Eagle Point Buildable Lands Analysis

Final Report

Submitted to:

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Chapter 1
Introduction

Background

In 1982, Eagle Point adopted its first Comprehensive Land Use Plan. Consistent with state requirements, the plan included housing and economic elements that provided factual information as well as policy guidance. It also included an Urban Growth Boundary (UGB) analysis that provided justification for the City's UGB. More specifically, the Comprehensive Plan identified issues, established goals, and adopted policies that served the City in review of development applications for the past 19 years.

ORS 197.628-650 requires cities to complete a periodic review of the Comprehensive Plan every seven to ten years. In 2001, Eagle Point initiated a Periodic Review of its Comprehensive Land Use Plan, as required by Oregon state law. The State's periodic review work program requires the City to complete several tasks. This report addresses the technical elements of three of those tasks:

- Update the City's buildable lands inventory;
- Conduct a housing needs analysis consistent with statewide planning Goal 10 and ORS 197.296; and
- Conduct an Economic Opportunities Analysis (EOA) consistent with statewide planning Goal 9 and OAR 660-009-0015.

This report also compares demand for land with the supply of land. This analysis is required by ORS 197.296, as well as Goal 14, to determine if the City has sufficient buildable land to meet the 20-year demand.

Purpose

The state requirement that certain cities conduct periodic review of their Comprehensive Plans is intended to keep local land use plans current with local needs and with changing state land use policies. The purpose of this technical report is to provide data to update the Goal 9 and 10 factual components of the Eagle Point Comprehensive Plan including the buildable lands inventory.

Periodic review requires the City to address any new planning requirements adopted by the State since the City's last review of its Comprehensive Plan. The City will use this report to update the factual base of the housing and economy sections of its land use plan. Data and conclusions presented in this study will help facilitate discussions about land use policy.

Methods

In general, a Land Need Assessment contains a *supply* analysis (buildable and redevelopable land by type) and a *demand* analysis (population and employment growth leading to demand for more built space: residential and non-residential development). The geographic scope of the Land Need Assessment is composed of all land inside the Eagle Point Urban Growth Boundary (UGB).

Buildable lands

The general structure of the buildable lands inventory is based on the DLCD HB 2709 Workbook "*Planning for Residential Growth – A Workbook for Oregon's Urban Areas*," which specifically addresses residential lands. The steps and sub-steps in the supply inventory are:

1. Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.
2. Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total acres.
3. Calculate net buildable acres by plan designation, subtracting land for future public facilities from gross buildable vacant acres.
4. Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable acres.
5. The supply analysis builds from a parcel-level database to estimates of buildable land by plan designation (i.e., Low-Density Residential, Medium-Density Residential, etc.).[1] For other generalized land use types, each parcel was classified into one of the following categories:
    - Vacant land
    - Partially Vacant land
    - Undevelopable land
    - Developed land
    - Potentially Redevelopable land

A detailed discussion of the methods and definitions used to complete the buildable lands inventory is presented in Chapter 3.

CPW identified areas with steep slopes, floodplains, and wetlands as identified in the National Wetlands Inventory (NWI), and land for future public facilities as constrained or committed lands. CPW deducted these areas from lands classified as vacant or partially vacant.

[1] The parcel-level database was based on information from the Jackson County GIS Department. The base data was supplemented with additional land use data, aerial orthophotos, and field work provided by City staff.

Definitions of these characteristics and the results of the buildable residential lands inventory are presented in Chapter 3.

Economy

Oregon Planning Goal 9 and its Administrative Rule requires jurisdictions to provide an adequate supply of buildable lands for a variety of commercial and industrial activities. In addition, Goal 9 requires plans to be based on an analysis of the comparative advantages of a planning region. Comparative advantage is defined in terms of the relative availability of factors that affect the costs of doing business in the planning region, and specify many geographic, economic, and institutional factors that an analysis of comparative advantage should consider.

The analysis of comparative advantage in this report includes an evaluation of the locational factors specified by Goal 9. It assesses Eagle Point's comparative advantages relative to Jackson County, and to Oregon.

Housing

Demand for land is characterized through analysis of national, regional, and local demographic and economic data. For residential uses, population and households drive demand. For the residential sector, for example, information about the characteristics of households is used to identify types of housing that will be sought by households.

The method used in this analysis is generally consistent with the method described in the DLCD Draft Workbook: *Planning for Residential Needs* (sometimes referred to as the H.B. 2709 Workbook). The Workbook describes six steps in conducting a residential needs assessment:

1. Project the number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic trends that will affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population, and household trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households.
5. Estimate the number of additional needed units by structure type.
6. Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

DLCD, working with Housing and Community Services (HCS), developed a model to assist communities in evaluating housing needs.[2] Housing and Community Services provided Eagle Point with a data run of the model. The model output is described in the housing needs section of Chapter 5.

Report organization

The remainder of this report is organized as follows:

Chapter 2, Community Profile presents historical demographic and economic data for the City of Eagle Point and surrounding communities. The community profile is divided into population and economy sections.

This chapter provides background data for the Goal 9 economic opportunities analysis and the Goal 10 housing needs assessment. It focuses on local conditions and characterizes Eagle Point within the broader context of the Rogue Valley.

Chapter 3, Buildable Lands Supply starts with an inventory of the existing land supply. The buildable lands inventory includes a classification of all tax lots in the City and evaluates buildable land (including potentially redevelopable land) by plan designation.

Chapter 4, Economic Development contains an Economic Opportunities Analysis as required by OAR 660-009-0015. It reviews the national, state, and regional economic trends, to develop an assessment of community economic development potential.

Chapter 5, Housing Needs Analysis addresses the requirements of ORS 197.296. Specifically, it presents an evaluation of actual housing density and mix achieved during the period between 1995 and 2000, estimates the number of new dwelling units between 2000 and 2020, and evaluates housing needs in Eagle Point.

Chapter 6, Comparison of Land Supply and Demand, evaluates the supply of land by plan designation within the Eagle Point UGB. Specifically, it answers two questions: (1) does Eagle Point have enough buildable land to accommodate development forecast for the period 2000-2020? and (2) does the City have enough land in various plan designations to accommodate different types of growth?

This report also includes an appendix:

[2] The housing needs model was developed by DLCD and OHCS to assist communities in addressing the requirements of Goal 10 and ORS 197.296. Use of the model is not required to comply with Goal 10. Moreover, at the time this study was completed, the model was still in draft form and had not been subjected to formal peer review.

Appendix A, National, State, and Regional Economic Trends provides analysis of national, state, and regional economic trends as required by Goal 9.

Chapter 2
Community Profile

Background

This chapter describes demographic and economic characteristics and trends in Eagle Point. It presents historical demographic and economic data for the City of Eagle Point and, where appropriate, surrounding communities. It also presents population forecasts for Eagle Point. The community profile chapter is organized around two topics: population characteristics and economic characteristics.

This chapter provides background data for the Goal 9 Economic Opportunities Analysis (Chapter 4) and the Goal 10 Housing Needs Assessment (Chapter 5). It focuses on local conditions and characterizes Eagle Point within the broader context of the Rogue Valley. Both Goal 9 and Goal 10 require a review of national, state, and regional trends. The focus of this chapter is on Eagle Point; national, state, and regional data can be found in Appendix A.

Population characteristics

This section describes historical population trends and presents county coordinated population projections for Eagle point. The Oregon Legislature adopted changes to statutes governing population projections in 1995 that require Oregon communities to develop and adopt coordinated population forecasts. ORS 195.036 specifies that the coordinating body[3] under ORS 195.025 must:

> "…establish and maintain a population forecast for the entire area within its boundary for use in maintaining and updating Comprehensive Plans, and shall coordinate the forecast with the local governments within its boundary."[4]

ORS 195.036 provides consistency in the forecasting process by establishing a county-level population control total; jurisdictions within the County must coordinate their population forecasts so that the sum of all of the incorporated population and population allocated to unincorporated areas is consistent with long-range population forecasts developed by the Department of Administrative Service's Office of Economic Analysis.

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[3] In Jackson County, the Rogue Valley Council of Government is the local coordinating body.

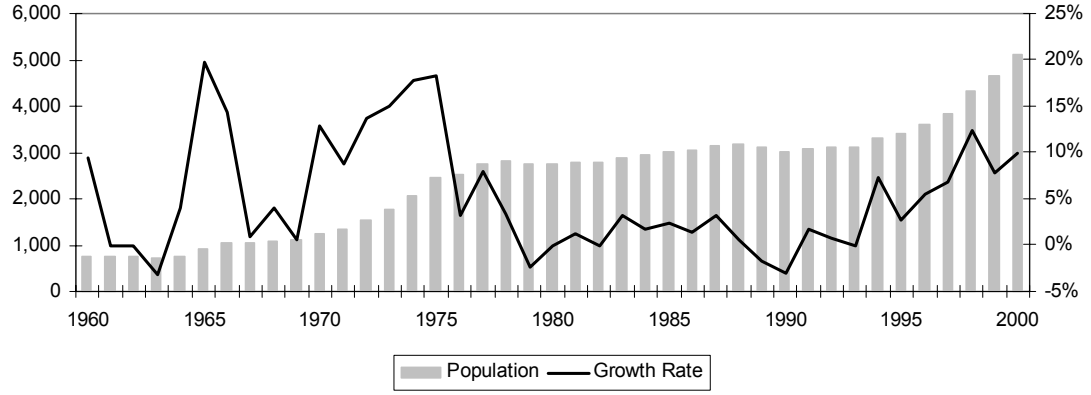
[4] ORS 195.036.

Population trends

The 2000 Census *count* placed Eagle Point's population at 4,797 persons within the City limits.[5] This figure is different than the certified 2000 population *estimate* of 5,130 by the Center for Population Research and Census at Portland State University. Based on building permits issued, City staff feel the 2000 population was higher than both the Census count and the PSU estimate. This document is not the place to resolve debates about population figures.[6] CPW consistently uses the Census 2000 figure of 4,797 throughout the report in estimating housing demand, land need, and other factors.

Figure 2-1 shows population trends in Eagle Point since 1960. The grey bars show actual persons, while the line shows the growth rate expressed as a percentage. The growth rate peaked in 1965 at nearly 20% and again in 1974 and 1975 at nearly 18%. The rapid growth in population during the 1960's and 1970's was followed by a period of stabilization and decline through the 1980s and into the early 1990s when the City averaged about 1% annual growth and increased by only 336 persons. During the mid-1990s, population began to grow at faster rates. The highest growth rate in the 1990s was in 1998 when the City expanded by 12%, or 475 new persons. Between 1993 and 2000 the City increased its population by 1,697 new persons or 35%.

Figure 2-1. Historical population growth, Eagle Point, 1960-2000



Source: Center for Population Research and Census, Portland State University; Decennial U.S. Census (1960, 1970, 1980, 1990, 2000)

Table 2-1 shows population growth of Jackson County and its cities for the period 1990 through 2000. Population in Eagle Point increased from 3,008 to 4,797 (or 1,789 new persons). Ashland, Central Point, and Medford were the only communities that gained more population than

[5] US Bureau of Census, 2000 Census of Population and Housing; PL-171 Redistricting Data.

[6] While CPW does not address the discrepancies between the various population figures in this report, this is a serious matter for the City. Population figures are used for many purposes, most importantly, for the distribution of state and federal funds.

Eagle Point during this period. Several cities grew at rates faster than Eagle Point. Central Point grew 66% and Talent grew 71%. The average annual growth rate for Eagle Point was 5.9% for the ten-year period between 1990 and 2000, compared to 2.2% for Jackson County and 2.0% for Oregon. The only other community of comparable size that grew more than Eagle Point is Central Point, which is ten miles southwest of Eagle Point and is located adjacent to Interstate Highway 5.

Table 2-1. Population growth, Jackson County and incorporated Jackson County cities, 1990–2000.

	Eagle Point		Jackson County		Oregon	
Year	Population	% Change	Population	% Change	Population	% Change
1990	3,008	-	146,400	-	2,847,000	-
1991	3,075	2.2%	151,400	3.4%	2,930,000	2.9%
1992	3,100	0.8%	152,900	1.0%	2,979,000	1.7%
1993	3,100	0.0%	157,000	2.7%	3,038,000	2.0%
1994	3,325	7.3%	160,000	1.9%	3,082,000	1.4%
1995	3,415	2.7%	164,400	2.8%	3,132,000	1.6%
1996	3,605	5.6%	168,000	2.2%	3,181,000	1.6%
1997	3,850	6.8%	169,300	0.8%	3,217,000	1.1%
1998	4,325	12.3%	172,800	2.1%	3,267,550	1.6%
1999	4,665	7.9%	174,550	1.0%	3,300,800	1.0%
2000	4,797	2.8%	179,050	2.6%	3,365,900	2.0%
% Change 1990-2000	na	59.5%	na	22.3%	na	18.2%
AAGR 1990-2000	na	5.9%	na	2.2%	na	1.8%

Source : U.S. Census (1980, 1990, 2000)

Note: Jackson County defines unincorporated area as county population minus the population of all incorporated communities.

na= not applicable

Table 2-2 shows population trends in Eagle Point, Jackson County, and Oregon for the period 1990-2000. During this period Eagle Point grew nearly 60% (1,789 persons). The majority of this growth occurred in the mid to late 1990s. Jackson County and Oregon grew more slowly than Eagle Point and experienced respective population growth rates of 2.2% and 1.8% for the period between 1990 and 2000.

Table 2-2. Population trends, Eagle Point, Jackson County, and Oregon, 1990-2000

Area	1980	1990	1980-1990 Change	2000	1990-2000 Change	% of County
United States	226,545,805	248,709,873	9.8%	275,130,000	10.6%	
Oregon	2,633,105	2,842,321	7.9%	3,421,399	20.4%	
Jackson County	132,456	146,389	10.5%	179,050	22.3%	
Ashland	14,943	16,252	8.8%	19,522	20.1%	10.9%
Butte Falls	428	252	-41.1%	439	74.2%	0.2%
Central Point	6,357	7,512	18.2%	12,493	66.3%	7.0%
Eagle Point	2,764	3,008	8.8%	4,797	59.5%	2.7%
Gold Hill	904	980	8.4%	1,073	9.5%	0.6%
Jacksonville	2,030	1,896	-6.6%	2,235	17.9%	1.2%
Medford	39,603	47,021	18.7%	63,154	34.3%	35.3%
Phoenix	na	3,239	na	4,060	25.3%	2.3%
Rogue River	1,308	1,759	34.5%	1,847	5.0%	1.0%
Shady Cove	1,097	1,351	23.2%	2,307	70.8%	1.3%
Talent	2,577	3,274	27.0%	5,589	70.7%	3.1%
Unincorporated*	60,445	62,853	4.0%	66,331	5.5%	37.0%

Source: Center for Population Research and Census, Portland State University: 1990 and 2000 U.S. Census
AAGR=Average Annual Growth Rate
na = not applicable
*= Jackson County defines unincorporated area as county population minus the population of all incorporated communities.

Much of the population increase in the Rogue Valley during the 1990s was due to in-migration. In other words, many people moved into the Rogue Valley in the 1990's. In 1999, the Oregon Employment Department conducted a detailed in-migration study of the Rogue Valley.[7] According to the Employment Department's study, the top three reasons for moving to the Rogue Valley were: (1) to be with family and friends; (2) for the quality of life it offered; and (3) for retirement. The percentage of people citing retirement as a factor for their migration into the Rogue Valley was more than double the statewide average (26% in Jackson County, compared to 12% statewide).[8]

Age trends

As a community, Eagle Point's population is getting older. The median age in 1970 was 25.3 years; median age increased to 32.0 years in 2000. By comparison, in the year 2000 median age for Jackson County was 39.0 years and 36.5 years for Oregon.[9] The increase in median age within Eagle Point is due, at least in part, to the community's attractiveness as a place to retire, and the relative lack of family-wage employment opportunities for younger people.

[7] *1999 In-Migration Study.* Oregon Employment Department (http://www.emp.state.or.us/)

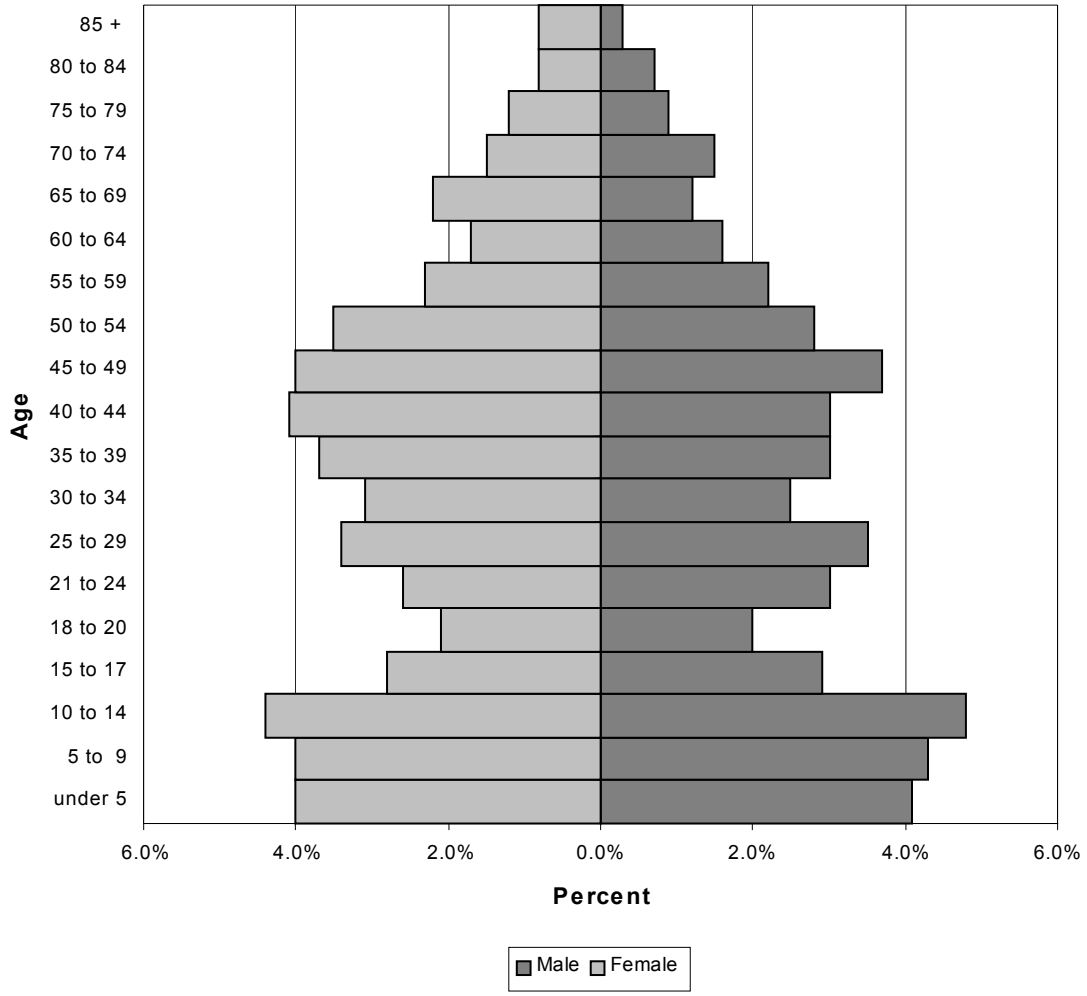
[8] *2000 Regional Economic Profile; Region 8 (Jackson and Josephine Counties)* Oregon Employment Department, (http://www.olmis.org/)

[9] Ibid

From 1990 to 2000 the aging of Eagle Point's population slowed somewhat. This slowing is related to growth patterns in the 1980s, which witnessed almost no growth in the younger age groups resulting in an older population. By comparison, during the 1990s Eagle Point saw substantial growth in the younger age groups leading to a more balanced age distribution. This shift is characterized by a larger percentage of families with children under 14 living in Eagle Point. This trend is consistent with a national trend towards a more balanced age distribution.

Figure 2-2 shows 2000 population by age and gender. The figure indicates that, in 2000, the largest percentage of people living in Eagle Point were in the 35-54 age cohorts and in the 0-14 age cohorts. The population of Eagle Point was also 48% male and 52% female in 2000.

Figure 2-2. Population by age and gender, Eagle Point, 2000



Source: Claritas, Inc.

Table 2-3 shows population by age categories at several points in time (1980, 1990, 2000, and 2005). The 1980 and 1990 data are from the U.S. Census, while the 2000 estimates and 2005 projections are from Claritas, Inc.

From 1980 to 1990, the population of Eagle Point remained virtually unchanged as the City increased in population by only 244 people. Although little growth occurred, the three oldest age groups (40-65+) gained the most population during the 1980s, growing by 233 people. By comparison, the population under the age of 40 grew by only 11 people.

Between 1990 and 2000, population increased 60%. The distribution of that growth by age group was markedly different than during the 1980s. The age groups with the largest growth rates were persons aged 40-54 (104%), 15-24 (77%) and 55-64 (64%). In absolute numbers the 40-54 age group grew the most, 508 people. The growth in the three youngest age groups (0-39) was 898 (46% of total growth) while the growth in the three oldest age groups (40+) was 1,065 (54% of total growth). These data suggest Eagle Point is attracting both families and retirees.

According to data provided by Claritas, Inc. growth by age cohort will continue to be balanced in the period from 2000-2005. In this period the age groups expected to grow the fastest are 15-24 (25%) and 55-64 (45%). The overall growth rate will be less than in the 1990s at 15% and the population will be predominately under the age of 40.

Table 2-3. Population by age cohort, 1980, 1990, 2000, and 2005

	1980 Census		1990 Census		2000 (Estimate)		2005 (Projected)	
Age	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
0 - 14	788	28.5%	853	28.4%	1,207	25.5%	1,278	23.6%
15-24	464	16.8%	410	13.6%	726	15.4%	910	16.8%
25-39	688	24.9%	688	22.9%	905	19.1%	992	18.3%
40-54	371	13.4%	491	16.3%	999	21.1%	1,118	20.6%
55-64	190	6.9%	224	7.4%	368	7.8%	533	9.8%
65+	263	9.5%	342	11.4%	522	11.0%	589	10.9%
Total	**2,764**	**100%**	**3,008**	**100%**	**4,727**	**100%**	**5,420**	**100%**

Source: U.S. Census of Population and Housing, STF-1A (1980 and 1990, CLARITAS, Inc (2000, 2005)

Table 2-4 shows growth by age cohort for 1990, 2000, and 2005. The data indicate that the age group 40-54 grew over 103% from 1990 to 2000. In addition, both the 15-24, 55-64 and 65+ age groups grew by over 50%. Although the younger age cohorts grew at the slowest rates in the period 1980-1990, from 1990-2000 they grew substantially faster than in the previous decade; the 15-24 age cohort grew 77% during the 1990s.

If aging trends continue, Eagle Point can expect to continue to see growth concentrated in the cohorts above age 40, who in 2000 amounted to 40% of the total population. Nationally, the "baby boomer generation"

is estimated to comprise over 20% of the population in 2020, and occupy the age cohorts above age 65. Eagle Point will follow national trends as the cohorts over age 65 will comprise at least 20% of the population.

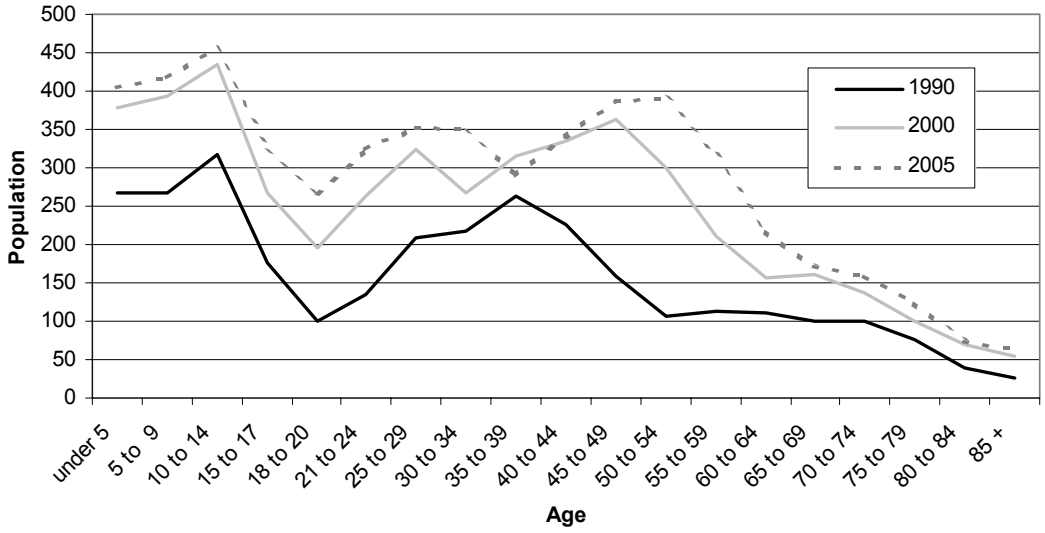
Table 2-4. Growth by age cohort 1990-2000, 2000-2005

	1990-2000		2000-2005	
Age	**Growth**	**Percent**	**Growth**	**Percent**
0 - 14	354	41.5%	71	5.9%
15-24	316	77.1%	184	25.3%
25-39	217	31.5%	87	9.6%
40-54	508	103.5%	119	11.9%
55-64	144	64.3%	165	44.8%
65+	180	52.6%	67	12.8%
Total	**1,719**	**57.1%**	**693**	**14.7%**

Source: U.S. Census of Population and Housing, STF-1A (1980 and 1990, Claritas, Inc (2000, 2005)

Figure 2-3 shows population by age group for 1990, 2000 and 2005. The peaks in the figure show the general increase in population in the various age cohorts during this time period. The figure also shows aging of the population in this time period. The 40-44 age cohort was among the largest in 1990; this peak shifts to the 50-54 cohort in 2000 and the 55-59 cohort in 2005. The 2005 projection shows a peak in the 45-59 age range that corresponds with the "baby boomer" generation. The troughs in the range 18 to 24 and again in the 35 to 44 age ranges reflect the "baby bust" generation (a generational effect when less people were born

Figure 2-3. Population by age group: 1990, 2000, and 2005



Source: Claritas, Inc.

Race and ethnicity

Table 2-5 shows race and ethnicity in Eagle Point for 1990 and 2000. According to the 2000 Census, the population of Eagle Point was 91.5% white. The next largest ethnic group was Hispanic, with 3.5%. The percentage growth for people of Hispanic origin was among the largest for any race and ethnicity during the 1990-2000 period. The Hispanic population grew 92% in this period, from a population of 88 (2.9%) in 1990 to 169 (3.5%) in 2000.

Hispanics comprised 3.5% of the Jackson County population in 2000. According to the 1999 in-migration study completed by the Oregon Employment Department, 9.7% of the in-migrants to the Rogue Valley[10] between 1990 and 1999 were of Hispanic origin.[11] This increase accounts for some of the growth of the Hispanic population in Eagle Point. The Hispanic population in Eagle Point and in the entire Rogue Valley is expected to continue increasing over the next 20 years.

[10] The Rogue Valley includes Jackson and Josephine Counties.

[11] *1999 In-migration Study.* Oregon Employment Department: http://www.emp.state.or.us

Table 2-5. Race and Hispanic origin, 1990 and 2000

Race and Ethnicity	1990 Number	1990 Percent	2000 Number	2000 Percent	% Growth (90-00)
Total	3,008	100%	4,797	100%	59.5%
White	2,906	96.6%	4,469	93.2%	53.8%
Black	6	0.2%	18	0.4%	200%
Am Ind/Eskimo/Aleut	63	2.1%	83	1.7%	31.7%
Asian/Pacific Islander	33	1.1%	28	0.6%	-15.2%
Hispanic	88	2.9%	169	3.5%	92.0%

Source: U.S. Census of Population and Housing (1990), STF-1A (1990 and 2000),

Educational attainment

Table 2-6 shows 1990 educational attainment for persons 25 and older in Eagle Point in 1990. In 1990 the majority of Eagle Point residents 25 and older had at least a high school education (76%); a rate less than both Jackson County and Oregon. Only eight percent of the population has a bachelor's degree or higher, compared to 18% for Jackson County and 21% for Oregon. Since 1990, however, Eagle Point has experienced a considerable amount of high-end housing. Based on this and other demographic trends, there is evidence that the level of education of Eagle Point residents has increased significantly since 1990.

Table 2-6. Educational attainment for persons 25 and older, 1990

	Eagle Point	Jackson County	Oregon
Less than 9th grade	6.2%	6.2%	6.2%
9th to 12th grade, no diploma	18.3%	13.7%	12.3%
High school graduate	43.6%	32.3%	28.9%
Some college, no degree	18.5%	24.4%	25.0%
Associate degree	5.0%	5.7%	6.9%
Bachelor's degree	6.3%	11.7%	13.6%
Graduate or professional degree	2.1%	5.9%	7.0%
High school graduate or higher	75.5%	80.1%	81.5%
Bachelor's degree or higher	8.4%	17.6%	20.6%

Source: U.S. Census of Population and Housing (1990)

Household characteristics

Table 2-7 shows selected household characteristics in 1980, 1990 and 2000. Family households represented 79% of all households in 1980 and 74% in 2000. A total of 810 households and 547 families were added between 1980 and 2000. For this period families comprised 68% of the population growth. Data provided by Claritas Inc. project the number of families as a percentage of households will continue to decrease, at least during the 2000 to 2005 period.

Consistent with national trends, the average household size in Eagle Point decreased during the period 1980 to 2000, from 2.93 persons per household to 2.66 persons per household. The decrease in household size is related to the decrease in the percentage of families living in Eagle Point. According to Claritas data, this trend will continue through 2005, when the average household size will be 2.62.

A national report produced by the Brookings Institute shows that the average national household size will continue to decrease over the next twenty years. All indicators suggest Eagle Point will follow this trend.[12] Therefore, for the purpose of forecasting future housing demand, CPW assumes the average household size for the period of 2000-2020 will be 2.55 persons.

Table 2-7. Household characteristics, Eagle Point, 1980, 1990, 2000 and 2005

Year	Households (HH)	Family HH	Families as % of all HH	Average HH Size
1980	965	766	79.4%	2.93
1990	1,085	824	75.9%	2.77
2000	1,775	1,313	74.0%	2.66
2005	2,068	1,510	73.0%	2.62

Source: U.S. Census of Population and Housing, STF1A (1990), 2000 estimate and 2005 projection Claritas, Inc.

Table 2-8 shows selected population characteristics for the period 1980-2000; and projections to 2005. From 1980-1990 the growth in population was limited by the economic recession. There was also a substantial decrease, 5.5%, in the household size for this period.

From 1990-2000 the rate of population growth increased substantially. The growth in households, families, and housing units all were close to or above 60%. Although population increased, household size continued to decrease another 3.9% during this period.

[12] *The Implications of Changing U.S. Demographics for Housing Choice and Location in Cities*; The Brookings Institute, 2000 (http://www.brookings.org/es/urban/riche/riche.pdf)

Table 2-8. Population characteristic trends, Eagle Point, 1980-2005

	Percent Change			
	1980-90	1990-00	1980-00	2000-05
Population	6.3	57.1	91.5	14.7
Households	12.4	63.6	114.3	16.5
Families	7.6	59.3	97.1	15
Housing Units	12.1	64.3	114.9	16.6
Household Size	-5.5	-3.9	-10.6	-1.6

Source: U.S. Census of Population and Housing (1990), 2000 estimate and 2005 projection Claritas, Inc.

Population forecast

Population forecasts are important components of comprehensive land-use plans. Many policy decisions are based on population forecasts—everything from allocation of funding for roads and other public services, to how much water and sewer capacity the City will require. Moreover, a coordinated local population forecast is necessary to meet state statutory requirements under ORS 195.036.

Table 2-9 shows the coordinated population forecast for Eagle Point and the other incorporated communities of Jackson County for 1998-2020. Eagle Point is projected to have a population of 9,530 in the year 2020. The allocation assumes an average annual growth rate of 5.5% for Eagle Point; the highest rate in Jackson County. Eagle Point currently holds 2.6% of Jackson County's population. Eagle Point will account for 4.2% of Jackson County's population in the year 2020 under the coordinated population forecast.

Table 2-9. County coordinated population forecasts, Jackson County and its incorporated communities, 1998-2005

Area	1998	2000	2005	2010	2015	2020
Jackson County	172,800	176,845	187,607	200,863	212,182	225,776
Ashland	19,220	19,524	20,307	21,120	21,999	22,846
Butte Falls	425	426	428	430	433	435
Central Point	11,255	11,780	13,201	14,795	16,580	18,581
Eagle Point	4,325	4,650	5,565	6,660	7,970	9,530
Gold Hill	1,240	1,302	1,472	1,665	1,882	2,128
Jacksonville	2,090	2,210	2,530	2,885	3,200	3,320
Medford	58,895	60,561	64,934	71,110	74,652	80,043
Phoenix	3,905	4,041	4,400	4,792	5,172	5,683
Rogue River	1,960	2,037	2,244	2,472	2,723	3,000
Shady Cove	2,315	2,430	2,794	3,278	3,898	4,400
Talent	5,050	5,254	5,802	6,406	7,073	7,811
Unincorporated	62,120	62,630	63,930	65,250	66,600	67,999

Source: Rogue Valley Council of Governments.

Economic characteristics

Growth in Eagle Point during the 1990s was largely constrained to residential growth. Growth in employment has been slow in the Eagle Point community following the decline in timber-related jobs in the 1980s and the recession of the early 1990s. Growth in employment has not kept pace with population growth.

Population and employment

Table 2-10 shows a comparison of population and employment for Eagle Point and Jackson County between 1990 and 1999. One way of comparing population and employment is the population-employment ratio, which is a simple ratio of the number of people per job. A low population-employment ratio means more jobs for more residents. A population-employment ratio of about 2:1 is typical for large areas. Between 1990 and 1999, 1,643 new residents moved to Eagle Point while only 335 jobs were created. The population-employment ratio for new growth between 1990 and 1999 was 4.9, or 4.9 people for every job (4.9:1). In addition, the overall population-employment ratio increased from 2.4:1 in 1990 to 3.0:1 in 1999.

Similar statistics for Jackson County show that employment is increasing in the county in relation to population expansion. Jackson County grew by 25,356 residents between 1990 and 1998, and increased its employment by 13,910 jobs. This increase in employment relative to population decreased the 1998 population-employment ratio to 2.1:1.

The increase in population within Jackson County, relative to employment, suggests that most new residents of Eagle Point either work in another community or, are unemployed and/or retired.

Table 2-10. Population and employment, Eagle Point and Jackson County, 1990 and 1999

Area	Population	Employment	PE Ratio*
Eagle Point			
1990	3,022	1,247	2.4
1999	4,665	1,582	3.0
Change	1,643	335	4.9
% Change	54.4%	26.9%	21.9%
Jackson County			
1990	147,444	68,200	2.2
1998	172,800	82,110	2.1
Change	25,356	13,910	1.8
% Change	17.2%	20.4%	-2.7%

Source: ES 202, Portland State University
Data for Population and Employment for Eagle Point Change 1990-1999 and Jackson County Change 1990-1998 is for new population and employment only.
* PE Ratio = Population to Employment Ratio

The largest industries in the Rogue Valley include agriculture and manufacturing, the service industries of education, health care and tourism related businesses. The lumber and wood products industry, traditionally a strong industry, declined in the 1980s. A result of the decline in the lumber and wood products industry was an increase in unemployment and slower population growth. Eagle Point grew faster in the 1990s and experienced lower unemployment in the 1990s.

Much of the recent growth in employment in the Rogue Valley region is related to the impact of Medford as a regional trade center for the region. Many of the jobs created in Jackson County during the 1990s were in the non-manufacturing sectors and either service related (a growth of 11,500 jobs from 1988-1998) and in the construction sector which experienced a growth of over 2,000 jobs (87%).

Table 2-11 shows employment and payroll in Eagle Point for 1990 and 1999. The sectors experiencing significant growth were: Services (374 new jobs, 76% growth), Retail Trade (50 new jobs, 49% growth) and Construction (48 new jobs, 37% growth). The sectors that experienced a significant decrease were: Manufacturing (lost 86 jobs, 32% of total) and Transportation (lost 64 jobs, 52% of total).

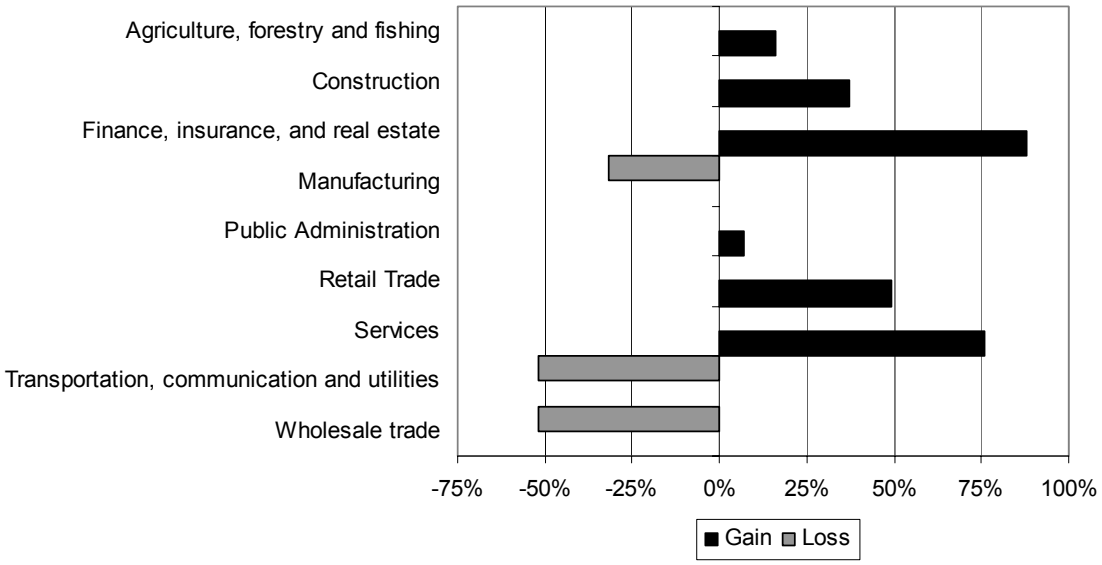
Table 2-11. Eagle Point employment and payroll, 1990 and 1999

	1990		1999	
Industry	**Employment**	**Payroll**	**Employment**	**Payroll**
Agriculture, forestry and fishing	93	$1,210,010	108	$2,227,188
Construction	130	$1,750,932	178	$3,972,096
Finance, insurance, and real estate	8	$96,806	15	$293,743
Manufacturing	265	$5,054,312	179	$4,954,472
Public Administration	15	$281,986	16	$544,302
Retail trade	102	$769,485	152	$1,660,506
Services	491	$9,494,444	865	$18,290,378
Transportation, communications and utilities	123	$1,966,316	59	$1,321,899
Wholesale trade	21	$211,304	10	$326,183
Other Non-classifiable establishments	1	$26,097	0	$1,220
Total	**1,249**	**$20,861,692**	**1,582**	**$33,591,987**

Source: Oregon Employment Department, confidential ES-202 data

Figure 2-4 shows the percent of employment change in key sectors within Eagle Point. Six sectors increased employment between 1990 and 2000: Agriculture, forestry and fishing (16%); Construction (37%); Finance, insurance and real estate (88%), Public Administration (7%); Retail Trade (49%); and Services (76%). Three sectors lost employment during the 1990-2000 period: Manufacturing (-32%), Transportation, communication and utilities (-52%) and Wholesale Trade (-52%) Three sectors increased by nearly 50% or more: Finance, insurance and real-estate; Services and Retail Trade.

Figure 2-4. Eagle Point employment and payroll change, 1990 and 1999



Source: Oregon Employment Department, confidential ES-202 data

From 1980 to 1999, the labor force and employment for Jackson County increased by 56%.[13] In addition to the countywide increase in the labor force, unemployment decreased from a high of 15% to 6.8% in 1998. The state and national rates for 1998 were 5.6% and 4.9% respectively. While Eagle Point is not increasing its share of employment, it is clear that the residents of Eagle Point are finding employment in other areas of the Jackson County region.

Income

Table 2-12 shows income of Eagle Point residents as reported by Claritas, Inc, for several points in time. Income of residents of Eagle Point increased from 1979-2000. The 2000 per capita income for Eagle Point was $13,578. This compares with per capita figures of $23,214 (1998) ($24,248 – inflation adjusted) and $26,000 (1999) ($26,712 – inflation adjusted) for Oregon.[14] These figures compare to the 1989 numbers of $8,786 (12,247 inflation adjusted) for Eagle Point, $15,306 ($21,335 inflation adjusted) for the Medford-Ashland MSA and $16,387 ($22,842 inflation adjusted) for Oregon. Comparatively, Eagle Point residents made much less per capita than residents in the larger areas of Jackson County and Oregon.

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[13] *2000 Regional Economic Profile, Region 8*: Oregon Employment Department: 11/99.

[14] Sources: Oregon Employment Department; Center for Population Research & Census, PSU; U.S. Census Bureau; Bureau of Economic Analysis; Oregon Tourism Commission; Oregon Department of Revenue; Oregon Economic and Community Development Department. Inflation adjusted using the Consumer Price Index Calculator (http://www.olmis.org/)

Table 2-12. Income of Eagle Point residents, 1979-2005

Income	1979 (Census)	1989 (Census)	% Chg 79-89	2000 (Est.)	% Chg 89-00	2005 (Proj.)	% Chg 00-05
Aggregate($MM)	17	26	47.5	64	142.9	89	39.7
Per Capita	6,330	8,786	38.8	13,578	54.5	16,548	21.9
Avg Household	17,922	24,359	35.9	36,160	48.4	43,371	19.9
Median Hhold	16,132	21,347	32.3	30,159	41.3	34,030	12.8
Avg Family HH	19,583	27,468	40.3	40,767	48.4	48,890	19.9
Med Family HH	17,759	25,132	41.5	34,767	38.3	39,458	13.5

Source: Claritas, Inc.

Conclusion

Eagle Point experienced significant population growth between 1990 and 2000. Eagle Point's growth in the 1990s far exceeded the growth in most areas of Jackson County and Oregon as a whole. The characteristics of growth include the following findings:

- *Population will increase.* Eagle Point's population will almost double in the next 20 years; population in the year 2020 is expected to reach 9,530.
- *The population will be older.* Median age is increasing; the median age of Eagle Point increased to 32.0 in 2000 as a result of the in-migration of retirees, the baby boom generational effect and the decline in the local economic base.
- *Households will be smaller.* Household size is projected to decrease to 2.55 persons per household by the year 2020–a result of the aging of the population and societal trend for smaller family size.
- *The population will be more diverse.* The percentage growth for people of Hispanic origin (3.5%) was among the largest for any race and ethnicity during the 1990-2000 period. This trend is projected to continue in the planning period.
- *The population/jobs gap is increasing.* Between 1990 and 1999, one job was created for every five new residents.
- *Eagle Point is losing high-wage jobs and gaining low-wage jobs.* Eagle Point is losing jobs in the higher paying sectors: manufacturing, transportation, communications and utilities, and wholesale trade. Growing industries include the lower paying industries of finance, insurance and real-estate (FIRE), services, construction and retail trade.
- *Eagle Point residents earn less on average.* Average per capita and average household income is less in Eagle Point than the average for the State and Jackson County.

Chapter 3
Buildable Lands Inventory

This chapter presents an inventory of buildable lands in Eagle Point as of December 31, 2000.[15] As required under Oregon's statewide planning system, all cities in the state must periodically review their buildable land supply to determine whether the City has sufficient land to meet demand for residential, commercial, industrial and public land. Specifically, the statewide planning program requires that incorporated cities maintain Urban Growth Boundaries (UGBs) large enough to accommodate a 20-year supply of buildable land.

Methods

CPW inventoried buildable lands in Eagle Point using the methods described in the DLCD Housing Workbook: *Planning for Residential Needs in Oregon Communities.* While the Workbook specifically addresses residential lands, CPW applied the methods described in the Workbook to the analysis of commercial, industrial and public lands as well. As outlined in the Workbook, the steps and sub-steps in the buildable lands inventory are:

1. Calculate the gross vacant acres by zoning district, including fully vacant and partially vacant tax lots.[16]
2. Calculate the gross buildable vacant acres for each zoning district by subtracting unbuildable acres from total acres.
3. Calculate the net buildable acres by zoning district by subtracting land for future public facilities from the gross buildable vacant acres.
4. Calculate the total net buildable acres by zoning district by adding redevelopable acres to the net buildable acres.

CPW began the buildable lands analysis with a tax lot database provided by the Jackson County GIS Department. The first step in the analysis was to classify all land into one of the following mutually

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[15] CPW would like to thank the Jackson County GIS Department for prioritizing the updating of the Eagle Point tax lot data and providing CPW with the most accurate and current data possible.

[16] A *gross* buildable acre is an acre of land before land used for streets and other public purposes is subtracted. A *net* buildable acre represents the density of development after netting out streets and other public uses. Gross acres are converted to net acres using a gross-to-net factor. This factor is easily determined in residential areas by evaluation of subdivision plats (using the total parent parcel size and the acres in tax lots). Depending on the type of development, gross-to-net factors typically range from 15% to 30% in residential areas. Net densities are always higher than gross densities.

exclusive categories: Vacant, undevelopable, partially vacant, developable, and potentially redevelopable.

CPW used Jackson County GIS and assessment data together with a rule-based methodology and aerial photographs to complete the land classification. The specific rules applied by CPW to classify land are described in the definitions section below. Where data was inconclusive or unavailable, CPW and Eagle Point city staff verified land classifications with aerial photographs and field checks.

CPW used the following definitions to classify all tax lots in Eagle Point.

- *Vacant Land*. Tax lots within the UGB that have no structures or have buildings with very little value. For the purpose of this study, vacant residential land is defined as land that is designated for residential use with a market improvement value of less than $10,000. Vacant commercial and industrial land is defined as land that is designated for commercial or industrial use with a market improvement value of less than $25,000. The split in market value baselines between residential improvements and commercial/industrial improvements accounts for the inherently higher value of commercial and industrial improvements relative to residential improvements. Improvement values are based on year 2000 fourth quarter Jackson County assessment and taxation data.
- *Undevelopable Land*. Land that is under the minimum legal building lot size for the underlying zoning district, land that has no access, or land that is already committed to other uses by policy. For the purposes of this study, lots under 3,000 square feet, lots with no potential for future automobile access, and lots that are committed to other uses by policy are considered undevelopable.
- *Partially Vacant Land*. Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. For example, a single residential dwelling on a 1-acre tax lot, where urban densities are allowed, is considered partially vacant. A standard 0.25-acre deduction was taken for the developed portion of partially vacant residential lots. For commercial and industrial lots, CPW estimated the vacant portion using aerial photos, field observations, and GIS.
- *Developed Land*. Land that is developed at densities ,or with uses consistent with, the zoning district in which it falls and which include improvements that make it unlikely to redevelop during the 20-year planning period. For purposes of this study, land that is not classified as vacant, partially vacant, or undevelopable is considered developed. Potentially Redevelopable Land is a subset of Developed Land.

- *Potentially Redevelopable Land*. Land that is developed but on which, due to present expected market forces, there exists the potential that existing development will be converted to more intensive uses during the planning period. For purposes of this study, all tax lots with improvement-to-land value ratios of less than 1:1 that are not classified as vacant, undevelopable, or partially vacant are considered potentially redevelopable.

One key issue that is not directly addressed in this set of definitions is land in the "development pipeline" (e.g. those lots that are currently vacant, but have preliminary subdivision plats, have received building permit or development approval). As of January 2001, the City had several tentative subdivision plats and many approved building permits. CPW did not address the pipeline issue in this report.

Land by classification

The City of Eagle Point has approximately 1,755 acres of land in 1,900 tax lots within its Urban Growth Boundary. Table 3-1 provides a breakdown of acreages by land classification. Of the 1,755 acres, 637 were identified as developed, 123 acres as constrained, and 973 buildable. An additional 23 acres were identified as potentially redevelopable.

Table 3-1. Land by classification, Eagle Point UGB, 2000

Classification	Number of Tax Lots	Total Acres	Developed Acres	Constrained Acres	Buildable Acres	Potentially Redev Acres
Developed	1,318	497	471	26	0	0
Exempt	89	154	128	26	0	0
Partially Vacant	158	520	37	27	455	0
Vacant	296	552	0	36	516	0
Redevelopable	20	28	0	5	0	23
Undevelopable	17	2	0	2	0	0
Unclassified	2	1	0	0	1	0
Total	**1,900**	**1,755**	**637**	**123**	**973**	**23**

Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

About 28% of Eagle Point's total land base is classified as developed, with an additional 61% of the total land base falling in the vacant or partially vacant categories. After factoring in constraints to development, approximately 51% of Eagle Point's land base is currently buildable or available for further development.

Table 3-2 shows all land in the Eagle Point UGB by Comprehensive Plan designation. About 60% of developed land in the UGB is in residential use. About 25% of developed land is in commercial use, and 15% is in public use. Only 1% is in industrial use. This figure shows the limited amount of industrial land uses in Eagle Point.

The data show that roughly 74% of the land within the UGB is designated for residential development. Of the 26% of non-residential

land that remains, 11% is designated commercial, 7% is designated industrial, and 8% is designated public/semi-public.

Table 3-2. Land by comprehensive plan designation, Eagle Point UGB, 2000

Plan Designation	Number of Tax Lots	Total Acres	Developed Acres	Constr Acres	Buildable Acres	Potentially Redev Acres
Low Density Residential	113	400	24	31	345	0
Medium Density Residential	962	670	221	38	404	7
High Density Residential	607	234	131	16	81	5
Central Commercial	115	27	22	2	3	0
Outlying Commercial	36	169	138	5	21	6
Industrial	30	116	8	1	103	4
Public Land	37	140	93	31	16	1
Total	**1900**	**1755**	**637**	**123**	**973**	**23**

Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

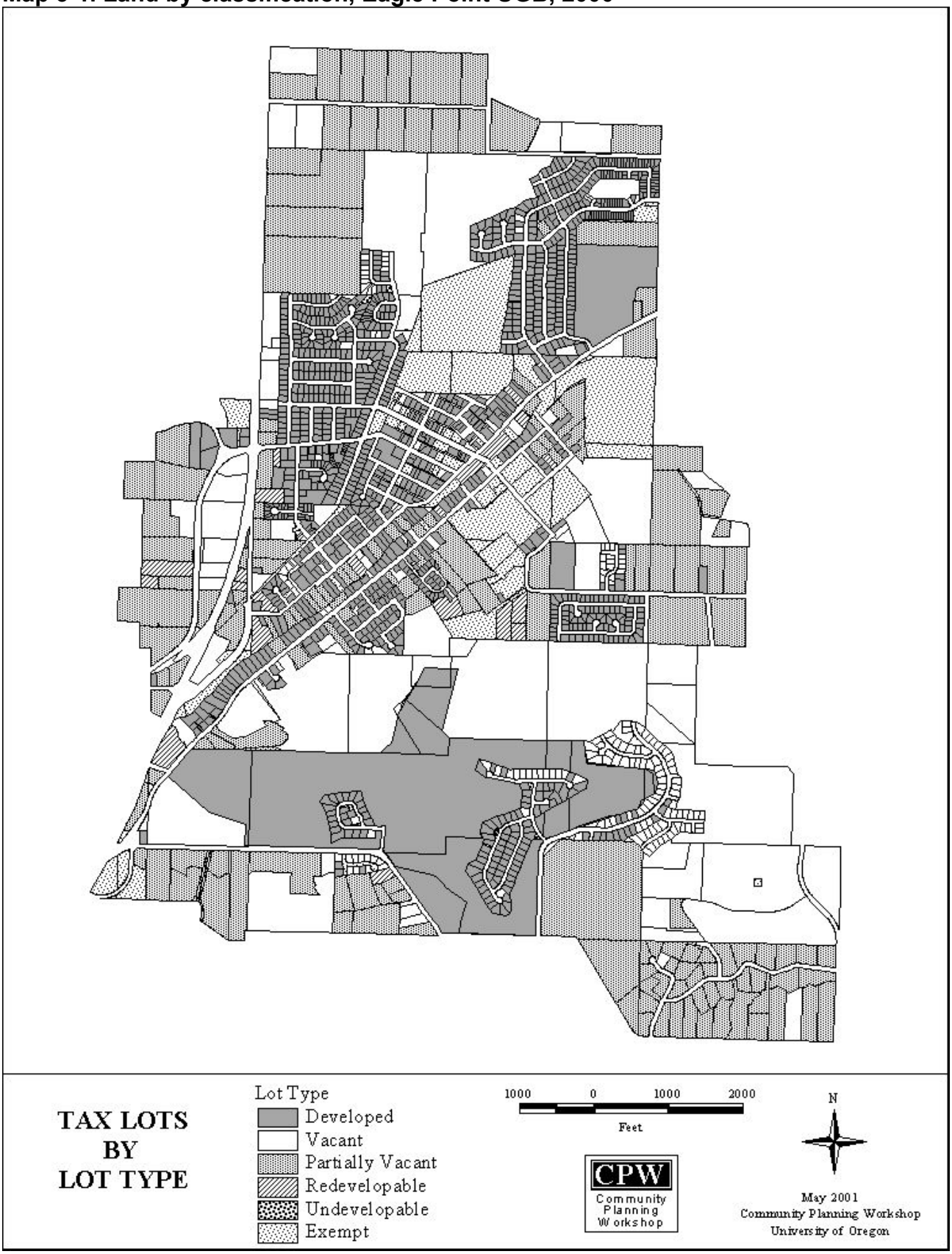
Table 3-3 shows the distribution of developed and vacant land by plan designation. The data underscore the split between residential land availability and the availability of commercial, industrial and public/semi-public lands. Specifically, the data show that after accounting for developed and constrained lands, 85% of the total buildable land base is held in residential designations. Of the 15% of land remaining, 11% is in industrial designations, 2% is in commercial designations, and 2% is in public/semi-public designations. These data suggest an imbalance in land designations in Eagle Point.

Table 3-3. Distribution of developed and vacant land by plan designation, Eagle Point UGB, 2000

Plan Designation	Total Acres	Developed Acres	Buildable Acres
Residential	74%	59%	85%
Commercial	11%	25%	2%
Industrial	7%	1%	11%
Public Land	8%	15%	2%

Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Map 3-1. Land by classification, Eagle Point UGB, 2000



Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Buildable land supply

CPW estimated the supply of buildable land by adding total vacant and partially vacant acres together, and subtracting lands with natural or physical constraints. CPW next subtracted 0.25 acres from partially vacant residential parcels to account for existing development on partially vacant parcels. Table 3-4 provides a summary of total Vacant and Partially Vacant acres by Comprehensive Plan Designation.

Table 3-4. Vacant and partially vacant land by plan designation

Comprehensive Plan Designation	Number of Tax Lots	Total Acres	Buildable Acres	Percent of Buildable Acres
Low Density Residential	102	392	345	36%
Medium Density Residential	207	428	403	41%
High Density Residential	73	93	81	8%
Central Commercial	19	4	3	0%
Outlying Commercial	19	27	21	2%
Industrial	24	106	103	11%
Public Land	10	21	16	2%
Total	**454**	**1,072**	**972**	**100%**

Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW
Note: percents do not sum because of rounding errors

Table 3-4 shows that nearly 85% of total vacant and partially vacant lands fall within residential plan designations. Conversely, less than 3% of the land classified as vacant falls within commercial designations. An additional 10% is classified as industrial, with the remaining 2% of vacant and partially vacant land designated for public and semi-public uses.

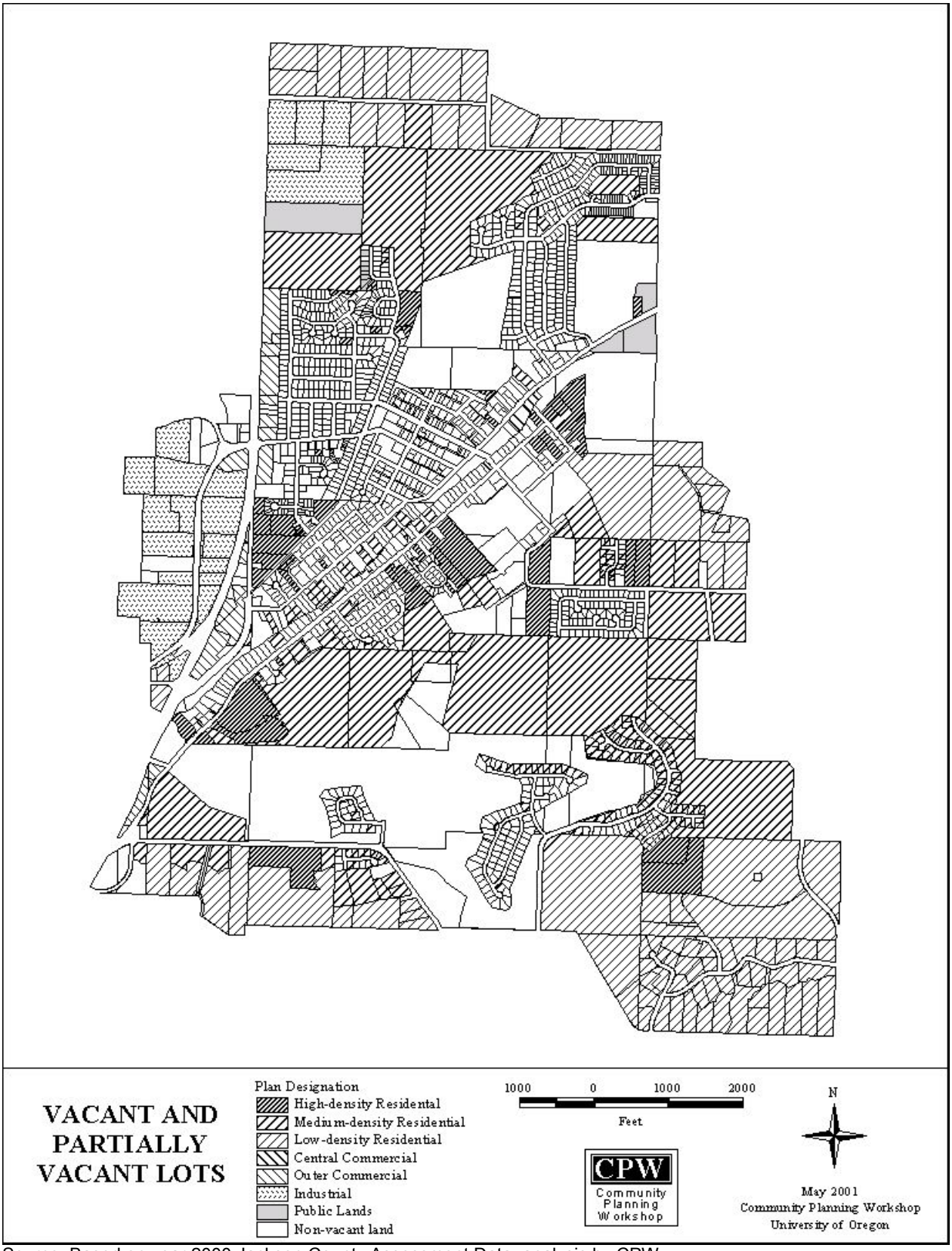
An evaluation of vacant and partially vacant land by existing zoning district (Table 3-5) demonstrates that roughly 28% of the existing vacant and partially vacant land base lies outside the City limit. An additional 64% is contained in residential districts. The remaining 6% of existing vacant and partially vacant land is zoned for commercial or industrial development. CPW notes that for the purposes of this inventory, all Public and Semi-Public lands (including the Eagle Point Golf Course) were assumed to be unavailable for residential, commercial, or industrial development and were therefore classified as exempt. In practice, some of the land currently zoned for public use may be able to support additional development or redevelopment with additional public or semi-public uses.

Table 3-5. Vacant and partially vacant land by zone, Eagle Point UGB, 2000

Zoning Designation	Number of Tax Lots	Total Acres	Buildable Acres	Percent of Buildable Acres
Residential				
RF	59	175	145	15%
R-1	2	41	40	4%
R-1-6	2	0	0	0%
R-1-8	140	244	234	24%
R-1-10	49	123	107	11%
R-1-12	1	22	17	2%
R-2	66	101	93	10%
R-3	22	19	23	2%
R-4	8	13	12	1%
Subtotal	**349**	**737**	**7**	**69%**
Commercial				
C-1	27	18	0	1%
C-2	7	8	0	1%
Subtotal	**34**	**26**	**0**	**2%**
Industrial				
I-1	3	10	0	1%
I-2	--	--	--	--
Subtotal	**3**	**10**	**0**	**1%**
Public/Semi-public				
Subtotal	**3**	**1**	**0**	**0%**
UGB				
Subtotal	**54**	**289**	**3**	**28%**
Total	**443**	**1,063**	**10**	**100%**

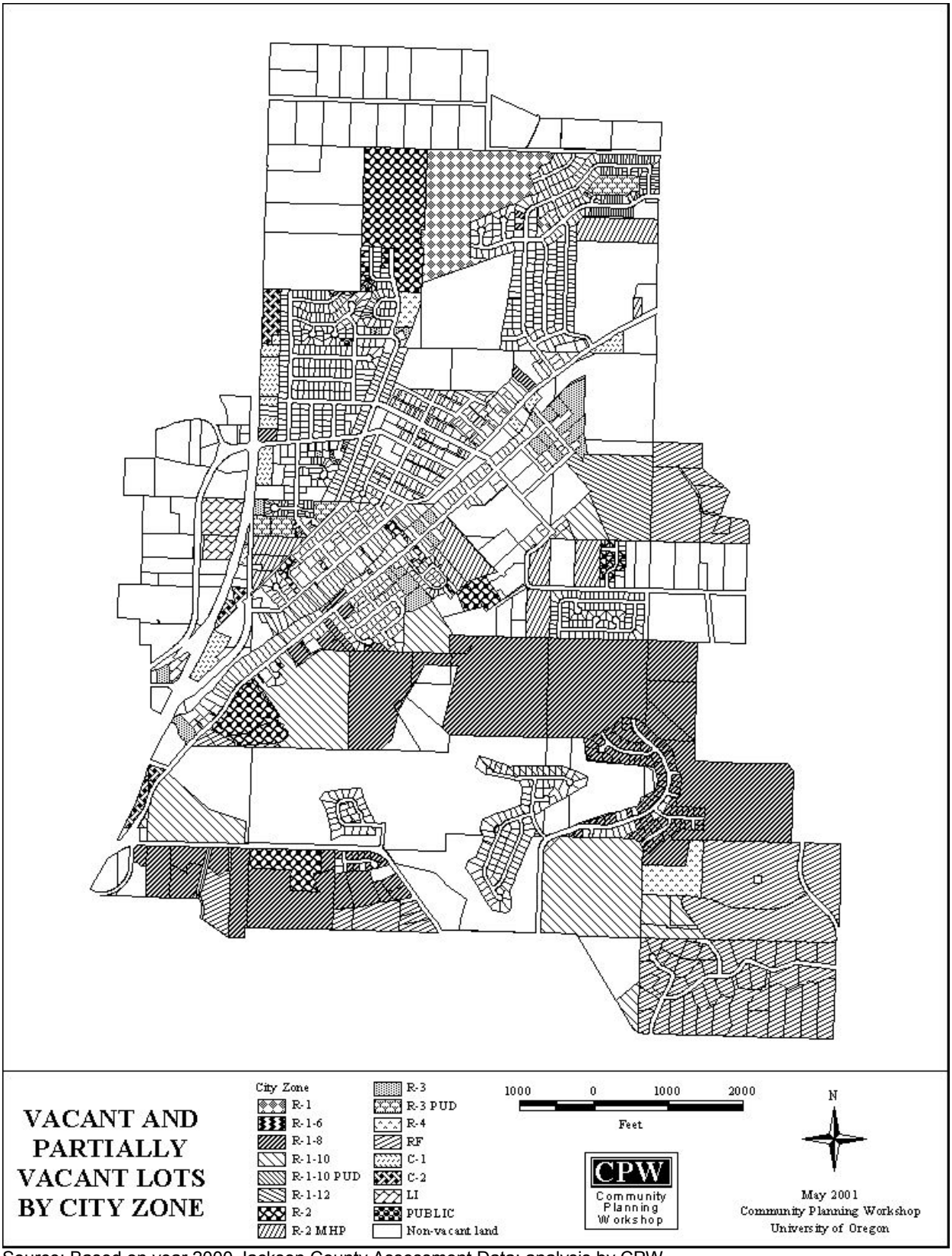
Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Map 3-2. Vacant and partially vacant land by plan designation, Eagle Point UGB, 2000



Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Map 3-3. Vacant and partially vacant land by zone, Eagle Point UGB, 2000



Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Constrained land

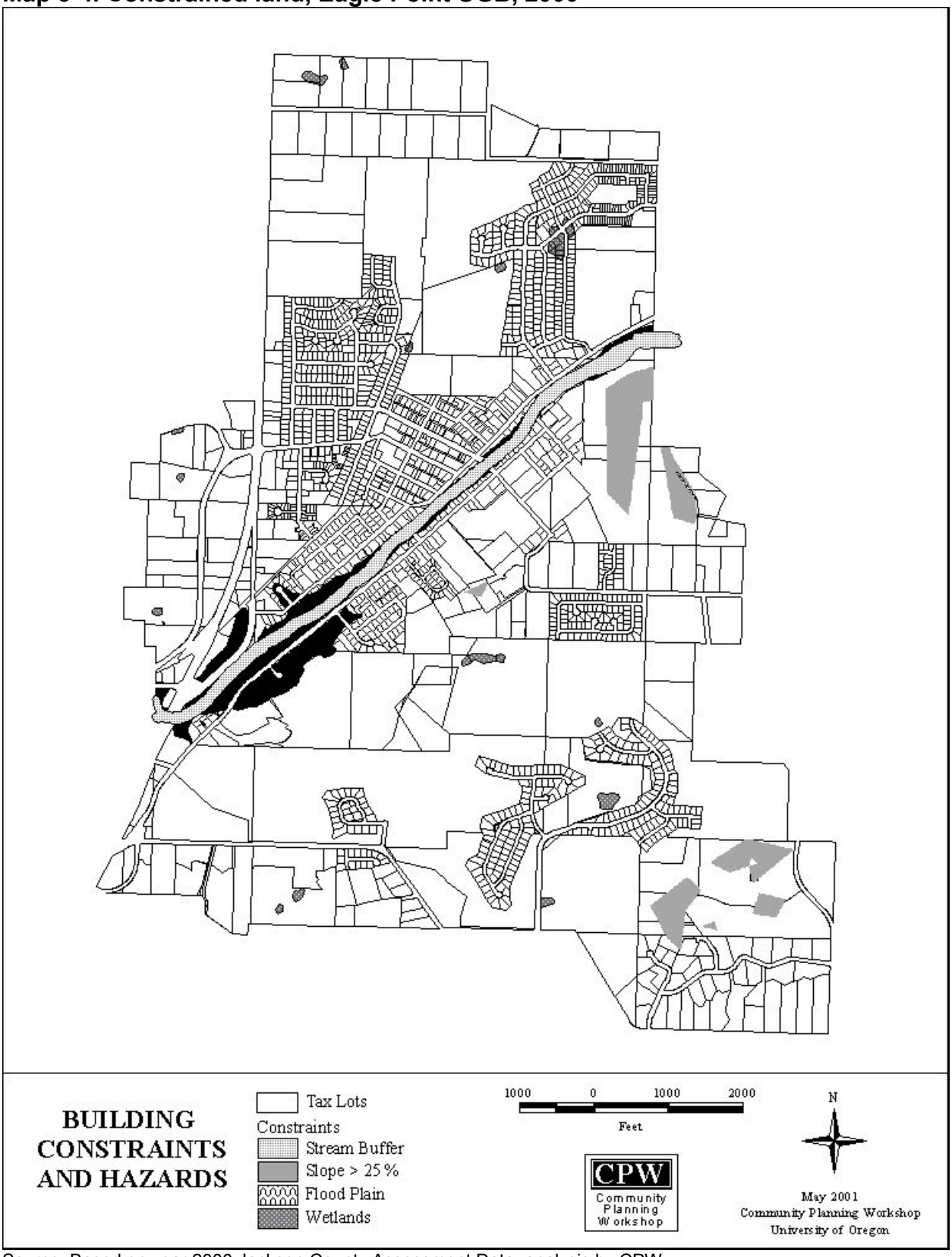
CPW evaluated land constraints using a variety of sources including current GIS data, National Wetland Inventory data, the Eagle Point Flood Hazard Mitigation Plan, and 1998 aerial photographs. Table 3-6 indicates that 63 acres of constrained land, or roughly 4% of the total land base in Eagle Point, are currently located on vacant or partially vacant lands.

Table 3-6. Constraints to vacant and partially vacant land, Eagle Point UGB

Constraint Type	Number of Tax Lots	Total Acres
Flood Zone	49	29.4
Slope (<25%)	16	28.6
Riparian Buffer Area	31	9.8
Jurisdictional Wetlands	16	5.2
Total	**112**	**72.8**

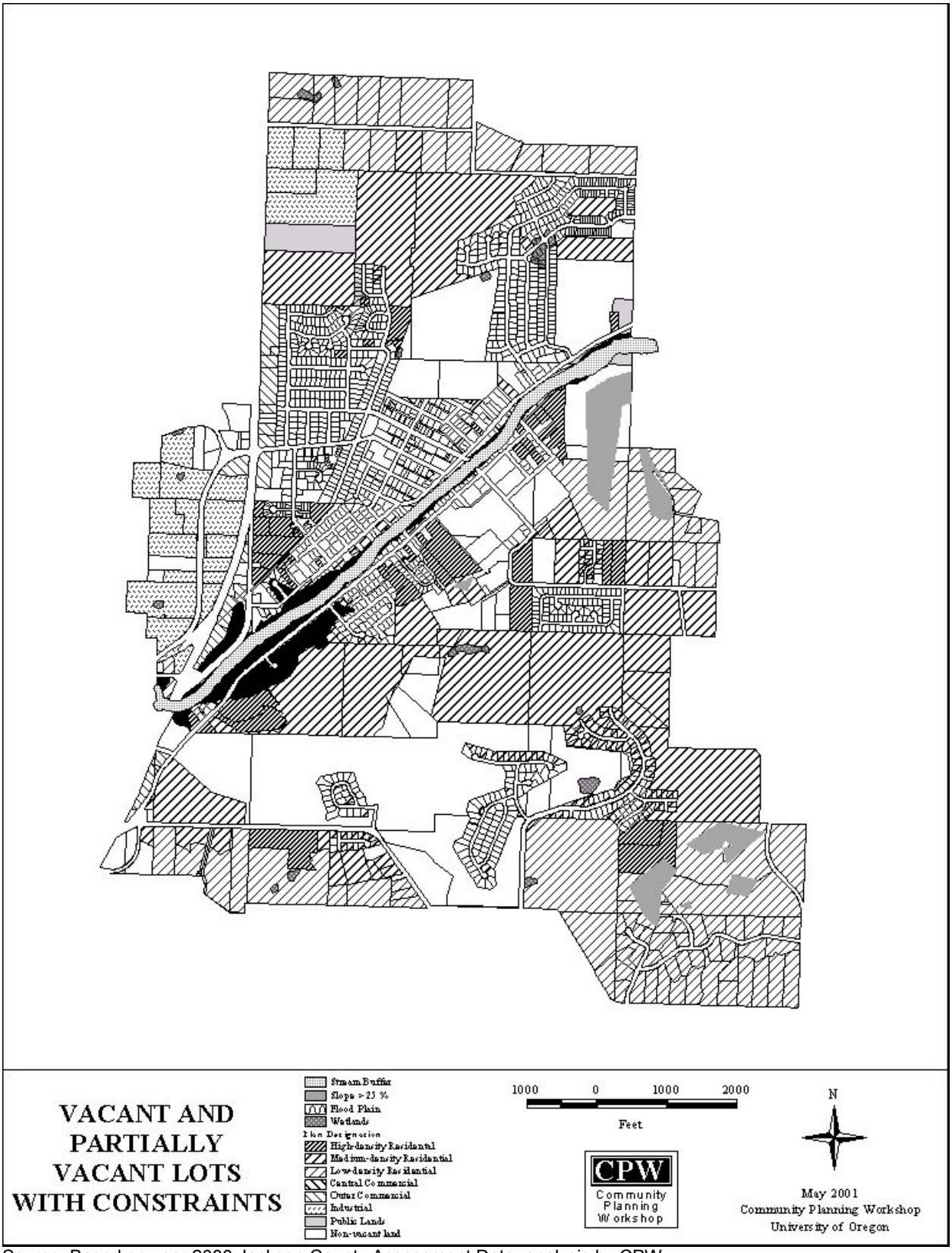
Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW
Note: Individual constraints do not sum to total because constraints overlap. For example, nearly all of the riparian buffer area is also in the 100-year floodplain.

Map 3-4. Constrained land, Eagle Point UGB, 2000



Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Map 3-5. Buildable land by Comprehensive Plan designation, Eagle Point UGB, 2000



Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Redevelopment potential

Redevelopment potential accounts for parcels that are not currently developed to their highest and best use according to current and future market trends. CPW used a rule-based methodology to identify tax lots with redevelopment potential. Specifically, CPW identified all developed parcels with an improvement to land value ratio of less than one-to-one. For example, a parcel with land assessment value of $25,000 that contained improvements assessed at less than $25,000 would be considered potentially redevelopable. Table 3-7 shows the amount of potentially redevelopable land by Comprehensive Plan Designation.

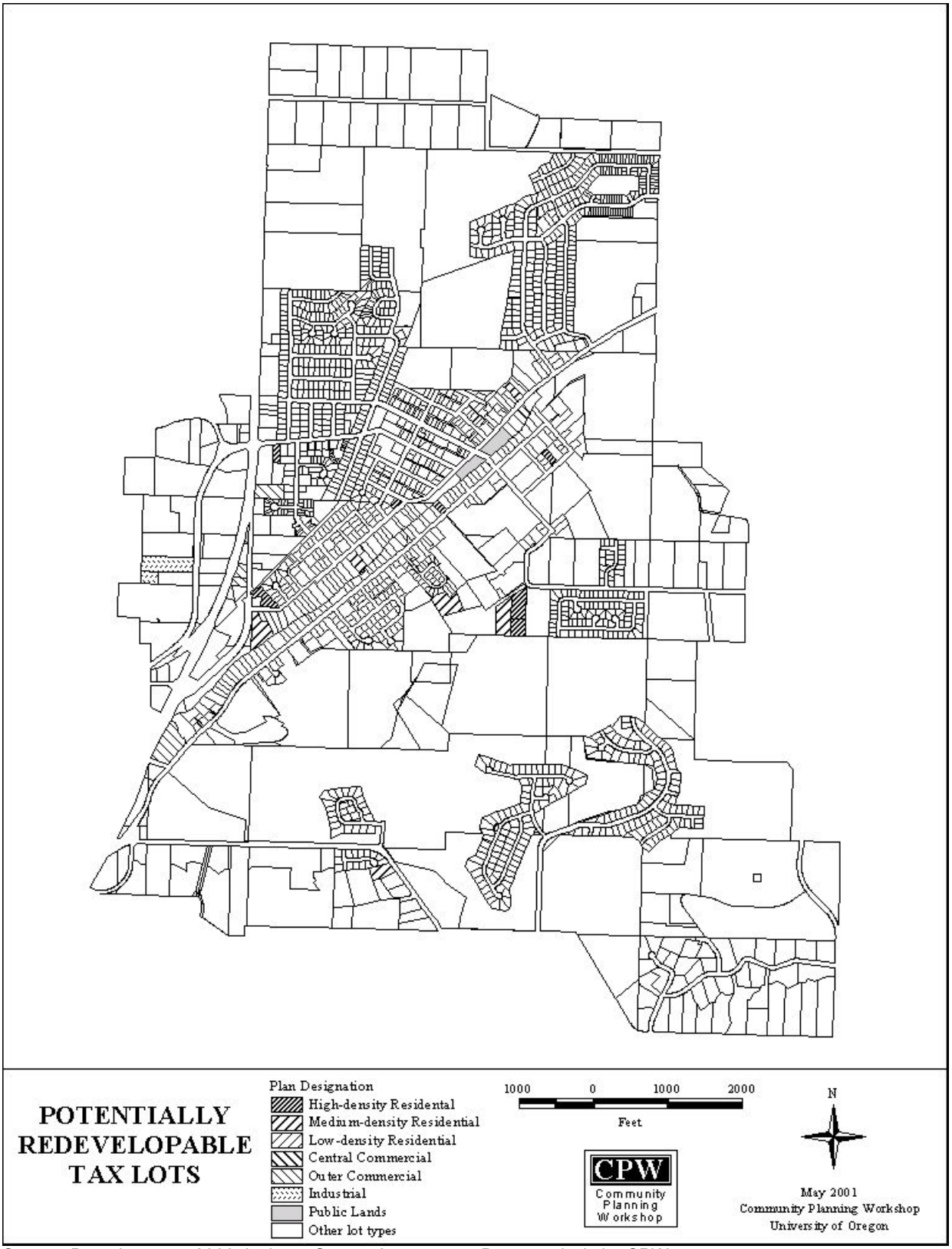
Table 3-7 suggests that a total of 23 acres may be available for future redevelopment in Eagle Point. Breaking that down by Plan Designation, CPW estimates that 13 acres of land designated for medium- and high-density residential development could support some level of redevelopment. An additional six acres of outlying commercial, and four acres of industrial lands, are potentially redevelopable. Of lands designated commercial in the downtown core, CPW identified less than one-quarter acre of land with redevelopment potential. CPW notes that redevelopment does not account for intensification of uses in existing buildings or conversion of residential uses to commercial uses that may take place downtown.

Table 3-7. Potentially redevelopable land by plan designation

Plan Designation	Total Acres
Low Density Residential	0
Medium Density Residential	7
High Density Residential	5
Central Commercial	0
Outlying Commercial	6
Industrial	4
Public Land	1
Total	**23**

Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Map 3-6. Potentially redevelopable land by plan designation, Eagle Point UGB, 2000



Source: Based on year 2000 Jackson County Assessment Data; analysis by CPW

Summary

Of 1,755 acres of total land within its UGB, 55% of Eagle Point's existing land base is classified as buildable. In addition to land classified as buildable, Eagle Point has a limited amount of land with redevelopment potential. Of the total amount of buildable and redevelopable land, the majority (85%) is made up of lands within residential plan designations. Only a small percentage (2%) of the buildable land base is held in the commercial plan designations.

Chapter 4
Economy

Economic development is important to the residents of Eagle Point. In the 2001 Strategic Plan Update, the City's primary economic goals are to provide new job opportunities for residents and young people, and to encourage a varied economy that incorporates traditional industries–agriculture, and forestry and tourism–with new enterprises.

This chapter addresses certain requirements of Goal 9 and Oregon Administrative Rule (OAR) 660-009. Specifically, OAR 660-009-0015 (4) requires an Economic Opportunities Analysis (EOA) that is based on the following components:

- Review of national, state and regional trends;
- Review of demographic and economic trends affecting Eagle Point's economy including population, income and employment;
- Consideration of factors that influence the location of business activities, which include: proximity to raw materials, supplies, and services; proximity to markets or educational institutions; access to transportation facilities; labor market factors (e.g., skill level, education, age distribution);
- Survey of the expansion plans of major employers; and
- Inventory of commercial and industrial buildable land and availability of public services.

These components are elements of the EOA that describes the City's comparative advantage and viability for attracting particular types of industrial and commercial uses. Goal 9 calls for "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the comparative advantage of the region within which the developments would be located."

OAR 660-009-0025 requires plans to address the long-term supply of land (20 years), short-term supply of serviceable sites (5 years), and sites for uses with special siting requirements. The assessment of long-term supply of land is presented in Chapter 6. This chapter addresses the second issue: the short-term supply of serviceable sites and sites for uses with special requirements.

Appendix A provides additional data used for the Economic analysis.

Eagle Point economy

Context for growth in Eagle Point

National, regional, and state economic trends will influence future growth in Eagle Point. Economic development in Eagle Point over the next twenty years will be influenced by national and regional trends. The most important of these trends includes:

- Continued westward migration of the U.S. population, and the increasing role of amenities and other non-wage factors as determinants of the locational decisions of households and firms.
- Increase in retirees, as baby boomers get older.
- Increasing importance and growth in Pacific Rim trade.
- The growing importance of education as a determinant of wages and household income.
- The decline of employment in resource-intensive industries and the increase in employment in service-oriented and high-tech manufacturing sectors of the economy.
- The increasing integration of non-metropolitan and metropolitan areas.[17]

Short-term trends may also affect economic growth in the Rogue Valley, 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 Asian economies in 1995-1996, which caused Oregon's exports to Pacific Rim countries to decline. This in turn led to layoffs, particularly in the lumber & wood products and high-tech manufacturing industries. The Asian economies, however, are recovering, and Pacific Rim trade will continue to be a significant part of the region's economy.[18]

Economic development in Eagle Point will also be affected by economic trends in Oregon and the Rogue Valley. The following sections describe recent trends in population, income, and employment growth in Oregon, the Rogue Valley and Eagle Point, and the economic outlook for Eagle Point. Recent economic trends and the economic outlook for Oregon form the primary basis for the evaluation of future trends and development patterns in Eagle Point.

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[17] These trends are discussed in more detail in Niemi, Ernie and Whitelaw, Ed. 1997. *Assessing Economic Tradeoffs in Forest Management*. Portland: U.S. Forest Service Pacific Northwest Research Station. General Technical Report PNW-GTR-403. August.

[18] A good discussion of the Asian downturn and its effect in Oregon is in the January 1999 *Oregon Labor Trends*, published by the Oregon Employment Department.

Population growth

Table 4-1 shows population trends and forecasts for Oregon, Jackson County, and Eagle Point between 1970 and 2020. Eagle Point experienced significant population growth from 1970 to 2000 (except during the recession between 1980 and 1990), a trend that is projected to continue through 2020. Eagle Point's population is forecast to nearly double between 2000 and 2020, resulting in a population of 9,530 by 2020.

Table 4-1. Oregon, Jackson County and Selected Cities Population, 1970-2020

Area	1970	1980	1990	2000	2010	2020
Oregon	2,091,385	2,633,105	2,842,321	3,421,399	3,857,000	4,326,000
Jackson	94,533	132,456	146,389	179,050	199,415	221,665
Eagle Point	1,241	2,764	3,008	4,797	6,660	9,530

Source: 1970-2000: U.S. Census, 2010 and 2020: County coordinated Projection for Jackson County and Eagle Point, 2010 and 2020: Office of Economic Analysis projection for State of Oregon

Regionally, Eagle Point is a bedroom community to the employment centers of Medford and White City. Because of its location, Eagle Point has had a difficult time providing family wage jobs for residents in the past, and continues to be challenged to provide employment opportunities. In short, Eagle Point's population growth is, in part, a function of the health of the Rogue Valley's economy. Projected population growth, however, will create demand for commercial enterprises that provide services for local residents such as new restaurants, retail stores, and solid waste removal services all of which are growth industries in Jackson County.

Employment

According to confidential data provided by the Oregon Employment Department, the City of Eagle Point had 1,582 jobs in 1999,or about 1.9% of total employment in the Jackson County. Table 4-2 shows employment by sector for Eagle Point in 1999. Employment in Eagle Point in 1999 was dominated by services, manufacturing, construction, and retail trade. Service jobs made up over 55% of all jobs in Eagle Point, and of the 865 jobs in the service industry, 66% were employees of Eagle Point School District No. 9. In the beginning of 2001, the School District was forced to lay off 71 people due to budget constraints. The District, however, anticipates that some of these positions will be reinstated in the next two years when the new elementary school is opened and a middle school is rebuilt.

Table 4-2. Eagle Point employment and payroll by sector, 1990 and 1999

Industry	1990 Employment	1990 Payroll	1999 Employment	1999 Payroll
Agriculture, Forestry, and Fishing	93	$1,210,010	108	$2,227,188
Construction	130	$1,750,932	178	$3,972,096
Finance, insurance, and real estate	8	$96,806	15	$293,743
Manufacturing	265	$5,054,312	179	$4,954,472
Public Administration	15	$281,986	16	$544,302
Retail trade	102	$769,485	152	$1,660,506
Services	491	$9,494,444	865	$18,290,378
Transportation, communications, and utilities	123	$1,966,316	59	$1,321,899
Wholesale trade	21	$211,304	10	$326,183
Other Nonclassifiable establishments	1	$26,097	0	$1,220
Total	**1,247**	**$20,861,692**	**1,582**	**$33,591,987**

Source: Oregon Employment Department, Bureau of Economic Analysis, ES-202 proprietary employment data.

In addition to services, industries that have experienced significant growth during the past decade include construction and retail trade. The growth in construction is not surprising considering the increase in new home construction. Nearly 500 housing units were constructed between 1995 and 2000, an average of about 90 homes per year. If population growth continues as projected, the City of Eagle Point will need to add about 100 housing units per year to the housing stock.

Industries that have been losing jobs include manufacturing (net loss of 86 jobs) and transportation, communications and facilities (net loss of 64 jobs). Statewide, manufacturing grew rapidly between 1994 and 1997 as high-tech industries in the Willamette Valley increased production by opening or expanding factories, then slowed due to the economic downturn in Asian markets in 1998. Jackson County experienced an eight percent loss in manufacturing jobs between 1988 and 1998. Lumber and wood products were most significantly affected with a loss of one-third of its workforce, undermining the gains made in other manufacturing industries such as fabricated metals and machinery, electronic and other high tech equipment, printing and publishing, and transportation equipment. Transportation, communications, and facilities gained 600 jobs in the county over the past decade, which may point to businesses relocating from Eagle Point.

Table 4-3 shows population-employment ratios for Eagle Point in 1990 and 1999. The population-employment ratio is a simple indicator of the balance between jobs and population in a geographic area, and is stated as a figure that implies a ratio to X persons per job.[19] In Eagle Point, employment has grown at a slower pace than population. While, Eagle Point's population increased by 1,643[20] between 1990 and 1999, only

[19] Population to employment (P/E) ratios for large areas tend towards 2.0 persons per job. The (P/E) ratio for Oregon was about 2.1 in 2000. The higher P/E ratio in Jackson County compared to Oregon is probably due in large part to a higher percentage of retirees that are not participating in the labor force.

[20] Center for Population Research and Census, Portland State University.

335 jobs were created. The employment-population ratio was 2.42 (or 2.42 people: 1 job) in 1990 and 2.95:1 in 1999, an increase of 22%. This is significantly higher than Jackson County, which had a population to employment ratio of 2.39:1 in 2000.

Table 4-3. Population-to-employment ratio, Eagle Point, 1990 and 1999

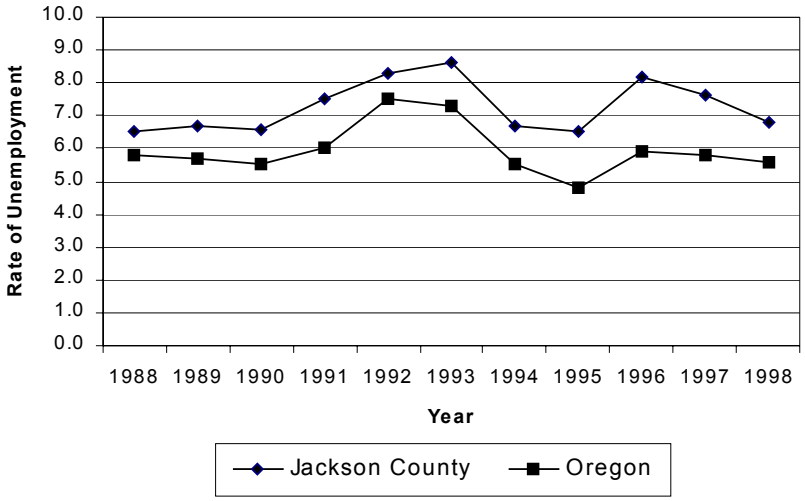
	1990	1999	Percent Change
Population	3,022	4,665	54%
Employment	1,247	1,582	27%
Population-Employment Ratio	2.42	2.95	22%

Source: ES 202, Portland State University

Unemployment

Figure 4-1 shows unemployment rates in Jackson County and Oregon for the period between 1988 and 1998. Unemployment rates in Jackson County have mirrored Oregon's unemployment rate. Unemployment rates hovered between 6.5% to 6.8% except for an increase during the recession of the early 1990s (1991-1993), when it hit a high of 8.6%, and again in 1996 and 1997 when unemployment went up to 8.2% and 7.6% respectively. The data also show that Jackson County has consistently had higher rates of unemployment than the state. Between 1988 and 1998, Jackson County's unemployment rate was between 0.7 and 2.3% higher than the Oregon rate.

Figure 4-1. Unemployment rates, Jackson County and Oregon, 1988-1998



Source: Oregon Employment Department

Income

Overall, Eagle Point residents' income levels are increasing, but have historically been lower than County or State levels. Table 4-4 shows personal income for Eagle Point residents in 1979, 1989, 2000, and a projection for 2005. Eagle Point's per capita income in 1989 ($8,786) was well below the Medford-Ashland Metropolitan Service Area per capita income of $15,306. Oregon's per capita income of $16,387 was almost double that of Eagle Point.

Income data indicates that average incomes in Eagle Point are below those of most other cities in Jackson County. This suggests that Eagle Point jobs have a different occupational composition than other Jackson County communities, such as lower wages, higher unemployment rates, or a larger percentage of non-workers (e.g., children and retired persons).

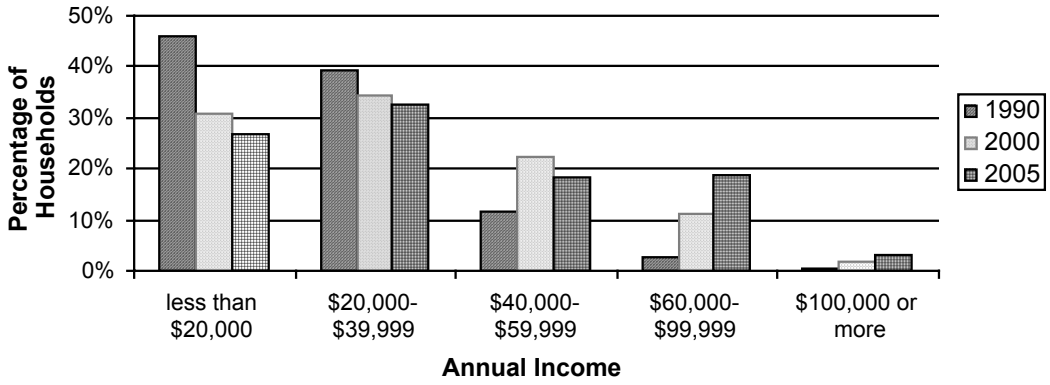
Table 4-4. Income in Eagle Point, 1979, 1989, 2000, and 2005

Income	1979 (Census)	1989 (Census)	% Chg 79-89	2000 (Est.)	% Chg 89-00	2005 (Proj.)	% Chg 00-05
Aggregate($MM)	17	26	47.5	64	142.9	89	39.7
Per Capita	6,330	8,786	38.8	13,578	54.5	16,548	21.9
Avg Household	17,922	24,359	35.9	36,160	48.4	43,371	19.9
Median Hhold	16,132	21,347	32.3	30,159	41.3	34,030	12.8
Avg Family HH	19,583	27,468	40.3	40,767	48.4	48,890	19.9
Med Family HH	17,759	25,132	41.5	34,767	38.3	39,458	13.5

Source: Historical data (1979, 1989) from U.S. Census; 2000 estimate and 2005 projection from Claritas, Inc.

Figure 4-2 shows the distribution of annual household income, Eagle Point for 1990, 2000 and 2005. In 1990, more than 80% of Eagle Point households earned less than $40,000 annually. This decreased to about 65% in 2000, and is projected to further decrease to about 60% in 2005. Few households in Eagle Point earn more than $100,000 annually.

Figure 4-2. Distribution of annual household income, Eagle Point, 1990, 2000, 2005



Source: Claritas, Inc., data analysis by Community Planning Workshop
Note: Not adjusted for inflation.

Table 4-5 shows personal income by source for Jackson and Josephine Counties for 1967, 1977, 1987, and 1997. The data show a clear shift in income source from net earnings (wage and salary employment) to transfer payments, dividends, interest, and rents. This is consistent with an aging population and a strong influx of retirees.

According to the Oregon Employment Division, net earnings in Jackson and neighboring Josephine Counties declined from 72% of personal income to 55% over the past three decades. During the same time period both dividends, interest, and rent and transfer payments have risen sharply in proportion, from 15% to 23%. The decrease in earnings and the rise in transfer payments is due in large part to the loss of higher paying heavy industry jobs such as lumber and wood products manufacturing and an increase in transfer payments and other "non-earned" income as retirees relocate to the Rogue Valley. The Rogue Valley, including Eagle Point, is attractive to many retirees who do not participate in the labor force, but do participate in the local economy through transfer payments and purchasing goods and services.

Table 4-5. Personal Income by Source, Jackson and Josephine Counties

Year	Net Earnings	Dividends, Interest, and Rent	Transfer Payments
1967	71.7	15.3	13.0
1977	65.4	16.1	18.5
1987	57.3	23.1	19.5
1997	54.7	22.9	22.4

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis; Oregon Employment Department, 2000 Regional Economic Profile, 11/99

Table 4-6 shows poverty rates in 1995, by individual school districts in Jackson County. According to the U.S. Bureau of Census, Eagle Point has one of the highest poverty rates for children in Jackson County. Over 21% of children between the ages of 5 and 17 lived in poverty in Eagle Point, compared to 14.9% for Jackson County and 13% in Oregon.

Table 4-6. Estimates of Poverty by School District, 1995

Area/District Name	Poverty rate for children, 5 to 17 years of age	Statewide Rank*
Oregon	13	
Jackson County	14.9	
Eagle Point	21.4	208
Rogue River	17.9	189
Pinehurst	16.7	170
Ashland	15.4	149
Medford	14.8	138
Phoenix-Talent	13.9	127
Butte Falls	13.3	115
Prospect	9.4	67
Central Point	7	39

Source: U.S. Census Bureau
* Statewide rank is out of 243 cities

Factors affecting future economic growth in Eagle Point

The preliminary growth forecast in the previous section implicitly assumes that the economic factors influencing growth in Eagle Point in the past will behave in a similar way in the future. However, that forecast represents only one possible future, and actual growth could be more or less, depending on national and regional economic conditions and the economic attributes of Eagle Point. National and regional economic conditions are addressed in Appendix A, and there is little that Eagle Point can do to affect these conditions. Eagle Point, however, can influence some local attributes that affect economic development. The second half of this chapter reviews local factors affecting economic development in Eagle Point and the advantages, opportunities, disadvantages, and constraints these factors present.

Location

Development of Eagle Point's economy has been influenced by industrial and commercial development the Rogue Valley Region, particularly White City and Medford, which are within twelve miles of Eagle Point. Eagle Point's location on Highway 62, on the way to Crater Lake National Park, provides considerable exposure to travelers. Businesses along Highway 62 have benefited significantly from this exposure. The development of Eagle Point Golf Course–ranked among

the top 30 public golf courses in the nation—is a significant attraction. These are just a few of the factors that will shape Eagle Point's economy during the next 20 years.

According to the City of Eagle Point's website, the City is just minutes from one of the largest fully serviced inventories of industrialized land in the I-5 corridor. Eagle Point's location farther away from I-5, compared to White City and Medford has made it a less attractive site for manufacturing businesses that depend on easy access to the I-5 freeway. Moreover, the Urban Renewal District in White City provides financing and other incentives to attract jobs to the District.

Eagle Point's location along Highway 62 makes it one of the last major stops for tourists to purchase supplies before hitting the smaller, more expensive towns closer to Crater Lake National Park. As the Eagle Point Golf Course adds additional vacation rental units, the town may cater increasingly to tourists by expanding retail trade. In addition, Eagle Point specializes in retail and service businesses that cater to local residents. However, many residents are drawn to larger shopping centers in Medford for their daily needs.

Labor market conditions

The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. The labor force in Eagle Point is not limited to local residents; businesses in Eagle Point attracts workers from surrounding rural areas, and residents of Eagle Point work in other communities.

In many respects, Eagle Point can be described as a bedroom community for people who work in other Rogue Valley communities, particularly White City and Medford. Approximately 80% of workers 17 years or older worked outside of the City, according to a 1999 survey conducted by the City of Eagle Point.

Statewide, the Oregon Employment Department indicates demand will exceed supply of workers requiring only a high school diploma or on-the-job training. High school education levels have increased significantly both statewide and in Jackson County. From 1980 to 1990, Jackson County residents with at least a high school diploma increased from 74% to 80%, mirroring the increase statewide from 76% to 81%. Of those, more than 30% had additional education at a community college, professional school, or a four-year institution.

Jackson County, however, falls below the rest of the state when it comes to the number of residents with a college education. During the same time period, residents with a 4-year college degree increased from 13% to 18% in Jackson County and from 18% to 23% statewide. Eagle Point may be challenged to attract industries that require workers to have at least a college degree, or, if those industries do locate in Eagle

Point, they may have to import their workers as well. In the past 10 years, Eagle Point has attracted lower-paying service and retail jobs that only require a high-school diploma.

It is difficult to determine the educational attainment of Eagle Point residents in 2000. CPW expects the 2000 Census will show a higher level of educational attainment, based on the type and value of recent housing development in Eagle Point.

Jackson County is home to Southern Oregon University located in Ashland. Klamath Community College and Rogue Community College both have facilities in Jackson County. The Rogue Valley also benefits from the proximity of Oregon Institute of Technology in Klamath Falls. There are also a variety of job training programs in Medford, including the Oregon Apprenticeship and Training Program, The Job Council, and Southern Oregon Goodwill Agencies.

Buildable land

This section addresses the requirements of OAR 660-009-0025 by evaluating the short-term availability of serviceable sites. Table 4-7 shows buildable commercial and industrial land by plan designation in the Eagle Point UGB. The data indicate Eagle Point has 127 buildable acres of land designated for commercial and industrial uses. The majority of this land is in industrial plan designations.

Table 4-7. Buildable commercial and industrial land by plan designation, Eagle Point UGB, 2000

Plan Designation	Number of Tax Lots	Developed Acres	Constr'nd Acres	Buildable acres	Redev Acres	Vacant Acres	Total Acres
Central Commercial	36	138	5	21	6	15	169
Outlying Commercial	115	22	2	3	0	3	27
Industrial	30	8	1	103	4	30	116
Total	**181**	**168**	**8**	**127**	**10**	**48**	**312**

Source: Based on year 2000 Jackson County Assessment and Taxation Data analyzed by CPW

Different sectors in the economy will need different types of land—for example, most retail trade employment will occur on commercial land, while most manufacturing employment will occur on industrial land. Employment growth was allocated to four land use types; these land use types and the employment sectors included in each are:

- Commercial: Retail Trade; Eating and Dining Services.
- Office: Finance, Insurance, Real Estate; Services.
- Industrial: Construction; Manufacturing; Transportation, Communication & Utilities; Wholesale Trade
- Public: Government; Services (School Employees).

Large lot industrial businesses tend to need large sites (40-80+ acres). Campus research and development (R&D) and smaller manufacturing

firms needed smaller sites (20 to 40 acres). The City of Eagle Point has historically not attracted large lot or campus R&D industries within the UGB, and the targeted industries list does not identify industries needing large sites. Eagle Point is more likely to attract industries such as smaller light industrial/office space that generally require 5 to 20 acre sites, or speculative spaces within office/flex and mixed-use developments. Most of the target industries for Eagle Point will require smaller sites and flex space, with the exception of home occupations, which are run out of proprietors' homes.

According to City staff, all lands designated for commercial and industrial uses can easily be serviced. Public facilities are described in more detail in the next section.

Public facilities

The City of Eagle Point has Public Facility Plans as required by ORS 197.712(2)(e), to support the Comprehensive Plan. The public facility plans describe the water, sewer, and transportation facilities which are designed to support the land uses designated in Eagle Point's Comprehensive Plan.

In the Rogue Valley, regional authorities supply water and sewer services to many of the municipalities, including Eagle Point. The Medford Water Commission, through a connection at White City and the Big Butte Springs transmission lines No. 1 and 2, supplies water to Eagle Point. While the services are regional in nature, Eagle Point maintains its water system within the UGB. Sewer services are supplied by the Bear Creek Valley Sanitary Authority (BCVSA). The sewage is received via the White City trunk line from Eagle Point's outfall.

The following information for water and sewer is derived from the 1998 BCVSA Master Plan, the 1993 Eagle Point Water System Development Plan, and the 1999 Medford Water Commission Water System Facility Plan.

Based on conversations with City staff and the Medford Water Commission, CPW assumes that the majority of future Rogue Valley water supplies will be obtained through the Medford Water Commission. These waters will be made available, in part, through extraction of surface water and flows from the Rogue River, which will be treated at the regional facility. Eagle Point's current water needs are met through its contract with the City of Medford. The agreement allows Eagle Point to receive excess water, utilizing Medford's water rights. To continue to withdraw water from the Rogue River, Eagle Point, and other Southern Oregon communities must secure individual water rights.

Water is a finite resource in the Rogue Valley, and future availability of adequate supplies will be a major factor in determining growth potential, both economic and residential.

Water

Eagle Point's water consumption is typical for similar sized municipalities in the region, with people and business using approximately 190 gallons per capita daily (gpcd). The Medford Water Commission (1999) projected that in 2000 the total daily rate would be approximately 76 million gallons per day (mgd) with a population of approximately 4,100. Eagle Point's population growth in 2000 was 4,797, or 697 more people than the Commission's projection. The water demand projection for Eagle Point falls short of the current population by 0.15 mgd.

Eagle Point's 1993 water development plan projects that by 2020 the total daily rate would be 355 mgd with a population of approximately 7,850. The county coordinated projections for 2020 estimates there will be 9,530, or 1,380 more people than the water plan projection. The water demand projection for Eagle Point falls short of the county coordinated 2020 population projection by approximately 0.52 mgd.

An assessment of the availability of surface water rights in the Rogue River Basin indicates that surface water is generally unavailable in the basin except from Lost Creek Reservoir and the Rogue River. To acquire and use these waters entails construction, operation, and maintenance costs for a local water treatment plant. Groundwater is unavailable due to the underlying volcanic rock structure.

Eagle Point's water planning by the Medford Water Commission underestimates demand for water based on population projections that were much more conservative than U.S. Census 2000 data and county coordinated projections to 2020. However, the Medford Water Commission has underestimated population in other areas which may equalize any shortfalls experienced in Eagle Point.

Water shortages could inhibit economic growth in Eagle Point and other Jackson County communities. Because the water systems are coordinated regionally, water shortages will impact communities throughout the Rogue River Valley. A lack of water capacity in Medford or White City in the future could have a ripple effect on Eagle Point's economy.

Sewer

Overall, the system is conservatively sized for 'total buildout' of all vacant lands under densities allowed in the current zoning codes. The system's surplus capacity ranges from 11% to 98%, suggesting that the system has capacity to accommodate both housing and business development. Within the Urban Growth Boundary, some properties have no direct access to the sewer, need pumping stations, or have possible capacity limitations. Following is a summary of service issues:

- Sewer lines are needed west of Highway 62
- Butte Crest subdivision line capacity is limited

- Vista Park subdivision line capacity is limited through golf course
- A 40-acre parcel south of Alta Vista Road and west of the golf course needs a pumping station due to ground elevation.

Telecommunications

There is currently one, US West owned, fiber path out of Southern Oregon that connects to the Willamette Valley and Portland. A second fiber path, owned by QWEST, transverses the valley but has only a single connection in Ashland and does not allow switching between US West and QWEST.

Fiber/High Speed Connections to numerous Southern Oregon communities lack services critical for business, education, and health care. Butte Falls, Shady Cove, Eagle Point, Rogue River, Gold Hill, Talent, Phoenix and Central Point have either no access to T-1 technology due to cost considerations or lack bandwidth necessary for high levels of data/voice/video transmission, and lack advanced phone services.

Deployment of these basic services is not planned, due to isolation and insufficient demand. Efforts to increase regional bandwidth would substantially benefit critical users, specifically efforts with a regional focus rather than a local focus. Increased bandwidth would help drive advanced services into under-served communities such as Eagle Point.

This lack of digital bandwidth could be a major limiting factor in attracting high-wage jobs to Eagle Point.

Transportation

Given Eagle Point's location, demographic makeup, and employment characteristics, the existing transportation system is an important factor in considering Eagle Point's local and regional economic impact. According to 1990 Census data, of the 1,217 workers over the age of 16 who were employed in Eagle Point, 79% reportedly worked outside of the City limit. Of the same 1,217 workers, 96% drove an automobile to work with 84% of those trips reportedly made by people driving alone. Roads leading to and from Eagle Point, especially Highway 62, will be impacted as population and commuter travel increase over the next 20 years.

The Oregon Department of Transportation (ODOT) is responsible for maintaining Highway 62 (Crater Lake Highway), which is classified as a Regional Highway. This route provides the City's primary access to the Medford urban area to the south, and the Upper Rogue area to the north. Major reconstruction of the section of Crater Lake Highway from Dutton Road in White City to Linn Road in Eagle Point was completed in late 1999. While the reconstruction has increased the ease of travel to White City and Medford, the highway is designed to serve as a thoroughfare rather than an arterial. ODOT will actively protect the

function of the highway by resisting development actions that would increase congestion.

One factor that has significantly affected transportation in Eagle Point is reconstruction of Highway 62 from White City to Linn Road. The project was completed in late 1999, closing several points of access to the highway and providing signalized intersections at other points.

A significant ODOT benefit to the City, as part of the Dutton-Linn Road (Highway 62 improvement) project, was the construction of a reverse frontage road, Lenn Hannon Drive, running from Nick Young Road to Linn Road, on the west side of Highway 62. The completion of this facility has opened up the industrial-commercial properties located along its frontage without negative access impacts directly onto Highway 62. This should improve transportation for these industrial lands, and may improve their chances for development.

The City of Eagle Point is in the process of updating and adopting a new Transportation System Plan that will be incorporated into the Comprehensive Plan. To facilitate both local and regional growth, the Draft TSP identified several transportation system improvements that will be ease congestion and facilitate auto, bicycle and pedestrian movement, including:

- Reduce bottlenecks at the Elm/Buchannan and Loto/Linn connection, and at Main and Shasta, particularly when school is in session.
- Improve bicycles safety and access to the City streets.
- Improve transit provisions for youth activities, such as routes to the Rogue Valley Mall and other out-of-town attractions.
- Provide a north access to the high school.
- Provide access off of Highway 62 in the north part of town.
- Explore additional bridge locations to reduce current conflicts with school traffic and permit more options for motorists and pedestrians.
- Extend access from the north end of Old Highway 62 to the existing commercial district at the intersection of Linn Road and Highway 62, thereby adequately serving these parcels and allowing additional access and better circulation options for the Greatway Shopping Center.

Analysis shows that the intersections of Royal Avenue/Main Street and Main Street/Shasta Avenue are nearly failing due to existing conditions, and fail for future 2017 baseline conditions. In addition, the City has expressed concerns about existing AM peak hour traffic congestion. These concerns center on students commuting to and from school in the morning hours, resulting in a delay across the bridge from Royal Avenue to Shasta Avenue.

With an overall increase of 335 jobs reported between the years 1990 and 1999, and on overall increase of population of 1,643, it is likely that the percentage of workers leaving the City to work has also increased over the same period. From a transportation management standpoint, increasing the work opportunities within Eagle Point could have significant impacts on the future livability within the City and the region. Job growth within the City of Eagle Point could mitigate the need to commute to outlying areas for employment. However, increased job opportunities could attract employees from outlying areas that may commute into the community for work, possibly negating a reduction of commuting.

Recent improvements to Highway 62 will also contribute to Eagle Point's desirability for new residents, although the emphasis for the reconstruction was not to encourage additional development, but to enhance the function of the highway as a thoroughfare. If the City continues to attract residents but fails to provide employment, those residents may increasingly look to outside communities for jobs. Additional residents working outside of Eagle Point could result in an increase in traffic on Highway 62, and an increase in noise and air pollution, all of which could have a negative impact on the livability of Eagle Point and be a limiting factor to economic development within the UGB.

Location relative to markets

Eagle Point is located in Southern Oregon just three miles from White City, 10 miles north of Medford, and seven miles east of the I-5 freeway. As mentioned above, both Medford and White City are at an advantage considering their proximity to I-5 and the large tracts of industrial zoned land within their boundaries. Recent improvements to Highway 62 have increased the speed by which people and goods can access I-5 from Eagle Point, making it easier for residents to travel to Medford and White City for jobs and shopping.

Medford has a relative advantage over Eagle Point as the location of a much larger variety, at lower cost, of many essential goods and services. Many of the stores in Eagle Point serve as convenience stores and cannot provide the low prices that many consumers desire, and know they can get, in Medford stores.

White City is currently benefiting from a countywide Urban Renewal Project, which is funded in part by taxes paid by Eagle Point residents.[21] Since 1991, the Urban Renewal Project has helped improve and expand many aspects of White City. Specifically, Urban Renewal projects in White City cover five square miles of residential

[21] Because White City is unincorporated, the Urban Renewal Project is managed by the Jackson County Urban Renewal Office, and is funded by a tax paid by all residents of Jackson County. The tax is currently $0.2752 per $1,000 of assessed value. The project is expected to continue until at least 2008.

neighborhoods, parks, commercial and industrial districts, and public facilities.[22] The Urban Renewal Office helps build infrastructure for new middle- to upper-level subdivision housing; provides funding for Jackson County Housing Authority to perform housing rehabilitation; provides incentives for new businesses to locate in White City by putting in sewer lines and street improvements; helps certain businesses, such as Eastman Kodak and Boise Cascade, expand with better railroad crossings and roads; and has purchased 38 acres of potential park land. The White City Urban Renewal improvements can be beneficial to Eagle Point residents, as trends continue to suggest more residents work in the White City commercial/industrial sector.[23]

Renewable and non-renewable resources

Goal 9 requires economic development plans to be based on a consideration of the availability of renewable and non-renewable resources and pollution control requirements in the planning jurisdiction. Goal 9 goes on to state that economic projections should take into account the availability of natural resources to support the expanded development, and that plans to improve the economy should consider, as a major determinant, the carrying capacity of the air, land, and water resources of the planning area.

Regulations to protect threatened and endangered species are an issue with potential to affect economic development in Eagle Point. The availability of buildable land and water supply issues are addressed elsewhere in this chapter.

The potential impacts for Eagle Point's economic development under the Endangered Species Act and the 4(d) rule focus on incidental species taking. Within Eagle Point's UGB, Little Butte Creek has salmonid and steelhead species potentially impacted by Eagle Point's development. Within the watershed there are runs of coho, spring and fall chinook, summer and winter steelhead.

Coho are listed as threatened under the Endangered Species Act. Both spring and fall Chinook are proposed for listing as threatened. Summer and winter steelhead are candidates for listing.[24] Some of the activities carried out or authorized by local governments that have a high likelihood of affecting salmonid habitat include the following:

- Planning, zoning, and development permitting
- Erosion and sediment control

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[22] The five-square mile Urban Renewal district has the following approximate boundaries: Kirtland Road to the West, Dutton Road to the North, Atlantic Avenue to the East, and Highway 140 to the South.

[23] Jackson County Urban Renewal Office

[24] Detailed information regarding the listing of salmon species in Oregon can be found on the NOAA website at www.nwr.noaa.gov.

- Floodplain management
- Water use
- Stormwater discharge
- Wastewater discharge
- Road and bridge construction and maintenance
- Pesticide, herbicide, fertilizer, and other chemical use
- Riparian area protection, alteration, or development
- Wetland protection, alteration, or development

It is important to note that many of the above activities, depending upon how they are carried out, may have either adverse or beneficial effects on listed species.

By comprehensively assessing local government activities, it is possible to determine their potential to affect anadromous salmonids. This could be accomplished by working through the above list (or a list of all local government activities), identifying how the activity could affect anadromous salmonids, assessing the relative likelihood of the effect, and weighing the potential for the local government to influence those effects.

The ESA listing on Little Butte Creek, which runs through the middle of town, should have minimum impact on economic development within the UGB. The majority of the commercial and industrial parcels that abut the stream are already developed. Development that occurs next to the stream will need to comply with stream setbacks. Economic limitations could occur if proposed development would adversely modify critical habitat that affects essential fish behavior.

Housing

Housing is an important component of any economic development strategy. Goal 10 requires cities to develop strategies to provide housing affordable to households at all income levels. In addition to concerns about availability of housing affordable to lower income households, the issue of providing higher quality housing for higher-wage workers needs to be considered in both housing and economic development strategies. ORS 197.296 requires communities to inventory buildable residential lands and conduct a housing needs analysis, covered in Chapter 5 of this document. CPW also conducted interviews with local realtors and brokers to develop a broader understanding of the local housing market.

As of 2000, there were 2,033 housing units in Eagle Point. An additional 1,860 units will be needed to accommodate population growth forecast between 2000 and 2020. All indicators suggest that housing will continue to develop at a brisk pace in the next 2-5 years. Coupled with the scenic beauty of Eagle Point, and the mix of older, affordable housing, manufactured affordable homes, and newer, high

end housing, there is a variety of housing types within the City. Local realtors are actively encouraging residents in surrounding Rogue Valley communities to purchase housing in Eagle Point.

The buildable lands study also addresses concerns about jobs/housing balance. Table 4-8 shows that in 1990 there were 1.11 jobs available in Eagle Point for every household. By 2000, the jobs/housing balance had decreased significantly to 0.78 jobs per household, suggesting a trend towards a jobs/housing imbalance.

Table 4-8. Housing to employment ratio, 1990 and 2000

	1990	2000
Housing Units	1,119	2,033
Employment	1,247	1,582*
Employment/Housing	1.11	0.78

Source: Housing: City of Eagle Point; Employment: Oregon Employment Department, Bureau of Economic Analysis, ES-202 proprietary employment data.
* Employment data is from 1999

The relationship between job creation, wages, and housing affordability is an important one. The data on employment trends in Eagle Point UGB suggest that (1) incomes are significantly less than county and state averages, and (2) that many of the jobs forecast in the area will be lower wage jobs. While housing in Eagle Point is relatively affordable compared to other nearby communities, the structure of new job creation could lead to a greater affordability gap than exists today.

Quality of life

Quality of life is difficult to assess because it is subjective—different people will have different opinions about factors affect quality of life, desirable characteristics of those factors, and the overall quality of life in any community. Economic factors such as income, job security, and housing cost are often cited as important to quality of life. These economic factors and overall economic conditions are the focus of this chapter, so this section will focus on non-economic factors that affect quality of life.

Quality of life can be important for economic development in Eagle Point because it affects the relative attractiveness of the City to migrants. Net migration is expected to make up about 70% of the Oregon's population growth over the next twenty years.[25] According to the 1998 Oregon in-migration survey conducted by the Oregon Employment Department, the top three reasons for moving to the Rogue Valley were:

[25] State of Oregon, Office of Economic Analysis. January 1997. *Long-Term Population and Employment Forecasts for Oregon*. Salem: Department of Administrative Services.

1. To be with family and friends;
2. Quality of life;
3. Retirement.

For Southern Oregon, the percentage mentioning retirement was more than twice that for the entire state, 26% compared to 12% statewide. A far smaller number came to the Rogue Valley for job-related reasons (19%) or for education (5%).[26] Quality of life is a significant draw to Southern Oregon.

A relatively desirable quality of life has helped Eagle Point attract more in-migrants than it otherwise would. Some of these in-migrants are currently retirees, but in the future, the majority of them will be in the labor force. Many in-migrants bring work skills that will help increase availability of labor in the region and support economic activity in the construction, retail trade, and services sectors.

The developed portions of Eagle Point contribute to quality of life by providing schools, public safety, shopping, parks, and cultural activities. Eagle Point's size and location allow its residents to enjoy these urban amenities, while maintaining a small-town or rural lifestyle and having access to outdoor recreational opportunities. While Eagle Point shares these quality of life attributes with other communities in the Rogue Valley, the combination of proximity to larger cities with a small-town or rural lifestyle will become increasingly scarce as population growth continues. A challenge for Eagle Point will be maintaining the qualities of a small town, while accommodating population and employment growth. To the extent that Eagle Point becomes more like other suburban communities, it will lose the advantage of having small-town character with proximity to larger urban areas.

Outlook for major employers and key industries

Expansion plans of major employers

The City of Eagle Point has few large employers. Consistent with requirements of OAR 660-009-0015, CPW interviewed major employers in the City including Eagle Point School District No. 9, Eagle Point Golf Course, Rick's Food Market, and Eagle Cove Assisted Living Facility.

The Eagle Point School District is the largest employer in the area with 453 part- and full-time employees. While the District recently was forced to lay off 71 people because of lack of reserve funding that had been bridging funding gaps in previous years, officials anticipate that over the next several years, they will hire at least eight new people. New employees will be needed when a new elementary school is built,

[26] Oregon Employment Department, *2000 Regional Economic Profile* : 11/99

and as population expands. New teachers and support staff will be needed to handle this expansion.

Voters passed a school bond in 2000 for the building of a new elementary school, and to replace an existing middle school. It is anticipated that these schools will open in 2003. Land needs for the schools are significant. The School District is purchasing a 30-acre parcel on which to place both the middle and the elementary school. Criteria for the school site include flat areas for athletic fields, irrigation for the athletic fields and grounds, and adequate transportation to accommodate the students.

In 1992, Robert Trent Jones II and his investment group developed the Eagle Point Golf Course in the southern part of the City. This course is nationally ranked, and has several subdivisions located on the same property. It is expected to be a major recreation destination in Southern Oregon. The Eagle Point Golf Course is one of the largest employers within the City limits and currently employs 33 people in the Golf Pro Shop, the restaurant, and the maintenance crew. Developers are planning to expand the facilities to include banquet facilities, lodging units and condominiums. According to the manager of the facility, it is unlikely that additional land will be purchased, as developers own property for at least 600 homes, the golf course, and facilities. The infrastructure needed to accommodate this growth is either in place, or there is a plan for its provision.

Rick's Market is also a major employer within the City, with 43 part- and full-time employees. The Market was expanded in 1997 by 12,000+ square feet. There are no plans for additional expansions within the next five years.

Eagle Cove Assisted Living Facility has approximately 25 to 30 part- and full-time employees. They currently have 62 units and hope to build an additional 10 units as the demand for assisted living increases. In addition, they are planning to build a medical clinic on property they currently own. Construction is planned to start by the end of summer 2001. The site currently has all of the services that are needed for a medical office.

Target industries for economic development

The Economic Opportunity Analysis requires the City of Eagle Point to consider what new industries may be attracted to locate in the City, and to identify whether or not there is land within the UGB that would meet the required size and services needed for that industry to locate there. The City could receive substantial benefits from increasing employment opportunities locally, so the City might target specific industries for potential relocation. Benefits of targeting industry expansion in Eagle Point include reducing the dependence on employment and services in surrounding communities. Eagle Point currently has a population employment ratio of 2.94:1, which is substantially higher than Jackson County, at 2.39:1, and Oregon at

2.13:1. By increasing employment options locally, residents could have the option in the future of working in town, which would decrease the impacts of commuting and could increase alternative transportation use such as walking and bicycling within the City.

Criteria for choosing target industries are listed below. However, the ultimate goal of identifying target industries was to highlight likely businesses with high growth rates and salaries in the region. In addition, the industries need to be non-dependent on close proximity to the I-5 Freeway.

Selecting target industries for Eagle Point is challenging. First, there is the issue of deciding how many industries to target. This depends on the purpose of the targeting. For the purpose of the Economic Opportunity Analysis, CPW believes that targeting 5-10 industries will provide potential for more focused analysis of site needs and for coordinated efforts to attract good jobs to Eagle Point.

Both the attractiveness of the industry to Eagle Point and the attractiveness of Eagle Point to the industry must be considered when selecting target industries. These considerations are embodied in the criteria used to select target industries in this chapter. These criteria are:

- **1999 employment in Eagle Point and the Medford-Ashland Metropolitan Service Area (MSA).** Industries with significant existing employment in the Medford-Ashland MSA are the industries most likely to have significant growth opportunities. Small industries are unlikely to add great numbers of employees or have an impact on Eagle Point's economy, even if their expected employment growth rate and average payroll are high.
- **Employment growth 1990–1999 in Eagle Point and the Medford-Ashland MSA.** Past employment growth can be an indicator of the potential for future employment growth. Industries that have been growing in the community in recent times may continue to grow in the future.
- **Expected employment growth 1998–2008 in Oregon.** Employment forecasts indicate whether an industry is going to gain or shed jobs in the state. For the target industry analysis, 1998–2008 employment forecasts from the Oregon Employment Department for Oregon were used.
- **Regional average** payroll per employee. Average wages vary widely. Retail and service industries tend to have lower wages, while manufacturing industries tend to have higher wages.

These criteria were used to identify potential target industries for further analysis. High-wage industries with the best prospects for growth were then further evaluated using the following criteria:

- **Regional location quotient.** A location quotient is the ratio of the percentage share of an industry's employment in the local economy to the percentage share of that industry's employment in a larger area. Thus, it reflects the relative concentration of an industry in a particular area. A location quotient less than 0.75 suggests that the local economy may be able to attract its share of regional employment in that industry, or that the local economy has a comparative disadvantage for firms in that industry. A location quotient greater than 1.25 suggests that the local economy may not be able to attract more employment in that industry because it already has more than its regional share, or that the local economy has comparative and competitive advantages for firms in that industry that may lead to further growth.
- **Environmental characteristics.** For some industries, air or water emissions, noise, vibration, or traffic congestion might be an issue of concern to Eagle Point.
- **Compatibility with public utilities.** In some cases, an industry's expected use of water, sewer, drainage, or electricity infrastructure might be higher than normal. This is not necessarily negative, unless Eagle Point's public utilities could not efficiently provide the needed capacity.
- **Other factors.** These include consideration of whether the industry is a primary one that is likely to attract outside dollars and have high spin-off effects, and whether the location is one that makes sense for industries in terms of proximity to markets and suppliers.

CPW calculated location quotients (LQ) for Jackson County in relation to Oregon industries. Export industries include lumber and wood products, wood and veneer plywood, other lumber and wood, mining, communications and utilities, retail trade, automotive dealers, miscellaneous retail, health, social and other services, and state education. Import industries that may be industries to target for expansion in the Rogue Valley and Eagle Point are food and kindred products, printing and publishing, wholesale trade, finance, insurance and real estate, business services, and other state government.

According to the Oregon Employment Department, leading growth industries in Oregon between 1998 and 2008 include business services, eating & drinking establishments, health services, wholesale trade, social services, education, and transportation. Many of these services are already export industries in Jackson County; thus, there may not be opportunities to expand them significantly in Eagle Point. In analyzing target industries for Eagle Point, CPW targeted higher paying ($28,000+/per year) industries, as well as industries with significant growth with salaries higher than $25,000 per year. Service, retail, eating and drinking places and education are all growth industries that will likely locate in Eagle Point over the next 20 years to service the

growing population. CPW did not include these in the list of targeted industries because they will likely locate in Eagle Point without encouragement and these industries are relatively low paying jobs (<$28,000/year). The electric, gas and sanitary service industries met the criteria, but are highly dependent on population and will be a necessary requirement for new residents. Therefore, it is unlikely that a specific outreach strategy will be needed to attract these industries.

Using the criteria above, CPW narrowed a list of over 70 industries down to seven target industries through the application of the criteria listed above. Table 4-9 lists the seven target industries:

Table 4-9. Target Industries for Eagle Point

Growth Industries*	Yearly Salary	% Growth 1990-1999
Measuring, analyzing, and controlling instruments	$26,578	6134%
Business services	$25,114	161%
Health services	$35,808	41%
Private households	$33,941	795%
Personal services	$28,940	106%
Engineering, accounting, and research management	$27,784	88%
Communications, electronic and other electrical equipment components	$32,800	27%

Source: Community Planning Workshop

* Yearly salaries and % growth are derived from Jackson County data.

Eagle Point has seen substantial growth between 1990 and 1999 in business services, health services, home occupations (private households), and personal services. Business services has a location quotient of 0.75 for Jackson County compared to the state. As an import industry for the region, Eagle Point could be at an advantage for encouraging business services companies to expand or locate in the City. Health services has a location quotient of 1.39, which falls in the export category. The number of individuals in Eagle Point expected to be over the age of 65 in 2020 is somewhere between 15-20% of the population (1,400 – 1,900 persons). Assuming that the percent in group quarters remains or increases slightly, from the 2000 level, there will be between 210 and 285 people living in group quarters in 2020 (2.2%-3.0% of total population). This population will need health care and other businesses to service its needs. CPW believes health services will be a growth industry in Jackson County and Eagle Point, especially in comparison to other areas of the state.

The Oregon Employment Department does not include industry information for private households and personal services, so CPW was unable to compute a location quotient for these two industries in Jackson County. These industries are dominated by individuals working out of their homes. Home occupations cut down on commuting, and work well for individuals who require flexible schedules. Eagle Point may benefit from targeting home businesses.

Measuring, analyzing, and controlling instruments, engineering, accounting, and research management, and communications, electronic, and electrical equipment components are all industries that have either lost jobs between 1990 and 1999 in Eagle Point, or have no businesses representing that industry in the Urban Growth Boundary. These businesses do not necessarily have to be located near I-5, which may give Eagle Point an advantage for attracting these businesses in the future.

Two target industries that met the criteria were taken out of the target industries list because there has been a substantial decrease in the industry in Eagle Point between 1990 and 1999. This was the case for wholesale trade-durable goods, which experienced a 28% decrease during this time period. Executive, legislative and general government was also taken out of the targeted industry list because it is unlikely that Eagle Point will increase the government jobs other than city government, in the near future.

Evaluation of site requirements

The required site and building characteristics for the target industries range widely. As such, a variety of parcel sizes, building types and land use designations are required to attract target industries. Most of the target industries will require relatively small acreage requirements, between 1 to 10 acres (see Table 4-10).

Table 4-10. Site requirements for Eagle Point target industries

Jackson County Growth Industries	Site Requirements	Land Designation
Measuring, analyzing, and controlling instruments	Smaller Light Industrial	Commrcial/Industrial
Business services	Office	Commercial
Health services	Office	Commercial
Private households	Home Office	Residential
Personal services	Office/Home Office	Commercial/Residential
Engineering, accounting , and research management	Office	Commercial/Industrial
Communications, electronic and other electrical equipment parts	Smaller Light Industrial	Commercial/Industrial

Source: Community Planning Workshop

It is important for firms in high-tech and other industries, such as the target industries of measuring, analyzing, and controlling instruments, engineering, accounting, and research management, and communications, electronic, and electrical equipment components to have nearby facilities where employees can conveniently receive training on latest technologies and skills. The Oregon Institute of Technology, Southern Oregon State College, and Rogue Community College are all located within the Southern Oregon region, and should provide trained personnel for these industries.

Land needed for employment

Goal 9 requires an estimate of lands needed for industrial and commercial units. Several methods are available to develop such estimates. Larger communities usually develop sector-level employment

forecasts. An employee per acre ratio is then applied to each sector to derive an estimate of land need by employment sector.

Smaller communities often do not have employment forecasts. The State Office of Economic Analysis develops county-level employment forecasts. These are possible because economists are able to model how broader economic trends will affect the larger county job market. It is difficult to develop accurate small area employment forecasts for a 20-year period because a judgement is then required about how employment will distribute itself within a region. Moreover, one larger employer locating in a small market could use up a substantial amount of the local employment forecast. For these, and many other reasons, small communities do not usually develop employment forecasts.

Eagle Point does not have a local employment forecast. Thus, CPW used an alternative method to estimate land need. Many plans, including Eagle Point's, estimate commercial and industrial land needs as a function of acres per 1000 persons. This method requires the amount of land in commercial and industrial uses and a population estimate. CPW used GIS data to identify developed commercial and industrial parcels by plan designation. CPW used the 2000 Census population data.

Table 4-11 shows CPW's estimate of commercial and industrial land need for Eagle Point between 2000 and 2020. The analysis begins with acres and then estimates the developed acres per 1000 persons by plan designation. The results show Eagle Point had 35 acres of developed commercial and industrial land per 1000 population in 2000 (167.7/4,797/1000). Applying the City's acknowledged population forecast of 4,733 new persons between 2000 and 2020, CPW estimates Eagle Point will need about 165 acres of commercial and industrial land between 2000 and 2020. This figure nearly doubles the amount of developed commercial and industrial lands; a figure consistent with a doubling of the City's population.

Based on historical trends, most of this estimated land need will be in the Outlying Commercial plan designation.

Table 4-11. Estimated commercial and industrial land need, 2000-2020

Plan Designation	Acres	Acres/1000	Est Land Need 2000-2020
Central Commercial	21.8	4.5	21.5
Outlying Commercial	137.9	28.8	136.1
Industrial	8.0	1.7	7.9
Total	**167.7**	**35.0**	**165.5**

Source: CPW, 2001

Table 4-12 shows a comparison of estimated commercial and industrial land need with present land supply by plan designation. The figures

show Eagle Point has an overall deficit of commercial and industrial land of about 39 acres. The largest deficit is in the outlying commercial district; 115 acres. The City also has a deficit in the central commercial district of nearly 19 acres. The City has a surplus of 95 acres in the industrial plan designation.

Table 4-12. Comparison of commercial and industrial land need and land supply, 2000-2020

Plan Designation	Estimated Land Need 2000-2020	Buildable Acres	Surplus (Deficit)
Central Commercial	21.5	3.0	(18.5)
Outlying Commercial	136.1	21.0	(115.1)
Industrial	7.9	102.8	94.9
Total	165.5	126.7	(38.7)

Source: CPW, 2001

Summary of comparative advantages of Eagle Point

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 proportions vary. The mix of productive factors may allow firms in a region to produce goods and services more cheaply than firms in other regions. The existence of comparative advantage encourages regions to specialize in certain types of production and to trade for other goods and services with other regions. For example, western Oregon has a relatively large supply of timber, while southern California has made substantial investments in motion picture production facilities. Thus, it makes sense for western Oregon to specialize in producing lumber and trading with southern California for movies.

By affecting the cost of production, comparative advantages affect the pattern of economic development in a region relative to other regions. Goal 9 recognizes this by requiring plans to include an analysis of the relative supply and cost of production factors. An analysis of comparative advantage depends on the geographic areas being compared—this report focuses on the comparative advantages of Eagle Point relative to Jackson County and Oregon.

Eagle Point has a number of comparative advantage factors. At the top of the list is "livability." People are drawn to the small town atmosphere and the beautiful surroundings. In addition, residents are drawn to the recreational opportunities in and around Eagle Point. There is little crime and most of the traffic congestion in Eagle Point is concentrated at the beginning and end of the school day.

There are a large number of workers in Eagle Point who could be attracted to new employment, if that employment could compete financially with job opportunities in White City and Medford. Industries that are not as dependent on proximity to I-5 may be enticed to locate in Eagle Point. The City will be dependent upon new industries locating in the City, as major local employers currently do not have plans to expand in the near future.

Chapter 5
Housing

Introduction

This chapter provides the technical analysis to update the Housing (Goal 10) element of the Eagle Point Comprehensive Plan. Statewide Planning Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local Comprehensive Land Use Plans and implementing policies.

At a minimum, local housing policies must meet the requirements of Goal 10 (ORS 197.295 to 197.314, ORS 197.475 to 197.490 and OAR 600.008). Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to adopt policies that address the housing needs of community residents. The key provision of Goal 10 is:

> "…plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type, and density."

Goal 10 defines needed housing types as "housing types determined to meet the need shown for housing within an Urban Growth Boundary at particular price ranges and rent levels." This definition includes government-assisted housing and mobile home or manufactured dwelling parks. For communities with populations greater than 2,500 and counties with populations greater than 15,000, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy; and,
- Manufactured homes on individual lots planned and zoned for single-family residential use.

The structure of the housing chapter is consistent with the requirements of ORS 197.296. Passed in 1995 by the Oregon Legislature as House Bill 2709, ORS 197.296 applies only to communities over 25,000 persons or communities with fast growing rates.[27] Eagle Point has grown at a rate faster than the county and the state for each of the past five years and therefore is required to address the provisions of ORS 197.296.

Consistent with the requirements of ORS 197.296, this chapter includes:

[27] Communities that have grown faster than the county average for three of the past five years.

- An analysis of trends in housing mix and density in Eagle Point;
- An estimate of new dwelling units and residential land needed between 2000 and 2020;
- A description of demographic trends affecting housing markets at the national, regional, and state level;
- An assessment of housing affordability; and
- A forecast of new housing by type for the period between 2000 and 2020.

These steps are intended to allow local jurisdictions to better understand housing trends, the local housing market, and to address housing needs through Comprehensive Plan goals and policies.

Methods

CPW's methods are largely dictated by the statutory requirements of ORS 197.296. CPW followed the general steps in DLCD's *Planning for Residential Development Workbook*, which provides a framework for completing a housing needs analysis.

The Workbook generally describes seven steps in conducting a housing needs analysis:

1. Determine the number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic trends that will affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population, and household trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households.
5. Estimate the number of additional new units by structure type.
6. Determine the density ranges for all plan designations and the average net density for all structure types.
7. Evaluation unmet housing needs and the housing needs of special populations (Goal 10 needs).

ORS 197.296 requires communities to determine the actual density and the actual average mix of housing types of residential development that have occurred within the Urban Growth Boundary since the last periodic review or five years, whichever is greater (ORS 197.296 (3)(b)). Eagle Point has not updated the housing element of its Comprehensive Plan since 1982, when the City's Comprehensive Plan was initially adopted and acknowledged. Moreover, the City did not begin gathering detailed building permit data until the 1990s, when the rate of residential development increased substantially. Because of these data

limitations, and local residential market trends, the time period for the analysis of historical development varies.

To calculate density of housing units over the past five years, CPW gathered and analyzed two sets of development data: total building permit activity over the past six years (1995-2000), and subdivision data from the City of Eagle Point Planning Department for the period of 1990-2000.

CPW also used the draft Oregon Housing and Community Services (OHCS) housing needs model to estimate needed dwelling units by income range and tenure (whether the unit is rented or owned).

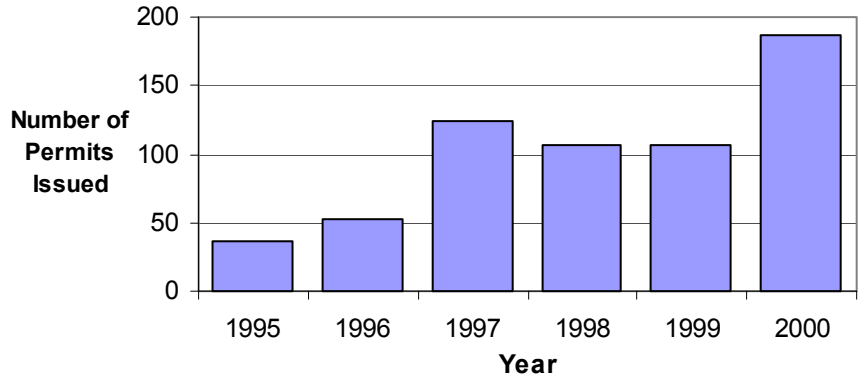
Historical development trends in Eagle Point

Historical development trends illustrate how many housing units have been built in a given time period, what types of housing were built, and the density at which they were developed. In other words, the trends provide relatively reliable information about housing demand in any given geographic area. For this analysis, Community Planning Workshop (CPW) looked at building permit activity from 1995 to 2000 in Eagle Point, and residential subdivision approvals from 1990 to 2000.

Building permit activity

Between January 1, 1995 and January 1, 2001, Eagle Point issued a total of 559 building permits for new residential construction. Figure 5-1 shows that the number of building permits issued varies from year to year, and has increased substantially since 1995. The number of permits issued in 2000 was 126, or nearly four times the number of permits issued in 1995 (36).

Figure 5-1. Building permits issued for new residential construction 1995-2000



Source: City of Eagle Point Planning Department

Housing type mix

The housing mix by type (i.e., percentage of single family, multi-family, and mobile/manufactured home units) provides a strong indication of the demand for different types of units. Distribution of housing types is influenced by a variety of factors, including the cost of new home construction, regional economic and employment trends, land supply, interest rates, and accumulated household wealth.

Table 5-1 shows housing units by type in 1990 and 2000. Eagle Point added 914 dwelling units during the 10-year period. Single-family detached dwelling units accounted for about two-thirds of the 914 new dwelling units, manufactured/mobile for about 19%, and multiple-family 11%. While the percent of single-family detached dwellings increased the most between 1990 and 2000, single-family attached dwellings experienced the fastest rate of growth (117%).[28]

Table 5-1. Comparison of housing mix, 1990 and 2000

	1990		2000		Change	
Housing Type	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Single-family detached	651	58%	1,243	61%	592	91%
Single-family attached	41	4%	89	4%	48	117%
Multiple-family	180	16%	280	14%	100	56%
Manufactured/Mobile	247	22%	421	21%	174	70%
Total	**1,119**	**100%**	**2,033**	**100%**	**914**	**82%**

Source: 1990 Census and 2000 City of Eagle Point Data
Note: Multiple-family includes duplexes

[28] The high rate of growth for single-family attached dwelling during 1990 and 2000 may be an anomaly because of the construction of Butte Crest Estates in 1998-1999.

The trend towards single-family detached homes is evident in the recent building activity in Eagle Point. The share of single-family attached dwellings increased from 58% of all housing units in 1990 to 61% in 2000. Although Table 5-2 shows manufactured housing accounted for a slightly smaller share of total housing units in 2000 than in 1990 (22% to 21%), building permit activity between 1995 and 2000 in Eagle Point show that manufactured homes accounted for 31% of building permits issued during this period. It is noteworthy that the majority of this activity occurred within one manufactured home park, Butte Crest Estates, between 1997 and 2000. The number of manufactured home permits diminished in late 2000 and early 2001.

Table 5-2 shows building permits issued by housing type for the six-year period between 1995 and 2000.[29] The data represent 490 dwelling units. Nearly 59% of the permits issued were for single-family detached units; 31% were for manufactured homes in parks. Single-family attached units accounted for about 8% of all residential approvals, while multiple-family accounted for about 3%.

The 490 dwelling units consumed about 88 net acres (acres in tax lots not including streets and land used for other public purposes). Overall, residential permits averaged a density of about 5.6 dwelling units per net acre. Single-family attached dwellings averaged the highest densities; about 9.7 dwelling units per net acre. Single-family detached and manufactured homes in parks developed at a net density of about 5.4 dwelling units per net acre, while multiple-family dwelling units achieved a net density of about 7.6 dwelling units per net acre.[30]

[29] The data do not include all building permits issued during this period. The City did not gather acreage data with building permits. Thus, the data represent only those permits that had complete tax lot identifiers. CPW used the tax lot data to merge the permit data with the Jackson County Assessor tax lot data. The tax lot database included information on tax lot size which allowed CPW to calculate net densities for building permits issued. The data represent about 82% of all dwelling units approved between 1995 and 2000. The data do not include an additional 13 units the City approved in non-residential plan designations.

[30] These data mask considerable variation that CPW observed among different types of developments.

Table 5-2. Dwelling units approved by residential building permits by type, Eagle Point UGB, 1995-2000

Housing Type	Number of Units	Percent of Units	Net Acres	DU/Net Acre
Single-Family Detached	288	58.8%	53.6	5.4
Single-Family Attached	37	7.6%	3.8	9.7
Manufactured Homes in Parks	152	31.0%	28.5	5.3
Multiple-Family	13	2.7%	1.7	7.6
Total	**490**	**100.0%**	**87.6**	**5.6**

Source: City of Eagle Point building permit data; analysis by CPW

Housing density

Table 5-3 shows dwelling units approved with residential building permits by plan designation within the Eagle Point Urban Growth Boundary between 1995 and 2000. The data show that the majority of units (56%) approved by the City were in the high-density residential plan designation, while about 44% were in the medium-density plan designation. Only one permit was approved in the low-density residential plan designation.

Densities were relatively even across plan designation, ranging from 4.9 dwelling units per net acre in the low-density designation to 5.8 dwelling units per net acre in the high-density designation.

Table 5-3. Dwelling units approved by building permits by plan designation, Eagle Point UGB, 1995-2000

Plan Designation	Number of Units	Percent of Units	Net Acres	DU/Net Acre
Low Density Residential	1	0.2%	0.2	4.9
Medium Density Residential	213	43.5%	39.6	5.4
High Density Residential	276	56.3%	47.9	5.8
Total	**490**	**100.0%**	**87.6**	**5.6**

Source: City of Eagle Point building permit data; analysis by CPW

One measure of performance of residential plan designations is a comparison of actual and allowable densities. Table 5-4 shows such a comparison. The state shows that Eagle Point has fallen below its allowable density targets in all but the low-density residential plan designation. These data suggest the City should review the residential density ranges identified in its Comprehensive Plan.

Table 5-4. Comparison of actual and allowable densities of residential building permits by plan designation, 1995-2000

Density	Low Density Res	Medium Density Res	High Density Res
Allowable Density Range	2-6	7-14	14+
Maximum Allowable Density	6.0	14.0	na
Actual Density (1995-2000)	4.9	5.4	5.9
Percent of maximum	82%	39%	na

Source: City of Eagle Point building permit data; analysis by CPW

Table 5-5 shows a cross-tabulation of dwelling units approved by building permits by plan designation and type. The results underscore that the City did not use lands designated for low-density residential uses between 1995 and 2000. Single-family detached units accounted for 59% of all permits issued; the City issued about 39% in the medium-density designation and about 21% in the high-density designation.

Three-quarters of the single-family attached units went in the medium-density plan designation, a permitted use in the R-2 zoning district. Nearly all of the manufactured dwellings approved in parks went in the high-density plan designation. All of the multiple-family development occurred in the high-density plan designation.

Table 5-5. Dwelling units approved by plan designation and type, Eagle Point UGB, 1995-2000

Housing Type	Low Density Res	Medium Density Res	High Density Res	Total
Number of Units				
Single-Family Detached	1	182	105	288
Single-Family Attached	0	29	8	37
Manufactured Homes in Parks	0	2	150	152
Multiple-Family	0	0	13	13
Total	**1**	**213**	**276**	**490**
Percent of Units				
Single-Family Detached	0%	37%	21%	59%
Single-Family Attached	0%	6%	2%	8%
Manufactured Homes in Parks	0%	0%	31%	31%
Multiple-Family	0%	0%	3%	3%
Total	**0%**	**43%**	**56%**	**100%**

Source: City of Eagle Point building permit data; analysis by CPW

In addition to analyzing all residential building permits between 1995 and 2000, CPW gathered and evaluated density of subdivision plats for the period between 1990 and 2000. As shown in Table 5-6, 692 total subdivision lots were platted for residential development during this period. This development consumed 171 gross acres. About 36 acres were committed to right-of-way and other public uses, leaving about

146 acres in tax lots. New subdivision lots in Eagle Point were platted at an average net density of 5.0 dwelling units per net buildable acre between 1990 and 2000, and at 4.0 dwelling units per gross acre for a gross-to-net density factor of about 21%.

Table 5-6. Density of subdivision lots platted by zone, 1990-2000

Zone	Number of Sub-divisions	Number of Tax Lots	Total Acres	Net Acres	Acres for Public Use	Gross to Net Factor	Gross Density (DU/Gross Acre)	Net Density (DU/Net Acre)
R-1	6	201	55.9	46.5	9.5	17%	3.6	4.3
R-1-8	3	146	42.8	33.5	9.3	22%	3.4	4.4
R-2	13	303	71.6	55.0	16.5	23%	4.2	5.5
R-3 (PUD)	2	42	6.6	5.5	1.2	18%	6.3	7.7
Total	**24**	**692**	**176.9**	**140.5**	**36.4**	**21%**	**3.9**	**4.9**

Source: City of Eagle Point subdivision data.

The net density for recent subdivision development (4.9 dwelling units per acre) is slightly lower than the net density for all residential building permits over the past six years (5.6 dwelling units per acre). This is because the building permit data included permits issued for manufactured dwellings in parks, duplexes, and multiple family units. Lower densities in subdivisions are partly a result of the Eagle Point Golf Course development, which was built over the past five years, and consists of large lots, large amounts of open space, and low housing density.

Housing needs analysis

The DLCD Housing Workbook describes five steps in analyzing housing needs in a community. Specifically, these steps are:

1. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
2. Describe the demographic characteristics of the population and, if possible, housing trends that relate to demand for different types of housing.
3. Determine the types of housing that are likely to be affordable to the projected households based on household income.
4. Estimate the number of additional needed units by structure type.
5. Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

The analysis begins with an estimate of demand for new dwelling units between 2000 and 2020. CPW then presents a Baseline Forecast of housing mix and density based on *actual* housing mix and density

observed in Eagle Point during the period 1995-2000. The Baseline Forecast is then compared with an Alternative Forecast of housing mix and density based on the steps listed above.

Demand for new dwelling units, 2000-2020

The factors affecting demand for new housing, explained in the following sections, allow the calculation of an estimated number of new dwelling units needed between 2000 and 2020. The key variables in estimating demand for new housing units are population change, persons in group quarters, household size, vacancy rate, and market trends.

Population change

The population of Jackson County and Eagle Point grew considerably between 1980 and 2000. The majority of the growth in this period occurred during the 1990s. Between 1995 and 2000, Eagle Point grew at an average annual rate of 8.5%. Building activity for the past 40 years shows an average annual growth rate of 5.0%

According to the U.S. Census, the 2000 population of Eagle Point was 4,797 persons. Eagle Point, in coordination with Jackson County and the other incorporated communities in Jackson County, has a coordinated 2020 population forecast of 9,530. Thus, Eagle Point will add 4,733 new residents between 2000 and 2020. This is nearly a doubling of the City's 2000 population and equates to a 3.5% average annual growth rate. This rate is lower than the growth rate experienced during the 1990s, and the 5% historic, yearly average for the past 40 years. The 9,530 adopted population for 2020 is based on the County control total allocation provided by the State to Jackson County. Based upon past population and building trends, this figure may underestimate population growth in Eagle Point. The figure, however, is the "allowed" population for Eagle point in 2020.

Persons in group quarters

Group quarters are a unique type of housing that meet the needs of special classes of residents. Persons in group quarters can include people who are in jail, in school dormitories, or in assisted living centers (elderly, disabled). Group quarters tend to have a large impact in communities that have prisons, colleges and universities and an elderly population. Housing needs of these types are met by institutions that operate largely outside of the local housing market. Persons in group quarters are typically subtracted from total population when estimating the number of households, and occupied dwelling units.

While people in group quarters have their housing needs met outside of the normal market, group quarters require land. The number of older residents is increasing; some elderly residents will require housing in assisted living structures. In this analysis it is assumed that persons in group quarters require land at approximately the same density as multiple family housing.

Table 5-8 shows persons in group quarters for Jackson County and Eagle Point in 1980 and 1990. According to Census data, nearly 3,500 persons resided in group quarters in 1990 in Jackson County. According to Census data, there were no persons in group quarters within Eagle Point in 1990. In 2000, however, there were 62 group quarter units in Eagle Point. CPW assumes these accommodated 62 people (1.3% of the population). The recent development of an assisted living facility, combined with an aging population and influx of retirees, suggests there will be a demand for more group quarters over the next 20 years.

Table 5-7. Persons in group quarters, Jackson County and Eagle Point

	1980		1990		2000		1990-2000 Change	
Area	**Number**	**% of total**	**Number**	**% of total**	**Number**	**% of total**	**Number**	**Percent**
Jackson County								
Group Quarters	3,858	2.9%	3,468	2.4%	4,834	2.7%	1,366	39.4%
Total Population	132,456	100%	146,389	100%	179,050	100%	32,661	22.3%
Eagle Point								
Group Quarters	na	na	na	na	62	1.3%	62	100%
Total Population	**2,831**	**100%**	**3,008**	**100%**	**4797**	**100%**	**1,789**	**59.5%**

Source: 1980 and 1990 summary tape files STF-3, US Bureau of the Census
Note: 2000 figures are estimates

Claritas data from 2000 indicate there are approximately 525 people older than 65 living in Eagle Point. Assuming that all 62 people living in group quarters are older than 65, as they occupy an assisted living facility, CPW estimates the percent of people in group quarters to be approximately 1.3% of the 2000 population. The number of individuals over the age of 65 in 2020 is expected to be somewhere between 15-20% of the population (1,400 – 1,900 persons). Assuming that the percent in group quarters remains or increases slightly, from the 2000 level, there will be between 210 and 285 people living in group quarters in 2020 (2.2%-3.0% of total population).

Household size and composition

Twenty years ago, traditional families (married couple, with one or more children at home) accounted for 29% of all households in Oregon. In 1990 that percentage dropped to 25%. The percentage of traditional families will likely continue to decrease, but probably not as dramatically, if trends in Eagle Point reflect national projections. The average household size has decreased over the past five decades and is likely to continue to do so. The average household size in Oregon was 2.60 in 1980 and 2.52 in 1990. One and two person households made up the majority of Oregon households in 1990. The direct impact of decreasing household size on housing demand is that smaller households means more households, which equates to a need for more housing units even if population were not growing.

Table 5-8 shows selected household trends for 1980, 1990, 2000 and 2005. The average household size in Eagle Point has decreased over the last 30 years, from 3.2 persons per household in 1970 to an estimated

2.66 persons per household in 2000. This trend is expected to continue over the next 20 years as the age of the population increases. CPW assumes the household size will decrease to approximately 2.55 persons per household in the year 2020.

Table 5-8. Household trends, 1980, 1990, 2000, and 2005

Year	Households (HH)	Family HH	Families as % of all HH	Average HH Size
1980	965	766	79.4%	2.93
1990	1,085	824	75.9%	2.77
2000	1,775	1,313	74.0%	2.66
2005	2,068	1,510	73.0%	2.62

Source: Claritas, Inc.

Vacancy rates

Residential vacancy rates are cyclical. Typical vacancy rates range between 3% and 5% of total dwelling units. Factors that affect vacancy rates include the availability of new housing, the condition of existing housing, and the market demand for housing. The growth in Eagle Point over the last five years has significantly increased the number of housing units available in the community. Many of these housing units will be occupied by new residents to the community, while other units will be filled by current residents who desire to live in newer housing. Eagle Point realtors confirm that houses are selling much more quickly than in the past ten years, and that overall vacancy rates are very low. The housing demand analysis assumes that the 1990 vacancy rate of approximately 3.0% will continue to represent the approximate average of vacant units during the 2000-2020 analysis period.

Estimate of new dwelling units 2000-2020

Demand for new dwelling units is strong in Eagle Point. More than 900 dwelling units were built between 1990 and 2000. Table 5-9 summarizes the steps CPW took to estimate demand for new dwelling units between 2000 and 2020. To calculate total new dwelling units CPW assumed a 2020 population of 9,530 and used the Census population for 2000 of 4,797. The increase in population in this 20-year period is forecast to almost double at 4,733 new residents.

Persons in group quarters are subtracted out of the new dwelling units forecast. In 2000 there were 62 persons living in group quarters. CPW forecasts a need for approximately 142 new residents in group quarters in the year 2020. Subtracting the number of people in group quarters from the general population results in the total number of persons in households (4,591).

Average household size has consistently decreased over the last 30 years in Eagle Point. The decrease is a result of changing demographics, including a change in the composition of American families. In addition to smaller family household size, Eagle Point is also attracting non-family households. The combination of these two

factors means that the persons per household will decrease over the 20-year period. The analysis assumes an average household size of 2.55 for the period between 2000 and 2020.

Using the 2020 persons per household figure of 2.55, the total persons between 2000 and 2020 is divided by the number of people in occupied dwelling units. This results in an estimate of 1,800 total occupied dwelling units. Since not all housing units are occupied, CPW assumes residential vacancy rates will remain at levels comparable to the 1990-2000 ten-year period of 3.0%. Therefore, there is a projected demand for approximately 1,856 new dwelling units between the 2000 and 2020.

Table 5-9. Estimate of new dwelling units needed, 2000-2020

Housing Need, New DU, 2000-2020	Citywide
Change in persons, 2000-2020	4,733
-Change in persons in group quarters	142
=Persons in households	4,591
÷Persons per occupied DU	2.55
=Occupied dwelling units	1,800
/ (1-vacancy rate)	3%
Total needed dwelling units	**1,856**

Source: US Census 1990 and 2000, CPW Analysis

Baseline Forecast of housing mix and density

CPW estimates Eagle Point will need a total of 1,856 new dwelling units between 2000 and 2020. The next step in the analysis is to apply historical trends to develop a Baseline Forecast of dwelling units by type and density. Using only recent building activity trends in Eagle Point, Table 5-10 shows a Baseline Forecast of housing units by type and density. The table also estimates land needed to accommodate the housing mix at historical densities. The Baseline Forecast assumes construction will continue at the same densities and mix as observed between 1995 and 2000 (called *actual* density and mix in the Housing Workbook).

Applying actual density and mix, nearly 90% of new dwelling units (1,667 new units) would be single-family detached units. Population growth would require about 190 multiple-family dwelling units. Applying actual densities observed between 1995 and 2000, Eagle Point would need 332 net residential acres to accommodate new housing between 2000 and 2020. Using a net-to-gross conversion factor of 25% (e.g., 25% of a parcel is used for streets and other public purposes), Eagle Point would need about 443 gross buildable residential acres to accommodate new dwelling units between 2000 and 2020.

Table 5-10. Baseline Forecast of new housing units by type and land need, Eagle Point UGB, 2000-2020

Housing type	Baseline forecast	Percent of Dwelling units	Density (DU/Net Acre)	Net Acres Needed	Gross Acres Needed
Single-family	1,667	89.8%	5.4	311.0	414.7
Detached	1,091	58.8%	5.4	202.9	270.6
Manufactured	576	31.0%	5.3	108.1	144.2
Multifamily	189	10.2%	9.0	21.0	27.9
Condominium/Duplex	140	7.6%	9.7	14.5	19.3
Apartment	49	2.7%	7.6	6.5	8.6
Total	**1,856**	**100.0%**	**5.6**	**332.0**	**442.7**

Source: CPW, 2001

The Baseline Forecast is an extrapolation of development trends observed between 1995 and 2000. An alternative to this forecast, provided at the end of this chapter for comparison, takes other demographic and economic factors into consideration.

Table 5-11 shows the Baseline Forecast of land need by plan designation and housing type in the Eagle Point UGB between 2000 and 2020. The results show that if historical trends continue, Eagle Point will need virtually no low-density residential land, about 188 acres of medium-density residential land, and 254 acres of high-density residential land. Moreover, if the City continues to use high-density residential at the rate observed between 1995 and 2000, it will require about 172 additional acres of high-density residential land between 2000 and 2020.

Table 5-11. Baseline Forecast of land need by plan designation and housing type, Eagle Point UGB, 2000-2020

	Acres Needed By Plan Designation			
Housing type	Low Density	Medium Density	High Density	Total
Single-family				
Detached	0.9	171.0	98.6	270.6
Manufactured	-	1.9	142.3	144.2
Multifamily				
Duplex/Condominium	-	15.1	4.2	19.3
Apartment	-	-	8.6	8.6
Total	0.9	188.0	253.7	442.7
Land Supply	345.0	404.0	81.0	830.0
Surplus (deficit)	**344.1**	**216.0**	**(172.7)**	**387.3**

Source: CPW

The estimates shown in Table 5-12 are explained by the Eagle Point zoning code which allows lower density housing types in High- and Medium-Density residential plan designations. The City should consider revising the zoning code to better reflect the densities ranges envisioned in the Comprehensive Plan.

Demographic and economic trends

State Land Use Planning Goal 10 requires cities to adopt policies that ensure adequate housing for residents of different income levels and needs. This section evaluates the relationship between income, housing costs, and housing affordability. This section will help Eagle Point (1) determine the types of housing that are likely to be affordable to the projected households based on household income; (2) estimate the number of additional needed units by structure type; and (3) determine the needed density ranges for each plan designation and the average needed net density for all structure types.

In order to comply with state requirements, the following housing types must be addressed in the housing needs analysis:

- Single family units
- Multi-family units
- Manufactured units (both detached and housing parks)
- Government assisted housing

CPW addressed the affordability and need by housing type in Eagle Point using the Oregon Housing and Community Services Housing Needs Model (see below) and the DLCD Draft *Planning for Residential Development Workbook*.

National and regional housing trends

The *Planning for Residential Development Workbook* suggests communities review national and statewide demographic trends affecting housing demand. This step is intended to provide a broader understanding of the complex set of interactions between demographic trends and housing demand.

Current national demographic trends are summarized below:

- Young adult households and the elderly will migrate to the South and West from the Northeast and Midwest.
- States that traditionally attract retirees—Arizona, Utah, Nevada, New Mexico, Colorado, Washington, Oregon, Georgia, North Carolina, and South Carolina—will see especially fast growth in their over-65 populations.
- The aging of the population, and of the baby boomers in particular, will drive changes in the age distribution of households in all age groups over 55 years.
- Baby boomers now reaching their 50s have moved, or are about to move, into the "empty nest" stage of life when their children leave home. The number of empty nesters will increase by about 3.2 million over the next decade.
- The number of people living alone will also increase.

- Single-parent households are headed for a slowdown, although relative to the growth of traditional households, single-person households are growing much faster.[31]
- Married couples with children under the age of 18 will also decrease in number.
- With the over-85 population growing by 1.3 million during the first decade of the 21st century, housing suited to the health-related needs of the frail elderly will be increasingly in demand.

In summary, there is a growing diversity of household types and sizes throughout the United States.[32] Jackson County and Eagle Point have experienced similar trends. This shift in household types will affect demand for housing. In its regional analysis of Linn and Benton Counties, ECONorthwest reviewed data from the U.S Bureau of Census *Current Construction Reports* to identify national trends in the characteristics of new housing.[33] Nationally, several shifts in the characteristics of housing are evident:

- *Larger single-family units on smaller lots*. Between 1987 and 1997 the median size of new single-family dwellings increased 13%, from 1605 sq. ft. to 1,975 sq. ft. During the same period, the median lot size decreased 2%, from 9,295 sq. ft. to 9,100 sq. ft. Moreover, the percentage of units fewer than 1,200 sq. ft. decreased from 13% in 1987 to 8% in 1997. The percentage of units greater than 2,500 sq. ft. increased from 26% in 1987 to 31% in 1997.
- *Larger multifamily units*—between 1987 and 1997, the median size of new multiple family dwelling units increased 15%, from 920 sq. ft. to 1,055 sq. ft. Moreover, the percentage of units with less than 600 sq. ft. decreased from 8% to 5%, while the percentage with more than 1,200 sq. ft. increased from 18% to 27%.
- *More household amenities*—between 1987 and 1997 the percentage of single-family units built with amenities such as central air conditioning, fireplaces, brick exteriors, 2 or more car garages, or 2½ or more baths increased. The same trend is seen in multiple family units: the percentage of units with two or more bathrooms increased from 39% to 49% between 1987 and 1997.
- *Homeownership rates have increased slightly over the past 25 years*. Homeownership rates increased from about 64.6% in

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[31] *The Practice of Local Government Planning,* Ed. Charles J. Hoch, 2000, p.257.

[32] Ibid, p.232.

[33] *Linn-Benton Regional Housing and Economic Analysis,* ECONorthwest, 1999.

1974 to 66.3% in 1998, its highest rate ever. The increase is largely due to higher homeownership rates for homeowners over age 55, and the desire of most Americans to own their own homes.[34]

- *Manufactured housing is becoming more popular*. Today, manufactured housing is a $9.5 billion industry, and is the fastest growing segment of the American housing industry. In 1995, manufactured homes accounted for 30% of all new home sales in the United States. Its popularity is most likely attributable to cost savings and design flexibility.[35]

These data suggest that demand for owner-occupied single-family units in subdivisions will continue to be strong, as well as specific demand for manufactured homes. Demand for multiple family units will be for larger units with more amenities.

Affordable housing types

According to the 1990 Census and the 1993 Jackson County Housing Needs Assessment, Eagle Point median incomes are considerably lower than State and County figures. Also, the number of people living below the poverty level (24.8%), or who pay more than 30% of their income toward housing, is substantially higher than other communities in Jackson County. However, the percentage of people living below the poverty level may have decreased since 1990, due to an influx of higher-paid professionals and affluent retirees.

Goal 10 requires cities to determine the types of housing that are likely to be affordable to the projected population based on household income. In addition to being a required step in the housing analysis, Eagle Point residents will benefit greatly by planning now for an adequate number of needed housing types affordable to all households. In addition to providing affordable homes, government assistance programs will be crucial in supporting very-low-income residents of Eagle Point.

OHCS housing needs model

The Oregon Housing and Community Services Department and the Department of Land Conservation and Development developed a Housing Needs Model (OHCS model) in an effort to provide guidance to municipalities, as well as standardize the process of conducting housing needs analysis throughout municipalities throughout Oregon.[36]

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[34] *The Practice of Local Government Planning*, Ed. Charles J. Hoch, 2000, p.232.

[35] Ibid, p.236.

[36] The OHCS Model was still in draft format at the time this analysis was completed. The model had not be subject to peer review or other outside evaluation. DLCD Staff strongly recommended CPW use the model as part of the housing needs analysis for Eagle Point. CPW, however, was unable to

According to documentation provided with the model by OHCS, the Housing Needs Analysis model and its templates are based on a methodology that uses the demographics of the study area in conjunction with current regional housing tenure (owning versus renting) data to calculate the housing needs for that study area.[37] For purposes of Goal 10, the study area typically will be a city's incorporated territory (the current year projection) and anticipated buildout of territory within the Urban Growth Boundary (a future year projection).

The study area demographic information was compiled by OHCS from several sources including the Center for Population Research and Census, Portland State University and Claritas, Inc. The regional housing tenure data is derived from the Consumer Expenditure Survey that is conducted each year by the U.S. Bureau of Labor Statistics. The model is designed to be adaptable in order to utilize Census 2000 and other updated data.[38] It is important to note that the output of the model output provides an estimate of the number of units by price range and tenure. While the output provides a general indication of the number of needed units at various prices points, the numbers should not be construed as precise. Moreover, the numbers should serve as general guidelines and are not accurate enough to be adopted as local policy.

Housing units needed by price and tenure

The OHCS Model projects needed housing by price and tenure (whether the housing is rented or occupied by a home owner). Table 5-12 illustrates the number of *rental* housing units that will be needed by rental rate for the period 2000-2020. Table 5-13 presents a similar analysis of needed *homeowner* units, according to the OHCS Model.

CPW notes that the figures presented in Tables 5-12 and 5-13 represent rough estimates of needed units by price based on a specific set of assumptions. These figures are intended to provide a general indication of housing need at different price ranges. They are not intended to be targets and should not be construed as City policy.

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verify the source data and cautions readers in the interpretation of the model results.

[37] This is an important point: the model output projects needed housing units by cost and tenure. Tenure does not directly correlate with single-family and multiple-family housing types.

[38] Draft Planning for Residential Growth: A Workbook for Oregon's Urban Areas by Department of Land Conservation and Development Commission, 2001.

Table 5-12. Needed rental units by price range, 1999-2020

Rental Cost	1999	2020	Needed Units	Percent
0-199	164	333	169	21%
200-429	179	365	186	23%
430 - 664	147	299	152	19%
665 - 909	125	255	130	16%
910 - 1149	114	232	118	15%
1150 +	49	99	50	6%
Total	**778**	**1583**	**805**	**100%**

Source: OHSC Housing Model, Analysis by CPW

Table 5-13. Needed owner-occupied units by value, 1999-2020

Housing Value	1999	2020	Needed Units	Percent
<60k	287	585	298	27%
50k <90k	196	400	204	18%
75k <120k	161	328	167	15%
100k <150k	142	289	147	13%
125k <225k	241	491	250	22%
187.5k+	54	111	57	5%
Total	**1,081**	**2,204**	**1,123**	**100%**

Source: OHSC Housing Model, Analysis by CPW

Table 5-12 indicates needed rental units are concentrated in the lower end of the price ranges with 44% of renters needing units priced under $429 per month. Homeowner units are concentrated in the lower price ranges and upper price ranges. Table 5-13 suggests homes under $90,000 will be needed for 45% of homeowners. Additionally, there will be a need for housing between $125,000-$225,000 (roughly 22% of all homeowner units).

The fact that 44% of renters require units priced less than $429 a month, and 21% of those residents require units priced less than $199 a month underscores the importance of providing affordable housing for all residents of Eagle Point, and emphasizes the need for more government assisted housing. Similarly, the fact that 27% of residents in Eagle Point need to find homes priced less than $60,000 may suggest more of a need for apartment or multi-family structures, which are usually priced lower than single-family detached units.

According to realtors in Eagle Point, the average selling price of a new home in 2000 was somewhere between $110,000 and $125,000, which is more than approximately 50% of Eagle Point residents can afford. On the other hand, if there is also a substantial demand for homes priced at $125,000-$225,000, the gap between low-income and high-income residents may continue to increase.

Analysis of Jackson County Assessor's data indicates that Eagle Point has a substantial number (641 units or 55% of all housing units in Eagle Point) of dwelling units valued between $75,000 and $125,000. Table 5-14 shows the values of single-family housing types in Eagle Point in 2000. These results suggest that Eagle Point has a relatively large number of moderately priced single-family units.

Table 5-14. Value of single-family dwellings, Eagle Point, 2000

Housing Value	Number of DU	Percent
<50	27	2.7%
50-75k	69	7.0%
75-100	345	35.0%
100-125	296	30.0%
125-150	104	10.5%
150-175	49	5.0%
175-200	30	3.0%
200+	67	6.8%
Total	**987**	**100.0%**

Source: Jackson County Assessor's data; analysis by CPW
Note: includes single-family units for which value data were available

The OHCS model run concluded that the number of homeowner to renter percentages should be 58.2% and 41.8%, respectively. City building permit data reveals that for the past five years, single-family homes (detached and attached) have comprised 66% of the housing stock, manufactured homes comprised 31%, and multi-family homes have comprised only 3%. If this trend continues, renters may find it increasingly difficult to find multiple-family and manufactured homes to rent. They will be forced to rent more expensive single-family homes if current building trends continue.

CPW's evaluation of the local housing market as well as building permit trends in 2001 suggest that more multiple-family housing will become available in Eagle Point. The City has sufficient lands designated to accommodate multiple-family uses.

Moreover, this projection is based on regional data and may overestimate the number of people renting in Eagle Point, especially in light of 1990 U.S. Census numbers that state the percentages of renters and homeowners at 33% and 77% respectively. Based on 1990 Census data, of the people who are renting, approximately one-third will rent single-family homes.

New, unsubsidized housing in single-family homes is often unattainable to low-income and many middle-income households. Table 5-15 presents an estimate of affordable housing types at various income levels (divided roughly into quartiles) for Eagle Point residents in 2000. Each income level has an associated type of housing that is affordable. Table 5-13, the estimate of needed rental units by price, and Table 5-14, the

estimate of needed homeowner unit by price, help identify the number of housing units in different price ranges and types that will be needed by Eagle Point residents by 2020.

Table 5-15. Financially attainable housing types by income for Eagle Point

Market Segment by Income	Household Income Range	Financially Attainable Housing Types
High (24%)	$55,0000 or more	All housing types
Upper Middle (26%)	$30,000-$55,000	Older Single-family homes, Manufactured housing, Attached housing, Multi-family housing
Lower Middle (27%)	$15,000-$30,000	Manufactured housing, Older single-family homes, Apartments, multi-family housing
Low (23%)	Less than $15,000	Apartments, multi-family housing, subsidized housing

Source: Claritas
*Percentages are approximate share of total households in 2000.

The cost of housing is influenced by many factors, including subdivision requirements, public facilities ordinances, impact fees, environmental reviews, and building codes. However, in Eagle Point, realtors and residents are aware of the impact that other factors, such as the new Eagle Point Golf Course, can have on the housing market. Since the beginning of the construction of the Eagle Point Golf Course in 1995, the City has experienced a rapid increase in housing prices and an increase in demand for higher-end homes. Although many lots are still vacant in the development, people disagree on the future impact of the new homes. Some residents believe housing prices will continue to increase quickly, and within five years residents will not be able to find homes for less than $125,000. Others believe the trend is only temporary, and after the new lots are developed housing prices will return to normal.

Another important factor impacting future of housing development in Eagle Point is the economy. As the local and regional economy continues to shift from manufacturing-based to service-based industries, median incomes will continue to decline. Also, as more retirees move into the state and specifically into Eagle Point, median incomes may be affected. It is unclear whether retirees will increase or decrease median income.

In summary, if present trends continue, Eagle Point will need lower-cost units affordable to renters and more units valued over $125,000 for owners. The housing market has adequately provided owner-opportunities in the value ranges between $75,000 and $125,000 (or households with annual incomes between $30,000 and $50,000).

Needed housing types

Special needs housing

The Oregon Department of Housing and Community Services has identified the following "special needs" populations in Oregon:

- At-risk youth
- Elderly and frail individuals
- Large families
- Farm workers
- Homeless
- Persons recently released from state institutions
- Persons infected with the HIV virus.

It is very difficult to estimate how many Eagle Point residents are in each of these special category needs. The Oregon Department of Housing and Community Services does not have estimates and while many local service agencies know approximately how many people they serve, they cannot give an accurate number of the total people with special needs within a geographic area.

Given the difficulty of quantifying people with special needs, CPW does not attempt such an estimate here. Rather, CPW assumes Eagle Point will have an increase of persons with special housing needs that is consistent with general population growth rates.

Government assisted housing

Originally established in 1934, the National Housing Act was intended to provide short-term help for people in need of affordable housing. Since 1934, a series of federal legislation has been passed that continues to assist low-income renters and owners with housing needs across the United States. Current government assisted housing programs in Eagle Point include Section 8 vouchers[39] and privately owned apartment projects funded by the Rural Development Program.[40]

At present, there are three government subsidized apartment complexes in Eagle Point: Butte Creek (32 units), Lorraine Court (22 units), and Shasta Square (44 units). The Rural Development Program owns Butte Creek and Lorraine Court and financed in part or in whole the original construction of these two apartment buildings. Residents in

[39] Section 8 is a federal housing program (established in 1974) to assist families and seniors with renting properties managed by private landlords. Participants choose their homes, and rent is based on 30% of their income. The City's Housing Department pays the difference in rent.

[40] The Rural Development Program is funded by the United States Department of Agriculture, and was formerly called the Farm Home Administration Program.

Shasta Square can accept Section 8 subsidies from the Housing and Urban Development (HUD) Office.

In addition, eight units on Onyx are owned by Jackson County Housing Authority, the Loto Street complex, owned by Rogue Valley Manor, is government subsidized, and the Eagle Cove Assisted Living Facility has residents whose housing costs are covered by Medicare.

There were 15 people on the waiting list for the Butte Creek apartments in April 2001. Of the 32 units in the complex, 16 are "deep" subsidies where rent is based on income and also fluctuates according to income changes. The other 16 renters in Butte Creek are offered tax credits. According to the manager of Butte Creek, there is more of a demand for deep subsidy units because they allow the rent to fluctuate with income in a "very bad" economy.

As of July 2000 there were 40 Section 8 voucher-holders in Eagle Point. There are approximately 2,000 people on the waiting list in Jackson County (1.1% of the total population), and of these 66 are in Eagle Point (1.4% of the total population).[41]

The fact that people are on waiting lists for both Section 8 vouchers and subsidized apartments, combined with the housing affordability analysis provided above, suggests Eagle Point is not meeting the current need for government-assisted housing. This is not surprising; every jurisdiction CPW has worked with has housing needs that far exceed available resources. National trends underscore the extent of the problem—only $1.00 of housing subsidy is currently available for every $3 to 4 of housing need.[42]

Alternative Forecast of new housing units by type and needed net density, 2000-2020

The Baseline Forecast answers the questions of what the housing mix and density and land needs would be if the development trends observed between 1995 and 2000 continued through 2020. The data presented in the previous sections, however, suggests that they will not. CPW's evaluation of demographic and market trends points towards a higher percentage of multiple-family housing types and an increase in overall housing density in Eagle Point.

After analyzing demographic and economic trends, housing affordability, special needs housing, and government assisted housing, CPW developed an Alternative Forecast of new housing units by type based both on need and demand. The Alternative Forecast is intended to meet the intent of ORS 197.296 that requires communities to evaluate housing needs.

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[41] Medford Housing and Urban Development Office

[42] *The Practice of Local Government Planning*, Ed. Charles J. Hoch, 2000, p.257

Table 5-16 shows the Alternative Forecast's allocation of housing by type and plan designation. The housing mix analysis is combined with an analysis of needed net density by plan designation. The allocation shows several significant differences from the Baseline Forecast. Most importantly, the Alternative Forecast assumes a 75%/25% single-family/multiple-family split. This is contrasted with a 90%/10% *actual* split.

Table 5-16. Alternative Forecast allocation of housing by plan designation and type

	Plan Designation			
Housing type	**Low Density**	**Medium Density**	**High Density**	**Total**
Single-family	**35%**	**40%**	**0%**	**75%**
Detached	30%	15%	0%	45%
Manufactured	5%	25%	0%	30%
Multifamily	**0%**	**8%**	**17%**	**25%**
Duplex/Condominium	0%	5%	7%	12%
Apartment	0%	3%	10%	13%
Total	**35%**	**48%**	**17%**	**100%**

Source: CPW

The Alternative Forecast is based on review of national, regional, and local demographic data, and CPW's research on the local housing market. The Alternative Forecast reflects the estimated distribution of incomes and household types, and therefore doubles the number of needed multiple-family dwelling units.

Table 5-17 applies the housing need allocations in Table 5-16 to the total number of new units needed between 2000 and 2020, and forecasts what densities and acreage will be needed. The needed density ranges for the needed housing described in the previous section are notably similar to those used in the demand-based analysis.

Table 5-17. Alternative Forecast of new housing units by type and land need, Eagle Point UGB, 2000-2020

Housing type	Alternative forecast	Percent of Dwelling units	Density (DU/Net Acre)	Net Acres Needed	Gross Acres Needed
Single-family	1,392	75.0%	5.4	259.9	346.6
Detached	835	45.0%	5.4	155.4	207.1
Manufactured	557	30.0%	5.3	104.6	139.4
Multifamily	464	25.0%	8.5	54.7	72.9
Condominium/Duplex	223	12.0%	9.7	23.0	30.7
Apartment	241	13.0%	7.6	31.7	42.2
Total	**1,856**	**100.0%**	**5.9**	**314.6**	**419.5**

Source: CPW, 2001

Table 5-18 shows the Alternative Forecast of land need by plan designation and housing type in the Eagle Point UGB between 2000 and 2020. The results show that Eagle Point has a surplus of buildable residential lands in all plan designations. The City needs about 184 acres of low-density residential land, about 196 acres of medium-density residential land, and 31 acres of high-density residential land.

Table 5-18. Alternative Forecast of land need by plan designation and housing type, Eagle Point UGB, 2000-2020

	Acres Needed By Plan Designation			
Housing type	Low Density	Medium Density	High Density	Total
Single-family				
Detached	138.1	69.0	-	207.1
Manufactured	23.2	116.2	-	139.4
Multifamily				
Duplex/Condominium	-	12.8	17.9	30.7
Apartment	-	9.7	32.5	42.2
Total	161.3	207.8	50.4	419.5
Land Supply	345.0	404.0	81.0	830.0
Surplus (deficit)	**183.7**	**196.2**	**30.6**	**410.5**

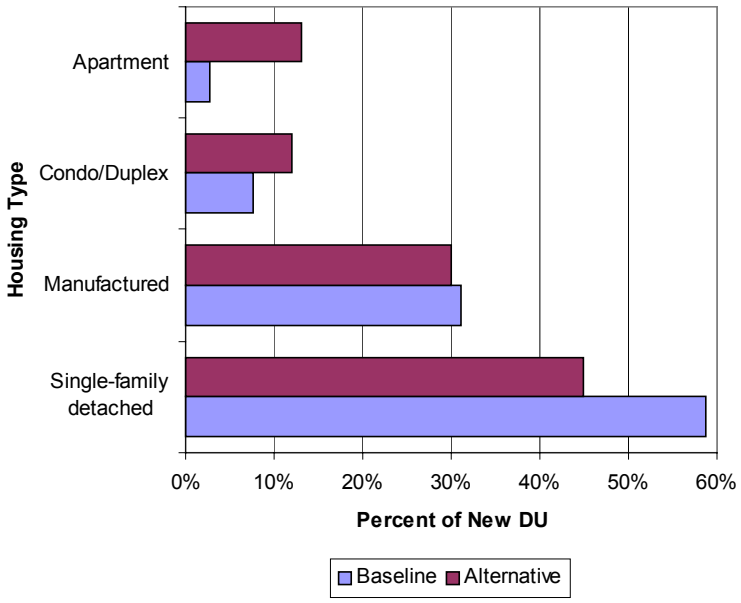
Source: CPW

Comparison of Baseline Forecast and Alternative Forecast

Figure 5-2 shows a comparison of housing demand and housing need for the period between 1990 and 2020. The figure shows some notable differences between demand by housing type and need by housing type. The overall mix between single-family and multiple-family increases from 10% multiple-family in the Baseline Forecast to 25% multiple-family in the Alternative Forecast. The Alternative Forecast has a significantly lower percentage of units in the single-family detached

category. The Alternative Forecast indicates Eagle Point needs a higher percentage of multi-family housing types.

Figure 5-2. Comparison of Baseline Forecast and Alternative Forecast of new housing units, 2000-2020



Finally, the DLCD Housing Workbook poses several questions that can be answered by the analysis in this report:

- Is *needed* density the same as or less than *actual* density? Actual density of residential development in Eagle Point between 1995 and 2000 was 5.6 dwelling units per net acre. The Alternative Forecast estimates *needed* density at 5.9 dwelling units per net acre.
- Is *needed* mix the same as *actual* mix? Figure 5-2 indicates that needed and actual mix as shown by comparing the baseline and Alternative Forecasts are different. The Alternative Forecast (needed mix) indicates the City will need a slightly higher percentage of multiple-family units and a significantly lower percentage of single-family detached homes.
- Does the UGB contain enough buildable land at *actual* densities? **Yes**. The data indicate the UGB will accommodate the number of new dwelling units between 2000 and 2020 under both the baseline (actual density) and alternative (housing need) forecasts. The City, however, should review the density ranges specified in its Comprehensive Plan given the difference between actual and allowable densities in the medium- and high-density plan designations.

Chapter 6
Comparison of Land Supply and Demand

This chapter summarizes from data and analysis presented in Chapters 3 through 5 to compare "demonstrated need" for vacant buildable land with the supply of such land currently within the Eagle Point UGB. The analysis of Eagle Point's land base starts with an inventory of existing land supply. Expected employment and population growth projections are then translated into demand for buildable land using assumptions about the average number of expected households and employees per acre, and considering characteristics of employment growth and land development. Demand for residential, commercial and industrial land is presented in Chapters 4 and 5. The estimated level of demand is then compared to land supply data outlined in Chapter 3.

Other land needs

In addition to the land needed for employment and housing discussed in previous chapters, land needed for public facilities such as schools, hospitals, governments, churches, parks, and other non-profit organizations will also expand as population increases. Many communities have specific acreage to population standards for parks for example. Likewise, school districts typically develop population projections to forecast attendance and need for additional facilities.

For the purpose of estimating land needed for public and semi-public uses, CPW calculated land need by first determining the total amount of acreage in public and semi-public uses by type. CPW then calculated the existing acreage per 1,000 persons for all land types. Finally, CPW estimated the projected land need by multiplying the projected change in population by the existing acres per 1,000 persons. Table 6-1 summarizes land needed for public and semi-public uses by type.

Table 6-1. Summary of Public and Semi-public Land Need by Type

Use	Tax Lots	Total Acres	Acres/1K persons	Est. Land Need
Chuch	24	40	8	40
City	40	44	9	44
County	6	0	0	0
School	16	76	16	75
Semi-public	10	3	1	3
State	8	2	0	2
Total	**104**	**165**	**34**	**163**

Source: Based on year 2000 Jackson County Assessment Data analyzed by CPW

Table 6-1 shows that Eagle Point had a total of 165 acres in 104 tax lots in public and semi-public uses in 2000. This equates to about 34 acres per 1,000 persons. The largest users were churches, the City of Eagle Point, and the Eagle Point School District.

Table 6-1 also provides estimates of land needed for other uses between 2000 and 2020. The estimates are based on a 2000 to 2020 population increase of 4,733 persons. The figures show a total land need of about 163 acres.

CPW notes that at the time of this report, the City of Eagle Point is in the process of expanding its parks and open space requirements from 2.5 acres to 5 acres per 1,000 persons given the existing population. Additional increases to 7.5 acres and 15 acres per 1,000 persons are proposed for when the City population reaches 7,500 and 10,000 persons, respectively. Assuming a population increase of 4,733 persons, CPW estimates that an additional 29 acres of park (at an average of 5 acres/1000 persons) and open space lands would also be needed in Eagle Point. **Therefore, the total land needed for public and semi-public uses is approximately 192 acres.**

Comparison of land supply and demand

Table 6-2 shows a comparison of estimated land need and land demand for the Eagle Point UGB between 2000 and 2020. The results lead to several conclusions:

- The City has an inventory of buildable lands that exceeds the need for buildable lands forecast for the period 2000 to 2020.
- The City has a surplus of buildable lands in all plan designations except commercial and public. Some public land needs (e.g., parks and open space) can be met on lands designated for other purposes. Land needed for commercial uses will need to come from lands currently designated for other uses. The City may want to consider adding lands to these designations to the extent practicable.

- The City has an overall surplus of land in residential designations. The City may want to consider reallocating the ratios of low-density, medium-density, and high-density residential lands.
- The City has large surpluses of land in industrial, low-density, and medium-density plan designations. These lands provide opportunities to explore new land use patterns.
- Economic development strategies can impact the need for land in various designations. For example, if the City desires to attract high-wage, high-tech employment, it may want to consider a more specific industrial plan designation. High wage employment may also increase demand for higher-end housing. Present policies that affect economic development are described in Chapter 4.

In summary, the City has a surplus of buildable land. Periodic Review provides an opportunity for the City to reassess its land use policies and the Comprehensive Plan map in light of present trends and the City's vision. Moreover, the surplus provides some flexibility in the consideration of various land patterns. A significant amount of the property within the city limits, however, has tentative subdivision plats. Based on market and building trends within the past five years, Eagle Point should reassess the need for a UGB expansion within the next five years.

Table 6-2: Buildable Land Comparison of Supply and Demand, Eagle Point UGB, 2000-2020

Plan Designation	Number of Tax Lots	Total Acres	Buildable Acres	Total Needed Acres 2000-2020	Surplus (Deficit)
Residential					
Low Density Residential	113	399.8	345.0	161.3	183.7
Medium Density Residential	962	670.1	403.8	207.8	196.0
High Density Residential	607	233.7	81.2	50.4	30.8
Subtotal	**1,682**	**1,303.5**	**830.0**	**419.5**	**410.5**
Commercial					
Central Commercial	115	26.8	3.0	21.5	-18.5
Outlying Commercial	36	169.2	21.0	136.1	-115.1
Subtotal	**151**	**196.0**	**24.0**	**157.6**	**-133.6**
Industrial					
Subtotal	**30**	**115.8**	**102.8**	**7.9**	**94.9**
Public Land					
Subtotal	**37**	**140.0**	**16.0**	**192.0**	**-176.0**
Total	**1,900**	**1,755.3**	**972.7**	**1,354.0**	**195.7**

Source: Based on year 2000 Jackson County Assessment Data analyzed by CPW.

Appendix A
National, State, and Regional Economic Trends

Introduction

This Appendix describes national, state, and regional economic trends, as required by Goal 9 and OAR 660-015-0000(9). This analysis of broader economic trends is intended to provide the context for discussing economic development potential in Eagle Point.[43]

Long-term national trends

Economic development in the Rogue Valley over the next twenty years will occur in the context of long-term national trends. The most important of these trends includes:

- Continued westward migration of the U.S. population, and the increasing role of amenities and other non-wage factors that determine relocation decisions of households and firms.
- Retirees increase, as baby boomers get older.
- Increasing importance and growth in Pacific Rim trade.
- The growing relationship between education, higher wages and household income.
- The decline of employment in resource-intensive industries and the increase in employment in service-oriented and high-tech manufacturing sectors of the economy.
- The blending of non-metropolitan and metropolitan areas.[44]

Short-term trends will also affect economic growth in the Rogue River Valley, 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 Asian economies in 1995-1996, which caused Oregon's exports to Pacific Rim countries to decline. This in turn led to layoffs, particularly in the Lumber & Wood Products and high-tech Manufacturing industries. The Asian economies, however, are

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[43] CPWwould like to give credit to ECONorthwest and previous work they have done compiling national and state trends. This appendix relied heavily on reports they have completed for other jurisdictions in Oregon.

44 These trends are discussed in more detail in Niemi, Ernie and Whitelaw, Ed. 1997. Assessing Economic Tradeoffs in Forest Management. Portland: U.S. Forest Service Pacific Northwest Research Station. General Technical Report PNW-GTR-403. August.

recovering, and Pacific Rim trade will continue to be a significant part of the nation's economy.[45]

State and regional trends

Economic development in Eagle Point will also be heavily influenced by state and regional trends. The Oregon Employment Department[46] expects the following trends to effect local economies statewide in the following years:

- *Slower employment growth* –An expected decrease as high tech industry growth slows in Oregon, and as other states economies improve in relation to Oregon.
- *Labor shortage* – Oregon is experiencing a labor shortage across many sectors of the economy and in all geographic areas of the state. Unemployment is expected to stay around 5% for the next couple of years, though a national recession could cause a slight, probably temporary increase.
- *Persistent unemployment* –While there is a labor shortage, there also exists a mismatch of skills to jobs in the geographic areas where those skills are needed. In addition, the young, under-educated, and many minorities experience higher rates of unemployment than educated, older whites.
- *Aging workforce* – A large section of Oregon's baby boom generation is moving into retirement. The number of workers in the 45-65 year-old age range is expected to increase significantly. Workers between the ages of 25-44 are the slowest growing group in Oregon.
- *More diverse work force* – Asian and Hispanic Minorities are making up a larger percentage of Oregon's work force.
- *Regional industrial transition* – There is a significant employment gap between rural and urban counties, with urban counties attracting high technology industries and rural counties losing resource-based industries.
- *Increasing foreign competition* – Oregon's economy competes with economies throughout the world. As economies integrate, Oregon's economy becomes more vulnerable to economic, political and social shifts throughout the world.

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45 A good discussion of the Asian downturn and its effect in Oregon is in the January 1999 Oregon Labor Trends, published by the Oregon Employment Department.

46 These trends are discussed in more detail on the OLMIS website in the February 2000 Oregon Labor Trends, Ten Key Work Force Trends in Oregon by Art Ayre, published by the Oregon Employment Department. http://www.olmis.org/

- *More technology* – Many jobs in Oregon require the use of computers. This corresponds to the need to increase computer skills in workers. Those workers with increased educations are going to be at an advantage over those workers who are technologically challenged.
- *Higher wages* – Average wage growth in Oregon stayed ahead of inflation throughout the 1990s. This increase was due to a number of factors, including low unemployment rates, an increase in Oregon's minimum wage, productivity growth, and an increase of higher paying jobs.
- *Extremes of earning* – Oregon industries are projected to create thousands of low-paying jobs that need little training, while at the same time creating thousands of jobs that need technological skills that will be relatively high paying jobs.

The trends suggest that Oregon is going to have progressively older workforce that will need retraining to take advantage of new industries. Therefore, this is a workforce that will need a well-developed education system in the public and private sectors. A further complication to age, wage disparity, and employment is the mismatch between job markets and pockets of unemployment.

The job growth is oriented to high technology and service sectors. The extremes in wages reflect the higher wage in the high technology sector with the service sector seeing lower wages. The trend to technology also establishes an urban workforce character with the resource dependant rural areas losing jobs. The diversity of the work force establishes a new challenge to both the private and public sectors to bring these people into the workforce.

Population growth

This section describes population, income, and employment trends in Oregon and the Rogue Valley

Within Jackson County and Eagle Point, Table A-1 illustrates the decrease in population growth rate during the recession of the 1980s. It is significant to note that throughout the 1990s population growth in Eagle Point and Jackson County has outpaced the State's population growth. In general, local trends mirror Oregon's population growth and are cyclical in nature. Oregon's growth is faster than the United States during expansions and slower [contracting] growth during recessions.

Table A-1. Population growth, 1970-2000

Region	1970	1980	1990	2000	Average Annual Growth Rate 70-80	80-90	90-00
United States	203,211,926	226,545,805	248,709,873	281,421,906	1.1%	1.0%	1.3%
Oregon	2,091,385	2,633,105	2,860,396	3,421,399	2.6%	0.9%	2.0%
Jackson County	94,533	132,456	147,444	181,269	4.0%	1.1%	2.3%
Ashland	12,342	14,943	16,252	19,522	2.1%	0.9%	2.0%
Central Point	4,004	6,357	7,512	12,493	5.9%	1.8%	6.6%
Eagle Point	1,241	2,764	3,022	4,797	12.3%	0.9%	5.9%
Medford	28,454	39,603	47,021	63,154	3.9%	1.9%	3.4%
Phoenix	-	-	3,239	4,060	-	-	2.5%
Talent	1,389	2,577	3,274	5,589	8.6%	2.7%	7.1%

Source: U.S. Census

According to the Oregon Employment Department, in-migration accounted for 85% of Jackson County's population growth between 1990 and 1998. By comparison, approximately 70% of Oregon's population growth was attributed to in-migration.

According to the Oregon Employment Department's *2000 Oregon Regional Profile for Jackson and Josephine Counties* the top three reasons for moving to the Rogue Valley included:

- Family or friends
- Quality of life
- Retirement

On a regional basis, population growth in the Rogue Valley will be driven by employment. The distribution of that population in the Valley, however, depends on a number of factors including public infrastructure investment, location of major employers, and proximity to jobs. Table A-2 shows that Eagle Point's population is forecast to nearly double, resulting in an Eagle Point population of 9,530 by 2020. The City of Eagle Point is projected to grow at a much faster annual rate, 5.5%, than Jackson County (1.4%) between 1998 and 2020.

Table A-2. Jackson County coordinated population forecasts for incorporated cities, 1998-2020

	1998	2000	2,005	2010	2015	2020	% Growth 1998 - 2020	Av Ann Growth	Change 2000-2020
Jackson County	172,800	176,845	187,607	200,863	212,182	225,776	30.7%	1.4%	48,931
Ashland	19,220	19,524	20,307	21,120	21,999	22,846	18.9%	0.9%	3,322
Butte Falls	425	426	428	430	433	435	2.4%	0.1%	9
Central Point	11,255	11,780	13,201	14,795	16,580	18,581	65.1%	3.0%	6,801
Eagle Point	4,325	4,650	5,565	6,660	7,970	9,530	120.3%	5.5%	4,880
Gold Hill	1,240	1,302	1,472	1,665	1,882	2,128	71.6%	3.3%	826
Jacksonville	2,090	2,210	2,530	2,885	3,200	3,320	58.9%	2.7%	1,110
Medford	58,895	60,561	64,934	71,110	74,652	80,043	35.9%	1.6%	19,482
Phoenix	3,905	4,041	4,400	4,792	5,172	5,683	45.5%	2.1%	1,642
Rogue River	1,960	2,037	2,244	2,472	2,723	3,000	53.1%	2.4%	963
Shady Cove	2,315	2,430	2,794	3,278	3,898	4,400	90.1%	4.1%	1,970
Talent	5,050	5,254	5,802	6,406	7,073	7,811	54.7%	2.5%	2,557
Unincorporated	62,120	62,630	63,930	65,250	66,600	67,999	9.5%	0.4%	5,369

Source: Jackson County, 2000

In addition to substantial population growth, the age distribution of the population in Jackson County is changing. In 1990, the median age in Jackson County was 39 years, compared to 36.5 years for the state. Persons in the age cohort of 45-54 years grew by 55%, faster than any other age range. This was due to the aging baby boomers and in-migration. The second fastest growing age cohort was persons 75 and over, which grew by 34%. Population growth in this age range reflects Oregon's attractiveness as a retirement destination. Statewide, those 65 and older comprised the fastest growing age cohort, increasing 29% between 1980 and 1990.

Income

Table A-3 shows per capita income in the US, Oregon, and Jackson County for the period between 1969 and 1998. Before the early-80s recession, per capita income in Oregon was close to the U.S. level, ranging from 96–102% of the U.S. average between 1975 and 1981. Oregon's per capita income began to fall in 1979, dropping as low as 90% of the U.S. average during 1986–1989 before climbing back to 95% of the U.S. average in 1996 (see Table A-3). Jackson County's personal income has remained significantly lower than both the U.S. and Oregon's per capita hovering between 82—90% of the U.S. average since 1975 and between 92—96% of Oregon's per capita since 1981.

Table A-3. Per Capita Income in US, Oregon, and Jackson County, 1969-1998 (in 1998 dollars)

				Percent of US		Percent of Oregon
Year	U.S.	Oregon	Jackson Co.	Oregon	Jackson Co.	Jackson Co.
1975	$18,652	$18,730	$15,973	100%	86%	85%
1976	$19,303	$19,751	$16,969	102%	88%	86%
1977	$20,057	$20,422	$17,724	102%	88%	87%
1978	$20,728	$21,190	$18,558	102%	90%	88%
1979	$20,511	$20,922	$18,262	102%	89%	87%
1980	$19,967	$19,992	$17,631	100%	88%	88%
1981	$20,143	$19,396	$16,941	96%	84%	87%
1982	$20,171	$18,861	$16,507	94%	82%	88%
1983	$20,580	$19,397	$17,418	94%	85%	90%
1984	$21,600	$20,103	$18,380	93%	85%	91%
1985	$22,280	$20,526	$18,706	92%	84%	91%
1986	$22,981	$21,137	$19,324	92%	84%	91%
1987	$23,263	$21,301	$19,597	92%	84%	92%
1988	$23,840	$22,003	$20,442	92%	86%	93%
1989	$23,208	$21,528	$19,981	93%	86%	93%
1990	$26,827	$25,004	$22,945	93%	86%	92%
1991	$23,915	$22,388	$20,667	94%	86%	92%
1992	$24,514	$22,742	$20,993	93%	86%	92%
1993	$24,402	$22,926	$21,089	94%	86%	92%
1994	$24,814	$23,540	$21,953	95%	88%	93%
1995	$25,335	$24,374	$22,218	96%	88%	91%
1996	$25,678	$24,634	$22,189	96%	86%	90%
1997	$26,453	$25,497	$22,824	96%	86%	90%
1998	$27,203	$25,912	$23,214	95%	85%	90%

Source: U.S. Department of Commerce, Bureau of Economic Analysis. 2000. Regional Economic Information System (REIS). RCN-0250.

Table A-4 shows per capita personal income adjusted for inflation for the period between 1987 and 1997. According to the Oregon Employment Department, personal income in Jackson County in 1997 was $3.7 billion, more than 5% higher than in 1996.

Jackson County residents have been improving their income level rankings compared to residents in other counties in the state. In 1987 Jackson County was ranked 11th in per capita personal income and by 1993 the county moved up to the 6th highest per capita income county in Oregon. In 1997, per capita income for Jackson County averaged $21,933, nearly 92% of Oregon's $23,920, ranking 7th out of 36 counties. The Oregon Department of Employment suggests that the per capita income growth is largely due to the age structure with a large influx of retirees [47].

Table A-4. Per Capita Personal Income, 1987-1997

Year	Oregon	Jackson	% of Oregon	Rank
1987	$14,282	$13,235	92.7	11
1988	$15,313	$14,325	93.5	10
1989	$16,387	$15,308	93.4	8
1990	$17,423	$16,173	92.8	8
1991	$17,895	$16,653	92.9	9
1992	$18,678	$17,342	92.8	7
1993	$19,518	$18,152	93.0	6
1994	$20,508	$19,317	94.2	6
1995	$21,618	$20,103	93.0	7
1996	$21,618	$21,120	92.3	7
1997	$22,894	$21,933	97.7	7

Source: Bureau of Economic Analysis, May 1999 (from Oregon Employment Department, Regional Economic Profile for Jackson and Josephine Counties: 11/99)

According to the Oregon Employment Division, net earnings in Jackson and neighboring Josephine Counties have declined from 72% of personal income to 55% over the past three decades (see Table A-5). During the same time period both dividends, interest, and rent and transfer payments have risen sharply in proportion, from 15% to 23%. The decrease in earnings and the rise in transfer payments is due in large part to the loss of higher paying heavy industry jobs such as lumber and wood products manufacturing and an increase in transfer payments and other "non-earned" income as retirees relocate to the Rogue Valley.

[47] Eric Moore. Oregon A State of Diversity: A Comparison of Economic Health Across Oregon. Work Force Analysis Unit, Research Unit: Oregon Employment Department. September 1999.

Table A-5. Jackson and Josephine Counties Personal Income by Source

Year	Net Earnings	Dividends, Interest, and Rent	Transfer Payments
1967	71.7	15.3	13
1977	65.4	16.1	18.5
1987	57.3	23.1	19.5
1997	54.7	22.9	22.4

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis;
Oregon Employment Department, *2000 Regional Economic Analysis*

Poverty and unemployment: National, State, and County Trends

Nationally, the median household income has been rising for the past five years and poverty has decreased for the third year in a row, from 12.7% in 1998 to 11.8% in 1999, the lowest poverty rate since 1979. The number of poor has dropped significantly as well from 34.5 million poor in 1998 to 32.3 million poor in 1999.[48]

According to the Oregon Employment Department, between the years of 1965 and 1989 (except for 1978), Oregon's unemployment rate has been higher than the nation's. Oregon's economy received a substantial boost in the 1990s and unemployment dipped below the national average from 1990 through 1996. While Oregon's unemployment rate has closely mirrored the nation's, Jackson County's unemployment rate has been much more variable, as illustrated in Table A-6 below. The Southern Oregon economy is highly dependent on seasonal and cyclical industries, primarily the lumber and wood products industry, but also including significant agricultural production and tourism. As a result of the relatively high degree of reliance on seasonal industries, the region is likely to have high seasonal unemployment rates during the winter months.

Historical unemployment trends show that during the national recession during 1982, Josephine and Jackson counties saw unemployment rates of 15.2 and 14.4% respectively. After declining back to single digits through the latter half of the 1980s, the region was once again hard hit by the mild national recession of the early 1990s.[49]

[48] Source: US Census: *Press Briefing On 1999 Income And Poverty Estimates*, Dr. Daniel H. Weinberg, Chief, Housing and Household Economic Statistics Division, U.S. Census Bureau, September 26, 2000. Website: http://Census.org/)

[49] Source: Oregon, A State of Diversity: A Comparison of Economic Health Across Oregon by the Workforce Analysis Unit, Research Section Oregon Employment Department

Table A-6. Employment and unemployment for Jackson County, 1988-1998

	Jackson County				Oregon
Year	Labor Force	Employment	Unemployment	Rate	Unemployment Rate
1988	71,250	66,590	4,660	6.5	5.8
1989	73,160	68,230	4,930	6.7	5.7
1990	73,030	68,200	4,820	6.6	5.5
1991	74,370	68,780	5,590	7.5	6.0
1992	76,340	70,020	6,320	8.3	7.5
1993	79,520	72,670	6,850	8.6	7.3
1994	82,700	77,160	5,540	6.7	5.5
1995	82,510	77,110	5,400	6.5	4.8
1996	86,200	79,110	7,090	8.2	5.9
1997	86,690	80,110	6,580	7.6	5.8
1998	88,090	82,110	5,980	6.8	5.6

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis;
Oregon Employment Department, *2000 Regional Economic Analysis*

As an indicator of poverty, the Oregon Progress Board defines housing cost burdened households as households spending more than 30% of their income on housing (including utilities). Seventy-six percent of renting Oregon households were cost burdened in 2000 placing Oregon 39th in the nation for affordable urban housing. The report, Economic Well-Being and Poverty in Oregon and Its Counties, (Oregon State University, Extension Service: Pub. EM 8751. December 1999) shows that cost-burdened households in the Medford—Eagle Point area ranged from 24% to 48% of the area's population.

Employment

The Medford-Ashland MSA makes up approximately 5% of Oregon's total employment (see Table A-7). CPW computed the location quotients (LQ) (see Table A-7) to determine the concentration of industries in Jackson County compared to the rest of the state. If an industry has a LQ more than 1.25 (bold LQ in Table A-7), it is considered to be an industry that exports goods or services out of the area. If the LQ is less than 0.75 (italic LQ in Table A-7), then it is considered to be an import or under-represented industry in the local economy.

Export industries include lumber and wood products, wood and veneer plywood, other lumber and wood, mining, communications and utilities, retail trade, automotive dealers, miscellaneous retail, health, social and other services, and state education. Import industries that may be industries to target for expansion in the Rogue Valley and Eagle Point are food and kindred products, printing and publishing, wholesale trade, finance, insurance and real estate, business services, and state government jobs.

Table A-7. Nonfarm Payroll Employment for Oregon and Medford-Ashland*

	Oregon	Medford-Ashland	% of Oregon	LQ
Total Nonfarm Employment	**1,605,292**	**73,968**	**5%**	100%
Manufacturing	243,050	9,238	4%	0.82
Durable Goods	179,033	7,538	4%	0.91
Lumber & Wood Prods.	48,858	3,861	8%	**1.71**
Logging, Sawmills	22,067	826	4%	0.81
Wood Veneer,Plywood	9,917	1,173	12%	**2.57**
Other Lumber & Wood	4,708	1,862	40%	**8.58**
Other Durable Goods	n/a	3,677	n/a	
Nondurable Goods	**64,017**	**1,700**	**3%**	*0.58*
Food & Kindred Prod.	24,267	464	2%	*0.42*
Printing & Publishing	17,125	944	6%	1.20
Other Nondurable Good	n/a	292	n/a	n/a
Nonmanufacturing	**1,362,242**	**64,730**	**5%**	1.03
Mining	1,883	141	7%	**1.62**
Construction	86,267	3,694	4%	0.93
Transport, Comm, & Util	79,992	3,944	5%	1.07
Transportation	54,800	2,493	5%	0.99
Communications & Utils	25,192	1,452	6%	**1.25**
Trade	394,150	21,512	5%	1.18
Wholesale Trade	94,108	2,591	3%	*0.60*
Retail Trade	300,042	18,921	6%	**1.37**
General Merchandise	40,775	2,209	5%	1.18
Food Stores	40,958	2,207	5%	1.17
Automotive Dealers	36,075	2,224	6%	**1.34**
Eating & Drinking	107,058	5,922	6%	1.20
Misc Retail	33,750	6,359	19%	**4.09**
Finance,Ins.,Real Est.	94,058	3,153	3%	*0.73*
Services	**439,825**	**20,850**	**5%**	1.03
Business Services	104,583	3,613	3%	*0.75*
Health Services	109,383	6,984	6%	**1.39**
Social Services	45,408	2,751	6%	**1.31**
Other Services	39,358	7,502	19%	**4.14**
Government	**266,067**	**11,436**	**4%**	0.93
Federal Govt.	31,167	1,748	6%	1.22
State Government	59,625	2,471	4%	0.90
State Education	24,275	1,598	7%	**1.43**
Other State Govt.	35,350	873	2%	*0.54*
Local Government	175,275	7,218	4%	0.89
Local Education	98,217	4,566	5%	1.01
Other Local Govt.	70,333	2,652	4%	0.82

Source: OLMIS

*Employment is a monthly average from February 2000 - January 2001.

Since 1969, employment in Oregon grew most rapidly in the 1970s, with annual employment growth rate above 5% in 1972–73 and 1977–78. More recently, employment growth rates peaked at just over 4% per year in 1988–89 and in 1994, and the average annual employment growth rate in the 1990–95 period was 2.5%.

In the last 20 years Oregon's economy has made a transition away from reliance on traditional resource-extraction industries, with the growth of high-tech manufacturing, services, and trade. A significant indicator of this transition is the decline of employment in the Lumber & Wood Products industry and the concurrent growth of employment in high-technology manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments). Employment in Lumber & Wood Products has declined from its 1979 peak, and employment in high-tech industries surpassed that in Lumber & Wood Products 1995. The Oregon Department of Employment report on Oregon's economic health suggests that after an earlier period in the 1980s of the seasonal and wood products employment downturn, a return to employment growth is in the service and trade sectors. For example, the health care employment component in Jackson County grew 45% in the past decade.[50]

While this transition has increased the diversity of employment within Oregon, it has not significantly improved Oregon's economic diversity relative to the national economy. Oregon's relative economic diversity has historically ranked low among states, primarily due to dependence on the timber industry. Oregon ranked 35th in diversity (1st = most diversified) based on Gross State Product data for 1963–1986, and 32nd based on data for the 1977–1996 period. While Oregon's economy has diversified, it is still heavily dependent on several industries—Oregon's diversity ranking remains low due to disproportionately large timber, high tech, and agricultural industries. Relatively low economic diversity increases the risk of economic volatility as measured by changes in output or employment. For example, while Oregon has enjoyed the upside of increasing concentration in high-tech manufacturing, the recent Asian crisis has indicated the risk of Oregon's reliance on the high-tech manufacturing industry.[51]

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

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

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[50] Eric Moore. Oregon A State of Diversity: A Comparison of Economic Health Across Oregon. Work Force Analysis Unit, Research Unit: Oregon Employment Department. September 1999.

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

income of businesses operating in Oregon), changes in corporation codes, reforms to reduce the costs of workers' compensation, investments in infrastructure, and other incentives (e.g., enterprise zones and the Strategic Investment Program, which attempts to stimulate capital-intensive industries through property tax abatement). Oregon encourages international trade and investments with missions and offices in Japan, Taiwan, and other Pacific Rim countries. Oregon policy on land use and environmental quality aim at preserving the natural and cultural amenities that make Oregon attractive to its current and potential residents and businesses serves to address desirable amenities that enhance business relocation.

Economic outlook for Oregon

Oregon's economy is expected to follow a pattern of modest growth. The long-term population forecast by Oregon's Office of Economic Analysis predicts steady population growth at an annual average rate of 1.1% between 1995 and 2040. At this rate of growth, Oregon is expected to add one million people by 2015 and another million by 2040, growing from 3.1 million in 1995 to 5.2 million in 2040. Over 70% of this population growth, 1.7 million people, is expected to come from net migration into Oregon. This forecast is based on assumptions including continued growth in the national economy, strong in-migration, sustained construction activity, and continued growth in the high-tech manufacturing industries in Oregon.

Population growth rates are predicted to be relatively even across Oregon's regions, with the Willamette Valley and Central Oregon growing slightly faster than the state through about 2020 (see Table A-8). Southern Oregon is forecast to grow at a relatively stable rate over then next 40 years. The result is that the share of Oregon's population by region does not shift more than 1% up or down over the 45-year period.

Table A-8. Forecast Population in Oregon and by Region, 1995–2040

			Region			Oregon
Year	Coast	Valley	South	Central	East	Total
1995	223,400	2,168,600	333,200	230,700	176,100	3,132,000
2000	235,162	2,366,388	356,934	259,048	188,468	3,406,000
2005	245,566	2,525,358	376,437	288,222	195,416	3,631,000
2010	256,398	2,686,287	395,801	316,279	202,235	3,857,000
2015	267,953	2,855,533	415,682	342,630	209,202	4,091,000
2020	280,044	3,026,338	436,005	367,493	216,120	4,326,000
2025	292,434	3,196,142	456,683	387,879	222,146	4,556,000
2030	304,902	3,359,584	476,767	405,601	229,146	4,776,000
2035	317,374	3,517,293	496,392	421,956	234,985	4,988,000
2040	329,762	3,669,744	515,408	437,608	240,478	5,193,000
1995-2015	44,553	686,933	82,482	111,930	33,102	959,000
2015-2040	61,809	814,211	99,726	94,979	31,275	1,102,000
			Average Annual Growth Rate			
1995-2000	1.0%	1.8%	1.4%	2.3%	1.4%	1.7%
2000-2005	0.9%	1.3%	1.1%	2.2%	0.7%	1.3%
2005-2010	0.9%	1.2%	1.0%	1.9%	0.7%	1.2%
2010-2015	0.9%	1.2%	1.0%	1.6%	0.7%	1.2%
2015-2020	0.9%	1.2%	1.0%	1.4%	0.7%	1.1%
2020-2025	0.9%	1.1%	0.9%	1.1%	0.6%	1.0%
2025-2030	0.8%	1.0%	0.9%	0.9%	0.6%	0.9%
2030-2035	0.8%	0.9%	0.8%	0.8%	0.5%	0.9%
2035-2040	0.8%	0.9%	0.8%	0.7%	0.5%	0.8%

Source: State of Oregon, Office of Economic Analysis. January 1997. *Long-Term Population and Employment Forecasts for Oregon*. Salem: Department of Administrative Services.

A review of historic and forecast annual population growth through 2005 from the *Oregon Economic & Revenue Forecast*[52] shows that Oregon's population has grown more rapidly than in the U.S. as a whole (with the exception of the recession of the 1980s), and this trend is expected to continue into the future. It also shows that actual year-to-year population growth is likely to have much more variation than the steady growth rates used in the State's long-term forecast. Barring a recession or other unforeseen economic conditions, Oregon's long-term population growth rate should average out to the 1.1% rate anticipated by the long-term forecast.

The Bureau of Economic Analysis projects per capita income in Oregon will increase from $20,500 in 1993 to $26,200 in 2015 (in constant 1996 dollars).[53] Per capita income in the United States is projected to increase at the same rate as in Oregon, so the state's per capita income is expected to remain at about 95% of the U.S. average.

[52] State of Oregon, Office of Economic Analysis. 1998. *Oregon Economic and Revenue Forecast*. 18:3 (September). Salem: Department of Administrative Services.

[53] U.S. Department of Commerce, Bureau of Economic Analysis. 1995. *Projections of Personal Income, Employment, and Population, for States, Metropolitan Statistical Areas, and BEA Economic Areas, 1993–2045*. Washington, DC: BEA Regional Economic Analysis Division (202 606-5341).

Southern Oregon outlook

The population for the southern Oregon region has grown steadily, and nearly as rapidly as the Portland-metro area since 1990. [54] The Service sector is projected to see the largest growth. Construction, trade, and services are expected to lead employment growth in Southern Oregon—the Service Producing and Construction sectors are expected to account for 71% of the additional workers in Southern Oregon over the ten-year period.

Table A-9 shows the industries that are expected to have the largest amounts of employment growth and the fastest growth rates in Southern Oregon during the 1998—2008 period, according to a forecast of growth by industry from the Oregon Employment Department. Four of the leading industries in Table A-9 are in the services sector, including the relatively high-wage business and professional services along with health services.

The industries in Southern Oregon that are expected to have negative growth in the 1998—2008 period are: lumber & wood products, 9.4% and federal government, at 3.3%. Slower growth is projected in: manufacturing, 7.8%, state government, 11.7%, local government, 14%, communication, 4.6%, transportation, 14.3%, and financial services, 16.6%.

[54] Eric Moore. Oregon A State of Diversity: A Comparison of Economic Health Across Oregon. Work Force Analysis Unit, Research Unit: Oregon Employment Department. September 1999.

Table A-9. Leading Growth Industries in Jackson and Josephine Counties, 1998-2008

INDUSTRY	1998	2008	Change	% Change
TOTAL NONFARM PAYROLL EMPLOYMENT	**90,460**	**108,270**	**17,810**	**19.7%**
GOODS PRODUCING	16,790	18,650	1,860	11.1%
SERVICE PRODUCING	73,670	89,620	15,950	21.7%
MANUFACTURING, TOTAL	**12,510**	**13,490**	**980**	**7.8%**
Durable Goods	10,280	10,930	650	6.3%
Lumber & Wood	5,880	5,330	-550	-9.4%
Other Durable Goods	4,400	5,600	1,200	27.3%
Nondurable Goods	2,230	2,560	330	14.8%
Food Products	650	730	80	12.3%
Printing & Publishing	1,110	1,260	150	13.5%
Other Nondurable Goods	470	570	100	21.3%
NONMANUFACTURING, TOTAL	**77,950**	**94,780**	**16,830**	**21.6%**
Mining	190	210	20	10.5%
Construction	4,090	4,950	860	21.0%
Trans., Comm. & Utilities	4,180	4,650	470	11.2%
Transportation	2,870	3,280	410	14.3%
Communication & Utilities	1,310	1,370	60	4.6%
Trade	26,140	31,850	5,710	21.8%
Wholesale Trade	3,420	4,100	680	19.9%
Retail Trade	22,720	27,750	5,030	22.1%
General Merch. & Food Stores	5,500	6,700	1,200	21.8%
Eating & Drinking Places	7,290	9,000	1,710	23.5%
Other Retail	9,930	12,050	2,120	21.3%
Finance, Ins., & Real Estate	4,090	4,770	680	16.6%
Services	24,650	32,120	7,470	30.3%
Business & Professional Services	4,770	6,850	2,080	43.6%
Health Services	8,370	10,010	1,640	19.6%
Other Services	11,510	15,260	3,750	32.6%
Government	14,610	16,230	1,620	11.1%
Federal Government	2,100	2,030	-70	-3.3%
State Government	2,740	3,060	320	11.7%
State Education	1,550	1,750	200	12.9%
Other State	1,190	1,310	120	10.1%
Local Government	9,770	11,140	1,370	14.0%
Local Education	6,440	7,520	1,080	16.8%
Other Local	3,330	3,620	290	8.7%

Source: State of Oregon, Employment Department. July 1999. Employment Projections By Industry, 1998-2008.