

The
Comprehensive
Plan

IX. ECONOMICS

ECONOMICS

The
COMPREHENSIVE PLAN
for
Central Point, Oregon

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INTRODUCTION

GOAL

Statewide planning Goal #9 (Economy of the State) is:

"To diversify and improve the economy of the state."

The "science" of economics is often complex and vague in the minds of many. It is not easily understood, yet it is interwoven into most aspects of day-to-day life in the form of monetary activities, exchange of goods and services, use of resources and products, and the maintenance of a healthy and stable home and community.

State planning guidelines direct jurisdictions such as Central Point to develop plans and policies that will contribute to a stable and healthy economy. In other words, the City, through this element of the Comprehensive Plan, will review the various components of the local and regional economy and identify the potentials and obstacles involved in improving and stabilizing the local economy. This will involve an assessment of the labor force, characteristics of existing production and consumption, the health of the current economic base, materials and energy availability, transportation, market forces, availability of land and other factors. It will be kept in mind throughout this process that Central Point is not an isolated community. It is located within a metropolitan statistical area, the Rogue Valley subregion, the Jackson-Josephine Region, and the state of Oregon. Therefore, the steps that are taken in Central Point and aimed at improving the local economy will also be felt at these other levels, and contribute to the "ripple effect" of improving the economy of the state.

DEFINING ECONOMIC DEVELOPMENT

Economic development analysts designate establishments engaged in manufacturing production and certain types of service activities as the prime determinants of community growth. According to this viewpoint, in order for a community to grow, it must manufacture and export goods and services to regions beyond its own area or in some way engage in activities that will bring new money into its own economy. This sector, referred to as the "basic sector", in turn supports a "nonbasic sector" that does not export, but rather supplies goods and services to the establishments and households of employees in the basic sector, as well as to those in its own sector. Thus, as the basic sector grows, it creates multiplier effects that cause the population and nonbasic sector of the community to grow in an attempt to maintain a state of equilibrium.

Although manufacturing has been the basic activity responsible for much of the economic development in the past, other activities also bring money into the community. Truck and warehouse parks, hotels and motels and research facilities are examples. Others tend to take advantage of the local circumstances such as those related to local recreation and entertainment, culture, education, and tourist attractions. We should not overlook activities that serve the local and regional population but receive a substantial portion of their income from state and federal government transfer payments and grants. Boarding schools, homes and centers for senior citizens, nursing homes, and medical clinics are examples. All of these activities increase employment in the local area and are important to the employment and economy of the community.

The City of Central Point, through its Comprehensive Plan, is putting primary emphasis on the provision of suitable and available sites for the location of the basic sector industries. When a basic, export-oriented industry moves into the community because its location provides production and transportation costs that allow the firm to operate in a competitive market and realize a satisfactory profit, a number of new employment opportunities will soon follow. The new industry will probably need to dip into the local labor force to fill new employment opportunities. The depth of the dip will depend on a number of factors, including the number of jobs created, the levels of local unemployment and underemployment in the skill categories required, and the distance that potential employees will want to commute. The migration of a portion of these new employees to Central Point, along with their families, will cause an increase in the local population as well as changes in its social characteristics.

In many cases, "ancillary" manufacturing industries follow the basic export industries, often because of transportation and production economies that result from their relationship with the basic industries. Often the products manufactured by one industry can be supplied to and used by the other. In some cases, the ancillary industry can utilize the portion of the labor force that is not used by the basic industry, or can use the more skilled employees that have been trained by the other industry.

The addition of ancillary industries improves the external localization economies offered in the community because establishments that provide specialized services to the industrial sector become increasingly more proficient in providing rapid and reliable service. These include maintenance, business, professional, transportation, and communication services. As a consequence of the improved localization economies, both the export and ancillary industries may find it more profitable to expand production, or additional export industries producing similar goods may be attracted to the area. The term "diversify", as stated in the State's Goal #9 refers to increasing the variety, type, scale and location of business, industrial and commercial activities. It can be seen how the attraction of a single new "diversified" basic sector industry to the Central Point area could stimulate considerable diversification in other sectors of the local economy.

As the population expands as a result of industrial growth, so will its demands for private goods and services, some of which are found within the community and some of which will come from outside. When the aggregate disposable income of the total population reaches a sufficient level, entrepreneurs recognize that the community has become large enough to create new trade and service areas for additional non-basic community-oriented industries. In many cases, the effect will be to expand existing retail outlets. However, in other cases new establishments will provide higher order goods and services that were previously available only in other larger communities outside the local market area. This is important to Central Point, considering the identified deficiencies in the commercial sector, including certain types of stores, better quality dining and entertainment establishments and commercial recreation facilities (bowling, theaters, etc.).

The level of public services demanded multiplies in a fashion similar to the community's population growth. The overall wealth of the community depends upon the type of basic and non-basic industries that have located in the area, and it expands in a manner similar to the way employment multiplies in the community. The scale of public services and facilities that the City can provide is related to the City's wealth and also to the demand generated by the population. Therefore, as the basic and non-basic industries grow, so will the City's financial status and ability to provide the needed facilities and services to the growing community and its residents. Presently, the City is not growing industrially, but has experienced rapid residential growth. This has not produced the financial resources the City needs to provide the public facilities and services needed by the growing population. Therefore, the Comprehensive Plan is emphasizing the need to provide industrial sites, encouraging industrial and commercial development and expansion, and providing for residential development alternatives that will result in a greater cost efficiency rather than a burden to the City financially.

ECONOMY OF THE STATE

Although the economy of Oregon in the 1960s was marked by slow growth, relative to the national average, the decade of the '70s brought strong growth and transformation for the economy. It has become less dependent on resource-based industries (e.g. forest products and agriculture) and more diversified as a result.

While Oregon's Gross State Product (GSP) was growing at an annual rate of 5.4 percent between 1970 and 1978, the Gross National Product was falling to a rate of 3.35 percent per annum. Nationally, the manufacturing sector's share of the GNP was declining. However, Oregon's manufacturing sector has increased its share of the GSP, along with nonmanufacturing, while agriculture and government shares have declined.

Following the 1974-75 recession, Oregon's economy expanded continuously through 1979 and inflationary pressures increased until it hit double-digits in 1979. At that time, the Federal Reserve Board adopted new tight money policies to curb inflation. Almost immediately, housing starts and employment in Oregon's lumber and plywood industry began feel the effects. In early 1980, the FED again tightened its monetary policies by imposing direct credit controls. This pushed interest rates even higher and precipitated a sharp recession. Although there were a few minor recoveries in some sectors of the economy, Oregon's overall economy at the time of this writing (Feb. 1983) remains severely depressed with double-digit unemployment and no significant recovery, although there are some signs that a slow recovery may be beginning. By the end of 1981, Oregon's unemployment rate had climbed to 11.9 percent. A record 165,000 persons were unemployed in January, 1982. The State Employment Division attributes much of this increase to deteriorating business conditions in virtually all economic sectors.

In early 1983 we are finally seeing some improvement, particularly in interest rates and the much lower rate of inflation. Home mortgage rates are now down below 14 percent and there appears to be greater movement in the housing market, both in sales and new construction. Improvement in housing market outside of Oregon is as important as within the state since it will have a very positive effect on Oregon's depressed construction, wood products and other housing-related industries.

LABOR FORCE

In April, 1982, Oregon's unemployment rate was the fifth highest in the nation at 11.8 percent. Approximately 154,100 workers were unemployed. The following table gives an indication of the general trend in its comparison of employment between 1980 and 198

Figure IX-1

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
State of Oregon

	1980 EMPLOYMENT	1981 EMPLOYMENT	PERCENT CHANGE
TOTAL ALL INDUSTRIES	1,044,600	1,019,300	- 2.4%
<u>MANUFACTURING</u>	<u>215,100</u>	<u>203,300</u>	<u>- 5.5%</u>
DURABLE GOODS	159,600	148,500	- 7.0%
● Lumber and Wood Products	69,500	63,800	- 8.2%
● Furniture & Fixtures	2,600	2,500	- 3.8%
● Stone, Clay, & Glass Prod.	4,500	3,900	-13.3%
● Primary Metals	11,000	10,200	- 7.3%
● Fabricated Metals	12,700	11,200	-11.8%
● Machinery	17,700	18,000	+ 1.7%
● Elec. Equip. & Supplies	9,800	10,000	+ 2.0%
● Transportation Equip.	10,300	9,000	-12.6%
● Instruments & Related Equip.	19,300	17,400	- 9.8%
● Miscellaneous Manuf.	2,200	2,500	+13.6%
NONDURABLE GOODS	55,500	54,800	- 1.3%
● Food & Kindred Products	24,300	24,100	- 0.8%
● Textile Mill Products	2,000	1,800	-10.0%
● Apparel	3,200	2,800	-12.5%
● Paper & Allied Products	10,400	10,300	- 1.0%
● Printing & Publishing	10,000	10,300	+ 3.0%
● Chemicals & Allied Prod.	2,300	2,200	- 4.3%
● Petroleum Refining	600	500	-16.7%
● Rubber & Plastic Products	2,400	2,500	+ 4.2%
● Leather Products	300	300	N.C.
<u>NONMANUFACTURING</u>	<u>829,500</u>	<u>816,000</u>	<u>- 1.6%</u>
MINING & QUARRYING	2,300	2,200	- 4.3%
CONTRACT CONSTRUCTION	46,500	37,600	-19.1%
TRANSP., COMM., & UTIL.	60,500	59,700	- 1.3%
TRADE	255,600	253,700	- 0.7%
FINANCE, INS. & REAL ESTATE	70,000	68,400	- 2.3%
SERVICES	191,400	192,200	+ 0.4%
GOVERNMENT	203,200	202,200	- 0.5%

The previous table shows that employment was down in almost all sectors of Oregon's economy over this one year period. The effects of this recession are most evident in the area of contract construction, which saw a 19.1 percent drop in employment. This is further supported by considerable drops in construction-related manufactured products. It was not until late 1982 and early 1983 that mortgage and construction loan interest rates came down to a level that could encourage a turn-around in this area. However, many economists are continuing to look at recent trends with guarded optimism, hoping that the improvements in the economy are legitimate and will continue.

GENERAL OUTLOOK

In large part, the success of the economic recovery will depend on the success of the Reagan Administration's recovery "plan", which has four basic components: massive spending reductions, tax cuts, regulatory reform, and slower but more consistent growth in the money supply. Through these tactics, it is hoped that the economy can be stimulated through the reduced tax burden, increased rates of savings and investment, reduced inflation, lower interest rates, and other positive changes.

It was accurately predicted that recovery in the housing industry would be slower than it was following previous recessions, and significant progress would probably not come during 1982. Now in 1983, we are starting to see some recovery in the housing industry and, as a result, in the lumber and wood products industry in Oregon. However, improvement has been very slow so far and may continue to be slow unless we see some further drops in interest rates or some new federal legislation designed to subsidize mortgage interest costs or low- to moderate-income buyers. Other economists have predicted a housing construction boom to make up for the past years of stagnation. To date, no such boom has begun.

Tourism in Oregon has continued to be more recession-resistant than other economic sectors. Recent gas price reductions have brought the cost of regular gasoline to under a dollar a gallon. This should help to encourage travel during the summer of 1983 at least, and tourism could be better than in 1981 or 1982.

The effects of the recession on state population have brought growth to near zero levels and many residents have left the state to seek employment elsewhere. If the economy continues to improve in 1983, we should see a return to greater population growth and an increase in the labor force. However, this is not expected to help lower the unemployment rates which will continue to be quite high throughout the year and abnormally high for several years. Gains in employment will be most noticeable in the wood products industry, which will experience a rather slow but steady recovery. It is expected that the state will also continue to attract more new industries, particularly in the electronics area, that will help to further diversify the economy and make it stronger.

This diversification has been in progress for a number of years and will be beneficial in making the state less reliant on the forest industries or agricultural sectors. For example, the forest industries' share of manufacturing employment has dropped from 54.8 percent in 1960 to about 41.3 percent in 1978 and will continue until the state's economy is in better overall balance.

ECONOMY OF THE REGION

OVERVIEW

The local region (Jackson & Josephine Counties) experienced a strong expansion between 1975 and 1979 and the civilian labor force was expanding by 2.6 percent per year until the economic turn-around in 1980. The recession hit earliest and hardest on the forest industries as interest rates soared and new construction came to a near standstill. The general statewide trends were reflected locally in most cases and the impact of the recession is shown in the following table for the local region.

Figure IX-2
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

	JACKSON COUNTY			JOSEPHINE COUNTY			REGION % CHANGE
	1981 AVG. EMPL.	1982 AVG. EMPL.	% CHANGE	1981 AVG. EMPL.	1982 AVG. EMPL.	% CHANGE	
<u>MANUFACTURING</u>	7,260	6,110	-15.8	3,150	2,940	- 6.7	-13.1
● DURABLE GOODS	5,880	4,790	-18.5	2,750	2,550	- 7.3	-14.9
Lumber & Wood	4,700	3,500	-25.5	1,860	1,600	-14.0	-22.3
Other Durable Goods	1,180	1,290	+ 9.3	890	950	+ 6.7	+ 8.2
● NONDURABLE GOODS	1,380	1,320	- 4.3	400	390	- 2.5	- 3.9
Food Products	450	370	-17.8	70	70	N.C.	-15.4
Other Nondurable	930	950	+ 2.2	330	320	- 3.0	+ 0.8
<u>NONMANUFACTURING</u>	35,090	34,600	- 1.4	11,810	11,480	- 2.8	- 1.7
● CONSTRUCTION	1,290	1,140	-11.6	520	440	-15.4	-12.7
● TRANSP., COMM., & UTIL.	2,160	2,090	- 3.2	570	490	-14.0	- 5.5
● TRADE	11,950	12,000	+ 0.4	3,770	3,780	+ 0.3	+ 0.4
● FIN., INS. & R.E.	2,250	2,270	+ 0.9	830	790	- 4.8	- 0.6
● SERVICE & MISC.	8,440	8,650	+ 2.5	2,840	2,900	+ 2.1	+ 2.4
● GOVERNMENT	9,000	8,450	- 6.1	3,280	3,080	- 6.1	- 6.1
<u>TOTAL:</u>	42,350	40,710	- 3.9	14,960	14,420	- 3.6	- 3.8

SOURCE: Oregon Employment Division,
Oregon Economic Report, July 1982.

As shown in Figure IX-2, both Jackson and Josephine Counties showed a drop in total employment from 1981 to 1982, with regional employment down 3.8 percent. The table also shows that the manufacturing sector fared much worse than did the nonmanufacturing sector. Regionally, manufacturing saw a drop of 13.1 percent of its employment while nonmanufacturing fell only 1.7 percent. The impact on the lumber and wood products industry and the construction industry are clearly shown in the table. Jackson County's lumber and wood products employment was down 25.5 percent over this one-year period while construction employment fell 11.6 percent. The following table is the summary of the labor force for Jackson and Josephine Counties and for the region.

Figure IX-3					
LABOR FORCE SUMMARY					
	1981	1982	1983	1982-83 CHANGE	PERCENT CHANGE
JACKSON COUNTY:					
CIVILIAN LABOR FORCE	64,810	63,600	64,400	+ 800	+ 1.3%
• TOTAL EMPLOYMENT	56,790	55,000	56,650	+1650	+ 3.0%
• UNEMPLOYMENT	8,020	8,600	7,750	- 850	- 9.9%
• PERCENT UNEMPLOYMENT	12.4%	13.5%	12.0%	-----	-----
JOSEPHINE COUNTY:					
CIVILIAN LABOR FORCE	23,830	23,400	23,550	+ 150	+ 0.6%
• TOTAL EMPLOYMENT	20,350	19,800	20,150	+ 350	+ 1.8%
• UNEMPLOYMENT	3,480	3,600	3,400	- 200	- 5.6%
• PERCENT UNEMPLOYMENT	14.6%	15.4%	14.4%	-----	-----
REGION:					
CIVILIAN LABOR FORCE	88,640	87,000	87,950	+ 950	+ 1.1%
• TOTAL EMPLOYMENT	77,140	74,800	76,800	+2000	+ 2.7%
• UNEMPLOYMENT	11,500	12,200	11,150	-1050	- 8.6%
• PERCENT UNEMPLOYMENT	13.0%	14.0%	12.7%	-----	-----

SOURCE: Oregon Employment Division,
Oregon Economic Report, July, 1982.

The unemployment rate hovered around the 13% to 14% level for the region over these three years and actually showed some improvement between 1982 and 1983, during which time the number of persons employed increased faster than the size of the labor force. The figures for calendar year 1983 and the last half of 1982 are projections, however, and may not reflect the true picture.

Figure IX-4
LABOR FORCE COMPOSITION
 Jackson County.

AGE COHORTS	POPULATION			PERCENT DISTRIBUTION	
	1970	1980	PERCENT CHANGE	JACKSON COUNTY	STATE OF OREGON
16-19	7,257	9,284	+ 27.9%	9.2%	7.3%
20-24	6,560	10,631	+ 62.1%	10.6%	12.1%
25-34	10,943	22,556	+106.1%	22.4%	24.6%
35-44	10,487	15,690	+ 49.6%	15.6%	15.5%
45-54	11,159	12,516	+ 12.2%	12.5%	12.4%
55-64	9,869	13,159	+ 33.3%	13.1%	12.6%
65+	11,207	16,720	+ 49.2%	16.6%	15.5%
TOTAL	67,482	100,556	+ 49.0%	100.0%	100.0%

The table above shows the impact on the labor force of changes in population during the decade of the 1970s. Only persons at least 16 years of age or older are represented in this table. Overall, the labor force increased by 49 percent during this decade. As can be seen, the greatest increase was in the 25-34 age category, which far outdistanced the 20-24 year olds. From this, we can see that the younger portion of the local labor force is growing rapidly and the slowest segment is the 45-54 year old segment of the population. The last two columns of Figure IX-4 compare the age distribution of Jackson County to that of the state. From this comparison, it appears that the County's rapid increase in younger-age workers may be closing the gap somewhat and bringing the County into closer balance with the State, which had proportionally fewer older workers and more younger workers. Although the County and State breakdowns are very similar, it can be seen that the County does have a slightly older work force than does the State as of 1980.

As the economy of the state improves and the population growth picks up again, Jackson County's labor force will increase. The population growth and labor force will probably not be in concert with employment opportunities and the result will be a continued high rate of local unemployment. Improvement will be gradual and over a time period of several years, according to most economists at this time.

The following table shows the breakdown of employment in Jackson County by occupational categories, as of 1979, and includes the occupational distribution by male and female workers.

Figure IX-5

Jackson County
OCCUPATIONS OF
EMPLOYED PERSONS

-- 1979 --

	TOTAL	PERCENT FEMALE	PERCENT MALE
<u>PROFESSIONAL, TECHNICAL & KINDRED</u>	6,748	45.6%	54.4%
Medical & Health Workers	1,288	59.5%	40.5%
Teachers	1,779	63.0%	37.0%
Technicians, Except Health ...	346	7.4%	92.6%
Other Professional Workers ...	3,336	35.0%	65.0%
<u>MANAGERS & ADMIN., Except Farm</u>	4,929	20.6%	79.4%
<u>SALES WORKERS</u>	4,228	39.2%	60.8%
Retail Trade	2,531	53.6%	46.4%
Other Than Retail Trade	1,697	17.7%	82.3%
<u>CLERICAL WORKERS</u>	8,428	80.6%	19.4%
Bookkeepers	1,039	90.2%	9.8%
Secretaries, stenos, typists..	2,073	97.8%	2.2%
Other Clerical Workers	5,315	72.0%	28.0%
<u>CRAFTSMEN, FOREMEN & KINDRED</u>	6,298	6.0%	94.0%
<u>OPERATIVES, Except Transport Worker</u>	4,829	24.2%	75.8%
Durable Goods Manufacturing ..	2,464	8.1%	91.9%
Nondurable Goods Manufacturing	276	36.4%	63.6%
Nonmanufacturing Industries ..	2,089	41.5%	58.5%
<u>TRANSPORT EQUIPMENT OPERATIVES</u>	2,421	6.6%	93.4%
<u>LABORERS, Except Farm</u>	3,109	8.0%	92.0%
<u>SERVICE WORKERS</u>	7,800	68.7%	31.3%
Private Household Workers	717	98.7%	1.3%
Cleaning Service Workers	1,417	32.1%	67.9%
Food Service Workers	2,840	78.6%	21.4%
Health Service Workers.....	1,077	95.0%	5.0%
Personal Service Workers.....	953	72.9%	27.1%
Protective Service Workers....	429	3.0%	97.0%
Other Service Workers.....	367	64.8%	35.2%
<u>AGRICULTURAL WORKERS</u>	2,620	15.6%	84.4%
<u>TOTAL ALL OCCUPATIONS:</u>	51,410	39.4%	60.6%

SOURCE: Oregon Employment Div.

EMPLOYMENT

Prior to the recession, employment in manufacturing and in non-manufacturing had grown substantially, with a noticeable shift in jobs toward the nonmanufacturing sector. This trend is shown clearly in the following table.

Figure IX-6
1960-1982
COMPARISON OF
NONAGRICULTURAL EMPLOYMENT
Jackson County

	1960	% OF TOTAL	1982*	% OF TOTAL	1960-1982 % CHANGE
NONAG. WAGE & SALARY	17,700	100.0%	40,710	100.0%	+ 130.0%
<u>MANUFACTURING</u>	5,050	28.5%	6,110	15.0%	+ 21.0%
Lumber & Wood	3,950	22.3%	3,500	8.6%	- 11.4%
Food Products	410	2.3%	370	0.9%	- 9.8%
Other Manufacturing	690	3.9%	2,240	5.5%	+ 224.6%
<u>NONMANUFACTURING</u>	12,650	71.5%	34,600	85.0%	+ 173.5%
Construction	850	4.8%	1,140	2.8%	+ 34.1%
Trans. & Util.	1,440	8.1%	2,090	5.1%	+ 45.1%
Trade	4,030	22.8%	12,000	29.5%	+ 197.8%
Fin., Ins., R.E.	580	3.3%	2,270	5.6%	+ 291.4%
Services	2,300	13.0%	8,650	21.2%	+ 276.1%
Government	3,450	19.5%	8,450	20.8%	+ 144.9%

SOURCE: Oregon Employment Division,
Oregon Economic Report, July 1982.
Jackson Co. Econ. Review, Sept. 1982

The above table shows that Manufacturing sector employment grew by 21 percent during this 22-year period, while Nonmanufacturing employment grew 173 percent. The major increases in the manufacturing sector were industries other than food products and wood products. Major increases in the nonmanufacturing sector were in the areas of commercial trade, finance, insurance, real estate, services and government. During this period of time, the population of Jackson County grew by approximately 61,000 residents for a growth of 82.5 percent. Obviously, many of the nonmanufacturing businesses grew faster than the population.

At least a part of the transition to nonmanufacturing businesses can be attributed to increasing population that requires greater variety in professional and service sectors, along with the growth of this area as a regional center for tourism, commerce, government and other nonmanufacturing activities. There has also been a steady decline in the numbers of agricultural jobs, due to increased mechanization and a reduction in the number of large farms. This, in turn, is due to both urban expansion and various economic considerations that are pointed out in other elements of this Plan. Generally, Jackson County farms are increasing in number, but decreasing in size as larger farm units are being split into smaller limited or "hobby" farms that do not require employees.

UNEMPLOYMENT

Our region's heavy reliance on the wood products industry had a lot to do with our rapid rise in unemployment at the beginning and during the recent recession. In 1979, the unemployment rate jumped from 7.5 percent to 9.2 percent, which exceeded the rates of both the state and the country. Even the significant industrial diversification that has occurred during the 1970s was not enough to offset the impact of the wood products industry on employment. As stated earlier, Jackson County's unemployment rate continued to rise and has been at 12 percent or higher during 1981, 1982 and 1983 (projected). Early 1983 saw some improvement in the housing construction industry and lower interest rates. This was a very positive improvement and it appears that the ripple effect has improved the outlook for the wood products industry as well, as many mill workers and other industry workers have returned to their jobs recently. The long-range outlook is for a slow but steady improvement in the wood products industry and it is possible that gains will lag behind improvements in other nonmanufacturing industries that are more directly affected by economic changes at the local or regional level.

MANUFACTURING

Durable goods other than wood products should have a good future in the Rogue Valley as the economy improves. The area is promoting new and cleaner industry, particularly electronics or "high-tech" industries. Several have located in the valley and more are considering the move. Other industries in this general group include electrical equipment and fabricated metals/machinery. There are also other groups that manufacture a wide range of products including stone and concrete products, transportation equipment, furniture, dental equipment and jewelry. Many of these types of businesses are feeling the effects of the recession now, but have the ability to rebound as the climate improves.

The food products sector consists of mostly small and local firms serving local markets. A major exception is the pear canning industry which will possibly be streamlined by further mechanization

but otherwise should remain fairly stable. Other nondurable goods, such as paper and allied products, printing and publishing, apparel, industrial chemicals, and fiberglass products, have shown strong growth in recent years and should have a very good future as the economy and business climate improve.

NONMANUFACTURING

The construction industry has been adversely affected by the recent high interest rates, tight money market, housing slowdown, and to some extent the completion of local major projects such as Applegate Dam. Construction of the Medford regional shopping mall might have offset many of these job losses. However, the mall has suffered a series of delays and, although the site work is nearly completed, no structures have been built.

The trade sector has slowed considerably during the recession, following major gains during the 1970s. As the economy improves and population growth returns to the valley, the trade businesses will gradually improve and should have a good future by the mid-1980s. Growth is expected in the financial sector with expansion of banks, savings and loans, and other financial institutions. Insurance and real estate growth generally follow population trends and the real estate market has suffered a severe slowdown the past few years as interest rates soared, new construction stopped, and home sales came to a near standstill. As the economy improves, the real estate market will also improve. This improvement could be more rapid than in other sectors as homebuyers and new residents scramble to purchase homes and the construction industry tries to catch up with the new growth and demand. Some economists have predicted a housing boom following the recession to make up for the past few years of stagnation. Whether or not a boom occurs in the Rogue Valley will depend on several factors, such as the area's continued attractiveness to new residents, the quickness of the economic recovery period, the degree of business and employment recovery, and others. We will have to wait and see if a "boom" occurs and be ready to accommodate it if it becomes a reality.

Expansion of the service sector also closely follows population trends. An increasing population of elderly persons has resulted in an expansion of health care facilities in the local area. We have also seen expansion in the area of motels, restaurants and other businesses that cater to conventions and the tourist industry, which has remained relatively healthy. Even with the rapidly rising gasoline prices of 1980-1982, the tourist industry remained strong locally and may even improve in the summer of 1983, if the current trend toward lower gas prices continues.

As shown in Figure IX-6, the government sector employment increased by 144 percent over the past 22 years. Education is the largest segment of this sector and includes Southern Oregon State College in Ashland and Rogue Community College in Grants Pass, as well as the local school districts. Growth and quality of educational

facilities and services is closely tied to population trends and the recent recession has taken its toll in terms of lost revenue and employment cutbacks. Local and County employment has also been adversely affected in recent years, particularly at the County level where the slowdown in the wood products industry has resulted in very significant losses of O&C timber revenues. Jackson and Josephine Counties have struggled to maintain vital and necessary services while cutting back severely in employees and budgets.

ECONOMY OF CENTRAL POINT

OVERVIEW

Central Point experienced a strong expansion during the 1970s that saw rapid residential development and population growth. The population increased from 4,004 in 1970 to 6,357 in 1980 for an increase of 58.8 percent. At the same time, Jackson County's population was increasing by a slightly slower 40.1 percent rate.

The rapid population increase in Central Point was brought about, in part, by the type of development that was occurring at the time. The City enjoyed a good location within the valley, had good available locations for residential development, the school system had a good reputation, the area is convenient to shopping and employment in the valley, and it was a desirable community in which to live. As a result, residential development boomed and the typical residential development consisted of three-bedroom single-family homes.

The residential prosperity was not shared by the commercial and industrial sectors during the 1970s. As a result, new business and employment development did not keep pace with population growth. Because of this disproportionate growth, the City's tax base developed an imbalance and now residential properties are overburdened with the costs of the community. A major objective of this Plan is to promote a greater emphasis on commercial and industrial growth to bring the City back into balance and reduce its past image of a "bedroom community" to Medford and White City. An economic development strategy is included in this element of the Plan as a guideline for future action. Development of an active economic strategy will take some time and effort. Although the City has already done some of the basic tasks, there is much work remaining and getting it done will require manpower, local cooperation and coordination, and financial support. Further study and planning will be accomplished as these resources permit.

EMPLOYMENT/LABOR FORCE

In 1970, 56.7 percent of the population (age 16 and over) was in the Central Point labor force. About two-thirds of the force was male and unemployment was 9.8 percent. The unemployment rate was a full percentage point higher than that of Jackson County and much higher than Oregon's overall 7.0 percent rate. The lack of diversification in the local and regional economy was evident in 1970 and still remains a problem, but to a lesser extent. Two highly seasonal and fluctuating industries, lumber and wood products and construction, accounted for nearly half of the area's unemployment in 1970, and accounts for a large proportion today.

By 1980, Central Point's labor force had grown from 1,515 in 1970 to the present 2,895 (+91%). The unemployment rate had also risen to 12 percent, compared to the County's 11.5% rate. Since 1980, the impact of the recession on this area has sent unemployment rates considerably higher than 12 percent.

The following table shows the general breakdown of both Jackson County and Central Point employment for comparison purposes.

Figure IX-7 1980 CENSUS COMPARISON OF CITY & COUNTY EMPLOYMENT				
	CENTRAL POINT		JACKSON COUNTY	
	TOT. EMPL.	% OF TOTAL	TOT. EMPL.	% OF TOTAL
Agriculture, Forestry, Fisheries & Mining	100	3.9%	3,238	6.2%
Construction	201	7.9%	3,712	7.2%
Manufacturing -- Durable Goods	344	13.5%	6,292	12.1%
" --- Nondurable Goods	130	5.1%	1,453	2.8%
Transportation	82	3.2%	1,722	3.3%
Communications, Pub. Utilities	28	1.1%	1,347	2.6%
Wholesale & Retail Trade	765	30.1%	13,003	25.1%
Finance, Ins., & Real Estate	121	4.8%	2,857	5.5%
Business and Repair Services	106	4.2%	1,760	3.4%
Pers., Entertainment, & Rec. Svcs.	111	4.4%	2,623	5.1%
Professional & Related Health Svcs.	182	7.2%	4,128	8.0%
" " " Educ. Svcs.	178	7.0%	4,795	9.3%
Other Professional & Related Svcs.	64	2.5%	2,179	4.2%
Public Administration	131	5.1%	2,673	5.2%
	2,543	100.0%	51,782	100.0%

The percentage comparisons in Figure IX-7 show the degree to which the Central Point labor force is similar in composition to that of the County as a whole. The proportions are very similar in the areas of construction, manufacturing, transportation, and public administration. Central Point shows a larger proportion of its labor force employed in wholesale and retail trade, and business and repair services. The County shows a higher proportion of workers in the fields of agriculture, forestry, fisheries and mining, financial, insurance, real estate, entertainment and recreation, health and educational services, and other professional services. This information is presented for general information and will be used to a greater extent later, as the City does further analyses of its labor force related to an economic development strategy.

The following table provides a further breakdown of Central Point's labor force, by occupation, and again compared to the Jackson County labor force for comparison.

Figure IX-8				
1980 CENSUS COMPARISON OF EMPLOYMENT BY OCCUPATION				
	CENTRAL POINT		JACKSON COUNTY	
	TOT. EMPL.	% OF TOTAL	TOT. EMPL.	% OF TOTAL
MANAGERIAL & PROFESSIONAL SPECIALTY:				
● Executive, Administrative, & Managerial	227	8.9%	5,335	10.3%
● Professional Specialty	190	7.5%	6,133	11.9%
TECHNICAL, SALES, AND ADMINISTRATIVE SUPPORT:				
● Technicians & Related Support Occup.	44	1.7%	1,271	2.5%
● Sales Occupations	274	10.8%	6,071	11.7%
● Administrative Support (Incl. Clerical)	459	18.1%	7,413	14.3%
SERVICE OCCUPATIONS:				
● Private Household	0	0.0%	171	0.3%
● Protective Service	48	1.9%	710	1.4%
● Other Service Occupations	329	12.9%	6,850	13.2%
FARMING, FORESTRY, AND FISHING:				
	77	3.0%	2,864	5.5%
PRECISION PRODUCTION, CRAFT & REPAIR:				
	356	14.0%	6,238	12.0%
OPERATORS, FABRICATORS & LABORERS:				
● Machine Operators, Assemblers & Insp.	200	7.9%	3,307	6.4%
● Transportation & Material Moving	152	6.0%	2,736	5.3%
● Handlers, Equip. Cleaners, Helpers, etc.	187	7.3%	2,683	5.2%
TOTAL:	2,543	100.0%	51,782	100.0%

SOURCE: 1980 Census & RVCOG

The statistics presented in Figure IX-8 show that the Central Point labor force tends to be slightly more "blue-collar" oriented than that of the County as a whole. Central Point has a consistently higher proportion of workers under the heading of Operators, Fabricators & Laborers, as well as production, craft and repair. The City's proportions are lower than those of the County in the managerial, professional, technical, sales, and administrative occupations, which are generally considered "white collar" type occupations. Overall, there appear to be no significant abnormalities that would be cause for concern and the differences could be attributed in part to the fact that most major professional, financial, sales, and other white collar large businesses are headquartered in Medford or Ashland and the smaller or branch offices are located in Central Point.

PLACE OF EMPLOYMENT

To further understand the nature of Central Point's labor force, it is necessary to look at the general places of employment, how long it takes to get to work, and the mode of transportation used to get there.

Central Point grew into a bedroom community as a result of rapid residential development and a deficiency of commercial and industrial development that might have provided more jobs for the residents. As a result, about 84 percent of the labor force has to commute outside the community to work. Only about 11 percent of the labor force (employed portion) works in Central Point.

As shown in Figure IX-9 on the following page, more than 80 percent of Central Point workers commute to work alone in a car, truck or van. Only about 12 percent car-pool. Central Point is presently not served by Rogue Valley Transit District buses, so only 0.2 percent were reported to use public transportation, possibly catching a bus just outside the city or using public transit in combination with another mode of transportation.

Only 2.6 percent of the work force can get to their place of employment in less than five minutes. About 21 percent (1 out of 5) can get to work in less than 10 minutes. More than 60 percent of the City's labor force must travel ten to twenty minutes to get to work, which would cover most of the major employment centers in the Medford and White City areas. Only 3.6 percent travel for more than 30 minutes to get to work and at least 31 of these work outside Jackson County.

These statistics tend to confirm the assumption that Central Point is still functioning as a bedroom community for a labor force that is working elsewhere for the most part. The intent of the community and this Comprehensive Plan is to emphasize the need for commercial and industrial expansion within the community to provide a better balance of employment opportunities at home.

Figure IX-9
CENTRAL POINT
EMPLOYMENT PLACE & TRAVEL

PLACE WORKED (Persons Age 16+)

● In County of Residence	2,314	(94.1%)
● In Other County of Oregon....	31	(1.3%)
● Outside of Oregon	0	
● Not Reported	114	(4.6%)

PLACE WORKED/RESIDENCE

● Worked in Place of Residence	274	(11.1%)
● Worked Outside Place of Res..	2,071	(84.2%)
● Not Reported	114	(4.7%)

TRANSPORTATION TO WORK

● Drive Alone (Car, Truck, Van)	1,978	(80.1%)
● Car Pool in Car, Truck or Van	294	(11.9%)
● Public Transportation	6	(0.2%)
● Walked Only.....	82	(3.3%)
● Other Means	73	(3.0%)
● Worked at Home	38	(1.5%)

TRAVEL TIME TO WORK

● Less Than 5 Minutes	64	(2.6%)
● 5 to 9 Minutes	457	(18.8%)
● 10 to 14 Minutes	854	(35.0%)
● 15 to 19 Minutes	625	(25.6%)
● 20 to 29 Minutes	351	(14.4%)
● 30 to 44 Minutes	55	(2.3%)
● 45 to 59 Minutes	0	
● 60 Minutes or More	31	(1.3%)

SOURCE: 1980 Census & RVCOG

INCOME CHARACTERISTICS

The Median Family Income of Central Point increased by 113 percent during the decade of the 1970s, from \$8,740 to \$18,638. This was an increase slightly greater than that of Jackson County, which reported a 107 percent increase. Both jurisdictions fall below the Oregon Median Family Income of about \$21,000.

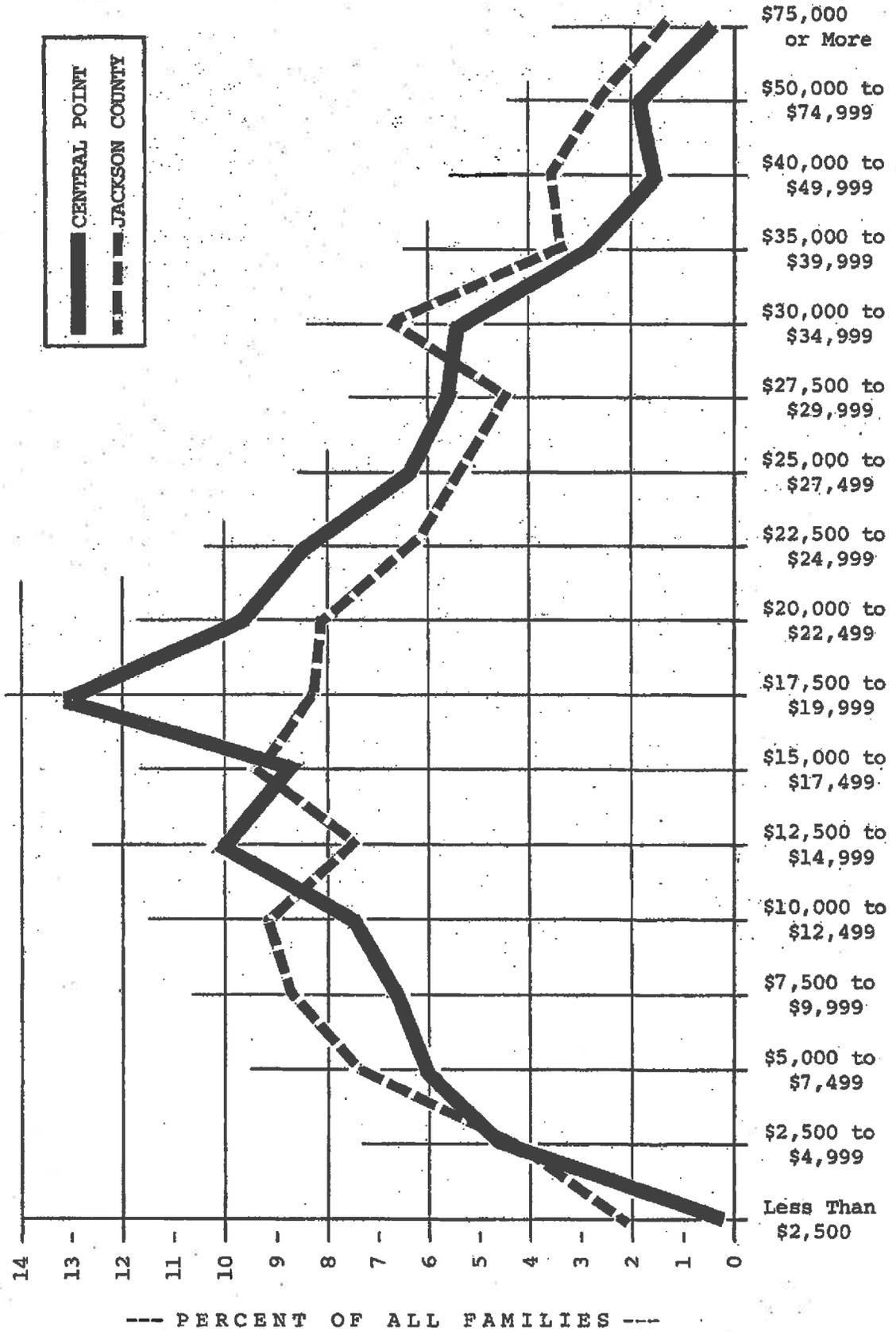
The graph on the following page shows the breakdown of family income by percentages in each income category and also compares Central Point to Jackson County. A glance will show that Central Point's curve is more accentuated with higher proportions of families falling into the mid-range categories (\$17,500 to \$30,000) and fewer at the lower and higher extremes. The most noticeable difference between the City and County falls at the \$17,500 to \$19,999 income range. At this level, 13.1 percent of Central Point families is considerably greater than the 8.3 percent of County families. This high mid-range curve reflects the recent trends in Central Point residential construction over the past decade or two. The majority of dwellings have been medium-priced three-bedroom single-family homes in subdivisions. These have tended to attract a considerable number of families with incomes typically within the \$15,000 to \$30,000 range. The general lack of lower-cost housing alternatives may be part of the reason for the lower percentage of families with incomes below \$15,000. At the other extreme, Central Point does not have any neighborhoods that could be considered "expensive" or "exclusive". This fact is also reflected in the graph, which shows Central Point having a lower proportion of families within incomes over \$30,000 than found in Jackson County as a whole. These housing considerations are considered in greater detail in the Housing Element of this Plan.

Closely related to income statistics are poverty level statistics. According to the BGRS report 1979 Income & Poverty Characteristics, Cities and Counties of Oregon (Nov. 1982), Central Point was considerably lower than Jackson County in this category. Of the County's households, 12.2 percent had incomes below the poverty level, compared to 8.2 percent of Central Point households. These statistics are also discussed in greater detail in the Housing Element of this Plan.

GENERAL OVERVIEW

Central Point has continued to grow as an attractive and desirable residential community, which is one of its major problems. The commercial and industrial sectors have not kept pace with residential development and this has led to a serious imbalance. As the above statistics show, four out of every five workers who live in Central Point work elsewhere. During the summer of 1979, the Central Point Economic Development Committee conducted a "Consumer and Commercial Development Survey" that showed that 90 percent of the respondents preferred to shop locally, if the items they needed were available. About 73 percent were in favor of commercial and industrial growth to expand shopping and employment

Figure IX-10
 Central Point/Jackson County
 FAMILY INCOME COMPARISON
 (1980 CENSUS)



opportunities and improve the local economy. The survey also pointed out desires for specific commercial business types, including clothing stores, drugs and medical supplies, auto parts, hardware, sporting goods, furniture and others. Some of these have since moved into the community, although City residents must still go outside the community to buy shoes, jewelry, medical supplies, to attend a movie, go bowling, swimming, skating or to visit a museum. The City's deficiencies in commercial recreation (and public recreation) is addressed in greater detail in the Parks and Recreation Element of this Plan.

The Land Use Element and the Urbanization Element of this Plan point out that the City currently has virtually no available sites for industrial development or expansion, with the exception of a few scattered small parcels that average about one-half acre in size. Without adequate sites, the City has little or no potential for growth in its industrial sector. This Plan attempts to correct this situation by providing for adequate industrial sites that make the best use of existing facilities, with emphasis on the Southern Pacific railroad, Highway 99 and the I-5 Freeway, which are major components of the City's transportation system.

The need for commercial expansion, business development, and tourist accommodations have also been identified as critical components of the Community's overall balance and quality. The downtown commercial district is old and deteriorating. In order to compete with newer commercial centers it will have to be revitalized, as discussed in the Land Use Element. Newer commercial establishments are growing along Pine Street toward the freeway and there will be additional pressures for commercial, office and tourist-commercial development in areas east of the Pine Street/I-5 Freeway interchange as the County's Expo Park and airport continue to expand. The tourist industry has been described as one of the most overlooked potentials in this area. It will be to Central Point's benefit to encourage and promote tourism in the Rogue Valley. The Central Point area, particularly along East Pine Street (east of the freeway), will be an ideal location for future tourist accommodations, as well as office-professional development that would be compatible with and take advantage of the major transportation facilities available.

Central Point realizes that it will take more than a Comprehensive Plan and Zoning map to actively promote economic improvement and correct the identified imbalances. However, this is a start. The Plan Map shows those locations that have been determined to be most appropriate for commercial and industrial development. The Zoning Map, which is consistent with the Plan map, provides the implementation tool that will help to direct this growth. The Zoning Ordinance provides the more specific guidance and ensures that new development will be compatible with the community and consistent with City adopted standards. In addition to these, Central Point is taking steps to implement an economic development program that will make people aware, keep them informed, make all

potential new businesses welcome and provide them with the information they will need. This will take some time and financial support. However, with the adoption of this Comprehensive Plan, the City has taken a significant step toward improving its own economic future. The following section outlines Central Point's program and includes a series of policies under each major heading.

CENTRAL POINT'S ECONOMIC DEVELOPMENT PROGRAM

GENERAL DESCRIPTION

An "economic development program" is often described as being composed of four basic elements; (1) statistical and economic data (research), (2) specific short- and long-term goals and objectives, (3) proposed development projects, and (4) a strategy or work program to achieve the goals. Coordination is important throughout the process to ensure the assistance of federal, state and other outside agencies, as needed.

The City realizes that "economic development" is not necessarily synonymous with industrial development or commercial development. It may also include a wide range of activities within the community including manpower training programs, development of appropriate and attractive housing and neighborhoods, improvement of all major services and facilities, or the promotion of tourism or other specific industries. As economic development occurs, the City will have to plan and provide for the "ancillary" industries that will normally follow such development. The Comprehensive Plan provides for these types of development, as does the Zoning Ordinance.

Because of the City's current deficiency of industrial development and sites for new development, and the lack of employment opportunities, this Plan puts the greatest emphasis on the development of new and diversified industries (also see Land Use Element).

During 1978, a series of nine Trade and Economic Development hearings were held throughout Oregon. These involved discussions of eight basic elements of economic development planning:

1. Information, Research and Technical Assistance
2. Planning and Regulation
3. Assembly and Disposal of Land
4. Provision of Physical Facilities
5. Site Development
6. Non-financial Incentives to Development
7. Financial Incentives, Assistance to Development
8. Advertising, Promotion and Prospect Assistance

It was concluded that these ongoing tasks, with the possible exception of financial and non-financial incentives, are essential to local economic development and that economic development can proceed when all the elements are taken care of. When necessary tasks are not completed, economic development is impeded.

For the purposes of the Comprehensive Plan, these eight elements will form the backbone of the City's economic development program. In order to be successful, this program, like all other proposals of the Plan, must be consistent with community goals and objectives and with all other Plan proposals. This consistency has been considered and assured. Each of the following elements will be summarized, showing the relationship to the Community and to Plan proposals, and will include implementing economic policies. The City understands that this element of the Comprehensive Plan will provide the framework for the economic development program and will be later supplemented with 1980 Census data, more specific research and study, and other activities needed to formalize the program and get it underway.

INFORMATION, RESEARCH AND TECHNICAL ASSISTANCE

Federal and state governments have assumed primary responsibilities for this component, through the federal census, grants for technical assistance, information provided by the Portland State University Population Center and the State Department of Economic Development, and a number of other sources. Unfortunately, this information is not always up-to-date or complete, especially at the local level where it is needed most. The City of Central Point has gathered a considerable amount of data during the preparation of the Comprehensive Plan. However, even more detailed data will be needed in the future in order to effectively implement economic development goals and provide prospective firms with the level of information needed for their analysis of the available site and the Community.

Policies:

1. Utilize the results of the 1980 Census, when available, to provide the detailed data necessary to complete the profile of the community and region.
2. Request assistance from the Dept. of Economic Development in the development of the economic development program, and remain aware of the ongoing plans and activities of the County and other area communities.
3. Encourage the local Chamber of Commerce, Economic Development Committee and other interested persons and organizations to become involved in the City's plans and programs.

PLANNING AND REGULATION

Most major planning and regulation requirements originate at the state and federal levels. The Comprehensive Plan (including Goal #9), and the local Overall Economic Development Plan are the principal public economic development planning efforts at the local and regional levels. The major regulatory areas of the federal and state governments which have economic development impact are: environmental quality, health and safety, land management, and banking. Local government has the responsibility to carry out the regulations, do the planning, and achieve the standards determined at the higher levels.

Considerable attention has been paid to the provision of sites for new commercial and industrial development in this Comprehensive Plan. A major problem in the past has been a severe lack of available parcels with the proper zoning and adequate facilities. This Plan corrects this deficiency by providing adequate development potential in optimum locations, making best use of existing facilities and ensuring compatibility with adjacent land uses. Emphasis is placed on the "transportation triangle" which represents an investment of approximately \$25,000,000 in fixed assets and is presently underutilized. The Jackson County Economic Planning and Development Committee, at a meeting to review Central Point's Urban Growth Boundary in 1978, concluded that "we cannot afford to exclude any existing rail frontage from consideration for possible industrial use." All major industrial areas proposed in the Comprehensive Plan could benefit from direct access to the rail facilities. In most cases, they would also have direct access to Highway 99 and easy access to the freeway without passing through the community.

Regulation is accomplished through the City's zoning ordinance and other regulations as may apply in a particular case. The proposed zoning map is consistent with the Land Use proposals of the Plan and the proper zone changes within the city will be initiated upon acknowledgement of compliance with statewide planning goals.

Policies:

1. Continue to refine City regulations pertaining to economic development to ensure that the programs can be carried out and that such development will be an asset to the Community and the region.
2. Continue to emphasize the need to maximize the potential of major existing facilities that represent major public investments, but are presently underutilized. (Emphasis on railroad, Highway 99 and the I-5 Freeway related to industrial development, and Pine Street/Head Road for commercial, office-professional and tourist development.)
3. Implement policies of the Housing and Land Use Elements pertaining to the orientation and buffering of non-industrial and non-commercial land uses by modifying existing codes to require these actions.

ASSEMBLY AND DISPOSAL OF LAND

This is a local role, traditionally handled by the private sector. However, the trend has been toward a larger role by local government in this area through economic development programs, public agencies and renewal agencies. There are many factors that have or may severely limit the expansion or location of industries or commercial development. The Comprehensive Plan has considered such factors as availability of major transportation facilities (highway, freeway, rail and airport), the preservation of viable agricultural farmlands, minimizing land use conflicts, air quality, location of housing to support the employment base, and the availability or future availability of the necessary public facilities and services.

Fortunately, the City will not have to become involved with the assembly of land, at least in the foreseeable future. Most of the parcels included in industrial and commercial areas are of sufficient size to accommodate substantial development. However, the City will have to ensure that the sites that are planned for are not eroded away through further subdividing for the purpose of creating smaller development that could reduce the ultimate development potential of the sites.

Policies:

1. Work with developers to ensure that proposed plans are consistent with the overall development concept of the area and will not create obstacles to the future development of neighboring sites.
2. Study the benefits of developing "concept plans" for the coordinated development of critical areas, such as the Seven Oaks Interchange area and other industrial sites along the railroad.
3. Consider initiating the planning for an industrial park area along the railroad that would provide for a greater degree of development coordination and might qualify for state or federal financial assistance.

PROVISION OF PHYSICAL FACILITIES

The provision of utilities is perhaps the strongest guidance instrument that the City can use to reserve and control land for industry, if the City has the will to use this instrument. Early in its plant location analysis, an industrial firm will check the quality, quantity, and cost of public utilities and services. The firm will ask whether water, sanitary sewer, storm sewer, electricity, gas, fire protection, police protection, mail delivery, telephone service, truck and rail services are adequate or whether they can be made adequate.* The definition of "adequate" will vary among industries and often among firms of the same type. The state often plays a major role in requirements for these

facilities and the City or special service districts will provide the services. Occasionally, a city will extend services at no charge to the developer, if the proposed project is determined to be of significant benefit to the community. However, it is always important to do a cost-benefit analysis before such extensions are made and to tie the services into the Comprehensive Plan. Many communities have initiated hookup fees, charging new developments for the full costs of their project. In any case, industries that are ready and willing to relocate or expand are generally not willing to wait for service extensions and zone changes. The communities that can take care of these necessities themselves will be ready for development and will have the best opportunities to attract new industrial development.

Transportation is a critical requirement of commercial and industrial developers. Industries today rely on both rail and truck transport and both types of facilities in the same area will greatly add to the attraction of the site. The combination of Highway 99, the Southern Pacific rail facilities and the freeway make Central Point's industrial sites very attractive, especially when combined with nearby housing and labor force factors, compatibility with surrounding land uses, and future availability of the needed facilities, utilities and services, as outlined in the Public Facilities and Services Element of this Plan. Central Point is very fortunate in already having these basic transportation facilities in place. It is also fortunate that industry can be located north of the existing community and oriented toward the Seven Oaks Interchange. This will minimize industrial traffic conflicts in other areas of the community and will provide highway and freeway access as direct and convenient as possible.

Policies:

1. Ensure that the City's plans for public facilities and utilities are phased according to the most desirable progression of development.
2. Strive to provide all necessary public facilities to the industrial (and commercial) sites prior to inquiries to avoid losing potential firms because of inadequate facilities.
3. Utilize the plan for public facilities and services as a guidance instrument to implement the Plan in accordance with community needs and planned growth.
4. Include the development of public facilities in a capital improvements program to ensure coordinated and adequately financed development of the facilities.

* NOTE: Refer to the Industrial Site Selection Checklist in the D.E.D. manual "How To Do Economic Development Planning" - page 69.

SITE DEVELOPMENT

This task is handled almost entirely by private enterprise. Exceptions are public works, and sites and buildings of the federal and state governments. A few cities have redeveloped specific sites through the urban renewal process. This should not be necessary in Central Point since most industrial sites are currently vacant or have minimal development. Site development can be effectively controlled through application of the City's development codes, although this will provide minimal control. In areas of critical concern, the City should consider the development of an "industrial park" that will be totally pre-planned and coordinated. This is becoming very common and is an effective way to ensure that the total development will be well-designed, attractive, and an asset to the community visually and aesthetically as well as economically.

Policies:

1. Ensure that all new development is in conformance with City codes, as well as applicable state and federal requirements.
2. Seek ways to improve codes and repair deficiencies that may be identified as development occurs.
3. Consider the development of an "industrial park", as recommended in the Land Use Element and discussed in other elements of this Plan.
4. Ensure through the plan review process that all proposed developments are consistent with the Comprehensive Plan and are of the highest possible quality.
5. Ensure that proposed development plans will not create obstacles to the future development of adjacent parcels.

NON-FINANCIAL INCENTIVES TO DEVELOPMENT

Non-financial incentives are those which can be influenced by state and local government. Often they are in the form of a local community college, hospitals and other major public facilities, or a higher than usual level of social and recreational services offered in the vicinity. The City can also provide non-financial incentives through the development of a community that is well-planned and will provide the residents with quality shopping, educational, recreational, cultural, and other opportunities. The Comprehensive Plan is aimed at optimizing the overall balance to achieve this level of quality. Employers locating in the community should be assured that their employees will be living in an attractive full-service community that they can be proud of. An added advantage is that Central Point is in an ideal location to ensure that opportunities or services that cannot be provided in the City can be found nearby.

Policies:

1. Strive toward implementation of the Comprehensive Plan to ensure the overall development of a community that will be attractive to prospective industries and will provide a high quality community in which to live.
2. Undertake promotional activities that will emphasize the location and quality of the community and will demonstrate the long-range plans of the City.
3. Ensure that all future activities of the City are consistent with the goals directed toward continued improvement of the Community.

FINANCIAL INCENTIVES, ASSISTANCE TO DEVELOPMENT

Both federal and state governments provide money to public works which directly assist development. State financial assistance to firms is intended to "leverage" private investment funds and to assist an investment that may have not occurred without such assistance. Programs include pollution control bonds, investment tax credits, industrial revenue bonds, and lagging areas assistance. Such incentives make it easier for this area to compete effectively with stronger industrial locations elsewhere.

Some communities have used legal tax concessions in the form of reduced assessments specifically to industry to encourage industrial development. However, studies have shown that the impact of these incentives is often not large enough to affect the firm's locational decisions. The differential in tax burdens among the various state and local governments is usually not an important cost factor for many firms. Also, these firms are often more interested in high service levels from the local government and tax exemptions could reduce both the City's financial ability to provide these services and also their ability to attract new industrial development. Tax exemptions could also shift the tax load to families, thereby lowering the quality of life in the community. Given these considerations, the City should very carefully weigh this alternative against others that may be available.

Policies:

1. The City will consider legal tax concessions only as a last resort as an inducement to development.
2. Actions that could produce a short-range economic gain should be passed over if it could also detract from the quality of the environment and become a serious detriment to the long-range economic plans of the Community.
3. Investigate alternative financial incentives such as offering loan guarantees or direct loans financed through the issue of tax-free general obligation bonds floated by a local development corporation.

ADVERTISING, PROMOTION AND PROSPECT ASSISTANCE

The federal government does not play a role in this element. However, the state is engaged in advertising, prospect assistance, and dissemination of information through its target industries program. The Department of Economic Development also acts as prospect liaison and may refer industries to a local agency or individual upon request. The Department of Transportation also promotes tourism in Oregon through its advertising.

Local governments are involved to varying degrees in this element, depending on local resources and initiative. The local Chamber of Commerce and Economic Development Committee should be encouraged to take a more active role in prospect recruitment and liaison, as well as the promotion of tourism in the area. A promotional term that is now being used in place of industrial park is "Planned Employment Center" which gives a more positive impression of an area that is well-planned as a function and component of the community, rather than an isolated industrial district. In the case of Central Point, all industrial areas are planned to be important components of the community and this fact should be emphasized in promotional campaigns.

Policies:

1. Work with state agencies, including D.E.D. and the Department of Transportation to gain contact with firms seeking to relocate.
2. Encourage the City's Economic Development Committee to take a leading role in advertising, promotion and prospect assistance.
3. Consider the preparation of a brochure or other types of advertising materials that can be mass produced and appropriately distributed.

CONCLUSION

Central Point's next step in the development of its economic program will be to undertake an indepth needs assessment of its economy, with the aid of the 1980 Census statistics. When the community's positive and negative qualities are identified in detail, the City will be able to promote the positive aspects and overcome the disadvantages through an economic development program that includes the eight elements discussed above.

Economic development doesn't happen automatically. Government mandates are very flexible pertaining to economic activities at the local level. The City's only real responsibility is to plan for its own future consistent with the statewide planning goals. Since there is no specification for a level or quality of performance, the success of Central Point in implementing its economic development goals will depend largely upon its own initiative and perseverance.