantage in doing business in Grants Pass.

8.34 Labor force

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

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 the unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force.

The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. Data from the Oregon Employment Department shows that unemployment in Josephine County was 6.7% in 2006, compared with 5.4% in Oregon. The unemployment rate

²⁸ Oregon Department of Transportation: Rail Division. "2001 Oregon Rail Plan." Adopted by the Oregon Transportation Commission, November 8, 2001. Page 48.

in Josephine County through March 2007 increased to 8.0%, about 2.2% higher than the State average.

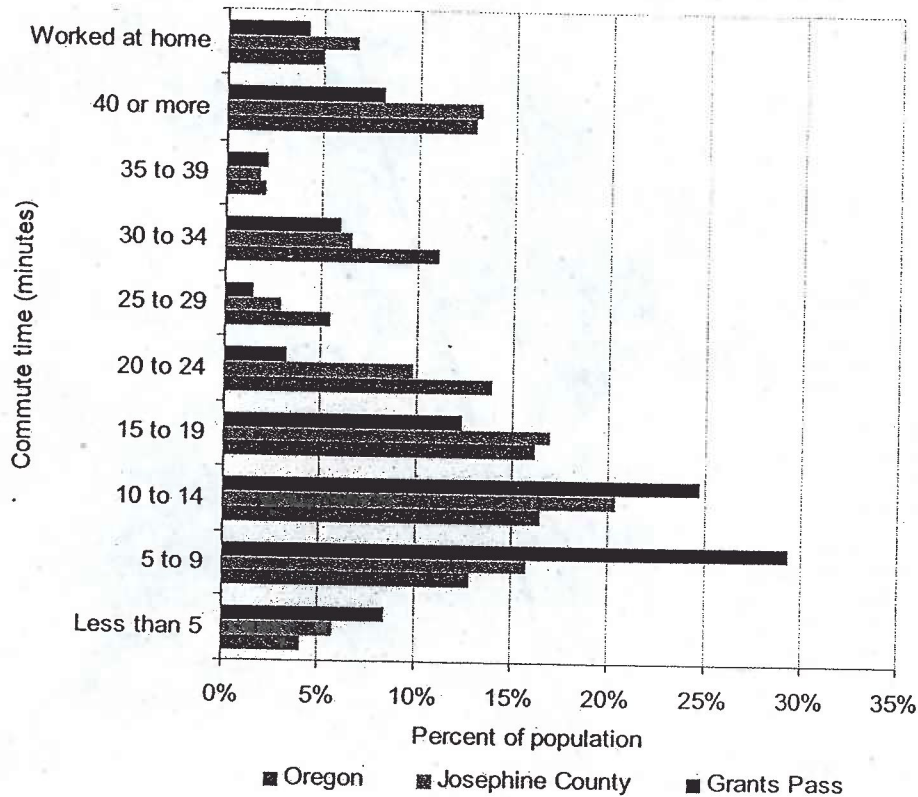
Labor force participation is an important consideration in the availability of labor. The labor force consists of people 16-years and older that are available for work. The labor force excludes the following groups of people: students, fully retired workers²⁹, institutionalized people, and other individuals. In 2000, about 55% of residents of Grants Pass were a part of the labor force, compared with 52% of Josephine County residents and 65% of Oregon residents. The most likely cause of the lower labor force participation in Grants Pass and Josephine County is the larger share of retirees compared to the State average.

Access to postsecondary education and workforce training can be an important consideration in the quality of the labor force. Residents in and around Grants Pass have access to higher education and workforce training through Rogue Community College (RCC) and Southern Oregon University in Ashland. RCC has campuses in Grants Pass, Medford, and White City. RCC offers two-year degrees, certificates, and workforce and short-term training in a variety of areas including sciences, business programs, medical specialties, and vocational skills like welding, truck driving, or computer systems.

Figure 8.30.1 shows a comparison of the commute time to work for residents 16 years and older for Oregon, Josephine County, and Grants Pass. Residents of Grants Pass generally spent less time commuting to work than residents of Josephine County or Oregon. Sixty-two percent of residents of Grants Pass spent less than 15 minutes commuting, compared with 42% Josephine County residents and 33% of Oregon residents.

²⁹ The labor force includes workers that retired but continue to be employed, either full or part-time.

FIGURE 8.30.1
COMMUTING TIME TO WORK
Residents of Oregon, Josephine County and Grants Pass city limits, 2000



Source: U.S. Census Bureau, 2000 Census.

Figure 8.30.2 and Table 8.30.2 show where residents living within the city limits of Grants Pass worked in 2003.³⁰ Figure 8.30.2 and Table 8.30.2 show that nearly 63% of residents of Grants Pass worked in Josephine County, with slightly more than one-half working within the City and 10% working in unincorporated areas.³¹ About one-fifth of Grants Pass residents worked in Jackson County, with 14% commuting 30 miles to Medford.

³⁰ Information in Figures 8.30.2 and 8.30.3 and Tables 8.30.2 and 8.30.3 is for covered employment only, which generally excludes sole proprietors and self-employed workers. The information in this analysis does include telecommuters and home occupations with covered employees.

³¹ The information for unincorporated Josephine County includes people that commute from Cave Junction.

FIGURE 8.30.2
PLACES WHERE GRANTS PASS RESIDENTS WERE EMPLOYED
 Grants Pass city limits, 2003

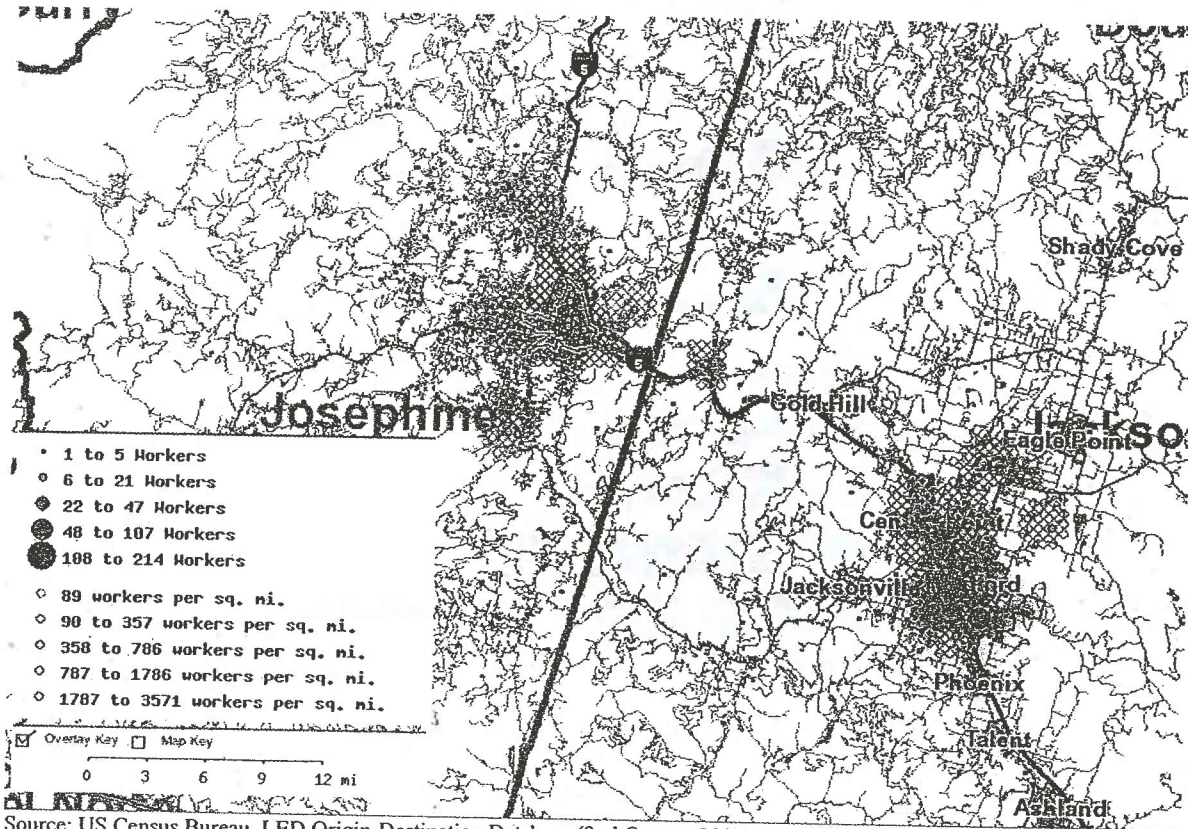


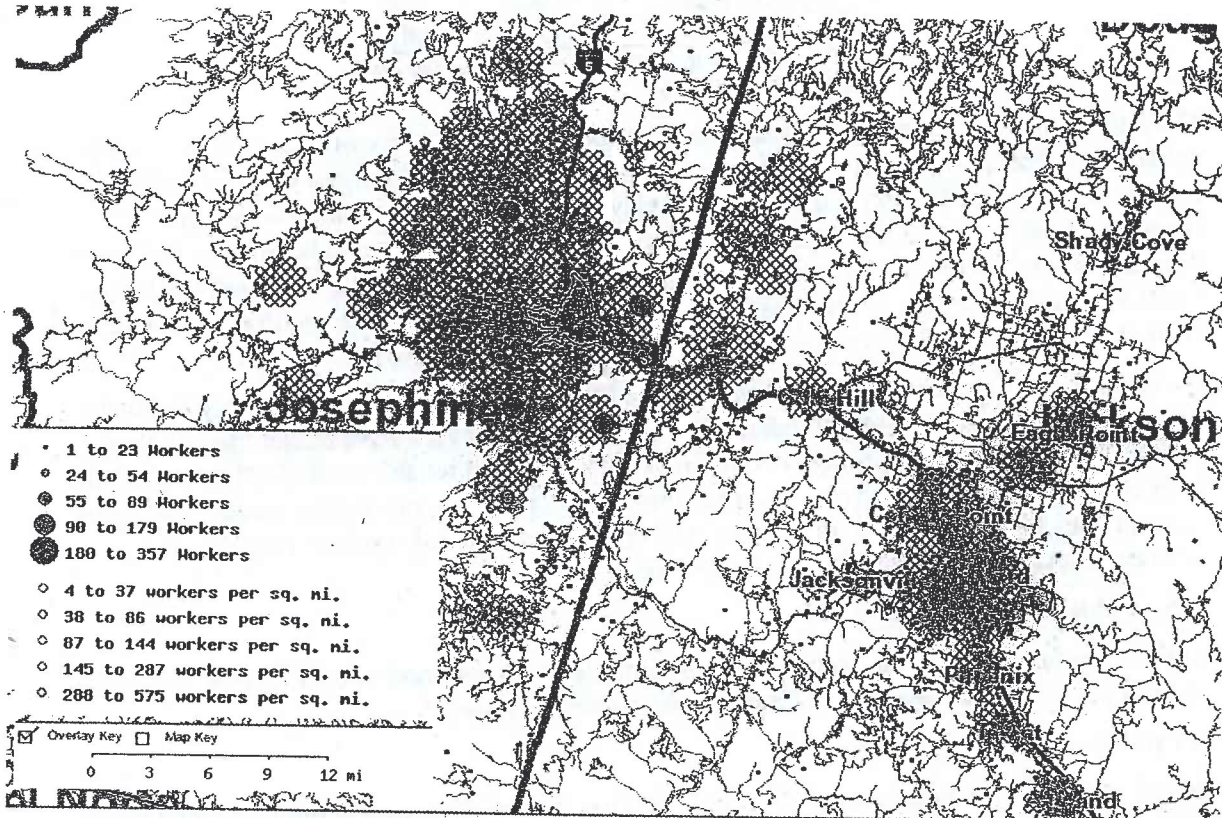
TABLE 8.30.2
PLACES WHERE GRANTS PASS
RESIDENTS WERE EMPLOYED
 Grants Pass city limits, 2003

Location	Number	Percent
Josephine County	3,440	63%
Grants Pass	2,867	52%
Unincorporated	573	10%
Jackson County	1,112	20%
Medford	744	14%
All Other Locations	939	17%
Total	5,491	100%

Source: US Census Bureau, LED Origin-Destination Data Base (2nd Quarter 2003)

Figure 8.30.3 and Table 8.30.3 show where employees of firms located in Grants Pass lived in 2003. Seventy percent of workers in Grants Pass lived in Josephine County. Thirty-two percent of workers in Grants Pass lived in Grants Pass, while 38% commuted into the City from unincorporated areas.³² An additional 14% of workers lived in Jackson County, only 4% of whom lived in Medford.

FIGURE 8.30.3
PLACES WHERE GRANTS PASS WORKERS LIVED
 Grants Pass city limits, 2003



Source: US Census Bureau, LED Origin-Destination Database (2nd Quarter 2003)

³² The information for unincorporated Josephine County includes people that commute from Cave Junction.

TABLE 8.30.3
PLACES WHERE GRANTS PASS WORKERS LIVED
Grants Pass city limits, 2003

Location	Number	Percent
Josephine County	8,281	70%
Grants Pass	3,830	32%
Unincorporated	4,451	38%
Jackson County	1,600	14%
Medford	519	4%
All Other Locations	1,928	16%
Total	11,809	100%

Source: US Census Bureau, LED Origin-Destination Data Base (2nd Quarter 2003)

The implication of the data presented in this section is that a majority of Grants Pass' workforce either live in Josephine or Jackson County, but do not reside in the City of Grants Pass. More than one-third of workers within Grants Pass city limits lived in Josephine County, near to Grants Pass, some within the Grants Pass UGB. This analysis shows that businesses in Grants Pass have access to the labor force in parts of Jackson County, including Medford, the largest regional economic center. Grants Pass is also a regional economic center, with a population to employment ratio of 1.2, below the State average of 2.2 persons per job.

Information from stakeholder interviews and the Grants Pass and Josephine County Business Retention and Expansion Survey indicate that firms in Grants Pass have difficulties finding qualified employees. The shortage is both in skilled labor and reliable unskilled labor. As baby-boomers reach retirement age over the planning period, the labor market for qualified workers may tighten statewide and in Grants Pass. The difficulty in finding workers may discourage firms from locating or expanding in Grants Pass.

8.35 Public services

This section discusses public services that are important for economic development, including tax policy, water, wastewater, and Grants Pass' enterprise zone.

Tax policy

Studies show that tax rates are not a primary location factor—they matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The cost of these production factors are usually similar within a region. Therefore, differences in tax levels across communities within a region are more important in the location decision than are differences in tax levels between regions. Table 8.30.4 shows the average property tax rates per \$1,000 assessed value for Oregon, Josephine and Jackson counties, Grants Pass, and other cities in the region in 2006-2007. Table 8.30.4 shows that the property tax rate in Grants Pass are higher than Josephine County and Cave Junction but lower than Central Point, Medford, and Ashland.

TABLE 8.30.4
PROPERTY TAX FOR ALL TAXING DISTRICTS
PER \$1,000 OF ASSESSED VALUE
Oregon, Josephine County, Jackson County,
and selected cities, 2006-2007

Area	Tax Rate (per \$1,000 assessed value)
Oregon	\$15.20
Josephine County	\$9.50
Grants Pass	\$11.68-\$13.82
Cave Junction	\$10.30
Jackson County	\$13.43
Central Point	\$16.34-\$17.05
Medford	\$14.54-\$15.24
Ashland	\$14.49-\$14.67

Source: Oregon Department of Revenue

Systems Development Charges

Like other taxes, variations in systems development charges (SDCs) are not a primary location factor but are important in location decisions within a region. The League of Oregon Cities conducted a survey of average commercial SDCs for all jurisdictions in Oregon. Table 8.30.5 shows SDCs for Grants Pass, jurisdictions in Josephine and Jackson Counties that answered the survey, and the cities of Ashland and Medford, which did not answer the survey.³³ Grants Pass has the highest SDCs of any city in Josephine and Jackson counties, with the probable exception of Medford. It was not possible to calculate Medford's sewer or water SDCs based on the characteristics of the office building described in the survey of commercial SDCs. Assuming that Medford's sewer and water SDCs are comparable to Grants Pass, then Medford's total SDCs might be comparable to Grants Pass' SDCs.

³³ SDCs for Ashland and Medford were calculated for a 20,000 square foot office building, as described in the League of Oregon Cities survey "System Development Charges" from May 2007.

TABLE 8.30.5
AVERAGE COMMERCIAL SYSTEM DEVELOPMENT CHARGES
Grants Pass and selected cities in Josephine and Jackson counties, 2007

Jurisdiction	Sewer	Water	Stormwater	Transportation	Parks	Total
Grants Pass	\$ 7,881	\$ 18,925	\$ 412	\$ 118,200	\$ 11,650	\$ 157,068
Medford**	unavailable	unavailable	\$ 8,025	\$ 114,929	\$ 3,744	\$ 126,698
Central Point	\$ -	\$ 6,651	\$ 6,425	\$ 80,662	\$ -	\$ 93,738
Ashland*	\$ 7,948	\$ 26,332	\$ 3,378	\$ 46,126	\$ -	\$ 83,784
Cave Junction	\$ 2,985	\$ 17,500	\$ -	\$ -	\$ -	\$ 20,485
Butte Falls	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gold Hill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: League of Oregon Cities "System Development Charges" survey, May 2007; City of Ashland; and City of Medford
Notes: The League of Oregon Cities survey did not include SDC information about SDCs for the cities of Ashland or Medford. The amounts calculated in Table 8.30.5 are based on an estimate of Ashland and Medford's SDCs for the type of office building described in the League of Oregon Cities survey of SDCs. ECO was unable to calculate Medford's sewer SDC because the formula for determining the SDC required more data about the type of plumbing fixtures than the survey provided about the office building.

Water

The City of Grants Pass provides drinking water to the residents of Grants Pass. Grants Pass' drinking water comes from the Rogue River. The capacity of the system is 18 million gallons per day. The water system master plan of 2001 includes the following upgrades to the system: an addition of a 4.5 million gallon reservoir, extension of water mains, and construction of a new pump station. These improvements are expected to allow the system to meet projected capacity needs between 2000 and 2020.

The 2007 capacity of the water treatment plant is just over 20 million gallons per day. The reservoirs have a 2007 capacity of 19.2 million gallons of water. The City is currently constructing the pump station (Hilltop) planned in the 2001 master plan to accommodate new growth.

Wastewater

The wastewater collection system for the City of Grants Pass serves over 10,000 residential, commercial, and industrial locations throughout the City and urban growth boundary, as well as a portion of the Redwood Sanitary Sewer district located partially outside of the UGB. The City of Grants Pass Water Restoration Plant, an activated sludge secondary treatment plant with ultra violet disinfection, has a 27 million gallon per day hydraulic capacity for influent pumping, a 13 million gallon per day capacity for secondary treatment, and a 43 million gallon per day capacity for UV-disinfection. The average dry weather flow in 2007 was 5.5 million gallons per day and the peak wet weather flow was 30.0 million gallons per day. By 2020, due to projected population increases, the average dry weather flow will be 6.8 million gallons per day and the peak flows will be 27.5 million gallons per day. Biosolids from the Wastewater Treatment Plant are transported to the JO-GRO™ Co-composting facility and mixed with greenwaste from the surrounding community to create compost for sale to the public.

The Redwood Sanitary Sewer Service District operates partially outside and partially inside the Grants Pass city limits. The Jo-Gro operation at Redwood wastewater treatment plant was forced because of legal action to cease compost activities at its plant. The Redwood Plant was converted from an independent treatment facility to a collection system that conveys wastewater from the Redwood District to the Grants Pass Water Restoration Plant. Upgrades to the system have been constructed so that starting in 2000 wastewater is conveyed to the Grants Pass Water Restoration Plant. Upgrades to the plant to meet the projected flow and load included: constructing one pump station, retrofitting one pump station, and building a 30,000-foot-long pipeline, as well as upgrades to eliminate ammonia and chlorine discharge. The District expects the transfer to the Grants Pass plant to meet the capacity demanded in 2020.

Improvements scheduled between 2000 and 2010 address the need for upgrades to the liquid stream treatment, including constructing a ballasted sedimentation process. Upgrades to the plant allow the city to accommodate future growth in the City and in the Redwood area. Without these upgrades, sanitary sewer capacity could constrain economic growth.

Enterprise zone

The Grants Pass area established an enterprise zone in 1997 that includes all land zoned for employment use within the City limits. The enterprise zone provides a break on property taxes on the improvements (e.g., buildings) to qualifying businesses for three to five years. The purpose of the enterprise zone is to attract manufacturing businesses that would pay family wage jobs and diversify the city's property tax base; requirements for the program include a minimum investment of \$25,000, an increase in employment by the higher of 1 person or 10%, and for the highest amount of tax abatement, employing at 150% or more of the county's average annual wage. Other businesses, such as motels, hotels, and resorts could also qualify for property tax reductions within the enterprise zone. The Grants Pass zone is designated as an "E-Commerce" enterprise zone, which means that businesses "engaged in electronic commerce" are eligible for the property tax abatement.

8.36 Quality of life factors

Grants Pass' quality of life, combined with its location and small town sense of community, are key comparative advantages for economic development. The following list summarizes the quality of life factors that affect the City:

- *Small town atmosphere.* Survey respondents indicate Grants Pass is a safe and friendly place to live as well as a good place to raise children.³⁴
- *Low cost of living.* Survey respondents indicate that the cost of living, especially of homes for families of moderate incomes, makes Grants Pass an attractive place to live.

³⁴ All survey responses cited in this section are from the 2006 Annual telephone survey of Grants Pass residents. Northwest Survey and Data Services, December 2006.

- *Mixture of rural and urban places to live.* Grants Pass offers rural and small town living situations.
- *Ease of auto access.* Grants Pass has easy access to Interstate 5 and State Highway 199 to Cave Junction and the coast.
- *Central location in Southern Oregon.* Interstate 5 and the state highway system give Grants Pass good access to the markets of the Southern Willamette Valley and Southern Oregon, and Northern California, as well as the population of Jackson County. In particular, Grants Pass has access to workers, markets, and employment opportunities of Medford and Ashland, which also allows residents of Grants Pass to access the cultural amenities and markets of these cities.
- *Access to outdoor recreation.* Residents have easy access to outdoor recreational opportunities, including hiking, water sports on nearby rivers, bicycling, and other activities. Residents surveyed cited a range of factors, the climate and scenery were most frequently mentioned as things they most enjoy about living in Grants Pass.

While Grants Pass has many desirable qualities, businesses in the 2005 Business Retention and Expansion Program Business Survey/ Visitation Summary Report cited the distance from markets and the difficulty hiring skilled workers as their two issues of greatest concern.

8.37 Comparative Advantage in Grants Pass

The mix of productive factors present in Grants Pass, relative to other communities in Oregon, is the foundation of the city's comparative advantage. Grants Pass' comparative advantages include its location on I-5, proximity to California, and high quality of life. These factors make Grants Pass attractive to residents and businesses that want a high quality of life where they live and work.

Grants Pass' comparative advantages are similar to Oregon's comparative advantages, although the labor force has lower levels of education than Oregon. Businesses moving to Grants Pass may have problems finding reliable unskilled workers and some types of skilled workers but should be able to find a sufficient number of workers. Grants Pass has access to a full range of services to support businesses and a full range of amenities to create a high quality of life, available either within the City or within the region. Grants Pass also has access to higher education through the Rogue Community College, with a campus in Grants Pass, and Southern Oregon University located in Ashland.

Grants Pass may also have some factors that constrain future employment growth. Housing affordability—particularly workforce housing—is likely to be an issue in the community. Provision of public facilities, such as transportation or wastewater treatment, may be a constraining factor if the City and State are unable to provide sufficient infrastructure to support growth.

Section 8.23 reports industries that have shown growth and business activity in Grants Pass over the past few years. These industries are indicative of businesses that might locate or expand in Grants Pass.

The characteristics of Grants Pass will affect the types of businesses most likely to locate in Grants Pass:

- Grants Pass' proximity to I-5, high quality of life, natural beauty and proximity to recreational activities make it attractive to businesses that want a high quality of life. These types of businesses could include corporate head quarters, software design, engineering, research, and other professional services that are attracted to high-quality settings.
- Grants Pass' location, proximity to natural resources, and high quality of life may attract small food processing firms, especially firms specializing in organic or natural foods.
- Grants Pass' access to outdoor recreation, proximity to other cities in the Rogue Valley, and proximity to regional attractions like the Rogue River, Oregon Caves and the Shakespeare Festival make Grants Pass attractive to tourists. Industries that serve tourists, such as food services and accommodations, are likely to grow if tourism increases.
- Grants Pass' location along I-5, proximity to cities in Jackson County, and high quality of life may make Grants Pass attractive for manufacturing firms. Examples include high-tech electronics, recreational equipment, furniture manufacturing, specialty apparel, and other specialty manufacturing.
- Grants Pass' growing population of retirees or near retirees, climate, location, and high quality of life may attract health services that provide services to older people, such as assisted living facilities or retirement centers.

Cities often have factors that are disadvantages. One factor that could be a disadvantage to Grants Pass is land configuration and availability. The City has a limited number of sites available for employment uses, and no sites over 100 acres. Moreover, topography in the Grants Pass area may make it difficult to find suitable sites in the future.

8.40 DEMAND FOR COMMERCIAL AND INDUSTRIAL LAND

8.41 Employment Forecast

To provide for an adequate supply of commercial and industrial sites consistent with plan policies, Grants Pass needs to have an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by the expansion and relocation of existing businesses and new businesses locating in Grants Pass. The level of this business expansion activity can be measured by employment

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

The projection of employment in this chapter has four major steps:

1. **Establish base employment for the projection.** The analysis starts with the estimate of covered employment in the Grants Pass UGB presented in Table 8.20.6. Covered employment does not include all workers; covered employment was adjusted to reflect total employment in Grants Pass. Employment by sector will be summarized into employment by land use type for the purposes of estimating land demand by type.
2. **Identify potential growth industries in Grants Pass.** Given trends in economic activity and expected growth in Oregon, and Grants Pass' comparative advantages, these types of firms are the most likely to locate or expand in Grants Pass.
3. **Projected employment.** The projection of employment uses the safe harbor method from OAR 660-024-0040 to project future employment in Grants Pass.
4. **Allocate total employment to land use types.** This allocation will use assumptions based on expected trends in employment growth by land use type.

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

Employment Base for Projection

An estimate of the number of employees in Grants Pass is needed to forecast employment growth. Table 8.41.1 shows an estimate of total employment in the Grants Pass UGB in 2007. The estimate was developed using an estimate of *covered* employment from the confidential Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department. Covered employment does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that covered employment reported by the Oregon Employment Department for Josephine County is only about 65% of *total* employment reported by the U.S. Department of Commerce. The comparison of *covered* employment to *total* employment in Josephine County was used to develop an estimate of covered employment by sector in Grants Pass.

Table 8.40.1 shows that Grants Pass had an estimated 28,988 employees within its UGB in 2005. This figure results in a relatively low population-to-employment ratio of 1.24 persons per employee. The statewide average is about 2.2 persons per employee. Grants Pass may have a lower population-to-employment ratio than the state because it is a regional employment center and draws workers from throughout the Josephine and Jackson Counties, especially from unincorporated areas near to Grants Pass UGB. Another explanation is that employees in Grants Pass choose to live outside of the UGB for a variety of reasons, such as the cost of housing in the City or the desire for a rural lifestyle.

TABLE 8.40.1
ESTIMATED TOTAL EMPLOYMENT BY LAND USE TYPE
Grants Pass UGB, 2007

Land Use Type / Sector	Covered Employment		Total Employment		
	2005	% of 2005 Total Emp.	2005	2007	% of All 2007 Emp.
Retail and Services	12,234	60%	20,352	21,258	70%
Industrial	4,414	69%	6,375	6,659	22%
Government	2,117	94%	2,261	2,362	8%
Total Employment	18,765	65%	28,988	30,279	100%

Source: 2005 covered employment from confidential Quarterly Census of Employment and Workforce data provided by the Oregon Employment Department. Employment summarized by land use type by ECONorthwest. Covered employment as a percent of total employment calculated by ECONorthwest using data for Josephine County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department (covered). 2005 total employment converted to 2007 total employment by ECONorthwest using an annual growth rate of 2.2% over two years.

Potential Growth Industries

Previous sections review historical growth trends by industry in Josephine County since 1980 and employment in Grants Pass. A review of key historical trends in employment in Josephine County can help identify potential growth industries in Grants Pass, which has three-quarters of the County's covered employment. While all sectors of the economy in the County experienced growth over this period (1980-2005), some sectors grew faster than others, resulting in a shift in the distribution of employment by sector. Key **historical trends** include:

- A substantial increase in the share of employment in Services, which increased from 21% to 42% of covered employment.
- A decrease in the share of employment in Retail Trade, from 22% to 16%.
- A decline in the share of employment in Government, which fell from 22% to 14% of covered employment.
- A decline in the share of employment in Manufacturing, which fell from 24% to 13% of covered employment.

Together, these sectors represent about 85% of employment in the County. Other sectors of the County's economy have a relatively stable and small share of the County's employment.

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

- Growth in the Services sector has matured and should track more closely with overall employment growth rather than continuing to gain a substantial share of total employment.
- The decline in Manufacturing was primarily due to decreased timber harvests and the outsourcing of production to facilities in countries with lower costs. Timber harvests are expected to level off and increase in the future as commercial forests that were replanted since the 1970s grow to a harvestable size. While outsourcing will continue, much of what can be outsourced has already gone. Remaining Manufacturing firms are tied to their region to be near supplies or markets, or manufacture specialized goods for which small production quantities, fast turn-around times, and the need for quality limit the ability to outsource.

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

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

- **Elder/Health Care.** This cluster includes elder care facilities and health care facilities and offices. Grants Pass has been attracting retirees, who may want to continue living in the community as they age. Grants Pass' quality of life and large share of people over 45 years old is likely to result in growth in this cluster.
- **Electronic Shopping.** This cluster includes Electronic Shopping and Non-store Retailers. The City's quality of life may attract firms involved with electronic shopping, which can locate most places that have high speed Internet.
- **Headquarters.** The report identifies Management of Companies and Enterprises as a growing cluster. Grants Pass' quality of life and easy access to I-5 may attract headquarters that want to locate in Southern Oregon or more generally in the Pacific Northwest.
- **Wholesalers.** The report identifies Wholesalers involved with electrical goods and miscellaneous durable goods as industries with potential for employment growth. Grants Pass' access to I-5 and proximity to the Willamette Valley and Northern California may attract wholesalers.

- **Freight Transportation.** Freight transportation, including General Freight Trucking and Freight Transportation Arrangement, are identified by the report as having opportunities for growth. Growth in the Freight Transportation and Wholesaler clusters are likely to benefit both clusters because of the need to transport wholesale goods. Grants Pass' access to I-5 and proximity to the Willamette Valley and Northern California may attract Transportation firms.
- **Wood Products.** While some industries in this cluster are declining, such as primary wood processing, other industries are growing. The most significant growth has been in Household and Institutional Furniture and Kitchen Cabinet Manufacturing. Grant Pass' proximity to timber production and access to I-5 make it likely that wood products firms may locate or expand in the City
- **Food and Beverage Production.** The report identifies Food and Beverage Production as an emerging cluster with opportunities for growth. This cluster includes wine production, which has shown substantial growth in the Rogue Valley over the last 20-years.
- **Metals Manufacturing.** The report identifies industries involved with fabricating metal, such as Machine Shops, as an emerging cluster with opportunities for growth.

This analysis of industrial clusters and specialty manufacturing, the analysis of economic conditions and trends in Section 8.20, and Grants Pass' comparative advantages in Section 8.30 have implications for the industries with potential for growth in the City. Based on these assumptions, the types of firms that may locate in Grants Pass include the following:

Retail and Services. About three-quarters of Grants Pass current employment is in retail and services. The State's forecast for nonfarm employment forecast for 2004 to 2014 (Table 8.20.10) projects that about two-thirds of employment growth in Jackson and Josephine Counties will be in Retail and Services. Grants Pass may attract the following industries:

- Grants Pass may attract retail and services to serve residents, such as financial institutions, professional services, restaurants, drug stores, grocery stores, general retailers, and specialty retailers.
- Grants Pass may attract additional big-box and mid-sized retail stores, primarily for Grocery, General Merchandise, and Home Improvement stores.
- Population growth and business growth may drive development of offices for business, professional, health care, and other services.
- The aging population in Grants Pass, both from aging of existing residents and in-migration of retirees, will increase demand for health care services. This will attract healthcare related firms that provide services to older people, such as assisted living facilities or retirement centers.

- Grants Pass' amenities, high quality of life, access to a rural life style, and proximity to Medford and Ashland may be attractive for firms engaged in professional, scientific and technical services, such as software design, engineering, and research.
- Grant Pass' proximity to outdoor recreation areas and activities in the Rogue Valley may make Grants Pass attractive to tourists. Industries that serve tourists, such as food services, accommodations, and specialty retail, are likely to grow if tourism increases.

Manufacturing. Grants Pass has comparative advantages, such as location, access to transportation, access to natural resources, and high quality of life that may contribute to the growth in employment in the following industries:

- Grants Pass may be attractive to manufacturing firms that benefit from proximity to natural resources, such as furniture manufacturing or metals manufacturing. Grants Pass' access to agricultural products and availability of drinking water may make it attractive to food processors.
- Grants Pass should be attractive to small-scale light manufacturing firms that do not have to locate near their market. Examples include high-tech electronics, recreational equipment, specialty apparel, and other specialty manufacturing.

Government and Institutional. As population grows in Grants Pass, government employment will grow. The following types of public employment may grow in Grants Pass:

- Demand for government services, such as education, will grow with population. Government employment may decrease in the short-term as a result of cuts in the County's budget caused by cuts in Federal funding for lost timber receipts.
- Grants Pass will continue to be the location for regional institutions such as the Three Rivers Community Hospital, Grants Pass City governmental offices, Josephine County governmental offices, and local schools.

Projection of Employment

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 Grants Pass UGB can be assumed to grow at 2.2% annually from 2007 to 2030. Table 8.40.2 shows the result of applying this growth rate to the total employment base in Grants Pass estimated in Table 8.41.1. By 2027, Grants Pass will have about 46,788 jobs, an increase of 16,509 jobs.

To estimate employment growth by land use type in the Grants Pass UGB, the forecasted level of total employment in 2027 (46,788) was distributed among the three categories of land use types shown in Table 8.40.2. Table 8.41.2 shows the share of employment by land use type in 2007 and the assumed shares in 2027 and 2030. The forecast does not anticipate a shift in the distribution of employment among land-use categories between 2007 and 2030.

TABLE 8.40.2
EMPLOYMENT GROWTH BY LAND USE TYPE
Grants Pass UGB, 2007–2030

Land Use Type	2007 Total	% of Total	2027 Total	2030 Total	% of Total	2007-2027 Growth
Retail and Services	21,258	70%	32,752	34,961	70%	11,494
Industrial	6,659	22%	10,293	10,988	22%	3,634
Government	2,362	8%	3,743	3,996	8%	1,381
Total Employment	30,279	100%	46,788	49,944	100%	16,509

Source: ECONorthwest.

Note: shaded cells indicate assumptions by ECONorthwest.

Allocation of Employment to Land-Use Types

Employment growth in Grants Pass will drive demand for industrial, commercial, and public land. To estimate the demand for land generated by employment growth, the analysis applies factors for the number of employees per acre for each of the three land use types used in the employment forecast. The first step in this analysis is to make a deduction from total new employment (referred to as the “refill” assumption). This deduction accounts for:

- **Percent of total employment growth that requires no commercial or industrial built space or land.** Some new employment will occur outside commercial and industrial built space or land. For example, some construction contractors may work out of their homes, with no need for a shop or office space on non-residential land.
- **Percent of employment growth on non-residential developed land currently developed.** Some employment growth will be accommodated on existing developed or redeveloped land, as when an existing firm adds employees without expanding space or when a business occupies a vacant building.

Typical refill deductions range from 10% in small cities to 30% or more for larger areas. For example, Portland Metro estimated refill at around 40% for 1996 and 1997 in a small empirical study they conducted. A reasonable refill rate for Grants Pass is 10%.

The next set of assumptions needed to estimate non-residential land need is employees per acre (EPA). This variable is defined as the number of employees per acre on non-residential land that is developed to accommodate employment growth. There are few empirical studies of the number of employees per acre, and these studies report a wide range of results. Ultimately the employees/acre assumptions reflect a judgment about average densities and typically reflect a desire for increased density of development. The EPA assumptions used in this analysis are based on the range of employment density assumptions presented in the DLCD’s *Goal 9 Guidebook*.

The final assumption is a net to gross factor. The EPA assumptions are employees per *net* acre (e.g., acres that are in tax lots). As land gets divided and developed, some of the land goes for right-of-way and other public uses. The net to gross factor varies by land use, but 20% is a reasonable assumption for employment lands.

Table 8.40.3 shows estimated demand for employment land in the Grants Pass UGB by land use type for the 2007-2027 period. The results show that Grants Pass will need an estimated additional 1,364 gross acres of land for employment on new land within its UGB for the 2007-2027 period.

TABLE 8.40.3
ESTIMATED DEMAND FOR EMPLOYMENT LAND
Grants Pass UGB, 2007-2027

Land Use Type	Total New Emp.	Emp. On Refill Land	Emp. on New Land	Emp. Per Net Acre	Land Need (Net Acres)	Land Need (Gross Acres)
2007-2027						
Retail and Services	11,494	1,149	10,345	17	608.5	760.6
Industrial	3,634	363	3,271	10	327.1	408.8
Government	1,381	138	1,243	8	155.4	194.2
Total	16,509	1,651	14,858		1,090.9	1,363.7

Source: ECONorthwest.

8.42 Site Needs

OAR 660-009-0025(1) states "...the plan must identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies." This section identifies the site requirements of firms that are likely to locate in Grants Pass and provides a refined land need estimate that reflects identified site needs. The non-residential land needs presented in this section may change based on policy decisions, which may result in increased or decreased land need.

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

Employment growth in Grants Pass is expected in each of the categories defined by type of land use: Retail and Services, Industrial, and Government. There are a wide variety of firms within each of these categories, and the required site and building characteristics for these firms range widely. As such, a variety of parcel sizes, building types, and land use designations in Grants Pass are required to accommodate expected growth.

Table 8.40.4 summarizes the lot sizes typically needed for firms in selected industries. The emphasis in Table 8.40.4 is on new large firms that have the most potential to generate

employment growth. For example, while the number of convenience stores in the region is likely to grow, the site needs for these stores is not included in Table 8.40.4 because they are unlikely to generate substantial employment growth. Large food stores, which are typically 50,000 to 100,000 sq. ft. in size, are more likely to generate substantial employment growth in the region, and these stores require sites of 5 to 10 acres.

**TABLE 8.40.4
TYPICAL LOT SIZE REQUIREMENTS FOR
FIRMS IN SELECTED INDUSTRIES**

Industry	Lot Size (acres)
Manufacturing	
Printing & Publishing	5 - 10
Stone, Clay & Glass	10 - 20
Fabricated Metals	10 - 20
Industrial Machinery	10 - 20
Electronics - Fab Plants	50 - 100
Electronics - Other	10 - 30
Transportation Equipment	10 - 30
Transportation & Wholesale Trade	
Trucking & Warehousing	varies
Retail Trade	
General Merchandise & Food Stores	5-10
Eating & Drinking Places	0.5-5
FIRE & Services	
Non-Depository Institutions	1 - 5
Business Services	1 - 5
Health Services	1 - 10
Engineering & Management	1 - 5

Source: ECONorthwest.

More specific site needs and locational issues for firms in potential growth industries include a range of issues. Table 8.40.5 summarizes these issues and how they pertain to development in Grants Pass.

**TABLE 8.40.5
SUMMARY OF SITE CHARACTERISTICS**

Characteristic	Description	Comments
Flat sites	Flat topography (slopes with grades below 10%) is needed by almost all firms in every industry except for small Office and Commercial firms that could be accommodated in small structures built on sloped sites. Flat sites are particularly important for Industrial firms in manufacturing, trucking, and warehousing, since these firms strongly prefer to locate all of their production activity on one level with loading dock access for heavy trucks.	Slopes to the north and south may be a constraint for employment sites in Grants Pass if the City expands into the hills.
Parcel configuration and parking	Large Industrial and Commercial firms that require on-site parking or truck access are attracted to sites that offer adequate flexibility in site circulation and building layout. Parking ratios of 0.5 to 2 spaces per 1,000 square feet for Industrial and 2 to 3 spaces per 1,000 square feet for Commercial are typical ratios for these firms. In general rectangular sites are preferred, with a parcel width of at least 200-feet and length that is at least two times the width for build-to-suit sites. Parcel width of at least 400 feet is desired for flexible industrial/business park developments and the largest Commercial users.	Availability of larger parcels could be a long-term issue for Grants Pass. Parking does not appear to be a problem.
Soil type	Soil stability and ground vibration characteristics are fairly important considerations for some highly specialized manufacturing processes, such as microchip fabrications. Otherwise soil types are not very important for Commercial, Office, or Industrial firms—provided that drainage is not a major issue.	Soils are generally suitable for development.
Road transportation	All firms are heavily dependent upon surface transportation for efficient movement of goods, customers, and workers. Access to an adequate highway and arterial roadway network is needed for all industries. Close proximity to a highway or arterial roadway is critical for firms that generate a large volume of truck or auto trips or firms that rely on visibility from passing traffic to help generate business. This need for proximity explains much of the highway strip development prevalent in urban areas today.	Road capacity and access from Interstate 5 is not a constraining factor in Grants Pass at this time. If competition increases for sites in close proximity to I-5, these sites may become scarce. Road capacity and connectivity within the City may be a constraining factor, especially when crossing the Rogue River.

Characteristic	Description	Comments
Rail transportation	Rail access can be very important to certain types of heavy industries. The region has good rail access to many industrial sites.	Freight rail service is provided by the Central Oregon & Pacific Railroad (CORP), which connects Grants Pass to Eugene in the north and Medford, Ashland, and California in the South.
Air transportation	Proximity to air transportation is important for some firms engaged in manufacturing, finance, or business services.	Grants Pass is located about 30 miles away from the Rogue Valley International-Medford Airport located in Medford. The airport provides passenger and freight service. Josephine County Airport provides service for private aircraft.
Transit	Transit access is most important for businesses in Health Services, which has a high density of jobs and consumer activity, and serves segments of the population without access to an automobile.	Grants Pass has limited transit through Josephine County Transit. The city is not required by state law to provide transit. The City is served by Greyhound.
Pedestrian and bicycle facilities	The ability for workers to access amenities and support services such as retail, banking, and recreation areas by foot or bike is increasingly important to employers, particularly those with high-wage professional jobs. The need for safe and efficient bicycle and pedestrian networks will prove their importance over time as support services and neighborhoods are developed adjacent to employment centers.	Within Grants Pass, the street grid provides easy pedestrian and bicycle access to most areas of town. In addition, the City has bike lanes and multi-use paths for bicycles.
Labor force	Firms are looking at reducing their workforce risk, that is, employers want to be assured of an adequate labor pool with the skills and qualities most attractive to that industry. Communities can address this concern with adequate education and training of its populace. Firms also review turnover rates, productivity levels, types and amount of skilled workers for their industry in the area, management recruitment, and other labor force	Grants Pass is able to attract labor from Josephine and Jackson Counties. Employers needing highly skilled employees may need to recruit from the greater Rogue Valley or work with Rogue Community College to develop customized training programs.

Characteristic	Description	Comments
	issues in a potential site area.	
Amenities	According to the International Economic Development Council ³⁵ , attracting and retaining skilled workers requires that firms seek out places offering a high quality of life that is vibrant and exciting for a wide range of people and lifestyles.	Grants Pass offers a rural lifestyle with close access to outdoor recreational opportunities and is centrally located along the I-5 corridor, near California, the Coast, and Siskyou and Cascade Mountains.
Fiber optics and telephone	Most if not all industries expect access to multiple phone lines, a full range of telecommunication services, and high-speed internet communications.	Grants Pass has access to high-speed telecommunications facilities.
Potable water	Potable water needs range from domestic levels to 1,000,000 gallons or more per day for some manufacturing firms. However, emerging technologies are allowing manufacturers to rely on recycled water with limited on-site water storage and filter treatment. The demand for water for fire suppression also varies widely.	The City has sufficient water to meet current and future demand for water but will need systems upgrades in the next 20 years to accommodate population and employment growth.
Sanitary Sewer	Sanitary Sewer needs range from domestic levels to 1,000,000 gallons or more per day for some manufacturing firms. The demand for sanitary sewer and the types and strength of effluent vary widely.	The City may have some limits on the types of discharges with higher strengths, which could be a limiting factor for certain industries.
Power requirements	Electricity power requirements range from redundant (uninterrupted, multi-sourced supply) 115 kva to 230 kva. The highest power requirements are associated with manufacturing firms, particularly fabricated metal and electronics.	Grants Pass has access to sufficient power supply to accommodate most commercial and industrial users.
Natural gas	Commercial use of natural gas is similar to residential uses, including space heating, water heating, and cooling. Industrial uses of natural gas vary based on the product being manufactured. Natural gas is a base ingredient in some products, such as plastic, fertilizer, anti-freeze, and fabrics. It is use in by industrial firms for lighting, heating, and running machinery. ³⁶	Avista Utilities provides residential and business natural service in Grants Pass.

³⁵ International Economic Development Council. "Economic Development Reference Guide," <http://www.iedconline.org/hotlinks/SiteSel.html>. 10/25/02.

³⁶ Based on information from NaturalGas.org; <http://www.naturalgas.org>

Characteristic	Description	Comments
Land use buffers	Industrial areas have operational characteristics that do not blend as well with residential land uses as they do with Office and Commercial areas. Generally, as the function of industrial use intensifies (e.g., heavy manufacturing) so to does the importance of buffering to mitigate impacts of noise, odors, traffic, and 24-hour 7-day week operations. Adequate buffers may consist of vegetation, landscaped swales, roadways, and public use parks/recreation areas. Depending upon the industrial use and site topography, site buffers range from approximately 50 to 100 feet. Selected commercial office, retail, lodging and mixed-use (e.g., apartments or office over retail) activities are becoming acceptable adjacent uses to light industrial areas.	The City can address compatibility through planning.

Source: ECONorthwest.

In summary, there is a wide range of site requirements for firms in industries with potential for growth in Grants Pass. While firms in all industries rely on efficient transportation access and basic water, sewer and power infrastructure, they have varying need for parcel size, slope, configuration, and buffer treatments. Transit, pedestrian and bicycle access are needed for commuting, recreation and access to support amenities.

Table 8.40.6 shows site needs by site size and major employment use. The estimate of needed sites builds off of the 20-year employment forecast. Employees and employers are distributed in ratios similar to those in 2005. The distribution assumes that Grants Pass will continue to attract similar types of employers in the future as exist in the City now. It also assumes that the average number of employees per firm (12.9) will continue into the future. Grants Pass will need about 1,400 acres of land in 445 to 695 sites.

**TABLE 8.40.6
NEEDED SITES BY SITE SIZE AND MAJOR USE,
GROSS ACRES
Grants Pass, 2007-2027**

Size of firm	Est Acres Needed	Avg. Site Size	Total		Other Emp.
			Sites Needed	Industrial	
250 +	150	50+ ac	1-2	1-2	-
100-250	200	20-50 ac	4-8	3-5	1-3
50-99	300	5-20 ac	30-45	20-30	10-15
25-49	250	2-5 ac	60-90	25-45	30-45
10-24	200	1-2 ac	100-150	30-45	70-105
1-9	300	<1 ac	250-400	75-125	175-275
Total	1,400		445-695	154-252	286-443

Source: ECONorthwest.

Table 8.40.7 compares land supply with overall demand. Goal 9, however, requires cities consider *site needs* of targeted industries. Table 8.40.7 compares industrial and commercial site needs with site supply within Grants Pass UGB between 2007 and 2027. The results show that Grants Pass has a deficit of industrial and commercial sites in all size categories. However, the deficit of smaller sites (e.g., sites less than 5 acres) will probably be compensated for through the mixed use developments, redevelopment, and increased utilization of under-utilized land.

**TABLE 8.40.7.
COMPARISON OF INDUSTRIAL AND COMMERCIAL LAND NEED AND LAND
SUPPLY, GROSS ACRES,
GRANTS PASS UGB, 2007-2027**

Employment need Avg. Site Size	Industrial Sites			Other Emp Sites		
	Needed Sites	Site Supply	Site Surplus (Deficit)	Needed Sites	Site Supply	Site Surplus (Deficit)
50+ ac	1-2	0	(1)	-	0	-
20-50 ac	3-5	1	(2-4)	1-3	0	(1-3)
5-20 ac	20-30	9	(11-21)	10-15	1	(9-14)
2-5 ac	25-45	18	(8-28)	30-45	14	(16-29)
1-2 ac	30-45	9	(22-37)	70-105	35	(35-70)
<1 ac	75-125	62	(13-63)	175-275	118	(57-157)
Total	154-252			286-443		

Source: City of Grants Pass; analysis by ECONorthwest

Note: Negative numbers represent a deficit of acres and are shown in parenthesis ().

The numbers represent the amount of buildable land that Grants Pass will need to add to its UGB to accommodate development.

8.50 FINDINGS

Population and demographic trends

1. Josephine County's population grew from 58,855 residents in 1980 to 81,125 residents in 2006, an increase of 22,270 residents over the 26-year period. Josephine County's annual population growth rate was 1.29%, which was similar to the State average (1.28%).
2. According to the Josephine County's adopted forecast, the County will grow from 76,050 people in 2000 to 113,167 people in 2027, an increase of 37,117 people at an average annual growth rate of 1.48%. By 2057, Josephine County projects that it will grow to about 160,084 residents at an average annual growth rate of 1.26%.
3. The majority of population growth in Josephine County occurred in Grants Pass. Population within the Grants Pass city limits grew from 15,032 residents in 1980 to 30,930 residents in 2006, an increase of 15,989 people at an average annual rate of 2.93%.
4. Grants Pass experienced faster population growth than the County average. Grants Pass' population more than doubled between 1960 and 2006, growing by 20,812 residents at an average annual rate of 2.46%. Grants Pass grew at an average annual rate of 2.81% between 1980 and 2006, faster than the County average. Excluding population growth from annexations, the average annual growth rate for Grants Pass between 1990 and 2006 was 2.6%.
5. Migration was the largest source of population growth in Oregon and Josephine County. For the 1990 to 2006 period, about 70% of population growth in Oregon resulted from net migration. All population growth in Josephine County between 2000 to 2006 was the result of net migration because Josephine County experienced negative population growth from natural causes, with about 1,500 more deaths than births during this period. In addition, Census data show that residents of Grants Pass were more likely to have lived in a different state in 1995 compared with the County and State averages.
6. 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 will grow only 12 percent. The economic effects of this demographic change include a slowing of the growth of the labor force, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.
7. Grants Pass is attracting retirees or near retirees and families with children. Grants Pass has a larger share of residents under 19 years and 70 years and older than Josephine County or Oregon. During the 1990's the fastest growing groups were 45 to 64 years and 5 to 17 years.

Personal income trends

8. Personal income has historically been lower in Josephine County than the State or national averages. Between 1980 and 2005, Josephine County's per capita personal

income was approximately 78% of Oregon's per capital personal income and 71% of the U.S. per capital income. In 2005, Josephine County's per capital personal income was about \$25,200, compared with the State average of about \$32,290 and national average of \$34,470. The gap between per capita income in Josephine County compared to the national average has widened since the late-1990s. During the 25-year period, Josephine County's per capita personal income grew by 51%, while personal income grew by 49% in Oregon and 59% nationally during the same period.

9. Josephine County residents had a smaller share of income from net earnings than the State average between 1980 and 2005. Approximately 49% of personal income in Josephine County was from net earnings, compared with the State average of 65% for the twenty-five year period.

Since 2000 the share of personal income from current transfers in Josephine County averaged about 27% of personal income, compared with the State average of 15%. During the same period, the average share of personal income from dividends, interest, and rent was 23%, compared with the State average of 19%. The people most likely to have personal income from these sources are retirees, which shows that retirees have been migrating to Josephine County

10. Household income in Grants Pass has historically been lower than the County average. The median household income in Grants Pass in 1999 was approximately \$29,197, which compared to Josephine County's median household income of \$31,229 and Oregon's median household income of \$40,916. Median household income in Grants Pass was about 93% of the County average and 71% of the State average.

Employment trends

11. Josephine County added 9,520 jobs between 1980 and 2005. The sectors with the largest job growth included Retail Trade, Government, and Services, such as Health Care and Social Assistance and Accommodation and Food Services.
12. Manufacturing continues to be an important source of employment in Josephine County, accounting for about 13% of employment in 2005. The Manufacturing industries with the greatest employment in Josephine County in 2005 included wood products manufacturing and plastics and rubber products manufacturing.
13. Grants Pass is, and will continue to be, a regional employment center. In 2000, about 55% of residents of Grants Pass were a part of the labor force, compared with 52% of Josephine County residents and 65% of Oregon residents. In 2005, Grants Pass had a population to employment ratio of 1.2, below the State average of 2.2 persons per job, meaning that Grants Pass has fewer residents per job than the State average.
14. In 2005 Grants Pass had 1,580 establishments with 18,765 covered workers. Employment in Grants Pass accounts for 76% of all employment in Josephine County in 2005. The sectors with the greatest percentage of employment in 2005 were Retail Trade (18%), Health Care and Social Assistance (18%), Manufacturing (11%), Government (11%), and

Accommodation and Food Services (11%). Together these sectors accounted for 12,865 jobs or 69% of employment in Grants Pass.

15. The average pay for covered employees in Grants Pass in 2005 was \$28,269. The sectors with greatest share of employment and above average pay were Government (\$39,238), Health Care and Social Assistance (\$33,429) and Manufacturing (\$30,117). The other sectors with a large share of employment had below average pay per employee, including Retail Trade (\$23,999) and Accommodation and Food Services (\$12,739).
16. About 28% of employment in the Grants Pass UGB is located in residential plan designations. It is likely that not all of the employees working in residential plan designations work from home. The types of employment typically located in residential plan designations include schools, home-based businesses, telecommuters, small retail establishments like convenience stores, and other services such as churches or fraternal organizations. It should be noted that this estimate of employment in residential plan designations does not include workers uncovered workers, most importantly sole proprietors, who may also locate in residential areas.
17. According to the 2000 Census, about 4.2% (370) of residents of Grants Pass worked from home, compared with 6.8% of Josephine County and 5% of Oregon's workforce. In 2006, Census data indicated that the share of Oregonians working from home increased to 6%. If Grants Pass has followed State trends, then a larger share of people in Grants Pass may work from home.
18. The Oregon Employment Department forecasts that Jackson and Josephine County will add 19,820 new jobs between 2004 and 2014, an increase of nearly 20%. The State forecasts that employment in Jackson and Josephine County will grow faster than the State average, 1.8% average annual growth compared to the State average of 1.4%.
19. The State forecasts that the following sectors will lead employment growth in Jackson and Josephine Counties: Retail Trade, Health Care and Social Assistance, Professional and Business Services, and Accommodation and Food Services Together, these sectors are expected to add 12,820 new jobs, or 65% of the employment growth in Jackson and Josephine Counties between 2004 and 2014.

Factors affecting employment growth in Grants Pass

20. 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 the unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. Data from the Oregon Employment Department shows that unemployment in Josephine County was 6.7% in 2006, compared with 5.4% in Oregon. The unemployment rate in Josephine County through March 2007 increased to 8.0%, about 2.2% higher than the State average.
21. The labor market in Grants Pass may be impacted by the retirement of the baby-boomers over the planning period. In the next decade, the State projects that there will be almost

twice as many job openings resulting from retirements compared to openings resulting from creation of new jobs statewide. The sectors with the most employment and the largest share of employees 55 years or older include: Education Services; Real Estate; Transportation and Warehousing; Health Care and Social Assistance; Public Administration; and Agriculture, Forestry, Fishing, and Hunting. The State expects little or no growth in Manufacturing employment over the next decade but expects that retirements will create demand for employees in Manufacturing.

22. Most workers in Grants Pass either live in Josephine or Jackson County, but do not reside in the within the city limits of Grants Pass in 2003. More than one-third of workers in the city limits of Grants Pass lived in Josephine County, near to Grants Pass. About one-third of workers in the city limits lived within the city limits of Grants Pass.
23. Information from stakeholder interviews and the Grants Pass and Josephine County Business Retention and Expansion Survey indicate that firms in Grants Pass have difficulties finding qualified employees. The shortage is both in skilled labor and reliable unskilled labor. The difficulty in finding workers may discourage firms from locating or expanding in Grants Pass.
24. As Grants Pass grows, transportation capacity and connectivity could become a constraining factor on economic development. In addition, business survey respondents to the Grants Pass and Josephine County Business Retention and Expansion Survey indicated that the distance from markets is a disadvantage in doing business in Grants Pass

Employment growth

25. The School of Business at Southern Oregon University prepared a report titled "Industrial Clusters and Jackson and Josephine Counties." This report identified twelve industrial clusters in the Rogue Valley. The clusters that may be successful or have potential growth in Grants Pass include: Elder/Health Care, Electronic Shopping, Headquarters, Wholesalers, Freight Transportation, Wood Products, Food and Beverage Production, Metals Manufacturing.
26. 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 Grants Pass UGB can be assumed to grow at 2.2% annually from 2007 to 2030. Based on this forecast Grants Pass will have about 46,788 jobs by 2027, an increase of 16,509 jobs.
27. Grants Pass will need an estimated 1,364 gross acres of land for new employment within its UGB for the 2007-2027 period. Grants Pass will need 761 gross acres for Retail and Services, 409 gross acres for Industrial uses, and 194 gross acres for Government employment.
28. Grants Pass will need to provide a supply of sites for non-residential development. The City will need to provide between 445 to 695 sites with 1,400 acres of land. Grants Pass will need to provide five to ten larger sites, 20 to 50 acres or 50 acres or more. The predominant use of

11/05/07

these larger sites will be industrial. The majority of sites, 350 to 550 sites, will need two acres or less. These sites will be used for industrial and other employment uses.



City of Grants Pass
101 Northwest A Street
Grants Pass, OR 97526

TO: ATTENTION: PLAN AMENDMENT SPECIALIST
DLCJ
635 CAPITOL STREET NE, SUITE 150
SALEM, OR 97301-2540