

## **Section C. ECONOMIC DEVELOPMENT ELEMENT**

### **GOAL 9: ECONOMIC DEVELOPMENT**

**From OAR 660-015-000(9)** “To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.

“Comprehensive plans and policies shall contribute to a stable and healthy economy in all regions of the state. Such plans shall be based on inventories of areas suitable for increased economic growth and activity after taking into consideration the health of the current economic base; materials and energy availability and cost; labor market factors; educational and technical training programs; availability of key public facilities; necessary support facilities; current market forces; location relative to markets; availability of renewable resources; availability of land; and pollution control requirements.”

“Comprehensive plans for urban areas shall:

1. Include an analysis of the community’s economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends;
2. Contain policies concerning the economic development opportunities in the community;
3. Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies;
4. Limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with proposed uses.”

### **INTRODUCTION**

For the purposes of achieving the requirements of Goal 9, Economy of the State, Oregon Administration Rule 660-015-0000(9), Shady Cove, with this Comprehensive Plan, will utilize the economic development information gathered for Jackson County for the recent adoption (2012) of the County’s updated comprehensive plan. Wording from the County’s Comprehensive Plan will be used where applicable to Shady Cove.

### **BACKGROUND**

Jackson County was for many years dependent upon a strong lumber and wood products industry and agricultural industry for most of its employment, with Shady Cove being no different. A variety of factors have changed this situation, making it important to strengthen other sectors of the economy and to create new basic employment opportunities.

An economy can be divided into two generalized categories: basic and non-basic. The basic, or export sectors, produce and sell goods for consumption outside of the area, and thus bring new income into the local economy; non-basic industries are service or resident industries which produce and sell goods that simply circulate exiting income within the area. Therefore, the basic sector provides the flow of money into the local economy that is used to purchase the non-basic sectors’ goods and services. A healthy economy includes a wide variety of basic industrial activities and a ratio of basic to non-basic employment that falls within the range of one basic job for every two and one-half to three non-basic jobs.

Historically Shady Cove shared Jackson County's reliance on the lumber and wood products industry and, to a lesser degree than the County, the agricultural industry. These industries rely upon limited, and possibly diminishing, resources. It is highly unlikely that either of these industries will ever again see the activity they saw in their peak years post World War II through the 1980s due to changes in forest management practices and population growth with the resulting pressure for land and development. Further, both industries have become increasingly mechanized with decreased manpower needs. Because of these factors, what industry helped build Shady Cove is unlikely to expand now to provide more jobs or capital for the local economy in any substantial manner.

The makeup of Jackson County's economy, as well as that of Shady Cove's and the nation, has been changing substantially in the past several decades. The population has become more affluent and has shifted the direction of their buying habits to consume more goods and services. Many Shady Cove residents now satisfy their demand for goods and services by traveling to Medford and other parts of Jackson County.

The local trade and services sectors are dependent to an unknown degree upon the patronage of people traveling through town on the way to the Upper Rogue recreational areas, including Crater Lake National Park, or who are coming to raft the Rogue River. As such, it is relatively certain that the ratio of basic to non-basic employment far exceeds the one-to-three ratio. Those dollars brought into the local economy from people residing outside the area can be considered basic. Yet, that portion of the sector that can be considered basic does not lend strength and stability to the local economy year around as may be expected.

Much of the basic economy of Shady Cove now relies on tourism, and not the timber or agricultural industry as in the past. Tourism is very seasonal and often weather dependent. While Jackson County believes that tourism does not require the continuing services of such as police and fire protection, Shady Cove's experience is that tourism does, in fact, increase the needs for the services of emergency services.

Shady Cove collected in the 2013-2014 fiscal year \$11,382 in raft rental fees and \$249,886 from citizens through the public safety fee. However, the expense for the public safety contract with Jackson County Sheriff's Office for the same period was \$414,117.

Providing a good setting for tourism includes activities that will be undertaken to meet other statewide planning goals, for natural resource quality, open space, and agricultural lands. It has been demonstrated, by numerous planning studies done by the state and private firms, that tourist and convention activities are one of the few growth industries in Oregon. Because of location, climate, cultural, and recreational offerings, and the physical character of the land, Shady Cove, as well as all of Jackson County, is in a position to strengthen this part of the economy.

Because of the weaknesses in traditional primary sectors, and the overemphasis on trade and service jobs that depend on those primary sectors, Jackson County, as well as Shady Cove, must further diversify its economy if it is to improve economic conditions. This can be done by:

- Stimulating development and utilization of a greater range of local labor force skills;
- Broadening the export area served from a local market to a regional market for greater stability; and

- Shifting from a seasonal economy to one that is fully operative year around.

This will be difficult to do for a number of reasons:

1. The Shady Cove population within the age range of the usual labor force has increased at a greater rate than the total population has increased.
2. The economy is now heavily weighted in trade and services sectors with many of these jobs as relatively low-paying.
3. The existing labor forces is an unbalanced mix:
  - a. It contains many unskilled young people;
  - b. It has many workers skilled only in the types of work for which few expansions are seen;
  - c. It has many people with low levels of education;
  - d. It includes more women than ever before, who are often uninterested in pursuing or otherwise kept out of the 'male' manufacturing, crafts, and technical jobs; and
  - e. Many people with good experience and education must take jobs where their expertise is unused.
4. The County lacks a skills training center other than the community college or university.
5. No coordinated efforts exist to match the future needs of industry to any existing job training programs.
6. Neither the County nor City itself has a program for expanding job opportunities through seeking new industry.

The chief impediment to sustained economic development in Shady Cove is the lack of a water system throughout the city. Development has potentially negative impacts on individual wells and water sources and jeopardizes the water quantity and quality available to both residents and businesses. A city-wide water system would improve conditions for sustainable business development in the community.

An evaluation of personal income statistics provides another method by which an economy can be reviewed. Such statistics give an indication of the welfare of the citizens of the area. Income tax returns are much more specific, showing the number of returns in various income categories. The number of people below the poverty level is yet another indicator of the general welfare of Shady Cove.