

# PHOENIX LOCAL ECONOMIC OPPORTUNITIES ANALYSIS (LEOA)

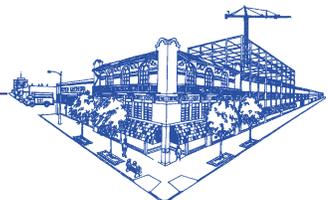
Prepared for:



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Economic and Development Services



# AT-A-GLANCE SUMMARY

This local economic opportunities analysis (LEOA) addresses local serving business and employment needs for the City of Phoenix, Oregon. The LEOA is separate from but complements a concurrent Regional Economic Opportunity Study (REOS) aimed to serve regional traded sector economic opportunities uniquely addressed by Phoenix UGB expansion. LEOA summary observations follow.

**Overview of Phoenix & Regional Economy.** While Phoenix accounts for 2.2% of the population of Jackson County, the 97535 zip code has only about 1.6% of employment county-wide. As of 2014, this zip code area which encompasses all of Phoenix has 137 firms accounting for 1,329 jobs at an annual average wage of \$30,721. As compared to all of Jackson County, Phoenix has a relatively high proportion of its job base in sectors including natural resources, wholesale trade, retail, and government. Local employment is still below the 2006 pre-recession level by nearly 300 jobs – representing a net loss of 18% of the community’s job base, from which the community has not yet recovered.

**National, State & Regional Outlook.** Based on a review of broader economic trends and forecasts, transportation, warehousing and utilities (TWU) is identified as a strong and growing industry sector and wholesale trade as an emerging sector of the Jackson County and Rogue Valley regional economy. Other emerging sectors include government and financial services. Businesses serving the local market can benefit as vendors to these business growth opportunities as well as by serving community-wide retail and service needs of a growing population.

**Economic Development Potential.** Factors important to the economic development potential of Phoenix include local and South Valley population growth, traffic circulation, utility upgrades, continued downtown revitalization, Bear Creek amenity access, land capacity for a planned retail center, availability of buildings and land for sale or lease, mixed use development, flexible land use and zoning, and community support for economic diversification.

Lead sectors identified as target opportunities for local-serving firms are wholesale trade and transport services, subassembly manufacturing, financial services, retail trade, vehicle and repair services. Supportive sectors are construction, hospitality, professional, business, health and education services.

**Forecast Employment & Land Needs.** Two forecast scenarios are outlined for City review:

- Maintenance of Phoenix job base at the current 1.67% share of all employment in Jackson County – results in 375 added jobs over 20 years with need for 30-31 acres of employment land.
- Increasing to 3.69% of all jobs county-wide to achieve jobs-population balance for the Phoenix community on par with the rest of the county – resulting in a as much as a 2,790 net employment increase from 2016-36, with potential need for 220-227 acres of employment land.

**Implementation Policies.** The scenarios outlined above represent a wide range of potential employment land need. Other hybrid scenarios that would fall between the outcomes presented in this *working draft* report could also be considered. Land use and other supporting implementation actions also will depend on the employment goals set and results of the buildable lands inventory – to be included with a revised full draft report after receiving City and stakeholder input.

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# I. LEOA INTRODUCTION

The City of Phoenix, Oregon is conducting a Local Economic Opportunities Analysis (LEOA) in compliance with Goal 9, Economic Development (as stipulated by OAR 660, Division 9). The purpose of the LEOA is to identify likely industrial and other economic development opportunities and corresponding employment land needs for a planning period extending over the next 20 years.

The focus of this LEOA is on addressing **local serving business and employment needs** of the Phoenix community together with associated industrial and commercial land needs. A separate Regional Economic Opportunities Study (REOS) has been prepared to identify and quantify regional traded sector Rogue Valley and Jackson County employment opportunities that can be uniquely served by UGB inclusion, annexation and development of what is known as the approximately 427-acre PH-5 property situated northeast of the Phoenix/I-5 Fern Valley interchange.

While complementary, the LEOA and REOS constitute separate economic opportunity analysis report. Taken together, the two documents represent the sum total of anticipated industrial and other employment needs to be addressed by the City of Phoenix over a 20-year planning horizon extending from 2016-36.

## LEOA BACKGROUND

As the current Comprehensive Plan for Phoenix was adopted in 1998, the City is now in the process of updating the most important elements of our comprehensive plan including its Economic, Housing, Urbanization, Land Use, Transportation, and Parks, Recreation, and Open Space elements. Consistent with statewide Goal 9 requirements, the City is now undertaking this LEOA to “analyze the current state of our local economy, speculate about its future, and recommend policies to help our community achieve its economic goals.”<sup>1</sup>

### Phoenix Economic Planning

Economic development planning in Phoenix dates to the Economic Element of the City of Phoenix completed in 1996 and adopted with the 1998 Comprehensive Plan. Based on analysis conducted at the time, the Economic Element document noted that Phoenix had a total of 18 acres of industrial designated land identified as developed. An industrial land inventory identified 54 acres as vacant, with just over 34 acres identified as buildable.

The primary site of nearly 34 acres was located in the NW quadrant of the city, owned by Jackson County with water and sewer potentially available but requiring service extension including boring under a railway bed. Access to the site was also viewed as problematic.

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<sup>1</sup> As referenced by the City of Phoenix web site, <http://www.phoenixoregon.gov/>, as of October 2016.

The 1998 Phoenix Comp Plan also identified 73 acres of commercial land as vacant or underdeveloped – with 60% at the Phoenix / I-5 Fern Valley interchange. Future development was viewed as “not possible” pending upgrading of the interchange to urban standards. This long-awaited interchange improvement was completed with ribbon cutting in October 2016.

## **RPS & Regional Plan Framework**

Growth of the local and regional economy over the last two decades coupled with improved Phoenix area transportation access has prompted the need for updated evaluation of employment together with associated industrial and commercial land requirements. The need for additional employment land locally and regionally was quantified and established through a 2007 Goal 9 Economic Opportunities Analysis (EOA) for the Bear Creek Valley region which encompasses the most of the urbanized area in Jackson County.

In 2011, the Greater Bear Creek Valley Regional Plan was adopted by Jackson County as an amendment to its comprehensive plan, establishing Urban Reserve Areas (URA) for Central Point, Eagle Point, Medford, Phoenix, and Talent. In November 2012, the Land Conservation and Development Commission (LCDC) approved the Bear Creek Valley Regional Problem Solving (RPS) Plan, with approval finalized as of the end of March 2013.

The RPS process has provided a framework within which the City of Phoenix has proceeded to:

- Identify the need through the REOS for PH-5 inclusion within the Phoenix UGB to serve regional needs for traded sector employment.
- Also address needs for other local serving employment with this LEOA.

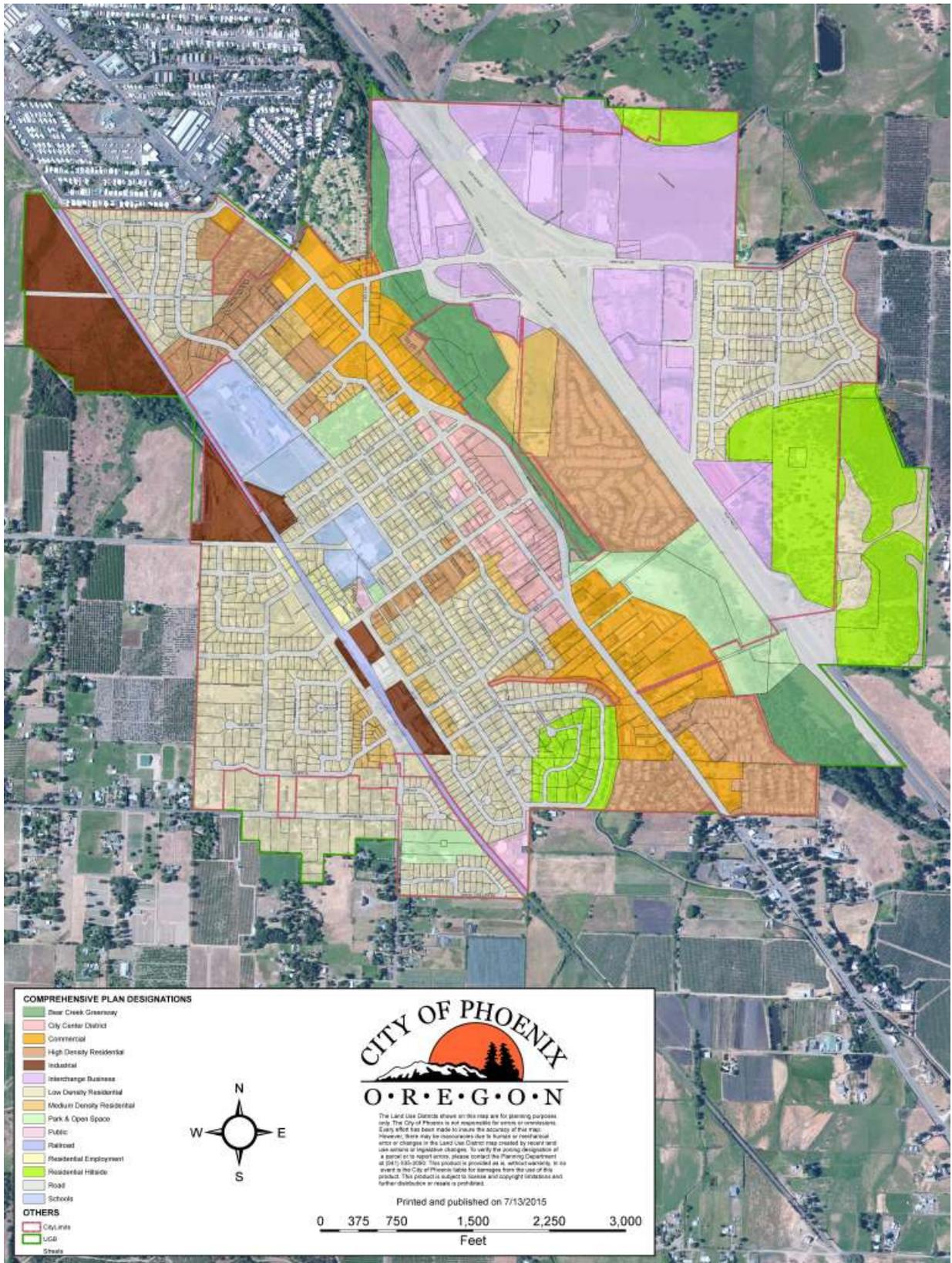
The City plans to include all but the northernmost 30 acres of PH-5 with a UGB amendment that planned for submittal to Jackson County in early 2017. The employment activity for PH-5 has been largely defined through the RPS process. The City will now further quantify the amount of accessory/supportive commercial development that will accompany other employment land uses in PH-5. Any added “local” need for employment land could be allocated with this LEOA.

If Phoenix determines that more commercial service and retail land is needed, the City may make the case some of that should go into PH-5. PH-5 is primarily a regional employment area, but it’s also the only place where Phoenix can find employment land that can be supported in the context of supplementing and supporting previously documented regional demand.

## **PLANNING AREA DEFINITION**

As illustrated by the Comprehensive Plan map (on the next page), the planning area for this LEOA assessment is the City of Phoenix and its UGB. This LEOA also provides discussion of the Jackson County, two-county Rogue Valley region, statewide and national context within which local economic development opportunities are appropriately framed. The Comprehensive Plan includes employment use designations for City Center, Commercial, Industrial, Interchange Business, Public and School Uses. Also included is a Residential Employment designation.

# City of Phoenix Comprehensive Land Use Plan Map



## COMMUNITY ECONOMIC DEVELOPMENT OBJECTIVES

Economic development objectives are included with the Comprehensive Plan for the City of Phoenix in the form of 11 goals and 37 related policies. A statement of 1996 prepared Goals and Policies is provided with Appendix B to this EOA report. Goal statements are as follows:

- Goal 1** To foster economic development through the retention, renewal, upgrading, expansion, and linkage of existing commercial and industrial business, and recruitment of new ones.
- Goal 2** To promote development within the City Center.
- Goal 3** Formalize the City's partnership with Rogue Community College, RCC
- Goal 4** Designate lands within the I5 interchange area to provide services and goods for the traveling public as well as business locations serving the community and the region.
- Goal 5** To encourage the development of new local business and start-ups. Double the incidence of people working at home from 5.7 percent in 1990 to 11.4 percent by 2015.
- Goal 6** Advocate the delivery of sophisticated, digital communication services to every household, business, school, church, and government building with the City.
- Goal 7** Finance and construct public facilities extensions to the City's vacant, industrially planned land.
- Goal 8** To ensure that all City employees receive and contractors pay a living wage (defined as a wage rate in excess of the federal poverty level for a family of four.).
- Goal 9** To foster regional economic development that is spatially distributed and focused within urban areas.
- Goal 10** Utilize contract annexation whenever possible in order to maximize City property tax revenues and thus help to off-set some of the costs of growth.
- Goal 11** Provide for neighborhood commercial uses within residential areas subject to the review and approval by the Planning Commission and City Council.

Since adoption of the 1996 Economic Element to the Phoenix Comprehensive Plan, the City has not formally updated its economic development goals and policies, though City policy direction has been refined through the RPS process. From a regional perspective, the 2007 Bear Creek Valley EOA concluded that the types of businesses most likely to locate in the region were manufacturing, warehousing and transportation, retail and professional and scientific services.

The Greater Bear Creek Valley Regional Plan was adopted with goals to:

- Manage future regional growth for the greater public good.
- Conserve resources and open space lands for their important economic, cultural and livability benefits.
- Recognize and emphasize the individual identity, unique features, and relative competitive advantages and disadvantages of each community within the Region.

RPS evaluation of proposed URAs specifically referenced City of Phoenix Goal 4 for designation of employment lands within the I-5 interchange area. **With this LEOA, community economic development objectives are expected to be updated and further refined.** The extent of goal and policy refinement will depend, in part, on the local as well as regional employment future envisioned for Phoenix over the next 20 years – reflecting City and advisory committee input.

## ANALYSIS APPROACH

Key work steps taken in completing this LEOA are to include:<sup>2</sup>

- **Project background and orientation** – including compilation of background information, identification of key added information and resource contacts, and preliminary discussion of community economic development objectives
- **Trend data compilation** – as pertinent to describe local, regional, statewide and national economic trends and forecasts
- **Industrial and commercial lands inventory** – utilizing information regarding vacant and underutilized commercial industrial lands from the Buildable Lands Inventory (BLI) as compiled for the Phoenix urban growth boundary (UGB)
- **Preparation of draft LOEA report** – with full document coverage of employment and land assessments together with preliminary discussion of implementation policies
- **Draft review & final LEOA documentation** – addressing questions and comments received from City and advisory committee review.

## LEOA REPORT ORGANIZATION

The remainder of this *working draft* LEOA report is organized to cover the following topics:

Phoenix & the Regional Economy  
National, State & Regional Outlook  
Economic Development Potential  
Forecast Employment & Land Needs  
Implementation Policies

Three appendices are provided with this LEOA report. *Appendix A* profiles E. D. Hovee & Company, LLC as report preparer. *Appendix B* contains Goals and Policies included with the City's currently adopted 1996 Comprehensive Plan Economic Element. *Appendix C* provides supplemental statistical data as used for this analysis.

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<sup>2</sup> Information for this REOS has been obtained from sources as cited throughout the report. While generally deemed to be reliable, no representation is made as to accuracy; all information is subject to revision without notice. The observations and findings with this report are those of the author and should not be construed as representing the opinion of any other party prior to express approval, whether in whole or part.

## II. PHOENIX & THE REGIONAL ECONOMY

This Local Economic Opportunity Analysis (LEOA) considers socio-economic factors for Phoenix in the context of the regional economy. Discussion covers geographies that comprise varying degrees of influence on the Phoenix economy together with pertinent demographic and economic trends. Much of the data with this analysis matches that of the REOS.

### LEOA GEOGRAPHIES

The map below depicts geographies considered with the evaluation of economic opportunities:

- **City of Phoenix** – with an estimated 2015 population of 4,585 residents.<sup>3</sup>
- **Jackson County** – with 210,975 residents.
- **Rogue Valley Region** – with Jackson and Josephine Counties at just under 295,000 residents.
- **State of Oregon** – with a population of over 4 million.
- **Eugene OR to Redding CA** – with six I-5 corridor counties at nearly 1 million residents (located between west coast metro markets of the Northwest and California). While important for traded sector activities covered by the REOS, this comparison area is not as relevant for the local-serving businesses addressed by this LEOA.<sup>4</sup>

**REOS Regional & Local Geographies**



Source: Esri, U.S. Census Bureau, E. D. Hovee & Company, LLC.

<sup>3</sup> 2015 population figures represent estimates by the Portland State University Population Research Center for Oregon geographies. Nielsen estimates appear to correspond closely with PSU except for Phoenix. Nielsen estimated the 2015 population of Phoenix at 4,802 residents which is about 5% above the PSU estimate of 4,585.

<sup>4</sup> The REOS also provides considerable analysis for the Eugene OR to Redding CA – comprising six I-5 corridor counties at nearly 1 million residents (situated between the major west coast metro markets of the Northwest and California). While this broader region is of significance for economic development involving traded sector businesses that have options for locating in a wide range of I-5 communities, local serving businesses are typically more focused on a single county market – or in some cases the two-county Rogue Valley region.

## DEMOGRAPHIC TRENDS

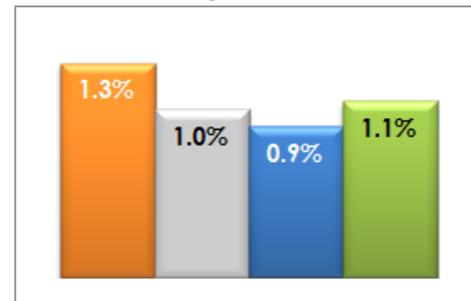
Observations as drawn from a brief review of population and demographic trends (as detailed by Appendix B) for the five local and regional geographies considered with this analysis are summarized as follows:

- Of the geographies considered, **population growth** has been most rapid over the last 15 years in Phoenix, increasing at an annual rate averaging about 1.3% per year – above comparable rates regionally or statewide.
- **Median age** of population ranges from less than 40 years (for the state of Oregon) to 44 years (within Phoenix and across the two-county Rogue Valley region).
- Between 21-24% of adults age 25 and over locally and regionally are **college graduates** as compared with just under 30% of all adult Oregonians.
- **Median household incomes** range from less than \$33,000 per year (in Phoenix) to just under \$50,000 (statewide). Incomes in Phoenix are 27% below county-wide and 34% below median statewide incomes.

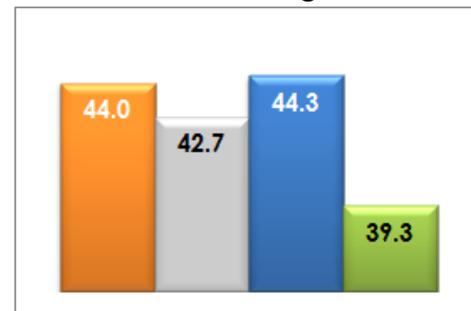
Other demographic and employment characteristics of note include:

- Short **work commute** times – at 19-21 minutes – about 20% less than the typical 25-minute commute for all workers throughout Oregon.
- Relatively high rates of **self-employment** – running at 15-16% of local and Rogue Valley area workers as compared with about 12% of workers statewide.
- High rates of **employment in occupations** such as building grounds maintenance, community/social services, construction/extraction businesses, food preparation and serving, health and

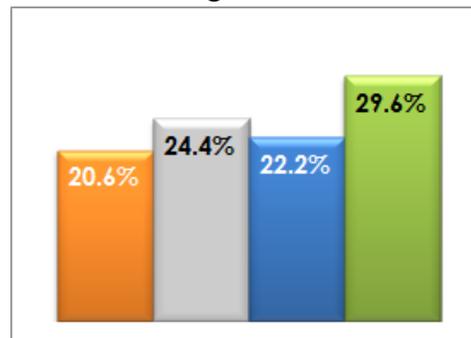
Annual Population Growth



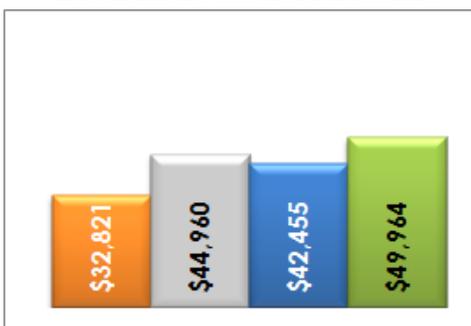
Median Age



% College Graduates



Median Household Income



healthcare support, maintenance repair, office and administrative support, production, sales, personal care and transportation/moving occupations – as compared with the rest of Oregon. Together, these occupations make up about three-quarters (75%) of Rogue Valley employment.

- At 27% of all residential units, a substantial proportion of **mobile and manufactured** housing that can be expected to transition toward added single- and multi-family housing as Phoenix becomes a more substantial local and regional employment center.

While Phoenix has historically been a small, semi-rural town, there are clear signs that the community is being drawn more into the urban fabric of the greater Medford and Bear Creek Valley region. Population growth is already relatively strong, the community is centrally located to the metro area and affordable.

The workforce associated with new employers in a planned South Valley Employment Center will be drawn from multiple communities regionally. A growing workforce can be expected to affect the demographics of the Phoenix community – likely in the direction of a younger and more affluent population.

## ECONOMIC TRENDS

From an economic perspective, the Phoenix community functions an integral part of the broader Jackson County economy – and even the two county Rogue Valley region consisting of Jackson and Josephine Counties. Businesses in Phoenix serve not only in-town residents but other consumer and business customers throughout the greater Medford-Ashland metro region. And workers commute to jobs regionally as well as locally.

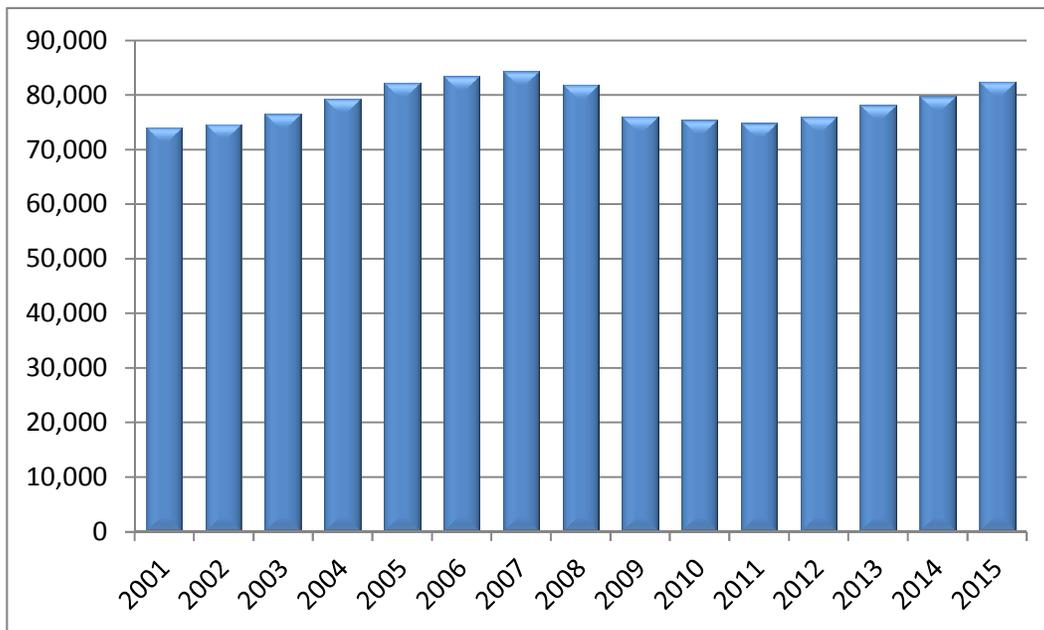
For comparative purposes local and regional economic trends are also compared with economic activity statewide. A primary measure is covered employment data as compiled by the Oregon Employment Department (OED). The most readily available employment datasets are for individuals covered by unemployment insurance – typically excluding sole proprietors and other self-employed persons.

### Jackson County Employment

As of 2015, there were 82,740 persons employed at places of work in Jackson County. Jackson County accounts for over three quarters (77%) of the employment in the two-county Rogue Valley region and 5% of the nearly 1.8 million jobs throughout the state of Oregon.

As illustrated by the following graph, pre-recession employment in Jackson County peaked at 84,400 jobs in 2007, then dropped by 11% in the following four years. Since 2011, employment has again been on the increase but as of 2015 was still more than 2% below the pre-recession job count of 2007.

## Jackson County Employment (2001-15)



Source: Quarterly Census of Employment and Wages (QCEW), Oregon Employment Department.

By comparison, the entire state of Oregon suffered a smaller 7-8% job loss and then recovered more quickly – with 2015 employment at 3% above the pre-recession peak. However, from 2014-15, Jackson County employment increased by 3.4% -- nearly matching the 3.5% job gain statewide.

### Phoenix Employment Profile

At the sub-county level, OED also compiles data by zip code address of the employer. As of 2014 (the most recent year for sub-county data), the 97535 zip code has 137 firms (or employer units) accounting for 1,329 jobs at an annual average wage of \$30,721.

While Phoenix accounts for 2.2% of the population of Jackson County, the 97535 zip code has only about 1.6% of employment county-wide.<sup>5</sup>

With more than 340 employees, retailers represent the sector with the single largest share of the job base in Phoenix. Other major sectors (each with over 200 employees) are represented by government (including public education) and natural resources (including agricultural, forestry, hunting and fishing activities).

<sup>5</sup> Per Nielsen data, only 7% of zip code 97535 residents live outside the incorporated city limits of Phoenix.

## Phoenix 97535 Zip Code Employment & Payrolls (2014)

NAICS	Employment Sector	# of Firms	Jobs	Annual Payroll	Average Wage
<b>All</b>	<b>Total All Sectors</b>	<b>137</b>	<b>1,329</b>	<b>\$40,813,104</b>	<b>\$30,721</b>
11	Natural Resources	3	202	\$7,237,068	\$35,812
23	Construction	14	57	\$2,135,963	\$37,309
31-33	Manufacturing	5	42	\$1,361,021	\$32,730
42	Wholesale Trade	5	58	\$3,032,519	\$52,435
44-45	Retail Trade	21	343	\$8,087,992	\$23,586
52	Finance & Insurance	3	17	\$752,407	\$43,830
53	Real Estate	8	33	\$1,269,210	\$38,558
54	Professional Services, etc.	4	11	\$259,418	\$23,946
56	Administrative, etc.	8	39	\$636,837	\$16,294
62	Health & Social Services	7	54	\$1,427,127	\$26,675
72	Accommodations/Food Service	17	128	\$2,163,168	\$16,856
81	Other Services (e.g., personal)	32	89	\$2,383,247	\$26,778
Other	Non-Disclosed Sectors (2014)*	5	39	\$1,976,551	\$50,681
Govt	Government**	5	217	\$8,090,576	\$37,284

Notes: \* For 2014, includes warehousing, utilities, information, educational services

\*\* Total of private, federal and local government (including government educational services).

Source: Quarterly Census of Employment and Wages (QCEW), Oregon Employment Department.

Average firm size is relatively small – at less than 10 jobs per firm or employer unit. The only sectors employing more than the typical range of 4-16 per firm are natural resources (at 67 jobs per firm on average) and government (at 43 jobs per employer unit).

Average wage is highest firms involved in wholesale trade – at over \$52,400 per year. While still relatively small, this is also the sector that has experienced the most rapid job growth since before the recession in 2006. As of 2014, manufacturing accounted for just over 40 jobs – only 3% of all employment in the Phoenix 97535 zip code.

### Employment Change Pre- and Post- Recession

Covered employment data for the 97535 zip code was also provided by OED for 2006 – the earliest year for which geo-coded sub-county data is available. This is also a year for near-peak employment county-wide prior to the Great Recession of 2007-09.

As of 2014, overall 97535 employment is still below the 2006 pre-recession level by nearly 300 jobs. This represents a net loss of 18% of the community's employment base. Job losses have been most pronounced for sectors including natural resources, construction, professional services, and health and social services.

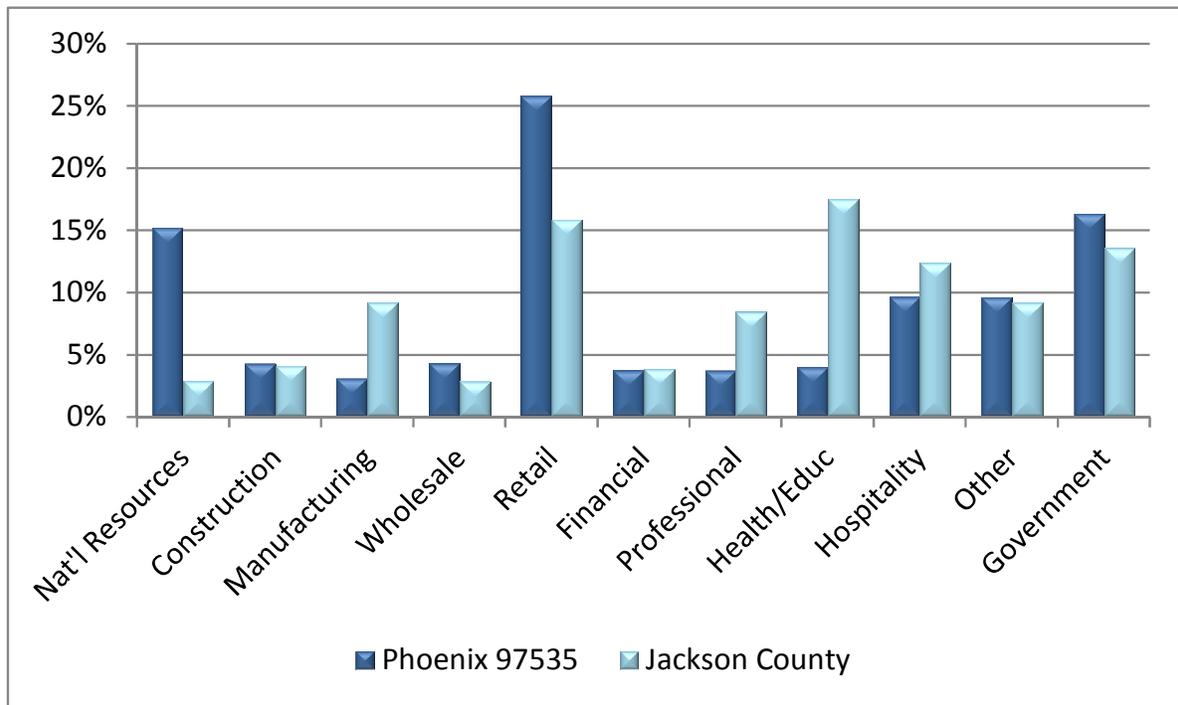
The only sectors for which significant net job gains are noted since 2006 are with wholesale trade, retail trade, and personal services. While retail employment has increased by about 7% since 2006, the number of retail businesses within the Phoenix zip code has declined by 40% - meaning that retail businesses currently employ more on average than was previously the case.

## Phoenix – Jackson County Employment Comparisons

Two sets of comparison can be made between the current mix of employment within the 97535 zip code vis-à-vis the distribution of employment by sector county-wide – first for the distribution of employment and second for relative wage rates.

**Employment Distribution by Sector.** As illustrated by the graph below, Phoenix has a relatively high proportion of its job base in sectors including natural resources, wholesale trade, retail, and government. Sectors that appear particularly under-represented relative to all of Jackson County include manufacturing, professional and business services, health/education, and hospitality.

**Comparative Distribution of Employment (As % of Total – 2014)**



Source: QCEW, Oregon Employment Department.

**Wage Comparison.** As of 2014, the average annual wage for persons employed in Phoenix was approximately \$30,720 – just over 80% of the average wage county-wide of about \$38,000 per year. In part, a lower average wage is due to differences in the distribution of jobs locally versus county-wide. For example, the 97535 zip code has a relatively high proportion of retail workers, associated with wage levels below the average for all employment sectors combined.

However, Phoenix employers within a given sector also tend to pay somewhat less than wage levels experienced county-wide. Two exceptions are of note: natural resource firms in Phoenix pay 18% more than is the case for all natural resource employers county-wide. And firms involved in wholesale trade pay 9% more than counterparts county-wide.

## **LEOA Implications**

To summarize, four implications of this review of Phoenix and the regional economy are noted as significant for the local-serving community objectives this LEOA:

- First, neither Phoenix nor Jackson County have fully recovered from job losses experienced in the recession of 2007-09. Jackson County has lagged behind the economic recovery of the state and Phoenix has lagged behind Jackson County. Getting back to parity and accounting for population growth that has continued despite the recession and its aftermath will be pivotal to shaping economic opportunities going forward.
- Second, employment in Phoenix is under-represented relative to the community's share of population. This represents a second form of economic catch-up for Phoenix that may be integral to this EOA.
- Third, the mix of employment in Phoenix has been somewhat unbalanced and tilted toward lower paying jobs than is the case county-wide. Population growth combined with opportunities to develop as a South Valley employment center can serve to diversify the employment base and improve wage levels.
- Finally, successful realization of local economic opportunities is clearly linked to realization of the community's opportunity to becoming more of a regional employment center. As detailed by the companion REOS, development of the PH-5 employment area will serve to realize the community's prospective competitive site advantage on the I-5 corridor and further boost employment opportunities both regionally and locally. Traded sector firms that locate at PH-5 will stimulate demand for added locally serving businesses. The added tax base may also serve to improve public service and infrastructure resources – benefitting both residential and employment uses city-wide.

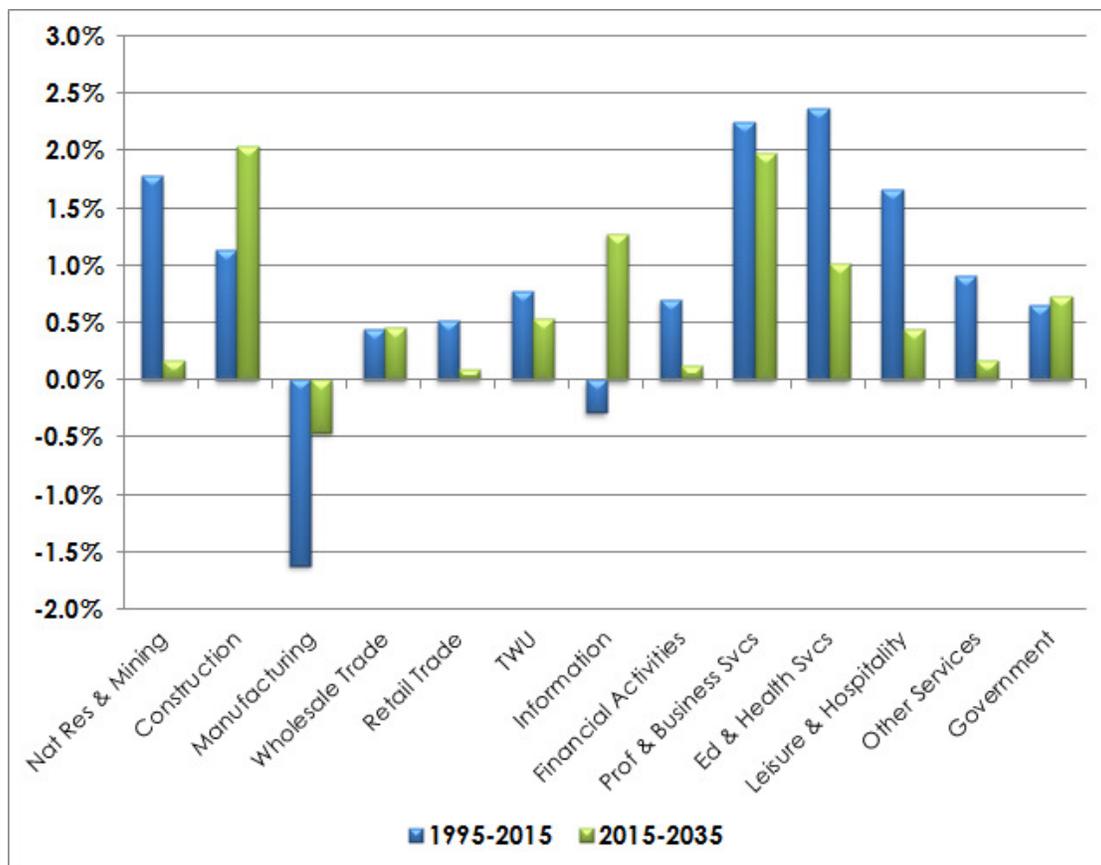
# IV. NATIONAL, STATE & REGIONAL OUTLOOK

What does the future hold for economic and employment development? Will future growth mirror past trends, or are other emerging trends on the horizon? This portion of the LEOA contains information as to the national, state and regional outlook as provided with the previously prepared REOS in conjunction with the PH-5 property. The combined REOS/LEOA review begins with the national outlook followed by more focused consideration on forecasts for statewide and regional employment change.

## NATIONAL OUTLOOK

Over the last 20 years (from 1995-2015), U.S. non-farm employment has increased by an average of 0.9% per year. The national economic firm IHS Global Insight forecasts that employment will grow at a slightly lower annual rate of about 0.8% over the next 20 years (from 2015-35).

**U.S. Annual Average Job Growth by Sector (1995-2035)**



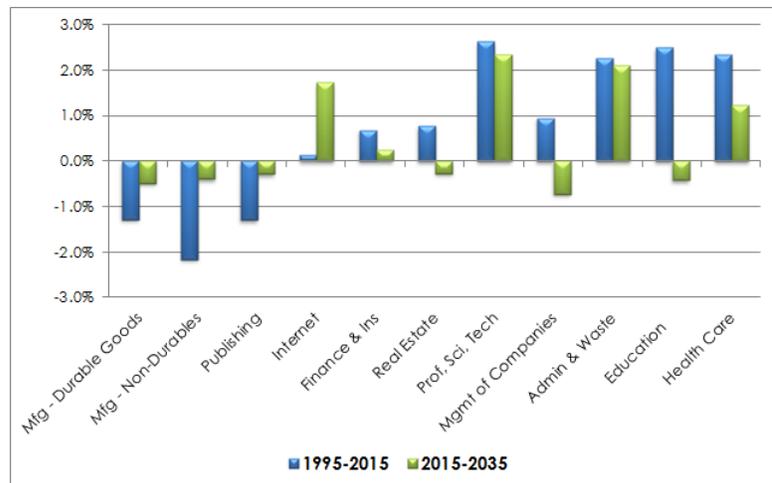
Sources: IHS Global Insight as compiled for Metro, November 2013.

As depicted by the preceding graph, there are widespread sectoral differences in U.S. job growth performance in retrospect versus looking forward over the next two decades:

- **Star performers** over the last two decades have been education and health as well as professional and business services, leisure and hospitality and (somewhat surprisingly) natural resources and mining – each with employment expanding at rates of more than 1.5% annually. Going forward, job growth rates for three of these sectors – all but professional and business services – are forecast to fall back sharply.
- Sectors with **declining employment** over the last two decades have included manufacturing and information (especially the printing/publishing portion). Looking to the next 20 years, prospects look brighter. The decline in manufacturing employment may slow with continued restructuring and as a more profitable and leaner (albeit less job-intensive) sector re-emerges. Information will rebound as the internet-related side of the sector continues to supplant declining employment in publishing/printing.
- The only sectors forecast for **more rapid job growth** from 2015-35 (in addition to construction and information) through 2035 than in the prior two decades are construction, wholesale trade, and government.

IHS Global Insight also evaluates selected **sub-sectors** of the U.S. economy. The focus is on traded sectors with global as well as local customers, bringing new wealth into the community. As the chart to the right shows, there can be **countervailing expectations** within different portions of overall job sectors:

**U.S. Annual Average Job Growth for Selected Traded Sectors (1995-2035)**



Sources: IHS Global Insight as compiled for Metro, November 2013.

- Both durable and non-durable manufacturing are forecast for reduced job loss. This near turn-around of domestic manufacturing job base is dependent on the continued re-shoring of U.S. made goods, especially within advanced technology industries. Further recovery also depends on valuation of the U.S. dollar relative to other currencies.
- Within the information sector, job losses in the now shrunken publishing sub-sector may begin to stabilize while internet-related employment (as with smart-phone apps) show continued promise for a diversity of large and small firms.
- Growth in finance and insurance is projected to slow with industry consolidation and continued effects of financial sector reform; real estate related employment may be can be expected to be highly cyclical in response to economic and mortgage finance conditions.

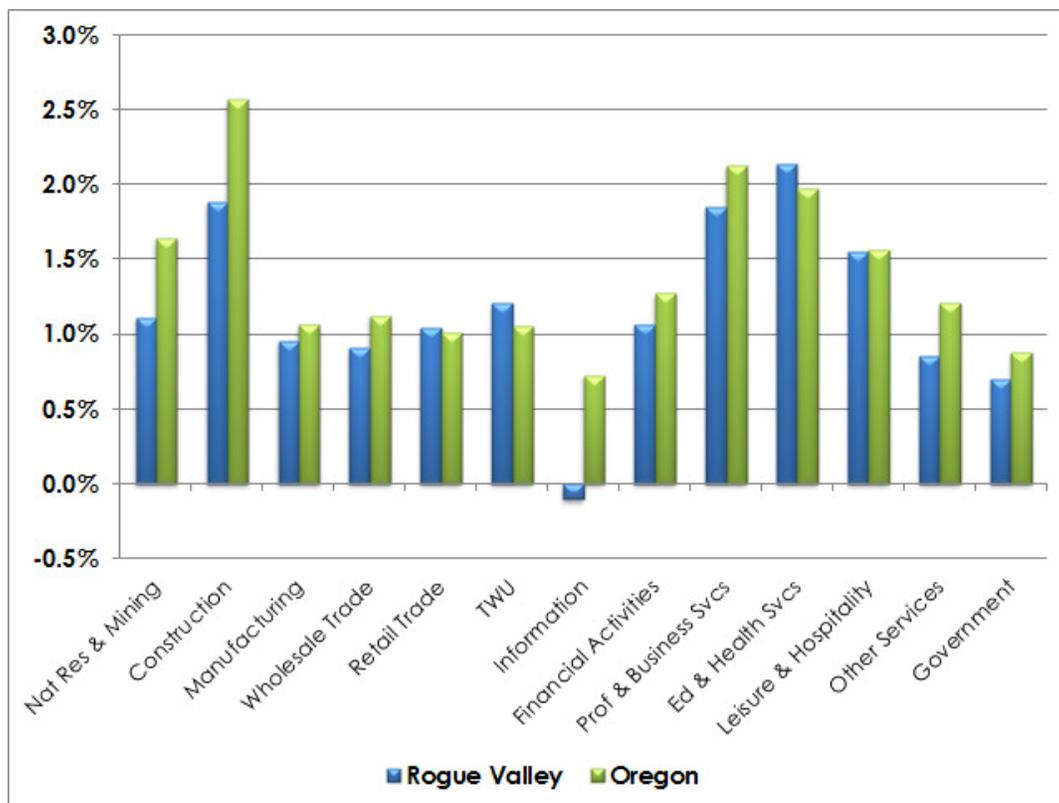
- Growth in professional/scientific activities and administrative/waste industries is expected to stay strong, while employment in the management of companies declines.
- Education was a major driver of job growth in the last two decades but restrained employment may be on the horizon with fewer youth as a proportion of the population and budget cuts. Health care job growth should remain positive with aging adults needing more services, but growth rates may moderate once industry cost containment measures take effect.

In short, the rocky and often unpredictable pattern of job growth and decline of the last two decades should be expected to continue, but with a somewhat different mix of winners and losers going forward. Communities seeking to maintain strong local economies with robust employment will be those that can **adapt to continued change** – both short- and long-term.

## STATE & REGIONAL FORECAST

With this national overview in hand, the analysis now moves to consideration of employment forecasts both statewide and regionally. The Oregon Employment Department (OED) prepares 10-year employment forecasts by region of the state, with the most recent forecast covering the 2012-22 time period.

**Rogue Valley & Oregon Overview Forecast (2012-22)**



Source: OED.

OED defines the Rogue Valley region as comprising the 2-county area of Jackson and Josephine Counties. Over a 10-year period, OED forecasts that employment for the Rogue Valley region will increase at an annual rate of 1.3% per year, just below the statewide forecast rate of 1.4%.

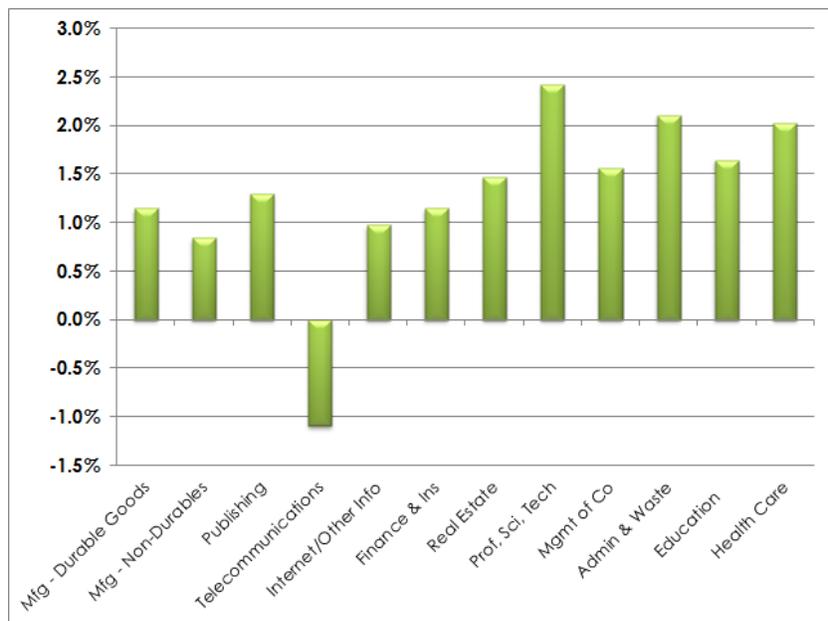
Additional notes regarding the OED forecast are summarized as follows:

- Sectors forecast by OED for the **highest rates of job growth** in the Rogue Valley region are education and health services (with forecast growth at 2.1% annually), followed by construction, construction, professional and business services, leisure and hospitality – all at rates in excess of the overall average two-county job growth rate of 1.3% per year.
- Other sectors are expected to experience job growth at rates **below the two-county growth expectation** of 1.3% year – with information noted as the only sector forecast by OED for prospective job loss.
- Anticipated patterns of regional job growth generally **parallel expectations for the entire state** – but at lower overall rates of growth. However, there are two sectors for which the regional forecast exceeds the statewide projection: in transportation, wholesaling and utilities (TWU); and education and health services.

As with national forecast, OED provides added **sub-sector** detail as part of its statewide forecast. This added data is useful for more in-depth evaluation of traded sector opportunities:

- The top sub-sector growth niches statewide appear to be with professional, scientific and technical services, followed by administration, waste and health services – all pegged at annual job growth rates of 2% or more.
- Counter to the jobs outlook nationally, OED projects employment growth opportunity in Oregon for manufacturing – particularly with durable goods production. Of added note is that OED anticipates opportunity for wood products in step with other manufacturing activity.

**Forecast Oregon Annual Average Job Growth for Selected Traded Sectors (2012-22)**



Sources: IHS Global Insight as compiled for Metro, November 2013.

- OED forecasts opportunities for publishing (notably software) and for other internet-related services. OED appears to be more bullish on statewide real estate and education employment (at least near-term) than indicated by the longer-term national projection.

While recent Rogue Valley employment changes appear to be generally consistent with statewide forecasts, regional experience varies from the statewide outlook in at least a couple of sectors. For example, the Rogue Valley is currently under-represented in manufacturing relative to the entire state – due to prior year contraction of forest products employment. However, manufacturing job gains in recent years have been more rapid than for the rest of the state – indicating room for continued *bounce-back* with manufacturing diversification. And with the information sector, jobs losses regionally in traditional printing activities do not yet appear to have been offset by other information technology subsectors – as with software and internet applications as has recently been occurring in some parts of the state.

## LEOA EMPLOYMENT OUTLOOK IMPLICATIONS

Based on a similar review of national, state and regional economic trends and forecasts, the REOS identified regional traded sector opportunities as including transportation, warehousing and utilities (TWU) as a **strong and growing** job sector and wholesale trade as an **emerging** sector of the Jackson County and Rogue Valley regional economy potentially served by the PH-5 property. Local business opportunities to serve this expanding regional employment center can also be expected. Opportunities range from repair and financial services supporting a strong logistics center to local retail and dining for workers employed at employment center firms.

Other **emerging** sectors of the regional economy appear to include governmental and financial activities. Locally based Phoenix businesses that could benefit from these office-dominated functions include vendors of office supplies and services.

As documented by the REOS, other sectors of the region’s economy appear to be more challenged going forward. **Mature sectors** that have been strong but showing signs of declining presence relative to the state of Oregon include retail trade, education and health, leisure and hospitality and other services. Mature sectors are those whose activity is strongly affected by local population and/or tourism activity. Phoenix business opportunities will be directly affected by the degree to which these now lagging sectors are reinvigorated regionally – or as a result of capturing a share of existing activity more in line with its share of regional population.

Finally, industry sectors including natural resources, construction, information, professional and business services have been identified as **weak and declining** relative to the rest of the state. Turnaround in construction employment regionally and locally can be expected to *occur in synch* with renewed population and employment growth. Turn-around in other sectors is dependent on the region finding new sources of competitive advantage and entrepreneurial activity – for example at campus-oriented development at the Phoenix PH-5 site.

Consistent with this initial overview, the next section of this LEOA details employment activity suggested as potential locally serving target industry sectors.

# V. ECONOMIC DEVELOPMENT POTENTIAL

Looking forward, economic potentials are set in the context of a 320+ mile I-5 corridor extending from Eugene OR to Redding CA. Also considered are factors affecting economic development and then target sectors for economic development marketing.

## FACTORS AFFECTING COMMUNITY & REGIONAL POTENTIAL

The REOS has identified factors important to the economic development potential for a regional employment center with addition of the PH-5 site to the Phoenix UGB. The following chart lists these regional factors in comparison with local factors more important to local-serving businesses that are the focus of this LEOA.

Added description of local factors important for this LOEA is provided as follows:

### Factors Affecting Regional & Local Economic Development Potential

- Local & South Valley population growth** – most directly in the Phoenix immediate trade area and less directly from South Medford to Talent (and possibly Ashland) will affect opportunities for commercial retail and service job growth.
- Traffic circulation (west & eastside)** – internal to the community will be affect the degree to which local businesses benefit from PH-5, particularly connections across the I-5 freeway which are currently limited to N. Phoenix Road; maintaining Highway 99 corridor connectivity with high levels of services north and south is also of importance.
- Utility upgrades (when needed)** – can be expected in some cases for sites being redeveloped as well as for vacant properties not previously developed.
- Downtown program (promotion & infill)** – is pivotal to assure that businesses that could locate on smaller footprint sites can do so without need for locating outside the downtown core; urban renewal capacity as for the community center/plaza can benefit downtown development; balancing through traffic on the 99 couplet (Main and Bear

Regional Factors per Phoenix REOS	Local Factors per Phoenix LEOA
✓ Direct I-5 access	✓ Local & South Valley population growth
✓ Utility infrastructure (shovel-ready sites)	✓ Traffic circulation (west & eastside)
✓ Flexible master plan	✓ Utility upgrades (when needed)
✓ Early-release UGB & annexation process	✓ Downtown program (promotion, in-fill)
✓ Range of parcel sizes (larger site focus)	✓ Bear Creek amenity access/development
✓ Land for sale	✓ Planned retail center (west or east-side)
✓ Multi-tenant buildings for lease	✓ Existing buildings + land for sale & lease
✓ Public-private investment capital	✓ Mixed-use business & residential
✓ Competitive pricing	✓ Flexible, responsive land use/zoning
✓ Workforce training	✓ Community support
✓ Live-work setting	
✓ Active marketing	
✓ Community support	

Creek Drive) with needs for local business access and parking can be expected as particularly important to core area economic vitality.

- **Bear Creek amenity access & development** – will affect economic development opportunities not only for commercial uses but potentially for mixed use development with residential – as well as for increased tourism potential.
- **Planned retail center (west or eastside)** – outside but ideally near the downtown can be expected for retail and commercial uses requiring a larger site and/or building footprint than is possible within the downtown core to serve the regional employment center and trade area population growth.
- **Existing buildings + land for sale & lease** – in a wide range of site and building sizes are needed to accommodate the full range of service-industrial, office and retail commercial uses – especially if Phoenix seeks to obtain a jobs-population balance more in line with the rest of Jackson County.
- **Mixed-use business & residential** – demand can be expected in the years ahead both in proximity to the existing downtown core and to the emerging regional employment center east of I-5.
- **Flexible, responsive land use/zoning** – regulation allowing for quick permitting can make a difference as to whether the Phoenix of the next 20 years flexes to meet changing needs of customer-oriented retail, service, and service-industrial uses.
- **Community support** – including substantive opportunities for business and broader community input will be required over the LEOA planning horizon as Phoenix evolves to become a more significant employment center and residential community within Jackson County and the Rogue Valley region.

## TARGET INDUSTRIES

The REOS recommended an approach to targeting regional employment uses that accommodates proven winners as consistent with site sizing and property pricing, but with particular marketing emphasis on attracting investment associated with new market niches. Industry targets were framed around the strategic locational advantages of a newly improved Fern Valley / I-5 interchange and opportunity for nearby large site development. The PH-5 property will anchor this new regional employment center; use will be targeted to **traded sector firms with global or national** customers outside the local community.

This LEOA is aimed to meet the needs of business and industry that will be **primarily oriented to serve local customers within the immediate Phoenix area and nearby South Valley communities**. Local serving businesses can include those with business-to-business clientele – as in supplying the businesses locating at PH-5 and/or an expanding local clientele of people living or working in the Phoenix area.

The types of businesses targeted for to meet regional versus locally generated economic opportunities are summarized by the chart on the following page.

Added detail for the types of **local-serving businesses** that could serve lead or supportive sector roles are noted as follows:

**Lead Sectors.** Types of LEOA firms targeted are those who have a solid a track record of local job concentration and/or growth locally – and who should be well position to benefit further from regional employment development and area-wide population growth. Target sectors suggested include:

- **Wholesale trade & transportation services** – as with smaller, independent local delivery, specialty wholesaling operations and transportation service firms.
- **Subassembly manufacturing** – focused on small specialty/customized manufacturers serving larger manufacturers locally or regionally.
- **Financial services** – providing banking, credit, lending and investment services to an expanding local business and population base.
- **Retail trade** – catering to needs of regional employers and their employees whether as suppliers or workforce retail and to needs of a growing population for full service, competitive local retailers.
- **Vehicle & repair services** – oriented to service transport vehicles major PH-5 and support firms as well as the traveling public using the I-5 and Highway 99 corridors.

**Supportive Sectors.** Uses that should be in a position to rebound in support more traded sector activity and local population growth – despite negative job trends in recent years – include:

- **Construction services** – ranging from site preparation to building construction and infrastructure for the regional employment center coupled with commercial and residential development throughout the greater Phoenix community.
- **Hospitality** – with overnight lodging readily accessible to I-5 travelers and to business clients and customers of the South Valley regional employment center.
- **Professional & business services** – covering business and population needs ranging from information technology to accounting, engineering and marketing services.
- **Health & Education (workforce) services** – as for local health clinic satellite facilities and also the possibility of an education/workforce center in proximity to the PH-5 regional employment center.

### Lead & Supportive Target Sectors

Regional Targets per Phoenix REOS	Local Targets per Phoenix LEOA
<p><b>Lead Sectors:</b></p> <ul style="list-style-type: none"> <li>✓ Distribution &amp; transport services</li> <li>✓ Advanced manufacturing</li> <li>✓ Financial, professional, scientific, technical &amp; health services</li> </ul> <p><b>Supportive Sectors:</b></p> <ul style="list-style-type: none"> <li>✓ Construction services</li> <li>✓ Government &amp; education / workforce services</li> <li>✓ Retail &amp; hospitality</li> </ul>	<p><b>Lead Sectors:</b></p> <ul style="list-style-type: none"> <li>✓ Wholesale trade &amp; transport services</li> <li>✓ Subassembly manufacturing</li> <li>✓ Financial services</li> <li>✓ Retail trade</li> <li>✓ Vehicle &amp; repair services</li> </ul> <p><b>Supportive Sectors:</b></p> <ul style="list-style-type: none"> <li>✓ Construction</li> <li>✓ Hospitality</li> <li>✓ Professional &amp; business services</li> <li>✓ Health &amp; education (workforce) services</li> </ul>

## VI. FORECAST EMPLOYMENT & LAND NEEDS

OAR 660-009-25 (4) provides direction for forecasting employment and associated land needs over the 20-year horizon of an EOA, as follows:

b) Estimate the amount of serviceable industrial and other employment land likely to be needed during the planning period for the public facilities plan. Appropriate techniques for estimating land needs include but are not limited to the following:

(A) Projections or forecasts based on development trends in the area over previous years; and

(B) Deriving a proportionate share of the anticipated 20 year need specified in the comprehensive plan.

Considered with this LEOA is forecast employment followed by industrial and commercial land needs, buildable lands inventory, and resulting comparison of land demand with supply.

### FORECAST EMPLOYMENT

The Goal 9 Industrial and Other Employment Land Analysis Guidebook prepared by the Oregon Department of Land Conservation and Development (DLCD) provides further direction regarding the forecasting of future local jurisdiction employment. Employment forecasting methods identified include options for analysis of:

- **Ratio trend** – using the current city/county ratio of employment to predict the future
- **Trend extrapolation** – using historical employment growth rates to predict the future
- **Population/employment trend ratio** – determining a ratio between population and employment
- **Comparative** – by comparing growth with larger, older areas including consideration of social, economic, political and other variables.

Forecasting 20-year job growth by employment sector is typically recommended to begin with the regional OED 10-year job forecast by market region – which for Phoenix includes the two-county Rogue Valley region of Jackson and Josephine Counties. Jurisdictions may use an alternative methodology for arriving at a local employment forecast but are advised by DLCD to compare the planned forecast methodology with the OED projection for consistency. Also advised is the confirmation of projection estimates with elected and appointed officials, as well as DLCD staff.

Employment forecasts with this Phoenix LEOA have been prepared to coincide with the REOA which are further grounded both in both OED 10-year and prior 2007 Goal 9 Economic Opportunities Analysis (EOA) for the Bear Creek Valley region encompassing most of the urbanized area in Jackson County – including establishment of Urban Reserve Areas (URAs) for Central Point, Eagle Point, Medford, Phoenix, and Talent.

## LEOA Employment Forecast Scenarios

Rather than specify a single 20-year forecast, two overall employment growth scenarios are outlined for consideration with this *working draft* LEOA:

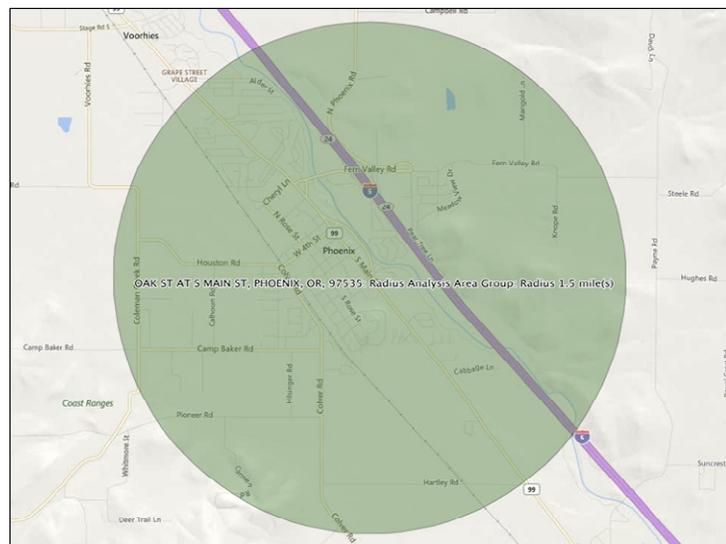
- **Employment Scenario 1** – maintains the City of Phoenix at the current 1.67% share of all covered employment in Jackson County.
- **Employment Scenario 2** – increases the City of Phoenix share of current and future job growth to 3.69% of all employment in Jackson County – a level that would achieve local serving jobs-population balance for the immediate Phoenix community.

## Updated Population Forecast

The first employment scenario is estimated independent of forecast population while the second scenario requires explicit consideration of current and forecast population growth. Population growth is considered for two geographic areas served by Phoenix businesses:

- Residents living within the incorporated City limits/UGB area. The recently completed Housing Needs Analysis estimates 2016 population at 5,048 residents.
- Residents living within a larger trade area extending as an approximate 1.5 mile radius trade area who are most conveniently served by Phoenix businesses and employers – whether or not living in or outside the current city limits (as shown by the map to the right).

### Phoenix Trade Area For Local Serving Business



Source: Nielsen and E. D. Hovee & Company, LLC.

Nielsen estimates 2016 population of this greater trade area at 8,052 residents (or 3,004 added residents outside of Phoenix). In effect, the 1.5 mile trade area is centered at Main and Oak, extending northwest to between Phoenix and Medford, and southeast to between Phoenix and Talent.

**Phoenix Population Forecasts.** The 1996 Population Element of the City of Phoenix Comprehensive Plan involved consideration of several population forecast scenarios to 2016. Adopted by the City Council was a planned population of 5,250 by 2016 – reflecting a planned growth rate averaging 1.79% per year. Also called for were improvements to the water system – at roughly 1.5 times the rate anticipated at the time in the Water Master Plan.

Due in large part to the Great Recession, population did not increase at the rate anticipated by the Comprehensive Plan. Based on PSU Population Center data, the growth rate (through 2015) averaged 1.2% per year. Using a higher 2015 Nielsen estimate of in-city population, the annual growth has been somewhat higher at just over 1.4% per year – but still below what was previously anticipated.

While the City of Phoenix has not yet formally adopted a new updated population forecast extending over the next 20 years, two related planning documents serve as a guide to population expectations going forward:

- A City of Phoenix Transportation System Update completed in February 2014 forecast a 2040 population of 8,030 (or 7,387 residents by 2036 using a 2.1% annual growth rate).
- A more recent Housing Needs Analysis completed in April 2016 projects a more modest 1.6% annual rate of population, resulting in an estimated Phoenix population of 6,977 by 2036.

In consultation with City staff, the Housing Needs Analysis forecast is also incorporated with this LEOA as the most current expectation of future growth anticipated by the City of Phoenix.

**Local Trade Area Outside of Phoenix.** Based on Census and Nielsen estimates, the population living within the 1.5 mile radius trade area (but outside of the incorporated city limits) increased modestly from 2,790 residents in 2000 to 2,866 in 2010 and 3,004 in 2016 – equating to a population growth rate of 0.46% per year from 2000 to 2016.

Forecasting this 0.46% annual growth rate forward results in a 2036 estimate of 3,295 non-city but trade area residents by 2036. Taken together, total trade area population (both in and outside the city) is projected at 10,272 residents by 2036 – reflecting a composite average growth rate of 1.2% per year over the 2016-36 forecast period.

## Phoenix LEOA Employment Scenarios

Based on the regional analysis of the Phoenix REOA, Rogue Valley area employment (encompassing Jackson and Josephine Counties) has been forecast to increase by approximately 29,250 jobs from 2016-36. Since 2000, Jackson County has maintained an approximate 77% share of 2-county employment.

Assuming that this trend continues forward, Jackson County would experience a net increase of 22,525 jobs from 2016-36. This job estimate represents jobs covered by unemployment insurance, excluding sole proprietors such as individuals with home occupations.

**Phoenix Employment Capture.** As noted, two alternative scenarios for employment growth have been identified as representing a broad range of potential local-serving job growth in Phoenix – as detailed by the worksheet on the following page.

## Phoenix 97535 Zip Code Employment & Payrolls (2014)

LEOA Forecast Factor	Estimate	Comments
<b>Population Forecast (2016-36)</b>		
<i>2016 Population:</i>		
Phoenix UGB	5,048	ECONorthwest Housing Needs Analysis
Added Trade Area Population	3,004	2016 Nielsen estimate
<b>Total 1.5 Mile Area Population</b>	<b>8,052</b>	
<i>2036 Population</i>		
Phoenix UGB	6,977	ECONorthwest
Added Trade Area Population	3,295	@ 2000-16 annual growth rate
<b>Total 1.5 Mile Area Population</b>	<b>10,272</b>	
<i>Population Increase (2016-36)</i>		
Phoenix UGB	1,929	ECONorthwest AAGR of 1.6%
Added Trade Area Population	291	@ 0.46% AAGR
<b>Total 1.5 Mile Area Population</b>	<b>2,220</b>	
<b>Jackson County Employment (2016-36)</b>		
<i>2015/16 Employment</i>	82,470	Set at 2015 annual average
<i>2036 Employment</i>	111,720	Based on 2015 data
<i>Jackson County Job Forecast:</i>		
Added 2-County Jobs 2016-36	29,250	Per Phoenix REOA Draft
x % Allocation to Jackson County	77%	Per QCEW 2001 & 2014
= Added Jackson County Jobs	22,525	
<b>Phoenix Employment Scenarios (2016-36)</b>		
<i>Phoenix Job Capture Scenario #1:</i>		<i>Maintain 2014 % of Jobs</i>
Added Jackson County Jobs 2016-36	22,525	County-wide job growth
Phoenix Share of Jackson Job Growth	1.67%	Per OED-QCEW 2014
Added Phoenix Employment	375	LEOA Job Growth 2016-36
<i>Phoenix Job Capture Scenario #2:</i>		<i>For 100% job-population parity</i>
All Jackson County Jobs (2036)	111,720	
Phoenix Share of Jackson Job Growth	3.69%	@ current 1.5 mile radius % of population county-wide
<b>Total Phoenix Employment (2036)</b>	<b>4,119</b>	LEOA Job Growth 2016-36
- Current Phoenix Job Base (2014)	(1,329)	Per QCEW data (most recent)
<b>= Phoenix Job Growth (2016-36)</b>	<b>2,790</b>	@ no more job loss 2014-16

Source: E. D. Hovee & Company, LLC based on Housing Needs Analysis, Nielsen, and OED-QCEW.

**Range of Employment Outcomes.** As shown by the foregoing worksheet, a considerable range of potential local employment outcomes is possible with the two local job scenarios considered:

- **Job Capture Scenario #1** assumes that Phoenix maintains its current 1.67% share of Jackson County employment going forward – resulting in a net increase of 375 added jobs from 2016-36.
- **Job Capture Scenario #2** is predicated on Phoenix increasing its share of county-wide employment to 3.69%, equivalent to its current trade area share of county-wide population – resulting in a net increase of 2,790 jobs from 2016-36.

Achieving jobs-population balance with Scenario #2 involves considerably more net job growth than with Scenario 1. The major portion of the required job gain with Scenario 1 involves **catching up** to the job base required to serve the existing population. This catch-up need is then augmented by jobs to serve further **population growth** anticipated through 2036.

Achievement of the second scenario involves a significant change from the status quo for Phoenix – especially since the Phoenix area share of county-wide employment has actually declined somewhat since 2000. If a scenario similar to #2 were to be adopted by the City of Phoenix, a more aggressive set of implementation policies likely would be required (as will be delineated by Section VII to this LEOA).

## INDUSTRIAL & COMMERCIAL LAND NEEDS

The next step of the forecast process involves the translation of forecast employment growth into the estimation of industrial and commercial land needs. At its most basic, land demand can be calculated as employment growth divided by employment density (or jobs per net developable acre).

Typically land needs are differentiated between industrial, commercial, and public/institutional uses. Other factors may also be considered – as with allocation to vacant versus redevelopable lands, and adjustment for the relationship between net to gross acreage need (after deducting for infrastructure). As with employment forecasting, DLCD provides guidance for the land allocation process – also with opportunity for local discretion based on community-specific conditions and data availability.

**Employment to Land Use Factors.** As part of its Goal 9 Guidebook, DLCD identifies typical density and vacant/redevelopment factors that may be used if other local jurisdiction-specific information is not available. For Phoenix and other jurisdictions in urbanized Bear Creek Valley, a 2007 EOA also provided density and related factors viewed as applicable regionally.

For all of the development intensity factors, guidelines provide a range of options for consideration by the local jurisdiction. Ranges available for planning purposes are as shown by the chart on the following page.

## LEOA Employment to Land Use Factors

Source / Factor	Guideline	Comments
<b>DLCD Goal 9 Guidebook (2005)</b>		
<i>Employment Density (Jobs/Acre)</i>		
Industrial	8-12	Each acre can accommodate 10-15 jobs for general commercial and office-park industrial, 20 for offices in non-metro downtowns & suburbs
Commercial	14-20	
Institutional	6-10	
<i>Share of Job Growth on Vacant Land</i>	85-90%	Based on 10-15% use of vacant or redeveloped buildings cites as general rule of thumb
<b>Bear Creek Valley EOA (May 2007)</b>		
<i>Employment Density (Jobs/Acre)</i>		
Industrial	10-12-14	Shown are low, medium & high employment density ranges
Retail & Services	18-20-22	
Government	8-10-12	
<i>Share of Job Growth on Vacant Land</i>	80-85-90%	Shown are low, medium & high density ranges for EOA planning purposes
<i>Deduction for Net to Gross Land Need</i>	25-20-15%	Reflects allocation of land for rights of way & utility infrastructure

Source: DLCDC Goal 9 Guidebook (2005) and Bear Creek Valley EOA (2007).

For purposes of this preliminary draft LEOA, the mid-point of the applicable range is generally used. For commercial uses, the lower end of the job density range is applied – as lower density institutional/public uses are combined with commercial business activity. Consideration of adjustments for share of jobs on vacant land and deductions for net to gross land need analysis will be made after receipt of available buildable lands information (BLI).

**Employment Land Need Scenarios & Options.** For each of the two employment scenarios as outlined above, there are two additional scenario variations (or options) considered:

- **Option A – Current Job Mix** assumes that Phoenix maintains its current balance of 29% industrial employment and 71% commercial/public employment going forward.
- **Option B – Declining Industrial** assumes that the industrial share of locally-serving employment continues to decline – from 40% of all jobs in Phoenix as of 2006 to 29% as of 2014 and then to 20% of 2036. *Note:* Industrial development jobs for regional traded sector activity with PH-5 represent an addition to local-serving LEOA needs.

**Range of Employment Land Need Outcomes.** Acreage needs associated with each of the two job mix outcomes are considered with each of the two employment scenarios are as depicted by the following chart.

## Phoenix LEOA Employment Land Need Scenarios

	Added Jobs	% of Jobs	Jobs/ Acre	Land Need (Net Acres)	Comments	
<b>Employment Scenario 1 - Maintain 2014 % of Jobs</b>						
<i>Option A - Current Job Mix</i>						
Industrial Employment	110	29%	10.0	11.0	Job growth set to maintain Phoenix current share of county-wide employment	
Commercial Employment	205	55%	17.0	12.1		
Public Employment	60	16%	8.0	7.5		
<b>Total Added Jobs Employment</b>	<b>375</b>	<b>100%</b>	<b>12.3</b>	<b>30.6</b>	Job mix reflects composition of Phoenix industrial, commercial and public employment as of 2014	
<i>Option B - Declining Industrial</i>						
Industrial Employment	75	20%	10.0	7.5		
Commercial Employment	235	62%	17.0	13.8		
Public Employment	70	18%	8.0	8.8		
<b>Total QCEW Employment</b>	<b>375</b>	<b>100%</b>	<b>12.5</b>	<b>30.1</b>	Job density @ mid-point of 2005 DLCD Guidebook	
<b>Employment Scenario 2 - Achieve 100% Jobs-Population Parity with Jackson County</b>						
<i>Option A - Current Job Mix</i>						
Industrial Employment	810	29%	10.0	81.0	Involves higher job growth targets than with Employment Scenario 1 to achieve job-population parity with Jackson County	
Commercial Employment	1,535	55%	17.0	90.3		
Public Employment	445	16%	8.0	55.6		
<b>Total Added Jobs Employment</b>	<b>2,790</b>	<b>100%</b>	<b>12.3</b>	<b>226.9</b>	Applies the same job mix factors and densities as are considered with Employment Scenario 1	
<i>Option B - Declining Industrial</i>						
Industrial Employment	560	20%	10.0	56.0		
Commercial Employment	1,730	62%	17.0	101.8		
Public Employment	500	18%	8.0	62.5		
<b>Total QCEW Employment</b>	<b>2,790</b>	<b>100%</b>	<b>12.7</b>	<b>220.3</b>	Job density is @ mid-point of 2005 DLCD Guidebook	
<b>Scenario Notes:</b>						
Covered employment growth rounded to nearest five employees; sole proprietor growth is assumed to comprise primarily home occupation uses not requiring significant allocation of commercial or industrial land.						
<i>Option A - Current Industrial Mix</i> reflects conditions as of 2014. <i>Option B - Declining Industrial Job Mix</i> assumes continued erosion of local industrial from 40% of all jobs in 2006 to 29% in 2014 to stabilization at 20% by 2036.						
<i>Employment Densities (jobs per acre)</i> reflect the mid-point of the Bear Creek Valley EOA range for industrial uses and the lower end of the commercial range including government and institutional use.						

Source: E. D. Hovee & Company, LLC. Estimates are preliminary and subject to revision.

As illustrated by the above chart, the range of land needs is estimated at:

- 30-31 acres of net employment land demand with **Employment Scenario 1** (including 7-11 acres for local serving industrial use and 19-21 acres for commercial use).
- Substantially greater employment land need for 220-227 net acres with **Employment Scenario 2** (including 56-81 acres for local serving industrial use and 146-164 acres for the combination of commercial/public uses).

The greatest variability in outcomes is affected by whether Phoenix stays at its current share or more than doubles its share of county-wide employment by 2036. The mix of industrial versus commercial land need is associated with considerably less variability of acreage outcomes.

Scenario 1 is most consistent with recent trends assuming continued economic recovery locally and regionally but with Phoenix continuing experience modest of change in local employment activity. Because Scenario 2 represents a potentially significant departure from the status quo, successful realization should not be expected to happen on its own. Rather, substantial changes to city policies and planning related to land use together with other implementation measures will likely be required.

Other hybrid scenarios that would fall between the outcomes presented in this *working draft* report could also be considered. The determination of specific implementation policies appropriate to plan implementation will be detailed in conjunction with City selection of a preferred employment scenario.

## **BUILDABLE LANDS INVENTORY**

This section to be completed upon receipt of industrial / commercial BLI data.

## **COMPARING LAND DEMAND & SUPPLY**

To be completed in conjunction with BLI analysis and City/stakeholder policy direction for a preferred employment scenario..

## **Long-Term Employment Land Needs**

To be completed.

## **Short-Term Need Determination**

To be completed.

## **PARCEL SIZE**

To be completed.

## **SUITABILITY EVALUATION**

To be completed.

## **Policy Measures with Commercial & Industrial Land Designations**

To be completed.

## **20-Year Policy Implications**

To be completed.

## VII. IMPLEMENTATION POLICIES

OAR 660-009-0020 outlines requirements for industrial and other economic development policies. Local comprehensive plans are to provide a commitment to provide a competitive short-term supply together with a commitment to provide adequate sites and facilities. With this LEOA, also identified are prospective resources for public and private implementation and fulfillment of community economic development objectives.

### ADEQUATE SITES & FACILITIES

To be completed subsequent to City completion of vacant and redevelopable buildable lands inventory.

### RESOURCES FOR PUBLIC/PRIVATE IMPLEMENTATION

Within Oregon and for Phoenix, a variety of resources are currently or potentially available for consideration with economic development project implementation. These funding and related resource mechanisms include state and federal resources, city resources, and partnerships – are described with the following overview.<sup>6</sup>

Resources identified with this draft are preliminary and intended for discussion. To be revised based on comments as received and updating consistent with current state, federal, local and regional program resources. If desired, this listing could also be placed into an appendix.

#### State & Federal Resources:

- **Business Oregon Industrial Site Certification** has been recognized as “one of the most comprehensive shovel-ready programs in the country.” Certified sites are intended to be shovel-ready for construction within six months or less. Sites become certified by going through a more recent decision-ready designation as a fast-track tool to quickly assess site readiness before achieving full certification. As of 2016, there were about 90 certified sites statewide with 38 being activity marketed via Oregon Prospector – albeit with no certified sites currently being marketed by Business Oregon in Jackson County.
- **Regional Solutions Centers (RSCs)** represent an innovative, collaborative approach to community and economic development statewide. In partnership with Oregon colleges and universities, 11 Regional Solutions Centers have been established. Each center aims to identify local priorities and “works from the bottom up to solve problems and complete projects.” Five core state agencies – ODOT, DLCD, DEQ, OHCS and OBDD/Business Oregon – have co-located regional staff in these centers to form Regional Solutions Teams (RSTs), with coordination from the Governor’s Office. Since

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<sup>6</sup> This resource guide has been adapted and updated from an *Oregon Highway Corridor Economic Development Tool Box* initially prepared by E. D. Hovee & Company, LLC for the State of Oregon Department of Land Conservation & Development, February 2015.

RSC inception in 2011, public, non-profit and private sector funds have been invested in priority community and economic development projects statewide, so that that projects are finished as quickly and cost-effectively as possible. As of June 2016, six RSC projects were underway in the southern region of Jackson and Josephine Counties – with the closest project to Phoenix being a “food hub” facility planned for the Fry Family Farm based in Medford.

- **Infrastructure Finance** – comprising programs administered through Business Oregon by the independent Infrastructure Finance Authority (IFA). IFA was created to ensure that community infrastructure needs – especially for water and wastewater system – are better identified and prioritized. Specific state and federal infrastructure programs that are supported by IFA include brownfields, community development block grants (CDBG), the marine navigation improvement fund, port revolving fund, port planning and marketing fund, safe drinking water revolving loan fund, special public works fund, special public works emergency projects and water/wastewater system financing (as well as industrial site certification – noted above).
- **Access to Capital Programs of Business Oregon** – with programs including a business development fund, capital access program, credit enhancement fund, industrial development bonding, and entrepreneurial development loan fund. Other tools cover sources in which Business Oregon is directly involved and others involving referral to other programs include angel funding support, “aggie” bonds, a business expansion program, business retention services program, small business credit initiative, new market tax credits, brownfields redevelopment assistance, and western juniper industry fund.
- **Enterprise Zones** – authorized as of October 2016 are 69 designated zones encompassing 54 rural and 15 urban Oregon communities for property tax abatement as an incentive for eligible business investment, job creation and employee compensation. Separate but related designations are available for long-term rural enterprise zone facilities, electronic commerce zones for assets that serve e-commerce operations, and reservation zones. Phoenix participates as a local jurisdiction sponsor with the Jackson County Enterprise Zone – established in 2007 and currently scheduled for termination at the end of June 2017.
- **Other Tax Incentive Programs of Business Oregon** – include property tax abatement with the strategic investment program (for very large capital investment projections); construction-in-process program, food processing machinery and equipment, tax credits as for electronic commerce and qualified research activities, and other tax incentives for Oregon investment advantage, business expansion, small manufacturing business expansion, work opportunity, and film and video productions.
- **Oregon Department of Transportation (ODOT)** – provides several technical assistance programs available to local jurisdictions. OTOT provides Statewide Planning and Research (SPR) funds which can be used to pay for a highway refinement plan. Projects are identified and selected by a Region Management Team based on improvement needs to the state highway system.

- **Oregon Transportation Infrastructure Bank (OTIB)** – is a statewide revolving loan fund administered by ODOT’s Financial Services office and designed to promote innovative financing solutions for transportation needs. Eligible projects include highway improvements, transit capital projects, and bikeway or pedestrian access project on highway rights-of-way. Loan repayment can be for a term of up to the 30 years or at the end of the useful life of a project.
- **Oregon Department of Land Conservation & Development (DLCD)** – plays a coordinating role for industrial projects of statewide significance. Pursuant to Senate Bill 766, there is opportunity to apply for a project deemed to be of statewide significance to bundle the land use permitting with state permit approvals. This removes the land use decision-making authority from the city or county that would normally review the application and give it to the Economic Recovery Review Council.
- **Oregon Transportation and Growth Management Program** – is a cooperative initiative of with ODOT and DLCD wit competitive grants available to local jurisdictions. TGM funds are awarded on an annual basis.
- **Work Source Oregon** – serves as a single statewide group to coordinate a network of public and private partners that “work together to provide an available supply of trained workers ready for the needs of today’s businesses.” Work Source Oregon encompasses participating state agencies including the Oregon Economic and Community Development (Business Oregon), Oregon Employment Department (OED), the Department of Human Services (DHS), community colleges and workforce development, vocational education, the Oregon University System, Oregon Disabilities Commission, Commission for the blind, Working in Oregon, and Oregon Jobs. The network also includes local providers designated as coordinators of training delivery at the county and/or regional level across the state.
- **Oregon Main Street Program** – was formerly operated under the auspices of the Oregon Downtown Development Association and is now part of the Oregon Parks & Recreation Department (OPRD). The Oregon Main Street Network works with 78 communities across the state to assist with implementation of the national 4-point Main Street approach. While primarily focused on downtown areas, the National Main Street approaches also been used with neighborhood district and commercial corridor revitalization. Phoenix is not a Main Street community; Jacksonville participates as the nearest affiliate community.
- **Rural Development Initiatives (RDI)** – operates as a non-profit organization created by the Oregon Legislature – initially to address rural forest and natural resource related issues. RDI is now primarily focused on leadership development but also with emphasis on collaborative partnerships for rural economic vitality.
- **Federal Funding Support** – is noted with use of federal Community Development Block Grant (CDBG) for infrastructure improvements that emphasize downtown redevelopment and job creation. Other potential resources include federal economic development (EDA), environmental protection/brownfield clean-up (EPA) transportation and/or related stimulus funding programs available for infrastructure improvements

that support economic development investment including downtown redevelopment and job creation. Recent examples of stimulus programs have included the American Reinvestment and Recovery Act (ARRA) – which included transportation grants known as TIGER funding – with eight rounds of funding to date starting in 2009 through 2016.

## City Resources:

- **Land Use Planning & Zoning Mechanisms** – range from traditional use-based (or Euclidean) zoning to the more recent approaches of performance and form-based zoning. Use-based zoning typically provides geographically defined zones with which there is a list of uses permitted outright versus permitted on a conditional basis or not permitted. In contrast, performance-based zoning is focused more on limiting impacts of development (such as traffic, noise, glare, odors) on neighboring properties than on the uses that may be outright or conditionally permitted.

And a third approach, form-based zoning, is most prevalent in areas with a clearly established character intended to be maintained (as with historic downtowns), with as yet undeveloped areas being master planned, or with a well articulated vision for future development especially within a non-traditional mixed use environment. While Oregon experimentation with non-Euclidean zoning techniques remains somewhat limited to date, these and other hybrid zoning techniques are being introduced and tested – especially in industrial and business park or mixed employment areas where tenant demand increasingly requires a mix of manufacturing and distribution together with amenities of employee oriented retail services.

- **Intergovernmental Agreements** – are authorized by ORS 190 whereby the performance of a function or activity by means including department consolidation, jointly providing administrative officers, joint facilities or equipment, and/or new intergovernmental entity created and governed by a board or commission acting on behalf of the units that are parties to the IGA. For neighboring small cities, IGAs can provide a mechanism for consolidating services where greater efficiency and improved service may be achieved than if services continue to be provided by each jurisdiction on its own.
- **City Incentives** – that conceivably could range from reductions in Systems Development Charges (for locations with in-place infrastructure) to regulatory streamlining to consideration of an incentives tool-kit for high priority economic development initiatives as for commercial district improvements or target industry marketing. The primary economic development incentive program that the City of Phoenix currently provides is in conjunction with downtown projects funded through the Phoenix Urban Renewal Area (PHURA).
- **Local Improvement District (LID) and Economic/Business Improvement District (E/BID) Assessments** – with the LID mechanism based on property owner assessments to pay for infrastructure benefitting a specific set of properties (as might be possible with the downtown area, interchange development, and/or industrial district). Related tools include an economic improvement district (EID) or business improvement district (BID)

to pay for ongoing operating costs as for business district marketing, management and maintenance. BIDs can also include a fee or surcharge to benefitting business owners.

- **Urban Renewal** – provides a funding mechanism by which incremental (or added property taxes) generated from new development can be used to repay for public improvements and related public purposes. Funding is subject to creation of an urban renewal plan within a defined portion of a city or county, subject to specific statutory provisions. Phoenix has a downtown urban renewal agency (PHURA) which is currently involved in building a community center. Other project activities have included sign grant, tree planning, and banner poles – including 10 current building rehab projects.
- **General Obligation and Revenue Bonding** – General obligation (GO) bonds are backed by the full faith and credit including taxing power of the issuing jurisdiction, and must be approved by ballot election. Revenue bonds may be issued by a municipality and repaid by a dedicated funding stream – typically without voter approval and without requiring backing by the full faith and credit or taxing power of the City. Also noted are full faith and credit bonds, which may be issued and backed by the full faith and credit of the city without a specific revenue source being identified other than the City’s general fund.

## Partnership Opportunities:

**Public–Private Partnerships** – may be stimulated by private sector initiatives for job-creating investment including consideration of master planning and development agreements that specify City and other public funding support in exchange for negotiated private development and redevelopment commitments.

Partnership opportunities also may extend on a project-by-project basis to other public-public collaborative efforts as might occur between the City of Phoenix and other state or regional public and non-profit entities such as Business Oregon, the Oregon Department of Transportation, or Jackson County.

## MEETING COMMUNITY ECONOMIC DEVELOPMENT OBJECTIVES

To be completed with updating of community economic development objectives in consultation with City and advisory committee.

# APPENDIX A. PREPARER PROFILE

This Local Economic Opportunities Analysis (LEOA) has been prepared for the City of Phoenix, Oregon by the economic and development consulting firm E. D. Hovee & Company, LLC (EDH). Since 1984, EDH has provided economic and development consulting for a range of public agency, non-profit and private clients – primarily in the Pacific Northwest states of Oregon and Washington.

EDH focuses on economic development planning together with market and financial feasibility evaluations and business development strategies for major real estate, public facility, and capital investment projects. The firm has been involved in conducting Economic Opportunity Analyses (EOAs) and related economic planning assignments for a diverse set of Oregon as well as other Pacific Northwest communities – each with specific needs and objectives:

- A companion regional economic opportunity study (REOS) is currently being prepared to address economic opportunities of broader regional significance to be addressed by the Phoenix PH-5 property.
- EOAs have been prepared for major metro area jurisdictions including the Cities of Portland and Beaverton as well as Phoenix and smaller communities such as Cascade Locks, Cornelius, and Aumsville.
- EDH has also been involved in a wide range of Goal 9 related assessments including assistance to the City of Ashland in reviewing its EOA, industrial/commercial land analysis for the City of Medford, and preparation of a regional economic analysis for the City of Coburg,
- Highway corridor industrial/commercial analysis have been conducted for the OR 395 North corridor situated between Hermiston and Umatilla, and other Goal 9 reviews for jurisdictions including Hood River County, Deschutes County, Gresham, Wilsonville, and Metro (the Portland area’s regional government).
- Private clients seeking re-designations of industrial and commercial zoning in compliance with Goal 9 requirements have been assisted in communities as diverse as Albany, Beaverton, Hillsboro, Hood River, Junction City, Newport, and Portland.
- The firm has also been involved in similar comprehensive planning and subarea assignments throughout the state of Washington – as economic elements and/or buildable lands inventories for Clark, Lewis, Kitsap, Jefferson, Kitsap, Skagit and Adams Counties and for cities including Vancouver, Ridgefield, Longview, Covington, Snoqualmie, Mount Vernon, Anacortes, Sedro Woolley, Quincy, and Spokane.

# APPENDIX B. GOALS & POLICIES (1996)

The following goals and policies were included with the Economic Element to the City of Phoenix Comprehensive Plan, dated October 7, 1996. The Economic Element (as amended) was adopted by Ordinance No. 787 March 2, 1998 and approved by DLCD letter dated December 21, 1999 (DLCD approval order #001107). These goals and policies are subject to revision and refinement through this LEOA process with City and broader community stakeholder input.

**Goal 1**            **To foster economic development through the retention, renewal, upgrading, expansion, and linkage of existing commercial and industrial business, and recruitment of new ones.**

Policy 1.1.        Assist local businesses in their expansion and diversification plans by providing referral to regional and state economic development agencies.

Policy 1.2        Secure, maintain and provide copies to the Phoenix Public Library of statistical profiles and other information about the City and its residents with an emphasis on economic and educational data for use by local businesses.

Policy 1.3        Participate in regional and statewide efforts to diversify the economy.

**Goal 2**            **To promote development within the City Center.**

Policy 2.2        Encourage development within the City Center by permitting trade, office, residential and limited manufacturing uses based upon their consistency with established performance standards. An “employment zone” would provide flexibility while ensuring compatibility of uses within the City Center. Develop the new zoning designation for consideration by the City Council.

Policy 2.3        Encourage the implementation of the Streetscape Plan realizing that there will be short term negative impacts but which are necessary to accomplish the long term goal.

Policy 2.3a       Establish a capital improvement program setting forth specific projects and time lines for Streetscape Plan projects consistent with identification of funding sources.

Policy 2.3b       Initiate high level discussion with Oregon Transportation Commission members to explore strategies for implementation of the Streetscape Plan on the Rogue Valley Highway.

Policy 2.4        Develop design guidelines and standards for use within the City Center for consideration by the City Council.

Policy 2.5 Link the City Center to the Bear Creek Greenway through the development of outdoor public spaces which will provide a focal point for the City Center as well as areas for chatting, sitting, reading, or other passive activities.

**Goal 3 Formalize the City’s partnership with Rogue Community College, RCC**

Policy 3.1 Explore with RCC the City’s role and potential to assist in the expansion of Rogue Community College services within the City.

Policy 3.2 Appoint a Council Liaison to the College to ensure ongoing communication and coordination.

Policy 3.3 Encourage residents to make a personal commitment to life-long learning.

Policy 3.3a Consider the adoption of an ordinance dedicating a percentage of the business license fees toward tuition fee reduction for Phoenix residents at Rogue Community College.

Policy 3.3b Consider using a portion of the business license fee revenue to conduct workshops and training described in Policy 5.2.

Policy 3.3c Consider dedicating for the use by City residents a portion of the City’s general fund for scholarships at Rogue Community College.

Policy 3.4 Explore the potential to utilize Job Training Partnership Act funds (federal money administered by the Jackson – Josephine County Job Council) to match the City contribution.

**Goal 4 Designate lands within the I5 interchange area to provide services and goods for the traveling public as well as business locations serving the community and the region.**

Policy 4.1 Ensure the list of permitted and conditional uses within the Interchange Business zoning district is consistent with the purposes of the Plan designation and Goal 4.

Policy 4.1a Develop performance standards for the Interchange Business zoning district to ensure uses locating in the interchange area are of a scale, function, and character appropriate to the interchange and inappropriate within the City Center.

Policy 4.2 Within the Fern Valley Road Interchange area (including all lands east of Bear Creek Bridge within the UGB) and annexation, zone change, or change of existing uses which is expected to significantly increase travel demand in the interchange area must be predicated upon facts (supported

by special traffic studies) and findings that sufficient capacity exists or will be available upon completion of funded improvement(s) to satisfy the proposed development's travel demand (including background traffic) concurrent with its opening.

Policy 4.3 The Fern Valley Interchange and Fern Valley Road within the City's UGB are regionally significant transportation facilities. Developments occurring outside of the interchange area (in Southeast Medford and rural Jackson County) have the potential to exhaust the interchange's remaining unused capacity. The transportation impacts of Southwest Medford and Jackson County developments, like those of development within the interchange area, should also be offset by improvements, when necessary, to ensure "sufficient capacity" in the interchange area and ensure the protection of the public's health, safety, and general welfare. The City shall endeavor to: 1) secure regional support for interchange improvements, and 2) participate in any land use action that will "significantly increase travel demand" in the interchange area.

**Goal 5 To encourage the development of new local business and start-ups. Double the incidence of people working at home from 5.7 percent in 1990 to 11.4 percent by 2015.**

Policy 5.1 Require business licenses for home occupations but waive the associated fee.

Policy 5.2 Co-sponsor small business workshops and classes in conjunction with Rogue Community College, Phoenix Chamber, Southern Oregon Economic Development Organization, and the Small Business Administration. Workshops should focus on "starting small businesses," "profitable home occupations," and "business planning for the emerging home businesses."

Policy 5.3 Permit, subject to specific standards, home occupations in all residential zoning districts.

Policy 5.3a Authorize the City Planner to administratively approve, subject to conditions, the initiation and operation of home occupations.

Policy 5.3b Allow for alterations of residential structures, including the addition of home offices and communication services, when necessary to conduct home occupations. Such alterations shall be consistent with residential design standards.

**Goal 6 Advocate the delivery of sophisticated, digital communication services to every household, business, school, church, and government building with the City.**

Policy 6.1 Advocate that the Jackson County Library System provide public Internet access at the Phoenix Branch Library.

Policy 6.2 Ensure that City government has access to the Internet including electronic mail.

Policy 6.2.a Consider establishing the City's presence on the World Wide Web to permit general public access to City announcements, minutes, agendas etcetera.

Policy 6.3 Explore free or reduced cost Internet access for City residents as a part of utility franchise agreements.

**Goal 7 Finance and construct public facilities extensions to the City's vacant, industrially planned land.**

Policy 7.1 Maintain a minimum five year supply of industrial land within the City which is served with public facilities.

Policy 7.1.a Consider and pursue, if appropriate, the use of grants, less than fee acquisition, land exchange, urban renewal district, and other alternative financial strategies to provide for the timely extension of public services to vacant industrial land when subsequent development will include the creation of family-wage jobs (defined as a wage rate in excess of the federal poverty level for a family of four).

Policy 7.2 The City shall initiate with Jackson County the study, development and construction of sewer, water, storm drain, and public street access to the County owned industrial site in the northwest quadrant of the City.

**Goal 8 To ensure that all City employees receive and contractors pay a living wage (defined as a wage rate in excess of the federal poverty level for a family of four.).**

Policy 8.1.a Consider the adoption of an ordinance setting the wage terms for contractor employees, consistent with above goal, for any City hired contractor.

**Goal 9 To foster regional economic development that is spatially distributed and focused within urban areas.**

Policy 9.1 Re-negotiate with the County the terms of the urban growth boundary agreement to limit the proliferation of commercial and industrial uses outside the urban growth boundary but within the City / County area of Mutual concern.

Policy 9.2 Further analyze the background data included in this element to identify opportunities for fulfilling needs or deficiencies in the local business community and thus provide specific economic development targets.

Policy 9.3 Structure the zoning provisions for the City's designated industrial lands owned by Jackson County lying in the northwest quadrant of the City to provide for industrial uses with special siting requirements. Uses in the industrial / business park site shall require and rely upon a low noise environment, or be in harmony

within such an environment, and could not otherwise locate or be appropriate in the City Center. The location of such uses shall not have the effect of exceeding the capacity of the transportation system.

**Goal 10** Utilize contract annexation whenever possible in order to maximize City property tax revenues and thus help to off-set some of the costs of growth.

**Goal 11** Provide for neighborhood commercial uses within residential areas subject to the review and approval by the Planning Commission and City Council.

**Policy 11.1** Allow such uses when all the following criteria are satisfied:

- 1) The site is more than ½ mile from other areas zoned or planned for commercial uses,
- 2) The site is not located on a designated arterial street,
- 3) There is a public need for the use in the specific area proposed for the use,
- 4) Conditions ensure that the neighborhood commercial use will;
  - a. Be an appropriate scale to serve the neighborhood,
  - b. The architectural style of the structure and the landscape design is compatible with the residential neighborhood,
  - c. Off-street parking is located to the rear of the lot and includes no more than ½ the spaces normally afforded similar uses in a commercial setting and on-street parking in front of the neighborhood commercial use is prohibited,
  - d. The building and the customer entrance is oriented to the front of the lot, and
  - e. All signage (including interior product advertising) is non-illuminated, and at a pedestrian scale.

# APPENDIX C. SUPPLEMENTAL DATA

## Comparative Demographics (2015)

Description	Phoenix		Jackson County		Rogue Valley		Oregon	
	Total	%	Total	%	Total	%	Total	%
<b>Population</b>								
2020 Projection (Nielsen)	5,069		217,605		302,781		4,130,145	
2015 Estimate (PSU Pop Ctr)	4,585		210,975		294,695		4,013,845	
2015 Estimate (Nielsen)	4,802		209,975		293,530		3,975,135	
2010 Census	4,538		203,206		285,919		3,831,074	
2000 Census	3,778		181,269		256,994		3,421,392	
Growth 2000 - 2015 (Census)		21.4%		16.4%		14.7%		17.3%
Growth 2015 - 2020 (Nielsen)		5.6%		3.6%		3.2%		3.9%
Average Annual Growth Rate		1.3%		1.0%		0.9%		1.1%
Average Annual Growth Rate		2.0%		0.6%		0.5%		0.6%
<b>2015 Est. Population by Age</b>	<b>4,802</b>		<b>209,975</b>		<b>293,530</b>		<b>3,975,135</b>	
2015 Est. Median Age	44.0		42.7		44.3		39.3	
Population Age 18-64	2,719	56.6%	123,773	58.9%	170,359	58.0%	2,471,657	62.2%
<b>Edu. Attainment</b>	<b>3,460</b>		<b>147,638</b>		<b>208,617</b>		<b>2,739,119</b>	
Less than 9th grade	233	6.7%	5,644	3.8%	7,044	3.4%	105,637	3.9%
Some High School, no	279	8.1%	10,618	7.2%	16,247	7.8%	180,510	6.6%
High School Graduate (or	917	26.5%	41,345	28.0%	60,981	29.2%	685,390	25.0%
Some College, no degree	1,123	32.5%	42,631	28.9%	60,697	29.1%	733,678	26.8%
Associate Degree	194	5.6%	11,396	7.7%	17,307	8.3%	222,603	8.1%
Bachelor's Degree	509	14.7%	20,357	13.8%	26,782	12.8%	507,713	18.5%
Master's Degree	135	3.9%	10,696	7.2%	13,623	6.5%	211,957	7.7%
Professional School Degree	51	1.5%	3,142	2.1%	3,824	1.8%	55,332	2.0%
Doctorate Degree	19	0.5%	1,809	1.2%	2,112	1.0%	36,299	1.3%
<b>College Degree (or better)</b>	<b>714</b>	<b>20.6%</b>	<b>36,004</b>	<b>24.4%</b>	<b>46,341</b>	<b>22.2%</b>	<b>811,301</b>	<b>29.6%</b>
<b>2015 Est. Households by HH Income</b>	<b>2,099</b>		<b>86,680</b>		<b>122,055</b>		<b>1,585,295</b>	
Income < \$15,000	435	20.7%	12,635	14.6%	19,562	16.0%	211,534	13.3%
Income \$15,000 - \$24,999	365	17.4%	11,017	12.7%	16,362	13.4%	180,120	11.4%
Income \$25,000 - \$34,999	319	15.2%	9,701	11.2%	14,932	12.2%	169,761	10.7%
Income \$35,000 - \$49,999	269	12.8%	15,041	17.4%	20,465	16.8%	231,784	14.6%
Income \$50,000 - \$74,999	345	16.4%	16,665	19.2%	22,063	18.1%	294,184	18.6%
Income \$75,000 - \$99,999	225	10.7%	9,875	11.4%	13,701	11.2%	192,538	12.1%
Income \$100,000 - \$124,999	84	4.0%	4,916	5.7%	6,601	5.4%	123,587	7.8%
Income \$125,000 - \$149,999	24	1.1%	2,315	2.7%	2,965	2.4%	68,945	4.3%
Income \$150,000 - \$199,999	20	1.0%	2,197	2.5%	2,633	2.2%	59,790	3.8%
Income \$200,000 - \$249,999	5	0.2%	831	1.0%	1,003	0.8%	21,294	1.3%
Income \$250,000 - \$499,999	6	0.3%	1,088	1.3%	1,308	1.1%	24,327	1.5%
Income \$500,000+	2	0.1%	399	0.5%	460	0.4%	7,431	0.5%
<b>2015 Est. Median Household Income</b>	<b>\$32,821</b>		<b>\$44,960</b>		<b>\$42,455</b>		<b>\$49,964</b>	

## Comparative Demographics (2015 - continued)

Description	Phoenix		Jackson County		Rogue Valley		Oregon	
	Total	%	Total	%	Total	%	Total	%
<b>2015 Est. Pop Age 16+ by Employment Status</b>	<b>3,949</b>		<b>170,951</b>		<b>240,316</b>		<b>3,209,922</b>	
In Armed Forces	0	0.0%	35	0.0%	58	0.0%	2,751	0.1%
Civilian - Employed	1,780	45.1%	88,024	51.5%	116,123	48.3%	1,777,823	55.4%
Civilian - Unemployed	355	9.0%	13,455	7.9%	18,727	7.8%	230,160	7.2%
Not in Labor Force	1,814	45.9%	69,437	40.6%	105,408	43.9%	1,199,188	37.4%
<b>2015 Est. Civ. Employed 16+ by Class of Worker</b>	<b>1,828</b>		<b>90,255</b>		<b>120,611</b>		<b>1,823,381</b>	
For-Profit Private Workers	1,140	62.4%	54,184	60.0%	73,354	60.8%	1,169,892	64.2%
Non-Profit Private Workers	211	11.5%	9,799	10.9%	12,625	10.5%	171,493	9.4%
Government Workers	183	10.0%	12,197	13.5%	16,284	13.5%	258,991	14.2%
Self-Employed Workers	294	16.1%	14,052	15.6%	18,325	15.2%	220,649	12.1%
Unpaid Family Workers	0	0.0%	23	0.0%	23	0.0%	2,356	0.1%
<b>2015 Est. Workers Age 16+ Travel Time to Work</b>								
Less than 15 Minutes	609	35.8%	32,688	40.2%	45,502	41.7%	564,467	33.8%
15 - 29 Minutes	903	53.0%	34,151	42.0%	42,110	38.6%	622,474	37.3%
30 - 44 Minutes	104	6.1%	9,630	11.8%	13,233	12.1%	290,663	17.4%
45 - 59 Minutes	51	3.0%	2,367	2.9%	4,418	4.1%	102,640	6.1%
60 or more Minutes	36	2.1%	2,515	3.1%	3,822	3.5%	90,792	5.4%
<b>2015 Est. Avg Travel Time to Work in Minutes</b>	<b>19.00</b>		<b>21.00</b>		<b>21.00</b>		<b>25.00</b>	
<b>2015 Est. Occupied Housing Units by Tenure</b>	<b>2,099</b>		<b>86,680</b>		<b>122,055</b>		<b>1,585,295</b>	
Owner Occupied	1,283	61.1%	54,304	62.6%	77,875	63.8%	983,190	62.0%
Renter Occupied	816	38.9%	32,376	37.4%	44,180	36.2%	602,105	38.0%
<b>2015 Est. Owner-Occupied Housing Units by Value</b>	<b>1,283</b>		<b>54,304</b>		<b>77,875</b>		<b>983,190</b>	
Value Less than \$20,000	146	11.4%	2,334	4.3%	3,141	4.0%	33,110	3.4%
Value \$20,000 - \$39,999	165	12.9%	2,315	4.3%	2,985	3.8%	24,740	2.5%
Value \$40,000 - \$59,999	79	6.2%	856	1.6%	1,379	1.8%	14,308	1.5%
Value \$60,000 - \$79,999	70	5.5%	968	1.8%	1,357	1.7%	13,399	1.4%
Value \$80,000 - \$99,999	49	3.8%	826	1.5%	1,319	1.7%	20,452	2.1%
Value \$100,000 - \$149,999	92	7.2%	5,286	9.7%	7,260	9.3%	87,970	8.9%
Value \$150,000 - \$199,999	165	12.9%	8,181	15.1%	12,668	16.3%	140,113	14.3%
Value \$200,000 - \$299,999	277	21.6%	14,140	26.0%	20,470	26.3%	262,981	26.7%
Value \$300,000 - \$399,999	80	6.2%	7,678	14.1%	11,645	15.0%	159,613	16.2%
Value \$400,000 - \$499,999	49	3.8%	4,386	8.1%	6,220	8.0%	95,061	9.7%
Value \$500,000 - \$749,999	76	5.9%	4,229	7.8%	5,463	7.0%	81,200	8.3%
Value \$750,000 - \$999,999	25	1.9%	2,008	3.7%	2,470	3.2%	31,362	3.2%
Value \$1,000,000 or more	10	0.8%	1,097	2.0%	1,498	1.9%	18,881	1.9%
<b>2015 Est. Median Owner-Occupied Housing Value</b>	<b>\$162,273</b>		<b>\$245,163</b>		<b>\$243,129</b>		<b>\$259,891</b>	

## Comparative Demographics (2015 - continued)

Description	Phoenix		Jackson County		Rogue Valley		Oregon	
	Total	%	Total	%	Total	%	Total	%
<b>2015 Est. Housing Units by Units in Structure</b>	<b>2,274</b>		<b>94,732</b>		<b>133,522</b>		<b>1,744,619</b>	
1 Unit Attached	52	2.3%	4,516	4.8%	5,764	4.3%	75,729	4.3%
1 Unit Detached	1,019	44.8%	61,507	64.9%	87,736	65.7%	1,110,950	63.7%
2 Units	65	2.9%	2,156	2.3%	3,339	2.5%	50,448	2.9%
3 or 4 Units	316	13.9%	5,307	5.6%	6,088	4.6%	75,142	4.3%
5 to 19 Units	169	7.4%	4,665	4.9%	5,556	4.2%	143,947	8.3%
20 to 49 Units	29	1.3%	1,722	1.8%	2,349	1.8%	53,989	3.1%
50 or More Units	12	0.5%	2,484	2.6%	3,372	2.5%	84,357	4.8%
Mobile Home or Trailer	606	26.6%	12,135	12.8%	18,660	14.0%	145,474	8.3%
Boat, RV, Van, etc.	6	0.3%	240	0.3%	658	0.5%	4,583	0.3%
<b>2015 Est. Civ. Employed Pop 16+ by Occupation</b>	<b>1,828</b>		<b>90,255</b>		<b>120,611</b>		<b>1,823,381</b>	
Architect/Engineer	1	0.1%	669	0.7%	806	0.7%	38,760	2.1%
Arts/Entertainment/Sports	10	0.5%	1,366	1.5%	1,817	1.5%	41,578	2.3%
Building Grounds Maintenance	91	5.0%	3,770	4.2%	5,549	4.6%	71,322	3.9%
Business/Financial Operations	43	2.4%	2,570	2.8%	3,621	3.0%	82,781	4.5%
Community/Social Services	57	3.1%	2,084	2.3%	2,777	2.3%	34,707	1.9%
Computer/Mathematical	22	1.2%	1,258	1.4%	1,630	1.4%	46,433	2.5%
Construction/Extraction	68	3.7%	3,603	4.0%	5,274	4.4%	74,921	4.1%
Education/Training/Library	74	4.0%	5,023	5.6%	6,735	5.6%	101,212	5.6%
Farming/Fishing/Forestry	37	2.0%	1,297	1.4%	1,476	1.2%	34,025	1.9%
Food Prep/Serving	176	9.6%	6,849	7.6%	8,403	7.0%	117,895	6.5%
Health Practitioner/Technician	145	7.9%	5,644	6.3%	7,285	6.0%	93,258	5.1%
Healthcare Support	51	2.8%	2,522	2.8%	3,519	2.9%	44,771	2.5%
Maintenance Repair	37	2.0%	3,155	3.5%	4,169	3.5%	52,315	2.9%
Legal	15	0.8%	907	1.0%	946	0.8%	18,730	1.0%
Life/Physical/Social Science	4	0.2%	703	0.8%	989	0.8%	18,337	1.0%
Management	221	12.1%	8,164	9.0%	10,332	8.6%	182,790	10.0%
Office/Admin. Support	270	14.8%	12,361	13.7%	16,633	13.8%	242,876	13.3%
Production	132	7.2%	6,022	6.7%	8,184	6.8%	109,067	6.0%
Protective Services	29	1.6%	1,430	1.6%	2,008	1.7%	30,359	1.7%
Sales/Related	167	9.1%	10,116	11.2%	13,607	11.3%	196,434	10.8%
Personal Care/Service	107	5.9%	5,202	5.8%	7,151	5.9%	81,251	4.5%
Transportation/Moving	71	3.9%	5,540	6.1%	7,700	6.4%	109,559	6.0%

Source: The Nielsen Company.

### Phoenix 97535 Zip Code QCEW Employment Trends (2006-14)

NAICS Employment Sector		Industrial / Commercial	2014 Conditions				Avg Annual % Chg (2006-14)			
			# of Firms	Jobs	Annual Payroll	Average Wage	# of Firms	Jobs	Annual Payroll	Average Wage
All	Total All Sectors		137	1,329	\$40,813,104	\$30,721	-0.5%	-2.5%	0.7%	3.3%
<b>Categorization by NAICS Sector</b>										
11	Natural Resources	Industrial	3	202	\$7,237,068	\$35,812	-3.5%	-10.1%	-1.9%	9.1%
23	Construction	Industrial	14	57	\$2,135,963	\$37,309	-3.1%	-5.2%	-4.5%	0.8%
31-33	Manufacturing	Industrial	5	42	\$1,361,021	\$32,730	NA	NA	NA	NA
42	Wholesale Trade	Industrial	5	58	\$3,032,519	\$52,435	6.6%	7.1%	12.0%	4.7%
44-45	Retail Trade	Commercial	21	343	\$8,087,992	\$23,586	-6.2%	0.8%	2.7%	1.8%
52	Finance & Insurance	Commercial	3	17	\$752,407	\$43,830	NA	NA	NA	NA
53	Real Estate	Commercial	8	33	\$1,269,210	\$38,558	NA	NA	NA	NA
54	Professional Services, etc.	Commercial	4	11	\$259,418	\$23,946	0.0%	-4.9%	-1.8%	3.3%
56	Administrative, etc.	Commercial	8	39	\$636,837	\$16,294	6.1%	0.0%	-3.1%	-3.1%
62	Health & Social Services	Commercial	7	54	\$1,427,127	\$26,675	-7.4%	-2.1%	2.1%	4.3%
72	Accommodations/Food Service	Commercial	17	128	\$2,163,168	\$16,856	0.0%	-3.4%	1.3%	4.8%
81	Other Services (e.g., personal)	Commercial	32	89	\$2,383,247	\$26,778	6.1%	4.5%	4.1%	-0.3%
Other	Non-Disclosed Sectors (2014)*	Assume 50/50	5	39	\$1,976,551	\$50,681	1.3%	-1.2%	2.0%	3.2%
Govt	Government**	Public	5	217	\$8,090,576	\$37,284	0.0%	0.2%	-0.7%	-1.0%
<b>Categorization by Land Use</b>										
		Industrial	30	379	\$14,754,847	\$38,931	-1.2%	-6.5%	0.2%	7.2%
		Commercial	102	733	\$17,967,681	\$24,513	-0.4%	-0.4%	1.9%	2.4%
		Public	5	217	\$8,090,576	\$37,284	0.0%	0.2%	-0.7%	-1.0%

Source: Oregon Employment Department (OED).

### Jackson County QCEW Employment Trends (2006-14)

Employment Sector	2014 Conditions				Avg Annual % Chg (2006-14)			
	# of Firms	Jobs	Annual Payroll	Average Wage	# of Firms	Jobs	Annual Payroll	Average Wage
<b>Total All Sectors</b>	<b>6,725</b>	<b>79,760</b>	<b>\$3,031,291,841</b>	<b>\$38,005</b>	<b>0.2%</b>	<b>-0.6%</b>	<b>1.7%</b>	<b>2.3%</b>
Natural resources and mining	170	2,319	\$70,583,492	\$30,437	1.6%	-2.7%	-2.6%	0.1%
Construction	639	3,289	\$139,086,548	\$42,288	-5.1%	-6.8%	-4.8%	2.2%
Manufacturing	315	7,342	\$332,745,259	\$45,321	-0.5%	1.3%	4.5%	3.2%
Wholesale trade	339	2,289	\$110,180,957	\$48,135	2.2%	-1.0%	1.6%	2.6%
Retail trade	782	12,665	\$357,722,246	\$28,245	-0.9%	-1.5%	-0.3%	1.3%
Transportation, warehousing & utilities	183	2,962	\$134,345,628	\$45,356	0.0%	1.4%	3.1%	1.7%
Information	123	1,343	\$64,634,862	\$48,127	0.0%	-2.2%	0.2%	2.5%
Financial activities	612	3,094	\$149,881,350	\$48,443	-1.4%	-2.5%	0.5%	3.0%
Professional and business services	931	6,743	\$281,672,816	\$41,773	0.6%	-2.0%	1.0%	3.0%
Education and health services	770	13,964	\$643,308,946	\$46,069	2.0%	2.2%	4.5%	2.2%
Leisure and hospitality	703	9,876	\$172,873,587	\$17,504	0.6%	0.8%	3.1%	2.3%
Other services	922	3,030	\$75,779,981	\$25,010	5.5%	-0.6%	1.9%	2.5%
Unclassified	4	8	\$74,295	\$9,287	-17.1%	-7.6%	-17.1%	-10.3%
Total all government	225	10,835	\$498,401,874	\$45,999	1.1%	-0.5%	1.9%	2.4%

Source: Oregon Employment Department (OED).