Oregon's Economic Engines

NORTHERN **WILLAMETTE** VALLEY

For much of its history, Oregon has been a rural state, with an economy centered on the timber, agriculture and mineral industries. Today, Oregon's major urban areas have become the state's economic engines and are increasingly the focus of growth and investment. These vital economic centers are concentrated in three areas of the state:

- Willamette Valley
- Rogue Valley
- Central Oregon

The Northern Willamette Valley includes the Portland and the Salem-Keizer regions, which together make up the largest urban corridor in Oregon. The following includes an overview of the greater Northern Willamette Valley and the issues that face this rapidly growing area.

Unique geography

The Northern Willamette Valley region consists of two large metropolitan areas: the Portland metro area and the Salem-Keizer metro area. The region lies at the confluence of the Columbia and Willamette rivers and is defined by the Coast Range on the west and the Cascade Range on the east. Encompassing two of the five largest population centers in Oregon, the region serves as the state's economic, cultural and political center and is a West Coast hub for trade, commerce and travel. Approximately half of Oregon's agricultural production takes place in the region.

Understanding the region

Local history

The earliest permanent American settlement in the Northern Willamette Valley appeared in the 1840s. The arrival of the steamboat in the1850s initiated travel on the Willamette River south to Eugene and north to Oregon City, facilitating the exchange of mail and the trade of goods and produce. With the advent of the steamboat and expansion of agriculture and logging, by 1850 the Portland area had more than 800 residents, and Salem's population had grown to 2,500. Shortly after Oregon became a state in 1859, voters selected Salem as its capital.

Due to the region's unique location at the confluence of the Willamette and Columbia rivers, the Northern Willamette Valley emerged as a major hub for transportation and trade. The arrival of the Oregon and California Railroad in 1869 continued to foster the region's growth. By the end of the 19th century, the Northern Willamette Valley was home to more than 90,000 residents, and today remains one of the larger urban areas in the Northwest. The growth of the region is projected to reach well over 3 million residents by 2025.

The regional economy extends across city and county lines as residents commute up and down the Northern Willamette Valley corridor. Average commuting time throughout the Northern Willamette Valley ranges from 21 to 26 minutes.

In Multnomah County, 11 percent of the population uses carpools and another 11 percent takes public transit. This is the highest percentage for these two travel options of any county in the Northern Willamette Valley.

Transportation facts

- According to the 2000 census data on commuting patterns, the four counties in Oregon with the highest rates of inbound and outbound commuters are Multnomah, Washington, Clackamas and Marion.
- Polk and Clackamas counties have the largest share of residents commuting outside the county for work.
- Marion and Clackamas counties exchange about 3 to 4 percent of their respective residents as daily commuters. Similarly, 3 to 4 percent of Marion County residents commute to Washington and Multnomah counties.

Portland Metro
Employment and economy

While Portland is Oregon's largest urban area, agriculture remains a significant part of the regional economy, with Clackamas, Multnomah and Washington counties responsible for 17 percent of agricultural production for the state. Clackamas County is second only to Marion County in agricultural sales revenue of specialty products.

The regional economy is built on the area's proximity to gateway facilities and supported by a growing population. The regional port facilities provide 10 percent of all manufacturing jobs in Clark, Multnomah, Washington and Clackamas counties. Three-quarters of manufacturing activity in the Portland metro area fall into the category of durable goods, with computer and electronics manufacturing dominating that category. As the center of Oregon's high-tech industry, the greater Portland metro area accounted for approximately 10 percent of the nation's semiconductor output in 2005. In addition, educational, health and government services have contributed thousands of new jobs to the regional economy, propelled in large part by a growing population.

Looking ahead, the Portland metro area continues to add jobs at a rate that is consistent with the population expansion projected for the next 25 years. The professional and business services sector is expected to grow due in part to a dependence on temporary employment. High-wage professional and technical service industries, such as engineering, architecture and computer system design, will continue to see marked growth as well. The continued population growth throughout the metro region will fuel service-based industries such as retail and hospitality as well as educational and health services. Government and public sector jobs will be concentrated in public education, reflecting an expected increase in the school-aged population in growing areas like Washington County.

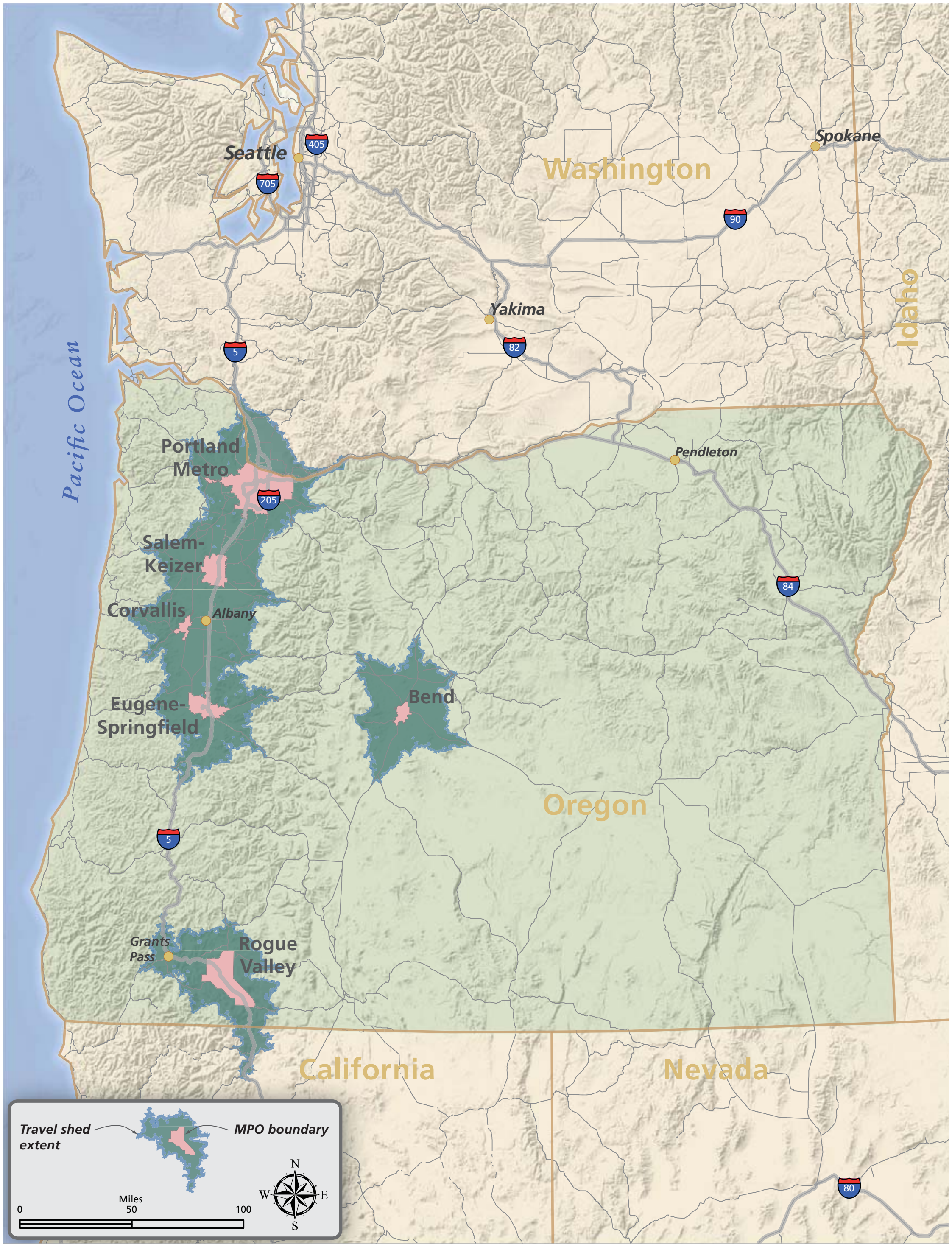
Salem-Keizer
Employment and economy

As the state capitol and county seat, employment by the local and state government drives much of Salem's economy, employing 29 percent of the workers in 2000. The retail and service sector is the second largest employment block, with major employers in health care and banking. Education also bolsters the economy due to a prominent university presence. The region contains two public and six private universities.

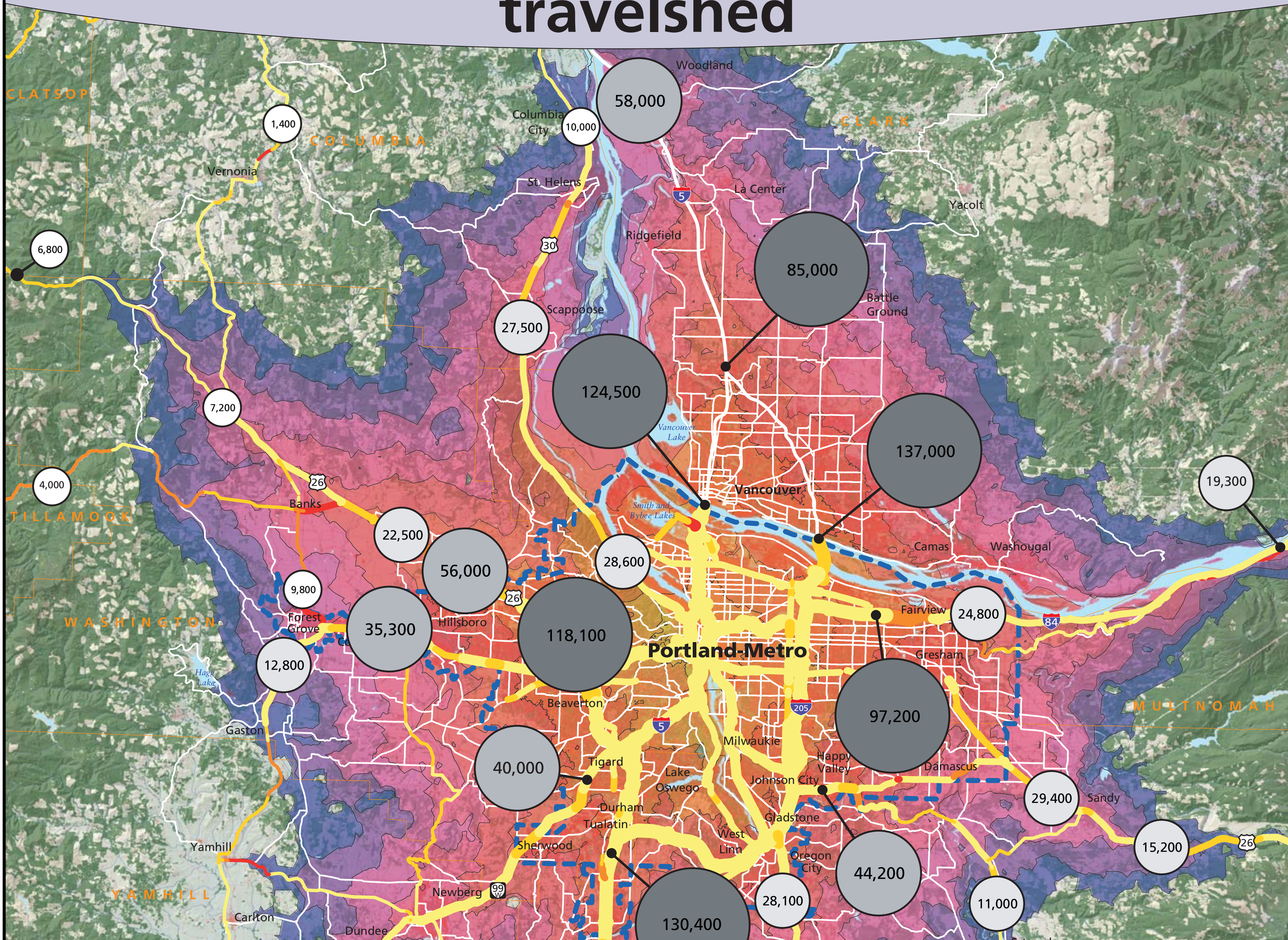
Recent large developments include Keizer Station, the Mill Creek Industrial Park, Salem's downtown Conference Center and multiple mixed-use developments in Salem's downtown core. Surrounded by a rich variety of agricultural lands in Polk and Marion counties, processing and distributing these products plays a significant role in the local economy. Manufacturing still plays a role in the local economy, although recent years have seen the departure and reduction of some manufacturing firms.

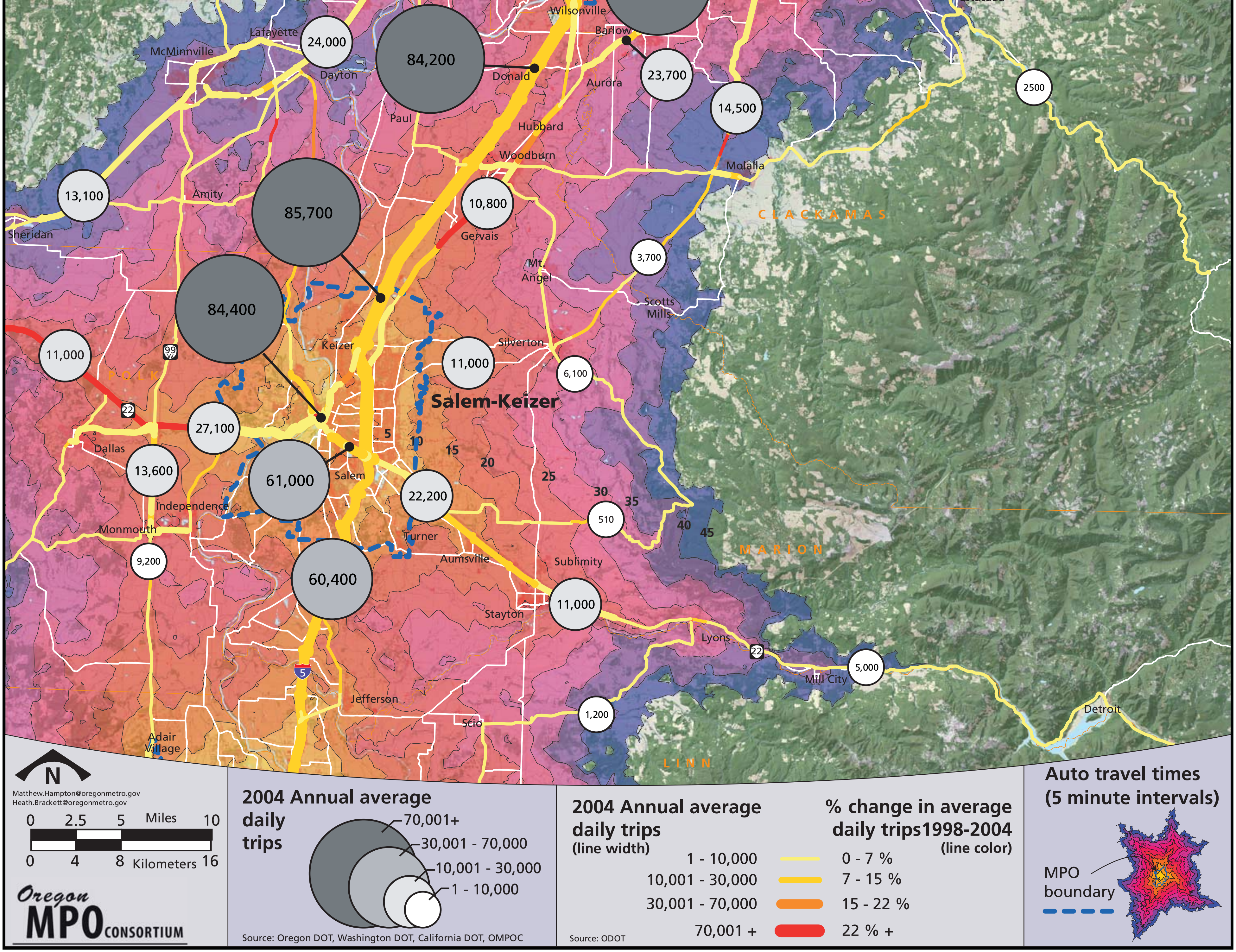
45-minute travelshed

Overview of Oregon's MPOs and their travelsheds



Traffic volume and the 45-minute travelshed




Wilsonville
Barlow
Lafayette
McMinnville
Dayton
Donald
Aurora
Paul
Hubbard
Woodburn
Molalla
Amity
Sheridan
Gervais
CLACKAMAS
Mt. Angel
Scotts Mills
Keizer
Silverton
POLK
Salem-Keizer
Dallas
Salem
Independence
Monmouth
Turner
Aumsville
Sublimity
MARION
Stayton
Lyons
Mill City
Jefferson
Scio
Adair Village
Detroit
LINN
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22,200
510
9,200
60,400
11,000
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30
35
40
45
N
Matthew.Hampton@oregonmetro.gov
Heath.Brackett@oregonmetro.gov
0 2.5 5 Miles 10
0 4 8 Kilometers 16
Oregon MPO CONSORTIUM
2004 Annual average daily trips
70,001+
30,001 - 70,000
10,001 - 30,000
1 - 10,000
Source: Oregon DOT, Washington DOT, California DOT, OMPOC
2004 Annual average daily trips (line width)
1 - 10,000
10,001 - 30,000
30,001 - 70,000
70,001 +
% change in average daily trips1998-2004 (line color)
0 - 7 %
7 - 15 %
15 - 22 %
22 % +
Source: ODOT
Auto travel times (5 minute intervals)
MPO boundary

Portland Metro

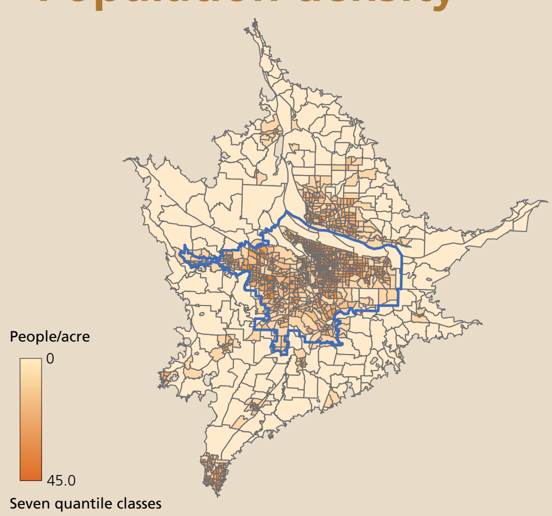
A look inside the 45-minute travelshed

Home to more than 1,500,000 residents, the Portland metropolitan area is defined by Multnomah and parts of Washington and Clackamas counties and accounts for more than one-third of Oregon's total population. Multnomah County is the state's most populous county with a population density of 1518 per square mile, much higher than the state average of 35.6 per square mile. Washington and Clackamas counties, home to unincorporated non-urbanized areas, are still experiencing rapid population growth due in part to expanding employment opportunities and residential options.

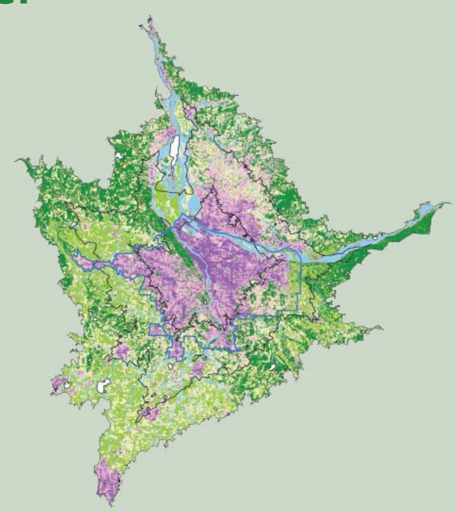
The Portland metro area is further defined by a close relationship with the city of Vancouver and Clark County, Washington. The intermingling of population, employment and transportation between the Portland metro area and Clark County adds to the complexity of the region and informs its overall character. The area continues to be characterized by growth. The tri-county area is projected to exceed 2.5 million residents by the year 2035.

- 64.2 percent of the population within the travelshed resides within the MPO boundary.
- 51.2 percent of the urbanized land within the travelshed lies within the MPO boundary.
- 7.1 percent of the farmland within the travelshed lies within the MPO boundary.
- The Portland metro area has four of Oregon's largest cities, Portland, Gresham, Beaverton and Hillsboro.

Population density

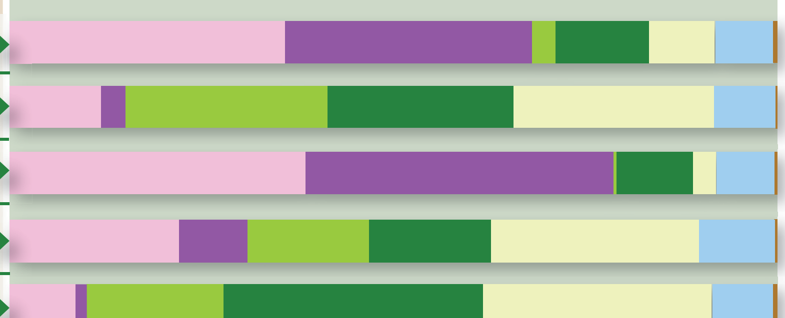


Land cover



	Population	Density (pop/acre)	Total acres
Inside MPO	1,267,895	4.28	296,328
Outside MPO	705,540	0.58	1,221,157
Within 15 minutes of city	1,070,485	5.37	199,483
15-30 minutes from city	610,198	1.13	541,360
30-45 minutes from city	292,752	0.38	776,642

Land cover distribution
(bar graph represents the percentage of each land cover class within each section)



*Population figures from 2000 US Census block groups

* Land cover classifications are aggregations of 2001 USGS NLCD classifications

Portland Metro
Major issues and challenges

Transportation needs

The Portland metropolitan area is governed by an elected regional government, Metro, which also serves as the Metropolitan Planning Organization (MPO) for the area. Motivated by the population and employment growth projected for the region over the next ten to fifteen years, Metro is working with regional partners to preserve the area's access to efficient and well-maintained transportation. A regional economy that is dependent on providing reliable access to gateway facilities requires a transportation system that supports the needs of local, national and international industries. The economic health of the Portland area is bolstered by the high quality of life that residents enjoy. This, along with an educated labor force and relatively low cost of living, helps attract industries to the region. Transportation investments must be designed to maintain the character and quality of life in the region while providing efficient access to and movement of goods and people.

Funding gaps

Without any changes to the current transportation system, the needs of a growing population cannot be met. The demands on freight transportation alone are expected to double the amount of goods that travel through and around the region. The key challenge is a growing gap between funding available for new investmentsin addition to the need to maintain the existing transportation network. The Portland metro area must prioritize both investments and strategies that enhance mobility and quality of life.

Looking ahead

Metro continues its long history of coordinating the decision-making process around transportation issues that affect the region. Currently, Metro and its regional partners are conducting an infrastructure inventory to find new ways of paying for sewer, water, stormwater and transportation services. With an urban growth boundary review scheduled for 2009, regional partners are already working together to decide which lands should and should not be urbanized in the coming decades and how to add capacity where services are available or feasible. As part of the state Regional Transportation Plan update, Metro and its partners are working to evaluate mobility on a regional corridor level and create new systematic performance measures and criteria to help prioritize transportation investments throughout the region.

One challenge lies in the limited coordination among the growing communities outside the MPO boundaries, such as Canby, Newberg and Sandy, which are often affected by the Portland metro region's activities. Another challenge lies in an increasingly complex relationship between the Portland metro and Vancouver areas. These two areas are linked by shared commuters, residents and serious congestion. The MPOs for the two areas are working together to address the transportation needs of the larger region; however, the lack of shared land use policies on both sides of the river presents a constant challenge.

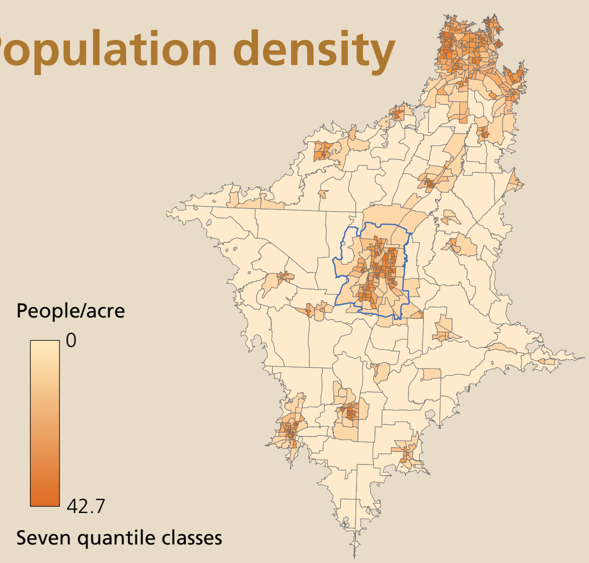
Salem-Keizer

A look inside the 45-minute travelshed

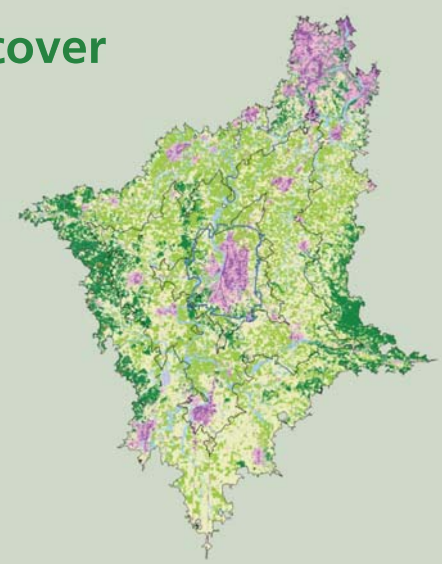
Located at the southern end of the Northern Willamette Valley, the Salem-Keizer metropolitan area comprises Marion and Polk counties. The most recent growth rate for the area is 1.4 percent per year. In the next 20 years, the population of the Salem-Keizer area is forecast to increase 40 percent from its 2007 population of 228,839. The median age of 34.3 years for the Salem-Keizer urban area is slightly younger than the statewide median of 36.8 years. The area is also characterized by a large, fast-growing Hispanic population. Hispanics made up 20 percent of the population in 2007, up from 14.7 percent in 2000. The Hispanic population grew four times faster between those years than the total population, increasing by an average of 6 percent a year.

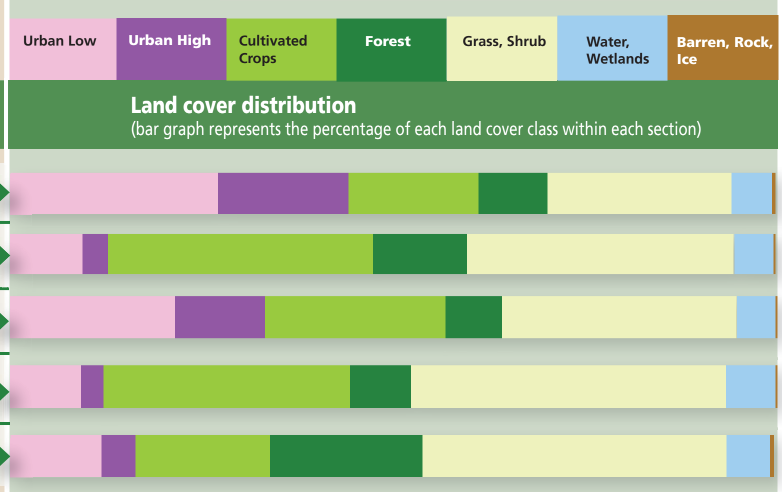
- 62.6 percent of the population within the travelshed resides within the MPO boundary.
- 18.3 percent of the urbanized land within the travelshed lies within the MPO boundary.
- 5.1 percent of the farmland within the travelshed lies within the MPO boundary.
- Marion and Polk Counties account for approximately 59 percent of the region's population.

Population density



Land cover





	Population	Density (pop/acre)	Total acres
Inside MPO	208,765	2.41	86,692
Outside MPO	757,140	0.57	1,337,654
Within 15 minutes of city	221,229	1.60	138,417
15-30 minutes from city	156,661	0.34	466,804
30-45 minutes from city	588,015	0.72	819,125

*Population figures from 2000 US Census block groups

* Land cover classifications are aggregations of 2001 USGS NLCD classifications

Salem-Keizer
Major issues and challenges

Transportation needs

The population of the Salem-Keizer area is projected to increase by 40 percent over the next 20 years. Due to its central location in the valley, the area serves as a major hub for commerce, service, culture and government services in the north end of the Willamette Valley, attracting trips from neighboring cities, such as Dallas, Monmouth, Woodburn and Stayton. As the area grows, Salem-Keizer is working to balance urban and rural transportation needs with the need to preserve the area's quality of life so important to its residents.

The Salem-Keizer travelshed lies at the crossroads of the main north-south corridor, Interstate 5, and the primary link to Central Oregon and the coast, Highway 22. As a consequence, the area's highways handle a considerable amount of traffic that originates and is bound for destinations outside the Salem-Keizer area.

Funding gaps

Funding for the infrastructure and transportation services to accommodate the area's needs is inadequate. The recent increase in the cost of maintaining and constructing new infrastructure is exacerbated by the decrease in the purchasing power of the state and federal gas taxes due to inflation. In addition, infrastructure improvements are needed along Interestate 5 and Highway 22, as are improvements to corridors serving local needs. Funding adequate public transit services within the Salem-Keizer area poses a particular challenge: given the limited revenues available compared to the future needs of the Salem-Keizer area, bus and paratransit operations will quickly outstrip the resources available.

Looking ahead

Coordinating and implementing transit service between the cities and attractions in the Willamette Valley will also prove challenging. The Salem-Keizer area is currently using planning and corridor studies to help anticipate and plan for the future mobility needs in the area. The region's most visible planning study is the Salem Rivercrossing Environmental Impact Statement, conducted to determine the best travel option for crossing the Willamette River in Salem. Continued coordination between Salem-Keizer and its neighboring cities in assessing and prioritizing future transportation needs is crucial to advancing an efficient and successful transportation system.

The Oregon MPO Consortium

A metropolitan planning organization (MPO) is a transportation policy-making organization made up of representatives from local government and transportation authorities. Congress created MPOs in 1962, establishing them in urban areas with a population of more than 50,000. Oregon has six MPOs located in the Portland, Salem-Keizer, Eugene-Springfield, Rogue Valley greater Bend and Corvallis areas.

Congress created MPOs to:

- invest scarce transportation dollars appropriately
- create plans that reflect a shared regional vision
- examine investment alternatives
- facilitate collaboration of governments, interested parties and citizens.

To achieve these goals, the U.S. Department of Transportation helps fund the technical operation of MPOs, including the development of complex transportation models and gathering of travel data, and oversees consistency among MPOs through federal regulations. MPOs are required to demonstrate consistency annually.

MPOs also have a role in directly funding transportation projects through special grants from The United States Department of Transportation. Each MPO develops a program of transportation improvements using these funds, generally on a two- or four-year cycle. Because these funds are more flexible than Oregon's traditional gas tax, Oregon's MPOs have made creative use of these grants by targeting transportation dollars for urban revitalization, transit improvements, bicycle and pedestrian facilities and transportation-related environmental restoration projects.

Oregon's MPOs are also regulated by the state's Transportation Planning Rule, which looks to MPOs to create local planning consistency across cities and counties in urban areas.

In 2005, Oregon's six MPOs formed the Oregon MPO Consortium, a collaborative group that seeks to share knowledge and experiences on urban transportation and advance urban issues at the state and federal level.

Oregon Metropolitan Planning Organization Consortium
www.ompoc.org

Oregon MPO CONSORTIUM