Oregon's Economic Engines

ROGUE VALLEY REGION

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

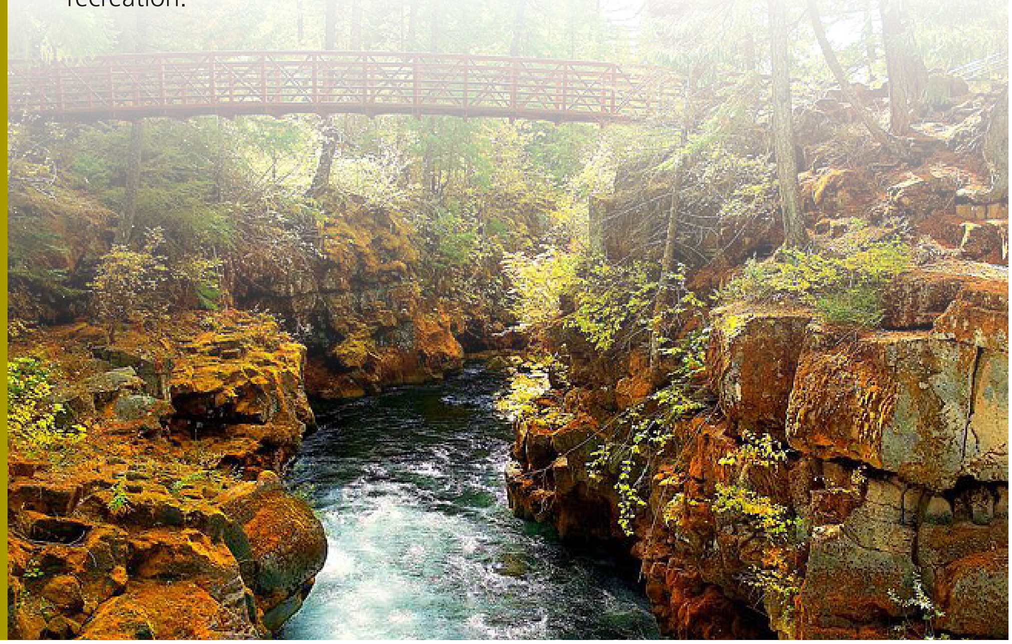
The Rogue Valley includes the cities of Medford, Ashland and Grants Pass and serves as the gateway to Oregon for travelers headed north from California along Interstate 5. The following is an overview of the Rogue Valley region and the issues that face this rapidly growing area.

Unique geography

The Rogue Valley region is distinguished from other regions in the state by its mild climate and proximity to California. Cradled in the foothills of the Siskiyou and Cascade mountains, the valley shares a border with California and lies equidistance between Portland and San Francisco.

The Rogue Valley is three distinct valleys with multiple microclimates, making it the most diverse of all the eco-regions in Oregon and well suited for producing its world renowned pears and other tree fruit.

The natural landscape provides a backdrop for recreational activities and tourism. Southwestern Oregon is home to both North America's deepest lake, Crater Lake, and to the Rogue River, one of only eight rivers in the United States designated as wild and scenic. The Rogue, with its grade-four rapids and year-round salmon population, is popular for whitewater rafting, fishing, wilderness camping and recreation.



Employment and economy

Residents of Jackson County average higher levels of education than those in Josephine County, but unemployment rates in both counties are higher than in many other areas of Oregon. Jackson County, the larger of the two counties and encompassing Ashland and Medford, has a higher median income than Josephine County. Both counties, however, report incomes below the state average.

The region is known for a variety of vegetables, including corn, squash, garlic, tree fruits and potatoes as well as beef cattle. This agricultural base has spurred new developments in the regional economy. Jackson County has more than 10,000 acres of orchards that increasingly are being converted to vineyards. Wine grape production has burgeoned across the region since the mid-1990s and the number of vineyards and wineries in the area more than doubled from 1996 to 2005.

The tourism industry, built on the region's recreational opportunities and historic amenities, such as Ashland's Shakespeare Festival and Jacksonville's Britt Festivals, posted the largest gain in jobs of any published sector in the state from 2006 to 2007.

The top three private sector industries providing employment are trade, educational and health services, and leisure and hospitality. The trade, manufacturing, construction and natural resources sectors saw employment decrease from 2007 to 2008. That downturn has been offset by the recent expansion of the retirement sector, which has helped boost employment. The region's health care industry is bolstered by the presence of two regional hospitals, smaller local hospitals and several clinics, which together provide care to a region that extends across Southern Oregon and Northern California. Reflecting this diverse economic base, the area's top employers include the two regional hospitals, a gourmet foods producer, and two wood product companies. The population of Southwestern Oregon is expected to see an influx of retirees attracted by the mild climate and plentiful medical services. Accordingly, the industries that are expected to add the most jobs are health care and social assistance, retail trade, professional and business services, and accommodations and food services.

Local history

Development in the Rogue Valley region began in the mid-1800s with the discovery of gold. The California gold rush of 1848 brought prospectors within proximity of Southern Oregon. By 1851 gold had been discovered in the Rogue and Illinois river valleys. Gold miners were soon followed by farmers attracted by the fertile soil and exceptional growing conditions. As a result, the small mining communities, such as Jacksonville and Waldo, developed into population centers.

By the late 1860s, the initial gold boom had subsided, and miners were replaced by merchants and farmers. The shape of the communities in the region was forever changed by the arrival of the Oregon and California Railroad in the late 1800s. Medford in particular owes its origins as the largest population center in the area to O&C raliroad's decision to bypass Jacksonville and run its line south from Portland through the center of the Bear Creek Valley.

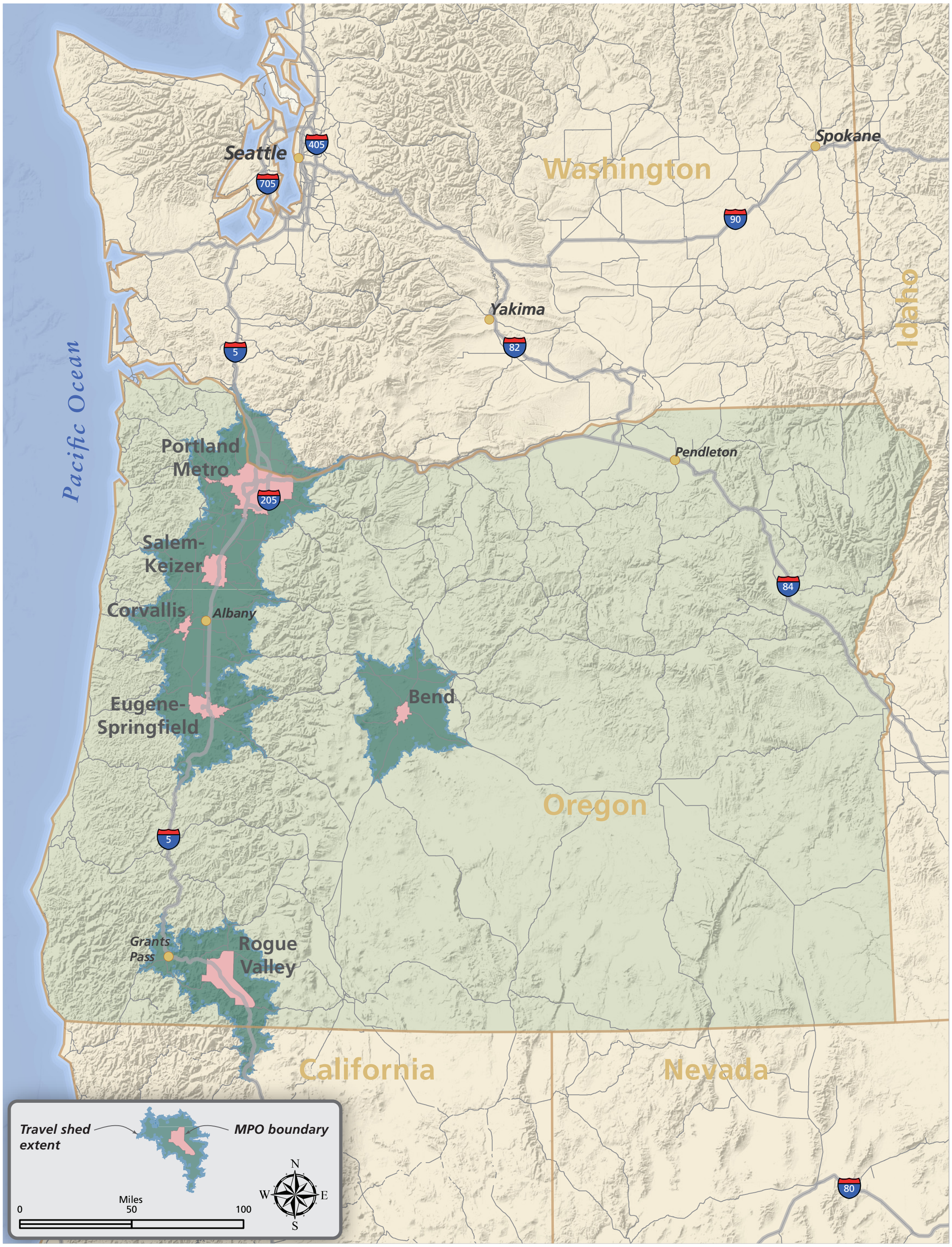
With Medford as a depot for the O&C railroad, the town grew rapidly as a major shipping center for timber and other goods. The timber industry in Southwest Oregon got a boost from the demand for lumber after World War II. In the 1980s, a statewide slowdown of the industry prompted cities like Jacksonville and Ashland to support an economy based on historic resources and the arts.

Transportation fact

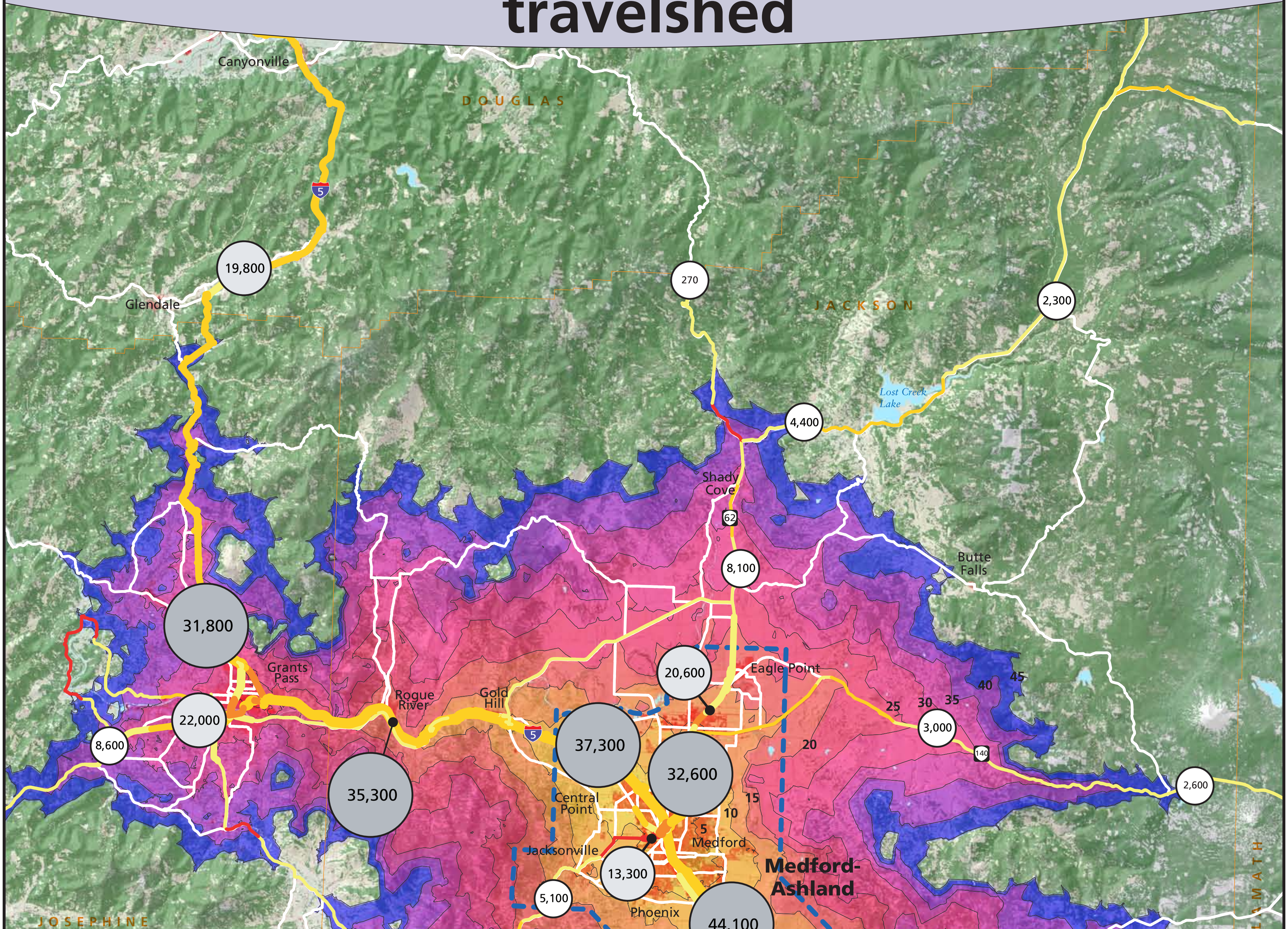
Located along the Interstate 5 corridor between the large metropolitan centers of Oregon and California, the Rogue Valley region is well situated for tourism and agricultural trade, two of its defining industries.

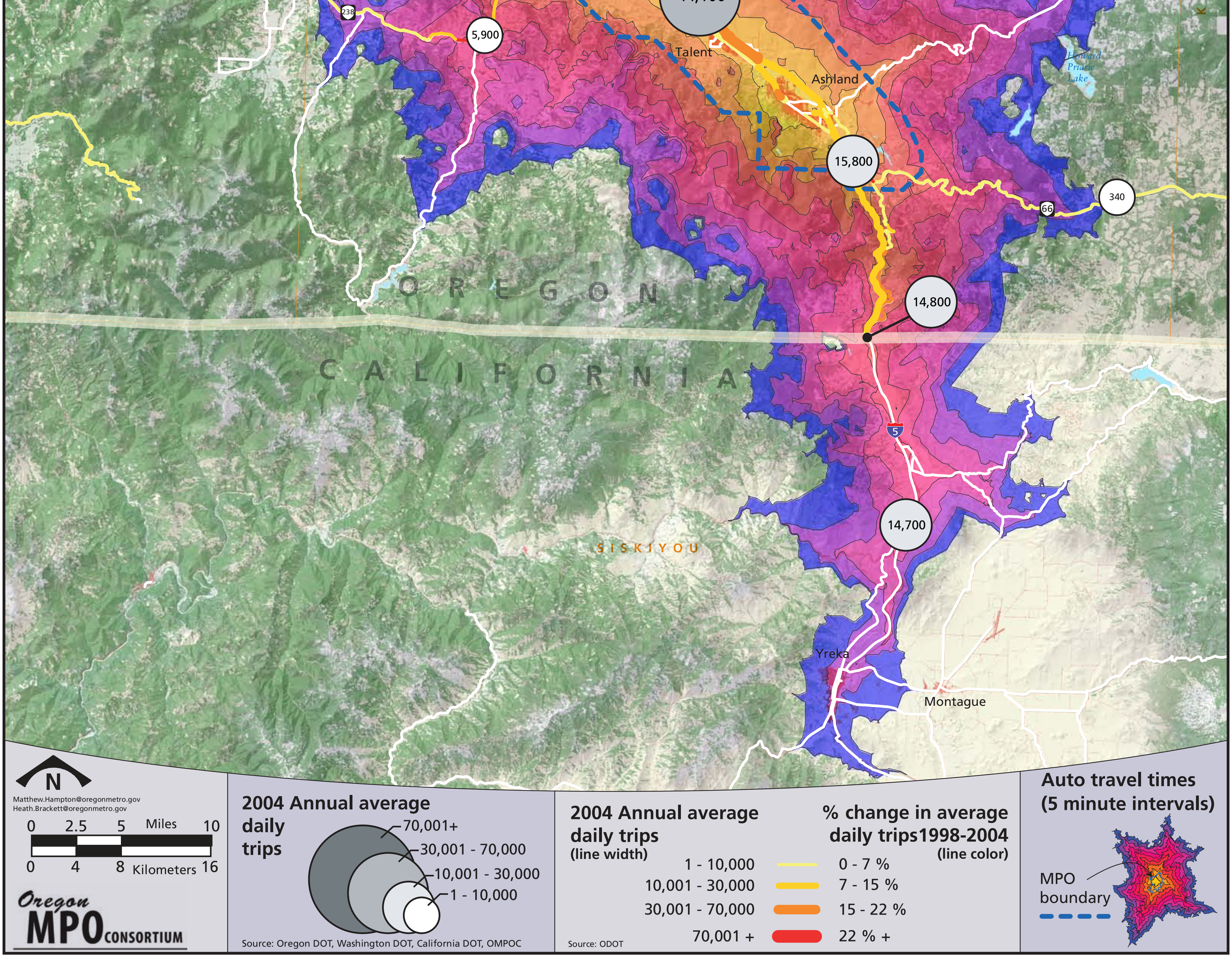
45-minute travelshed

Overview of Oregon's MPOs and their travelsheds



Traffic volume and the 45-minute travelshed




5,900
Talent
Ashland
15,800
340
66
Howard Prairie Lake
OREGON
CALIFORNIA
14,800
5
14,700
SISKIYOU
Yreka
Montague
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

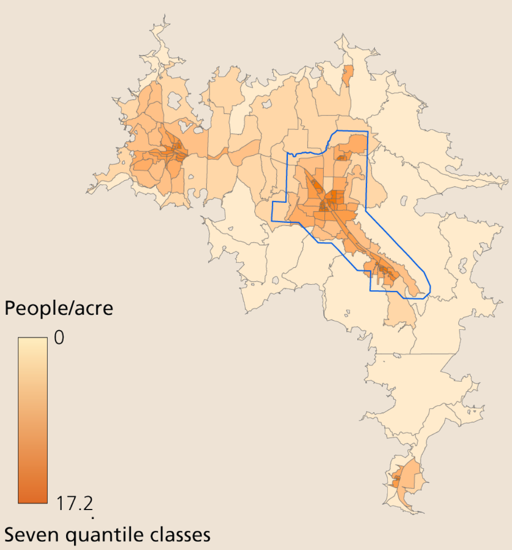
A look inside the **45**-minute travelshed

The Rogue Valley region is a large and diverse community consisting of Jackson and Josephine counties. With a combined population of roughly 280,000, the counties share a similar profile that informs the character of the region.

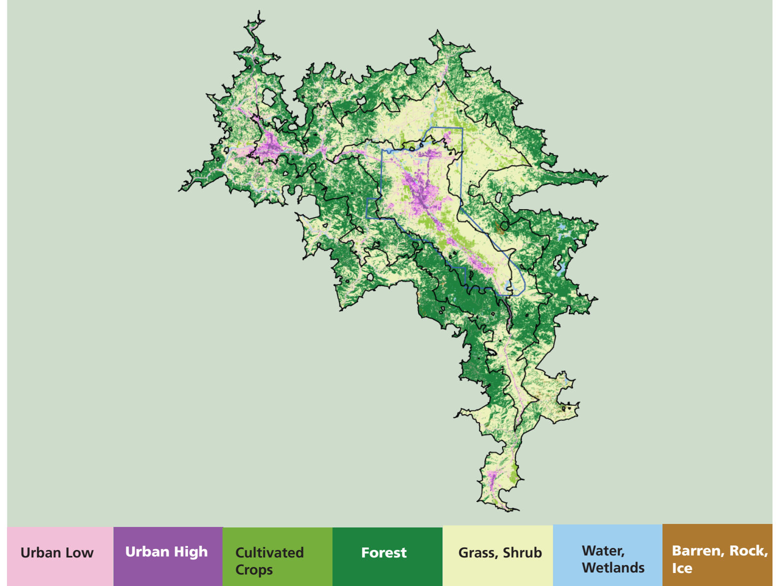
Jacksonville and Josephine counties' median ages of 39 and 43, respectively, are both higher than the state average of 36.8. Josephine County ranks third in the state for percent of population 65 years and older. Both counties have high percentages of white residents; African American, Asian and American Indian population percentages are relatively small. Hispanics in both counties are a growing ethnic group.

- 61.4 percent of the population within the travelshed resides within the MPO boundary.
- 37.9 percent of the urbanized land within the travelshed lies within the MPO boundary.
- 51.9 percent of the farmland within the travelshed lies within the MPO boundary.
- From 2000 to 2005, the 55-64 age group was the fastest-growing segment of the Rogue Valley's population.

Population density

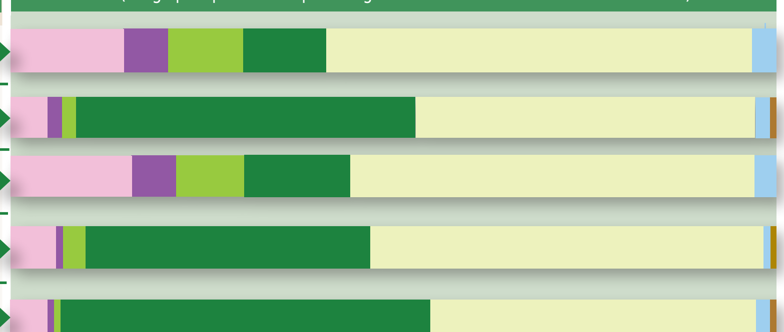


Land cover



	Population	Density (pop/acre)	Total acres
Inside MPO	145,162	0.86	168,445
Outside MPO	91,438	0.09	981,278
Within 15 minutes of city	142,179	0.86	165,372
15-30 minutes from city	51,455	0.13	391,246
30-45 minutes from city	43,456	0.07	593,105

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

Major issues and challenges

Transportation needs

The Rogue Valley region strives to accommodate urban growth while preserving the rural farms and scenic open spaces that have drawn residents and visitors for decades. Spearheaded by the Rogue Valley's Regional Problem Solving project, there are ongoing efforts to shape urban growth in ways that preserve each city's unique characteristics, including their physical separation through preservation of rural countryside. The region's development pattern of small cities interspersed with farms is the underpinning for the region's travel patterns. Residents of the Rogue Valley area meet their needs for housing, employment, education, services and recreation by moving among the region's small cities. The challenge now facing the Rogue Valley Metropolitan Planning Organization (MPO) is to identify and develop a regional transportation system that fulfills expectations for service, supports commerce and contributes to a style of living that offers both urban and rural amenities.

While Medford and Grants Pass are the centers for regional services and employment, people travel outside these areas to homes, work and services. As a result, regional travel demand extends beyond a narrowly drawn urban area. The way the public defines regional travel, as demonstrated through travelshed analysis, reflects a much larger area than census population data indicates. In this context, it is important to develop a planning process that is responsive to the region's travel needs and realistically assesses regional travel demand and behavior.

Funding gaps

The Rogue Valley MPO is pursuing a strategy that addresses specific regional transportation needs, including the accommodation of freight, the development of new regional connectors and improvement of the region's mass transit. As Oregon's principal southern freight center, the Rogue Valley transportation network must accommodate one of the state's higher concentrations of truck traffic. The current cutback and threatened loss of rail service through the region puts a greater burden on an already challenged highway system, and poses prohibitive cost increases to important industry sectors.

The Rogue Valley region strives to prolong the life of ageing networks, such as Interstate 5, which are reaching capacity, and to develop new regional routes that link growing urban areas. As the region recognizes the critical role that transit can play in moving people, it must identify a financially feasible service that can realistically replace the automobile for a significant share of regional travel. The region must continue to build on investments such as the 21-mile Bear Creek Greenway multi-use path. However, to be successful in this endeavor, the effort must go beyond identifying projects to developing full-fledged alternative networks.

Looking ahead

In the face of these challenges, the Rogue Valley region has begun a coordinated effort to achieve a more efficient transportation system. Focusing on the impact of transportation capacity on economic competencies, the region has joined neighboring counties in the state-sponsored Southwest Economic Transportation Team. This public-private partnership is examining job creation, expansion and retention through the strategic investment of limited transportation resources.

One challenge for the Rogue Valley MPO is that transportation decisions are only part of the picture of decision-making at the regional level. No corollary body or process is addressing regional land use. The Rogue Valley MPO coordinates with jurisdiction-level planning, but the absence of a regional partner and a clearly defined regional land use responsibility limits its impact on transportation related issues.

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.

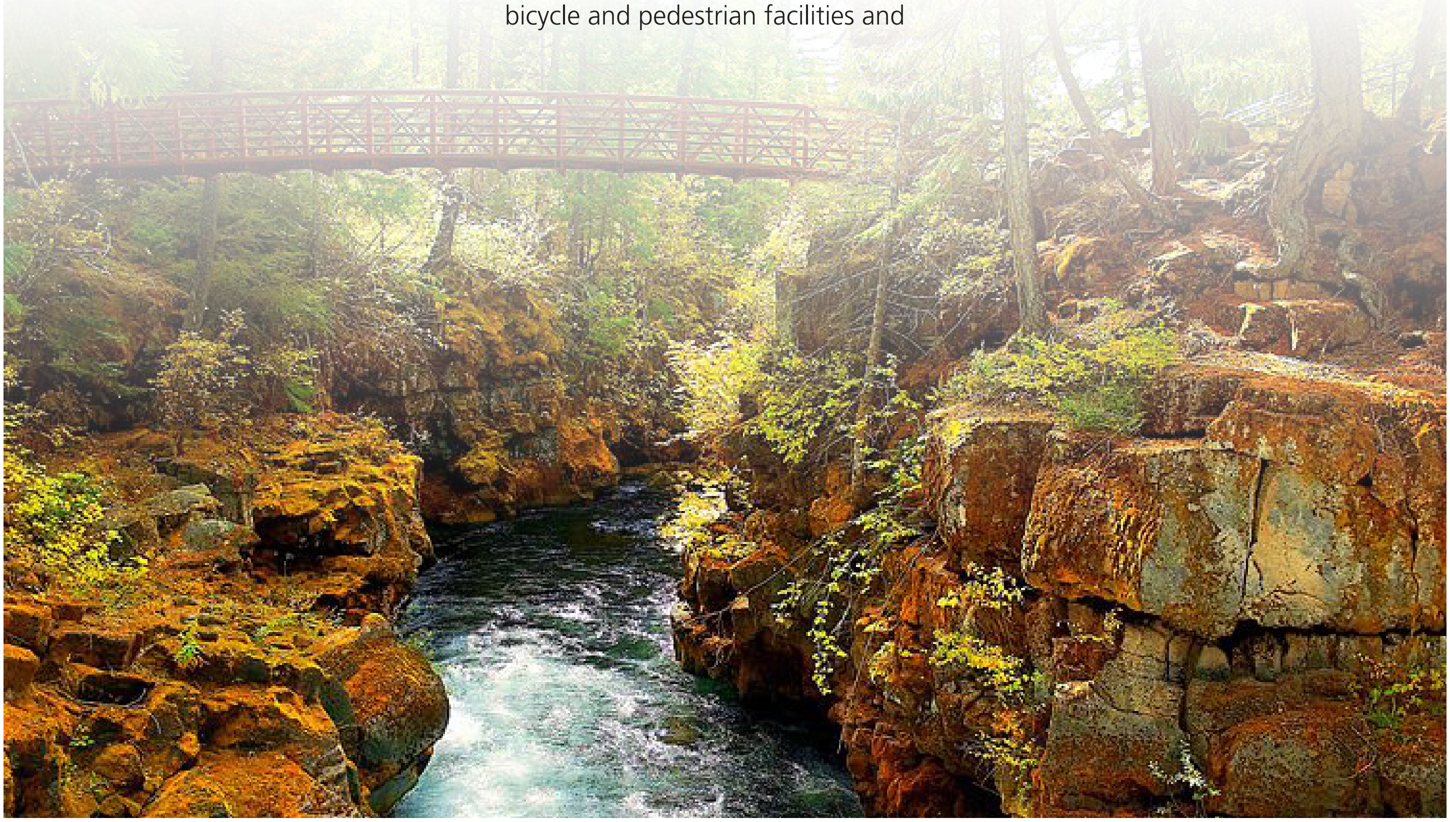
MPOs also have a role in directly funding transportation projects through special grants from The United States Department of Transportation. Each MPO develops a program of transportation improvements using these funds, generally on a two- or four-year cycle. Because these funds are more flexible than 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



08518 MPO January 2009_Printed on recycled content paper