
Springfield UGB Planning:
Stakeholder Committee Meeting #2
Economic Trends

Presented by:

ECONorthwest

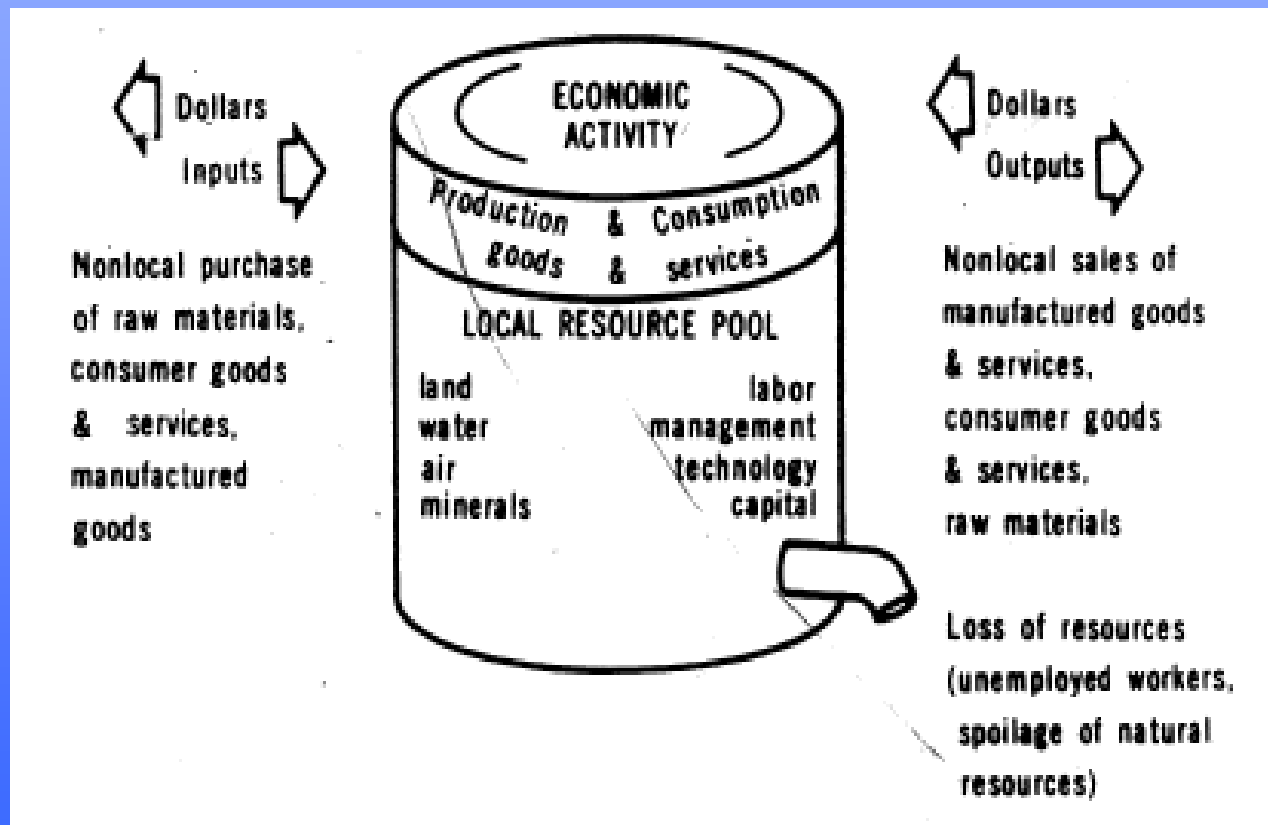
May 22, 2008

Discussion Overview

- Economic trends
- Survey results
- Discussion
 - Assumptions and Implications
 - Economic Development Strategy for Springfield

Context for Economic Development

A Local Economic Model



Economic Base Theory

- **Basic economic activities**
 - These activities produce goods or services which are "exported" outside the local economy. This brings revenue into the economy from external sources. Sometimes these are called "city-forming" economic activities.
- **Non-basic economic activities**
 - These activities produce goods or services for local consumption. They help recirculate money within the local economy. Sometimes these are called "city-serving" economic activities.
- **Multiplier effects**
 - **Economic multiplier:** An increase in basic economic activities brings new basic jobs and also may spur new jobs in the non-basic sector by increasing local demand for good and services.
 - **Population multiplier:** New jobs in either the basic or non-basic sector brings more people to the area, the new jobholders and their families.

Economic Trends Affecting Springfield's Future

Springfield: Some Quick Comparisons from 2000

Variable	Springfield	Lane County	US
Avg. HH size	2.54	2.42	2.59
Education			
High School Grad	81%	88%	80%
Bachelor's Degree	14%	26%	24%
In labor force	68.1%	64.3%	63.9%
Income			
Median HH	\$33,031	\$36,942	\$41,994
Median Family	\$38,399	\$45,111	\$50,046
Per capita	\$15,616	\$19,681	\$21,587
Owner-occ housing	53.6%	62.3%	66.2%
Median home value	\$117,500	\$141,000	\$119,600
Avg Age	32.1	36.6	35.3

Source: American Community Survey, 2000

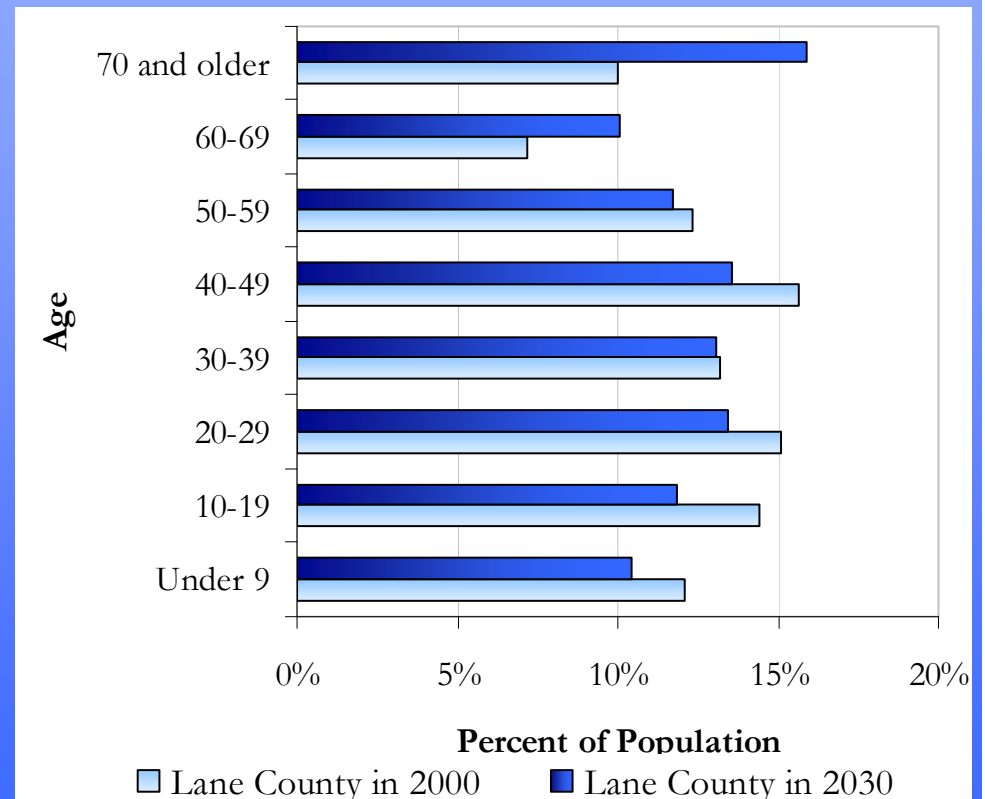
Population is growing

- Springfield population growth 1990-2007
 - More than 12,600 people
 - 21% of Lane County's growth

Area	Population			Change 1990 to 2007		
	1990	2000	2007	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	301,621,157	52,911,284	21%	1.1%
Oregon	2,842,321	3,421,399	3,745,455	903,134	32%	1.6%
Willamette Valley	1,962,816	2,380,606	2,602,790	639,974	33%	1.7%
Lane County	282,912	322,959	343,140	60,228	21%	1.1%
Springfield	44,683	52,864	57,320	12,637	28%	1.5%
Eugene	112,669	137,893	153,690	41,021	36%	1.8%

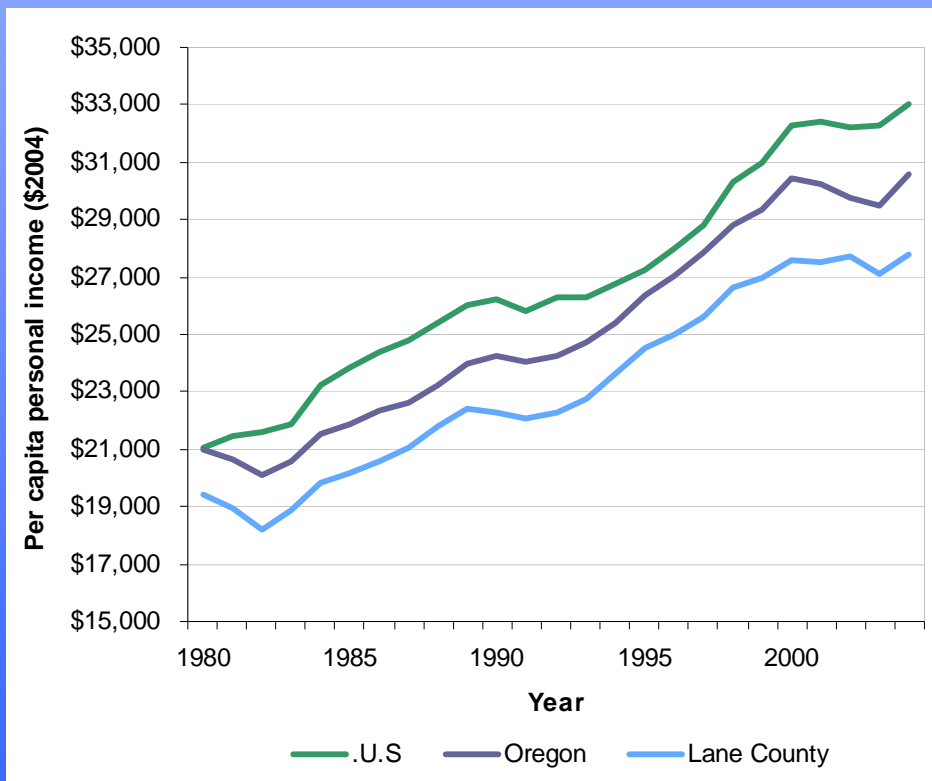
Population is aging

- Springfield had more younger people in 2000
- 45-64 years was the fastest growing group during the 1990's
- Lane County will have more people 60 + years
 - 17% of County in 2000
 - 26% of County by 2030

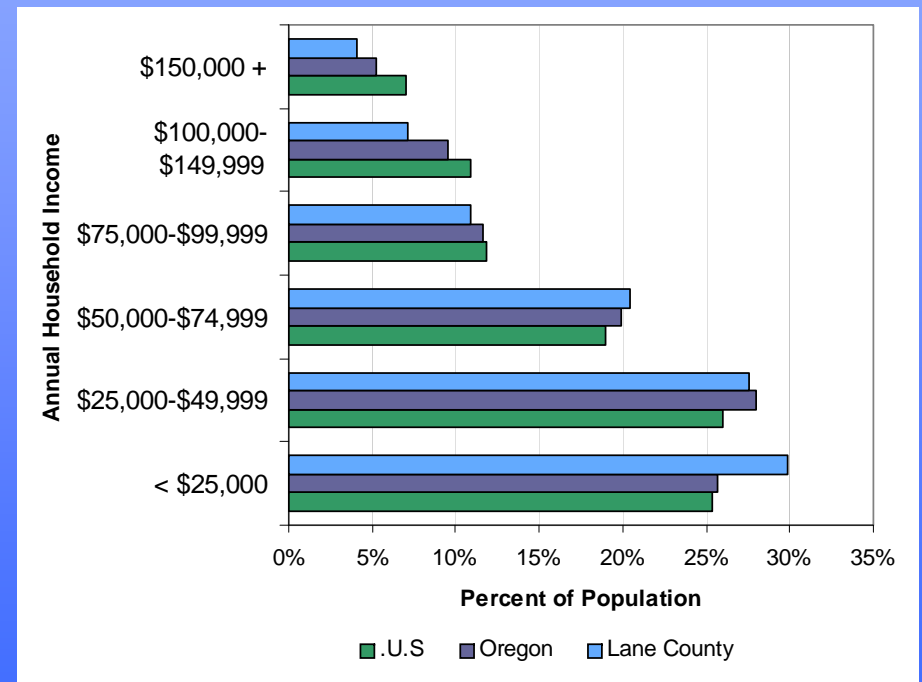


Lane County has lower average income

Per Capita Income, 1980-2004



Household Income, 2006



Source: U.S. Census, American Community Survey

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Springfield's income is similar to Lane County's

- Average annual wage in 2006
 - Springfield: \$33,000
 - Lane County: \$33,240
 - Oregon: \$38,070
- Median household income in 1999
 - Springfield: \$33,031
 - Lane County: \$36,942
 - Oregon: \$40,916

Workers are willing to commute

- 81% of **residents** of Springfield **worked** in Lane County
 - Springfield: 25%
 - Eugene: 40%
- 79% of **workers** in Springfield **lived** in Lane County
 - Springfield: 29%
 - Eugene: 23%

Services dominate employment

Sector/Industry	Establishments	Employment	% of Emp	Total Payroll	Average Pay per Emp.
Natural Resources & Mining	235	1,999	1.3%	\$64,371,180	\$32,202
Construction	1,211	7,928	5.3%	\$313,457,743	\$39,538
Manufacturing	608	20,163	13.5%	\$803,364,749	\$39,844
Wholesale	573	5,909	4.0%	\$259,537,158	\$43,922
Retail	1,263	19,598	13.2%	\$469,147,772	\$23,939
Transportation, Warehousing & Utilities	284	3,131	2.1%	\$113,895,644	\$36,377
Information	171	3,676	2.5%	\$178,496,041	\$48,557
Finance & Insurance	587	4,333	2.9%	\$208,263,423	\$48,064
Real Estate Rental & Leasing	558	2,605	1.8%	\$64,123,885	\$24,616
Professional, Scientific & Technical Svcs	1,000	5,819	3.9%	\$234,502,252	\$40,299
Management of Companies	86	1,853	1.2%	\$118,316,713	\$63,851
Admin. & Support and Waste Mgmt	460	8,936	6.0%	\$179,848,032	\$20,126
Private Education	137	1,342	0.9%	\$29,304,340	\$21,836
Health & Social Assistance	924	18,057	12.1%	\$702,397,442	\$38,899
Arts, Entertainment & Recreation	157	2,105	1.4%	\$28,841,897	\$13,702
Accomodations & Food Services	834	12,118	8.1%	\$161,031,140	\$13,289
Other Services	1,315	5,591	3.8%	\$117,493,228	\$21,015
Private Non-Classified	26	30	0.0%	\$1,024,352	\$34,145
Government	326	23,659	15.9%	\$900,350,745	\$38,055
Total	10,751	148,850		\$4,947,767,736	\$33,240

Source: Oregon Employment Department

Services show payroll variation

Sector/Industry	Establishments	Employment	Total Payroll	Average Pay per Emp.
Finance & Insurance	587	4,333	\$208,263,423	\$48,064
Credit intermediation and related activities	252	2,366	\$101,920,661	\$43,077
Insurance carriers and related activitie	230	1,551	\$76,104,520	\$49,068
Real Estate Rental & Leasing	558	2,605	\$64,123,885	\$24,616
Professional, Scientific & Technical Svcs	1,000	5,819	\$234,502,252	\$40,299
Management of Companies	86	1,853	\$118,316,713	\$63,851
Admin. & Support and Waste Mgmt	460	8,936	\$179,848,032	\$20,126
Private Education	137	1,342	\$29,304,340	\$21,836
Health & Social Assistance	924	18,057	\$702,397,442	\$38,899
Ambulatory health care services	576	6,132	\$316,892,689	\$51,679
Nursing and residential care facilities	177	3,682	\$77,773,826	\$21,123
Arts, Entertainment & Recreation	157	2,105	\$28,841,897	\$13,702
Accomodations & Food Services	834	12,118	\$161,031,140	\$13,289
Accommodation	100	1,426	\$22,241,774	\$15,597
Food services and drinking places	734	10,692	\$138,789,366	\$12,981
Other Services	1,315	5,591	\$117,493,228	\$21,015
Repair and maintenance	309	1,508	\$46,945,984	\$31,131
Membership associations and organization	437	2,286	\$40,915,339	\$17,898

Retail tends to pay less

- Retail jobs pay \$10,000 less than the County average
- Not all retail sectors are low-paying

Sector/Industry	Establishments	Employment	Total Payroll	Average Pay per Emp.
Retail	1,263	19,598	\$469,147,772	\$23,939
Motor vehicle and parts dealers	154	2,983	\$114,980,604	\$38,545
Building material and garden supply stores	84	1,765	\$49,025,166	\$27,776
Food and beverage stores	201	3,922	\$80,003,560	\$20,399
General merchandise stores	62	4,085	\$87,177,911	\$21,341
Miscellaneous store retailers	180	1,481	\$29,159,321	\$19,689

Manufacturing is a strength

- County-wide clusters in wood products and transportation (RVs)
- Higher than average payroll

Sector/Industry	Establishments	Employment	Total Payroll	Average Pay per Emp.
Manufacturing	608	20,163	\$803,364,749	\$39,844
Wood product manufacturing	77	4,717	\$195,248,095	\$41,392
Machinery manufacturing	56	1,796	\$82,575,006	\$45,977
Computer and electronic product manufact	16	1,861	\$101,853,344	\$54,730
Transportation equipment manufacturing	32	4,359	\$135,038,139	\$30,979

Agriculture and forestry are important to Lane County's economy

- Agriculture resulted in \$139 million in gross sales in 2007
 - Nursery and greenhouse
 - Fruits, tree nuts, and berries
 - Milk and dairy products
 - Poultry and eggs
- Forestry and logging accounted for \$34.6 million in payroll in 2006
 - About 15% of timber harvested in Western Oregon
 - 485.5 million board feet in 2000
 - 594.4 million board feet in 2006

Springfield's employment is dominated by service sectors

- Springfield had 1,819 firms with 27,310 employees in 2006
 - Retail: 3,632 employees
 - Government: 3,535
 - Health Care & Social Assistance: 3,069
 - Manufacturing: 2,714
 - Administrative Services: 2,460
 - Accommodation & Food Services: 2,453

Employers by Size, Springfield 2006

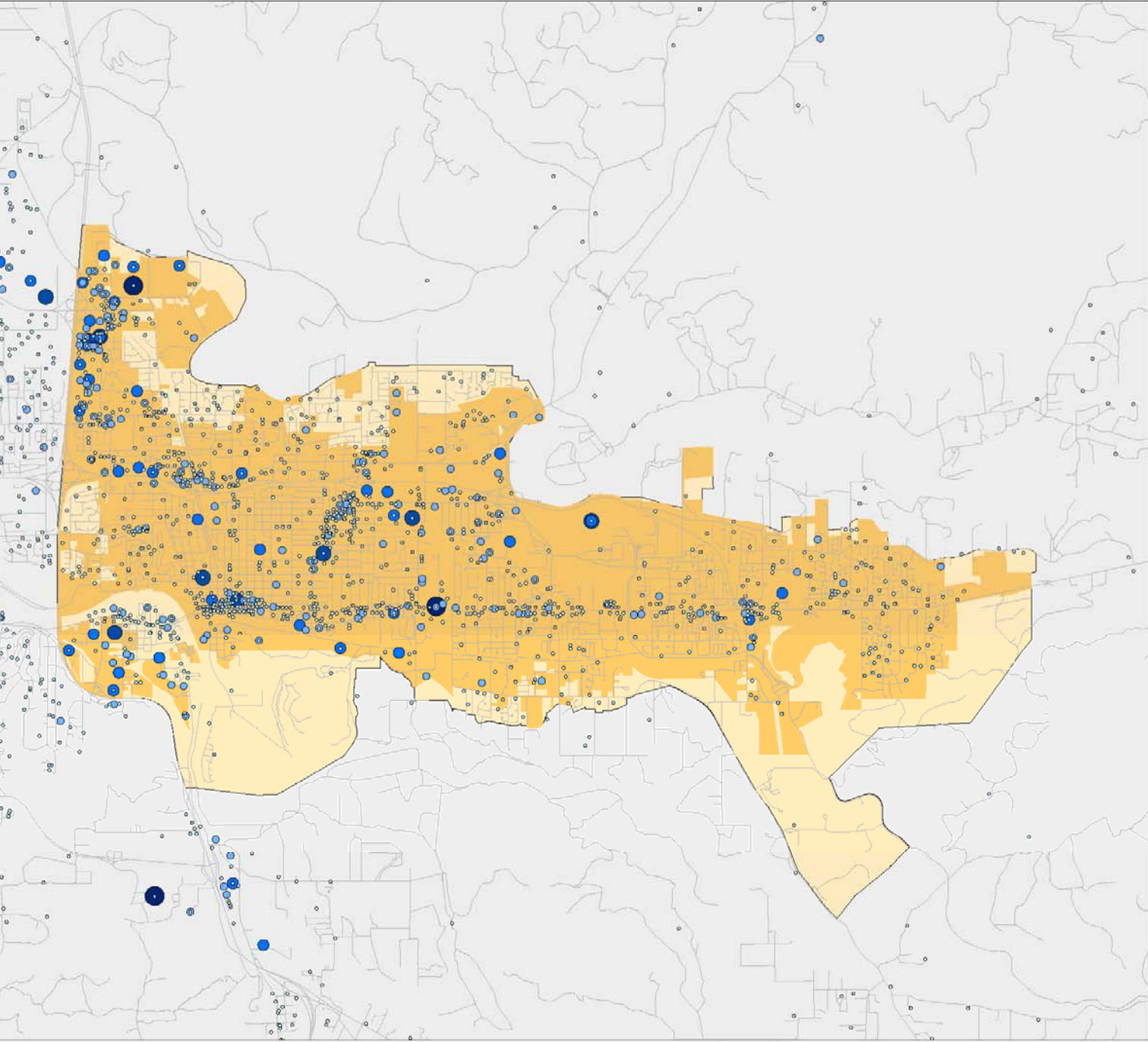
City of Springfield Oregon

Legend

- City Limits
- Urban Growth Boundary

2006 Employment

- 0 - 25
- 26 - 100
- 101 - 300
- 301 - 1000
- 1001 - 5000



Employers by Size, and Type Springfield 2006 City of Springfield Oregon

Legend

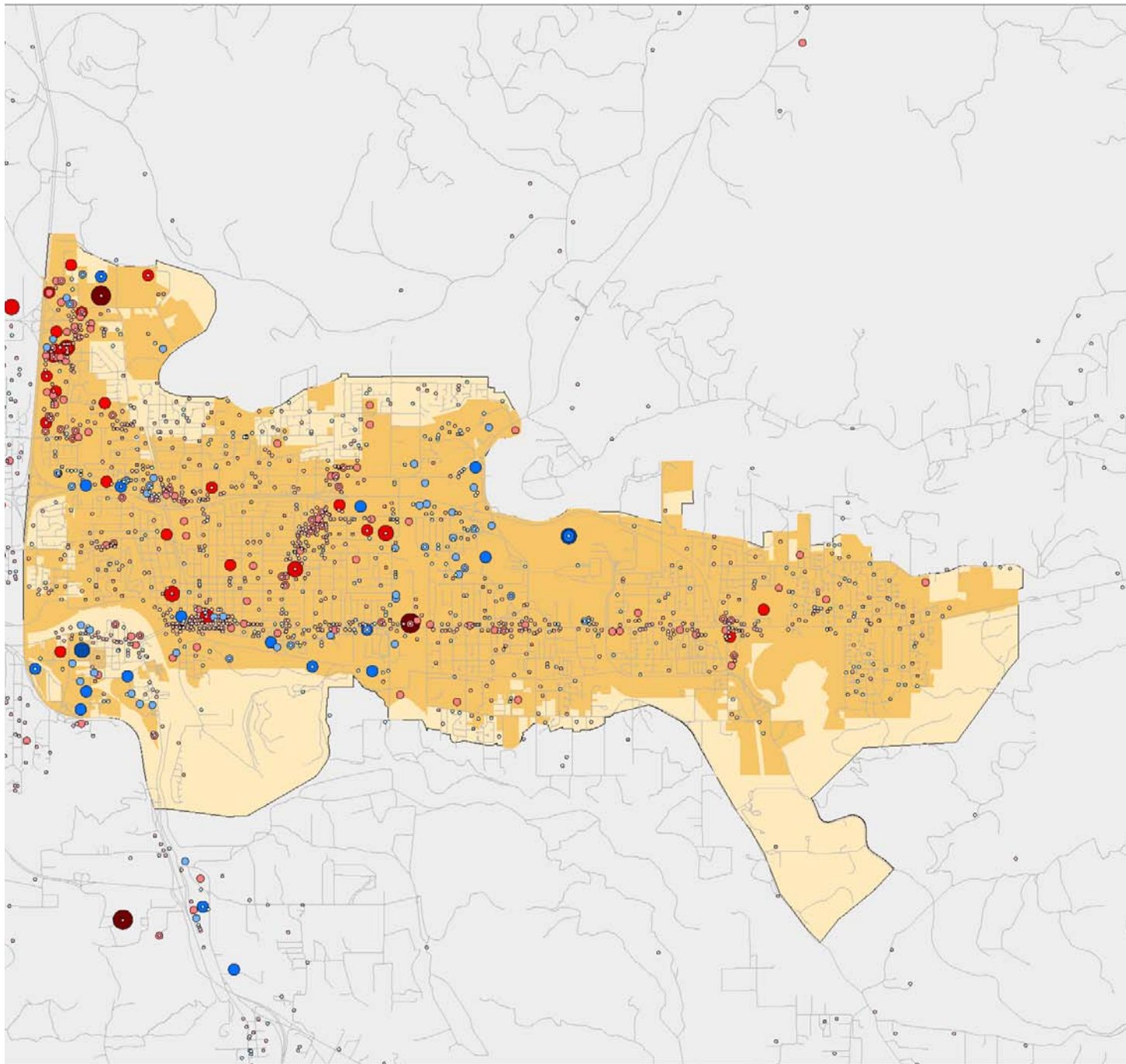
- City Limits
- Urban Growth Boundary

Industrial

- 0 - 25
- 26 - 100
- 101 - 300
- 301 - 1000
- 1001 - 5000

Other

- 0 - 25
- 26 - 100
- 101 - 300
- 301 - 1000
- 1001 - 5000



ECONorthwest, April 2008



Services will account for most employment growth in Lane County

The State forecasts that the County's employment will grow by 22,700 jobs between 2006-2016

- Service sectors: 71% or 16,200 jobs
 - Health care: 22% or 5,100 jobs
 - Profession services: 13% or 3,000 jobs
- Government: 16% or 3,600 jobs
- Manufacturing: 13% or 2,900 jobs

Implications for Springfield

- Springfield is part of a regional economy
- Springfield has access to workers from across the Eugene-Springfield region
- Aging of the population will result in increases in retirements
 - Greater retirements will require more replacement workers
 - Retirements may be off-set by people remaining in the workforce longer

More implications

- Lower regional income and availability of trained workforce may attract back-office functions or call centers
- Services are likely to account for the majority of business growth in Springfield
 - Population growth may lead to increase in demand for some goods and services
 - Manufacturing employment may grow but not substantially

More implications

- High quality natural resources will continue to be important
 - Agriculture and forestry will continue to be important in the regional economy
 - Natural resources will be important for access to recreation and maintaining environmental quality

Factors Affecting Economic Development in Springfield

Quality and availability of labor

- Quality and availability of labor will be important
 - Aging workforce may have mixed impact on the availability and quality of the workforce
 - Availability of skilled, educated labor is key
 - Productivity increases could off-set labor needs

Increased energy prices

- Possible affects of energy price increases are difficult to predict
 - Short-term: change in discretionary driving, use of alternative fuels and transportation methods
 - Long-term: relocating from outlying areas to more urban areas and/or change in commuting patterns

Global climate change

- The impact of global climate change on the Eugene-Springfield region is difficult to predict
 - Increasing frequency and intensity of floods and droughts
 - Changes in the global economy that change demand for particular products

Other trends

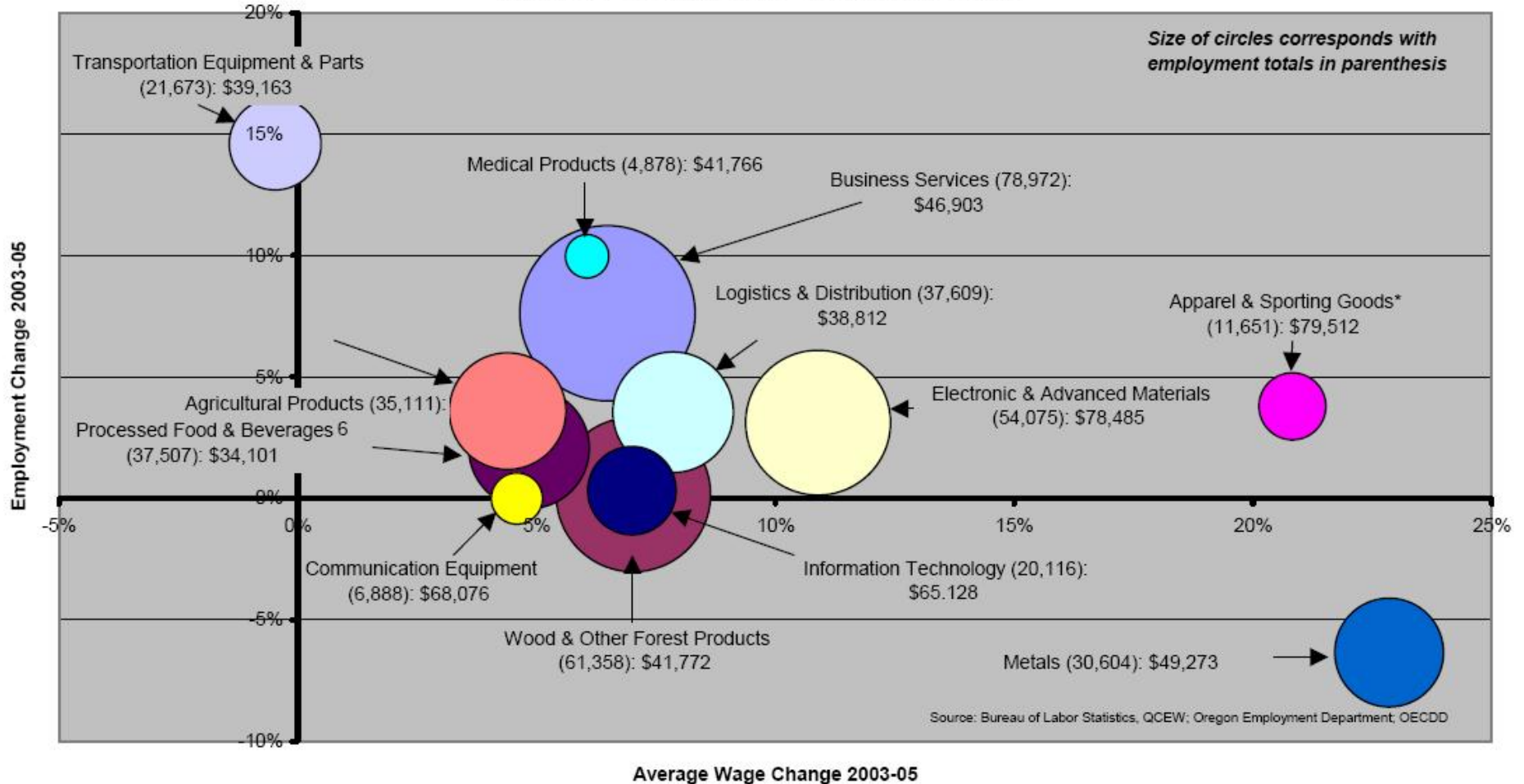
- Outsourcing has brought back-office functions and call centers to the Region
- High-quality natural resources will continue to contribute to quality of life
- Globalization may continue to have mixed impacts
 - Opportunities for export of specialty products
 - Outsourcing of manufacturing and some services

Areas for Potential Growth

Oregon's Clusters

Figure 1

Oregon's Statewide Traded Clusters



Lane County's clusters are similar to Oregon's clusters

Larger Clusters

- Communication Equipment
- Information Technology (Software)
- Metals (Wholesalers)
- Processed Food and Beverage
- Wood & Forest Products
- Transportation Equipment

Smaller Clusters

- Agricultural Products
- Business Services
- Electronic & Advanced Materials (Semiconductors)
- Logistics & Distribution
- Medical Products

Service sectors have growth potential in Springfield

- Sectors with most growth potential
 - Health and Social Assistance
 - Administrative and Support and Waste Management Services
 - Construction
 - Accommodations and Food Services

Survey Results

Springfield is doing well

- Springfield is...
 - A better place to live than it was 10 years ago
 - Growing at the right rate
- Springfield should accommodate and manage growth
- Density is about right
 - Residential density is about right
 - Increasing commercial and industrial density may be supported

Housing and jobs are areas of concern

- Respondents are concerned about availability of affordable housing and housing costs
- Respondents are concerned about availability of family wage jobs

Environmental quality is a key concern

- Respondents are concerned about
 - Preserving farmland, open space, hills, and views
 - Development in floodplains and steep slopes
 - Maintaining environmental quality

Quality of life is important

- Respondents are concerned about other quality of life issues
 - Recreational opportunities
 - Public safety
 - Pedestrian and bicyclist safety
 - Road system
 - Shopping opportunities
 - Good governance

Developing Policies

- Respondents may support policies that...
 - Encourage infill and redevelopment
 - Encourage redevelopment in Downtown and Glenwood
 - Maintain environmental quality
 - Help existing businesses
 - Result in a UGB expansion (under some circumstances)

Discussion: Economic Development Strategy in Springfield

Assumptions about future growth in Springfield

- Job growth will continue in Springfield
- Springfield wants to be a “complete community”
- Springfield will continue to function within the regional economy
- The ratio of types of employment growth in Springfield will be similar to the regional forecast
 - 70% services
 - 10% government
 - 20% manufacturing

More Assumptions

- The City wants to...
 - Attract higher wage jobs
 - Diversify the economy
 - Provide a sufficient number of sites for long-term and short-term needs
 - Make strategic infrastructure investments to accommodate growth
- Springfield will not have funds to provide major subsidies to attract firms

Questions for Discussion

- Are these assumptions reasonable?
- Have we missed any important assumptions?
- What are the implications of these assumptions for possible economic growth in Springfield?
- Are there other important influences of the key trends?

Next steps

Upcoming Meetings

- Planning Commission and City Council work sessions
 - June 9: Economic trends and survey and workshop results
 - June 22: Buildable lands inventory
- Next stakeholder meeting: **June 26**

Future Steering Committee Meetings

- June: More discussion about EOA and draft buildable lands inventory
- July: Review draft EOA and Economic Development Strategy
- August: Summer Recess
- September: Initiate discussions on community development concepts
- October: Initial review of potential UGB expansion areas