

CHAPTER SIX

JACKSONVILLE'S ECONOMIC ELEMENT

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Economic Development Vision and Goal

Vision

The following statement was developed by the citizens of Jacksonville during the 2008 visioning process, Jacksonville Vision 2028, and serves as the basis for this chapter:

“We value unique, individual, quality businesses, which reinforce Jacksonville’s image and feel and are in harmony with Jacksonville’s status as a National Historic Landmark District. We value a thriving, diverse economic base fostered by a proactive city government and Jacksonville’s citizens. We value Jacksonville as one of the prime venues in the Pacific Northwest for cultural and performing arts events. We value strong, cooperative partnerships with Britt Festivals, the Southern Oregon Historical Society, our regional wine and artisan food industry and similar entities that ensure that Jacksonville is a year round destination for local residents and visitors alike.”

Goal

To provide for and enhance the economic viability and vitality of the City of Jacksonville by making provisions for expanding and diversifying its economic base while preserving Jacksonville’s National Historic Landmark designation. This may be achieved by promoting Jacksonville as a year round destination while enhancing the community’s unique historical character, cultural attractions, and livability for City residents.

Introduction

Jacksonville’s economic history started with the discovery of gold. By the summer of 1852, more than 1,000 men were engaged in mining in the Jacksonville area. In addition to mining, agriculture and lumber production were important industries. The boom town matured into a regional commerce and agricultural center, all the while presiding as the County Seat. Jacksonville in the late 1800's enjoyed a full period of prosperity as the "Queen City of Southern Oregon."

As history so often shows us, this could not last forever; the eventual cyclic decline that was bound to occur had its seeds planted in the 1880s when the railroad lines bypassed Jacksonville for a route through the center of the Bear Creek Valley. Merchants in the City could not compete with those having convenient railroad access, and most moved to the new community of Medford. In 1927, the County seat was moved to Medford, further depressing the Jacksonville economy. An extended period of economic depression ensued. In this decline, however, the seeds of the next period of prosperity were planted. Because Jacksonville's old structures were not removed to make way for continuing economic modernization, they were boarded up and frozen in time by the neglect that bad times brought.

In the 1950s, the historic value of Jacksonville was recognized, and tourism began to emerge as the new economic lifeblood of the community. Designation of the City as a National Historic Landmark in 1966 clearly established Jacksonville as a destination of great historical significance. This tourism base has been expanding ever since and remains today as the City's largest economic reality, opportunity, and one of the greatest sources of problems, such as traffic congestion.

As history has shown, an economic downturn will eventually occur, and the City needs to prepare itself to soften the blow by solidifying its current strengths and diversifying its economic bases.

This plan must attempt to guide the tourism industry and the City's historic character in addition to other appropriate industries that will be blended with the needs of the overall community.

The Planning Process

Jacksonville desires to maintain a balance between the quality of life that its citizens now enjoy with a strong local economy. This Comprehensive Plan element is intended to guide City government with land use decisions that influence commercial and industrial development. To comply with statewide planning requirements, this plan was developed in accordance with the provisions of Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in the technical appendix used as the factual basis for this chapter is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

The City is responsible for keeping Jacksonville an attractive place to do business while maintaining its physical assets and preserving its historic character. The City is also responsible for creating an appropriate framework for economic development. This includes zoning updates when an identified need for additional commercial land is recognized and the development of reserve areas to meet future needs. In addition, the City may adopt appropriate disincentives or promotional policies. These policy decisions need to be made with citizens and business interests to insure that the economic development needs of Jacksonville are met now and in the future.

The information in this chapter is based upon the *Vision 2028* economic vision statement and outline and is supported by information in the City of Jacksonville's *Economic Opportunities Analysis* (EOA), which is attached to this document as **Appendix A**.

National, State, and Local Economic Trends

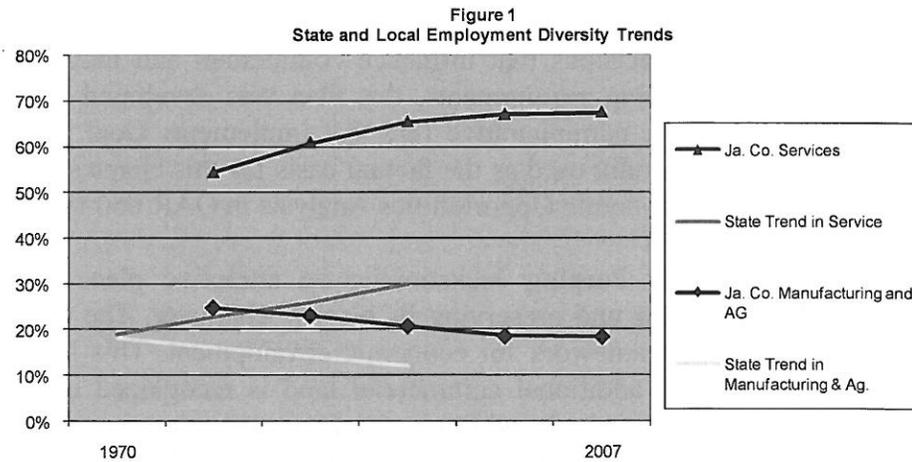
Employment Trends

Goal 9 requires Comprehensive Plans to include an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends. National trends are a broad indicator of statewide, regional, and community trends that will assist us in projecting growth. The analysis of population and employment data will help the City with land use decisions that relate to geographic and economic growth.

The economy of the nation changed significantly between 1980 and 2007. Since 1980 National trends indicate a major shift in job distribution. While the service industry has become more diverse with jobs ranging from lower paid (restaurant workers, retail) to higher paid (lawyers, engineers), an overall loss of employment diversity has occurred with the service industry becoming more dominant over the production and manufacturing of goods. Resource extraction, increased worker productivity and the international outsourcing of routine tasks have led to declines in employment in the major goods-producing industries.

In the 1970s, Oregon started transitioning away from reliance on traditional resource-extraction industries. An important indicator of this transition is the shift within Oregon's manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry and concurrent growth of employment in high-technology manufacturing industries (Industrial Machinery, Electronic Equipment, and Instruments). Although Jacksonville has not recently been a major producer of goods, these changes affected the composition of the statewide economy.

The current trend in Oregon has been a decline in natural resource-based industries and an increase in service industries. The share of Oregon's total employment in Service industries increased from its 1970s average of 19% to 30% in 2000, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 12% in 2000 as seen in **Figure 1**.



The changes in employment in Jackson County have followed similar trends as changes in national and state employment. **Figure 2.4** shows the changes in covered employment by sector in Jackson County between 1980 and 2005. Covered employment₁ in the County grew from 42,626 in 1980 to 73,614 in 2000, an increase of 73% or 30,988 jobs.

In 2000, the largest sectors of growth in the County were Services with 20,385 jobs (28% of jobs) as shown by **Table 2.3** in the EOA; Retail Trade with 18,865 jobs (26%); Government₂ with 10,186 jobs (14%); and Manufacturing (including Agriculture) with 9,231 jobs (13%). The sectors with the greatest increase in employment were Services and Retail Trade, together adding a total of 22,295 jobs or about 72% of all new jobs. No sector lost jobs over the period.

Between 2001 and 2007 Jackson County employment changed as shown in **Table 2.4** in the EOA. Jackson County added more than 10,200 jobs during the period. The two sectors with the greatest increases in employment were Construction and Health and Social Assistance, adding more than 3,500 jobs or 34% of new jobs.

Local Business Activity

Over the last several decades, the retail sector has been the largest source of employment in Jacksonville, taking advantage of the historic core downtown area as a key visitor attraction. **Table 2.5** in the EOA shows covered employment in Jacksonville in 2007, based on data from Oregon Prospector.₃ In summary, Jacksonville had 123 establishments, with an average of nearly six employees per firm.

₁ Covered employment: jobs with unemployment insurance.

₂ Government jobs are all jobs in government, including education or local government (or state government, Feds, etc.).

₃ Oregon Prospector is the State's official web site to promote economic development. It is available at: www.oregonprospector.com. Note that Table 3 only shows "covered employment" (e.g., employment covered by unemployment insurance. "Uncovered" employment such as sole proprietors and other businesses without employees are not reflected in **Table 3**. Thus, total employment is more than the 722 employees reported in **Table 3**. No data sources report total employment for Jacksonville.

The sectors with the most employees were Retail (21%), Accommodations and Food Services (17%), Government (15%), and Health and Social Assistance (13%). These sectors accounted for 472 jobs or 65% of Jacksonville’s jobs. The production of goods (manufacturing and agriculture) only comprise 4% of the jobs.

Jacksonville licenses businesses that operate in the City. **Table 1** shows the change in the number and types of businesses in Jacksonville from 1990 to 2009, based on the City’s business license system. The number of businesses increased by about 15% (22 businesses) in Jacksonville over the 19-year period. The types of businesses with the largest growth were services (e.g., professional services, real estate) and contractors (engineering and building). The largest business declines over the period were other retail and financial, with a combined loss of 9 businesses. Of the 262 businesses in Jacksonville, 40 hold Home Occupation licenses.

Table 1: Business Licenses Issued, Jacksonville, 1990 - 2009

Business Type	1990-1991	1995 - 1996	2006-2007	2007-2009	Change from 1990 to 2009	
					Number	Percent
Restaurants	10	10	13	16	5	50%
Art Galleries	6	4	8	7	1	17%
Antique Shops	13	11	4	4	-9	-69%
Other Retail	56	72	46	54	-4	-8%
Service	33	61	79	52	12	-37%
Contractors	19	16	22	37	13	69%
Financial	10	12	8	5	-5	-50%
Visitor Lodging	7	6	13	14	7	100%
Care Facilities	1	3	2	3	2	200%
Other	-	-	13	11	-	-
Total	155	195	208	203	-5	77%

Source: City of Jacksonville

Note: 'Other' category was not counted prior to 2006.

Tourism in Jacksonville

Tourism accounts for 2.5 million overnight visitors annually or 13% of Oregon’s statewide travel. It is an important source of economic activity in Southern Oregon and Jacksonville. More than half of visitors to Southern Oregon stay 3 or more days, with average daily expenditures of \$134 to \$151.⁴

Direct travel spending accounted for \$813 million in Southern Oregon in 2007. In Jackson County, direct travel spending accounted for \$372 million in 2007. The categories of expenditures that accounted for the majority of visitor spending were: food and beverages, accommodations, arts, entertainment and recreation.⁵

Overnight stays generated \$4.6 million in room tax receipts in Jackson County in 2007. Room tax receipts increased 37% in Jackson County between 2000 and 2007. Room tax receipts were \$57,000 in Jacksonville in 2006, an increase of 32% since 2000.⁶ Jacksonville increased the lodging tax during the 2000 to 2006 period, which accounted for some of the 32% increase in room receipts during the six-year period. Due to the rate increase and the lack of data for number of occupied rooms, it is difficult to correlate room tax revenue and increased tourism.

⁴ “SOVA 2006 Visitor Profile.” The Southern Oregon Visitors Association, 2006 and “Medford Visitors Bureau Fact Sheet.” Medford Visitors Bureau

Analysis of Economic Factors

Economic conditions in Jacksonville, relative to economic conditions in other portions of Jackson County and Southern Oregon, form Jacksonville's comparative advantages for economic development. Jacksonville's comparative advantages will influence the types of firms most likely to locate and expand in Jacksonville, as well as the tourists who choose to visit Jacksonville.

There is little that Jacksonville can do to influence national and state conditions that affect economic development. Jacksonville can, however, influence local factors by implementing policies that influence where businesses will locate.

Jacksonville's primary comparative advantages are its historic character, pedestrian friendly layout, small town atmosphere, established restaurants and taverns, established small scale overnight accommodations, bounteous open space and viewsheds, and proximity to regional attractions. Jacksonville also has a population with an higher than average education and income. These factors make Jacksonville appealing to residents and businesses that want an exceptional quality of life where they live and work.

Contributions to Economic Strength

Economic strengths provide the basis for expanding the local economy and maintaining the viability of existing businesses. The following areas of strength provide economic opportunities for development in Jacksonville:

1. **Historic character.** Jacksonville benefits greatly from its history. The downtown core area dates back to the 1850's. Many of the buildings have been kept architecturally intact or have been restored to their original condition. Approximately 260 intact historic, primarily residential, structures surround the core area in a variety of architectural themes.

Near the downtown core is the Jacksonville Cemetery, which was platted in 1859 and provides another door to Jacksonville's past. The Cemetery serves as a burial ground, historical resource, visitor attraction, and a wildlife and botanical habitat. The park-like setting is a major attraction for visitors.

Also contributing to the historic character of Jacksonville are many peripheral sites, such as the old hydraulic gold mining "Diggins" on Rich Gulch and an array of historic sites located along woodland trails. These sites serve as additional attraction points for visitors.

Preservation of the historic integrity of Jacksonville makes for some interesting partnerships. The Southern Oregon Historical Society (SOHS) within the City operates several key interpretive sites that attract visitors, including the Jacksonville Museum, the Beekman House, and the US Hotel.

2. **Exceptional quality of life.** Jacksonville, with its agricultural foreground and forested hillsides, has a mild climate, low crime rate, small town atmosphere, historic character, and a pedestrian-friendly village pattern of development which makes the city a desirable place to live and to own a business.

⁶ "SOVA 2006 Visitor Profile." The Southern Oregon Visitors Association, 2006 and "Medford Visitors Bureau Fact Sheet." Medford Visitors Bureau

In addition, in Jacksonville, nearby cities, and Jackson County, residents have access to cultural amenities and events, such as museums, concerts, galleries, wine tasting, and vineyard activities.

The downtown area is pedestrian-oriented due to its historical layout and includes a central concentration for merchants and commercial enterprises. Structures on California Street provide a compact downtown with connected facades.

Outdoor recreation is another key factor in Jacksonville's quality of life equation with its well maintained woodlands and historically interpreted trail system running throughout city lands. Jacksonville, which is surrounded by an abundance of federal lands, also serves as the gateway to the Applegate region, with its recreational bodies of water and world-class paragliding.

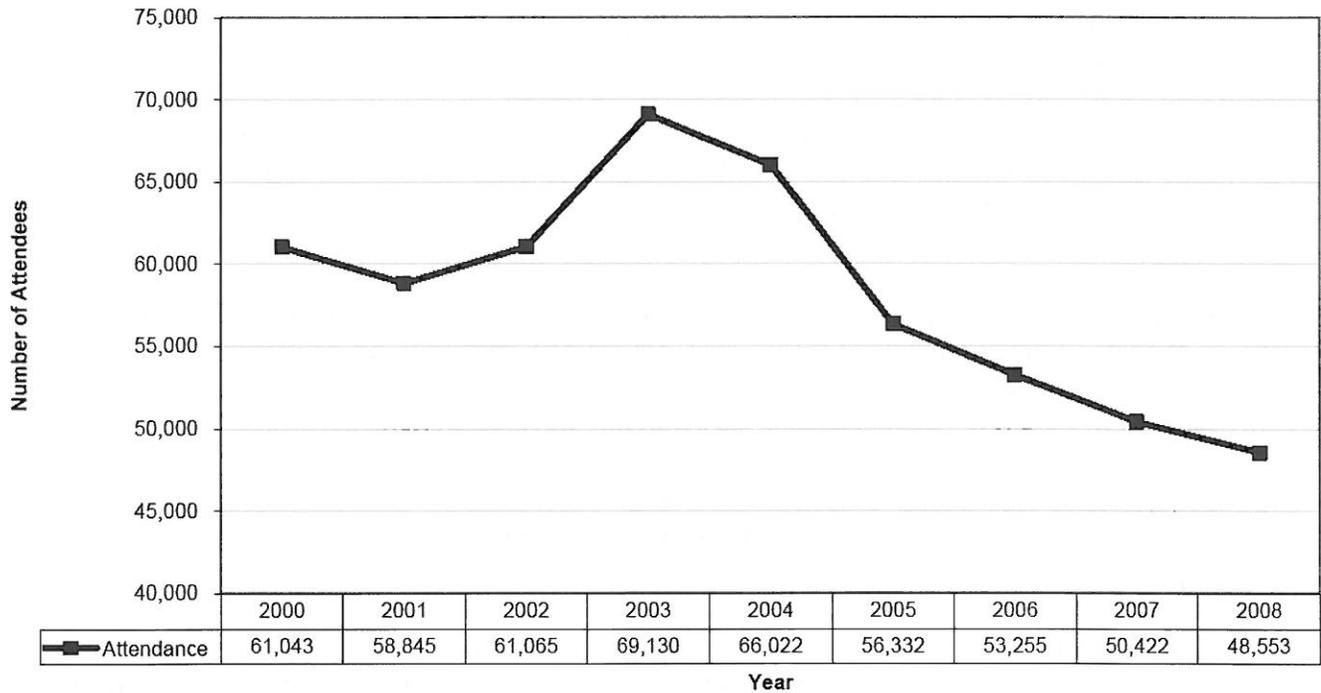
3. **Location.** Medford, Central Point, Phoenix and agricultural lands provide Jacksonville with buffers from the congestion that surrounds Interstate 5. While Jacksonville's proximity to I-5 is a detriment for spontaneous visitors, that distance provides the peaceful rural setting and the absence of "big box" retail that give Jacksonville its unique character.
4. **Professional workforce and cost of living.** Jacksonville's residents have an above average education and income level, which provides a good market base for businesses and an educated population for employment.
5. **Tourism and attractions.** The entire town of Jacksonville is a National Historic Landmark with over 100 buildings on the National Register of Historic Places, including an historic cemetery. Jacksonville is also popular for its summer Britt Festival, its historic museum and children's museum, its setting amidst agricultural lands and forested hillsides, and its access to outdoor recreation, including the Jacksonville Woodlands Trail System. Jacksonville is also near regional attractions, like the Ashland Shakespeare Festival, outdoor recreation (e.g., Rogue River sports or Mt. Ashland skiing), and agricultural tourism, which includes vineyards and wine tasting.

Businesses in Jacksonville are heavily dependent on tourism for revenue. Jacksonville's largest sectors of employment are retail, accommodations, and food services, which account for nearly 40% of Jacksonville's employment (See **Table 2.5** of the attached EOA).

6. **The Britt Music Festival.** Running from June through September, the Britt Music Festivals bring nationally known classical, jazz, country western, and contemporary artists to Jacksonville. The Britt festival and related activities are an important component of the economy, particularly for food service and overnight accommodations. The Britt's park-like setting and excellent acoustics attract many repeat visitors to the performances. **Figure 2** shows that attendance at the Britt varied from a peak of 69,130 attendees in 2003 to 48,553 attendees in 2008.
7. **Local Art Community.** A growing artist community attracts visitors and contributes to the inflow of revenue.
8. **Families and Young Professionals.** Visitors are seeking vacation destinations that have a sunny climate and are separated from urban sprawl and suburbia.

Jacksonville offers a vacation destination appealing to families and young professionals with opportunities for historic discovery, indoor and outdoor recreation, culinary attractions, educational opportunities, and performing arts.

**Figure 2.
Britt Pavilion Attendance, 2000-2008**



Source: Britt Music Festival

9. **Real Estate Tourism.** Another trend in tourism is the increasing number of people that engage in ‘Real Estate Tourism.’ These visitors, who will be retiring in the coming years, are using their vacations to identify possible retirement locations.
10. **Weddings.** With its historic architecture, picturesque setting, and romantic bed and breakfast inns and hotels, Jacksonville is an attractive location for weddings. Wedding destinations may also become annual anniversary trips for couples, providing additional visitors to Jacksonville.
11. **Outdoor recreation.** The City has many opportunities to attract visitors through outdoor recreational activities and events, such as bicycle touring, hiking events, photo touring, horseback riding, and paragliding events. Jacksonville is also nearby great fishing on rivers and lakes and has scenic drives around every corner.
12. **Agricultural products.** Jackson County’s prime agricultural lands give Jacksonville a good opportunity to develop an agricultural processing cluster and subsequent retail opportunities, like Harry and David’s. A possible niche for Jacksonville, then, would be small-scale production of high-quality food items.

Challenges Facing Jacksonville’s Local Economy

Jacksonville, like all cities, faces some economic challenges that include the following:

1. Transportation.

Several internal transportation challenges potentially impact Jacksonville's economy.

- a. Seasonal Truck Traffic Along California Street.** Seasonal increases in truck traffic along California Street (State Highway 238) pose concerns in regards to noise, vibrations, and diminished air quality.
- b. Loading.** Loading and unloading of goods on narrow city streets can cause traffic congestion.
- c. Proximity to I-5.** Jacksonville is approximately 10 minutes from I-5, so many I-5 travelers will not make spontaneous stops in Jacksonville.

2. Parking. While a large amount of space is available for vehicle parking, visitors and residents struggle for convenient parking during highly attended Britt Festival concerts. The Britt ground's proximity to downtown businesses creates competition for convenient parking during the three months of the Britt season.

3. Potential for Conflicting Land Uses. Business operations may come into conflict with residential uses, especially in light of the limited amount and location of available commercial land within the City's tight-knit development pattern. Two islands of Historic Core designated properties, which are allowed commercial uses, are surrounded by residential zoned properties, which may be impacted by mobile influences, such as traffic, light, noise, smells, and drainage. These conflicts may discourage businesses; however, attitudes of residents are mixed. Some are concerned about disturbances while others are hopeful that neighboring commercial uses might increase their future property values.

4. Strict Architectural and Land Use Regulations. Although regulated by state law to process applications in a timely manner, it often takes months for permits to be issued. While the process protects Jacksonville's historic designation, it often frustrates new business owners and developers.

5. Other Economic Challenges. Other potential challenges for economic development include the following:

- a.** Jacksonville has historically had a high rate of commercial turnover of retail businesses that cater primarily to tourists. As a result, Jacksonville typically has empty storefronts.
- b.** The availability of certain services for residents is limited.
- c.** Jacksonville's small-town population does not provide enough market to support multiple businesses of the same type, so residents lack choices in regards to goods and services.
- d.** Jacksonville's economy, today, is highly dependent on tourism, which is seasonal and closely connected with regional and national economic cycles. As a result, Jacksonville's economy is vulnerable to economic variations.

- e. Jacksonville’s cost of living is higher than most other communities. This is primarily a result of housing prices and the limited availability of workers’ housing to support the existing service industry employees that dominate the city’s workforce. The result is a difficulty in attracting and retaining people that both work and live in Jacksonville.
- f. Jacksonville has a lack of available two-acre parcels of land within the existing city limits. As a result some businesses that are desirable and compatible with Jacksonville have chosen not to locate here or have moved out of the City.
- g. Jacksonville has a lack of land available for small-scale higher-impact fabrication and processing and packaging facilities. Land use regulation, a lack of appropriately-sized lots, the high cost of land, and the strict architectural design requirements make these more intensive uses difficult in Jacksonville.

Economic Growth Projections

Oregon’s Statewide Goal 9 requires cities to identify “the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses.” The number of needed sites is dependent on the types of businesses that are likely to locate or expand in Jacksonville and the amount of employment growth that Jacksonville is likely to have over the 20-year planning period.

Employment Forecast

Planning for the employment needs of a 20-year population allocation leads to the planning of potential commercial and industrial land needs. Some employment needs will be met by existing and new businesses within the existing urban growth boundary (UGB) while other needs may require expansion of the UGB boundary.

This section presents a projection of future employment levels in Jacksonville for the purpose of estimating demand for commercial and industrial land.

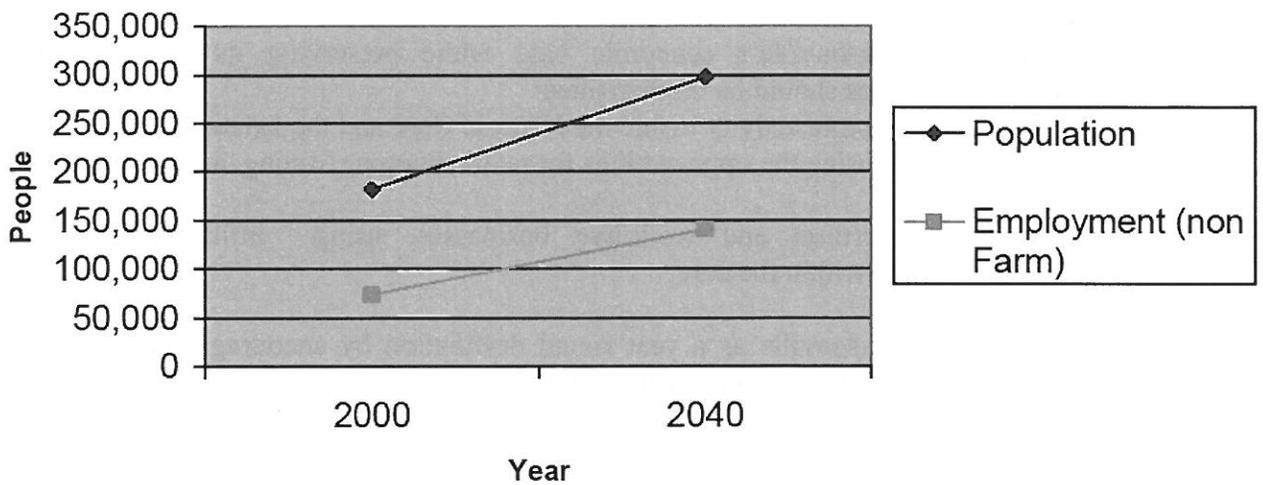
The Economic Opportunities Analysis presents the methodology used to develop an employment forecast for Jacksonville. **Table 2** shows Jacksonville’s employment forecast for 2010 to 2030, using these assumptions. Jacksonville’s workforce will grow by about 466 workers (28%) over the 20-year period, at an average annual rate of 1.3%.⁶

Jacksonville’s ratio between population and employment in 2007 is 2.4 persons per job, compared to the State average of about 1.6 persons per job. In Jacksonville, housing is not supported by jobs and wages available within the city. Jacksonville does not follow typical trends of many cities where residents live in the same town where they work. Generally, workers come from outside Jacksonville to service Jacksonville’s population.

⁶ The assumption in the employment forecast is that the population employment ratio will remain the same over the 20-year period. It is possible that Jacksonville may have more (or less) employment growth in relation to population growth over the planning period resulting from the City’s regional tourism industry base and expected increases in its retirement population. The employment forecast is somewhat conservative when compared to the historic trend of 34% growth from 1990 to 2007 and Jackson County population and employment projections. (See **Figure 3**.)

Figure 3

Jackson County Population and Employment Projections



Sources: Office of Economic Analysis, Department of Administrative Services, State of Oregon; Oregon Employment Department (August 2004); Portland State University

Table 2. Employment growth in Jacksonville’s UGB, 2010–2030

Year	Total Employment
2010	1,163
2015	1,238
2020	1,317
2025	1,402
2030	1,493
Change: 2010 to 2030	
# of Employees	466
Percent	28.0%
AAGR	1.3%

Economic Development Strategy

Strategies

To enhance Jacksonville's economic base while preserving its landmark designation, the following strategies should be implemented:

1. Expand economic activity inside the Historic Core and the existing general commercial zoned area by increasing the opportunities for retail shopping, dining, and entertainment,
2. Encourage artisan and work/live businesses, using infill, while respecting spatial relationships within the core,
3. Promote Jacksonville as a year round destination by encouraging businesses and activities which will result in longer visitor stays,
4. Develop tourist draws through business retreats and additional off season events, and
5. Expand provision of goods and services for residents so they can meet their needs locally rather than travelling out of Jacksonville.

Target Industries

The Vision 2028 process identified several areas of concentration for economic growth in Jacksonville:

1. **National Historic Landmark.** Jacksonville's status as a National Historic Landmark provides opportunities for businesses that link to the City's history.
2. **Recreational attraction.** Outdoor recreation provides opportunities for businesses in Jacksonville to serve both visitors and local and regional residents.
3. **Culinary and wine tourism.** Jacksonville's location near farms and vineyards in the Rogue and Applegate Valleys provides opportunities for culinary and wine tourism, such as small-scale food production and wine making and tasting.
4. **Music and performing arts and the established artisan community.** The Britt Festival and other existing music and performing arts organizations combine with Jacksonville's artisan community to provide opportunities for businesses in art, music, and the performing arts.
5. **Local Art Community.** A growing artist community acts as a magnet to attract visitors and to contribute to revenue inflow.
6. **Cultural events and tourism.** Jacksonville, by supporting the service groups that organize and promote annual events, has opportunities for promoting cultural events that stimulate the local economy. The City should also support the currently underutilized service organizations in adding new events that reinforce Jacksonville's image, particularly events in the off-season. Current events include Trolley Tours, Chinese New Year, Britt Festival, The Woodlands Association's Hike-A-Thon, Museum Quilters, Starthistle Fly Over, The Fritellaria Festival, Celebrate the Arts, Oktoberfest, Meet the Pioneers, Children's Festival, Children's Harvest Carnival, Victorian Christmas, Community Wide Yard Sale, The Mutt Strut, The Firehouse Run, Old Stage Run, Cycling Events, and the Historic Gala Ball.

Potential Businesses Types

The types of businesses that may locate in Jacksonville are dependent on economic trends that affect Jackson County and Oregon along with Jacksonville's comparative advantages and the City's economic development policy. The types of businesses that may be attracted to Jacksonville include the following:

1. **Historic preservation.** Jacksonville's focus on history presents an opportunity for businesses to specialize in producing historically relevant goods. Valley residents with historic homes or period architecture could look to Jacksonville when spending their home and garden dollars.
2. **Artisan crafts and arts.** Relating closely to historic preservation, the fabrication of traditional crafts and artisan pieces could be an increased draw to the City. Businesses in Jacksonville could produce traditional goods or modern goods through historically accurate methods.
3. **Agricultural products.** Jackson County's prime agricultural location gives Jacksonville a good opportunity to develop an agricultural processing cluster. Possible businesses include coffee roasting, candy making, baking, wine making and brewing, nursery and garden center, preserving or processing fruits and berries, and a farmers market.
4. **Agricultural tourism.** Opportunities for agricultural tourism rely on existing agricultural or food processing businesses and are often coupled with organic farming. Agricultural tourism takes a number of forms: educational experiences (e.g., cannery tours, cooking classes, or wine tasting), entertainment (e.g., harvest festivals), or hospitality services (e.g., farm stays, guided tours). These businesses may appeal to both visitors and residents throughout Southern Oregon, especially residents of the Rogue Valley.
5. **Culinary tourism.** Culinary tourism is the "pursuit of unique and memorable culinary experiences of all kinds."⁷ Culinary tourism can vary from simple, commonly available foods (e.g., pastries or bread) to high-end restaurants, as long as the food is unique and memorable. Culinary tourism can be enhanced through use of locally produced foods in Jackson County. These businesses may appeal to both visitors and residents alike.
6. **Outdoor recreation.** Jacksonville's proximity to outdoor recreational opportunities, such as the Rogue River, Crater Lake, the Jacksonville Woodlands, and Woodrat Mountain, provides visitors and residents with many opportunities for outdoor recreation.
7. **Performing arts.** The presence of the Britt Music Festival in Jacksonville and other local and regional performing arts groups provide opportunities for growing the performing arts in Jacksonville.
8. **Film and television small scale production and onsite filming.** Southern Oregon has been the location of fourteen films or made-for-TV movies and numerous smaller productions (e.g., commercials) since 1970. Film and television firms in the region include Southern Oregon Film and Television, Pilot Rock Studio, and Landmines Studio. Jacksonville's small town atmosphere, historic character, existing arts community, and physical beauty make it an attractive place for filming and production work.

⁷ Culinary Tourism Association Institute

9. **Services for existing residents.** In addition to many of the above business types that cater to both residents and visitors, Jacksonville will need to provide additional services to existing and new residents. Examples include, but are not limited to, financial, government, medical, and senior services; youth daycare and senior facilities; and educational, creative and performing arts facilities for all ages.

During January 2009, a survey to determine the reasons that residents traveled outside of Jacksonville during a month-long period indicated the following purposes:

- Restaurants
- Movies/theater
- Groceries (includes specialty food stores for baked goods, fish/meat, delicatessen products, organic produce, locally grown produce)
- Grange: pet supplies and nursery items
- Hardware
- Gym/YMCA
- Office supplies & related services (duplicating, computer related, stationery)
- Haircuts / beauty salons
- Meetings (thus, meeting spaces)
- Auto related (gasoline, service)

If the Council's goal is to increase the number of 'resident services' within Jacksonville in order to expand beyond the 'tourist based' economy, then the above list might offer some business types to be considered.

Commercial/Industrial Lands Inventory

The Jacksonville Commercial and Industrial Buildable Lands Inventory (BLI) is intended to identify lands available for development within the Jacksonville Urban Growth Boundary (UGB) that can accommodate employment growth. BLIs are sometimes characterized as *supply* of land to accommodate growth. Population and employment growth drive *demand* for land. The amount of land needed depends, in part, on the density of development as well as assumptions about redevelopment and infill.

The Jacksonville Economic Opportunities Analysis (EOA) presents the methods used to develop the inventory of land available to meet employment needs. This section presents a summary of the results of the commercial and industrial BLI, which considers both vacant buildable land that can be considered for 'infill' sites as well as vacant commercial spaces that can provide additional employment opportunities.

A key step in doing a buildable lands analysis is to classify each tax lot into a set of mutually exclusive categories. Consistent with accepted methods for BLIs and applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

1. **Vacant land.** Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes).

Note: This definition is more inclusive than what statewide planning policy requires.

OAR 600-009-0005(14) provides the following definition: "Vacant Land" means a lot or parcel: (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

Note: An inventory using the state definitions would identify no land as currently vacant within the Jacksonville UGB.

2. **Underutilized land.** Land that has over \$10,000 of improvement value, is larger than one-half acre in size, and is designated for employment uses. These lots are largely vacant and have potential for infill development.
3. **Developed land.** Land that is developed at densities consistent with zoning and improvements that make it unlikely to redevelop during the analysis period. Lands classified as vacant, potentially redevelopable, or public are not considered developed.

Lands in public ownership were generally considered unavailable for development unless identified by City staff as being available for development at some time during the planning period. This includes uses such as electrical substations, parks, and cemeteries.

Lands in Federal, State, County, or City ownership were also considered committed.

Jacksonville has 1,073 acres within the UGB and 2,240 tax lots. The majority of land is zoned for Single-Family Residential (66%) or Open Space (21%). Land zoned for Commercial accounts for only 5% of land within Jacksonville's UGB, and Industrial land accounts for about 0.5% of Jacksonville's land.

Table 3 shows vacant employment land by generalized zoning and lot size in Jacksonville's UGB in 2009. Jacksonville has 6 sites in the General Commercial Zone, all of which are on lots smaller than 0.5 acres and most are on lots one-quarter acre and smaller. The City has four sites in the Cottage Industry zone, ranging in size from smaller than one-quarter acre to one-half an acre. The land zoned for Cottage Industry use is constrained by steep slopes, floodplain, and access constraints due the lack of a bridge on the old highway right-of-way. Also, these sites do not have the water and wastewater services that are necessary for development.

Table 3: Vacant employment land by generalized zoning and lot size, Jacksonville UGB, 2009

Lot Size (Gross Buildable Acres)							
Zone	<0.25	0.25 to 0.49	0.50 to 0.99	1.00 to 1.99	2.00 to 4.99	5.00+	Total
# of Vacant Tax Lots							
Commercial	18	2	0	0	0	0	20
Artisan District	5	2	1	0	0	0	8
Subtotal	23	4	1	0	0	0	28
Vacant Acres							
Commercial	0.9	0.7	0.0	0.0	0.0	0.0	1.5
Artisan District	0.2	0.6	0.9	0.0	0.0	0.0	1.8
Subtotal	1.1	1.3	0.9	0.0	0.0	0.0	3.3

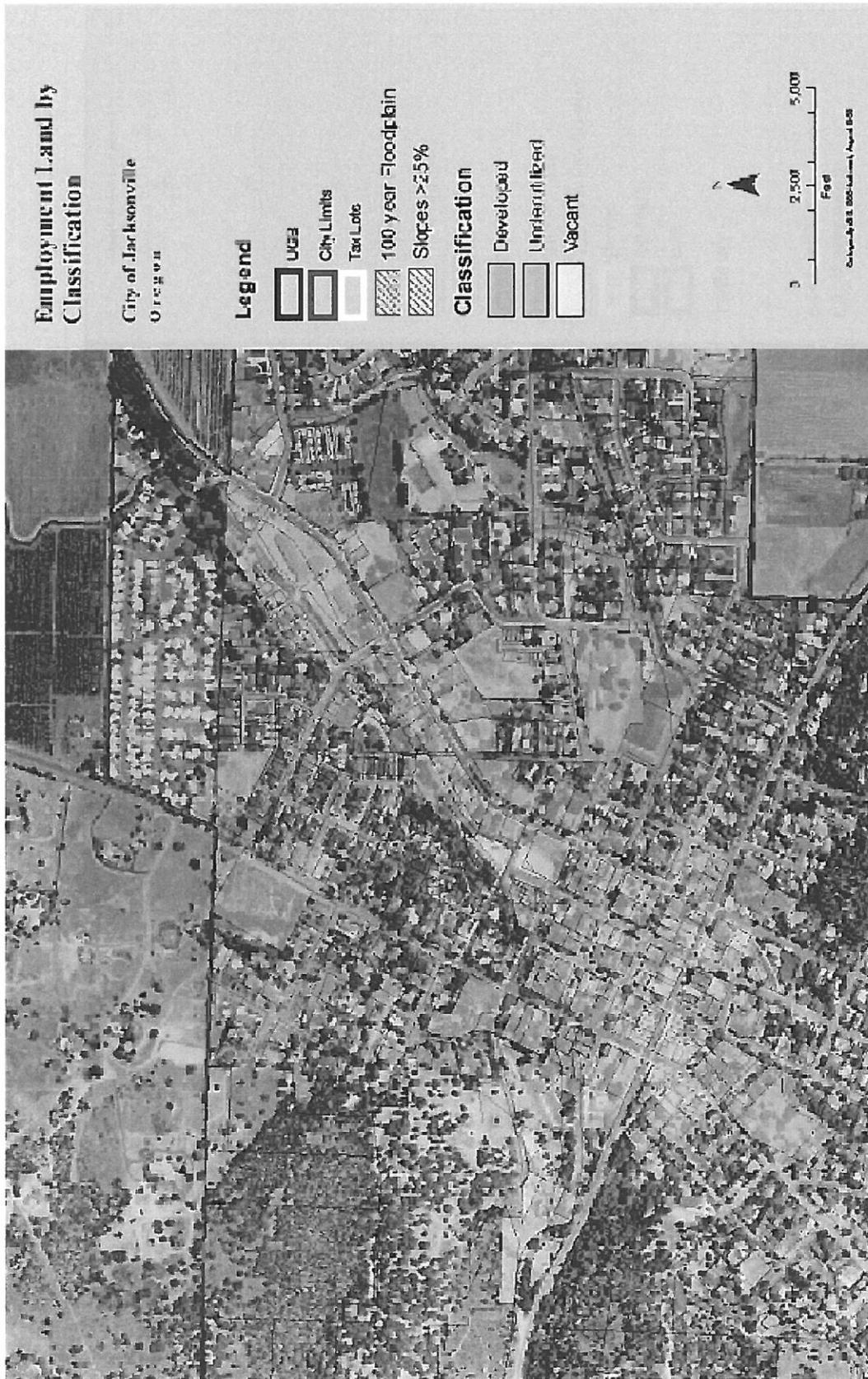
Source: data from www.smartmap.org; analysis by ECONorthwest

Table 4: Underutilized employment land by generalized zoning and lot size, Jacksonville UGB, 2009

Lot Size (Gross Buildable Acres)							
Zone	<0.25	0.25 to 0.49	0.50 to 0.99	1.00 to 1.99	2.00 to 4.99	5.00+	Total
# of Underutilized Tax Lots							
Commercial	0	0	0	2	0	0	2
Artisan District	0	0	1	0	0	0	1
Subtotal	0	0	1	2	0	0	3
Underutilized Acres							
Commercial	0.0	0.0	0.0	2.4	0.0	0.0	2.4
Artisan District	0.0	0.0	0.9	0.0	0.0	0.0	0.9
Subtotal	0.0	0.0	0.9	2.4	0.0	0.0	3.3

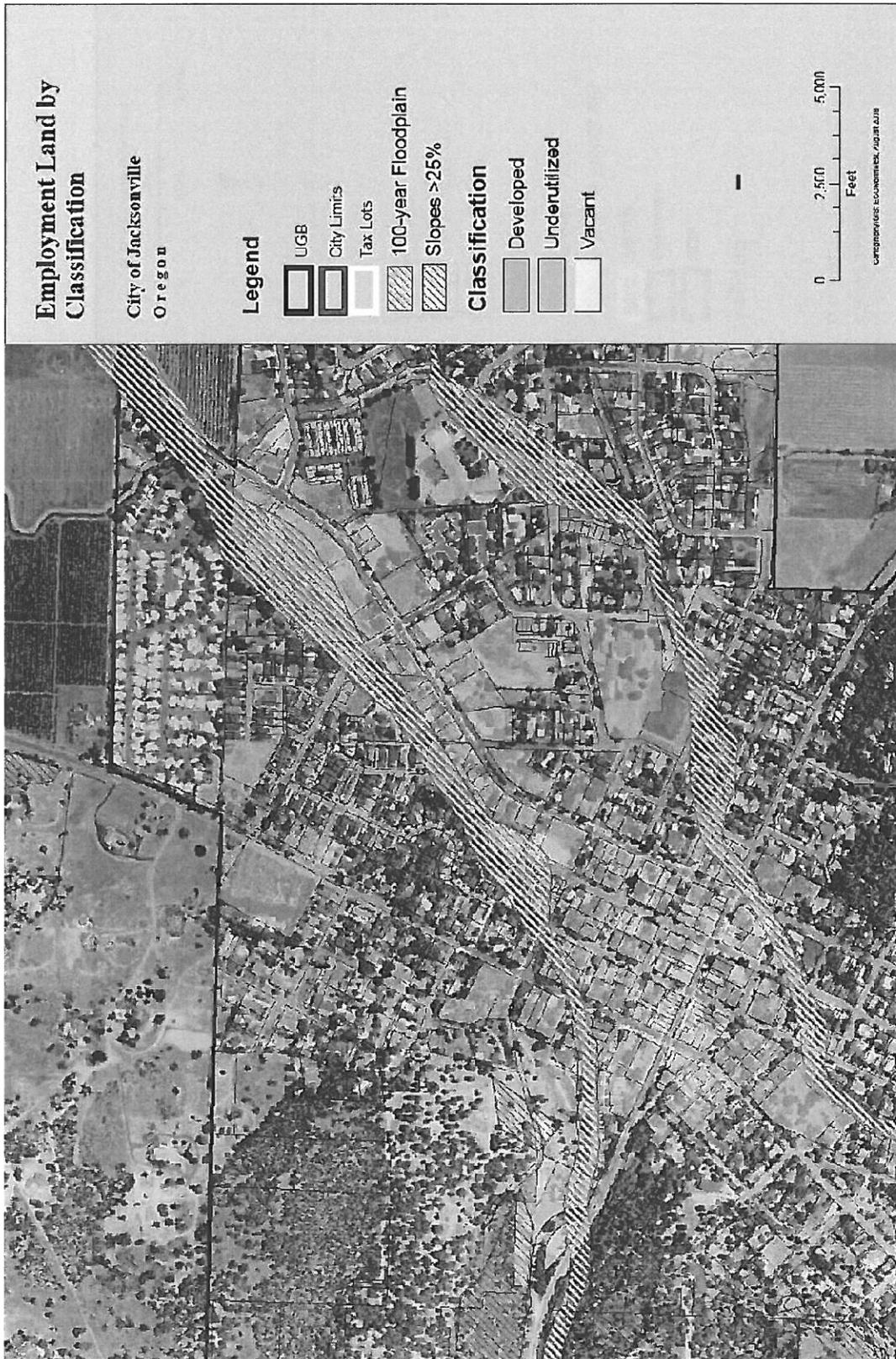
Table 4 shows underutilized land on employment land by generalized zoning and lot size. Jacksonville has three lots that are underutilized, accounting for about 3 acres of land.

Map 1. Land by Classification, Jacksonville, 2009



Map 1 shows developed, vacant, and underutilized employment land in Jacksonville.

Map 2. Land by classification with constraints, Jacksonville, 2009



Map 2 shows constraints on developed, vacant, and underutilized employment land in Jacksonville.

In addition to underutilized lands, Jacksonville has a number of unoccupied commercial spaces that could provide capacity for future employment.⁸ While commercial vacancy rates tend to be cyclical, the number of unoccupied spaces might suggest some capacity for future retail and service employment. Keep in mind, however, that a previous business with two employees would have to be replaced by a business of three or more employees for any net growth in employment to take place. Jacksonville's unoccupied commercial spaces could meet the site needs of businesses that require sites of less than one acre.

Site needs for development strategies and targeted industries

The City may achieve its three economic development strategies by providing for a variety of sites designated for employment over the 20-year planning period:

1. Small sites in the downtown core to accommodate a variety of uses.

Jacksonville has few vacant, undeveloped sites available for development within its downtown area. In 2009, however, the City has a considerable number of vacancies in existing commercial spaces that might meet some of the site needs during the planning period. Also, residences in the Historic Core are permitted a usage change to commercial space. These locations may be suitable for retail stores, restaurants, overnight accommodations, and artisan businesses meeting many of the above business types.

2. Sites to accommodate arts education or small scale production facilities.

Accommodating arts education and small scale production facilities, two of Jacksonville's economic development strategies, would require sites of different sizes. Some arts facilities could be developed on sites smaller than one acre and some may require larger sites of one to two acres.

3. Redevelopment of existing sites. While Jacksonville protects its history by limiting irreversible changes to historic structures, there are several sites within the Historic Core Zone that could be modified or redeveloped to meet the needs of business, such as historical product sales and distribution, artisan crafts and arts, agricultural tourism, culinary tourism, outdoor recreation, performing arts, and services for existing residents.

Projected Land Needs and Availability

Goal 9 and OAR 660-009 require cities to maintain a 20-year supply of sites needed for economic development. They are also required to conduct an inventory of sites that are designated for employment uses or mixed-use development.

OAR 660-009-0015(2) requires the EOA to identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses.

The Goal 9 rule provides flexibility in how jurisdictions conduct and organize an analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

⁸ The Economic Opportunity Analysis presents an inventory of unoccupied commercial space in Jacksonville in October 2008.

The analysis of site needs presented in this section builds from existing development patterns in Jacksonville, an employment forecast, Jacksonville’s economic development vision, and an evaluation of the types of site needs of industries most likely to locate in Jacksonville. The analysis is presented in aggregate and by major uses (e.g., industrial and retail/services).

Table 5 shows site needs by site size within the Jacksonville UGB for the 2010 to 2030 period. The estimate of needed sites builds off of the 20-year employment forecast. The site needs analysis in **Table 5** assumes that Jacksonville will have growth of employment in the targeted industries.

The results show that Jacksonville needs to provide several sites of varying sizes to accommodate employment growth between 2010 and 2030. Some targeted businesses, such as services for existing residents, culinary tourism, historic preservation, and artisan crafts and arts, will require sites less than one acre. Agricultural products, agricultural tourism, larger production culinary tourism, outdoor recreation, performing arts, and film and television production may require sites between one and two acres.

Table 5
Comparison of the supply of existing employment land within Jacksonville’s existing UGB to the demand for sites, 2010-2030

Site Size	Existing Supply		2010-2030 Demand		Employment Land Need Surplus or (Deficit)	
	Sites	Acres	Sites	Acres	Sites	Total Acres
> 2 acres	0	0	0	0	0	0
1-2 acres	2	2.4	5 - 12	13	(3 - 10)	(10)
< 1 acre	20	6.2	10 - 15	4	0	0

The identified site needs shown in **Table 5** do not distinguish sites by comprehensive plan designation. While some needed employment sites may locate in residential or planned mixed-use areas, artisan uses with production or educational facility requirements may not be compatible with the Historic Core.

Table 5 presents Jacksonville’s existing *supply* of commercial and artisan sites in contrast to the City’s site *needs* as based on Jacksonville’s need for employment land over the 2010 to 2030 period.

Table 5 indicates that Jacksonville has a deficit of 3 - 10 parcels on 10 acres of employment land.

Jacksonville does not show a deficit of employment sites smaller than one-acre. The vacant lands combined with unoccupied commercial structures suggest that Jacksonville has a surplus of sites and structures available for smaller commercial or artisan uses.

Conclusions and Findings

1. Based on generalized population-ratio assumptions, it is forecasted that Jacksonville's workforce will grow by about 466 workers (28.8%) over the 20-year period, at an average annual rate of 1.3%.⁹
2. Much of Jacksonville's current employment centers around tourist-related businesses, including eating and drinking establishments, inns, and specialty retail shops. To further increase employment opportunities, the City should strive to diversify its economic base by providing goods and services for the local population.
3. Jacksonville's Economic Strengths include the following:
 - a. the town's historic character and outstanding architecture draw a large number of tourists,
 - b. the pedestrian-friendly town size encourages walk-by shopping,
 - c. the well-educated population provides a strong employment base,
 - d. the strong purchasing power of local residents provides a good market base,
 - e. attractive open spaces and viewsheds draw visitors and new residents, further increasing the market base,
 - f. a residential population devoted to volunteerism and supportive of events draws visitors to town,
 - g. local attractions, like the Britt Music Festival, Southern Oregon Historical Society's museum, the Children's Museum, and Jacksonville Woodlands Trails, draw visitors,
 - h. the town's traditional events, including seasonal parades, art shows, and wine walks, all of which draw visitors and valley residents to downtown,
 - i. the town's location in the Rogue Valley, extends the market base beyond local residents,
 - j. the town's location at the Applegate Valley gateway, further extends the market base, and
 - k. a growing local art community also draws tourists.
4. Challenges facing Jacksonville's local economy include the following:
 - a. internal transportation problems, which include seasonal truck traffic in the historic downtown core, the difficulties of loading and unloading goods on the City's narrow streets, and high-season limited parking availability in downtown,
 - b. the City's location away from the I-5 corridor, which is a strength in maintaining the town's historic, rural character but which limits access to and from the city via the Interstate system,
 - c. a lack of signage for parking to direct visitors to the 200 spaces for autos located at the Intermodal Center,
 - d. a potential for land use conflicts in mixed-use and transitioning (residential to commercial use) areas,
 - e. a lack of certain goods and services for residents,

⁹ The assumption in the employment forecast is that the population employment ratio will remain the same over the 20-year period. It is possible that Jacksonville may have more (or less) employment growth in relation to population growth over the planning period resulting from the City's regional tourism industry base and expected retiree population increases. The employment forecast is somewhat conservative when compared to the historic trend of 34% growth from 1990 to 2007 and Jackson County population and employment projections.

- f. the city's current high economic dependency on tourism,
 - g. the limited availability of workforce housing,
 - h. a limited amount of developable employment land in the UGB,
 - i. a lack of available two-acre land parcels within the exiting general commercial zone,
 - j. a lack of land available for small-scale higher-impact fabrication facilities.
5. Based on the City's economic development strategies, target industries for Jacksonville might include the following:
- a. providing goods and services for the residential population,
 - b. diversifying the economy to provide varied employment opportunities,
 - c. attracting a larger tourist base through production of historically related goods and artisan crafts,
 - d. promoting recreational attractions,
 - e. promoting culinary and wine tourism, and
 - f. expanding music and performing arts productions.
6. The City's economic development strategies should include the following:
- a. expand economic activity inside the Historic Core and the existing general commercial zoned area by increasing the opportunities for retail shopping, dining, and entertainment,
 - b. encourage artisan and work/live businesses to use infill while respecting spatial relationships within the core,
 - c. promote Jacksonville as a year round destination by encouraging businesses and activities which will result in longer visitor stays,
 - d. develop off season tourist draws through business retreats and additional off season events,
 - e. expand provision of goods and services for residents so they can meet their needs locally rather than by travelling out of Jacksonville.
7. The City government can support economic activity by the following:
- a. preserving Jacksonville's agricultural buffers and separation from Medford and Central Point in order to maintain the town's appeal to residents and visitors,
 - b. fostering a thriving, pedestrian friendly downtown core,
 - c. preserving the historic character of Jacksonville,
 - d. supporting activities and events that reinforce Jacksonville's image and 'sense of place,' and
 - e. providing opportunities for businesses that compliment the economic strategies stated in this Element.
8. Jacksonville has few vacant, undeveloped sites available for development within its downtown area. In 2009, however, the City has a considerable number of vacancies in existing commercial spaces that could meet some of the site needs during the planning period. Also, residential properties within the Historic Core may undergo a permitted change to commercial uses.
9. In 2008, the Transportation Committee proposed reducing congestion through the historic core. This could be eased by connecting Highway 238 through to Old Stage Road. Such connectivity would share the burden of traffic between California and Oregon Streets and would ease the congestion on California Street in the Historic Core.

10. To diversify Jacksonville's economy and reduce its seasonality, a resort facility has been discussed at length. Citizens and government officials have expressed a variety of concerns over the conversion of Exclusive Farm Use land to a commercial resort and the lack of connectivity a resort would have to Jacksonville's centralized commercial Historic Core. At this time, the Planning Commission and City Council have identified the idea of a resort facility as more detrimental to the historic nature and downtown commercial concentration of the town than beneficial.

Policies and Implementation Measures

Policy 1: Promote year-round tourism and compatible businesses.

1. Establish partnerships that expand marketing of the town as a tourist destination that includes, for example, Britt concerts, historic tours, architectural tours, haunted houses, mystery tours, film festivals, winery tours, and recreational events, like bike tours, marathons, and hang-gliding events.
2. Establish partnerships that strive for two-day events that promote overnight stays.
3. Coordinate events so that various entities (Chamber of Commerce, the Southern Oregon Historical Society, the Britt Festival, the Jacksonville Woodlands, etc.) can participate in the event, if applicable.
4. Establish partnerships that develop 'annual' events that establish traditions and encourage return visitors.
5. Enhance Website promotion.
6. Explore niche markets that draw regional customers on a year-round basis.
7. Cultivate an environment conducive to retreats and workshops. Inventory the number of rooms and seats per meeting facility in order to promote retreats and workshops for overnight stays.
8. Actively work with the Southern Oregon Historical Society to identify and promote unique Jacksonville exhibits.
9. Encourage and support the Britt Music Festivals. Develop a plan with the Britt Festival and Jackson County to mitigate any negative impacts while promoting and sharing benefits. Encourage a larger Britt Festival presence and the relocation of the Britt offices to Jacksonville.
10. Encourage Southern Oregon Historical Society to become more active in offering 'historical' events, like lecture series, 'western art' exhibits, and other cultural events.
11. Encourage an 'all town gallery' concept, whereby the majority of business owners exhibit 'art on consignment' from local artists. An 'all town gallery' will motivate pedestrian circulation.
12. Encourage the promotion of 'Brand Jacksonville' to be associated with quality, originality, and local talent.
13. Establish partnerships with other historic cities in Oregon and Northern California with the potential for forming a tour destination, the "Trail of Gold."
14. Establish partnerships with entities in the Applegate Valley in order to apply for a 'scenic highway' designation for Hwy. 238.
15. Establish partnerships that promote Jacksonville throughout the region and the west coast.

16. Encourage successful farming operations on the city's borders with eco-tourism-related ventures, like wine tasting, petting zoos, and equestrian centers.
17. Consider geographically expanding the Historic Core zoning boundary as demanded by future economic needs.
18. Consider developing special overlay zones to provide mitigation of sound, smell, noise, light, traffic, and viewshed protection from impacting economic uses.

Policy 2: Provide a diversity of employment opportunities for the 20-year projected employment base while still maintaining Jacksonville's historic character and pedestrian-friendly size.

1. Redirect Jacksonville's economic activities into areas beyond tourism in order to provide for economic diversification that ensures a more stable, year-round economic base.
2. Determine what available space within the current UGB might provide for economic diversification, considering existing businesses, available buildable land, and size of parcels needed for certain businesses.
3. Determine the amount of commercial, mixed use, artisan cluster, and culinary cluster land needed beyond the existing UGB.
4. Encourage live theater, film industry, eco-tourism, and agri-tourism.
5. Encourage appropriate film and video activities.
6. Encourage specialty education facilities related to art, music, and the performing arts.
7. Encourage and support home businesses and E-businesses through appropriate zoning.
8. Encourage suitable specialty food preparation facilities in a Culinary Cluster (CC).
9. Encourage suitable artisan ventures in an Artisan Cluster (AC).
10. Maintain a business environment that encourages private business owners to meet the needs of the local citizenry.
 - a. Conduct a survey to determine what goods and services are needed by residents.
 - b. Inventory existing businesses and the goods and services they provide.
 - c. Determine which resident needs are not being met by existing businesses.
 - d. Determine how some of those resident needs might be met.

Policy 3: Maintain a positive business environment that supports existing businesses and draws new businesses compatible with Jacksonville's historic character and pedestrian-friendly size.

1. Maintain and update, as needed, regulations and architectural standards that protect and maintain historic properties, impact areas, and viewsheds.
2. Maintain the walkability and small town character of Jacksonville.
3. Establish pedestrian paths and off-street bike paths (with planned bike parking) to connect commercial areas and important nodes with residential areas.
4. Focus street beautification efforts on 5th Street.
5. Explore redevelopment potentials along 5th Street.
6. Establish code language that imposes gross floor area limitations on bulk and mass of structures and determines the maximum amount of gross floor area per square foot of land in order to retain the historic rhythm of buildings and parcels radiating out of the center of town.
7. Continue efforts to take truck traffic out of the historic core.
8. Continue efforts for more efficient parking plans.

9. Develop a streetscape plan that guides pedestrians from parking areas to businesses.
10. Promote ‘clustering’ of supporting and complementary businesses in general commercial areas.
11. Maintain a buffer separation from other communities in order to retain the City’s special identity and pattern of commercial development.
12. Maintain the City’s attractiveness and visitor services, such as restrooms, trash receptacles, public seating, and parking.
13. Establish a plan for providing ‘shady nooks’ in the downtown core.
14. Establish open communication between the City, Chamber of Commerce, business owners, and residents.
15. Adjust General Commercial (GC) development regulations to raise the quality of commercial development while encouraging creative mixed use designs compatible with Jacksonville’s historic character.
16. Require fully developed landscape architectural designs that enhance the streetscape to be submitted at the beginning of the development process and to be implemented with an in-ground irrigation system prior to receiving a certificate of completion.

Policy 4: Strive for efficiency in utility and transportation systems.

1. Encourage mixed use facilities that place residents and needed services in close proximity to each other and that are adjacent to transportation modes not reliant on the automobile.
2. Consider these site needs for artisan and/or culinary clusters:
 - a. Frontage on an arterial or collector street,
 - b. Located north of the City to maximize freight transportation efficiency and to minimize traffic through Jacksonville’s historic core,
 - c. A site large enough to provide effective land-use buffers around the facility for separation from other uses,
 - d. Located in an area with existing or planned sanitary sewer, municipal water service, and telecommunications and internet connectivity, and
 - e. Located in an area where the new infrastructure will provide connectivity to other parts of the City.
3. Track commercial and residential land consumption to be prepared for the State’s 10-year review that requires maintaining a land supply for a 20-year planning horizon.
4. Improve and maintain public services and facilities to enhance existing and future commercial activity.
5. Prepare, utilize, monitor, and update a Capital Improvement Plan that will provide for visitors’ services, parks, and parking in balance with financial constraints and tax base impacts. Explore grants to facilitate and augment funding.
6. When considering expansion for needed commercial/mixed use/ artisan/culinary land beyond the existing UGB, stress pedestrian and bicycle connectivity and utility and transportation efficiency.
7. Consider the potential of carbon offsets as a revenue source.

Policy 5: Appendices to this Economic Element may be updated and amended by resolution as approved by Jacksonville’s City Council.

