



Planning Commission Agenda

Note: Anyone wishing to speak at any Planning Commission meeting is encouraged to do so. If you wish to speak, please rise and, after you have been recognized by the Chair, give your name and complete address for the record. You will then be allowed to speak. Please note the public testimony may be limited by the Chair.

June 27, 2023

Study Session

AGENDA

- I. **CALL TO ORDER:** 7:00 p.m., Civic Center Council Chambers, 1175 E. Main Street

- II. **ANNOUNCEMENTS**

- III. **PUBLIC FORUM**
Note: If you wish to discuss an agenda item, please contact PC-public-testimony@ashland.or.us by June 27, 2023, 10 a.m. to register to participate electronically. To speak to an agenda item in person you must fill out a speaker request form at the meeting and will then be recognized by the Chair to provide your public testimony. Written testimony can be submitted in advance or in person at the meeting. If you are interested in watching the meeting via Zoom, please utilize the following link: <https://zoom.us/j/99681231334>

- IV. **DISCUSSION ITEMS**
 - A. **Ashland Chamber of Commerce Economic Diversification Study** (Chamber Staff)
 - B. **Ashland Climate & Environmental Policy Advisory Committee Natural Gas Ordinance Update** (CEPAC Chair Bryan D. Sohl)
 - C. **DRAFT Ashland Climate Friendly Area (CFA) Study**
 - D. **2023 Annual Planning Commission Retreat**

- V. **OPEN DISCUSSION**

- VI. **ADJOURNMENT**

Next Meeting Date: July 11, 2023 (pending planning application submittal)

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please email planning@ashland.or.us. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting (28 CFR 35.102-35.104 ADA Title 1).



DISCUSSION ITEMS

Ashland Chamber of Commerce Economic Diversification Study

Memo

DATE: June 27, 2023
TO: Planning Commission
FROM: Derek Severson, *Planning Manager*
RE: Ashland Chamber of Commerce
Economic Diversification Strategy

In 2022, EcoNorthwest completed an Economic Diversification Strategy for the Ashland Chamber of Commerce. After heat waves, wildfires, smoke and a pandemic and its associated business restrictions, school closures and shuttered venues the Chamber study looks closely at issues including what drives the local economy, how does the city adapt to climate impacts, and how can the city remain affordable to young families.

The strategy and executive summary are included in tonight's packet for your review, and Chamber staff will be on hand to present the strategy at tonight's meeting and respond to any questions.

September
2022

ASHLAND
CHAMBER OF COMMERCE
**ECONOMIC
DIVERSIFICATION
STRATEGY**



Prepared
for the Ashland
Chamber of Commerce

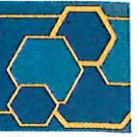
ECONorthwest
ECONOMICS • FINANCE • PLANNING



TABLE OF CONTENTS

A	Executive Summary	A
1	Introduction	1
2	Study Framework	3
3	What the Data Say	6
4	Engagement.....	31
5	Peer Cities and Industry Trends.....	40
6	SWOT Analysis	45
7	Economic Diversification Action Plan.....	61
8	Appendix A: Ashland Economic Profile	89
9	Appendix B: Additional Survey Responses	95

EXECUTIVE SUMMARY



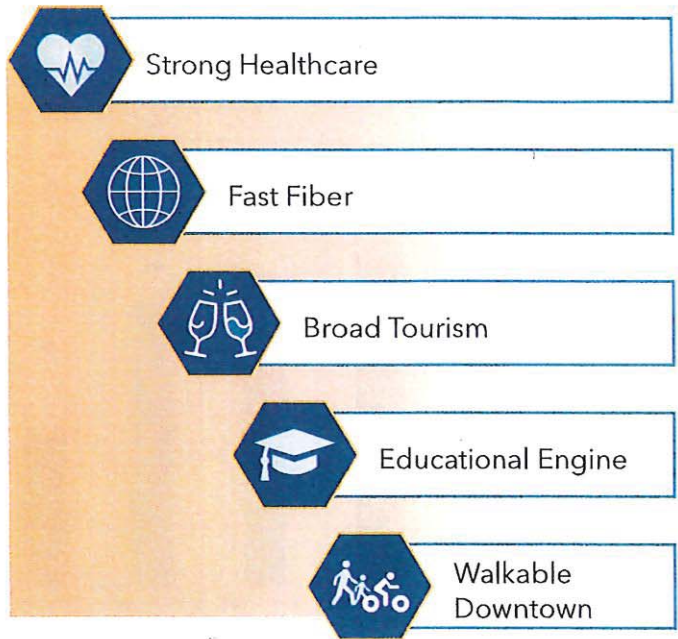
Ashland has been tested. Wildfires, a pandemic, business restrictions, school closures, heat waves and shuttered venues. It has dealt with more in the last five years than it had in five decades prior. One of the results has been a chance at deep reflection. What drives the economy? How does the city adapt to climate impacts? How can the community remain affordable to young families? For as much that has been lost, the city and Chamber have gained insight, strengthened partnerships, and demonstrated a resiliency that it will build from as it emerges into a new era.

This study explores what makes Ashland great, what it still struggles with, what could hobble its growth and what it can do to create a more balanced, equitable economy. In-depth data analysis was partnered with extensive engagement to develop a deep understanding of where Ashland currently is and where it needs to go. To find success, any actions will require partnerships and financial investments that span the public and private sectors. Certain concepts will carry risk, as the city attempts to foster growth in new corners of its economy to better manage any future disruptions.

A SMALL CITY WITH BIG AMENITIES

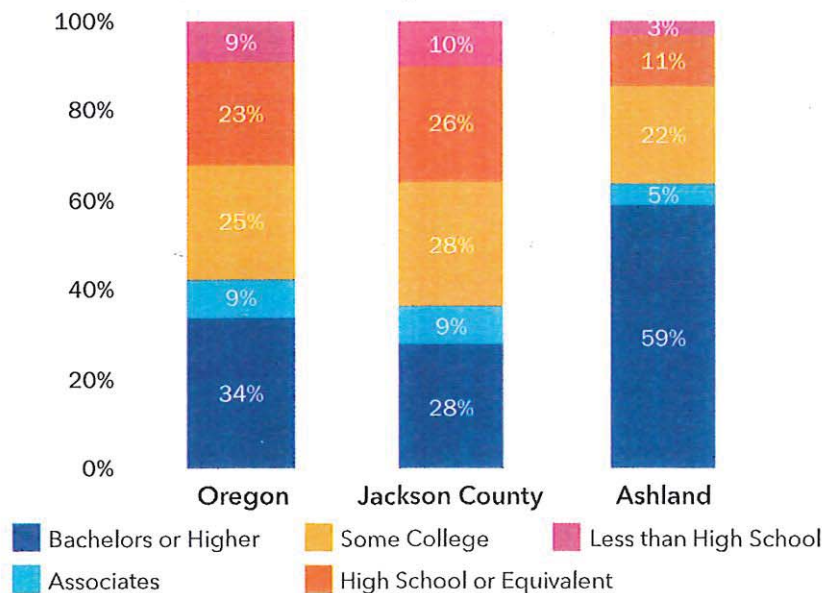
For a city of 21,000 people, Ashland has foundational strengths that many other cities its size aspire to have. A growing population of highly educated residents, an excellent school district, employers in growing sectors like health care and solar, a wide variety of local amenities and a welcoming attitude that attracts visitors, residents, and employers.

From our work we found the following **STRENGTHS** to be the most relevant to economic diversification:



Educational Attainment For Population 25 Years Plus, Ashland, Jackson County, and Oregon, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B15003.



EXECUTIVE SUMMARY

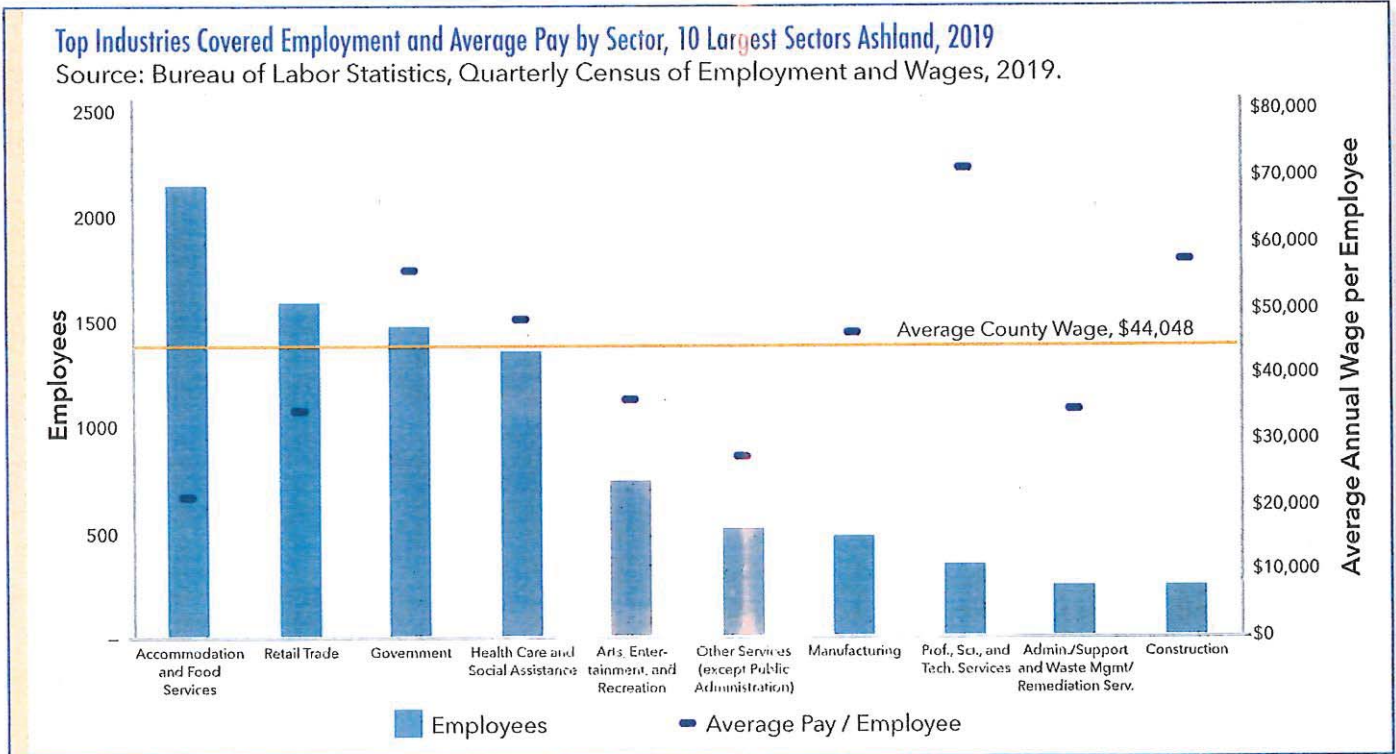


HIGH HOUSING COSTS IMPACT LABOR




Attractive places to live often struggle to stay accessible as they grow. Housing production in Ashland has not kept pace with demand, and many of those that exist have shifted to short-term rental units. As such, the increase in housing prices have made it difficult for many of the people who work in Ashland to afford to live there. This is part of a larger regional issue, as many people have gradually begun to live elsewhere in the Rogue Valley for more

affordable housing options. Now, other cities in the Rogue Valley are addressing the issue with significant plans for expanding housing.

The performing arts and its strong impact on the local economy has helped drive employment in the retail, services and lodging sectors for decades. Its large role as a driver of the local economy was shown by the impact of performance disruptions in 2020 and 2021.





We found the **WEAKNESSES** that deserve attention to be:

-  Cost of Workforce Housing
-  Reliance on Performing Arts
-  Public Sector Collaboration

THE REGION'S CLIMATE CAN'T BE IGNORED

The city also faces larger, existential threats that clearly impact the resiliency of the local economy. Climate change and its impact on heat and precipitation in the region has already caused severe impacts on Ashland. It is a threat to the future of the city and region that is unparalleled by other concerns over the long term. Confronting climate change directly is challenging, but methods can be taken to focus local resources on adapting to a range of possible scenarios. In addition, **we found the following THREATS to have the potential of undermining the local economy:**

-  Housing Affordability
-  Demographic Shifts

EXECUTIVE SUMMARY

OPPORTUNITIES ARE ALREADY EMERGING

There are silver linings to the disruptions Ashland has endured. Many businesses diversified their income streams by developing ecommerce capacity, regional tourists filled some of the gap that was left by out-of-state visitors, remote work advanced dramatically and creates its own resiliency from local shocks.

There is an abundance of opportunities for the city to pursue to expand its economy, those that we consider pillars to economic diversification are the following: diversifying tourism, rejuvenating downtown, fostering business growth and expanding the talent pool.

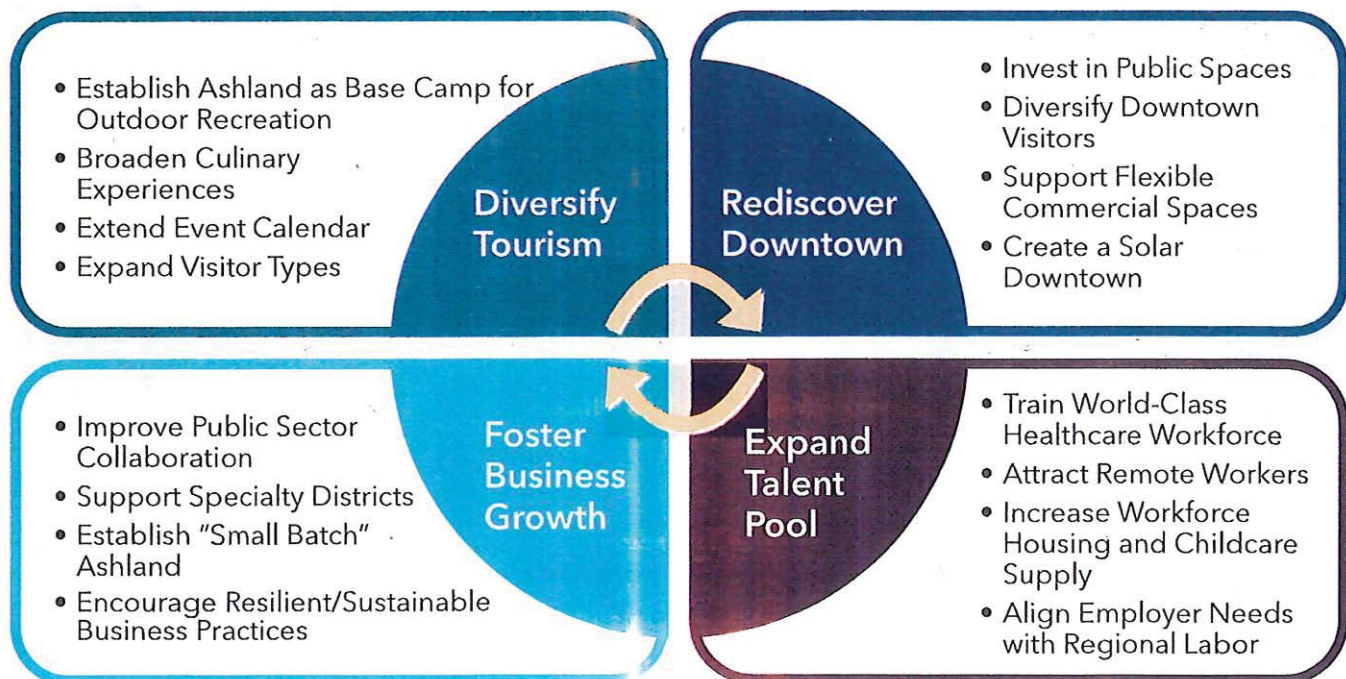
STEM Occupational Employment Projections for Rogue Valley (Jackson and Josephine Counties), 2020-2030, Top Five Occupations

Source: QualityInfo, Oregon Employment Department

OCCUPATION TITLES	Employment 2020	Project Employment 2030	Percent Change	Employment Change	Replacement Openings	Total Openings
Registered Nurses	2,828	3,238	14.5%	410	1,453	1,863
Farmers, Ranchers, and Other Agricultural Managers	1,610	1,761	9.4%	151	1,592	1,743
Carpenters	1,330	1,440	8.3%	110	1,212	1,322
Project Management Specialists and Business Operations Specialists, All Other	770	859	11.6%	89	697	786
Accountants and Auditors	645	737	14.3%	92	563	655
TOTAL, ALL OCCUPATIONS	23,870	27,278	14.3%	3,408	18,705	22,113

FOUR PILLARS FOR DIVERSIFICATION

Each of these areas have specific strategies that can be pursued to accomplish these goals. These have been developed based on what has emerged as most urgent, but also what local actors have control over to implement. Some of these are already underway by Travel Ashland together with tourism industry partners.





Of the 16 identified strategies, we consider these five to be priorities:

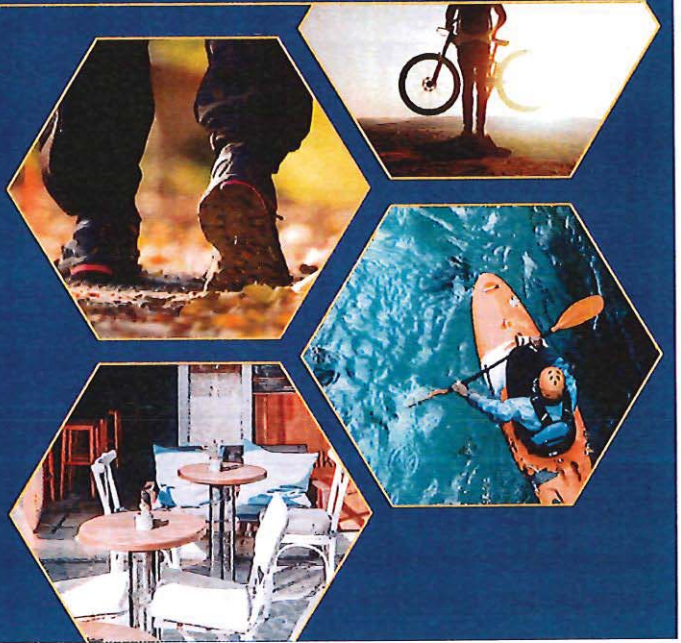
1. Be Base Camp for Outdoor Recreation
2. Improve Public Sector Collaboration
3. Train the Future of Healthcare
4. Establish Small Batch Ashland
5. Launch Solar Downtown

1



Be Base Camp for Outdoor Recreation

The region has seen a steady increase in interest in outdoor activities, from mountain biking and trail running to water recreation. The city needs to establish itself as the place in the region a visitor wants to start their day's adventure while showcasing Ashland's proximity to Crater Lake National Park, the mountain lakes and day trips in Southern Oregon. Ashland should be where they want to relax in the evening. Leverage the amenities that distinguish the city: The quality lodging, the amazing restaurants, the walkable downtown, even the popular Coop deli. At the same time, encourage investment in the gaps: bike storage, trail expansion, dog-friendly amenities, downtown signage, etc.

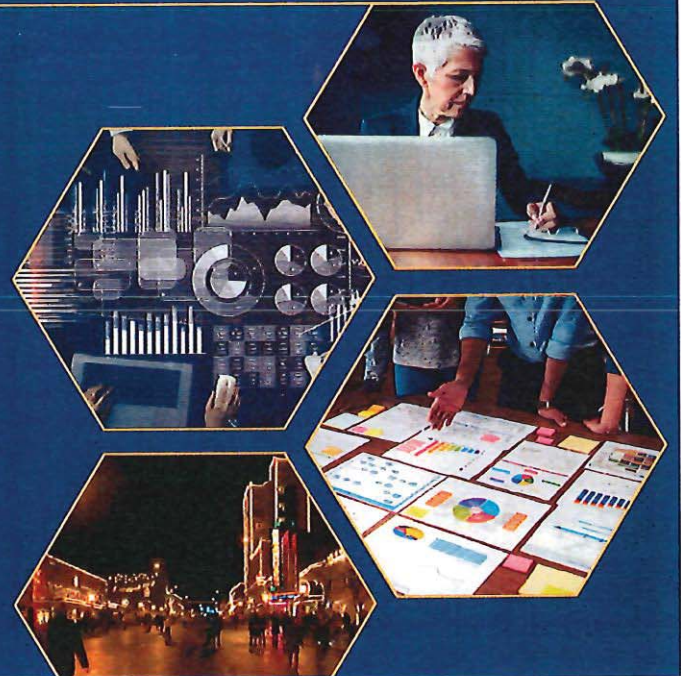


2



Improve Public Sector Collaboration

Business owners, elected officials and Ashland residents all share the desire to preserve the qualities that make the city a great place to live and work. How the City effectively maintains those ideals while supporting the city's natural growth is an ongoing challenge. The development community in particular seeks clarity and consistency in the review process. The larger business community wants a partner to make the investments that the community is looking for, even if some residents have concerns about the pace of change. It is difficult to predict which entrepreneur will grow the next great company in the Rogue Valley, but that company can't grow it in Ashland if there is not space for them to establish it.



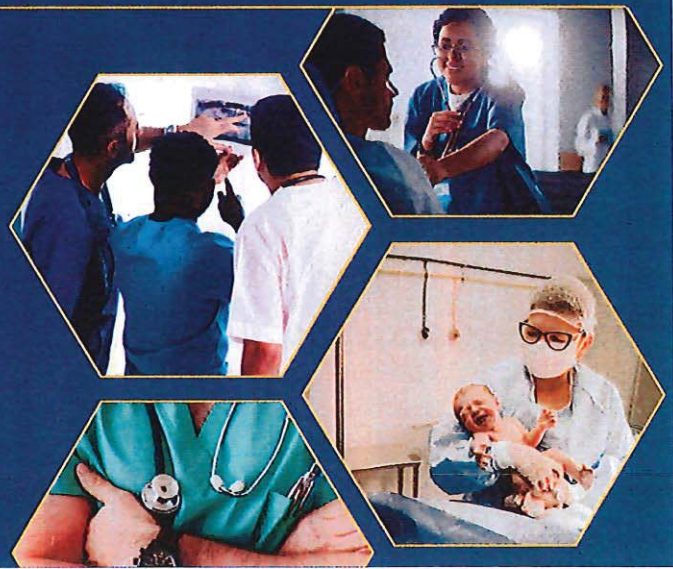
EXECUTIVE SUMMARY

3



Train the Future of Healthcare

In terms of pathways to a middle-class lifestyle, healthcare careers have proven to be one of the most effective paths in the 21st century. Since 2009 healthcare has added more jobs in Jackson County than any other sector. And these jobs on average pay more than many of the service sector jobs that are prevalent in Ashland. Given the aging demographics of the city, there will be a strong demand for everything from registered nurses to pharmacists over the next decades. Between SOU and RCC, there are various programs in the area to grow this pipeline. These workers can afford to live in Ashland, will be tied to local employers, and may have the kids to ensure the local school district does not see further enrollment decline.

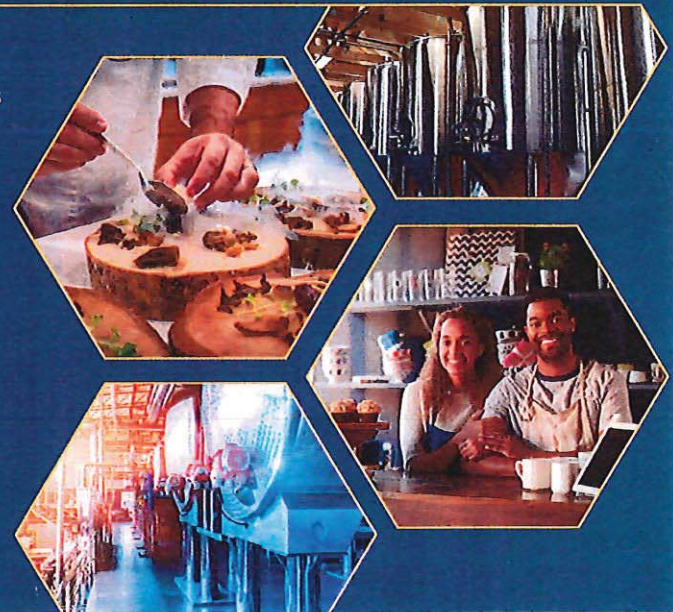


4



Establish Small Batch Ashland

Ashland has a unique blend of assets when it comes to producing and selling food products. There is both local demand and tens of thousands of customers with a strong desire for “authentic” goods. The city has a brand that projects quality and wholesomeness. It has a level of culinary expertise that is very sophisticated for its size. It has a handful of manufacturing assets that it could adapt to these needs if the right company were to scale. Perhaps all that is missing is a dedicated space with some of the equipment (bottling, sealing, labeling, etc.) and some wraparound technical assistance that reduce the barriers for local entrepreneurs to test the market and scale quickly. This concept also hinges on the success of the previous Improving Public Sector Collaboration strategy: flexible regulations and openness to new business ideas are critical precursors to this type of innovation.

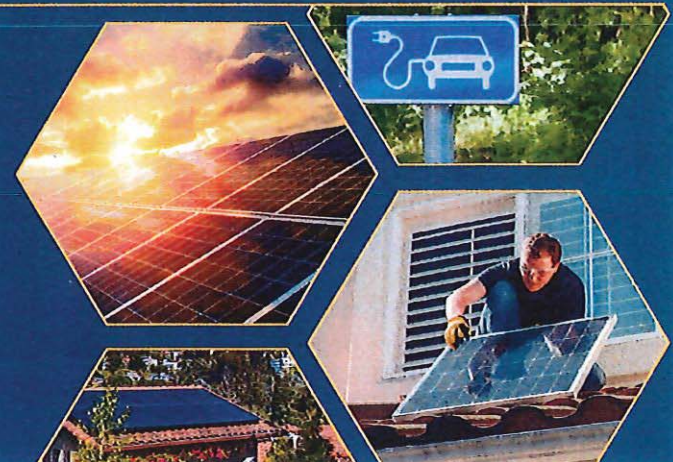


5



Launch Solar Downtown

Ashland can't hide from the climate impacts that have gradually impacted its seasons. One way to channel the frustration is to choose a distinct goal to demonstrate to the world how a city can embrace the challenge of decarbonization. Work with downtown property owners and tenants to set a goal of renewable energy generation and let visitors learn how small cities can take action. The city has a growing cluster of solar companies and this type of effort would support a local industry as it looks to establish its foothold in the region.





Moving Forward

The challenge to economic diversification will be building momentum. Travel has picked back up and tourists will return to flood downtown during the summer. SOU students will migrate in the fall. Holiday events will return. There will be a sense that things are back to normal. The reality is that there is no returning to a pre-pandemic economic landscape. Foundational items have changed in the economy: workers are less geographically tied to their employers, the shortage of workforce housing and childcare providers has become an urgent matter, some of the older tourists will not be returning, and how people work and shop has changed. Many business owners have made adjustments to pivot during the previous

years: performing arts venues have looked to the shoulder season for more shows, the wine industry has more direct sales via ecommerce as part of its revenue stream, rafting companies have simplified their operations to manage disruptions, the coop has invested in a high-capacity HVAC system that allows it to function during any smoke events. For the city to better recalibrate for its future, choices will have to be made about specific actions that partners can rally behind to move forward. Ashland has a base of strong leaders throughout the community, and a wave of new directors and presidents in major institutions, aligning that with the City leadership would unlock the potential for a more vibrant, resilient city.



Economic Diversification Strategy

Ashland Chamber of Commerce

September 2022

Prepared for: Ashland Chamber of Commerce

Final Report

ECONorthwest
ECONOMICS • FINANCE • PLANNING

KOIN Center
222 SW Columbia Street
Suite 1600
Portland, OR 97201
503-222-6060

This page intentionally blank

Table of Contents

- 1. INTRODUCTION 1
- 2. STUDY FRAMEWORK 3
- 3. WHAT THE DATA SAY 6
- 4. ENGAGEMENT 29
- 5. PEER CITIES AND INDUSTRY TRENDS..... 38
- 6. SWOT ANALYSIS..... 43
- 7. ECONOMIC DIVERSIFICATION ACTION PLAN..... 59
- 8. APPENDIX A: ASHLAND ECONOMIC PROFILE..... 85
- 9. APPENDIX B: ADDITIONAL SURVEY RESPONSES..... 90

This page intentionally blank

Executive Summary

Ashland has been tested by wildfires, a pandemic, business restrictions, school closures, heat waves and shuttered venues. It may have dealt with more in the last five years than in the last fifty years. One of the results has been a chance at deep reflection. What drives the economy? How does the city adapt to climate impacts? How can the community remain affordable to young families? While much has been lost, the city and Chamber have gained insight, strengthened partnerships, and demonstrated a resiliency that will help the region transition into a new era.

This study explores what makes Ashland great, what it still struggles with, what could hobble its growth and what it can do to create a more balanced, equitable economy. In-depth data analysis was partnered with extensive engagement to develop a deep understanding of where Ashland currently is and where it needs to go. To find success, any actions will require partnerships and financial investments that span the public and private sectors. Certain concepts will carry risk, as the city attempts to foster growth in new corners of its economy to better manage any future disruptions.

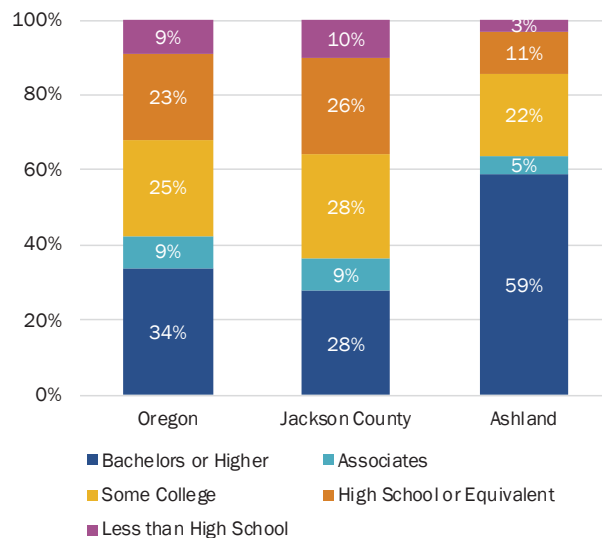
A Small City with Big Amenities

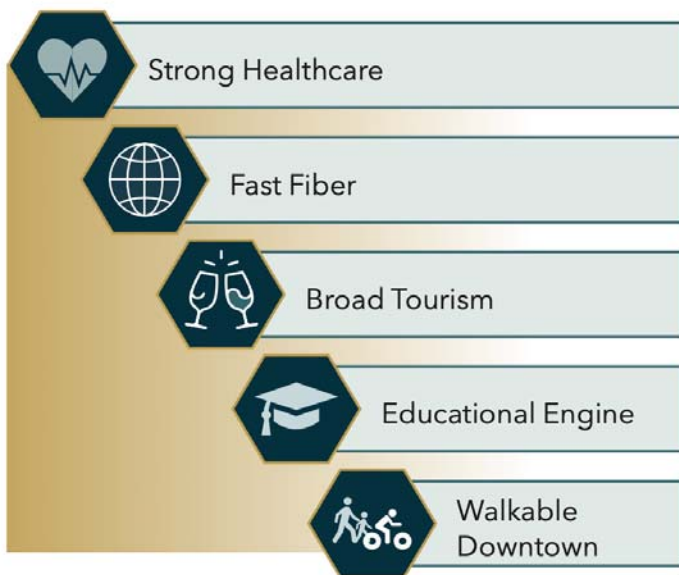
For a city of 21,000 people, Ashland has foundational strengths that many other cities its size aspire to have. A growing population of highly educated residents, an excellent school district, employers in growing sectors like health care and solar, a wide variety of local amenities and a welcoming attitude that attracts both visitors, residents and employers.

From our work we found the following strengths to be the most relevant to economic diversification:

Exhibit 1. Educational Attainment For Population 25 Years Plus, Ashland, Jackson County, and Oregon, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B15003.





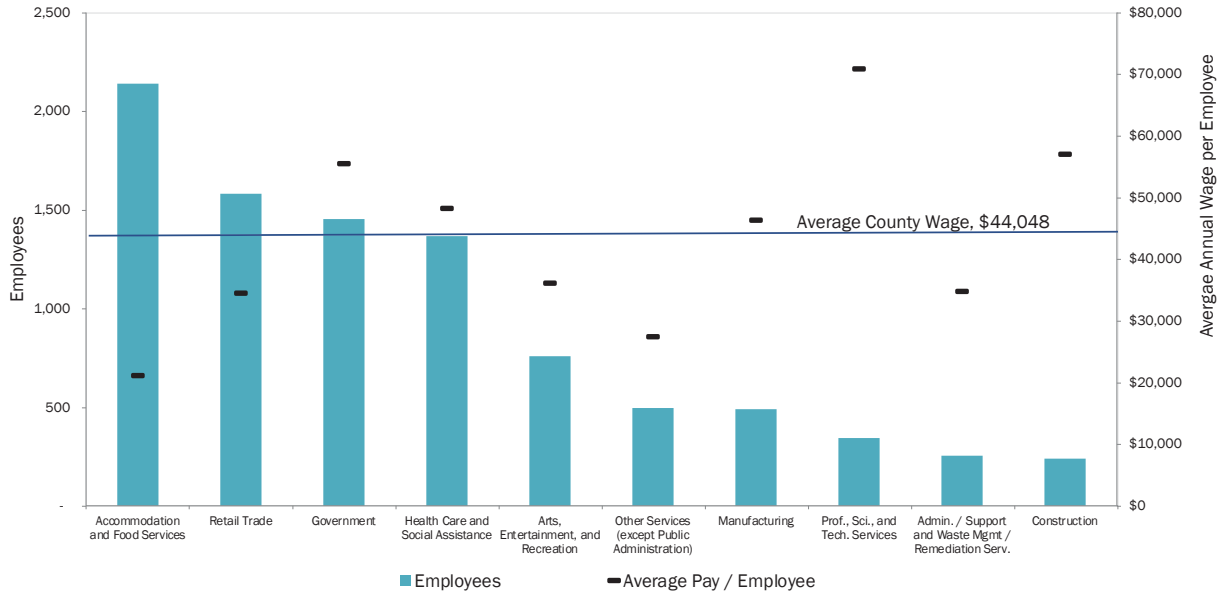
High Housing Costs Impacts Labor

Attractive places to live often struggle to stay accessible as they grow. Housing production in Ashland has not kept pace with demand, and many of those that exist have shifted to short-term rental units. As such, the increase in housing prices have made it difficult for many of the people who work in Ashland to afford to live there. This is part of a larger regional issue, as many people have gradually begun to live elsewhere in the Rogue Valley for more affordable housing options. Other cities in the Rogue Valley are addressing the issue with significant plans for expanding housing. Ashland is still developing its path forward.

The performing arts and its strong impact on the local economy has helped drive employment in the retail, services and lodging sectors for decades. Its large role as a driver of the local economy was shown by the impact of performance disruptions in 2020 and 2021.

Exhibit 2. Top Industries Covered Employment and Average Pay by Sector, 10 Largest Sectors Ashland, 2019

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2019.



We found the weaknesses that deserve attention to be:



The Region's Climate can't be Ignored

The city also faces larger, existential threats that clearly impact the resiliency of the local economy. Climate change and its impact on heat and precipitation in the region has already caused severe impacts on Ashland. It is a threat to the future of the city and region that is unparalleled by other concerns over the long term. Confronting climate change directly is challenging, but methods can be taken to focus local resources on adapting to a range of possible scenarios. In addition to climate change, we found the following threats to have the potential of undermining the local economy: Housing Affordability and Demographic Shifts

Opportunities are Already Emerging

There are silver linings to the disruptions Ashland has endured: many businesses diversified their income streams by developing ecommerce capacity, regional tourists filled some of the gap that was left by out-of-state visitors, and remote work advanced dramatically.

STEM Occupational Employment Projections for Rogue Valley (Jackson and Josephine Counties), 2020-2030, Top Five Occupations

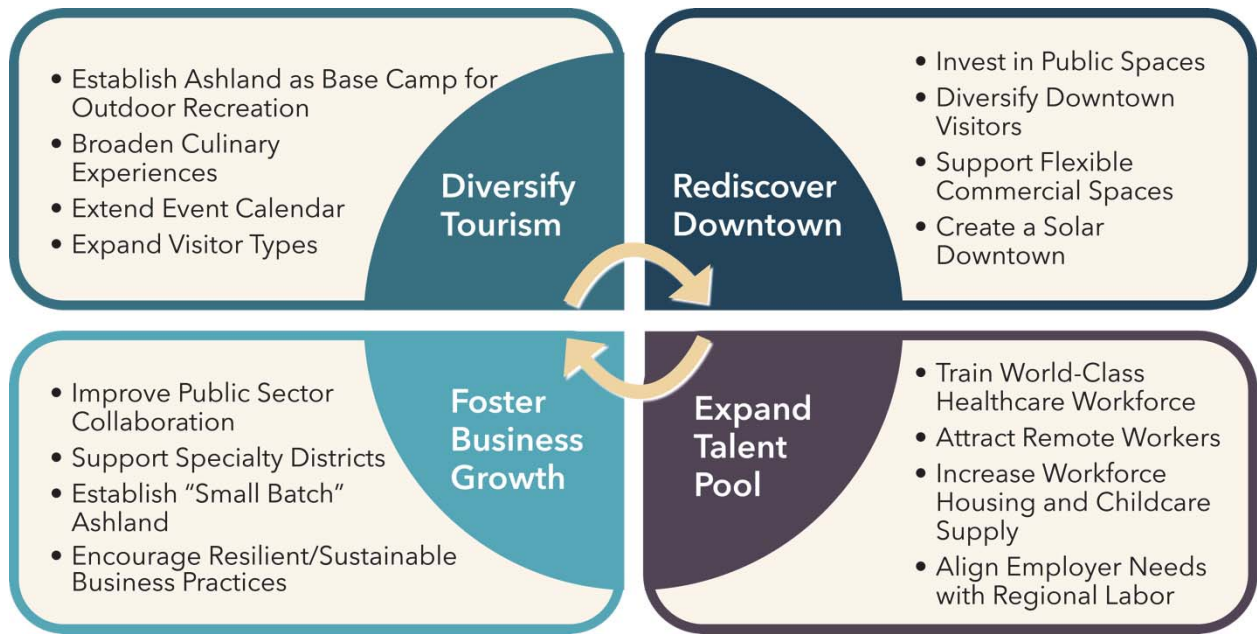
Source: QualityInfo, Oregon Employment Department

Occupation Title	Employment 2020	Projected Employment 2030	Percent Change	Employment Change	Replacement Openings	Total Openings
Registered Nurses	2,828	3,238	14.5%	410	1,453	1,863
Farmers, Ranchers, and Other Agricultural Managers	1,610	1,761	9.4%	151	1,592	1,743
Carpenters	1,330	1,440	8.3%	110	1,212	1,322
Project Management Specialists and Business Operations Specialists, All Other	770	859	11.6%	89	697	786
Accountants and Auditors	645	737	14.3%	92	563	655
Total, All Occupations	23,870	27,278	14.3%	3,408	18,705	22,113

There is an abundance of opportunities for the city to pursue to expand its economy, those that we consider pillars to economic diversification are the following: diversifying tourism, rediscovering downtown, fostering business growth and expanding the talent pool.

Four Pillars for Diversification

Each of these areas have specific strategies that can be pursued to accomplish these goals. These have been developed based on what has emerged as most urgent, but also what local actors have control over to implement. Some of these are already underway by Travel Ashland together with tourism industry partners.



Priority Actions

Of these 16 strategies, we consider five to be priorities:

- **Be Base Camp for Outdoor Recreation**
 - o The region has seen a steady increase in interest in outdoor activities, from mountain biking and trail running to water recreation. The city needs to establish itself as the place in the region a visitor wants to start their day’s adventure while showcasing Ashland’s proximity to Crater Lake National Park, the mountain lakes and day trips in Southern Oregon. Ashland should be where visitors want to relax in the evening. Leverage the amenities that distinguish the city: The quality lodging, the amazing restaurants, the walkable downtown, even the popular Coop deli. At the same time, encourage investment in the gaps: bike storage, trail expansion, dog-friendly amenities, camper van parking, downtown signage, etc.
- **Improve Public Sector Collaboration**
 - o Business owners, elected officials and Ashland residents all share the desire to preserve the qualities that make the city a great place to live and work. How the City effectively maintains those ideals while supporting the city’s natural growth is an ongoing challenge. The development community in particular seeks clarity and consistency in the review process. The larger business community wants a partner to make the investments that the community is looking for, even if some residents have concerns about the pace of change. It is difficult to predict which entrepreneur will grow the next great company in the Rogue Valley, but that company can’t grow it in Ashland if there is not space for them to establish it.
- **Train the Future of Healthcare**

- In terms of pathways to a middle-class lifestyle, healthcare careers have proven to be one of the most effective paths in the 21st century. Since 2009 healthcare has added more jobs in Jackson County than any other sector. And these jobs on average pay more than many of the service sector jobs that are prevalent in Ashland. Given the aging demographics of the city, there will be a strong demand for everything from registered nurses to pharmacists over the next decades. Between Southern Oregon University and Rogue Community College, there are various programs in the area to grow this pipeline. These workers can afford to live in Ashland, will be tied to local employers, and may have the kids to ensure that local school district does not see further enrollment decline.
- **Establish Small Batch Ashland**
 - Ashland has a unique blend of assets when it comes to producing and selling food products. There is both local demand and tens of thousands of customers with a strong desire for “authentic” goods. The city has a brand that projects quality and wholesomeness. It has a level of culinary expertise that is very sophisticated for its size. It has a handful of manufacturing assets that it could adapt to these needs if the right company were to scale. Perhaps all that is missing is a dedicated space with some of the equipment (bottling, sealing, labeling, etc.) and some wraparound technical assistance that reduces the barriers for local entrepreneurs to test the market and scale quickly. This concept also hinges on the success of the previous Improving Public Sector Collaboration strategy: flexible regulations and openness to new business ideas are critical precursors to this type of innovation.
- **Launch Solar Downtown**
 - Ashland can’t hide from the climate impacts that have gradually impacted its seasons. One way to channel the anxiety is to choose a distinct goal to demonstrate to the world how a city can embrace the challenge of decarbonization. Work with downtown property owners and tenants to set a goal of renewable energy generation and let visitors learn how small cities can take action. The city has a growing cluster of solar companies and this type of effort would support a local industry as it looks to establish its foothold in the region.

Moving Forward

The primary challenge to economic diversification will be building momentum. Travel has picked back up and tourists have returned to visit Ashland’s downtown during the summer. SOU students will migrate in the fall. Holiday events will return. There will be a sense that the local economy has returned to normal. The reality is that there is no returning to a pre-pandemic economic landscape. Foundational items have changed in the economy: workers are less geographically tied to their employer, the shortage of workforce housing and childcare providers has become an urgent matter, some of the older tourists will not be returning, how people work and shop has changed. Many of the business owners have made adjustments to

pivot during the previous years: performing arts venues have looked to the shoulder season for more shows, the wine industry has more direct sales via ecommerce as part of its revenue stream, rafting companies have simplified their operations to manage disruptions, the Ashland coop has invested in a high-capacity HVAC system that allows it to function during smoke events. For the city to better recalibrate for its future, choices will have to be made about specific actions that partners can rally behind to move forward. Ashland has a base of strong leaders throughout the community, and a wave of new directors and presidents in major institutions. Aligning those new champions and their vision with City leadership would unlock the potential for a more vibrant, resilient city.

1. Introduction

The Chamber of Commerce in Ashland understands that change is underway in the Rogue Valley. The last five years and its shifts in the local market has demonstrated the need for an updated strategy. The regional Comprehensive Economic Development Strategy highlighted Business Development, Innovation and Entrepreneurship, Talent, Tourism and Placemaking. This report builds off those goals and outlines a set of actions intended to move the community towards a more resilient and equitable economy.

Background

Recent disasters, including the Covid-19 pandemic and wildfires have taught us how fragile and unpredictable local economies can be. A strong economy is a resilient economy, able to withstand disruptions and avoid systemic collapses. The hospitality sector was one of the most impacted over the last few years, and many workers in Ashland are dependent on its success. The importance of higher education was also demonstrated. When students are away from Southern Oregon University and taking classes online, the impact on the city is tangible. The city has foundational issues that complicate its viability as well, such as a lack of workforce housing and childcare resources. These can create a dependency on workers that commute in from other areas, and in this case areas that are vulnerable to climate events.

Ashland is in the midst of significant change. Climate change is increasing the frequency and severity of wildfires in the region. A 2018 report by Dean Runyan Associates concluded that fires in 2017 resulted in a loss of \$2.83 million in travel-related revenues. The Covid-19 pandemic resulted in business closures and more deeply affected communities and regions with significant tourism economies.

The community is also in the midst of significant demographic changes. Enrollments at Southern Oregon University and the Ashland School District are declining. According to data from the American Community Survey (ACS), 30% of Ashland's population was 60 or over. Moreover, persons 60 or over were the fastest growing age group between 2010 and 2019 increasing more than 25%. The percentage of Ashland's population decreased 8% during the same period.

The City of Ashland is currently experiencing budget challenges and is expecting a general fund deficit of \$3,000,000 for FY 22-23. As a result, the City Council is contemplating ways to balance community desires for municipal services with its budget capacity. The Council held special business meetings on May 23 and 24, 2022 to explore strategic choices and is currently conducting a survey to obtain community priorities.

For as much that has been lost, the city has gained insight, strengthened partnerships, and demonstrated a resiliency that it can build from as it emerges into a new era. In short, Ashland

is at a point where the community needs to make difficult choices about how to manage change. These exceptional challenges provide an opportunity for deep reflection:

- What drives the economy?
- How does the city adapt to climate impacts?
- How can the community retain its ability to support households of all types?
- What will the demographic composition of Ashland look like in 20 years?
- Should the community double-down on its historic economic strength in tourism, or should it pivot and focus on other economic sectors? What investments will it make to guide change?
- What opportunities should Ashland pursue?
- How can the community leverage increasingly scarce resources?

The Ashland Economic Diversification strategy proposes a set of forward-looking strategies that represent *strategic investments* in the community that are intended to make Ashland's economy more diverse and resilient. The success of this plan is contingent on execution. The plan seeks to expand existing partnerships and create new partnerships focused on outcomes and not process.

The literature does not identify a single definition of economic diversification. For the purpose of this plan, economic diversity or economic diversification refers to variations in the economic status or the use of a broad range of economic activities in a region or country. One way to measure economic diversity is the degree to which an economy's mix of industries, sectors, skill levels and employment levels differ from a larger reference economy. Diversification is used as a strategy to encourage positive economic growth and development.

2. Study Framework

A considerable body of literature exists on strategic planning and action planning. In strategic planning, the “focus is on results or outcomes rather than products or outputs. Strategic planning is less concerned with how to achieve outcomes than with defining what those outcomes should be.”¹ This plan focuses on outcomes (e.g., guiding community change) and strategies to achieve those outcomes.

Strategic Planning Framework

Source: Adapted from Team-based Strategic Planning, Fogg, C. Davis

Planning Base	Results Required	How	Implementation	Review
Environmental Scan ○Internal ○External Assumptions Priorities	Vision/ Mission Objectives	Strategies Programs	Delegated Objectives Delegated Programs	Reviews
Where are we Now?	Where do we want to be?	How will we get there?	Who must do What?	How are we doing?

Methods

To understand how Ashland’s economy can diversify, we first need to understand its current makeup. What are the demographic trends? How have major employers weathered recent disruptions? What is the state of local tax revenues? What do local stakeholders consider weaknesses or opportunities? To tackle these complicated questions, we took an iterative approach that balanced quantitative analysis and qualitative input. Looking to the data to reveal certain truths and talking to stakeholders to reveal others.

¹ <http://www.blackerbyassoc.com/history.html>

Data Used in this Analysis

This section draws on information from numerous data sources, such as the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, City of Ashland, the U.S. Census and other sources.

This report uses data from the 2015-2019 ACS for Ashland and comparison areas primarily. Where information is available or relevant, we report information from the 2000 and 2010 Decennial Census. The 2020 Census was completed at the end of 2020. However, extenuating circumstances delayed the release of the data and experimental data was released for the 2020 ACS. Presently, the 2015-2019 ACS data continues to be the most reliable.²

Travel Ashland's 2020-2021 Travel Ashland's Visitor Research and Analysis Study provided significant information and recommendations for our analysis. This work focused on deepening the level of understanding about recreational visitors, including insight into demographics of tourism, perceptions of Ashland, and motivation for visitors.

Unless explicitly noted, we used the most recent data sets available. For many metrics, this means data that is two or more years old. We are well aware of the rapidly economic and demographic changes that have occurred in Ashland, the Rogue Valley, and nationally in the past two years. Unfortunately, more recent data are not available for small geographies like Ashland.

Quantitative Analysis

The data analysis began at a macro scale looking at demographic trends and then moved into topics such as housing, commuting, occupations, unemployment, and so on. The data come from a variety of sources, from US census to the bureau of labor statistics to local tax information. Strong trends and nuanced themes emerge. These are explored in the "By the Numbers Section". Data only reveals part of the story, and thus we also embarked on significant engagement efforts.

Qualitative Analysis

This project had a robust stakeholder engagement process, with in-depth insight gathered from individuals from hospitality, real estate, performing arts, outdoor recreation, renewable energy, higher education and many more sectors. This included:

- Stakeholder Engagement

² <https://www.jchs.harvard.edu/blog/defining-use-caution-how-were-navigating-new-census-bureau-data>

- Over forty individuals were spoken with to hear about the region’s strengths, weaknesses, threats and opportunities. These often led to detailed discussions of specific opportunities for economic growth.
- Focus Groups
 - A handful of focus groups were organized to hear peers discuss the Ashland economy together. Retail, restaurant owners, performing arts, outdoor recreation and elected officials all participated in sessions that often resulted in constructive brainstorming sessions.
- Peer City Interviews
 - To explore opportunities and strategies from other cities, phone calls were scheduled with professionals in Bend, Santa Fe, McMinnville and Healdsburg. These resulted in great feedback on areas for Ashland to focus in and other sharing of best practices.
- Survey
 - An online survey combining multiple choice and short answer questions was developed and circulated to hundreds of Ashland business-owners and residents. 231 people responded to the survey, providing detailed feedback on Ashland’s challenges and opportunities for expansion.

3. What the Data Say

Ashland is Growing at a Slow Pace

Ashland’s population in 2020 was 21,105. Within its city limits, the population grew by 8% between 2000 and 2020, adding 1,583 new residents, at a 0.4% average annual growth rate. This is less than half the rate for Oregon or Jackson County. This is not projected to change in the near future.

Exhibit 3. Population, Ashland, Jackson County, Oregon, U.S., 2000, 2010, and 2020

Source: U.S. Decennial Census and Portland State University, Census World Clock, and Population Research Center.

				Change 2000 to 2020		
	2000	2010	2020	Number	Percent	AAGR
U.S.	281,421,906	308,745,538	330,034,257	48,612,351	17%	0.8%
Oregon	3,421,399	3,831,074	4,268,055	846,656	25%	1.1%
Jackson County	181,269	203,206	223,240	41,971	23%	1.0%
Ashland	19,522	20,078	21,105	1,583	8%	0.4%

Ashland’s Population is Getting Older

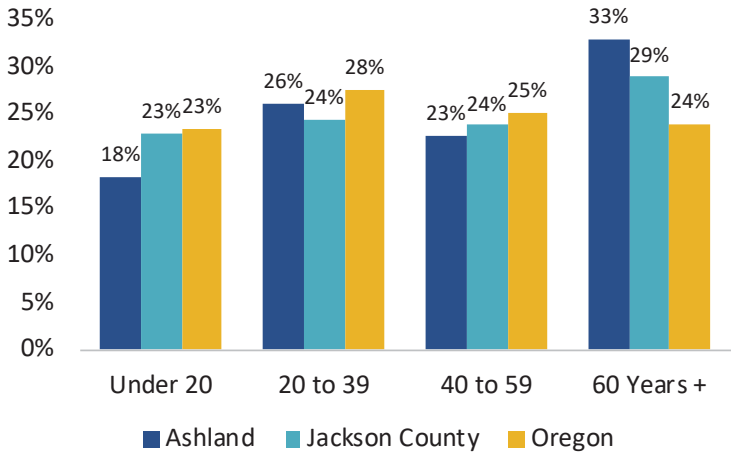
A third of the city’s population is over 60 years old while less than 1 in 5 is under 20 years in age. This trend shows no signs of shifting and likely will continue over the next decade. While older adults bring many benefits to a community, the implications for the local economy, from consumer spending habits to number of working age adults, will cause a variety of impacts.

In the 2015-2019 period, there were almost twice as many Ashland residents over 60 than under 20 years old.

Ashland had a larger share of people over the age of 60 than the county and state and a smaller share of residents under the age of 20.

Exhibit 4. Population Distribution by Age, Ashland, Jackson County, and Oregon, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS, Table B01001.

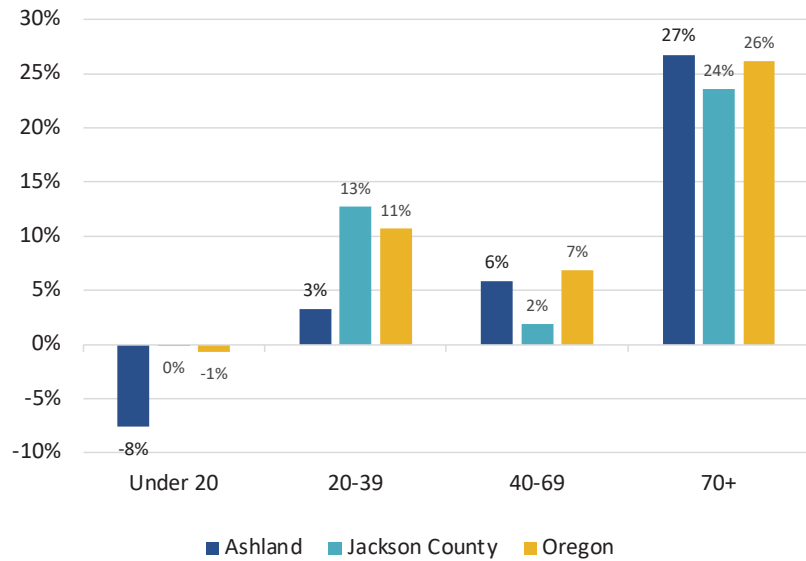


Between 2010 and the 2015-2019 period, Ashland saw the most growth in the population aged 70 and older.

At the same time, Ashland saw a decrease in the population of those under 20, a much sharper decrease than either Jackson County or Oregon.

Exhibit 5. Age Group Change from 2010 to 2019

Source: US Decennial Census 2010, P012001 and ACS 5-Year Estimates 2015-2019 Table B01001



By 2040, Jackson County's population over 60 years old is forecast to grow 27%. This is an increase in 18,458 people.

Exhibit 6. Fastest-growing Groups, Jackson County, 2020 to 2040

Source: PSU Population Research Center, Jackson County Forecast, June 2017.

11%	8%	25%	27%
5,363 People	4,211 People	13,901 People	18,458 People
Under 20	20-39 Yrs	40-59 Yrs	60+ Yrs

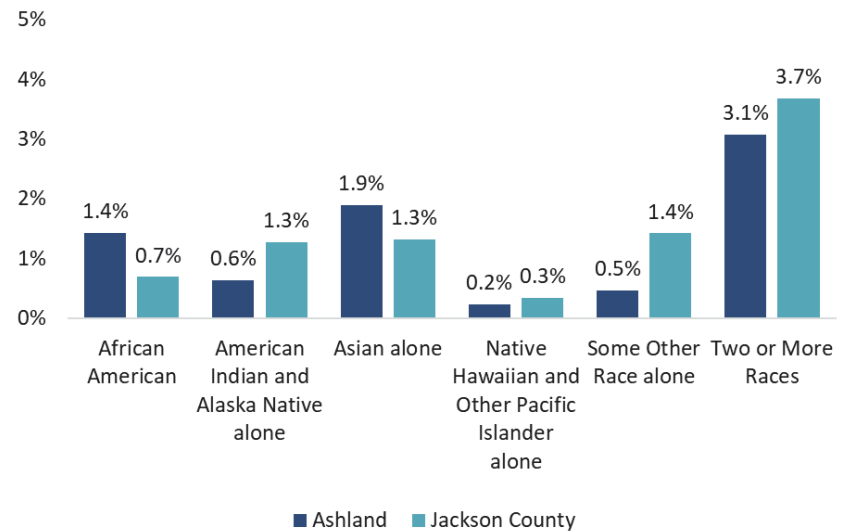
Ashland is Getting More Diverse

While very small, Ashland is comparable to the county in its non-white population. As is the case in much of Oregon, a large driver of that change prior to the pandemic was the steady growth of the Latino population. Diversity is an attribute that can help drive the growth of young workers, an area that Ashland struggles with.

About 92% of Ashland's population was White in 2015-2019. The largest communities of color were people who were two or more races, Asian, or Black.

Exhibit 7. Non-White Population by Race as a Percent of Total Population, Ashland and Jackson County, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS Table B02001.

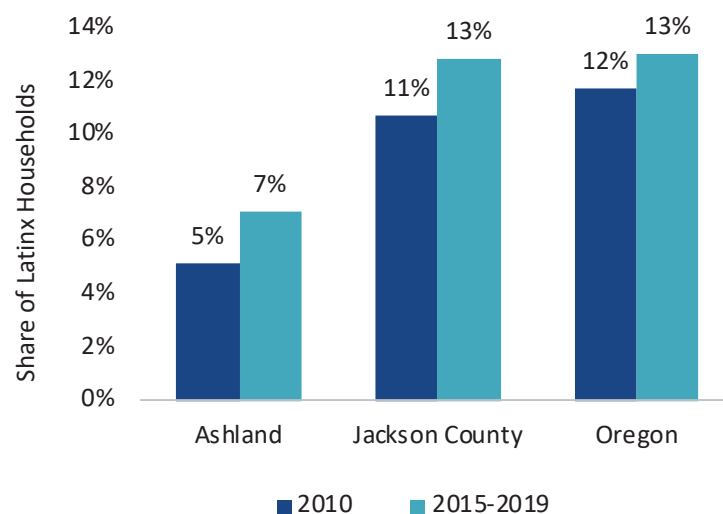


The share of Ashland's householders identified as Latino increased between 2010 and 2015-2019.

However, Ashland was less ethnically diverse than Jackson County and Oregon in 2010 and the 2015-2019 period.

Exhibit 8. Latino Population as a Percent of the Total Population, Ashland, Jackson County, Oregon, 2010 and 2015-2019

Source: U.S. Census Bureau, 2010 Decennial Census Table P005001, ACS 2019 5-Year Estimates 2015-2019, Table B03002.



What are Ashland’s Housing Conditions?

This section describes changes in sales prices, rents, and housing affordability in Ashland, compared to cities and submarkets in Southern Oregon, as well as Jackson County and Oregon.

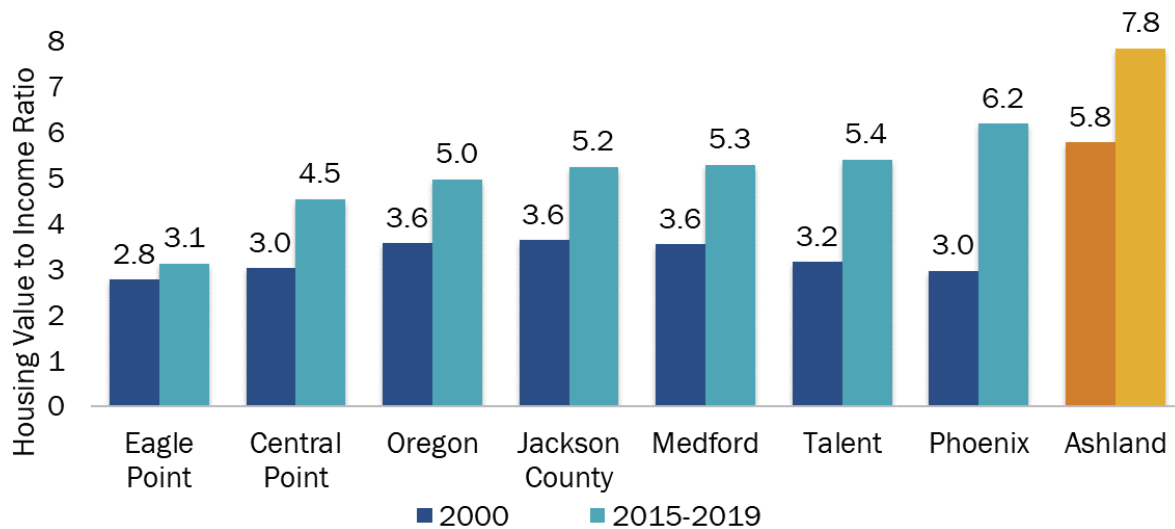
Ashland Faces Housing Affordability Challenge

Since 2000, housing costs in Ashland have increased faster than incomes, and to a greater degree than in Jackson County and Oregon. The household reported median value of a house was 5.8 times the median household income (MHI) in 2000, and 7.8 times MHI in 2015-2019.

This ratio compares the median value of housing in Ashland (and other places) to the median household income. Inflation-adjusted median owner values in Ashland increased from around \$283,900 in 2000 to \$441,900 in 2015-2019, a 56% increase. Over the same period, inflation-adjusted median income increased from \$49,100 to \$56,300 a 14% increase.

Exhibit 9. Ratio of Median Housing Value to Median Household Income, Ashland, Jackson County, Oregon, and Comparison Cities, 2000 to 2015-2019

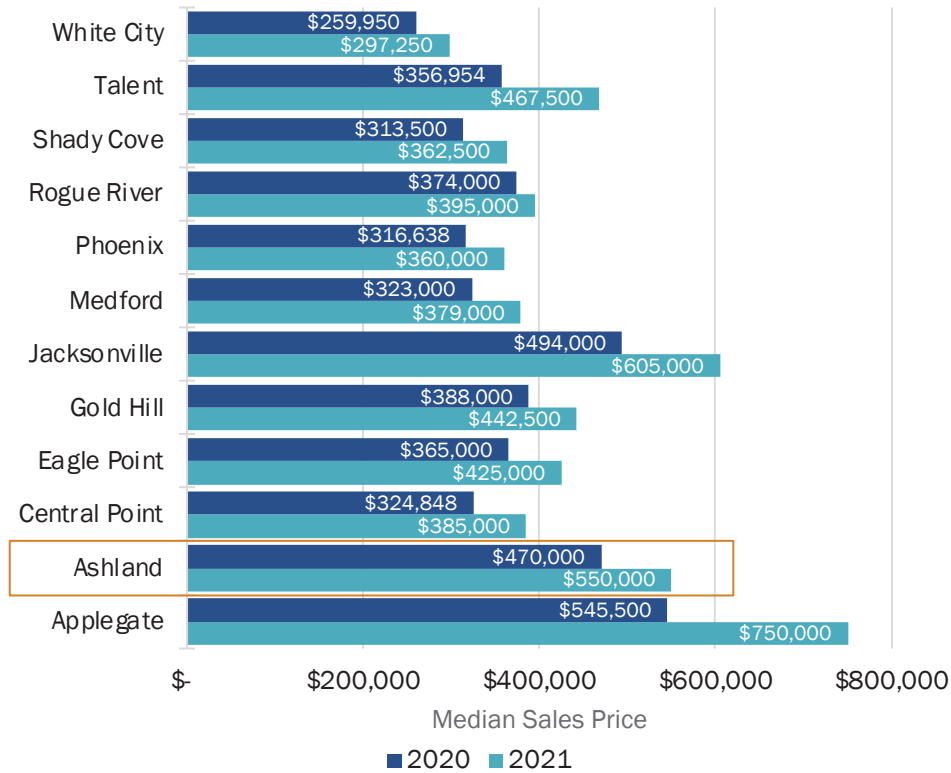
Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012, H085, 2015-2019 ACS, Tables B19013, B25077.



The median sales price for homes sold in Ashland is generally around that of neighboring cities. Between 2020 and 2021 median sales prices increased by 17%, or \$80,000 in Ashland, with a median of around \$550,000 (Exhibit 10). Compared to other cities in the region Jacksonville, Applegate and Ashland listings have consistently been the highest.

Exhibit 10. Residential Listing Trends, Ashland and Comparison Geographies, 2020 and 2021

Source: 2022 MLS and FBS. Prepared by Oregon Datashare (KCAR | MLSCO | SOMLS) on Wednesday, January 05, 2022.

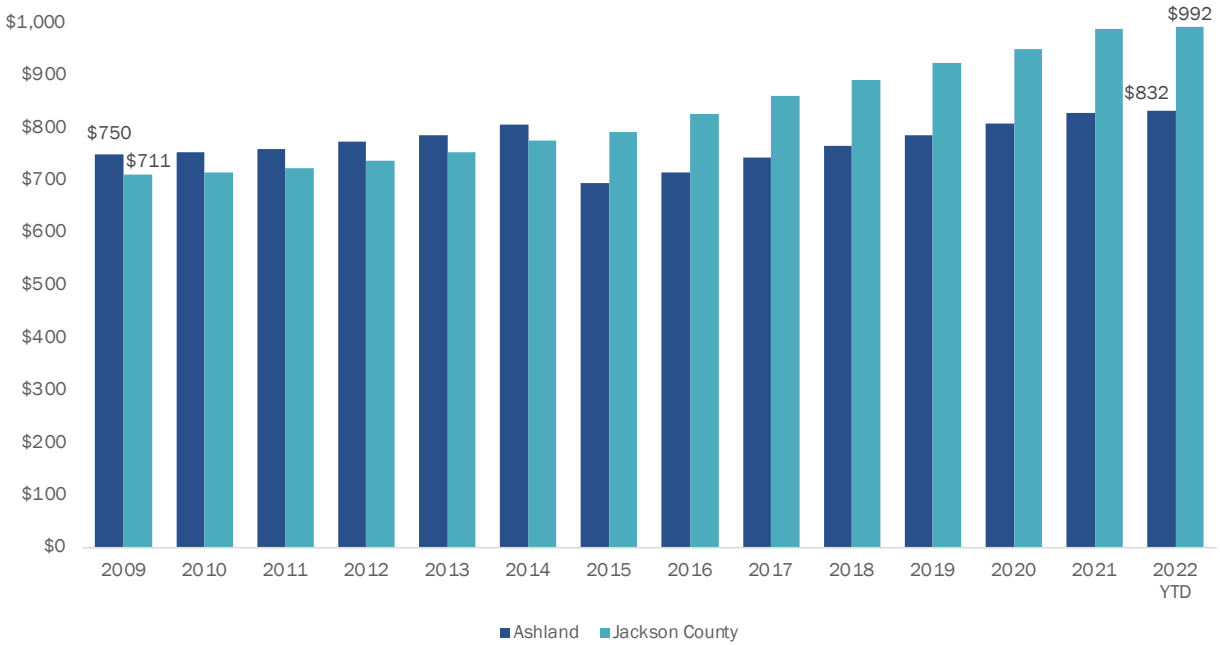


Multifamily Market Rents Also Increasing

According to available CoStar data, only 3 multifamily buildings were built in Ashland between 2000 and 2022, for a total of 65 multifamily buildings in the City. For the existing multifamily stock, overall, rent has been increasing in the study area, Ashland. The study area rents for multifamily housing appear to be rising slower than Jackson County. Rents have increased 11 percent since 2009 in Ashland. (Exhibit 11). Since 2015, Ashland rents have increased at a slower rate than Jackson County (20% and 26% since 2015, respectively).

Exhibit 11. Rent Trends for Multifamily Housing, Ashland and Jackson County, 2009 to 2022

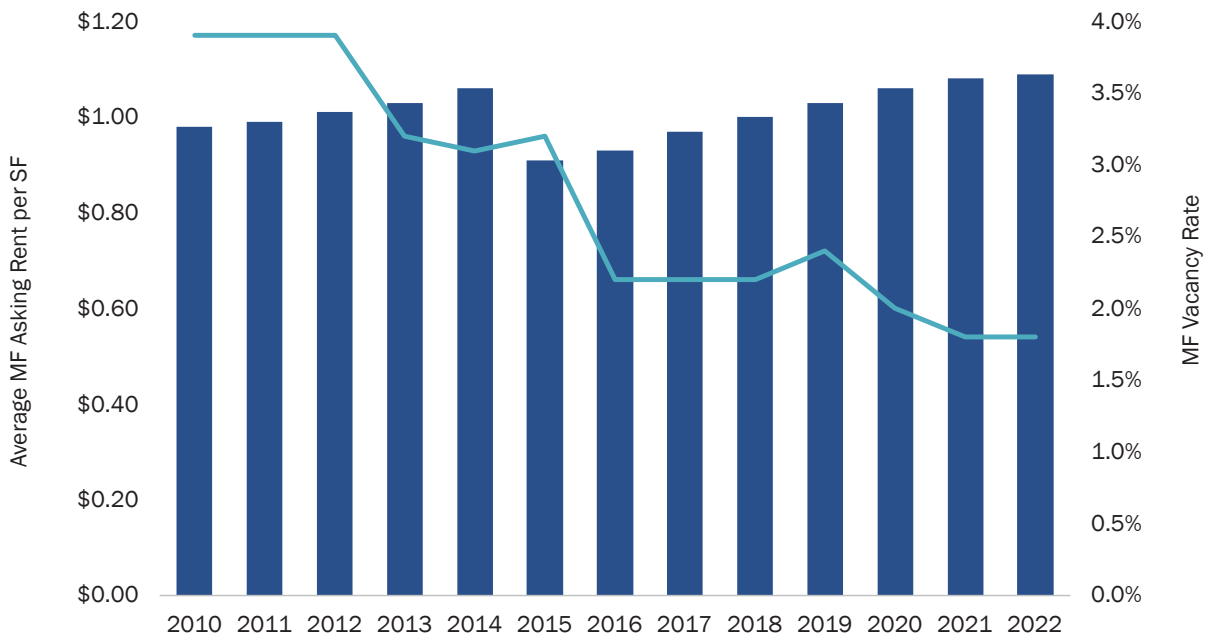
Source: CoStar, 2022



The vacancy rate for apartments is very low at under 2 percent—below the county average. This makes it difficult for households to find housing in the study area if they need to move.

Exhibit 12: Rent Per Square Foot And Vacancy Trends For Apartments, 2009 To 2022

Source: CoStar, 2022



Who works in Ashland?

The section explores the differences of people who live in Ashland and those that work there.

Population to Employment Ratio

Exhibit 13. Population to Employment Ratio, Ashland UGB, 2019

Source: QCEW, PSU, Bureau of Economic Analysis (Total Employment)

20,960 Population	14,152 Estimated Total Employment	1.48 Population to Employment Ratio
-----------------------------	--	--

Less than half of Ashland Residents work in Ashland

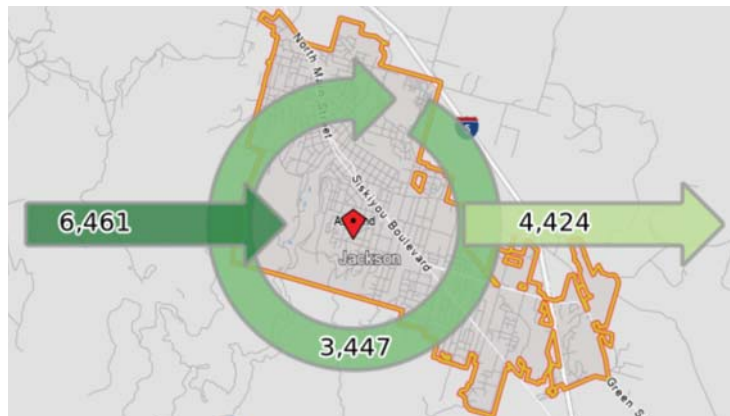
Of the more than 9,908 people who worked in Ashland in 2019, 66% of workers commuted into Ashland from other areas, most notably Medford. More than 4,000 residents of Ashland commute out of the city for work, many of them to Medford. This is compared to 2010, when 8,823 workers in Ashland, of which 5,167 lived outside of Ashland (58%) and of 7,501 residents in Ashland, 3,845 worked outside of Ashland (51%). Further, almost half of Ashland residents (48%) had a commute time that took less than 15 minutes, compared to Jackson County residents largely 15-to-29-minute commutes (42%).³ While working outside of your community is common in small cities, Ashland is reaching rates that may cause a strain on transportation networks, public school viability and public finances.

About 6,500 people commuted into Ashland for work and more than 4,400 people living in Ashland commuted out of the city.

About 3,450 people lived and worked in Ashland.

Exhibit 14. Commuting Flows, Ashland, 2019

Source: U.S. Census Bureau, Census On the Map.



³ ACS 2015-2019, Table Table B08303

About 35% of people who work in Ashland also live there. Workers also came from Medford, Talent, Central Point, Phoenix and other cities.

Exhibit 15. Places Workers at Businesses in Ashland Lived, 2019

Source: U.S. Census Bureau, Census On the Map.

35%
Ashland

18%
Medford

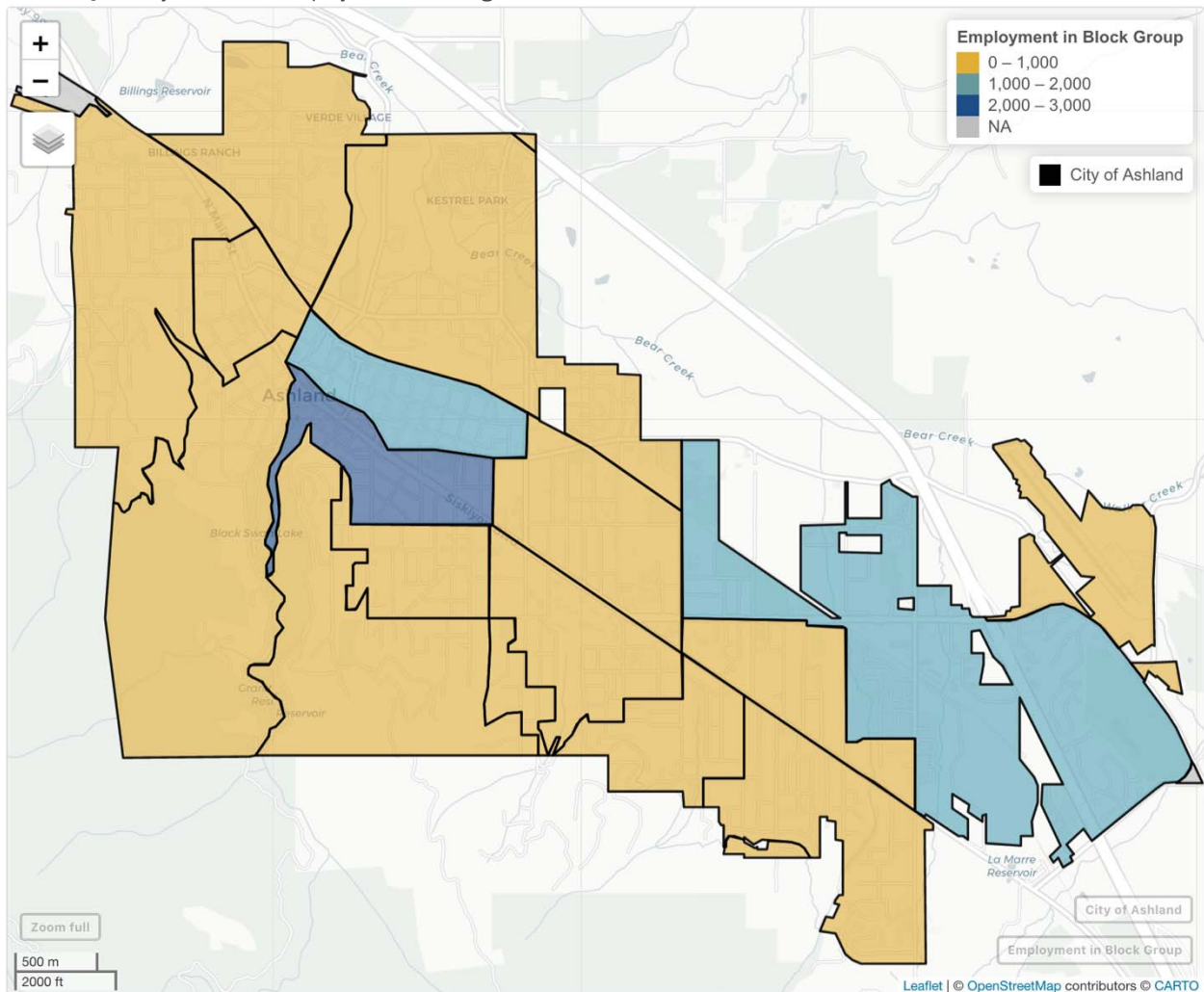
6%
Talent

Employment is Spreading from Downtown

Most employment in 2019 was concentrated around the downtown core of Ashland, but other areas to the east also have significant number of employers.

Exhibit 16. Ashland Employment by Block Group, 2019

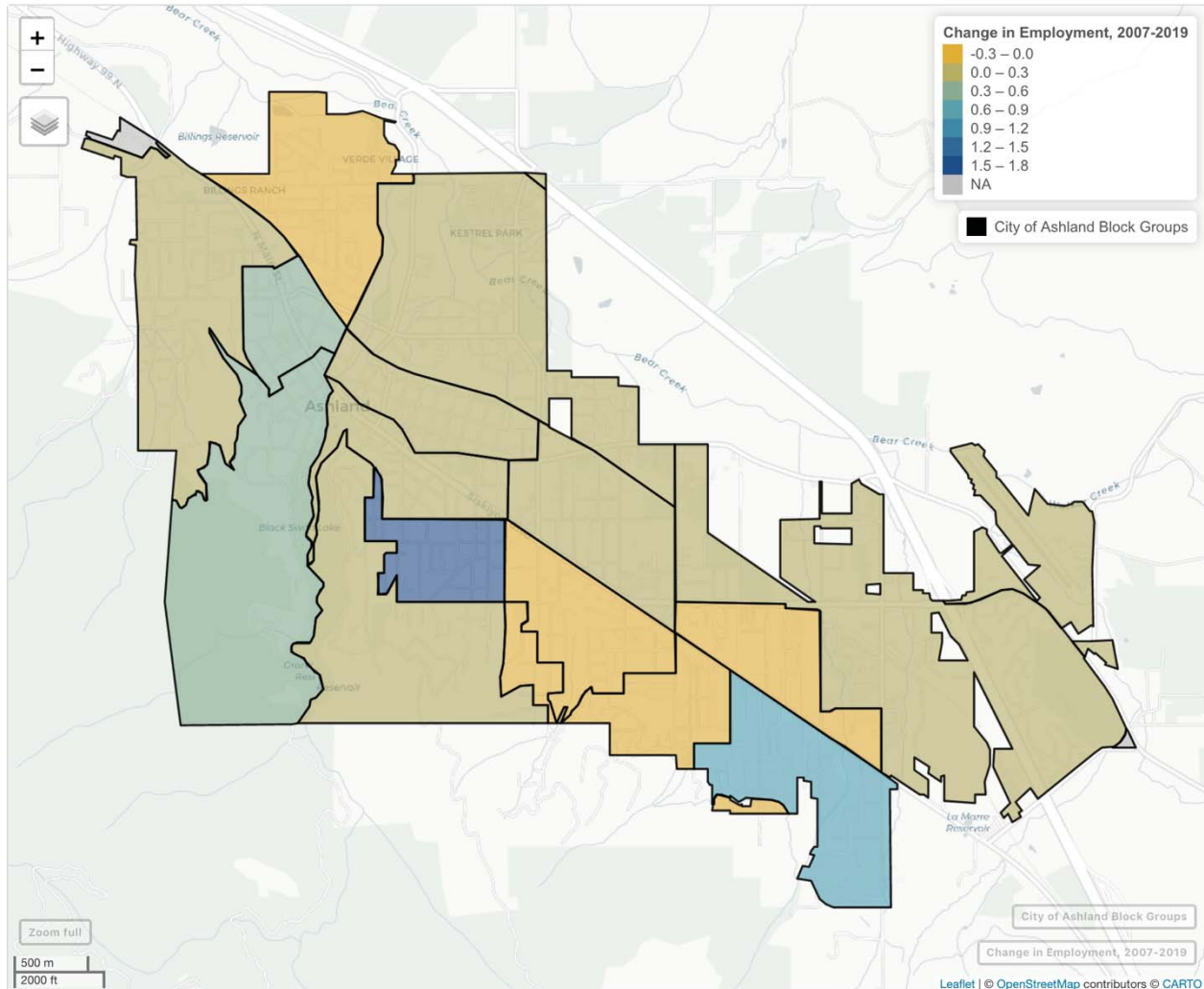
Source: Quarterly Census of Employment and Wages



Employment growth is spreading to various pockets around the city, taking some of the focus from Downtown.

Exhibit 17. Ashland Percent Change in Employment by Block Group, 2007 - 2019

Source: Quarterly Census of Employment and Wages



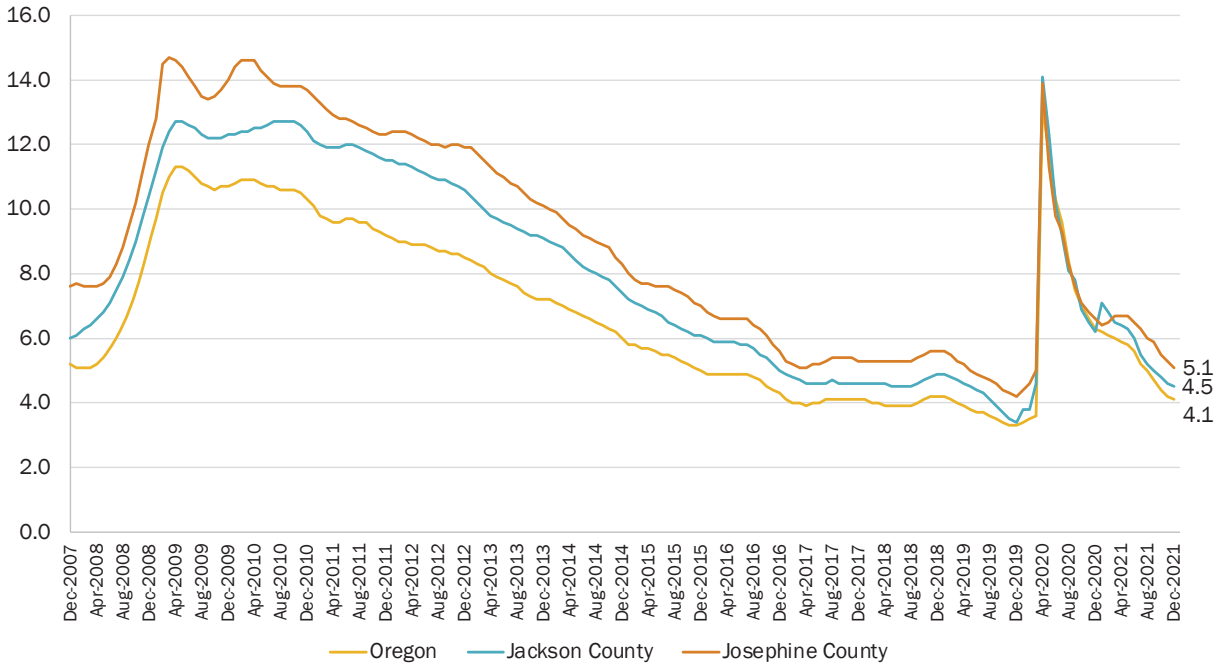
Labor Force Trends

The Pandemic Caused a shock, but Recovery is Underway

The unemployment rates in Jackson County, Josephine County and Oregon, and the nation have declined since the Great Recession. However, following the pandemic, unemployment rates for the month of May 2020 exceeded the peak rate experienced during the Great Recession. The unemployment rate in December 2021 in Jackson County (4.5%) was higher than that of the state (4.1%).

Exhibit 18. Unemployment Rates, Oregon, Jackson and Josephine Counties

Source: QualityInfo, Oregon Employment Department



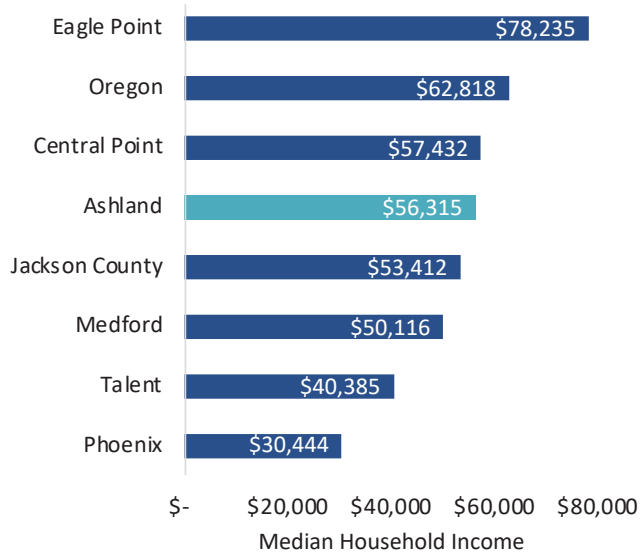
Ashland Income is Average for Jackson County

Income is one of the key determinants in housing choice and households’ ability to afford housing. Income for residents living in Ashland is higher than the Jackson County median household income and lower than the Oregon median household income. University students not living in dorms are part of this calculation, which may affect Ashland more than other cities.

In the 2015-2019 period, Ashland's median household income (\$56,315) was similar to the counties, but about \$5,500 less than the state's median household income (MHI).

Exhibit 19. Median Household Income, Ashland, Jackson County, Oregon, and Comparison Cities, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B19013.



Ashland has Good Jobs Growth, but it Continues to be Concentrated

Exhibit 1 shows covered employment in Jackson County for 2007 and 2019. Employment increased by 9,202 jobs, or 11%, over this period. The sectors with the largest increases in numbers of employees were health care and social assistance (5,395 jobs), accommodation and food services (1,946 jobs), and manufacturing (1,187 jobs).

Between 2007 and 2019, employment in Ashland increased by about 984 employees (11%), at about a 0.8% average annual growth rate. Employment increased the most in accommodation and food services (466) while health care and social assistance decreased by about 42 employees (3%) and manufacturing employment decreased by about 4 employees (1%).

Exhibit 20. Covered Employment Change 2007–2019, Ashland UGB and Jackson County

Source: Quarterly Census of Employment and Wages

Sector	Ashland							Jackson County 2007 - 2019		
	Establishments		Employees		Change in Employment			Change in Employment		
	2007	2019	2007	2019	#	%	AAGR	#	%	AAGR
Agriculture/Mining	6	13	44	127	83	189%	9.2%	290	10%	0.8%
Utilities	-	-	-	-	-	-	-	27	15%	1.2%
Construction	78	53	309	239	(70)	-23%	-2.1%	(399)	-8%	-0.7%
Manufacturing	54	42	495	491	(4)	-1%	-0.1%	1,187	18%	1.4%
Wholesale Trade	41	46	161	198	37	23%	1.7%	(15)	-1%	-0.1%
Retail Trade	149	159	1,344	1,583	239	18%	1.4%	(111)	-1%	-0.1%
Transportation and Warehousing	7	12	30	72	42	140%	7.6%	636	26%	2.0%
Information	34	53	179	234	55	31%	2.3%	(380)	-24%	-2.2%
Finance and Insurance	50	60	189	204	15	8%	0.6%	(216)	-9%	-0.8%
Real Estate and Rental and Leasing	55	41	114	113	(1)	-1%	-0.1%	128	12%	0.9%
Prof., Sci., and Tech. Services	113	129	292	343	51	17%	1.4%	638	33%	2.4%
Mgmt of Companies and Enterprises	5	6	27	41	14	52%	3.5%	(565)	-30%	-3.0%
Admin. / Support and Waste Mgmt / Remediation Serv.	37	35	134	253	119	89%	5.4%	57	2%	0.1%
Private Education	24	24	105	112	7	7%	0.5%	269	46%	3.2%
Health Care and Social Assistance	145	159	1,410	1,368	(42)	-3%	-0.3%	5,395	49%	3.4%
Arts, Entertainment, and Recreation	33	41	748	758	10	1%	0.1%	26	2%	0.1%
Accommodation and Food Services	141	143	1,676	2,142	466	28%	2.1%	1,946	25%	1.9%
Other Services (except Public Administration)	105	160	342	496	154	45%	3.1%	628	23%	1.8%
Government	17	21	1,644	1,453	(191)	-12%	-1.0%	(339)	-3%	-0.3%
Total	1,094	1,197	9,243	10,227	984	11%	0.8%	9,202	11%	0.9%

Employment in the Ashland UGB accounted for about 11.35% of employment in Jackson County in 2019. The sectors with the greatest number of employees were government (23% of Ashland's total covered employment), health care and social assistance (21%), retail trade (14%), and manufacturing (11%).

Of note are the areas in which Ashland is overperforming the county, such as Information, Finance and Insurance, Admin/Support, and Agriculture/Mining. Areas that Ashland is struggling to keep up includes Manufacturing, Private Education, and Health Care.

Exhibit 21. Covered Employment, 2020, Ashland UGB

Source: Quarterly Census of Employment and Wages

Sector	Establishments	Employees	Payroll	Average Pay per Employee
Agriculture and Mining	15	149	\$ 6,344,374	\$ 42,580
Construction	54	285	\$ 16,501,719	\$ 57,901
Manufacturing	44	560	\$ 31,421,449	\$ 56,110
Wholesale Trade	46	141	\$ 8,815,743	\$ 62,523
Retail Trade	156	1,474	\$ 54,249,058	\$ 36,804
Transportation and Warehousing	13	77	\$ 5,320,439	\$ 69,097
Information	53	175	\$ 16,136,808	\$ 92,210
Finance and Insurance	60	203	\$ 12,501,166	\$ 61,582
Real Estate and Rental and Leasing	42	98	\$ 4,316,525	\$ 44,046
Prof., Sci., and Tech. Services	147	437	\$ 33,042,679	\$ 75,613
Mgmt of Companies and Enterprises	6	37	\$ 2,502,021	\$ 67,622
Admin. / Support and Waste Mgmt / Remediation Serv.	32	215	\$ 8,249,496	\$ 38,370
Private Education	24	94	\$ 4,051,712	\$ 43,103
Health Care and Social Assistance	185	1,326	\$ 67,971,540	\$ 51,261
Arts, Entertainment, and Recreation	42	409	\$ 16,725,366	\$ 40,893
Accommodation and Food Services	135	1,526	\$ 32,261,644	\$ 21,141
Other Services (except Public Administration)	129	427	\$ 13,017,548	\$ 30,486
Government	21	1,409	\$ 83,037,878	\$ 58,934
Total	1,204	9,042	\$ 416,467,165	\$ 46,059

Given the large change in the economy starting in March 2020 as a result of the COVID-19 pandemic, it is difficult to accurately understand the likely outlook for growth in Jackson County. The best currently available data is as follows. Exhibit 6 shows the Oregon Employment Department's forecast for employment growth by industry for the Rogue Valley region (Jackson and Josephine Counties) over the 2020 to 2030 period. Employment in the region is forecasted to grow at an average annual growth rate of 14%.

The sectors that will lead employment in the region for the 10-year period are private educational and health services (adding 4,230 jobs); leisure and hospitality (3,780) and trade, transportation in utilities (2,480). In sum, these sectors are expected to add 10,490 new jobs, or about 61% of employment growth in the Rogue Valley region.

Occupation Trends

In 2021, the Oregon Office of Economic Analysis reported that 72% of job vacancies were difficult to fill. In the last report on why these positions were difficult to fill (2018) the most common reason for difficulty in filling jobs included a lack of applications (29% of employers' difficulties), unfavorable working conditions (23%), a lack of qualified candidates (16%), a lack of soft skills (8%), a lack of work experience (7%), and low wages (7%).⁴ These statistics indicate

⁴ Oregon's Current Workforce Gaps: Hiring Challenges for Unfilled Job Vacancies, May 2019. Employer-Provided Reasons for Difficulty Filling Vacancies in Oregon, 2018. p. 20.

<https://www.qualityinfo.org/documents/10182/13336/Oregon%27s+Current+Workforce+Gaps>.

a mismatch between the types of jobs that employers are demanding and the skills that potential employees can provide. Job vacancies are above pre-pandemic levels in the Rogue Valley, the third highest in the state (112%). In addition to COVID-19, Ashland also experienced the Almeda Fire which likely negatively impacted the employment base as many people were without housing.

The Oregon Employment Department also provides employment projections for STEM occupations. In the Rogue Valley, registered nurses, farmers and agricultural managers are anticipated to have over 1,300 openings between 2020 and 2030.

Exhibit 22. STEM Occupational Employment Projections for Rogue Valley (Jackson and Josephine Counties), 2020-2030, Top Five Occupations

Source: QualityInfo, Oregon Employment Department

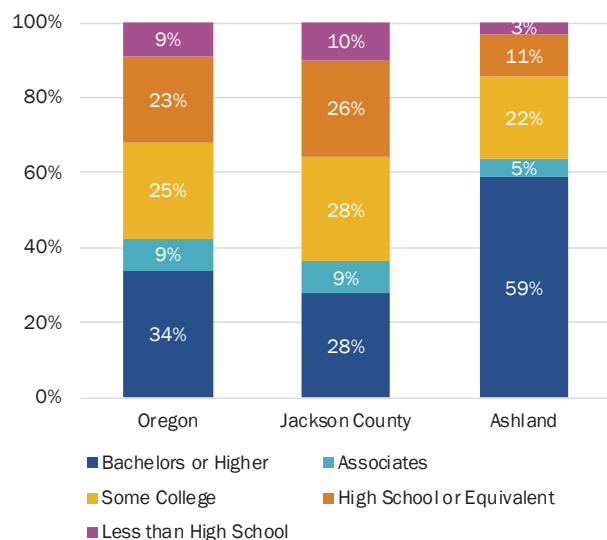
Occupation Title	Employment 2020	Projected Employment 2030	Percent Change	Employment Change	Replacement Openings	Total Openings
Registered Nurses	2,828	3,238	14.5%	410	1,453	1,863
Farmers, Ranchers, and Other Agricultural Managers	1,610	1,761	9.4%	151	1,592	1,743
Carpenters	1,330	1,440	8.3%	110	1,212	1,322
Project Management Specialists and Business Operations Specialists, All Other	770	859	11.6%	89	697	786
Accountants and Auditors	645	737	14.3%	92	563	655
Total, All Occupations	23,870	27,278	14.3%	3,408	18,705	22,113

Ashland Residents are Highly Educated

Ashland’s population 25 and older had higher rates of higher education attainment, with almost 60 percent having a bachelors or higher. Nearly 30 percent above the state and county estimate.

Exhibit 23. Educational Attainment For Population 25 Years Plus, Ashland, Jackson County, and Oregon, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B15003.

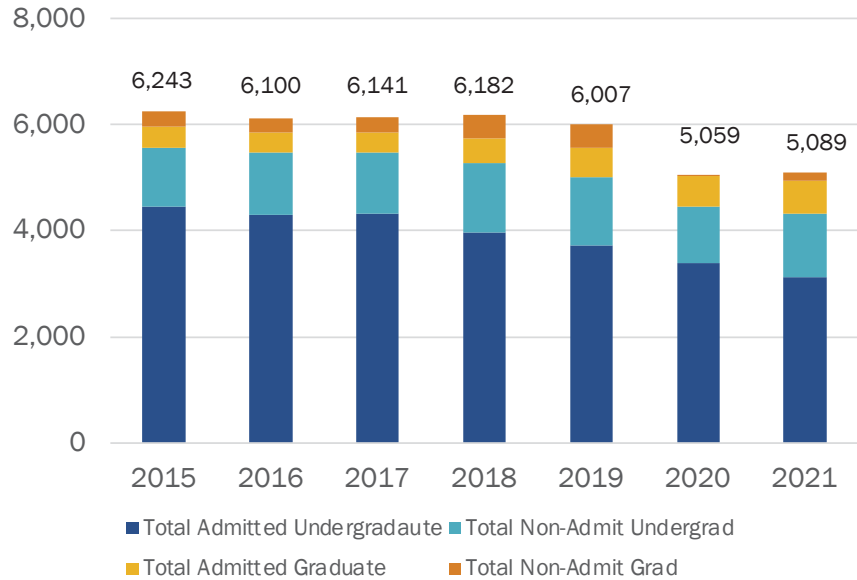


Higher Education Enrollment is Down

Enrollment at Southern Oregon University has decreased 18.5% over the last two years.

Exhibit 24. Fall Enrollment at SOU, 2015 to 2021

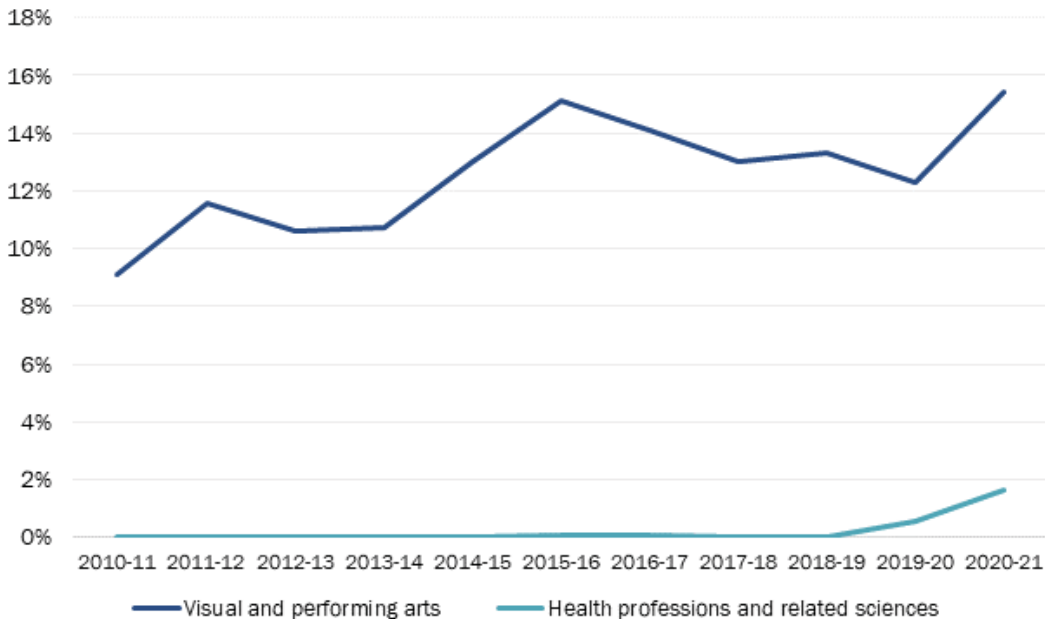
Source: SOU Enrollment Reports 2015 to 2021, <https://inside.sou.edu/ir/enrollments.html>



While higher education enrollment is down, related degree pathways connected to opportunity industries in Ashland see continued enrollment trends.

Exhibit 25. Southern Oregon University Bachelor's Degree Trends, 2010-2021

Source: Southern Oregon University – Office of Institutional Research

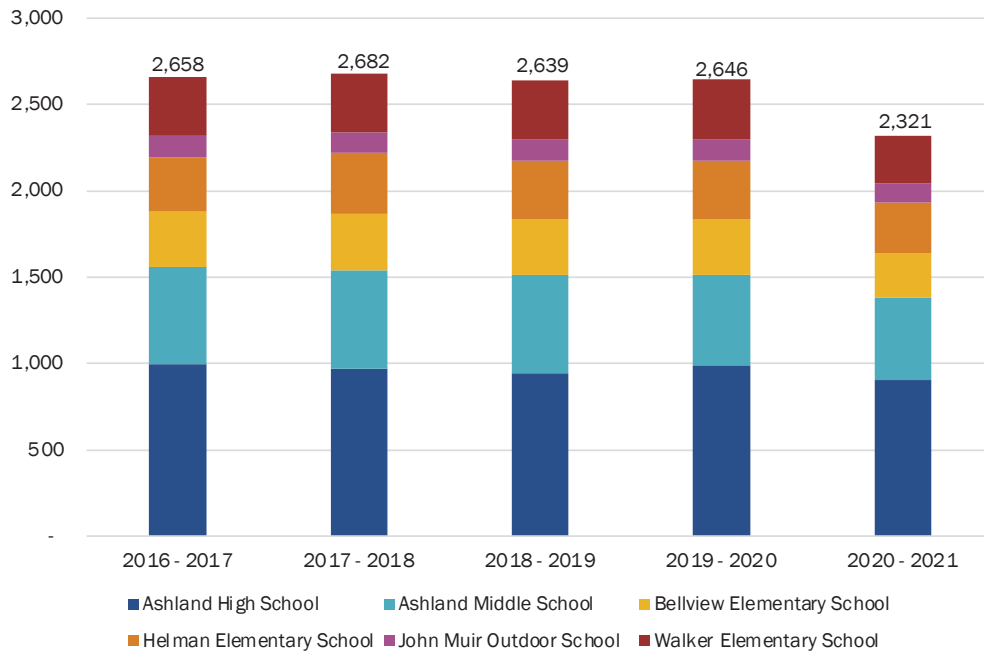


Ashland’s Pre-K through Secondary School Enrollment is Down

Enrollment in the Ashland School District is down 13% since the 2016 – 2017 school year. Each of the six schools in the district has seen a drop enrollment with the greatest nominal decrease at Ashland High School (a loss of 94 students, or 9% of the students) and the greatest drop in share of enrollment at Bellview Elementary School (down 20% or 65 students). Some potential external factors that may be impacting enrollment levels include concerns for COVID-19, both the difficulties of online education and trepidation to return in person.

Exhibit 26. Enrollment in Ashland School District, 2016 to 2021

Source: Oregon Department of Education, At-A-Glance Profiles



Many Sector Strengths do Not Intersect with High-Wage Jobs

Ashland’s existing businesses are concentrated in the industries defined in Exhibit 27. The industries in **green highlight** are industries with a high location quotient (i.e., highly specialized compared to national employment in the industry), high employment (i.e., have more than 50 employees in Ashland), and higher than average city wages. These industries have the highest potential for growth, given existing businesses and the higher concentration of employment. Ashland also has opportunities for employment growth in industries without a concentration of employment or a high location quotient.

Exhibit 27. Concentration of Industries and Employment, Ashland, 2019

Source: Quarterly Census of Employment and Wages

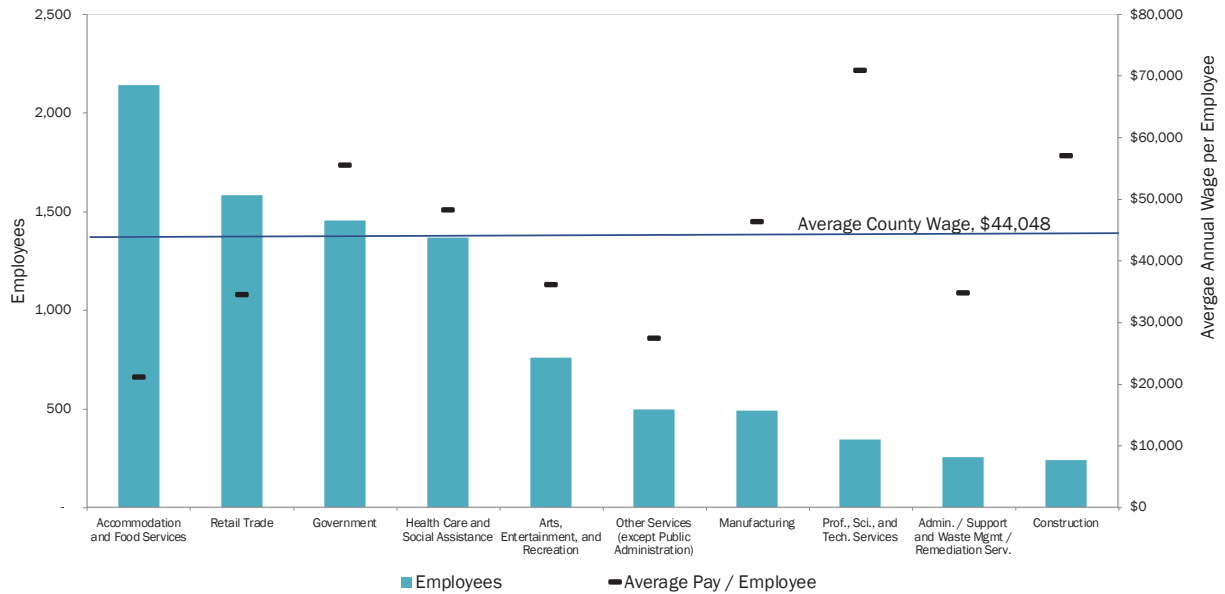
Note: Green highlighting indicates higher than Ashland’s average wage in 2019.

High Employment (more than 50 employees)		Low Employment (at least 10 employees)
High Location Quotient	<ul style="list-style-type: none"> ▪ Support Activities for Agriculture and Forestry ▪ Construction of Buildings ▪ Miscellaneous Manufacturing ▪ Wholesale Electronic Markets and Agents and Brokers ▪ Motor Vehicle and Parts Dealers ▪ Food and Beverage Stores ▪ Sporting Goods, Hobby, Musical Instrument, and Book Stores ▪ Miscellaneous Store Retailers ▪ Nonstore Retailers ▪ Publishing Industries (except Internet) ▪ Ambulatory Health Care Services ▪ Performing Arts, Spectator Sports, and Related Industries ▪ Amusement, Gambling, and Recreation Industries ▪ Accommodation ▪ Food Services and Drinking Places ▪ Personal and Laundry Services ▪ Religious, Grantmaking, Civic, Professional, and Similar Organizations ▪ Private Households 	<ul style="list-style-type: none"> ▪ Chemical Manufacturing ▪ Health and Personal Care Stores ▪ Securities, Commodity Contracts, and Other Financial Investments and Related Activities
Low Location Quotient	<ul style="list-style-type: none"> ▪ Specialty Trade Contractors ▪ Food Manufacturing ▪ Merchant Wholesalers, Nondurable Goods ▪ Building Material and Garden Equipment and Supplies Dealers ▪ Gasoline Stations ▪ Clothing and Clothing Accessories Stores ▪ General Merchandise Stores ▪ Credit Intermediation and Related Activities ▪ Insurance Carriers and Related Activities ▪ Real Estate ▪ Professional, Scientific, and Technical Services ▪ Administrative and Support Services ▪ Educational Services ▪ Nursing and Residential Care Facilities ▪ Social Assistance ▪ Repair and Maintenance 	<ul style="list-style-type: none"> ▪ Crop Production ▪ Merchant Wholesalers, Durable Goods ▪ Support Activities for Transportation ▪ Motion Picture and Sound Recording Industries ▪ Management of Companies and Enterprises

Exhibit 28 shows covered employment and average wage for the 10 largest industries (2-digit NAICS) in Ashland. Jobs in accommodation and food services accounted for approximately 21% of the city’s total covered employment, followed by retail trade (16%), government (15%) and health care and social assistance (13%). Of these sectors, government, health care and social assistance, manufacturing, professional and technical services and construction sectors pay above the city and county average wage.

Exhibit 28. Top Industries Covered Employment and Average Pay by Sector, 10 Largest Sectors Ashland, 2019

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2019.



Tourism Industries are Still a Clear Strength

When compared to other cities in the region, between 2013 and 2020, Ashland consistently collected more transient occupancy taxes (Exhibit 29).

Exhibit 29. Transient Occupancy Taxes, 2013 - 2020

Source: <https://www.travelstats.com/tlt/oregon5>

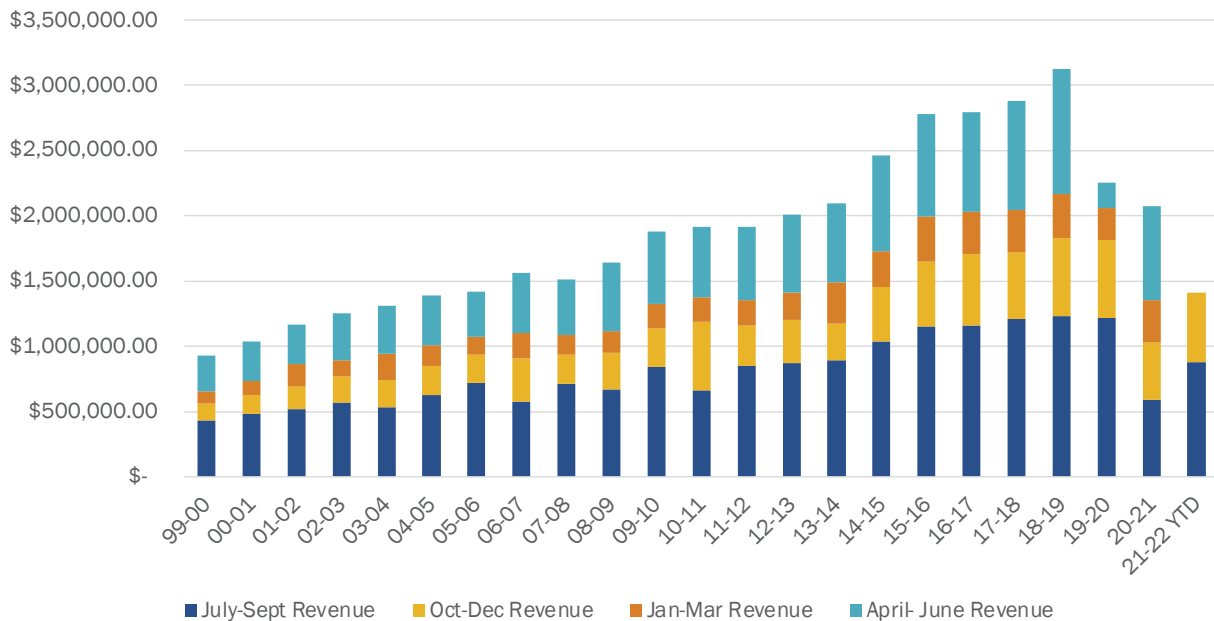
Jurisdiction	2013	2014	2015	2016	2017	2018	2019	2020
Ashland	\$2.1M	\$2.1M	\$2.3M	\$2.1M	\$2.8M	\$2.9M	\$3.1M	\$2.2M
Per Capita	\$103.47	\$103.24	\$112.72	\$101.84	\$135.27	\$138.68	\$147.23	\$104.08
Central Point	\$451.5K	\$373.3K	\$391.5K	\$481.5K	\$453.1K	\$495.0K	\$492.4K	
Per Capita	\$26.08	\$21.48	\$22.39	\$27.38	\$25.60	\$27.30	\$26.80	
Jacksonville	\$102.5K	\$104.1K	\$117.1K	\$134.8K	\$147.2K	\$180.4K	\$166.2K	\$181.0K
Per Capita	\$36.09	\$36.65	\$40.66	\$46.16	\$49.90	\$62.79	\$57.63	\$62.78
Medford	\$2.6M	\$2.9M	\$3.3M	\$3.8M	\$3.9M	\$3.3M	\$3.4M	\$1.5M
Per Capita	\$34.25	\$37.83	\$42.50	\$48.41	\$49.00	\$41.22	\$41.90	\$18.27

The transient room taxes were consistently the highest in the July-September quarter, with the only exception being in 2020-21, when the April-June quarter temporarily surpassed them. These trends continued until 2019-2020 when they dropped to lower levels, however, the upward trend of tax collected has rebounded.

Trends in transient room tax revenues in Exhibit 30 likely show negative impacts of COVID-19 and 2020 wildfires on tourism in Ashland. However, this gives the opportunity to understand the base level of tourism that still occurred without large event attendees or university visitors. Although revenues decreased, they did not disappear entirely without these groups.

Exhibit 30. Transient Room Tax Total Revenue, Ashland, 2000-2022 YTD

Source: City of Ashland, March 2022

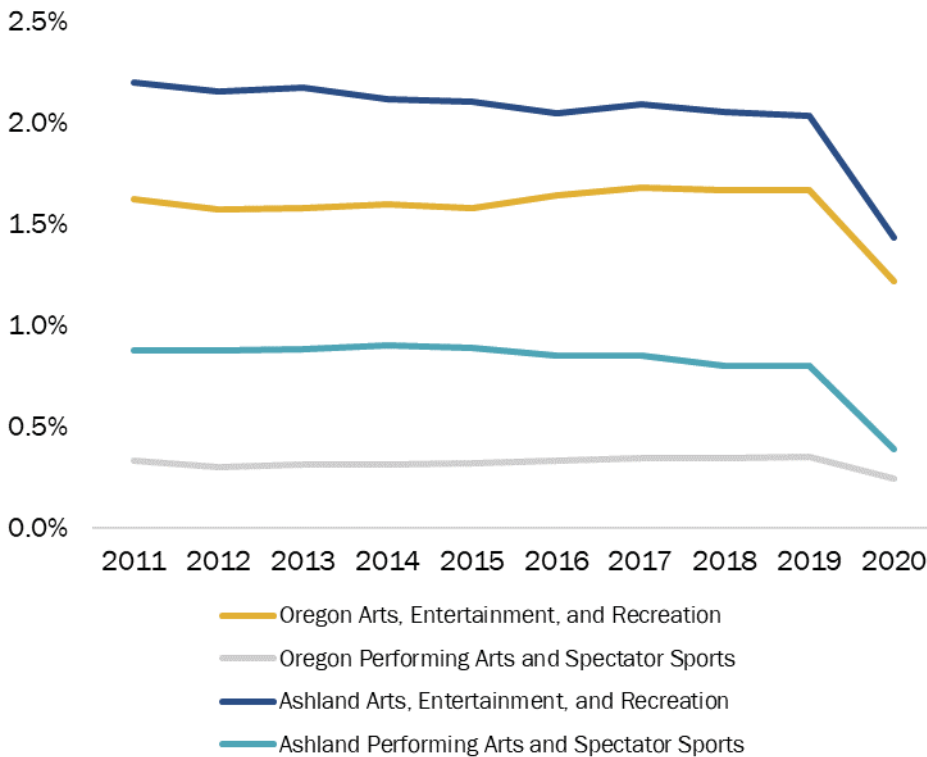


⁵ Travel Oregon. (2020). Oregon Transient Occupancy Tax by Jurisdiction. TravelStats.

The performing arts and its strong impact on the local economy has helped drive employment in the retail, services and lodging sectors for decades. Its large role as a driver of the local economy was shown by the impact of performance disruptions in 2020 and 2021. Despite a continued concentration in arts, entertainment and recreation and performing arts and spectator sports industries, the COVID-19 pandemic has had a lasting impact on employment in these industries (Exhibit 31).

Exhibit 31. Jackson County Percent of Total Employment by Leisure and Hospitality Industries, 2011-2020

Source: QCEW, U.S. Bureau of Labor Statistics



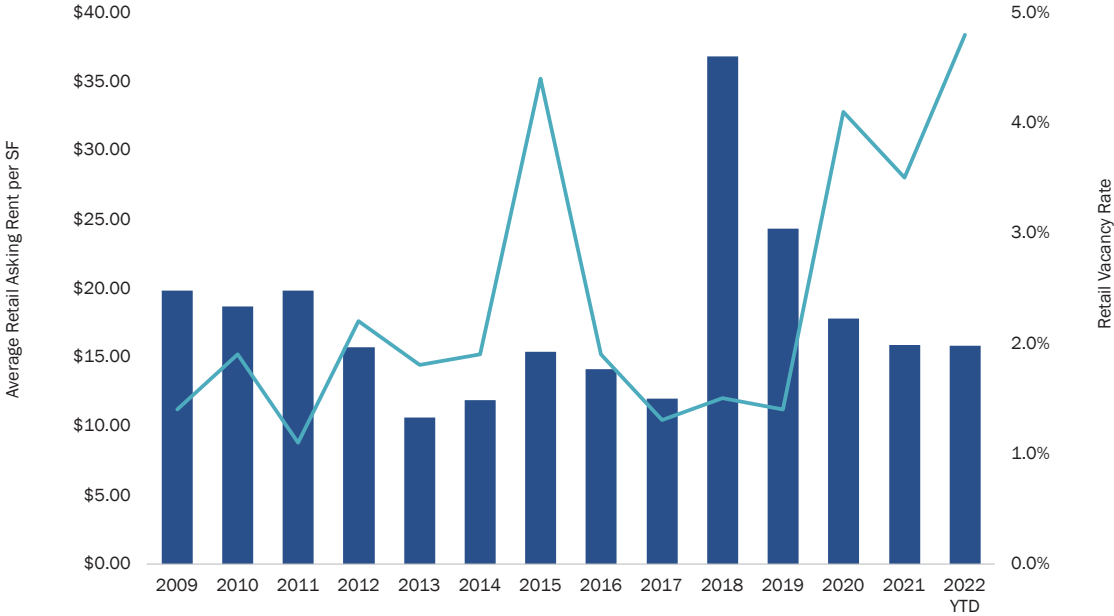
Commercial Real Estate Market Conditions

Ashland Retail Rents Decreasing while Vacancy Rates are Increasing

According to available CoStar data, only 4 buildings with retail have been developed since 2007, totaling 89 buildings in 2021. Of the known existing retail inventory, there was an increase in rental price in 2018 and 2019 that has returned to levels below that of recent Jackson County trends in recent years, almost \$1 under Jackson County’s retail rents per square foot. Retail rents have been consistent in both Ashland and Jackson County, with Ashland maintaining rents between \$10-\$20 outside of a spike in 2018, which eventually returned to its previous levels by 2020, while Jackson County has been on a somewhat upwards trend in the last few years, while still remaining below \$20 per square foot. Vacancy rates have been increasing, toward 5% vacancy.

Exhibit 32. Retail Rents per Square Foot and Retail Vacancy Rates in Ashland, 2009 to 2022

Source: CoStar, 2022⁶



Ashland Office Rents and Vacancy Rates Decreasing

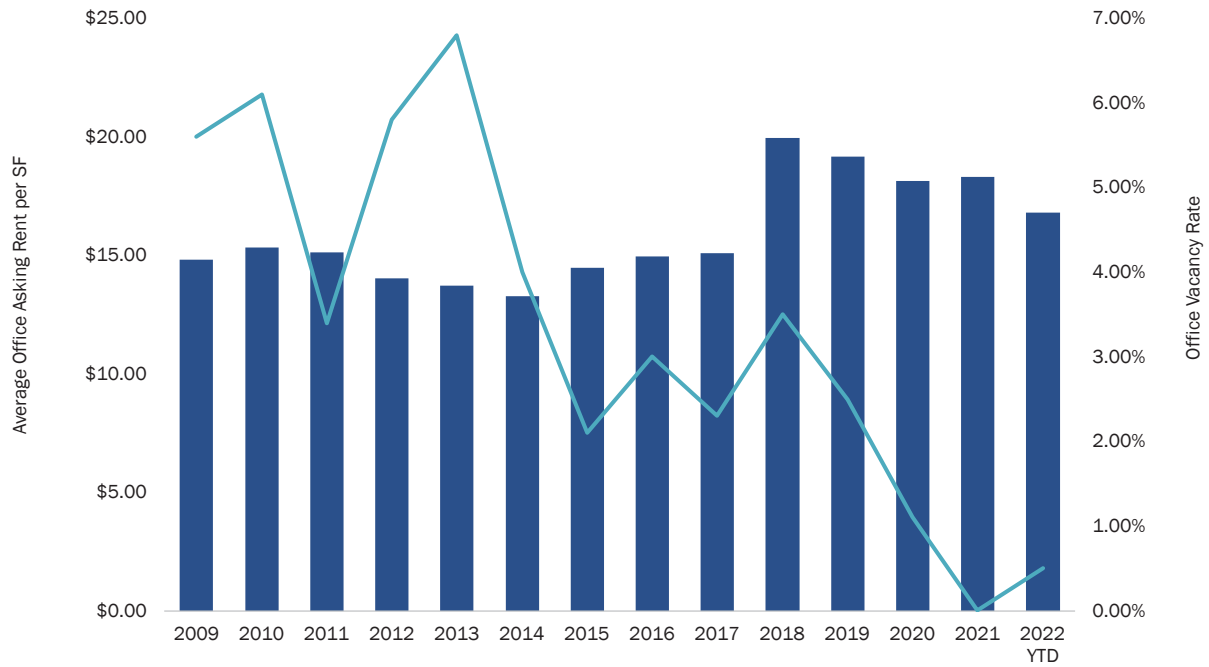
According to available data, there has been an increase of 7 new office buildings in Ashland since 2007, to a total of 64 in 2021. Rents have been variable, with Ashland rents spiking in 2018, before entering a period of steady decline. Office vacancies have been decreasing in both

⁶ CoStar is a proprietary data provider for the real estate industry. Of its residential data, it focuses on multifamily properties with 4+ units. While CoStar is one of the best sources for multifamily data, it has gaps and limitations. Newer buildings and those that are professionally managed are more likely to have reliable information, while smaller, older buildings may have incomplete or missing data.

Ashland and Jackson County since spiking in 2013 and 2014. Ashland reached a 1% vacancy in 2020, a sign that what limited office stock is available may be insufficient for growth in industries that might require space (Exhibit 33).

Exhibit 33. Office Rents per Square Foot and Vacancy Rates in Ashland, 2009 to 2022

Source: CoStar, 2022



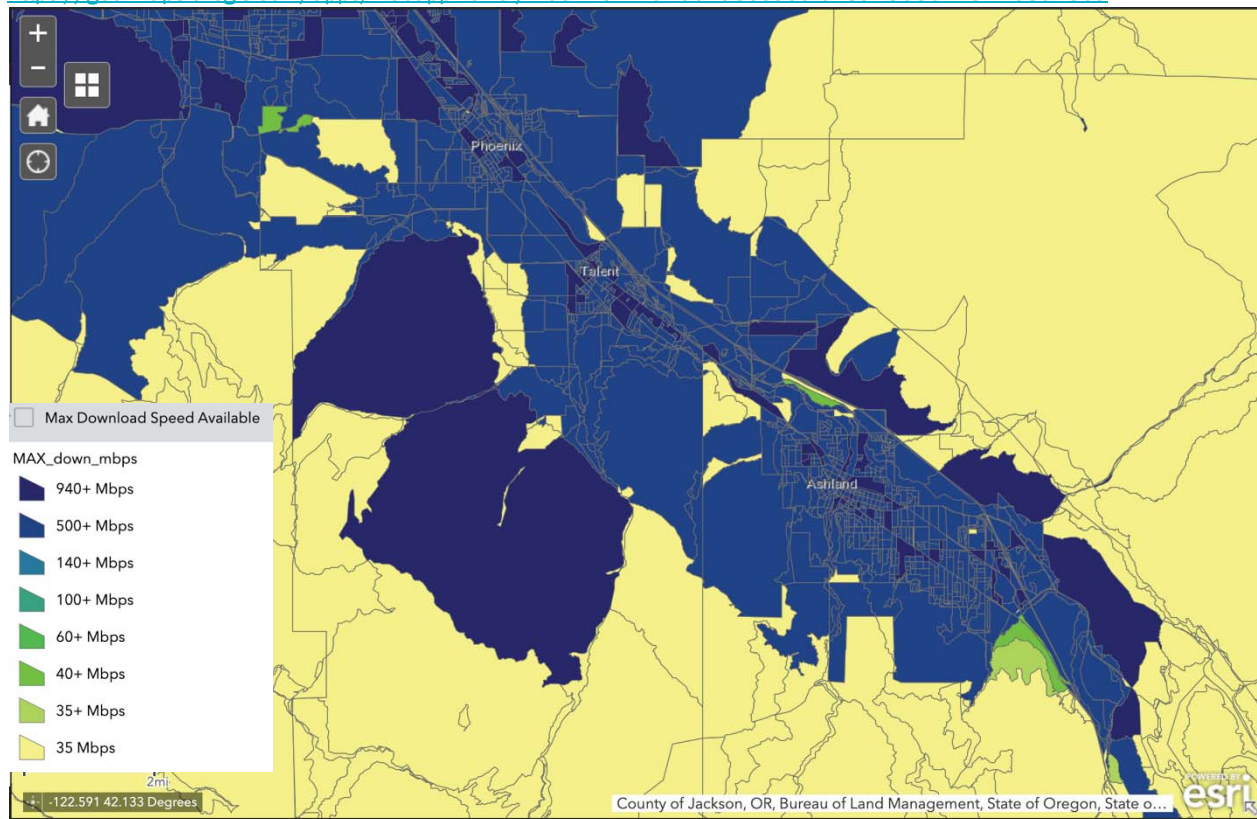
Broadband

Many Oregon cities have taken direct action to address the broadband needs of residents and visitors. Since the 1990's, the community has had increasingly improved access to internet and telecommunication networks. Presently, Ashland has 93% coverage and around 18 internet providers, with most areas being served by at least 140+ Mbps downloading speed.⁷ When considering the future of work and school in Ashland, employer, worker and student access to internet will be important. According to the 2020 OBAC Report, Oregon's information and communication technology infrastructure and the capacity of Oregon to utilize these technologies for economic growth, community development and public safety is an important public policy issue, and will determine the state's future economic growth and development. In addition, because of the massive disruption caused by COVID-19, increased reliance on telework, telehealth and distance learning have caused demand and utilization of broadband telecommunications to spike.

Exhibit 34. Maximum Download Speed Available in Ashland

Source: Oregon Broadband Mapping Project, 2022

<https://geo.maps.arcgis.com/apps/webappviewer/index.html?id=002a3e6efb48a1868b4494168d730a>



⁷Broadband in Oregon A Report of the Oregon Broadband Advisory Council, 2020, [https://www.oregon.gov/biz/Publications/Boards/Oregon%20Broadband%20Advisory%20Council%20\(OBAC\)/BroadbandRpt2020.pdf](https://www.oregon.gov/biz/Publications/Boards/Oregon%20Broadband%20Advisory%20Council%20(OBAC)/BroadbandRpt2020.pdf)

4. Engagement

Data analysis can reveal certain trends in the economy, but to understand how these elements intersect with day-to-day life in Ashland, speaking with local stakeholders is required. Conversations add nuanced detail that do not appear in census or tax data and can help differentiate how urgent some issues have become. In addition, good data often lags by months to years. In this turbulent economy, hearing about the current barriers helps to keep the analysis as contemporary as possible.

Stakeholder Discussions

As part of this process the consultant team spoke with over 40 local stakeholders. These included representatives from Southern Oregon University, Oregon Shakespeare Festival, downtown retailers, commercial and residential developers, outdoor recreation enthusiasts, health care institutions, and many, many more.

While each conversation presented a unique view on the local economy and the specific threats and opportunities that exist, certain themes did emerge:

- **Quality of Life is an Economic Development Driver.** Worker and business attraction for Ashland is often driven by the quality of life of the area, as opposed to specific logistical or research advantages. Instead of business attraction efforts, the city has benefitted from business *owner* attraction. People chose to work or operate a business in Ashland because they appreciate the natural beauty, arts and culture, restaurants, park system, intellectual offerings and quality of schools. While these trends continue, the price floor of people relocating to the city has been gradually raising over the years, limiting the number of entrepreneurs the city can attract.
- **Local businesses managed disruptions by being both nimble and steady.** The pandemic was challenging to all businesses, but more so to those that required in person sales or services. Many have gone from laying off most their staff to trying to hire them all back. If not for federal and state assistance, many more would have closed. The period did provide opportunities as well. Some businesses benefitted from a different visitor base. Many diversified their approach to generating revenue (for example, many of the vineyards increased their direct-to-consumer (DtC) ecommerce sales). There is cautious optimism for the rest of 2022.
- **Labor attraction has been difficult.** Recovery has been slowed by finding enough of or the right type of labor. While this is seen as temporary, certain issues like childcare availability and workforce housing have many business owners feeling like this may be an ongoing challenge. This appeared to impact hiring across a variety of salary levels.
- **Frustration with local leadership.** There is a lack of confidence in the cohesion of the vision of local political leadership and the City's support for the business community.

- **Change was underway prior to the pandemic.** The City is changing and there is some anxiety as to the ability to navigate that change. This included fears about wild fires, the vibrancy of the downtown, the aging population, the increase in housing costs, and long-term viability of anchor institutions.
- **Excitement for the future.** There is resolve in the ability for Ashland to return to its previous form. There is also optimism on the many opportunities that exist for the city to pivot towards. There are sites like Croman Mill and SOU properties that could be catalytic in unlocking new business hubs in town. Outdoor recreation established itself as a viable companion to performing arts. Healthcare can continue to grow and attract users from throughout the region.

The survey undertaken supported many of the themes from the individual conversations. The level of response helped to clarify the prioritization of the various issues and the urgency for specific changes.

Survey

Approach and Rationale

In March 2022, ECONorthwest fielded a stakeholder survey on behalf of the Ashland Chamber of Commerce. The survey was intended to inform the Economic Diversification Study. It was part of a broader engagement process that also included key person interviews and focus group meetings. The survey intended to solicit input from a broader range of stakeholders but not get as in depth on specific topics as the interviews or focus groups. The survey included 31 questions in several sections:

- Perceptions of Ashland’s economy and local innovation capacity
- Strengths, Weaknesses, Opportunities, and Threats (SWOT)
- Opportunities for economic diversification
- Business characteristics and expansion plans (only business owners/managers completed this section)
- Respondent characteristics

The survey was administered through Qualtrics, an online survey platform.⁸ The Chamber provided ECONorthwest a mailing list of more than 1,000 stakeholders from Ashland and the broader Rogue Valley region. We characterize this as a “targeted sample” as the intent was to get input from individuals knowledgeable about the local economy. The survey was what we characterize as a “scoping survey”; the intent was to collect input that represents the range of perspectives of the sample population. The results reflect the perspectives of individuals who completed the survey and should not be interpreted to reflect the perspectives of all Ashland

⁸ <https://www.qualtrics.com>

residents. Exhibit 35 summarizes the sample population and responses. ECO received 231 responses yielding a 23% response rate.

Exhibit 35. Survey Response Summary

Total email solicitations	1,112
Bounced addresses	114
Effective sample size	998
Responses	231
Response rate	23.1%

Key Takeaways

- **Survey respondents most frequently indicated that they perceived Ashland’s economy to be in fair condition**, frequently citing the COVID-19 pandemic, tourism industry, and Oregon Shakespeare Festival as reasoning behind their answers.
 - As a place to do business, respondents also most frequently rated Ashland as fair, with common answers referencing difficulties around regulations, taxes, and general ease of business, as well as reiterating strengths and weaknesses of tourism.
- **A majority of respondents agreed that Ashland has a high quality of life overall.** More than half of respondents agreed that regional marketing and branding promote economic development.
- **The top themes that respondents discussed for diversifying Ashland’s economy referenced higher education, outdoor recreation, and the food and wine industry.** Within these categories Southern Oregon University, mountain biking, and diverse dining options were popular ideas.
- **Over half of respondents were business owners or managers in Ashland, with a wide range of industries and experience.** The majority indicated that they did plan to expand within the next five years, but only 50% of that group planned to expand in Ashland.
 - Reasons cited for potentially locating elsewhere included access to workforce, housing and commercial rental costs, and concerns about tourism rebounding.
- **Following national level trends, hiring has been difficult for roughly two-thirds of businesses in the survey who have attempted to do so in the past year.** Reasons frequently cited include lack of candidates, COVID-19, and poor work ethic.
 - Additionally, when looking for business, owners often listed affordable housing, networking opportunities, and tax relief. For employee training, communication and technology skills were the top cited needs.
- **Frustration with government processes and perception around business climate were challenges cited by business owners.** Despite a relatively small sample size, qualitative answers from business owners in Ashland indicated frustration with the high cost of doing business and overly rigid regulations from the City.

Local Economy and Innovation Capacity

The first set of questions covers basic perceptions about Ashland’s current economy and assets.

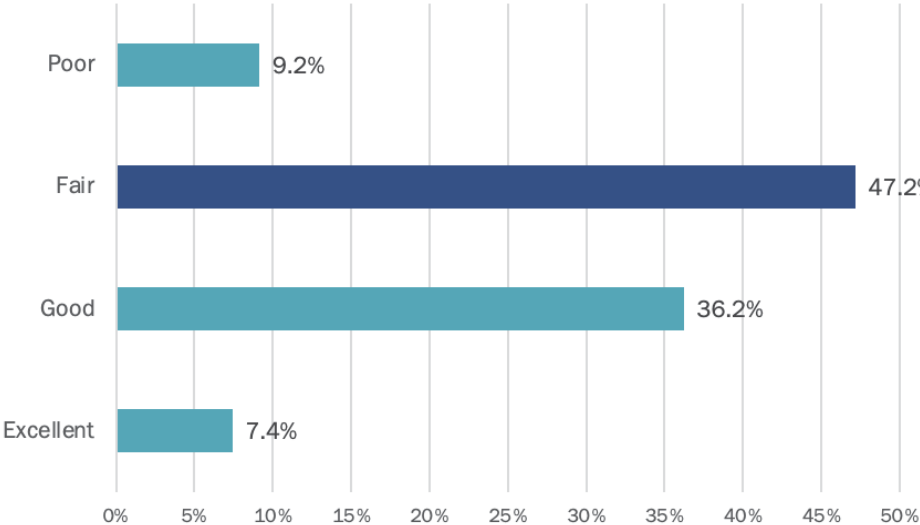
Overall, how would you rate Ashland as a place to do business at this time?

When asked about Ashland as a place to do business, respondents also most frequently rated the city as fair (47.2%) or good (36.2%). Many echoed similar themes to their description of Ashland’s current economy, including the impacts of COVID, challenges around housing, positives and negatives of tourism, and frustration with taxes and regulations for businesses.

“Having owned and run a bed and breakfast in Ashland for the past 27+ years has shown us that Ashland can, in fact, be a great place to do business. However, as we all know, Ashland is, basically, an 8 Month City, traditionally relying heavily on the success of the OSF performance season to facilitate the much-needed tourism that supports many ancillary businesses.”

Exhibit 36. Assessments of Ashland’s Current Business Atmosphere

Source: Ashland Economic Diversification Stakeholder Survey, Spring 2022



Please indicate your level of agreement or disagreement with the following statements

Respondents agreed or strongly agreed most frequently with the statement “Ashland has a high quality of life” (84%), with only 3% disagreeing. The most commonly disagreed or strongly disagreed with statement was “Ashland has a diverse and healthy economy” (50%). On other areas responses were mixed, with a lean towards agreement that Ashland has a strong culture for innovation/entrepreneurship and maintains public infrastructure. Many chose a neutral option about Ashland’s connection to the region for economic development and innovation.

Exhibit 37. Level of Agreement with Statements about Economic Conditions

Source: Ashland Economic Diversification Stakeholder Survey, Spring 2022

Statement	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Total Responses
Ashland has a strong culture of innovation and entrepreneurship	14%	46%	23%	14%	4%	217
Ashland has a diverse and healthy economy	1%	22%	27%	38%	12%	212
Ashland has a welcoming business climate	9%	33%	30%	21%	8%	209
Ashland has a high quality of life	34%	50%	12%	2%	1%	219
Key innovation assets in Ashland and the region are linked physically	6%	32%	42%	14%	6%	171
Ashland and the region have strong networks that support economic development	8%	28%	33%	25%	6%	201
People outside our region perceive we have a strong environment for economic development	7%	29%	31%	25%	8%	182
Ashland has and maintains public infrastructure to adequately support existing and future economic development needs	15%	41%	18%	21%	5%	208

Please indicate your level of agreement or disagreement on leadership, culture and networks in Ashland and the region

In questions about the economic conditions of Ashland, responses were more varied than the previous set. The strongest agreement was for the statement “Regional marketing and branding promote economic development” with 55% responding positively, while 43% disagreed with another statement that “local leadership is well connected throughout the region.”

Exhibit 38. Level of Agreement with Statements about Leadership, Culture, and Networks

Source: Ashland Economic Diversification Stakeholder Survey, Spring 2022

Statement	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Total Responses
Local leadership is well connected throughout the region	3%	22%	32%	35%	8%	193
Entrepreneurs are well connected throughout the region	5%	37%	35%	19%	4%	189
Our culture supports economic development	7%	29%	30%	27%	6%	205
Local elected officials support economic development	4%	26%	25%	28%	18%	200
Local government staff support economic development	3%	30%	30%	21%	15%	191
Regional marketing and branding promote economic development	14%	41%	24%	14%	6%	201
Economic development organizations effectively support economic development	10%	32%	36%	13%	8%	181

Please list the top three elements of Ashland’s economy you think present the greatest opportunities for economic diversification

The top three themes that respondents gave for diversifying Ashland’s economy referenced higher education, outdoor recreation, and the food and wine industry. Regarding education, Southern Oregon University was referenced most often, particularly for creating partnerships and providing a stream of young talented professionals. While many kept their description of outdoor recreation opportunities broad, some specifically called out mountain biking, rafting, and hiking. Within the food and wine category, destination restaurants, food trucks, vegetarian establishments, farm-to-fork festivals, and regional wine marketing were all raised.

“Be willing to change the way we’ve always done things with consideration for the realities of climate change. Ashland could become a leader/model for other communities making modifying, changing and diversifying how we do business”

If you plan to expand your business in the next five years, please indicate how you expect your business to grow.

Business owners looking to expand indicated that they anticipated needed roughly six new full-time employees in the next five years.

Only 22 respondents indicated a need for more floor area space or land.

Exhibit 39. Anticipated New Business Needs in Five Years

Source: Ashland Economic Diversification Stakeholder Survey, Spring 2022

11.4

Average Full Time Employees Now

6.3

Estimated Need for New Full Time Employees

2,721 sq ft.

Average Additional Floor Area Needed

15.3

Average Total Employees Now

2.3 acres

Average Additional Land Needed

Business Expansion and Challenges

These questions are further filtered from those who own a business in Ashland and only continued if the person responded that they were looking to expand their business.

Do you plan to expand your business in the next five years? If you plan to expand your business in the next five years, will you expand in Ashland?

The majority of respondents answered that they did plan to expand within the next five years (56.5%).

However, only 50% of this number indicated that they would expand their business in Ashland.

Exhibit 40. Anticipated Expansion in Five Years

Source: Ashland Economic Diversification Survey, 2022

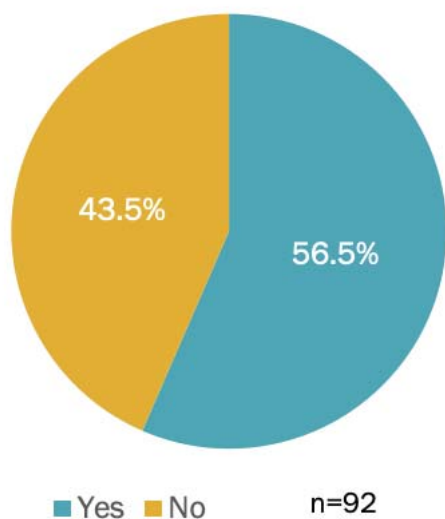
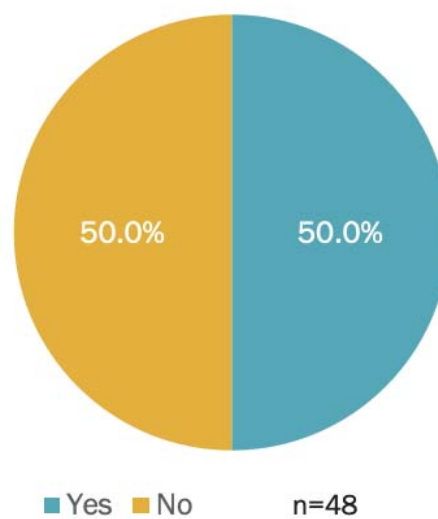


Exhibit 41. Decision to Expand in Ashland

Source: Ashland Economic Diversification Survey, 2022



If no, please explain why not.

For written responses, people indicated factors that contributed to their uncertainty about expanding in Ashland, including labor availability, business costs, housing, and space concerns.

“Yes, as much as possible. But expanding in Medford is simpler and easier due to available of licensed professionals and entry-level labor (who can develop into licensed professionals).”

“This question could go either way. Much depends on the availability of affordable manufacturing space and housing for workforce.”

“If the economy can bounce back then we would love to stay in Ashland. Unfortunately the cost of doing business here is very high and with no tourism or much local shopping we will be forced to a busier area.”

Have you hired new employees in the last year? Was it difficult to fill positions?

Over half of business owners had hired new employees in the last year; these respondents were asked follow ups about the process.

Following national level trends, out of the 52 business owners who had hired in the last year 65.4% had difficulty finding employees.

Exhibit 42. Hiring in Past Year

Source: Ashland Economic Diversification Survey, 2022

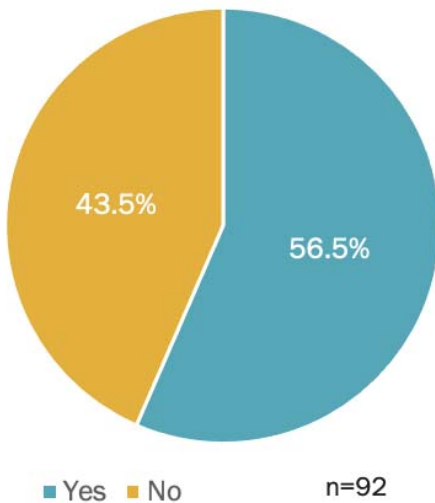
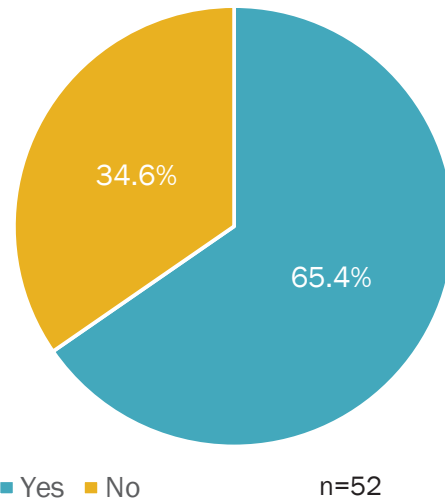


Exhibit 43. Difficulty Hiring in Past Year

Source: Ashland Economic Diversification Survey, 2022



What areas of assistance are most needed to help your business grow and succeed?

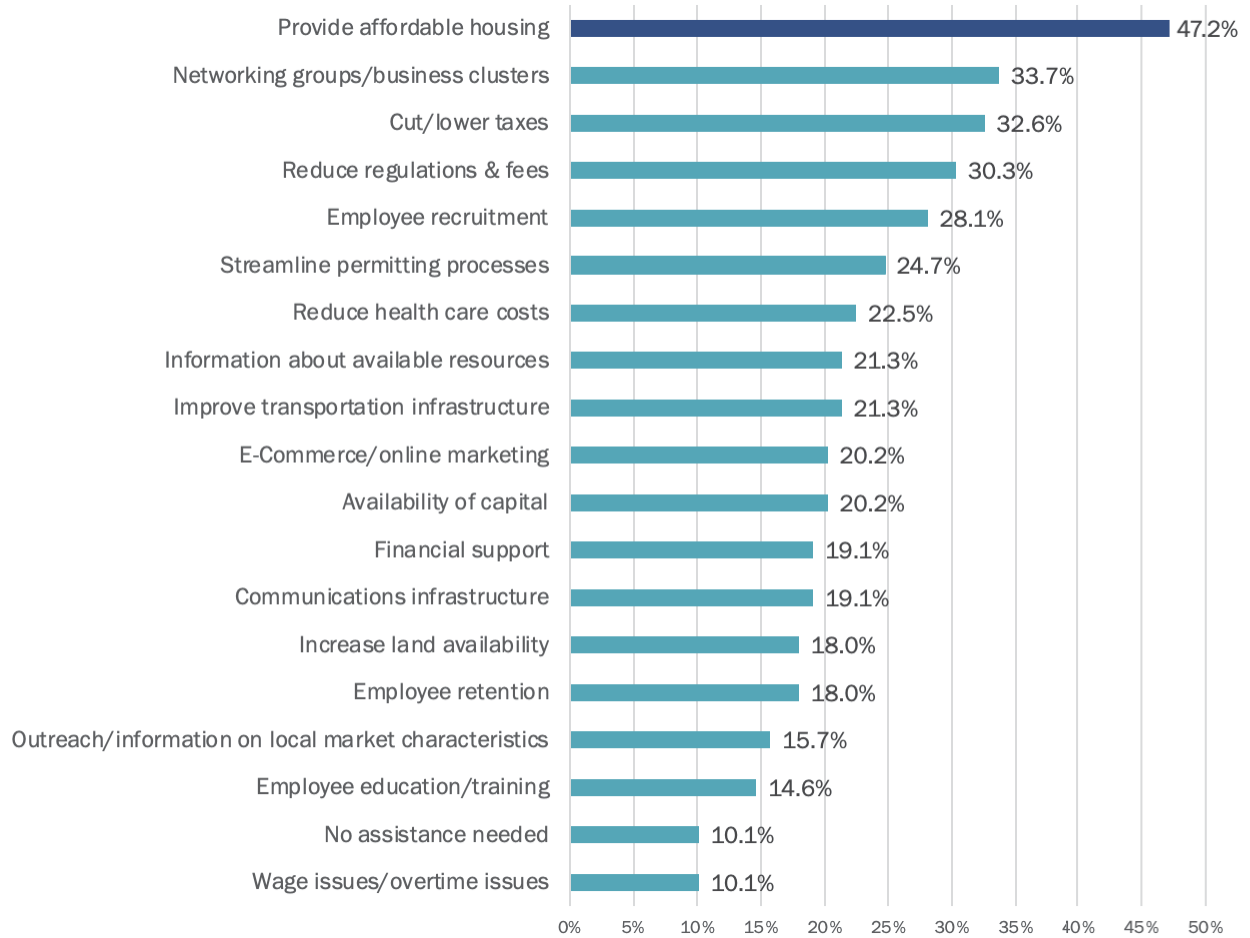
In this question the 89 people who responded were able to select as many options as applied; on average 4 answers were selected. Affordable housing was the most frequently selected option, There was also room for write-in answers, including:

“Marketing expertise. Hard to find people that want to help but wish to change the program so not too helpful so far”

“Provide a welcoming environment where people want to come, visit and live”

Exhibit 44. Assistance Needed for Business Owners

Source: Ashland Economic Diversification Survey, 2022



5. Peer Cities and Industry Trends

Selection Criteria

As a part of identifying strategies for Ashland, we explored what other cities have done to diversify their economies and specifically how they have managed to bounce back from the economic impacts of COVID-19. We evaluated jurisdictions for the strategies and unique programs that they have implemented, focusing initially on strides in infrastructure, balance of target industries, new investments in mature downtowns, and plans to embrace seasonality.

Themes that we used to search for peer cities were outdoor recreation opportunities, wine industry, performing or other arts scenes, university towns, remote work/ecommerce sectors, and light manufacturing. The places that we identified shared a relatively small population (under 100,000) and are located in the Western United States, with two in Oregon (Bend and McMinville).

City	Outdoor Recreation	Wine Industry	Performing or Other Arts	University	Remote Work
Bend, OR	X				X
McMinville, OR		X		X	
Healdsburg, CA		X			
Santa Fe, NM			X		X

Lessons Learned from Peers

Outdoor Recreation:

- *Understand your trails -- the current demands and the tools needed to manage those users.*
- *Prepare for climate disruptions in August and September.*
- *There are many layers of land management entities that need to be key partners to avoid confusion and to work constructively to archive multiple objectives.*
- *Think ahead on parking and infrastructure needs.*
- *Gravel cycling is growing.*
- *Family friendly opportunities are important (biking trails, floating river, obstacle course, educational elements).*
- *Put family-friendly events in downtown.*
- *Capitalize on snow sports.*
- *Hotels should provide bikes.*
- *Mix public art and outdoor recreation.*

Specialty food and beverage:

- *Wine industry is more resilient after pivoting to online clubs and new regional identity.*
- *Outdoor games are popular at vineyards, breweries.*
- *Ancillary interest (cider, pickling, etc.) are popular.*
- *Culinary events help to give an excuse for people to book trips.*
- *Most visits are a combination of wine tasting, shopping, and nice meals. Make sure those things are strong.*
- *People love to walk/bike as part of their experience.*
- *Local investors can help grow businesses/industries. May be a role in facilitating connections.*
- *Interest in distilleries still growing.*

Common Strategies

- *Managing growth: Be proactive in building infrastructure prior to growth.*
- *Explore barriers to scaling up for local culinary/beverage enterprises.*
- *Focus on a handful of goals. Understand primary vs. secondary assets.*
- *Capitalize on walkability.*
- *Provide grants to those that want to try to new events/activities. Support those people trying new things.*
- *Youth programs (STEAM summer programs, etc.) can help to provide exposure to different sectors and diversify audience.*

Industry Trends

Trends in Wine

- *Rogue Valley had fairly static numbers between 2019 and 2020, with number of vineyards increasing from 201 to 205, all planted acreage increasing from 5,637 to 5,746, harvested acreage increasing from 4,935 to 5,412, yield per harvest decreasing from 3.10 to 2.87, and production increasing from 15,318 to 15,535 (2020 Oregon Vineyard and Winery Report).⁹*
- *In 2021, Pinot Noir shipments accounted for 54.8% of all Direct-to-Consumer shipments from Oregon, with a doubling in the share of total DtC shipping value from a decade ago that is also paired with a doubling of its share of volume shipped, all while prices have been rising (2022 Direct-to-Consumer Wine Shipping Report).¹⁰*

⁹ Institute for Policy Research and Engagement, 2020, 2020 Oregon Vineyard and Winery Report <https://industry.oregonwine.org/wp-content/uploads/sites/2/2020-Winery-Vineyard-Report-8-31-21-Rev.pdf>

¹⁰ Sovos ShipCompliant, 2022, 2022 Direct to Consumer Wine Shipping Report <https://www.sovos.com/shipcompliant/wp-content/uploads/sites/9/2022/01/2022-Direct-to-Consumer-Wine-Shipping-Report.pdf>

- Wineries, wine bars, museums, coffee shops, parks, unique shopping, and the walkable and interesting downtown add further appeal (Travel Ashland 2021 Visitor Research Analysis)¹¹

Trends in Art

- The nonprofit arts and culture sector is a significant industry in the Southern Oregon Area – one that generates \$100.6 million in total economic activity, supporting 3,365 full-time equivalent jobs, generates \$65.4 million in household income to local residents and \$8.7 million in local and state government revenue.
- Of 476 surveyed event attendees for cultural events in the Southern Oregon Area during 2016, attendees spent an average of \$143.96 per person, per event, and 82.4% were nonresidents of Jackson County. In addition, nonresident attendees spent an average of 569% more per person than local attendees (\$169.40 vs. \$25.31).
- Art has been shown to be useful in attracting visitors, with 76.5% of those surveyed indicating that the primary purpose of their visit to the Southern Oregon Area was “specifically to attend this arts/cultural event”.¹²
- Bend, Oregon has a CVI (Creative Vitality Index) value of 1.01, compared to Medford which has a CVI value of 1.68. Graphic designers were the fastest growing creative occupation in the Bend, and the creative industries generated \$33.5 million in earnings, compared to Medford, where the creative industries generated \$60 million in earnings. Nonprofits play an important role in both cities, with creative and cultural nonprofit organizations bringing in a collective \$11.2 million for Bend, while Medford is host to 53 different nonprofit organizations that generated \$35 million in revenue. Of these, theatre companies generated the most revenue of all nonprofits in Medford, generating \$23 million dollars.¹³

Trends in Outdoor Recreation

- One study found that in 2019, outdoor recreation in Oregon supported \$15.6 billion in spending, and supported 224,000 full and part-time jobs in Oregon.
- Among other public benefits, recreational spaces in Oregon provide clean, drinkable water, carbon sequestration, scenic beauty, and habitats for plants and animals.
- Jackson County Economic Contribution of Outdoor Recreation in Oregon
 - Trip-related spending: \$310,974,000 (13th in state)
 - Employment: 3,225 jobs (14th in state)

¹¹ Destination Analysts, 2021, *Travel Ashland Visitor Research and Analysis*

¹² [Americans for the Arts, 2017. Arts & Economic Prosperity 5](#)

¹³ CVSuite, 2021, *The 30 Most Creative Small Cities*

- Labor income: \$120,626,000 (14th in state)
- Output: \$307,924,000 (11th in state)
- GDP Contributions: \$163,486,000 (9th in state)
- State and local tax: \$16,156,000 (11th in state)¹⁴
- Both past visitors and non-visitors focused on Ashland’s beauty and outdoor assets in describing the city and its strengths (Travel Ashland 2021 Visitor Research Analysis)
- Overall, 95% of Oregon residents participated in at least one outdoor recreation activity in Oregon during 2017. Of these, the groups with the lowest outdoor recreation activity were the middle old (ages 75-84) and low income (< \$25,000) groups.
- With the exception of gardening / landscaping, participation in all recreation activities decreases with age, and projections show the number of Oregonians aged 60 and older will increase by 33% between 2018 and 2030.
- The most common barriers to visiting Metro parks and natural areas were a lack of awareness, knowing where these areas are located, the parks being too far away to get to easily, a lack of emotional attachment to these areas, not knowing where to get information about these places, limited public transportation to these places, and an inability to take pets to these places. In addition, the most common barriers to visiting parks in the Portland region (not just Metro) were a lack of free time, or a fear of crime and the perception that parks are not safe.
- A study (*Health Benefits Estimates for Oregonians from Their Outdoor Recreation Participation in Oregon*) calculated that the energy expenditure from physical activity related to outdoor recreation participation by residents in kilocalories expended or burned is a conservative 503 billion kcal per year. In addition, the total annual cost of illness savings to Oregon from their participation in these outdoor recreation activities is conservatively calculated to be \$1.416 billion.
- There is a strong relationship between family income and physical activity with low-income families being most prone to obesity.¹⁵

Trends in Tourism

- Ashland performs well for outdoor recreation, off-the-beaten-path ambiance, family friendliness, accommodations, wineries, performing arts, and winter recreation, but slightly under-performs in leisure travel survey respondents in comparison to the Pacific

¹⁴ Mojica, J., Cousins, K., Madsen, T., 2021, *Economic Analysis of Outdoor Recreation in Oregon*.

¹⁵ Oregon Parks and Recreation Department, 2017, *Outdoor Recreation in Oregon: Responding to Demographic and Societal Change*

Northwest as a whole for most attributes, including scenic beauty, welcoming atmosphere, affordability, restaurants and dining, historic sites/attractions, etc, based on survey results of what respondents said are important characteristics when selecting a destination.¹⁶

- High potential visitors describe Ashland with words and terms that align with the destination's brand of arts & culture and nature.¹⁷
- Culture and nature are focuses of Ashland's destination brand, with both visitors and non-visitors focusing on Ashland's beauty, outdoor assets, and arts and culture. Wineries, wine bars, museums, coffee shops, parks, unique shopping, and the walkable and interesting downtown add further appeal.
- In 2018, international visitors spent \$1.39 billion in Oregon, a 4.9% increase from 2017, compared to the national average of 1.2%.
- Every \$1 invested in the 2017 Oregon ad campaign generated \$157 in visitor spending & about \$8 in state and local tax revenue, with tourism jobs employing 115,700 people and generating \$12.3 billion in revenue.¹⁸

¹⁶ Destination Analysts, 2021, *Executive Summary*

¹⁷ Destination Analysts, 2021, *Executive Summary*

¹⁸ Oregon Tourism Commission, 2019. *Year in Review FY 2018-2019*

6. SWOT Analysis

This section elaborates on the specific strengths, weaknesses, opportunities, and threats in Ashland's economy. We developed the themes highlighted below as a part of our widely distributed stakeholder survey, targeted focus groups, and robust interview process.

As part of stakeholder interviews and focus groups, we asked targeted questions and directed discussion towards topics related to strengths, weaknesses, opportunities, and threats, particularly concentrating on opportunities for economic diversification. In the stakeholder survey (detailed in Chapter 5), we designed one section to focus explicitly on what respondents saw as the three biggest contributors they saw for each area of the SWOT.

Themes that we identified in engagement are further supported here by findings from data analysis (detailed in Chapter 3). In each section below we include a list of initial themes, detailed findings from engagement, illustrative data points, and final prioritization for recommendations (Chapter 8).

Strengths

At the beginning of our analysis, we identified the following categories as strengths based on conversations with stakeholders and research:

- **Quality of Life:** High caliber healthcare, strong public schools, public fiber network
- **Quality of Place:** Natural beauty, walkable downtown, popular park system, regional amenities, convenient location near I-5
- **Established Tourism:** Performing arts, outdoor recreation, culinary experiences (wine and restaurants)
- **Higher Education:** Southern Oregon University, Rogue Community College
- **Local Brand:** Active marketing and distinct character
- **Niche Manufacturing:** Medical equipment, agricultural products, green technology
- **Population:** High education levels, disposable income
- **Ashland Coalition:** Coordination and problem-solving entity

What We Heard

The second section of the stakeholder survey asked respondents to list the top three strengths, weaknesses, opportunities, and threats for Ashland's economy in their perspective. Performing arts (including the Oregon Shakespeare Festival), an established tourism appeal, and the natural beauty of the area were the most commonly referenced:

“Still well known in many places mainly due to OSF”

“OSF and SOU bringing visitors and residents”

“Beautiful environment to attract visitors and employees”

“Place - We love where we live, it’s beautiful and connected”

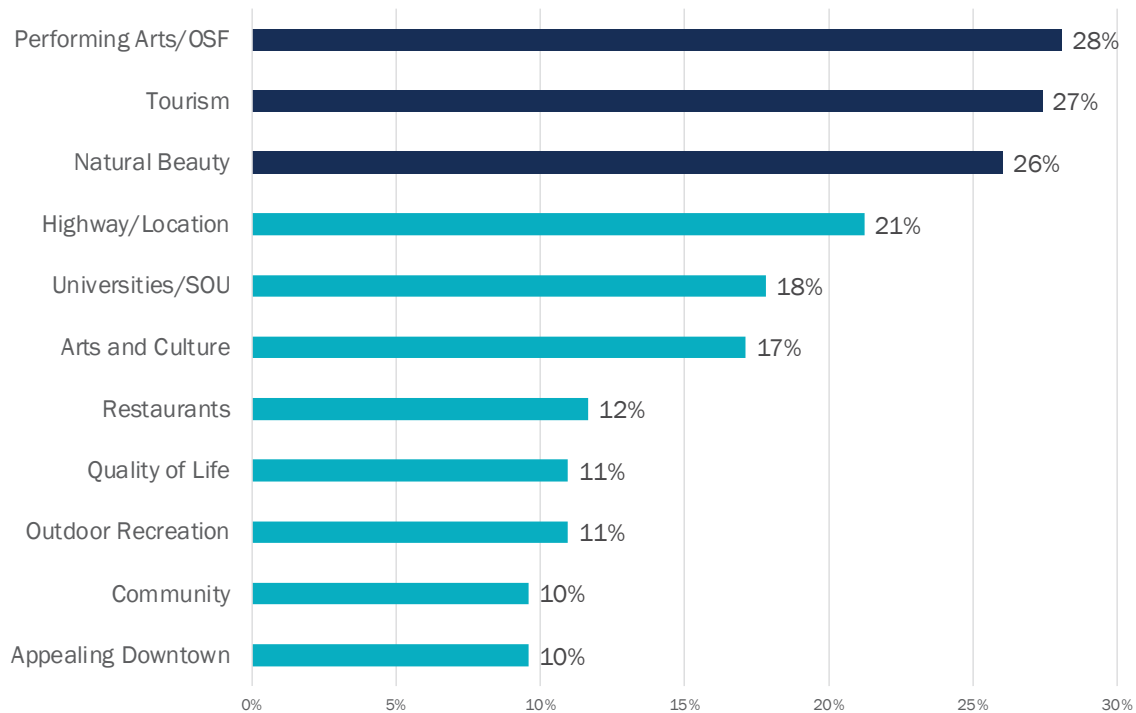
“It’s set up as a good tourist town”

“It is a desirable place to live or visit.”

Exhibit 45. Most Frequently Cited Strengths of Ashland’s Economy

Source: Ashland Economic Diversification Survey, 2022

Note: This graphic highlights themes included in 10% or more of responses due to a high volume of low-choice themes



Other key themes that surfaced included Ashland’s advantageous location along I-5 and ability to draw in visitors from both California and Oregon. Respondents further indicated the high quality of life in Ashland as an asset with amenities like arts and culture, good restaurants, and opportunities for outdoor recreation. In terms of the population itself, many pointed to Ashland’s high incomes and education levels as a current strength. The charming downtown, established reputation, and supportive community were also frequently mentioned.

What the Data Say

Data collected about Ashland’s economy indicates existing industries that have high potential based on their combination of high average location quotient, employment of more than 50 workers, and higher wages than the average in Ashland in 2019 (Exhibit 46).

Exhibit 46. Concentration of Industries and Employment, Ashland, 2019

Source: Quarterly Census of Employment and Wages

Note: Green highlighting indicates higher than Ashland’s average wage in 2019.

	High Employment (more than 50 employees)	Low Employment (at least 10 employees)
High Location Quotient	<ul style="list-style-type: none"> ▪ Support Activities for Agriculture and Forestry ▪ Construction of Buildings ▪ Miscellaneous Manufacturing ▪ Wholesale Electronic Markets and Agents and Brokers ▪ Motor Vehicle and Parts Dealers ▪ Food and Beverage Stores ▪ Sporting Goods, Hobby, Musical Instrument, and Book Stores ▪ Miscellaneous Store Retailers ▪ Nonstore Retailers ▪ Publishing Industries (except Internet) ▪ Ambulatory Health Care Services ▪ Performing Arts, Spectator Sports, and Related Industries ▪ Amusement, Gambling, and Recreation Industries ▪ Accommodation ▪ Food Services and Drinking Places ▪ Personal and Laundry Services ▪ Religious, Grantmaking, Civic, Professional, and Similar Organizations ▪ Private Households 	<ul style="list-style-type: none"> ▪ Chemical Manufacturing ▪ Health and Personal Care Stores ▪ Securities, Commodity Contracts, and Other Financial Investments and Related Activities
Low Location Quotient	<ul style="list-style-type: none"> ▪ Specialty Trade Contractors ▪ Food Manufacturing ▪ Merchant Wholesalers, Nondurable Goods ▪ Building Material and Garden Equipment and Supplies Dealers ▪ Gasoline Stations ▪ Clothing and Clothing Accessories Stores ▪ General Merchandise Stores ▪ Credit Intermediation and Related Activities ▪ Insurance Carriers and Related Activities ▪ Real Estate ▪ Professional, Scientific, and Technical Services ▪ Administrative and Support Services ▪ Educational Services ▪ Nursing and Residential Care Facilities ▪ Social Assistance ▪ Repair and Maintenance 	<ul style="list-style-type: none"> ▪ Crop Production ▪ Merchant Wholesalers, Durable Goods ▪ Support Activities for Transportation ▪ Motion Picture and Sound Recording Industries ▪ Management of Companies and Enterprises

Although some of these industries emerged less frequently during the survey, miscellaneous manufacturing and health care services were topics mentioned during interviews that are supported by data as strong sectors. These are potential places where Ashland already has seen some growth that could be leveraged as part of an economic diversification strategy.

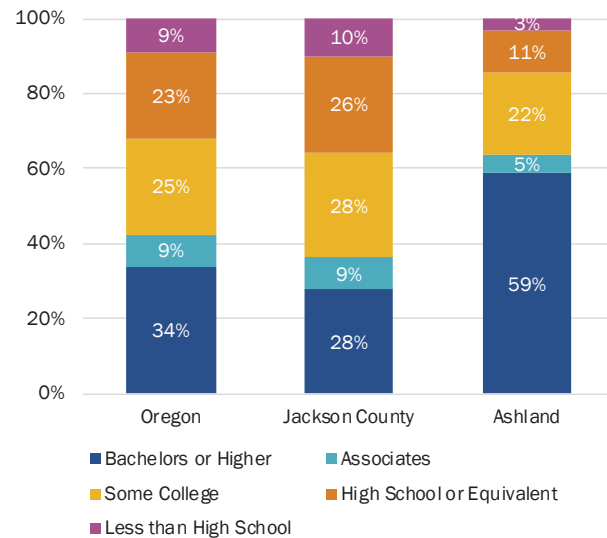
Educational attainment is high in Ashland, with 59% of the population 25 years of age or above holding at least a bachelor's degree. This indicates potential for growth in more high-earning fields and a strong workforce for white collar jobs.

Prioritization

As the combined result of engagement and data, the strengths of Ashland's economy that emerged as priorities to leverage for diversification were the city's high quality healthcare system, the publicly available fiber network, walkable downtown areas, established performing arts industry, outdoor recreation and culinary opportunities, programs and resources at Southern Oregon University, and niche manufacturing.

Exhibit 47. Educational Attainment For Population 25 Years Plus, Ashland, Jackson County, and Oregon, 2015-2019

Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B15003.



Weaknesses

As we heard from stakeholders about Ashland's economic strengths, we also found the following categories as commonly referenced challenges for the city's economy:

- **Affordability:** Housing, childcare, general cost of living
- **Diversity:** Economic, racial/ethnic, age groups
- **Government:** Political leadership, business friendliness and regulations
- **Reliance on Tourism:** Low wage employment, susceptible to disruptions

What We Heard

In describing Ashland's top weaknesses, stakeholder survey respondents often pointed to high costs of housing (and other living expenses), the reliance on tourism (particularly Oregon Shakespeare Festival), and challenges with local government and leadership:

"Lack of communication between the City and business owners"

"Overemphasis on Shakespeare"

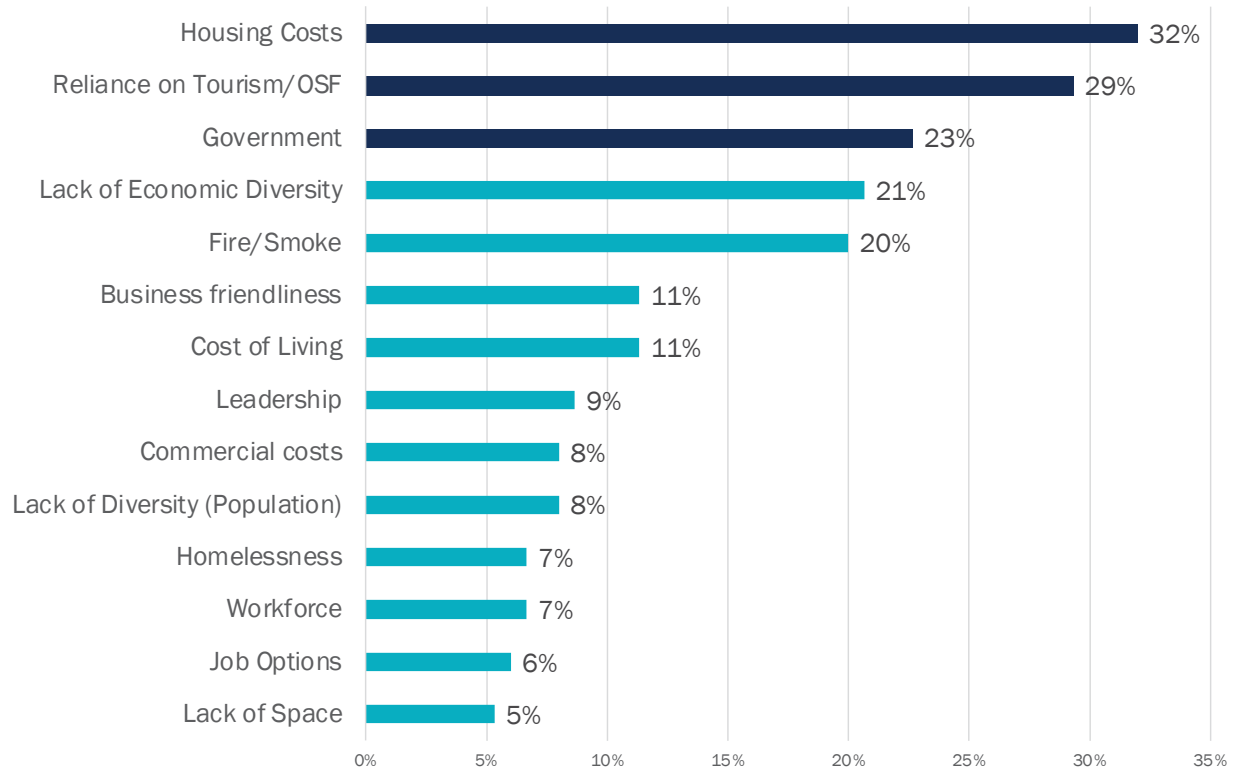
“Over-reliance on summertime tourism (smoke season)”

“Too expensive to secure housing for many early-career and families”

“Lack of workforce housing therefore lack of workforce”

Exhibit 48. Most Frequently Cited Weaknesses of Ashland’s Economy

Source: Ashland Economic Diversification Survey, 2022



Note: This graphic highlights themes included in 5% or more of responses due to a high volume of themes

Stakeholders also discussed issues with the summer smoke season (which came up again more prominently in regard to threats), a lack of business diversity, and specific business challenges such as a perception of high taxes, high commercial rents, anti-growth sentiments, and difficulty hiring qualified workers.

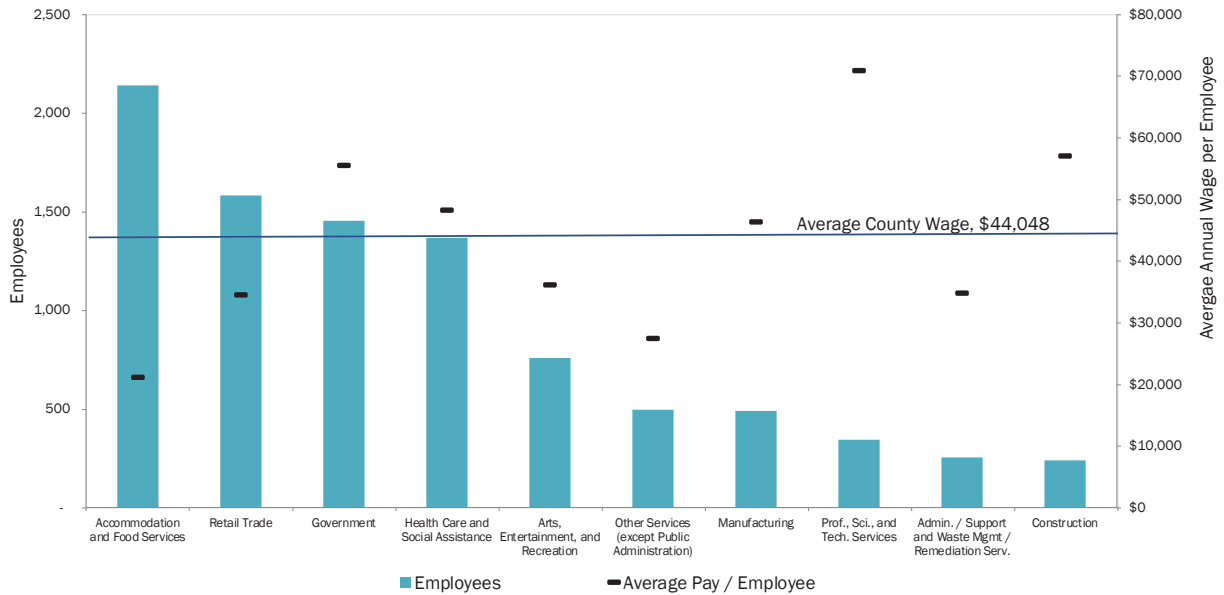
What the Data Say

Changes in the number of establishments, employees, and average wages between 2019 and 2020 help to indicate which industries may be more vulnerable and associated with economic weaknesses. In 2019, four of the five highest employing industries in Ashland had an average

pay per employee that was lower than the city overall, including accommodation and food service; retail; arts, entertainment, and recreation; and other services (Exhibit 49).

Exhibit 49. Top Industries Covered Employment and Average Pay by Sector, 10 Largest Sectors Ashland, 2019

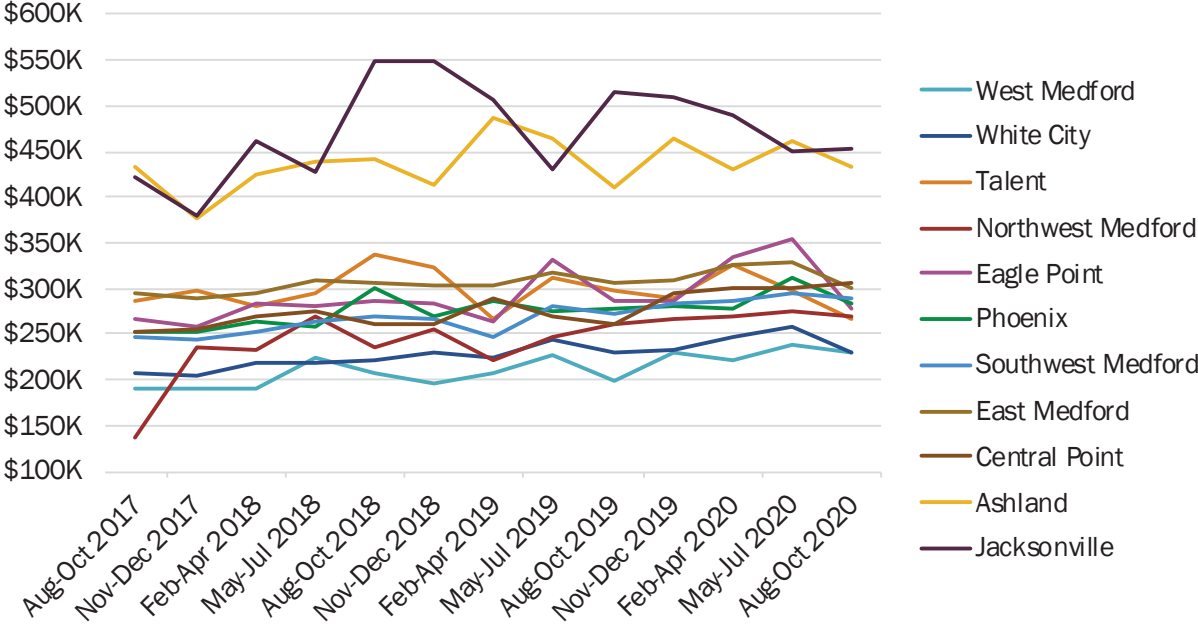
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2019.



Housing that is affordable to Ashland’s workforce was also a recurring theme in conversations with stakeholders that is reflected in the median home sale prices in Ashland and surrounding communities. Only Jacksonville to the northeast had similarly high prices between 2017 and 2020, with homes averaging nearly \$150,000 more than nearby areas like Talent and Medford.

Exhibit 50. Median Home Sale Prices, 2017-2020, Ashland and Surrounding Communities

Source: Southern Oregon Multiple Listing Services



Prioritization

Considering engagement findings and data, the weaknesses which have the most impact on the growth of quality jobs in Ashland are housing that is affordable to the city’s workforce, business regulations and restrictions, and low wage employment associated with the tourism industry.

Threats

Moving further from current weaknesses to potential future threats to Ashland’s economy, these themes emerged most often in our initial conversations:

- **Climate Change:** Summer smoke and wildfires, extreme heat, reduced snowpack, reduced water availability
- **Housing Affordability:** Workforce and family friendly housing
- **Enrollment Decline:** Public K-12 schools and Southern Oregon University
- **Land:** Available supply and cost
- **Natural Resources for Recreation:** Camping areas and trails
- **Downtown Vibrancy:** Storefront vacancies, lack of nightlife
- **Competition:** Young workers relocating, walkable downtowns

- **Aging:** Customer base and local population
- **Government Functionality:** Development process
- **Infrastructure:** Lack of investment, stifled development
- **Diversity of Visitor Amenities:** Families, middle income households, people of color
- **Childcare:** Availability and affordability

What We Heard

By far the most frequently listed threats to Ashland’s economy were the impacts of climate change, including wildfires, smoke, heat, and water shortages. This also included commentary on lack of climate action and its potential far-reaching impacts. Although climate change was listed far more often than any other topic, other common themes included the COVID-19 pandemic, frustration with government leadership, lack of housing supply and general affordability:

“Complacency regarding energy transition and decarbonization”

“Climate change effecting available water and increased wildfires.”

“Ashland not fully embracing climate change and seeing it as an opportunity to make changes to adapt and build a resilient community and economy”

“People moving away or not coming because of wildfire threat and smoke”

“City staff turn-over and loss of institutional knowledge”

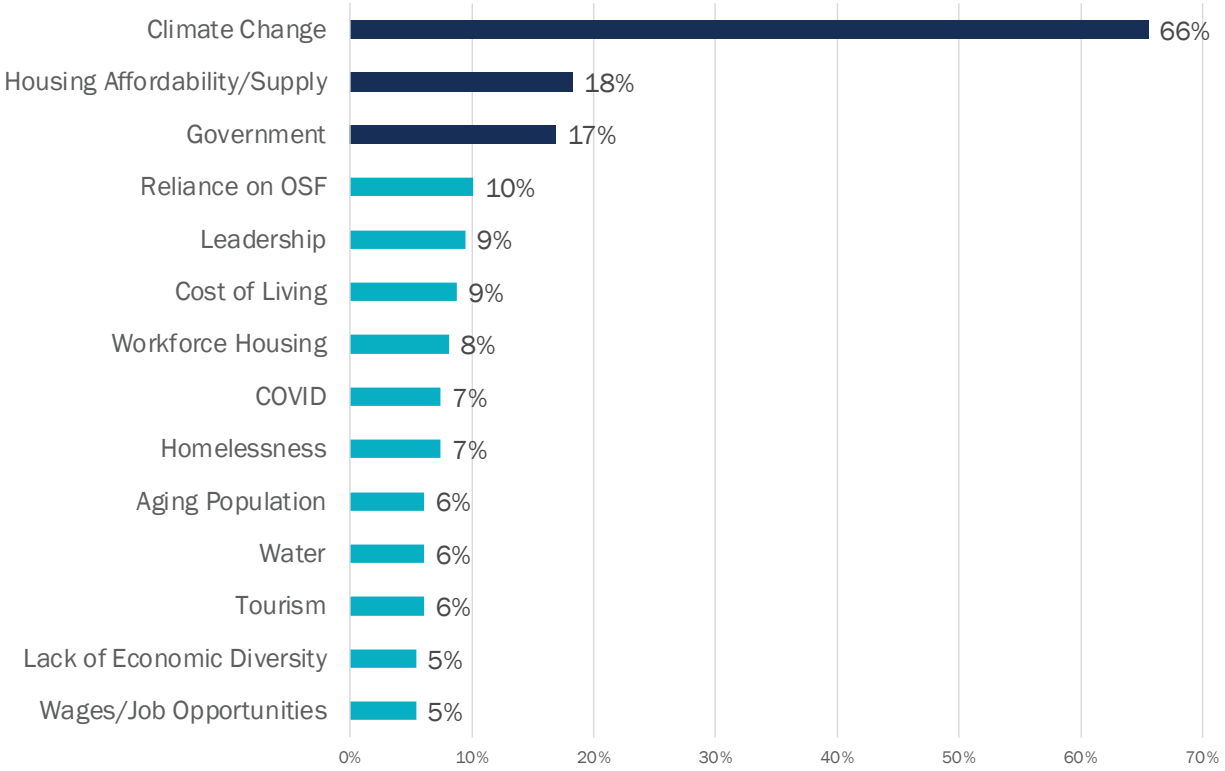
“Anti-business sentiment among some elected leaders”

“Low housing stock excluding min wage workers”

“Lack of affordable housing/shrinking workforce”

Exhibit 51. Most Frequently Cited Threats to Ashland’s Economy

Source: Ashland Economic Diversification Survey, 2022



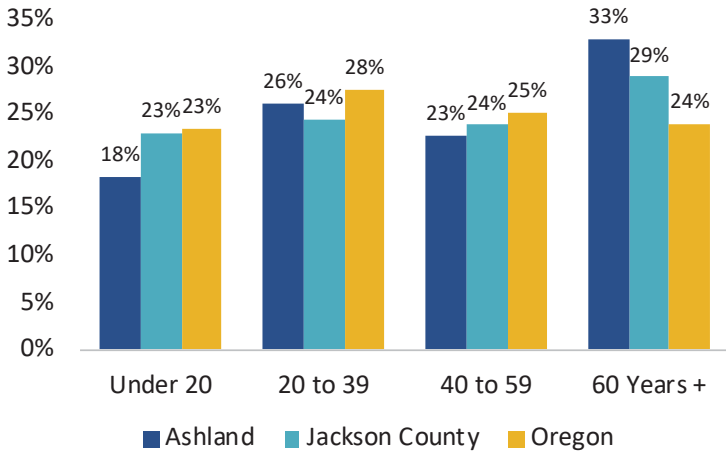
Note: This graphic highlights themes included in 5% or more of responses due to a high volume of themes

What the Data Say

Although demographic concerns were not as frequently listed in survey responses, data illustrates that Ashland has a relatively small population of youth under 20 and large population of adults over 60 compared with Jackson County and Oregon overall (Exhibit 52). If Ashland’s population continues aging without replacement of younger residents, it may exacerbate issues in maintaining a sufficient workforce in the city.

Exhibit 52. Population Distribution by Age, Ashland, Jackson County, and Oregon, 2015-2019

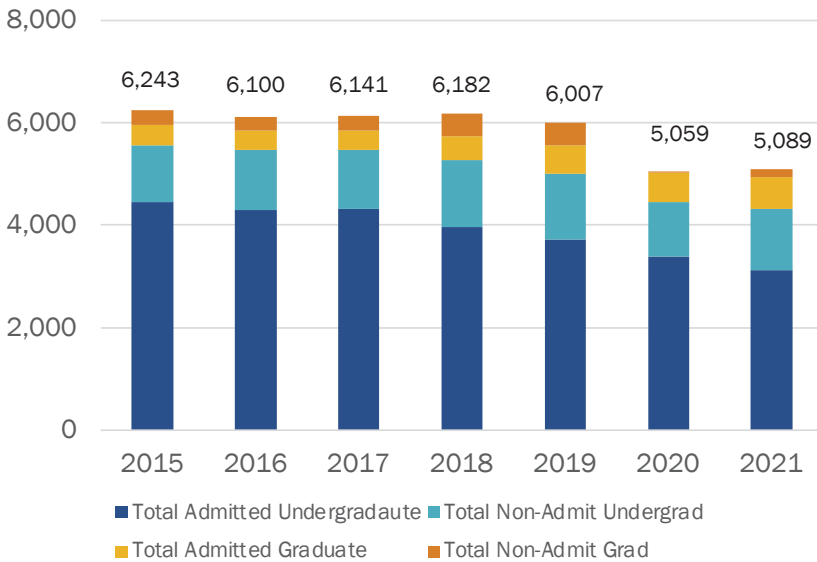
Source: U.S. Census Bureau, 2015-2019 ACS, Table B01001.



Declining enrollment in Southern Oregon University also points to a similar trend of young people leaving the city. However, fewer students may also cause other issues for Ashland’s economy if the trend continues, such as reduced hiring of university staff, lower spending in local businesses, and vacancies in student housing.

Exhibit 53. Southern Oregon University Enrollment Reports, 2015-2021

Source: Inside Southern Oregon University



Prioritization

The primary threats to economic growth in Ashland are climate change (particularly the impacts of wildfires, smoke, and extreme heat), availability of workforce housing, investment to ensure downtown vibrancy, competition for young workers with other jurisdictions, difficult development processes, and accessibility to a more diverse cohort of visitors.

Opportunities

Initial opportunities that arose in our discussions with stakeholders and exploration into potential strategies included:

- **Outdoor Recreation** – Mountain and gravel biking, river sports, snow activities, snowmobiling, rock climbing
- **Opportunity Sites** – Croman Mill, Railroad Site, University District, Downtown, housing development
- **Healthcare** -- Senior care, functional medicine, wellness
- **Remote Workers** – Worker attraction, remote companies
- **Arts and Culture** – Digital arts, film industry, visual arts, culinary arts, creative direction
- **SOU Programming** – Health care, digital arts, sustainability
- **Climate Adaptation** – Green technology, renewable energy
- **Diversity** – Population demographics, retail and restaurant options
- **Leadership** – New change agents, climate leadership
- **Small Scale Manufacturing** – Device manufacturing, boutique agricultural products

What We Heard

When asked about general opportunities for growing Ashland’s economy, stakeholder survey respondents most often mentioned potential for outdoor recreation, followed by strategies for leveraging Southern Oregon University (SOU):

“Expansion of use of the wilderness access for broader activities such as MTB, hiking, etc”

“Diversify tourism- increase recreation tourism- hiking, yoga workshops, skiing”

“Parks and Rec could create day tours for visitors that include hikes, visits to places of interest”

“Cross promote- recreate during the day, see shows/dining in the evening.”

“Create pathways for young people to stay in the area and make careers/lives here”

“Incentivizing SOU graduates/students to be involved with businesses and establish roots in the local area”

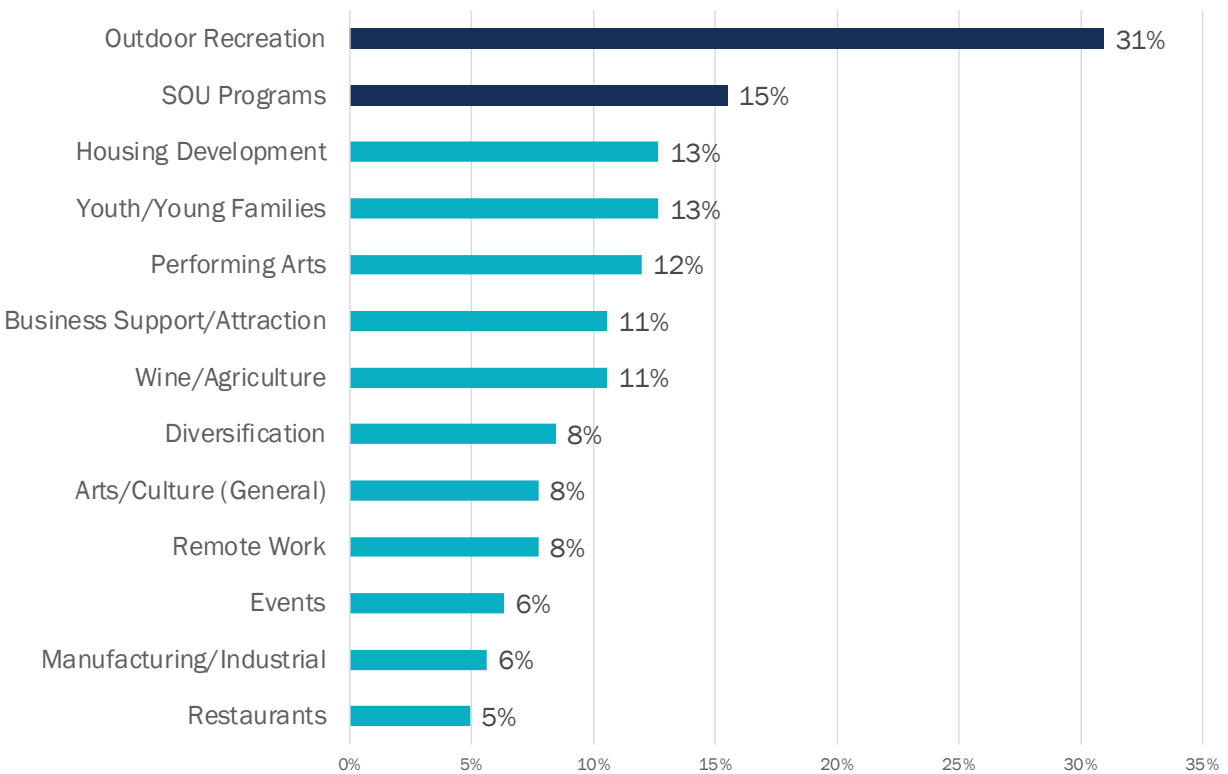
“Southern Oregon University students- incentivizing keeping them, supporting innovations”

“Keeping in mind the small-town feel with small-town rent”

In addition to university programs, respondents supported initiatives to retain SOU students and attract youth with lifestyle amenities such as mountain biking, day tours, and skiing as well as rental housing options that would be affordable to young workers and families. Questions about Ashland’s economic opportunities garnered a wide range of opinions, with other ideas looking towards the future of performing arts, business friendly features to attract new enterprises, leveraging the region’s agriculture, and embracing remote workers.

Exhibit 54. Most Frequently Cited Opportunities to Ashland's Economy Overall

Source: Ashland Economic Diversification Survey, 2022



Note: This graphic highlights themes included in 5% or more of responses due to a high volume of themes

When asked more specifically about what opportunities there are for economic diversification, respondents were slightly more inclined towards education. Although many people still referenced SOU directly, more were likely to talk about education broadly. Outdoor recreation still came up frequently, particularly year-round options that could avoid high smoke season in the summer. New ideas for food/wine also held more favor when discussing diversification:

“Education opportunities in all forms and levels”

“SOU could create training programs as part of the curriculum”

“Education in general, we could be an incubator”

“Expand, develop and promote OUTDOOR activities when its not smoke season”

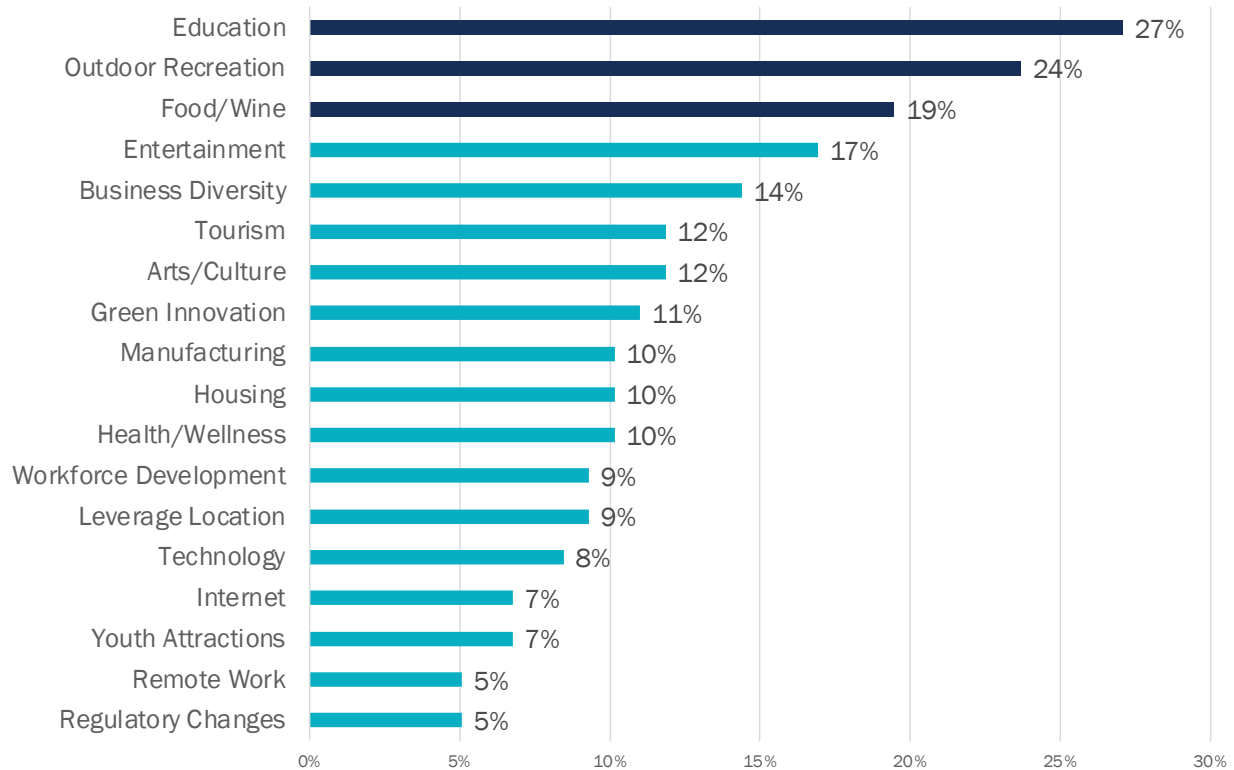
“Access to outdoor recreation - but must expand hiking, MTB, safe road biking trails, fishing, swimming, etc.”

“Food/Agricultural, farm-to-fork festivals/celebrations”

“More exciting food options, food trucks”

Exhibit 55. Most Frequently Cited Opportunities to Ashland's Economy Overall

Source: Ashland Economic Diversification Survey, 2022



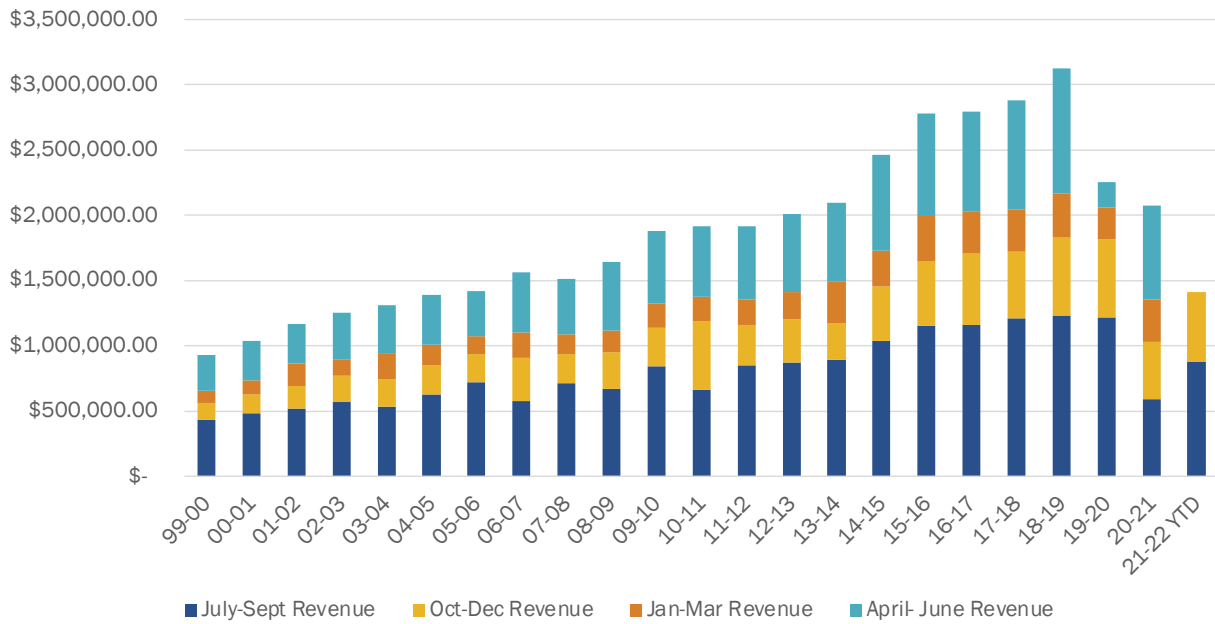
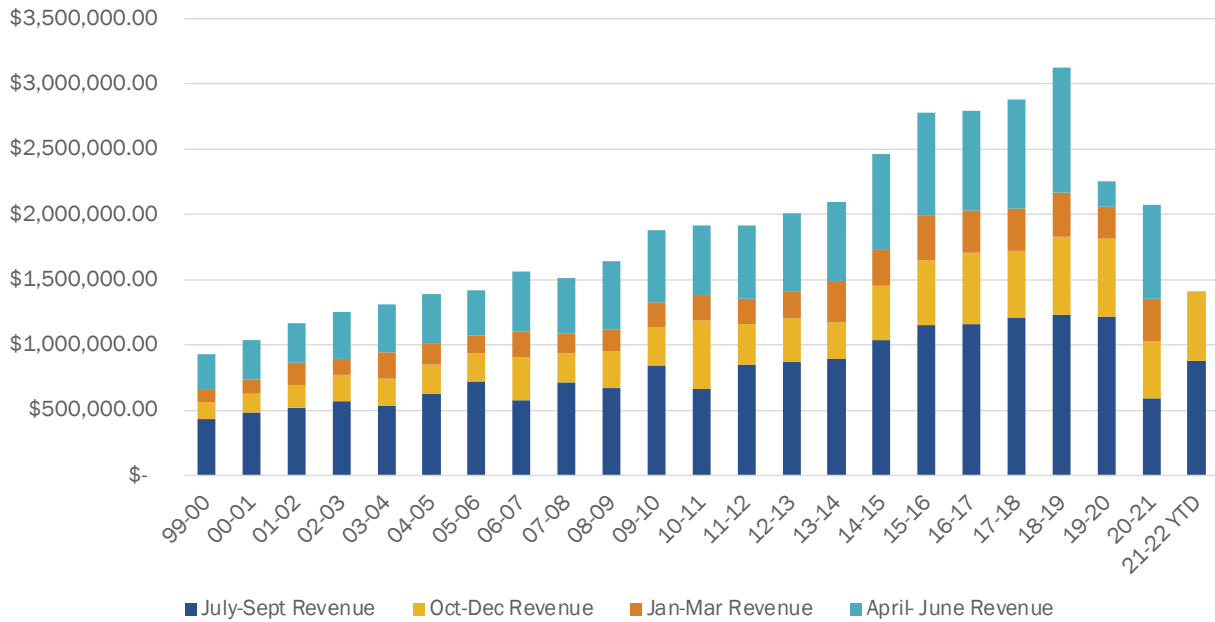
Note: This graphic highlights themes included in 5% or more of responses due to a high volume of themes

What the Data Says

Transient room tax data illustrates a rebound underway in visitor volume: although the 2021-2022 time period is not fully available yet, revenues for July-December 2021 have already exceeded those from July-December 2020. If Ashland maintains or exceeds the level of visitation from just January-June 2021, this year will have higher revenues than the previous two.

Exhibit 56. Transient Room Tax Total Revenue, Ashland, 2000-2022 YTD

Source: City of Ashland, March 2022



Final Prioritization

We identified the most promising opportunities based on their potential level of impact, support from stakeholders, and alignment with the Chamber’s goals for economic diversification in Ashland. These broad areas included the following:

- **Outdoor Recreation:** Leverage access to regional attractions and year-round activities

- **Culinary Experiences:** Food production and workshops with cooking and winemaking
- **Commercial Development:** Business owner support and specialty districts
- **Healthcare:** Prepare for increasing need of senior care, build healthcare workforce
- **Sustainability and Climate:** Local renewable energy production and action on CEAP
- **Southern Oregon University:** Program connections with students and businesses
- **Opportunity Sites:** Downtown vibrancy and fostering a distinct University District
- **Business Operations:** Support resilient and sustainable business practices

Special Consideration: Perspectives on Regional Performing Arts

Regional performing arts is given a special consideration in this analysis as it has sparked a wide variety of conversations from stakeholders that share different perspectives on its role in Ashland. The Oregon Shakespeare Festival in particular surfaced as an important theme that was discussed both for the industry’s established presence and new challenges that have become apparent in the last two years.

While performing arts are a strong attractor for tourism and placemaking that generates jobs, reliance on festivals and uncertainty about the pandemic and climate change impacts have been talking points in interviews and the stakeholder survey. Some respondents specifically called out the potential for a more diverse performing arts scene:

“Continue to diversity opportunities to enjoy performing arts beyond OSF, ex. music venues/offerings”

“More diversified entertainment options (e.g., city performance center, serious music offerings, etc.)”

“More events throughout the year showcasing our local Artists, local musicians, farmers and wineries”

Others highlighted problems with performing arts tourism when asked about future threats to Ashland’s economy:

“Having a single tourism focus/draw (i.e., OSF)”

“Continuing dependence on Shakespeare tourism”

“Over-reliance on summertime tourism (smoke season)”

During stakeholder conversations with people who work in Ashland’s performing arts industry, they indicated that growth in viewership has slowed in recent years, with a lack of diversity in theater attendees. Staffing shortages have also emerged as a result of the pandemic:

“It’s lucky we have pandemic subsidy from the federal and state government. Without it we would not be open at all.”

“We do not intend to return to pre-pandemic staffing levels. That said, we are also short on staffing even at the reduced level we planned.”

Other performing arts venues and events in the Rogue Valley beyond Ashland contribute to the existing industry cluster. The Britt Festivals in Jacksonville, Holly Theater and Craterian Theater in Medford, and others contribute to this creative ecosystem and tourism pull.

Moving forward in our recommendations and action plan, we believe that the performing arts should be seen not as a one-person show but more as part of an ensemble piece. Visitors are shifting to wanting to mix wine-tasting or gravel grinding with a show. This should not be seen as detracting from the value the performing arts play in the region, simply that the region is developing a more balanced visitor experience.

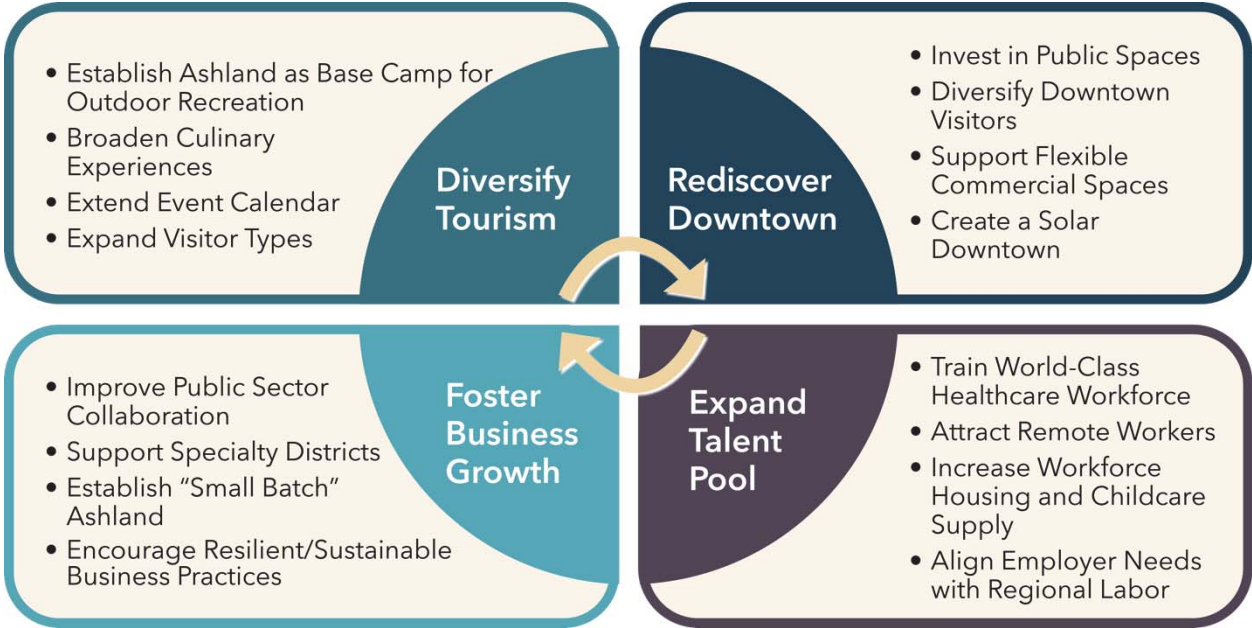
7. Economic Diversification Action Plan

The intent of this study was to identify opportunities for economic diversification, craft a set of strategies and focus on actions that translate into tangible results. The strategies and actions described in the Action Plan build from the considerable research ECONorthwest conducted as part of this study. Research included review of previous plans and studies, extensive stakeholder engagement, and deep analysis of data on the socio-economic characteristics of Ashland and the Rogue Valley (Chapter 2 describes the framework for this study; Chapters 3 – 8 provide the supporting data and analysis).

Key opportunities for economic diversification in Ashland should build on established industries including the viticulture and winemaking industry (Rogue Valley AVA), tourism, access to higher education (Southern Oregon University), and a large share of government employment. It is also important to recognize the importance of economic diversification, as many of these industries have been affected by.

We encourage the Chamber to think about the Action Plan as (1) Outcomes (“Where are we going?”) and (2) Pathways (“How we will get there?”) To that end, the Action Plan defines four outcomes, which we call ‘pillars,’ which contain 16 total strategies and a number of potential actions. The four pillars of the plan are show in Exhibit 57.

Exhibit 57. The Ashland Economic Diversification Strategy



The outcomes, strategies and actions presented here are consistent with the operational definition of Economic Diversification used for this study and follow the SMART framework (specific, measurable, attainable, relevant, and time-based). The Action Plan is not structured in

order of priority – all of the pillars, strategies and actions are important to achieving the outcome of a more diversified and resilient economy.

The remainder of this section presents the Ashland Economic Diversification Action Plan. We provide a brief overview of each pillar and then describe the corresponding strategies. Each strategy includes (1) a description, (2) how it relates to the SWOT analysis, (3) potential actions, (4) potential partners, (5) how to measure progress toward the outcome, and (6) a recommended first step.

Pillar One: Foster Business Growth

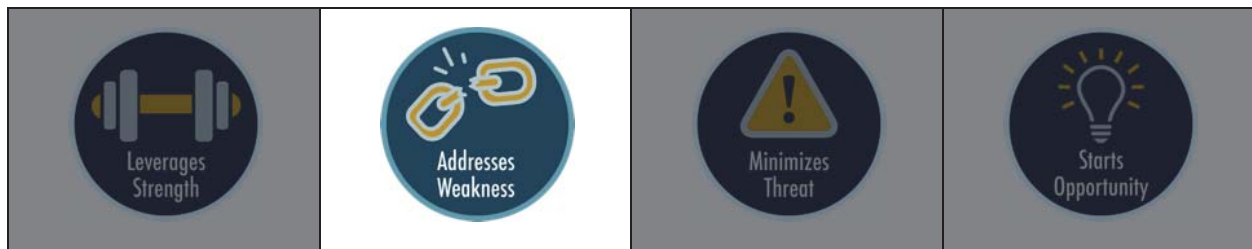
A strong economy is one in which innovative, responsible business owners are supported and trusted to execute on their vision. Currently Ashland’s economy is facing some headwinds as the risk of change can dampen the potential for positive growth. It is understandable that a community that has succeeded in developing a desirable mix of amenities would be cautious to add anything that may disrupt that success. But the risk of not allowing for growth is already showing in the inability for businesses to expand in the city or for many Ashland workers to live in town. Action is needed – though much of it depends more on mindset than money.

This pillar is a continuation of the successful Business Retention and Expansion (BRE) program the Chamber has run for more than 15 years. Stakeholder engagement suggests that many businesses located in Ashland are considering expanding outside Ashland for a variety of reasons.



Improve Public Sector Collaboration

The key to Ashland developing the variety of firms needed for a dynamic, balanced economy is allowing young companies to find space, establish themselves and grow. Based on data and stakeholder discussions, there are currently challenges to business retention and growth. Unfortunately, many come from the public sector. This challenge is not unique to Ashland, as many communities struggle to balance the fears of existing residents with the hope of future workers and residents that would also like to benefit from opportunities in Ashland. We believe the two biggest barriers are simple: culture and clarity. In regard to culture, cities like Medford and Bend have developed reputations as being willing to work with business on their initiatives and engage them as partners. Deserving or not, Ashland appears to have a reputation as being inflexible and having a “culture of no”. Of specific concern is clarity,, with businesses expressing frustration that expectations shift during a permitting process or are left to discretionary actors facing political pressure.

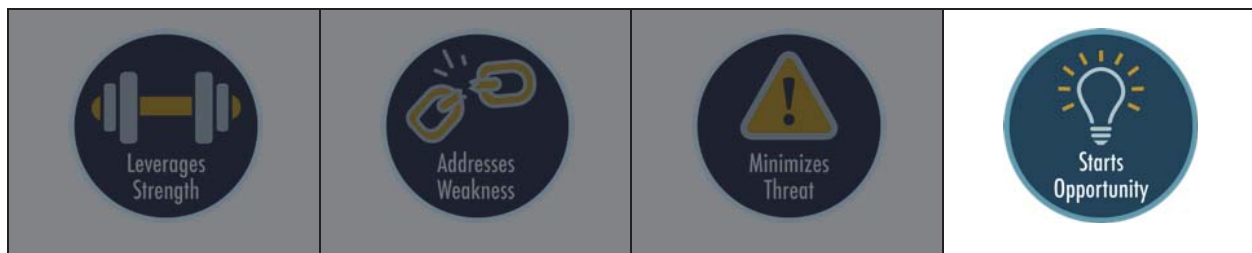


Potential Actions	Potential Partners:
<ul style="list-style-type: none"> Form a working group with Chamber members and planning staff to identify process improvements E&E (Equity and Efficiency) Audit of administrative review processes to highlight access barriers and public processes that could be expedited Explore examples of Ashland’s regulatory adjustments during the pandemic (outdoor dining, etc.) and develop recommendations on how they can be extended or replicated Conduct annual business climate survey 	City staff, City Council, business owners, Planning Commission
	How to Measure Success:
	Chamber Business Climate Survey; City customer satisfaction surveys
	First Step:
	Meet with city staff

Support Specialty Districts

A balanced economy can also be reflected in a city’s geography and having different areas with identities that each exert their own gravity. In addition to downtown, there are three districts that show strong potential to continue developing into distinct, mixed-use areas of the city: University District, Railroad District, and the Croman Mill District. Each brings its own potential to expand past residential and commercial into areas like research, flex industrial, entertainment or small manufacturing.

1. **University District** – Southern Oregon University has the potential to transform not only a few properties on its campus, but its role within the city. By developing some strategic locations into dense, mixed-use buildings that cater to students and young professionals, the organization can establish an anchor for both residential and commercial development.
2. **Railroad District** – Already a popular part of the city, with some strategic investments this area could act as a walkable, nearby counterbalance to the downtown and provide the opportunity to define a separate cluster of retail and nightlife activities.
3. **Croman Mill District** – Perhaps the property with the most potential to redefine its area, the former Croman Mill site can provide the type of residential and commercial development at scale to significantly expand the growth of the city. If the city would like to develop more housing for young families, this site provides an opportune landscape. The fact that the site remains undeveloped 15 years after the adoption of the Croman Mill Master Plan suggests that the master plan and implementing ordinances should be revisited.

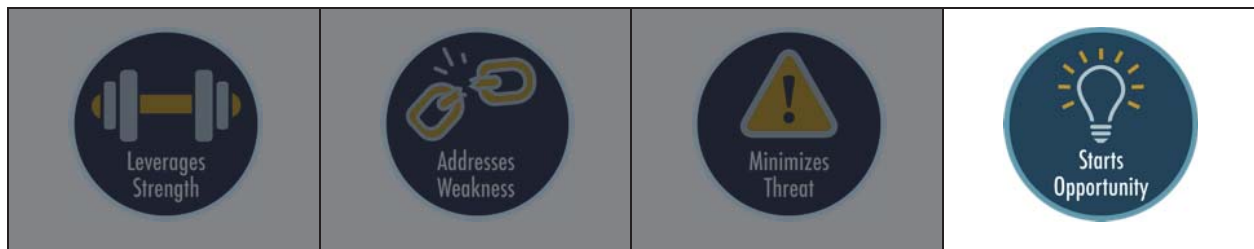


Potential Actions	Potential Partners:
	Private property owners, City of Ashland, SOU

<ul style="list-style-type: none"> • Explore branding concepts and public space improvements that build community support for any potential projects. • Develop public financing tools to invest in public infrastructure that can help unlock sites and achieve world class developments. • Work with the city to develop clear and consistent objectives that allow potential private or nonprofit partners to feel confident in the process. 	How to Measure Success:
	Projects initiated and completed
	First Step:
	Meet with SOU and focus on University District

Establish Small Batch Ashland

Key ingredients to a thriving micro-batch community are: (1) A strong customer base that has disposable incomes and values authentic goods; (2) A city brand that signifies quality and craft; and (3) A culinary community that supports restauranteurs and food entrepreneurs. These are all elements that few cities outside of Ashland have in high concentration. To better support current (or future) small food and beverage manufacturers, the city can provide the tools for those entrepreneurs to easily scale production. By partnering with an operator of a co-working or makerspace, a small facility could be developed with the equipment (bottling, labeling, etc.) that is a common barrier to growth.

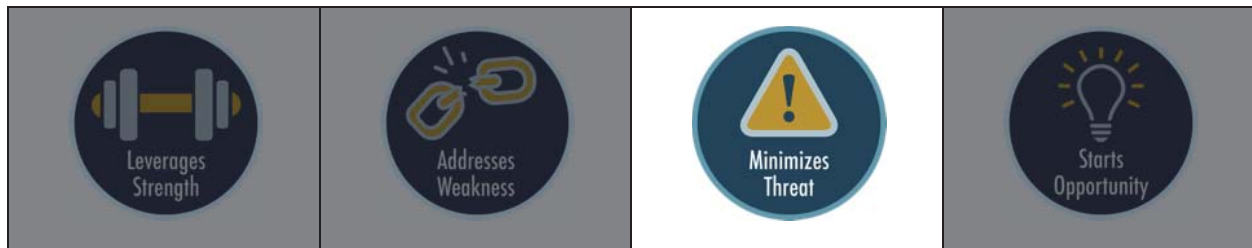


Potential Actions	Potential Partners:
<ul style="list-style-type: none"> • Research the growth process for these types of enterprises and the common challenges. 	Small businesses, Rogue Valley Community College, SOU, Talent Maker City

<ul style="list-style-type: none"> • Work with local business development partners to develop a program to help provide specific technical assistance in this area. • Develop a mentorship program to bring in successful culinary entrepreneurs to help guide participants. • Identify a space that could accomplish the goals of a small batch commercial facility with equipment such as bottling and labeling machines. 	How to Measure Success:
	Number of new startups
	First Step:
	Meet with small batch makers to review barriers to growth.

Resilient/Sustainable Business Practices

A resilient economy is only as strong as its individual businesses, and one strategy to make the entire local economy more flexible is to help those businesses develop plans to manage disruptions. Many businesses have adjusted their operations over the previous two years in response to the ongoing challenges of the pandemic, but less are prepared for smoke-related events that can cause significant loss of revenue if not fully prepared for contingency operations.



Potential Actions	Potential Partners:
<ul style="list-style-type: none"> • Convene partners and identify opportunities • Explore continuing the work of The Language of Business series to facilitate growth of technical assistance providers • Provide technical assistance for businesses • Encourage businesses to develop continuity of operations plans 	Business owners and managers, SOU, SBDC, RCC, City of Ashland, Travel Ashland, Smokewise Ashland
	How to Measure Success:
	Number of businesses taking action
	First Step:
Survey chamber members on individual efforts	

Pillar Two: Diversify Tourism

As noted in the SWOT analysis, tourism may be Ashland’s biggest strength and its biggest weakness. From the location quotient analysis, it is clear that tourism generates significant employment in the service industry, lodging and retail services. Perhaps due to the level of success and the recent wildfire seasons, there is trepidation around the stability of this industry. Specifically, concerns relate to the overreliance on specific institutions to drive visitors to the city, primarily the Oregon Shakespeare Festival.

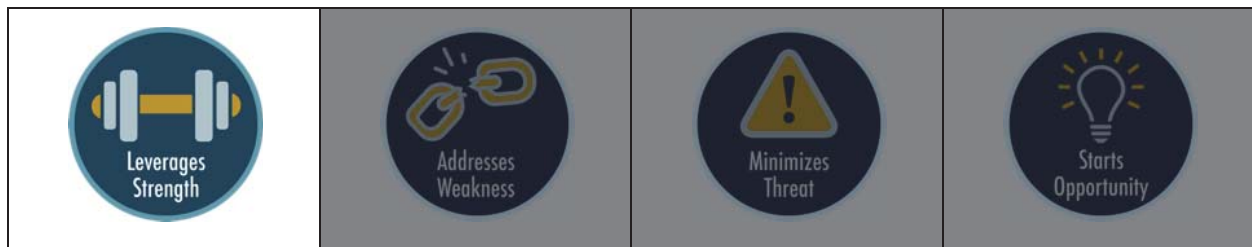
The last few years have revealed how the tourism industry will need to evolve to maintain the level of visitors to which Ashland is accustomed. In terms of sectors, outdoor recreation and culinary experiences are an obvious area for growth. With regard to the structure of the tourist season, the key objective is to more evenly spread visitation throughout the year to avoid smoke disruptions. Additionally, younger visitors appear to favor a more diverse array of activities and amenities. As such, crafting a well-rounded, complimentary set of amenities will help the stability and growth of local tourism reach this demographic.



Position Ashland as the Regional Base Camp for Outdoor Recreation

For decades Ashland has attracted visitors excited to take advantage of the various outdoor activities that the Rogue Valley provides. This includes mountain biking, water recreation, downhill skiing, hiking, and other activities. The steady growth in participation rates in outdoor recreation has been apparent across the west coast, and it became accentuated during the pandemic. Despite the performing arts being severely hamstrung by pandemic limitations and without Southern Oregon University’s students on campus, the city still found itself a popular destination, largely thanks to its picturesque locale and the availability of outdoor recreation opportunities. Some businesses in the outdoor recreation industry reported having their strongest years during 2020 and 2021.

Outdoor Recreation is a regional attraction. The Rogue Valley provides a wide variety of hiking, rafting, biking, snow sports and other ways to enjoy the area’s distinct natural beauty. Ashland’s unique role in this industry’s ecosystem is its ability to provide quality lodging, quality food options, and ample shopping. It’s where you want to start and end your day. Ashland has a strong potential to evolve its visitor given the foundation of its new brand launched by Travel Ashland in 2021 that provides a platform for targeting established personas, interests such as the outdoors, wine and culinary, family fun and the way in which they travel.

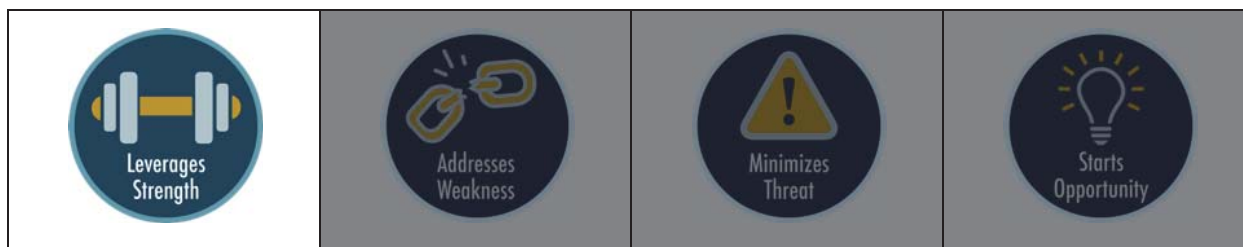


Potential Actions	Potential Partners:
<ul style="list-style-type: none"> Coordinate with Travel Oregon on promoting regional attractions but branding Ashland as the location to stay and enjoy the other elements of the trip (lodging, food, spa, etc.) 	Travel Oregon, Travel Ashland, Travel Southern Oregon, Lodging partners, Outdoor Recreation Business Owners

<ul style="list-style-type: none"> • Encourage amenities that signal to outdoor recreation enthusiasts that their needs are being considered (private/public bike storage, trail information, river conditions, dog boarding needs). • Expand opportunities for children to participate in outdoor activities. (Day camps, trails, climbing) • Partner with event coordinators to bring wider variety of events into the downtown and other areas of the city. Build live music, food around them. 	How to Measure Success:
	Travel Ashland survey data, Travel Oregon Economic Impact reports, outdoor recreation use data
	First Step:
	Explore if any lodging needs of outdoor recreation tourists are unmet.

Broaden Culinary Experiences:

Ashland has a strong reputation of great restaurants, spectacular vineyards, and specialty items like high-quality chocolate and cheese. With a growing interest in how products are made and access to fresh ingredients, more visitors would take advantage of unique opportunities for culinary experiences while in the area.



Potential Actions	Potential Partners:
<ul style="list-style-type: none"> • Explore events that may bring in specific subgroups into the area: Cheese, Cake Decorating, Charcuterie, Beer, Plant-Based dining, etc. 	Local Culinary Experts, Local farms, RVWA (Rogue Valley Wineries Association), vineyards

- Cross-promote the various existing experiences that exist (wine tours, farm visits, etc.) to visitors coming for different reasons (theater, outdoor recreation, etc.) by partnering with Rogue Valley Vintners, Rogue Valley Food Trail and established culinary entities that can collaborate.
- Explore experiences such as cooking classes, coffee roasting, etc. that local experts could host and cater to both visitors as well as residents.

How to Measure Success:

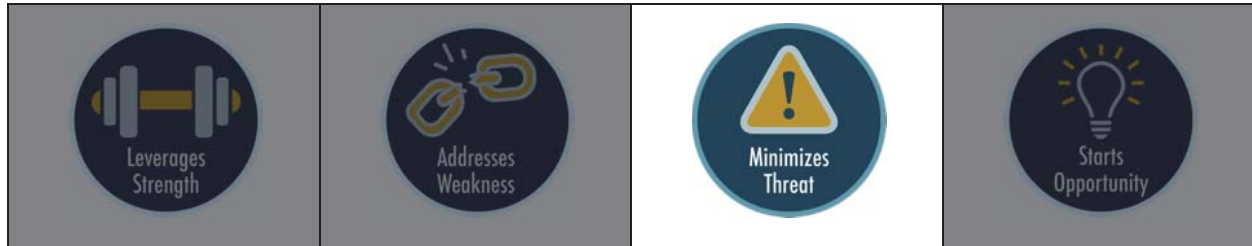
Number of culinary events, number of eating and drinking establishments (from the regional economist), food and beverage tax receipts, diversity of cuisines

First Step:

Catalogue existing events, opportunities and do a gaps analysis for areas that could be developed or existing opportunities that could be better promoted. Utilize OTIS (Travel Oregon’s Oregon Tourism Information System) on Travel Southern Oregon’s website that houses much of this data.

Extend Event Calendar

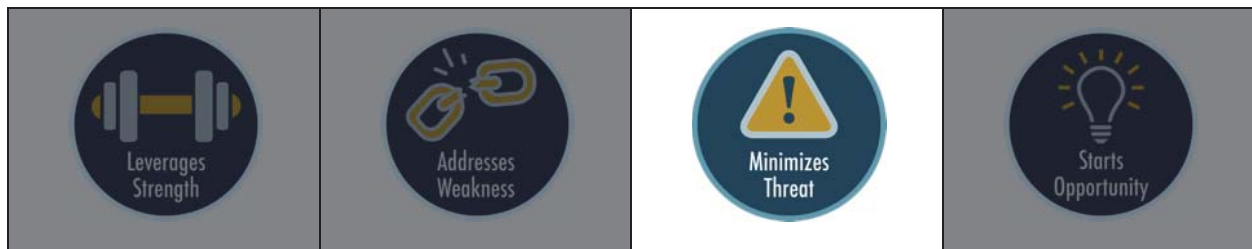
Highlighted as the greatest threat to Ashland’s economy by an overwhelming number of respondents, wildfires and smoke present a significant and ongoing challenge for the tourist industry. While forest management may eventually help to minimize property damage and HVAC systems can provide viable indoor spaces during days with suboptimal air quality, the reality is that tourists will come in smaller numbers during fire/smoke disruptions. Scheduling events throughout the year will help attract tourists during those months that do not have as much vulnerability to fire impacts.



Potential Actions	Potential Partners:
<ul style="list-style-type: none"> Plan more spring, fall, and winter events. Market experiences like fall foliage, continue to promote holiday shopping and family travel, winter skiing or spring break trips to pull more visitors in during non-summer months. Support performing arts businesses that attempt to expand their offerings into other seasons. Create opportunities for pop-up music events throughout the year. Leverage partners and opportunities in the off-season such as new winery events with Rogue Table and Rogue Valley Vintners. Bring back elements of the former Ashland Culinary festival such as chef demos, winemaker and beer dinners and pairings and tours. 	OSF, Travel Ashland, Travel Southern Oregon, Rogue Valley Vintners, other DMO’s. Lodging and restaurant partners.
	How to Measure Success:
	Lodging tax (time of year), number and type of events by month
First Step:	
Review existing visitor data and opportunities to grow specific times of year (winter holidays, spring break, fall holidays)	

Expand Visitor Personas

It is a testament to how great Ashland’s performing arts and hospitality sectors are that many traditional visitors focused their trips exclusively on attending many performances and local restaurants. It appears that this visitor type is shifting—in large part due to the efforts that Travel Ashland initiated in 2019. Audiences are looking for a more diverse experience that may include theater one day and rafting or wine tasting the other (or all in one day!). To attract the next generation of Ashland visitors, the city needs to offer a wide variety of experiences that cater to individuals from all walks of life. Broadening the locations of where visitors are from is also important in growing a wider audience that don’t just come in from San Francisco, Portland, or Seattle but also Los Angeles, Salt Lake City or Boise.



Potential Actions	Potential Partners:
<ul style="list-style-type: none"> • Continue Travel Ashland’s implementation of its new brand that had identified targeted visitor personas and market to them • Develop outdoor recreation and culinary experiences to provide more options • Support experiences for different types of families, including biking, berry picking, etc. • Support venues such as bars, breweries, and clubs for younger visitors to visit after performances or outdoor recreation activities. 	Travel Ashland, Travel Southern Oregon, Travel Oregon, Rogue Valley Vintners, other DMO’s, lodging and restaurant partners.
	How to Measure Success:
	Travel Ashland visitor survey
	First Step:
Continue Travel Ashland’s strategy of expanding visitor personas	

Pillar Three: Rediscover Downtown

The core of every city is its downtown. Downtowns create economic efficiencies through the concentration and specialization of firms. Moreover, the economic health of a downtown area typically reflects the overall economic health of a locality. In short, downtown is the living room of a town and reflects the overall community.

Ashland's downtown is a key asset to the local economy in multiple ways, some of which have been maximized, and others which remain underleveraged. For tourists, the downtown brings together performing arts, shopping, dining, and park amenities all within a walkable area. For residents, there is a symbolic value to the downtown. Even if they may not be attending performances or shopping regularly at some of the stores, they appreciate certain elements (farmers markets, holiday shopping, etc.) at certain times of the year.

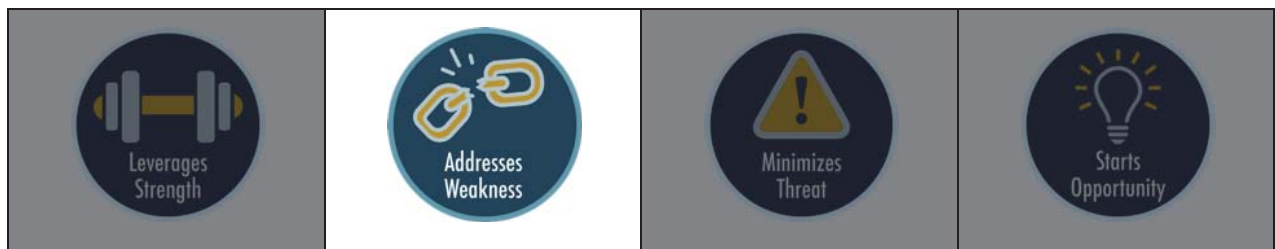
A targeted approach to update and invigorate downtown will not only support the tourist market in attracting more and more diverse visitors, but also strengthen an asset that may prove attractive to future residents. Young professionals have come to assume that a central business district will be walkable, mixed use and full of bars and restaurants to appreciate after work hours.



Invest in Public Spaces

The downtown is emerging not only from a period of pandemic-induced dormancy, but also a transition from a focus on a certain era of OSF visitors to a broader group with broader needs. It is an opportune time to explore updating the look and feel of the public spaces.

Despite a state highway running through the middle of it, Ashland’s downtown has a welcoming, walkable downtown with a series of wide, tree-lined sidewalks and a handful of pedestrian-friendly crosswalks. There is a need for additional investment in the public space: bump out crosswalks, bike infrastructure, contemporary wayfinding, improved lighting, and public seating. There is also need for strategic façade improvements and related public-facing private investments that help to maintain the charm of the downtown but create a more contemporary feel. These are all fairly standard approaches to making foundational improvements. To add a more unique, authentic vibrancy, additional creative placemaking could be used to partner with artist, entrepreneurs and the community to activate underutilized spaces.

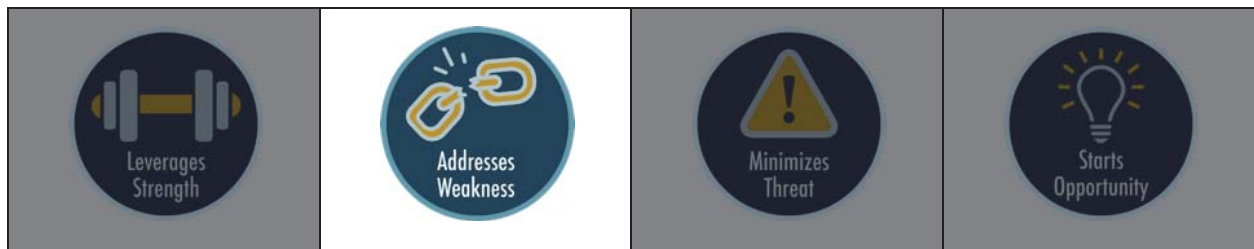


Potential Actions	Potential Partners:
<ul style="list-style-type: none"> Updated branding and wayfinding to add a resurgent energy to the area. 	City of Ashland, Bike/Ped advocates, Downtown business owners, SOU, OSF

<ul style="list-style-type: none"> • Additional bumpouts and pedestrian infrastructure to continue to build off the walkable downtown. • Comfortable lighting to create an engaging and safe nighttime landscape • Bikeways to provide a safe route to or through downtown. • Code changes to force surface parking to include landscaping • Business beautification support (ex. share cost of cleaning services, landscaping, and ongoing maintenance) • Public art projects in underutilized corners of downtown. • Public safety – continuing to make people feel safe – an expressed important community asset 	How to Measure Success:
	<p>Number of projects completed and amount invested, visitor survey, reduction in accidents, mode shift from cars to other modes of transportation, code changes</p>
	First Step:
	<p>Crowd source ideas for Downtown improvements; establish subcommittee of steering committee</p>

Diversify Downtown Visitors

For the downtown to maintain and grow its number of visitors, there is a need to expand the tourist base to include more young families, people of color, and customers of different types of goods and services. Some of this may be marketing by shop owners, some may be crafting different types of events, or creating a broader array of activities and amenities downtown.

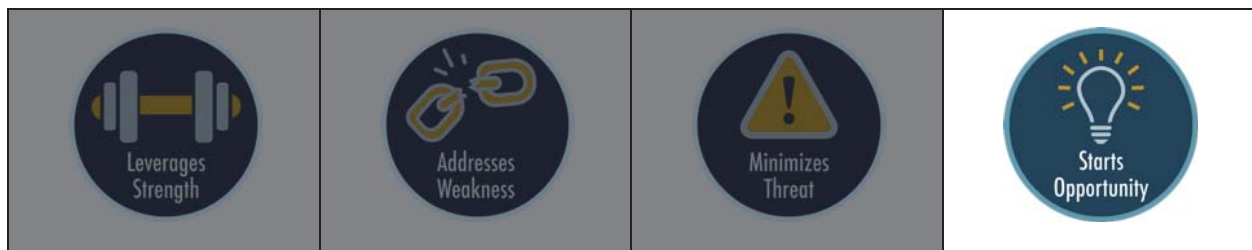


Potential Actions	Potential Partners:
<ul style="list-style-type: none"> • Create events that cater to different users: family events, Latinx music, etc. 	<p>Travel Ashland, Downtown business owners, SOU, local orgs that are popular with young professionals</p>

<ul style="list-style-type: none"> • Explore nontraditional spaces that may appeal to a younger demographic. Night market in Will Dodge Way, etc. • Explore attracting college students and more regional visitation to Downtown • Increase marketing regionally, following pandemic approach of more local visitor focus • Inventory and utilize outdoor spaces for music and gatherings 	How to Measure Success:
	Survey data on visitors
	First Step:
	Review current marketing efforts and events with a working group of diverse residents to understand strengths and weaknesses.

Support Flexible Commercial Spaces

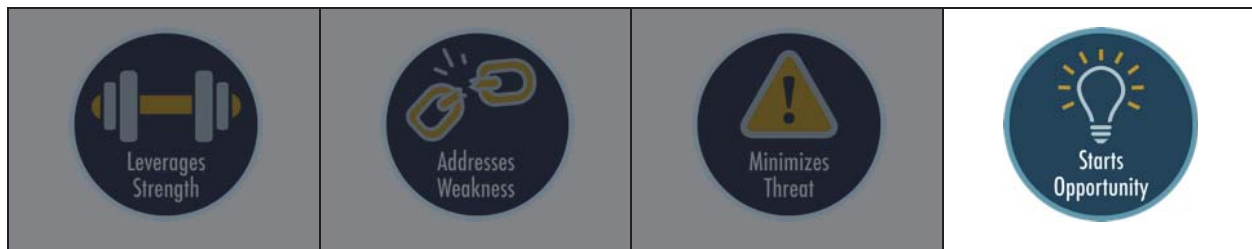
The traditional separation of spaces into specific uses has been eroding over the last decade as some business owners are rethinking what a store, bar, office, etc. means. Current business owners may need more flexible or outdoor spaces; for example a retail location that includes space in the back for fabrication, a restaurant that would like to put outdoor seating in parking spaces, artist studios that also include a gallery, co-working spaces that want to partner with a bottle shop, bars that want to allow for live music, art galleries that are wine bars or restaurants that are just take-out windows. The pandemic particularly showed how vibrant Ashland’s outdoor spaces can be with some minimal flexibility.



Potential Actions	Potential Partners:
<ul style="list-style-type: none"> • Inventory commercial spaces downtown, vacancy rates, upper floor opportunities and conduct needs assessment • Review occupancy permit requirements and process for exemptions • Review process for securing a permit for outdoor seating and what lessons were learned from short-term allowances during the pandemic. • Inventory and utilize outdoor spaces for outdoor dining and events 	Downtown property owners, Downtown business owners, City of Ashland Community Development Department, Chamber Members
	How to Measure Success:
	Adjustments to the requirements or process for permits
	First Step:
	Inventory space and conduct needs assessment.

Create a Solar Downtown

Climate change haunts Ashland. While there are few things that can directly mitigate the risk of future wildfires, the city can embrace the challenge of minimizing its carbon footprint and meeting the ambitious targets identified in the City’s climate action plan. The city can mobilize its downtown building owners to embrace rooftop solar and demonstrate the potential of renewable energy. Given the number of visitors that come to the downtown, the city has an opportunity to educate and empower visitors to embrace the challenge ahead. Engaging digital signage can show in real time the power that could be generated by collective action from a cohort of responsible business owners. Not only would this help Ashland in its efforts to demonstrate its modern sensibility, but it would support a burgeoning local solar industry.



Potential Actions	Potential Partners:
<ul style="list-style-type: none"> • Study potential for solar on downtown rooftops. • Explore partnership with SOU, other partners on effort. • Discuss funding resources for renewables at the state level. 	Local solar companies, SOU, Downtown building owners, City of Ashland, Bonneville Power Administration, Oregon Energy Trust, Oregon Department of Energy
	How to Measure Success:
	Megawatts generation capacity, business participants, number of projects completed
	First Step:
Study potential, develop a plan.	

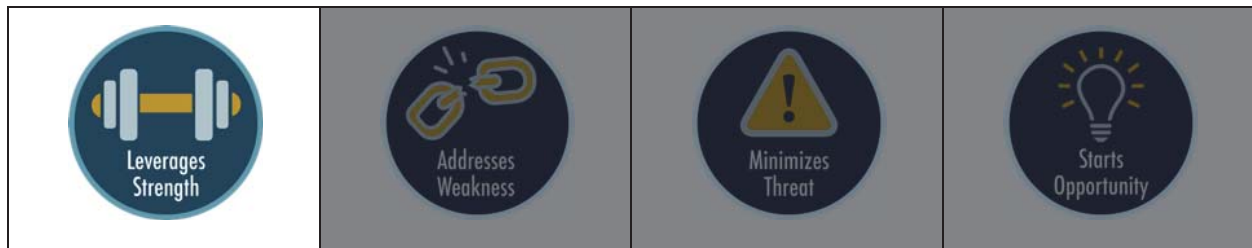
Pillar Four: Expand Talent Pool

Without qualified workers, Ashland employers will be unable to expand and develop the next generation of local leadership in the private sector. Labor attraction, availability, and skills sets are already hindering growth. The causes are both obvious and obscure, but one is clear: lack of workforce housing. The lack of supply and cost of existing housing causes a large number of Ashland workers to live in other communities. This impacts traffic (and related environmental effects), reliability during weather emergencies, enrollment levels at local schools, local political representation, and commitment to the long-term viability of Ashland. There are various approaches that Ashland can take to address this structural challenge.



Train World-Class Healthcare Workforce

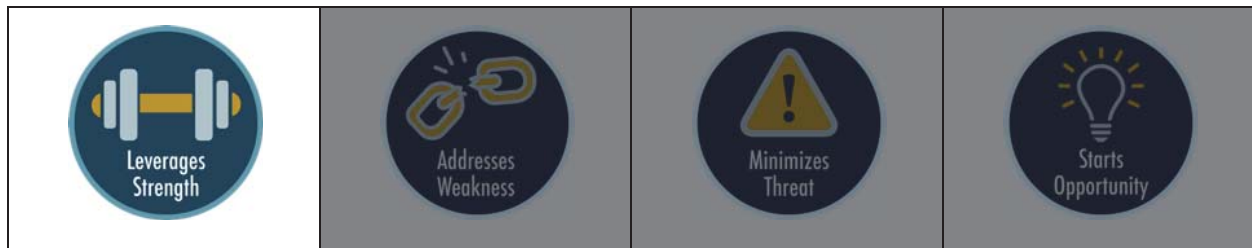
The healthcare industry generates a significant array of accessible and in-demand careers that provide family-sustaining wages. Ashland has large local employers, a growing senior population that will require additional assistance in the future, and local educational resources to train the future of healthcare. The healthcare community is also aware of the changes underway in the industry: more outpatient services, a focus on wellness and functional medicine, and development of regional approaches to patient attraction. Fully leveraging the opportunities available in health care may be the most direct approach to generating quality jobs that allow workers to live in Ashland.



Potential Actions	Potential Partners:
<ul style="list-style-type: none"> • Explore growth opportunities for expansion of Ashland-based health care employers • Develop a health care working group that looks into the local assets and opportunities for growth. • Understanding the competing markets and ways in which Ashland may have advantages for potential health care expansion. • Establish a trailing spouse program to assist relocating specialists. 	SOU, RCC, Healthcare businesses, Asante, Oregon Employment Department, Rogue Workforce Partnership
	How to Measure Success:
	Number of degrees conferred, job placement
	First Step:
	Meet with health providers on future labor needs.

Attract Remote Workers

One of the traditional assumptions of job creation is that local job growth depends on local company growth. This has been diminished by the economic adjustments that took place during the pandemic. For an increasing number of workers, the workplace is wherever they can open a laptop and connect to the internet. Ashland is the type of place that can benefit from these changes, with the features that attract many remote workers: strong quality of life amenities and a fast internet connection. The benefit to Ashland is more talented young workers that support other local businesses and may settle down and start families.



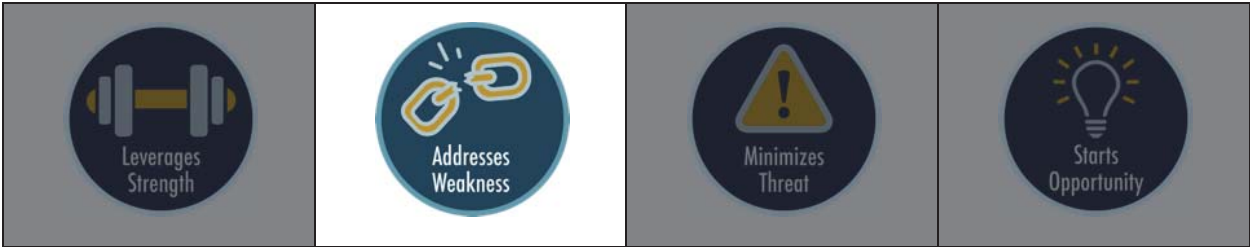
Potential Actions	Potential Partners:
<ul style="list-style-type: none"> Promote remote work in Ashland to select metropolitan markets (California, San Francisco, Puget Sound, etc.) Review how competitive the Ashland Fiber Network is for network speeds and whether any investment or alternative ownership structures (public private partnership) could be explored. 	SOREDI, Travel Ashland, SOU, City of Ashland
	How to Measure Success:
	Percent of households with internet access and quality of internet connection, number of remote workers
	First Step:
Meet with coworking operators on drivers of existing remote workers.	

Increase Workforce Housing and Childcare Supply

Ashland is a highly desirable place to live, a problem that many small cities across America wish they had. As a result of high interest and limited housing production, Ashland has had some of the highest housing costs in the state for more than two decades. Unable to keep up with the demand for housing units, and dealing with the growth of short term rentals, the market has suffered from an undersupply, resulting in rising rents and home sale prices.

Talent, Phoenix, and Medford have long offered more affordable housing options. However, the housing crisis throughout the Rogue Valley has increased challenges for Ashland workers and residents as more housing is being planned for neighboring cities. This has resulted in many workers having to live in surrounding communities and many Ashland employers unable to hire and grow their businesses. While not a new challenge, combining this with the aging population threatens certain institutions, such as the enrollment in the Ashland School District.

The city also has a shortage of childcare providers, restricting the ability of existing working-age adults to return to the labor force. It also impacts the attraction of new workers with young children to the area. A combination of labor attraction struggles and supply of viable locations, for the city to confront this challenge, direct assistance could be provided potential childcare operators regarding location assistance and permitting guidance.

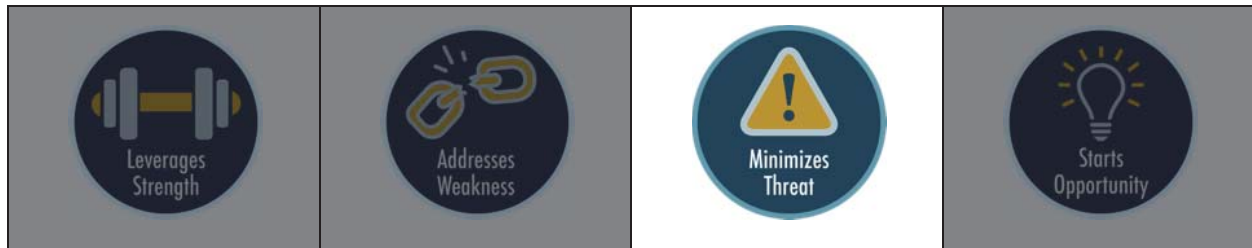


Potential Actions	Potential Partners:
<ul style="list-style-type: none"> Engage in city Housing Production Strategy project 	City of Ashland, Affordable Housing organizations, institutional employers

<ul style="list-style-type: none"> ▪ Work with city or regional business development actors to create services that target childcare businesses ▪ Continue to work with city to advocate for more workforce housing ▪ Advocate at planning commission meetings for projects that expand housing supply or childcare facilities. ▪ Develop set of tools city can utilize to facilitate workforce housing construction for appropriate projects (public infrastructure funding, etc.) 	How to Measure Success:
	<p>Number of housing cost burdened, number of workforce housing units constructed or available. Number of childcare providers.</p>
	First Step:
	<p>Engage with Housing Production Strategy, document undersupply of childcare.</p>

Align Employer Needs with Regional Labor

One of the challenges in the local labor market is a disconnect from what employers need and the skill set of local workers. In some cases, this relates to midcareer workers and in others with young workers. To benefit both workers and employers, more can be done to align needs and resources to develop those skills, either via educational institutions or via employer training programs.



Potential Actions	Potential Partners:
<ul style="list-style-type: none"> ▪ Survey local businesses to understand workforce needs ▪ Partner with Rogue Workforce Partnership 	Rogue Workforce Partnership, SOU, RCC, Ashland School District, local businesses
	How to Measure Success:
	Job vacancies and unemployment rates
	First Step:
Convene with Rogue Workforce Partnership	

Appendix A: Ashland Economic Profile

Additional Material

Ashland’s population within its urban growth boundary is projected to grow by over 1,691 people between 2021 and 2041, at an average annual growth rate of 0.37%.¹⁹

Exhibit 58. Forecast of Population Growth, Ashland UGB, 2021 to 2041

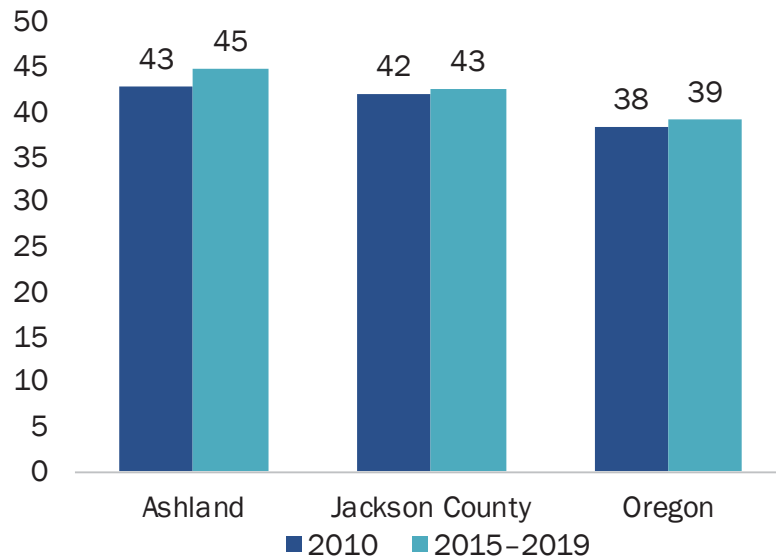
Source: Oregon Population Forecast Program, Portland State University, Population Research Center, 2018.

21,936	23,627	1,691	8% increase
Residents in 2021	Residents in 2041	New residents 2021 to 2041	0.37% AAGR

From 2010 to 2015-2019, Ashland’s median age increased from 43 to 45.

Exhibit 59. Median Age, Ashland, Jackson County, and Oregon, 2010 to 2015-2019

Source: U.S. Census Bureau, 2010 Decennial Census P013001, 2015-2019 ACS, Table B01002.



In the 2015-2019 period, 49% of Ashland residents were between the ages of 20 and 59 years. Ashland had a larger share of people over the age of 60 than the county and state and a smaller share of residents under the age of 20.

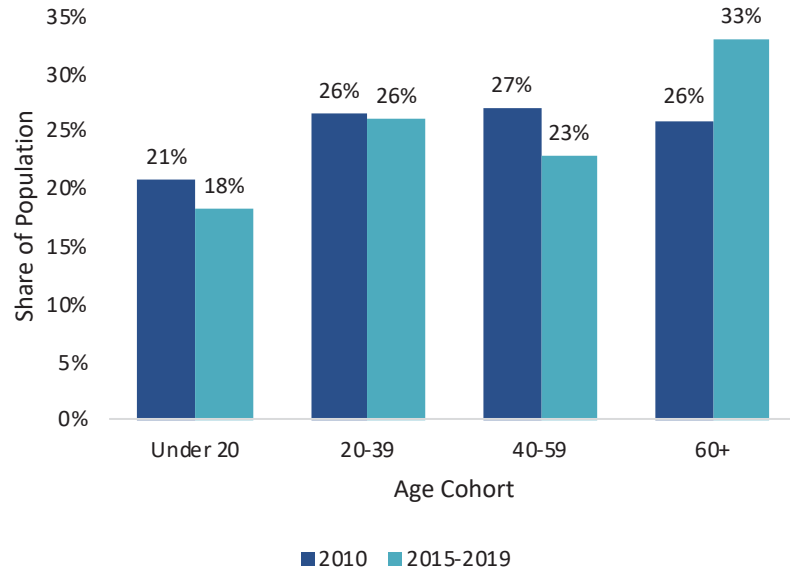
¹⁹ This forecast of population growth is based on Ashland UGB’s official population forecast from the Oregon Population Forecast Program. ECONorthwest extrapolated the population forecast for 2020 (to 2021) and 2040 (to 2041) based on the methodology specified in the following file (from the Oregon Population Forecast Program website): http://www.pdx.edu/prc/sites/www.pdx.edu/prc/files/Population_Interpolation_Template.xlsx

Between 2010 and the 2015-2019 period, the population aged 60 and older grew the most.

In this time, those aged 60 years and older grew by 1,718 people (from 5,209 people in 2010 to 6,927 people in 2019).

Exhibit 60. Population Growth by Age, Ashland, 2010 to 2015-2019

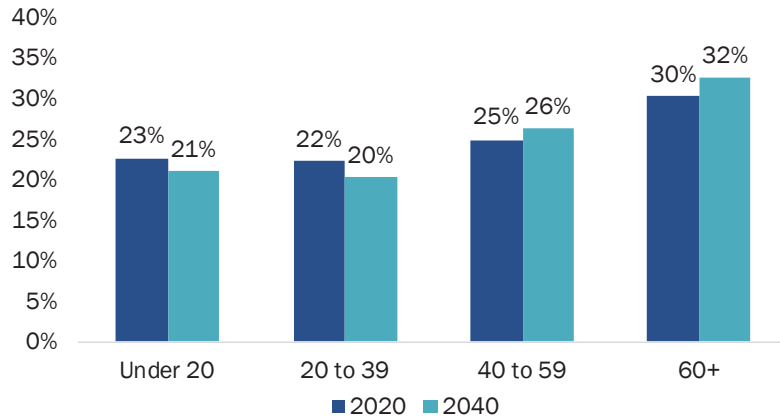
Source: U.S. Census Bureau, 2010 Decennial Census Table P012001 and 2015-2019 ACS, Table B01001.



Jackson County residents 60 years of age and older are forecast to comprise 32% of the population, up from 30% in 2020.

Exhibit 61. Population Growth by Age Group, Jackson County, 2020 and 2040

Source: PSU Population Research Center, Jackson County Forecast, June 2017.



About 44% of Ashland residents worked there. Residents worked in other cities such as Medford, Grants Pass, Portland, Central Point, Eugene, Talent, Salem, Phoenix and White City.

Exhibit 62. Places Ashland Residents were Employed, 2019

Source: U.S. Census Bureau, Census On the Map.



Exhibit 63. Industry Employment Projections, 2020-2030, Jackson and Josephine Counties

Source: Oregon Employment Department. Employment Projections by Industry 2020-2030.

	2020	2030	Change	% Change
Total payroll employment	115,090	131,720	16,630	14%
Total private	100,910	116,760	15,850	16%
Natural resources and mining	4,350	5,170	820	19%
Mining and logging	550	620	70	13%
Construction	5,820	6,630	810	14%
Manufacturing	10,610	11,690	1,080	10%
Durable goods	6,900	7,560	660	10%
Wood product manufacturing	2,450	2,570	120	5%
Trade, transportation, and utilities	24,550	27,030	2,480	10%
Wholesale trade	3,130	3,360	230	7%
Retail trade	17,660	19,410	1,750	10%
Transportation, warehousing, and utilities	3,760	4,260	500	13%
Information	1,300	1,340	40	3%
Financial activities	4,740	5,440	700	15%
Professional and business services	9,480	10,950	1,470	16%
Private educational and health services	24,230	28,460	4,230	17%
Private educational services	980	1,190	210	21%
Health care and social assistance	23,250	27,270	4,020	17%
Ambulatory health care services	8,620	10,610	1,990	23%
Leisure and hospitality	12,270	16,050	3,780	31%
Accommodation and food services	10,900	13,980	3,080	28%
Other services	3,560	4,000	440	12%
Government	14,180	14,960	780	6%
Federal government	2,170	2,120	-50	-2%
Federal government post office	440	460	20	5%
State government	1,450	1,590	140	10%
Local government	10,560	11,250	690	7%
Local education	6,870	7,220	350	5%
Self-employment	7,290	7,820	530	7%
Total employment	122,380	139,540	17,160	14%

Exhibit 64. Oregon Job Vacancies by Geography, 2019-2021

Source: QualityInfo, Oregon Employment Department

Geography	2019	2020	2021	Change from 2019
Oregon Statewide	57,241	44,408	96,887	69%
Portland Metro	21,218	13,429	28,014	32%
Mid-Valley	7,091	6,995	12,681	79%
East Cascades	5,673	4,402	10,771	90%
Clackamas	5,795	3,921	10,088	74%
Lane	5,414	4,029	8,857	64%
Rogue Valley	4,134	3,749	8,752	112%
Northwest Oregon	3,357	2,255	7,311	118%
Southwestern Oregon	1,745	2,195	4,801	175%
Eastern Oregon	2,147	2,527	4,199	96%
Multi-area or unknown	667	906	1,413	112%

In 2021, the Rogue Valley had the highest vacancies for retail salespersons (6.8% of all vacancies), personal care aides (5.4%), restaurant cooks (3.5%) and fast-food counter workers (3.5%) (Exhibit 65). Given the nature of these occupations as frontline workers and high contact service work it's possible that COVID-19 pandemic is still having lasting impacts in the Rogue Valley. Additionally, these occupations tend to pay lower wages than the average.

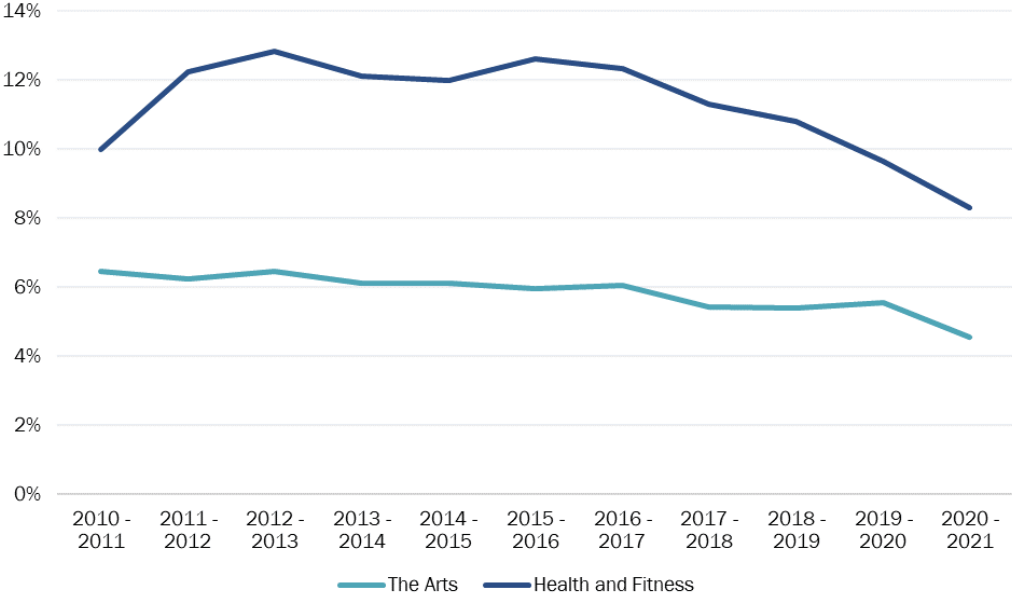
Exhibit 65. Top Rogue Valley Occupations With the Highest Number of Job Vacancies, 2021

Source: QualityInfo, Oregon Employment Department

Occupation	Vacancies	Share of all Vacancies
Retail Salespersons	598	6.8%
Personal Care Aides	473	5.4%
Cooks, Restaurant	310	3.5%
Fast Food and Counter Workers	305	3.5%
Heavy and Tractor-Trailer Truck Drivers	269	3.1%
Cleaners of Vehicles and Equipment	267	3.1%
Automotive Service Technicians and Mechanics	267	3.1%
Nursing Assistants	249	2.8%
Maids and Housekeeping Cleaners	201	2.3%
Childcare Workers	172	2.0%
Light Truck Drivers	149	1.7%
Cashiers	147	1.7%
Customer Service Representatives	144	1.6%
Team Assemblers	137	1.6%
Counter and Rental Clerks	122	1.4%
Construction Laborers	119	1.4%
Receptionists and Information Clerks	110	1.3%
Business Operations Specialists, All Other	101	1.2%
Waiters and Waitresses	101	1.2%
All Occupations	8,752	100%

Exhibit 66. Rogue Community College Lower Division University Transfer Eligible Courses Enrollment by Subject, 2010-2021

Source: Higher Education Coordinating Commission



Meanwhile, the fastest growing occupations for 2020 to 2030 are still food preparation, office support, sales and transportation related occupations, all with over 13,000 anticipated openings.

Exhibit 67. Fastest Growing Occupations in the Rogue Valley, 2020 – 2030 Projections

Source: QualityInfo, Oregon Employment Department

- People:
 - Ageing population, 8% decrease in people under 20 in Ashland, median age increased to 45 in 2015-2019 period, Jackson County’s largest growing age group is 60+ (forecast to increase by 27% in 2040)
 - Ashland’s population within its urban growth boundary is projected to grow by over 1,691 people between 2021 and 2041, at an average annual growth rate of 0.37%.
- Housing:
 - The household reported median value of a house was 5.8 times the median household income (MHI) in 2000, and 7.8 times MHI in 2015-2019.
 - Between 2020 and 2021 median sales prices increased by 17%, or \$80,000 in Ashland, with a median of around \$550,000
 - Multifamily rents have increased 11 percent since 2009 in Ashland

- The vacancy rate for apartments is very low at under 2 percent—below the county average. This makes it difficult for households to find housing in the study area if they need to move.
-
- Economy:
 - Great internet access
 - Job vacancies are above pre-pandemic levels in the Rogue Valley, the third highest in the state (112%).

8. Appendix B: Additional Survey Responses

This appendix includes discussion about other survey questions not included in Section 4.

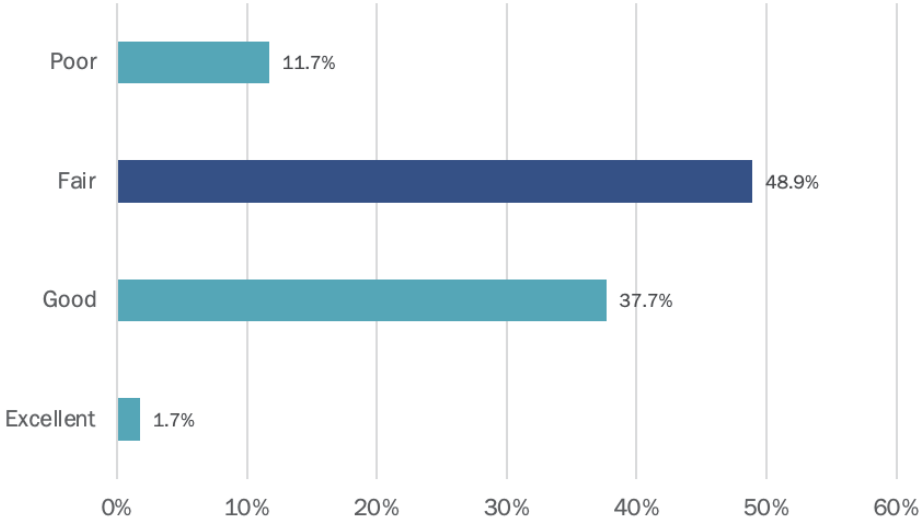
Please indicate your overall assessment of the status Ashland’s economy

Survey respondents most frequently indicated that they perceived Ashland’s economy to be in fair (48.9%) or good (37.7%) condition. When prompted for write-in comments to explain ratings, the most common themes were related to impacts of the COVID-19 pandemic, the prevalence of the tourism industry, and the positives/negatives of Oregon Shakespeare Festival.

“My impression is that the businesses and recreational opportunities in Ashland are a higher caliber than other cities in the region. There is a small-town, artistic, and eclectic energy about the city as you walk the streets and neighborhoods. There is a tourist economy to a large extent, but my impression is that there are significant efforts to create more diversity to that end.”

Exhibit 68. Assessments of Ashland’s Current Economic Status

Source: Ashland Economic Diversification Stakeholder Survey, Spring 2022



Please indicate your level of agreement or disagreement about local capacity to support economic diversification.

Answers around local capacity for economic diversification fell roughly on a bell curve with few respondents indicating strong agreement or disagreement with the statements below. In general the greatest disagreement was with “the current state of the local business climate supports economic diversification” (41%) and the most agreed upon statement was that “Ashland has a mixture of assets that promote economic development” (40%).

Exhibit 69. Level of Agreement with Statements about Local Capacity for Diversification

Source: Ashland Economic Diversification Stakeholder Survey, Spring 2022

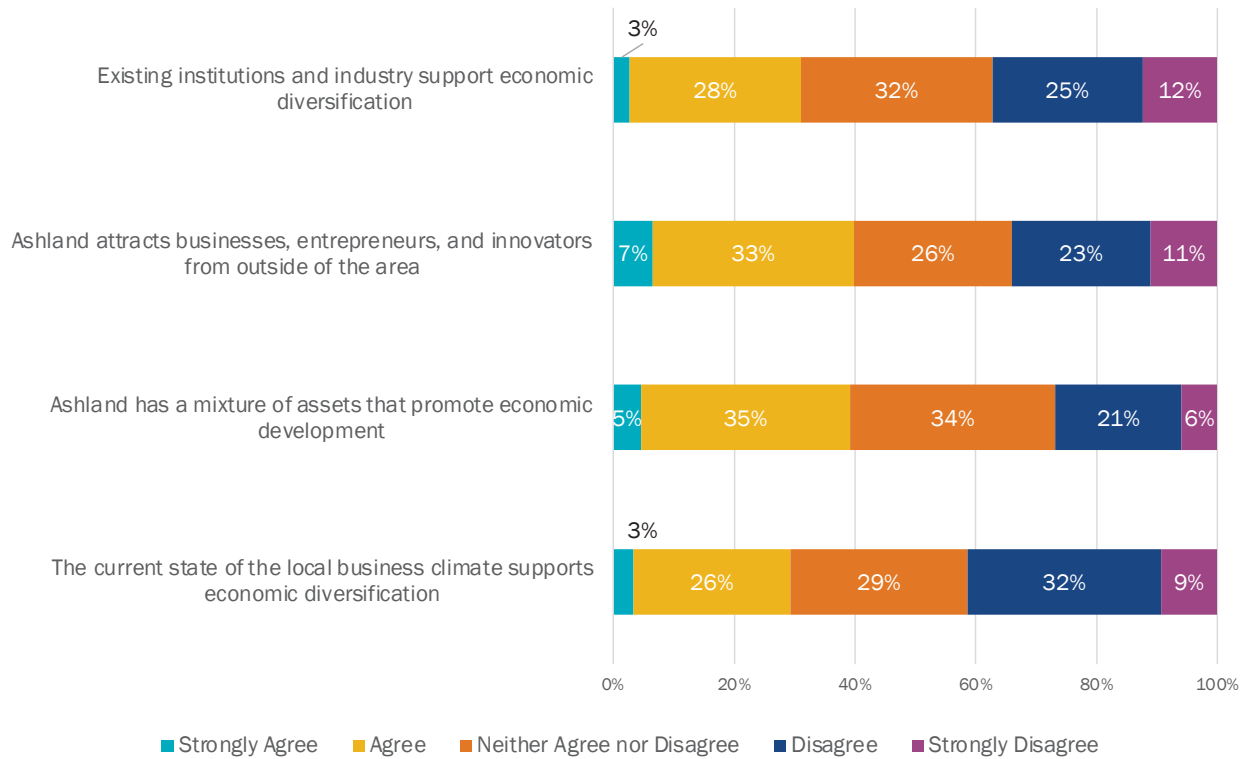
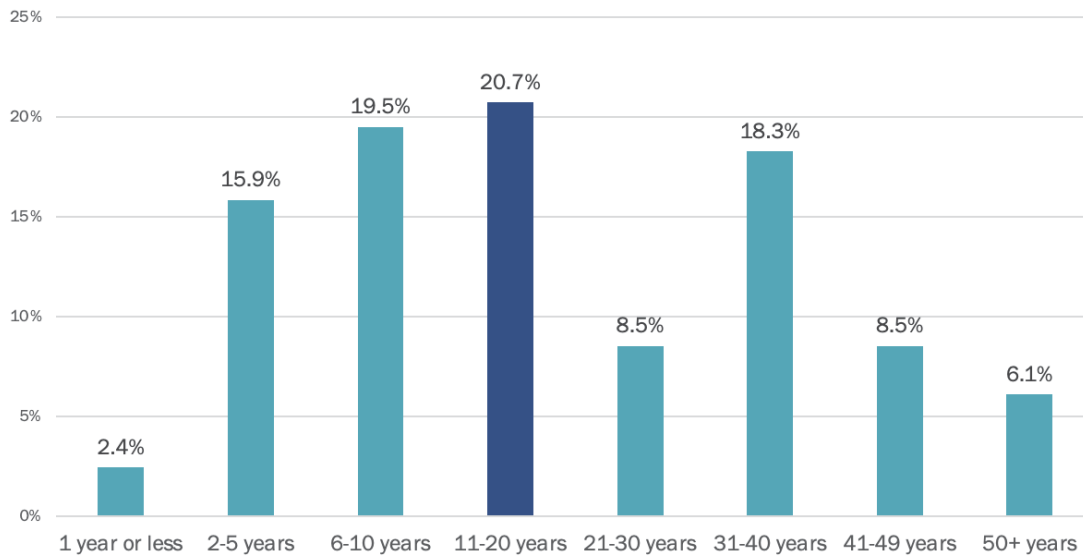


Exhibit 70. Length of Business Operation in Ashland

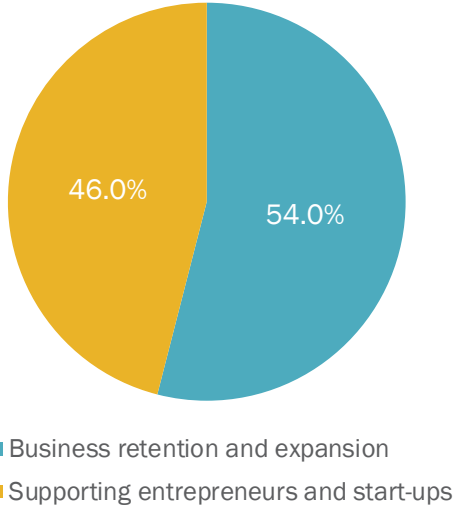
Source: Ashland Economic Diversification Stakeholder Survey, Spring 2022



Question: Please indicate the relative effort you think should be given to each of the following approaches to economic diversification

Respondents overall had a slight preference for business retention and expansion as an area of focus for diversification. On average, respondents rated this 8% higher as a priority than supporting entrepreneurs and startups, though generally both received fairly equal support.

Exhibit 71. Preferred Approaches to Economic Diversification
Source: Ashland Economic Diversification Stakeholder Survey, Spring 2022



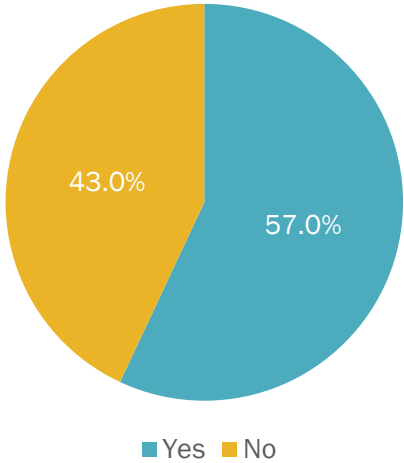
Business-Specific Questions

In this set of questions, only those who replied that they owned or managed a business in Ashland were prompted to answer follow ups about their experiences in the city.

Do you own or manage a business located in Ashland?

Of the 165 people who answered this question, business owners made up over half of respondents (57%). Within this group, 89% had a company that was based in Ashland.

Exhibit 72. Share of Business Owners
Source: Ashland Economic Diversification Survey, Spring 2022



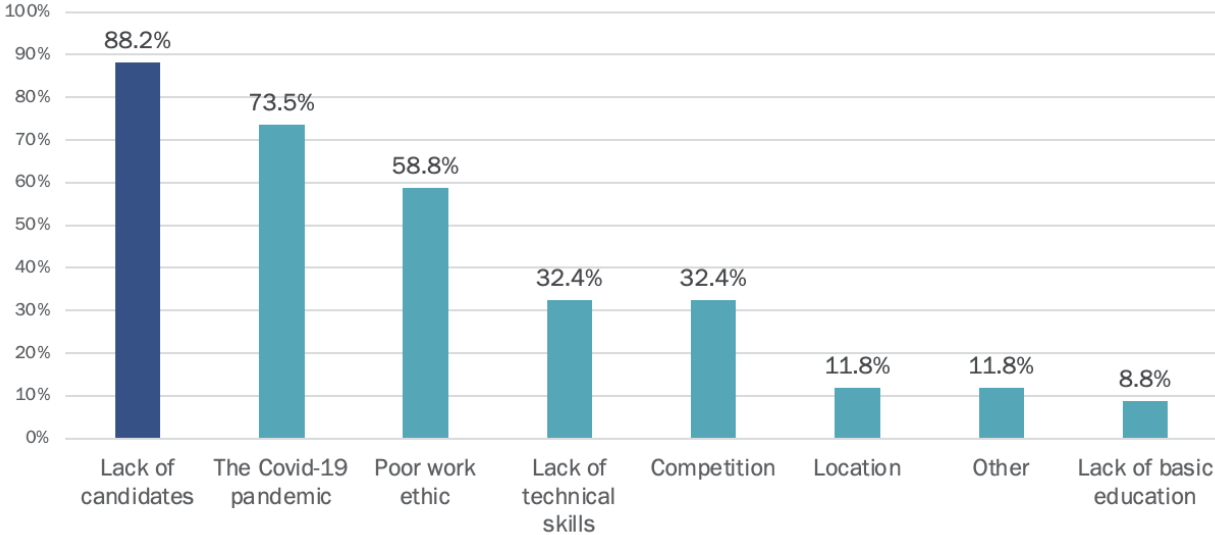
In responses from business owners, many wrote in responses about their business type. Here we drew some assumptions and assigned as many as possible to a specific NAICS code. Based on these self-reported types, the most common business types were retail (14.8%); finance, insurance and retail (14.8%); tourism and hospitality (12.3%); and other services (12.3%).

What contributed to challenges in filling open positions?

Lack of candidates was the most cited reason for difficulty hiring, even more so than the COVID-19 pandemic. In this question the 34 respondents who had hired recently could select more than one option, and many chose both options. For write-in answers additional concerns included seasonality of business and the business’s ability to pay what employees need.

Exhibit 73. Reasons for Hiring Challenges

Source: Ashland Economic Diversification Survey, 2022



What areas of training do your employees need?

In describing the areas of training that employees need, 11 survey takers provided a response. Five each cited communication and technology as priority skills, three wanted to see more management skills, professionalism, and work ethic, while single answers included marketing and sales expertise.

Respondent Characteristics

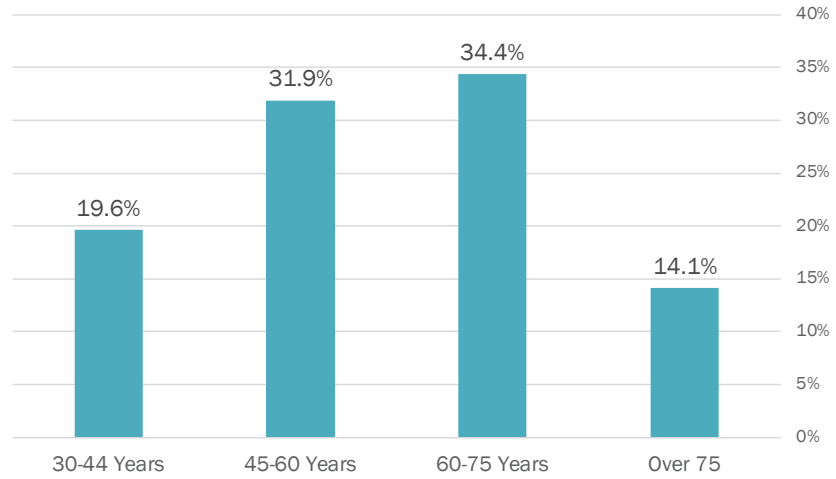
This final survey section asked respondents to provide basic demographic information.

The average age of survey respondents is 59 years; 14 years higher than the median age in Ashland in 2015-2019 of 45 years (Exhibit 59).

The minimum age of respondents was 30 years, with the greatest share falling into the 60-75 years category.

Exhibit 74. Age of Survey Respondents by Selected Categories

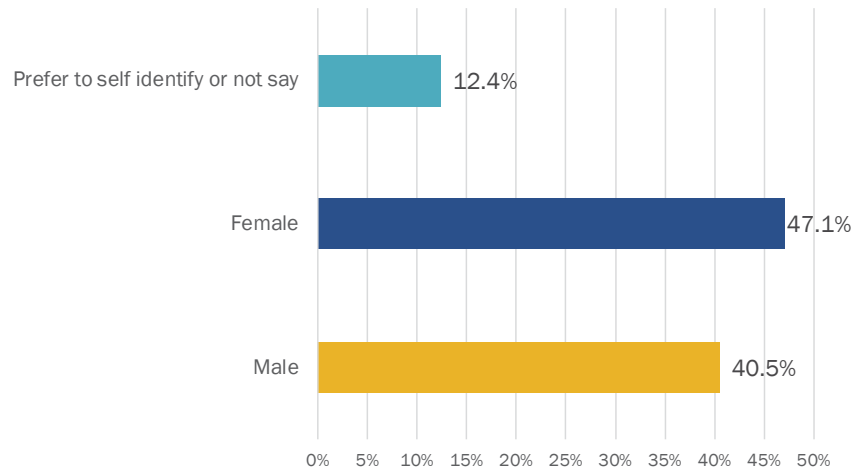
Source: Ashland Economic Diversification Survey, 2022



The majority of survey respondents identified as female (47%), slightly higher than the share identifying as male (40%).

Exhibit 75. Gender of Survey Respondents

Source: Ashland Economic Diversification Survey, 2022

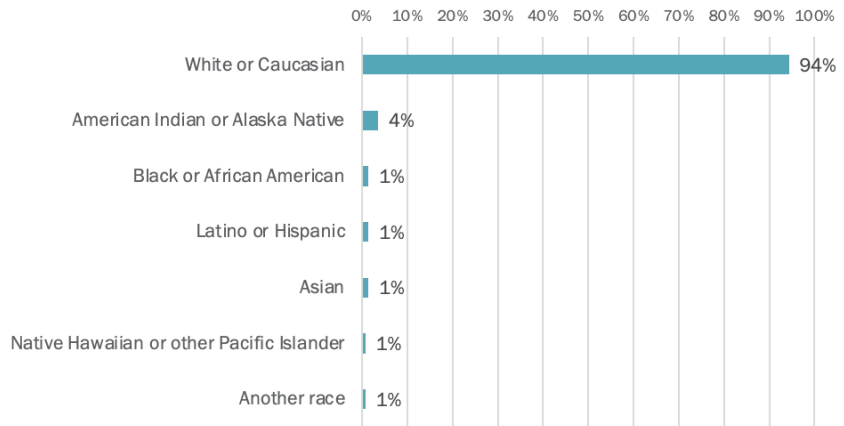


The share of White respondents (94%) is roughly proportionate to Ashland as a whole (91%).

The share of most communities of color is represented roughly the same as the city overall; however, the share of Latino or Hispanic survey respondents (1%) is lower than the overall share in Ashland (7%). The share of American Indian or Alaska Native respondents is higher at 4% compared with 1% in Ashland overall.

Exhibit 76. Race/Ethnicity of Survey Respondents

Source: Ashland Economic Diversification Survey, 2022



DISCUSSION ITEMS

**Ashland Climate & Environmental Policy Advisory Committee
Natural Gas Ordinance Update
(CEPAC Chair Bryan D. Sohl)**

Memo

DATE: June 27, 2023
TO: Planning Commissioners
FROM: Derek Severson, *Planning Manager*
RE: Natural Gas Ordinance Update

At its June 6th business meeting, the City Council directed staff to draft an ordinance which would restrict the extension of natural gas infrastructure in new homes. The Council heard testimony from Climate and Environment Policy Advisory Committee (CEPAC) chair Bryan Sohl about CEPAC research on possible policy approaches. The Council responded by asking staff and the City Attorney to start drafting an ordinance for Council consideration in the coming months. [[Follow this link to watch the June 6th Ashland City Council discussion on a possible ordinance restricting methane in new residential construction.](#) This item starts at 28:20 into the meeting. You can also read news coverage from [JPR](#), [RV Times](#), [Oregon Live](#), and [OPB](#).]

CEPAC Chair Bryan Sohl, MD will be present tonight to update the Planning Commission on this topic.

DISCUSSION ITEMS

DRAFT Ashland Climate Friendly Area (CFA) Study

Memo

DATE: June 27, 2023
TO: Planning Commission
FROM: Derek Severson, *Planning Manager*
RE: Climate Friendly Area Study

A draft study of potential Climate Friendly Areas (CFAs) is presented for the Commission's review tonight. This study is required under the Climate Friendly & Equitable Communities (CFEC) rules adopted by the Department of Land Conservation & Development (DLCD) in 2022. This study is required to be submitted to DLCD by December 31st.

Background

CFEC Rulemaking

The CFEC rulemaking was initiated through an executive order to state agencies from Governor Kate Brown in 2020 in response to the determination that Oregon was significantly off-track in reaching greenhouse gas reduction targets previously committed to by the state. Given that transportation is a significant contributor to greenhouse gas emissions, and transportation is closely tied to land use, a primary focus of these new rules is in changing land use and transportation planning to require that cities identify Climate Friendly Areas (CFAs) which can accommodate at least 30 percent of current and future housing needs in pedestrian-friendly, mixed-use areas where residents can live, work and play, and in so doing reducing or eliminating the need to rely solely on automobiles for transportation.

Implementation of the CFEC rules includes a timeline of issues for cities to address over the next several years including minimum parking requirements; studying potential CFAs; zoning actual CFAs with associated map, code and plan

amendments; changing the methodology for transportation system planning to shift the focus to modes other than just automobiles; and preparing housing needs analyses and housing production strategies.

Meetings to Date

To date, meetings discussing the CFEC rulemaking have been held with the Planning Commission (8/9/22), Council (2/22/23) and Transportation Commission (3/16/23). In addition, there was a public 'kick-off' meeting held virtually (2/3/23) and a public open house held in Talent focused on the potential climate friendly areas (4/13/23) for Ashland, Talent and Medford. 3J Consulting conducted initial stakeholder interviews early on, then distributed questionnaires at the 4/13 open house, and has since conducted on-line surveys. The feedback received through these interviews, questionnaires and surveys has been included in the packet materials for tonight's meeting.

Potential CFA's

The current phase of implementation to be discussed tonight is a draft study of potential CFAs to see if they can meet the CFEC requirements, determine likely code changes that would be necessary for each to comply with the CFEC rules, and to identify potential strategies to mitigate the impacts of gentrification or displacement within the proposed CFAs.

The potential Climate Friendly Areas (CFAs) identified for consideration in this initial study include the Croman Mill District, the Railroad property, the Transit Triangle, and the downtown. Each of these is discussed in detail in the draft study presented for the Commission's consideration tonight.

Draft Study

To implement this current phase of the CFEC rules, staff have been working with 3J Consulting (3J) for the public engagement process and with the Rogue Valley Council of Governments (RVCOG) to conduct spatial analyses and prepare the draft CFA report under review tonight.

A key consideration with the draft report is that it follows the methodology set forth in the CFEC rules and associated guidance provided by DLCD by looking at the full potential developability of each CFA as though the entire area, less an allowance for public streets, could be developed from bare ground, with all buildings maximizing allowable heights and building lot line to lot line, without consideration for code-required on-site stormwater detention, parking that might be voluntarily provided (*even though no longer required*), or any project-specific open space, plaza space or landscaping. Under this methodology, the potential build-out of the Croman Mill District by itself is envisioned at a density of 79 dwelling units per acre yielding 5,142 dwelling units and more than providing for the 30 percent of current and future housing required under the CFEC rules.

While the Croman District by itself could satisfy the CFEC requirements based upon the methodology prescribed in the new rules, for staff the underlying assumptions of that methodology do not seem totally in line with real world experience. First, in those areas where there is some measure of existing development such as in the downtown, it is neither realistic nor desirable to assume that all existing development will be razed in pursuit of this new vision. Second, while parking is no longer required, it seems safe to assume that developers, tenants, buyers and financial institutions will all desire at least some amount of parking to accommodate the motor vehicles which are, at least for now, still the preferred transportation option. Third, even with allowances for increased height and the removal of limits on density, in the near-term developers will likely work within the framework and scale familiar in southern Oregon. With these factors in mind, staff believe that the combination of CFAs under consideration here are a more realistic attempt to not only meet the CFEC requirements, but also to achieve their underlying intent. To that end, staff note that, if future development were to provide only 15 dwelling units per acre density which is one of the minimum development metrics under the CFEC rules, the four combined potential CFA's identified in the study would yield 3,770 units. The projected housing need required to be addressed under CFEC for Ashland is 3,469 units.

Next Steps

By **December 31, 2023** the city is required to forward the final study of potential CFAs to the Department of Land Conservation and Development (DLCD) for review. This is only a study of potential CFAs – it is *not* a land use decision, is *not* subject to appeal, and does *not* bind the city to ultimately select the study areas as the city’s CFAs. Staff will incorporate input from the Planning Commission tonight and bring a final draft back to the Planning Commission for a recommendation and then to the City Council for approval in advance of the December submittal deadline.

Also by **December 31, 2023**, the city is required to modify parking codes to comply with the CFEC rules. Under CFEC, since December 31, 2022 cities have been unable to enforce parking mandates within ½-mile of frequent transit. With this next phase to be completed by the end of this year, cities have the option to either eliminate parking minimums citywide or to adopt parking regulations from a menu of options for remaining areas. In Ashland’s case, with the Rogue Valley Transportation District’s (RVTD’s) routes 10 and 17, more than 80 percent of the city is not subject to parking minimums and remaining areas are generally either already developed or constrained by hillside lands, floodplains or water resources. Staff have been working with 3-J Consulting to audit the land use ordinance with regard to parking. As of early June, the cities of Portland, Tigard, Salem, Corvallis and Bend have all entirely eliminated their minimum parking requirements, and this is the option that staff will be recommending when we bring back potential code changes for Planning Commission review later this summer.

In the next phase of implementation, by **December 31, 2024** the city will need to formally adopt CFAs by amending the zoning and comprehensive plan maps and making associated code and plan amendments to accommodate the required 30 percent of housing within CFAs.



OREGON
Department of
Land Conservation
& Development

Climate-Friendly and Equitable Communities

Why this Rulemaking

In 2007, Oregon legislators adopted a policy and goal to reduce Oregon’s climate pollution by 75% by 2050. That’s what the science calls for, if we’re going to avoid catastrophic impacts to our environment, communities, and economy.

Fifteen years later, we’re far off track in our efforts to meet those goals – and we’re already experiencing real-world impacts of climate disruption, with increasing wildfires, in size, severity, and timing, and record heat waves that have cost Oregonians their homes, and their lives.

We’re particularly off-track in reducing pollution from transportation, responsible for about 38% of Oregon’s climate pollution. On our current path, Oregon will only reduce transportation pollution by about 20% by 2050. That means we’re polluting far more than we hoped, meaning more extreme weather events, more wildfires, more ocean acidification, and more record heat waves. In response, Governor Brown directed state agencies to promote cleaner vehicles, cleaner fuels, and less driving.

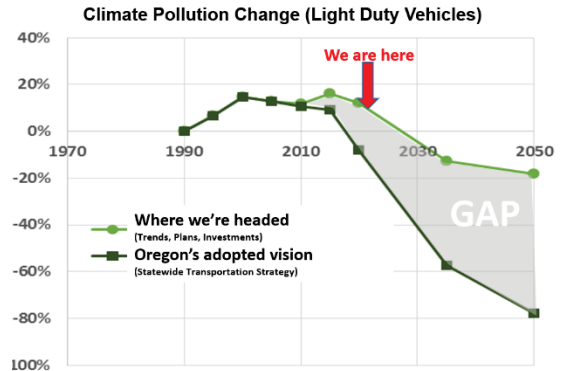
Meanwhile, the State of Oregon is grappling with a troubling history and current patterns of inequity and discrimination, including in our land use, zoning, and transportation investment (and disinvestment) decisions. Wealth and health have been concentrated in the privileged, at the expense of others. This rulemaking aims to take some steps in redressing past harms.

Rulemaking Overview and Desired Outcomes

The Land Conservation and Development Commission launched the Climate-Friendly and Equitable Communities rulemaking in September 2020. The commission directed the Department of Land Conservation and Development (DLCD), Oregon’s land use planning agency, to draft changes in Oregon’s planning system for communities in Oregon’s eight most populated areas (see map at right).

The rules require those communities to change their local transportation and land use plans to do more to ensure Oregonians have more safe, comfortable ways to get around, and don’t have to drive long distances just to meet their daily needs.

The rules also aim to improve equity, and help community transportation, housing, and



Oregon is dramatically off-track. If current trends continue, Oregon will release more than 4 times more transportation pollution than our goal by 2050.



Thousands of Oregonians have lost their homes in recent wildfires. Missing our climate goals will mean more extreme and more frequent weather events such as heat bombs, droughts, and wildfires.



The rules apply in Oregon’s eight metropolitan areas shown above.

planning serve all Oregonians, particularly those traditionally underserved and discriminated against.

What does that mean on the ground? It means having some areas where rules don't get in the way of more walkable neighborhoods. The rules ask 15 communities to designate climate-friendly areas, and to allow people to build taller buildings providing more housing. The rules don't *require* taller buildings, but make sure those buildings are *allowed*. In climate-friendly areas, a minimum density standard would help ensure transit can serve the neighborhood.

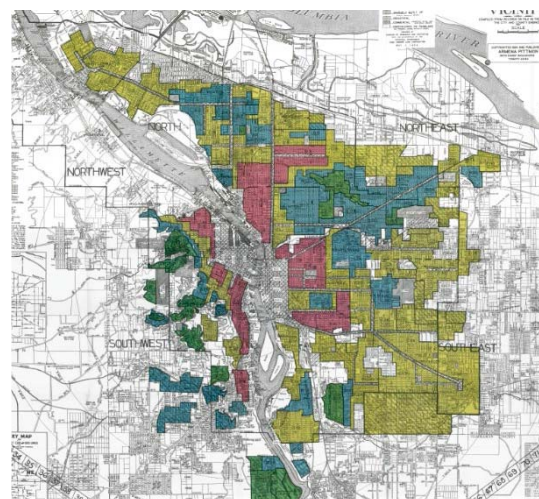
Other provisions of the rulemaking call for new buildings to support the growing electric vehicle transformation, reduce one-size-fits-all parking mandates, and increase local planning requirements to address critical gaps in our walking, biking, and transit networks. The rules ask communities to identify transportation projects needed so our climate goals could be met.

The rulemaking is mainly about letting climate-friendly development happen where people want to build it and the market calls for it. There's a lot of demand for housing where people can walk to where they want to go. While single-family homes will continue to be allowed and provide most housing, Oregonians have a diverse set of housing desires and deserve more affordable and climate-friendly choices. Those could better meet the changing shape of American households, as nearly a third of homes hold just one person. But again, people can choose what best meets their needs.

Equitable Mapping, Engagement and Decision-Making

One central outcome of this rulemaking is an increased emphasis on equity. The rulemaking has worked to integrate equity, starting with the rulemaking charge and title. Equity was key as DLCDC attempted to have the composition of the advisory committee reflect the diversity of Oregon's communities, and equity was one of the first tasks tackled by the group.

The rulemaking advisory committee spent significant time at many of its meetings discussing equity, and developed an [Equitable Outcomes Statement](#) to guide the rulemaking drafting and implementation. The rulemaking conducted a racial equity analysis of the rules and an analysis on how the rules could be improved to serve people with disabilities. The committee subsequently reviewed a table listing how each item in the Equitable Outcomes Statement was or was not brought forth into the draft rules, and what next steps might be.



1938 Redlining map of Portland. Redlining allowed white people to build wealth through homeownership.

The rules define traditionally underserved populations to include Black and African American people, Indigenous people, People of Color, people with limited English proficiency, people with disabilities, low-income Oregonians, youth and seniors, and more. They require mapping of traditionally underserved populations, local consideration of a set of anti-displacement actions should decisions contribute toward displacement, centering the voices of underserved populations in decision-making, and regular reporting on efforts to engage traditionally underserved populations.

Climate-Friendly Areas

A climate-friendly area is an area where residents, workers, and visitors can meet most of their daily needs without having to drive. They are urban mixed-use areas that contain, or are planned to contain, a greater mix and supply of housing, jobs, businesses, and services. These areas are served, or planned to be served, by high quality pedestrian, bicycle, and transit infrastructure to provide frequent, comfortable, and convenient connections to key destinations within the city and region.

Why are climate-friendly areas important? A key component of Oregon's plan to meet our climate pollution reduction and equity goals is facilitating development of urban areas in which residents are less dependent upon the single occupant vehicle. Before the automobile became common in American life, cities grew more efficiently, with a variety of uses in city centers and other areas that allowed for working, living, and shopping within a walkable or transit accessible area. Over the last 100 years, the automobile and planning practices have served to separate activities, creating greater inequities within cities and widespread dependence upon climate-polluting vehicles to meet daily needs. Climate-friendly areas will help to reverse these negative trends, with some actions taking place in the short term, and others that will occur with development and redevelopment over time.

The rules require cities, and some urbanized county areas, with a population over 5,000 within the seven metropolitan areas outside of Portland Metro to adopt regulations allowing walkable mixed-use development in defined areas within urban growth boundaries. The rules for the Portland Metro area support implementation of the region's 2040 Growth Concept. Areas will be sized to accommodate a portion of the community's housing, jobs, and services. Local governments will determine where these areas will be located, but many of these areas will likely be established in existing downtowns that may currently allow for mixed uses and higher densities.

Associated requirements will ensure high quality pedestrian, bicycle, and transit infrastructure is available within these areas to provide convenient transportation options. The rules provide a process for local governments to first identify potential climate-friendly areas, then later to adopt development standards for the areas best-suited for this purpose. The rules provide some minimum requirements for climate-friendly areas, with a set of clear and objective standards that may be adopted, or a process for local governments to craft their own standards. Cities of more than 10,000 will monitor housing production within these areas over time and develop strategies to facilitate desired development.

Reforming Costly Parking Mandates

Excess parking has a significant negative impact on housing costs, business costs, the feasibility of housing development and business redevelopment, walkability, air and water pollution, climate pollution, and general community character. Parking mandates force people who don't own or use cars to pay indirectly for other people's parking. Carless households tend to be the poorest households. Parking demand varies significantly



Oregon already has some climate-friendly areas, pleasant places to meet one's needs without needing to drive.



Parking uses a huge amount of high-value land. Off-street parking in downtown Corvallis in red.

from development to development, and about one-sixth of Oregon renter households own zero vehicles. Planning practices of the past have imposed a one-size-fits-all requirement everywhere, creating incentives to own more cars and drive more.

The rules encourage the diversity of parking needs to be met by the diversity of development. The rules would reduce or remove costly parking mandates for desired types of development, such as smaller housing types, small businesses, childcare facilities, multi-family housing, and historic buildings. The rules would completely remove parking mandates within one-half mile of frequent transit and three-quarters of a mile of rail stops, where parking demand is lower per unit.

The rules give communities options to improve parking management. Those who adopt best practice parking policies would get more flexibility. The rules require cities with over 100,000 population that choose to continue to mandate off-street parking to eventually charge at least 50 cents per day for 10% of on-street parking spots.

Getting Ready for Oregon's Electric Vehicle Future

Making our vehicles cleaner is a key part in meeting Oregon's climate goals. Oregon has a vision where 90% of new vehicles will be electric by 2035. To meet that goal, we need to ensure people can charge their vehicles. The most convenient place to do so is at home, but many Oregonians live in older multi-family homes that would be very expensive to retrofit.

Thus, the rules require *new* housing and mixed-use development with at least five units would include electrical conduit (pipes) to 40% of spots, ready for adding wiring and charging stations to support electric vehicles as the market expands.



Building a complete network of EV charging stations at commercial and multi-family housing locations could cut up to 11.9% of climate pollution

Planning for a Future of Transportation Options

DLCD and other state agency partners including the Oregon Department of Transportation will provide a range of new and amplified services to help meet greenhouse gas reduction goals, including grants, technical assistance, tools, and publications, to help local governments adopt plans that meet or exceed the state's climate pollution reduction goals.

Local governments in Oregon have been required to make coordinated land use and transportation plans for decades. The updated rules would require local governments in metropolitan areas to:

- Plan for greater development in transit corridors and downtowns, where services are located and less driving is necessary;
- Prioritize system performance measures that achieve community livability goals;
- Prioritize investments for reaching destinations without dependency on single occupancy vehicles, including in walking, bicycling, and transit;
- Plan for needed infrastructure for electric vehicle charging; and
- Regularly monitor and report progress.

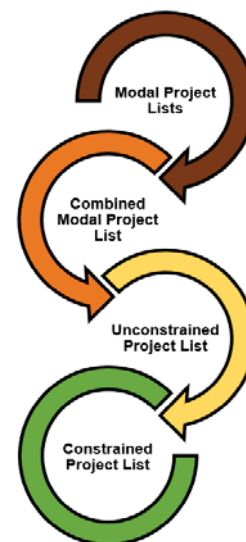


Transportation options are critical for everyone, but particularly the roughly one-in-three Oregonians who cannot drive.

Planning to Meet Our Climate Goals

DLCD’s regional greenhouse gas reduction program allows areas to work together to consider statewide, regional, and local needs and issues. The flexible regional planning process allows communities to study economic development, fiscal impacts, resource use, pollution impacts, and the effects of different choices on the state, region, community, or households. The results are intended to help local government community members, elected and appointed leaders better understand issues and quantify the effect of potential policies as they review and update the area’s long-range plans and make investment decisions.

The rules expand requirements for regional plans to meet the state’s climate pollution reduction targets from the Portland metropolitan area to the next largest metropolitan areas in the state (Eugene-Springfield and Salem-Keizer) initially. Other metropolitan areas will be required to evaluate their local plans towards meeting the state’s climate pollution reduction targets and amend their local plans towards meeting the target.



Community Engagement

We’ve heard from lots of Oregonians over the past eighteen months. We’ve heard from a 40-person advisory committee including representatives from all of Oregon’s impacted eight urban areas, several people who are home builders, realtors, representatives of the trucking industry, affordable housing advocates, land use advocates, community-based and other community-serving organizations.

To supplement those deliberations, staff held two separate series of virtual community conversations in 2021 – five in the spring, and four in the fall. Staff have hosted a series of nine technical work group meetings on specific topics, a series of practitioner meetings with local government staff in each region, and dozens of additional meetings with local elected officials, planning staff, and interest groups.



Some members of the rulemaking advisory committee

Upcoming conversations include events focused on what will be needed at the community level to support implementation and ongoing engagement strategies.

We’ve heard from hundreds of Oregonians who have attended one or more of the scores of meetings, community conversations, work groups, or practitioner meetings, and from hundreds of people who’ve submitted comments ([summary here](#)). Our rules are better for it, having continued to evolve and improve.

But the engagement won’t end there – the rules require local governments to engage their communities as they make key decisions on how the rules apply locally. If you’re interested in these issues, we encourage you to stay engaged.

Implementing the Rules: Resources and Timelines

Local governments are responsible for implementing the rules. Many of the rules take effect when a community next conducts a major update of its Transportation System Plan (TSP), a community's core document describing its transportation needs and future plans. The rules state most plans should be updated by December 31, 2029. The rules have Salem-Keizer and Eugene-Springfield areas on a schedule to do regional scenario plans and update their TSPs by the end of 2027.

The land use components of the rules have specific deadlines. Communities are asked to study potential Climate-Friendly Areas by December 31, 2023, and adopt Areas by December 31, 2024. Parking reform is scheduled to happen in two phases - the first at the end of 2022, and the second by June 30, 2023. Communities may ask for some flexibility around most of these dates.

DLCD is providing or working to find resources for local governments to do this work, along with our agency partners at the Oregon Department of Transportation (ODOT) and the Oregon Housing and Community Services Department. The Oregon Legislature provided \$768,000 to assist with implementation on land use, and ODOT has identified another \$18 million to assist with transportation plan updates.

Learn More

Information on how to get implementation updates via email and many additional materials can be found at www.oregon.gov/lcd/CL/Pages/CFEC.aspx

Contact Information

Evan Manvel, Climate Mitigation Planner
evan.manvel@dlcd.oregon.gov
971-375-5979

Cody Meyer, Land Use and Transportation Planner
cody.meyer@dlcd.oregon.gov
971-239-9475

Kevin Young, Senior Urban Planner
kevin.young@dlcd.oregon.gov
503-602-0238

July 2022

Climate-Friendly and Equitable Communities Implementation Guide



This document provides guidance for cities and counties within metropolitan areas that are expected to implement the Climate Friendly and Equitable Communities rules. The information provided in this document are **based on the rules adopted by the Land Conservation and Development Commission on July 21, 2022**. This guide is for information and is not determinative regarding the content or applicability of the adopted rules.

Pages 1-3 contain an overview of the implementation and reporting requirements of the rules. The table of implementation dates on pages 3-8 shows the year in which these requirements become applicable, grouped by metropolitan area. The task summaries on pages 9-12 outline the sections of the Division 12 rules that are involved with the major task groups.

Alternative Dates: Cities, counties, or Metro may, optionally, propose alternative implementation dates for some deadlines as provided in OAR 660-012-0012(3). Alternative dates would be submitted to the department, reviewed against criteria, and approved (or not) by the DLCD Director. Alternative compliance dates for Eugene-Springfield and Salem-Keizer metropolitan area would use this process and the work program process for scenario planning in OAR 660-044-0100. Rules whose implementation dates can be modified through this process are in italics in the guide.

Division 12 Exemption: The DLCD Director may grant a full or partial exemption from Division 12 to cities and counties with a population under 10,000 within the urban area (OAR 660-012-0055(7)). The exemption must be requested by the jurisdiction. Exemptions granted shall last for a specified period.

Major Task Groups

Requirements for the implementation of each task are outlined in the schedule. Details of the rules involved with each task are listed after the schedule table.

CFA Study – Study potential climate-friendly areas (CFA) (660-012-0315). (code changes not mandatory; may apply 660-012-0430 and 0440 directly).

CFA Codes – Designate and make comprehensive plan, zoning map and code changes to implement climate-friendly areas (660-012-0320). **Parking B** – Implement parking regulation improvements, and parking mandate reform (660-012-0400 through 0450).

Parking A – For new development applications, apply reduced parking mandates near frequent transit and for certain development types **TSP Updates** – These rules only apply at the time of a major update to a transportation system plan (TSP).

TPR Development Regulations – Transportation Planning Rules (TPR) related regulations; required with major transportation system plan updates, no specific update timeline unless indicated. Implement commercial and residential land use regulations (660-012-0330), and bicycle parking (660-012-630).

HNA – Housing Needs Analysis (HNA) (Also known as a Housing Capacity Analysis, or HCA). Update required by OAR Chapter 660-008-0045 for cities over 10,000 population. HNA within Metro must be updated every 6 years; outside of Metro must be updated every 8 years.

HNA is an additional task that is not part of Climate-Friendly and Equitable Communities.

Individually Applicable Rules

Rules separate from the major task groups and with their own applicability date are listed below and in the schedule.

EV Conduit – Cities only; for new multifamily and multi-use development applications, require 40% of spaces have conduit to serve electric vehicle charging (OAR 660-012-0410); implement by March 31, 2023 per OAR 660-012-0012(5)(d); either directly apply state administrative rules or amend local development standards.

Transportation Modeling – transportation modeling or analysis used for a land use decision must comply with OAR 660-012-0210; decision must not increase VMT per capita; effective as of June 30, 2024 per OAR 660-012-0012(5)(a).

Performance Standards – Implement multiple transportation performance standards for plan amendments and development review per OAR 660-012-0215; effective as of June 30, 2025 per OAR 660-012-0012(4)(b).

Additional CFA Designations for UGB Expansions is required beginning June 30, 2027 (OAR 660-008-0010(3)).

Note: TSP Update and **TPR Development Regulations** apply to **all** jurisdictions in the table listed below. The proposed rules do not establish an implementation deadline if 'TSP Update' and 'TSP Development Regulations' are not shown in the schedule. They are **not** exempt from these requirements. A deadline for these tasks may be established through approval of alternate compliance dates.

TPR Reporting

OAR 660-012-0900 requires cities and counties outside of Metro to submit yearly reports. The reporting requirements are listed in the row of each metropolitan area (light blue background). The designation of major reports in this guide are based on expected dates of Regional Transportation Plan (RTP) updates. The timing of a major report will be as determined by actual RTP adoption (OAR 660-012-0900(5)). The reporting requirement applies to each jurisdiction individually, although jurisdictions may coordinate to submit one report for the metropolitan area. Inside Metro, annual reporting will be completed by Metro (cities and counties within Metro **not** required to submit individual reports).

Population Growth

Climate-Friendly Areas- OAR 660-012-0310(4)(a) and (b) specify CFA compliance timelines for jurisdictions that surpass population thresholds of 5,000 or 10,000. Such jurisdictions must submit a **CFA Study** within 545 days of exceeding the population threshold, and adopt **CFA Codes** within 365 days of the deadline for submittal of the CFA Study. Additionally, OAR 660-008-0010(2) requires the designation of additional climate friendly areas as cities over 10,000 grow, in conjunction with required HNA updates.

Parking – OAR 660-012-0012(4)(f)(A) allows one year for jurisdictions that surpass population thresholds in OAR 660-012-0400 to comply with the parking rules to which they become subject.

Compliance date for tasks in italics can be modified per OAR 660-012-0012(3)

	2022	2023	2024	2025	2026-2028	2029
Albany Area			TPR major report (5/31) ¹	TPR minor report (5/31)	TPR minor report (5/31) (major in 2028)	TPR minor report (5/31)
Albany	Parking A	CFA Study EV Conduit Parking B	CFA Codes Transportation Modeling	<i>Performance Standards</i>	2028 HNA Additional CFA for UGB expansions after June 2027	TSP TPR Dev. Regs.
Benton County, Linn County, Marion County (fewer than 5,000 population inside UGB)			Transportation Modeling	<i>Performance Standards</i>		
Jefferson, Tangent, and Millersburg	Parking A	EV Conduit Parking B	Transportation Modeling	<i>Performance Standards</i>		

¹ Next expected RTP updates: 2022: Central Lane, Corvallis; 2023: Albany, Salem-Keizer; 2024: Middle Rogue; 2025: Bend, Rogue Valley. TPR major report expected the year following adoption of RTP update. Future RTP updates expected every 4 years.

Compliance date for tasks in italics can be modified per OAR 660-012-0012(3)

	2022	2023	2024	2025	2026-2028	2029
Rogue Valley			TPR minor report (5/31)	TPR minor report (5/31)	TPR major report (5/31)	
Ashland Central Point Eagle Point Medford Talent	Parking A	CFA Study EV Conduit Parking B Medford HNA	CFA Codes Transportation Modeling	<i>Performance Standards</i>	Central Pt 2027 HNA Ashland 2029 HNA Additional CFA for UGB expansions after June 2027	TSP TPR Dev. Regs.
Jacksonville Phoenix	Parking A	EV Conduit Parking B	Transportation Modeling	<i>Performance Standards</i>		
Jackson County (fewer than 5,000 population inside UGB)			Transportation Modeling	<i>Performance Standards</i>		

Task Summaries

Parking A

Reduced Mandates – OAR 660-012-0430 and OAR 660-012-0440

Effective date December 31, 2022 per OAR 660-012-0012(5)(e)– applies to development applications submitted after that date; either directly apply state administrative rules or amend local development standards

- Reduced mandates for specific developments – cannot mandate more than 1 space/unit for residential developments with more than 1 unit
- No mandates for small units, affordable units, childcare, facilities for people with disabilities, shelters
- Reform near transit - no parking mandates allowed within $\frac{3}{4}$ mile of light or heavy rail stations or $\frac{1}{2}$ mile of frequent transit corridors

Parking B

Parking Regulation Improvement – OAR 660-012-0405

By June 30, 2023 per OAR 660-012-0012(4)(f) - amend development standards

- Preferential placement of carpool/vanpool parking
- Allow redevelopment of any portion of a parking lot for bike or transit uses
- Allow and encourage redevelopment of underutilized parking for other uses
- Allow and facilitate shared parking
- Parking lots more than $\frac{1}{4}$ acre in size must install 50% tree canopy OR solar panels, solar/wind fee-in-lieu, or green energy per OAR 330-0135-0010; requires street trees and street-like facilities along driveways
- Adopt parking maximums in locations such as downtowns, regional or community center, and transit-oriented developments.

Parking Maximums and Evaluation in More Populous Cities – 660-012-0415

By June 30, 2023 per OAR 660-012-0012(4)(f)

- Cities >100,000 population, or >25,000 population if in Portland Metro, set certain parking maximums in specified areas
- Cities >200,000 population also:
 - Study use of on-street timed parking in CFA and transit areas (OAR 660-012-0435 & 0440)
 - Implement parking management before authorizing new 100+ stall parking garages
 - Implement TDM management strategies before authorizing new 300+ stall garages
 - Adopt design requirements so ground floor of parking garage convertible to other uses

Parking Mandate Reform

Effective date June 30, 2023 per OAR 660-012-0012(4)(f)

Option 1 OAR 660-012-0420	Options 2 and 3 OAR 660-012-0425 through 0450	
Repeal all parking mandates within the jurisdiction	Reduce parking burdens – adopt eight land use regulations related to reduced mandates based on factors such as shared parking, solar panels, parking space accessibility, on-street parking; unbundling of parking from rent for multifamily units near transit (OAR 660-012-0425)	
	Cities with populations 100,000+ adopt on-street parking prices equivalent to at least 50¢/day per spot for 5%/10% of total on-street parking supply by September 30, 2023/2025 (OAR 660-012-0450; effective dates per OAR 660-012-0012(4)(g))	
	<p style="text-align: center;">Parking Reform Approaches <i>Choose ONE of the following (option 2 -or- option 3)</i></p> <p style="text-align: center;"><i>Policies to take effect no later than June 30, 2023 (effective date per OAR 660-012-0012(4)(f))</i></p>	
no additional action needed	<p style="text-align: center;">Option 2 OAR 660-012-0445(1)(a) - <i>Adopt at least 3 of 5 policies below</i></p>	<p style="text-align: center;">Option 3 OAR 660-012-0445(1)(b) - <i>Adopt regulations minimizing or exempting required parking for 15 development types (summarized below)</i></p>
	<ol style="list-style-type: none"> 1. Unbundle parking for residential units 2. Unbundle leased commercial parking 3. Flexible commute benefit for businesses with more than 50 employees 4. Tax on parking lot revenue 5. No more than ½ space/unit mandated for multifamily development 	<p>No mandates for a variety of specific uses, small sites, vacant buildings, studio/one bedrooms, historic properties, LEED or Oregon Reach Code developments, etc.</p> <p>No additional parking for redevelopments/additions.</p> <p>Adopt parking maximums.</p> <p>No parking mandates within ½ mile walking distance of Climate-Friendly Areas.</p> <p>Designate district to manage on-street residential parking.</p>

Climate-Friendly Areas

<p style="text-align: center;">CFA Study OAR 660-012-0315 Due December 31, 2023 per OAR 660-012-0012(5)(b)</p>	<p style="text-align: center;">CFA Codes OAR 660-012-0320 via OAR 660-012-0315(6) Due Date December 31, 2024 per OAR 660-012-0012(4)(c)</p>	
<ul style="list-style-type: none"> • CFA location and size standards per OAR 660-012-0310(2) • <u>>10,000 population</u> Dwelling Unit Capacity of at least 30% of current housing needs analysis (OAR 660-012-0315(1); capacity calculated per methodology in OAR 660-012-0315(2)) • <u>Population 5,000 -10,000</u> Designate at least 25 acres of CFA (OAR 660-012-0315(3)) • Displacement analysis, fair and equitable outcomes plan, and narrative summary of public engagement (OAR 660-012-0315(4)) 	<p><i>Required for all CFAs:</i></p> <ul style="list-style-type: none"> • Allowed uses per OAR 660-012-0320(2) • Inclusion of existing abutting residential and employment zones without zoning amendments per OAR 660-012-0320(3) • Prioritization of public buildings, open spaces per OAR 660-012-0320(4) • Block length maximums per OAR 660-012-0320(5) • Address other development regulation requirements per OAR 660-012-0320(7) • Eliminate mandates in and near climate-friendly areas or adopt parking management policies; unbundle parking for multifamily units (OAR 660-012-0435) 	
	<p>Housing and Employment Targets OAR 660-012-0320(8) or (9)</p>	
	<p>Option A Residential minimum density standards and allowed building height not less than specified by OAR 660-012-0320(8)</p>	<p>Option B Standards other than Option A proposed by jurisdiction that achieve target dwelling unit and employment per acre</p>

Transportation System Plan Update

- *TSP updates may use OAR 660-012-0015 if OAR 660-018-0020 is notice provided by December 31, 2022 (OAR 660-012-0012(2)(a)).*
- *Minor TSP updates need not meet all updated requirements if the updated portions of the plan meet new requirements, and OAR 660-018-0020 notice is provided by June 30, 2027 (OAR 660-012-0012(2)(b)).*
- *Compliance deadline for Eugene-Springfield and Salem -Keizer determined by OAR 660-044-0015 Scenario Planning.*
- *Cities and Counties over 5,000 population and outside the Portland metropolitan areas must adopt major TSP update by December 31, 2029 (OAR 660-012-0012(4)(a)).*

Generalized Scope and Process

- Overall TSP update requirements (OAR 660-012-0100 and 0105)
- Public Engagement and Equity
 - TSP Planning Engagement generally (OAR 660-012-0120)
 - Equity and Underserved Populations (OAR 660-012-0125, identifying underserved populations; OAR 660-012-0130, Decision-Making with Underserved Populations; OAR 660-012-0135, Equity Analysis)

- System Inventories and Existing Conditions
 - General inventory requirements (OAR 660-012-0150)
 - Transportation System Planning Area (OAR 660-012-0110)
 - Land use assumptions (OAR 660-012-0340)
 - Modal inventory requirements: Pedestrian (OAR 660-012-0505); Bicycle (OAR 660-012-0605); Transit (OAR 660-012-705); Streets and Highways (OAR 660-012-0805)
 - Funding projections (OAR 660-012-0115)
- Goals, Targets, and Project Prioritization
 - VMT Targets – base year and horizon year (OAR 660-012-0160)
 - Adoption of Transportation Performance Standards (OAR 660-012-0215)
 - Project Prioritization (OAR 660-012-0155)
- TSP Contents
 - Modal design and planning requirements: Pedestrian (OAR 660-012-0510); Bicycle (OAR 660-012-0610); Transit (OAR 660-012-710); Streets and Highways (OAR 660-012-0810)
 - Modal projects: Pedestrian (OAR 660-012-0520); Bicycle (OAR 660-012-0620); Transit (OAR 660-012-720); Streets and Highways (OAR 660-012-0820)
 - Transportation Options Planning (OAR 660-012-0145) – transportation demand management, transit options and incentives
 - Enhanced review of select roadway projects (OAR 660-012-0830) – for facilities that may increase driving capacity
 - Prioritization framework (OAR 660-012-0155)
 - Unconstrained Project List (OAR 660-012-0170) – combination of modal projects; must meet VMT per capita targets from OAR 660-012-0160; Project Prioritization Framework (OAR 660-012-0155)
 - Financially-Constrained Project List (OAR 660-012-0180)
 - Created from unconstrained list per procedures in OAR 660-012-0180(3)
 - Sum of projects on list not to exceed 125% of funding available from OAR 660-012-0115

Transportation Planning Rule Development Regulations

Land use requirements (OAR 660-012-0330)

Effective date per OAR 660-012-0012(4)(e) – TSP Adoption

note – implementation of OAR 660-012-0330 within a CFA is required upon adoption of CFA Zoning (OAR 660-012-0320(7))

- Neighborhood circulation (OAR 660-012-0330(3))
- Mixed use and commercial districts (OAR 660-012-0330(4))
- Bicycle parking regulations in compliance with OAR 660-012-0630 (OAR 660-012-0330(4)(g))
- Slow streets for neighborhoods (OAR 660-012-0330(5))
- Auto-oriented land uses (OAR 660-012-0330(6))
- Allow for Low car districts (cities of 100k+, OAR 660-012-0330(7))
- Protection of transportation facilities (OAR 660-012-0330(8))

Climate-Friendly and Equitable Communities – Ashland Community Leader Interview Summary

Background and Purpose

The Oregon Land Conservation and Development Commission adopted the Climate-Friendly and Equitable Communities (CFEC) rules on July 21, 2022. As part of these new rules, local governments are required to study, identify, and designate climate-friendly areas by December 31, 2024.

“Climate-friendly areas” are intended to be places where people can meet most of their daily needs without having to drive by having housing located near a mix of jobs, businesses, and services. This means that some cities and urban areas across Oregon will likely see that new buildings in these areas will be taller and incorporate a greater mix of uses with a focus on adding more housing units along transit routes over time. This will most likely occur in existing downtowns that have or can implement high-quality pedestrian, bicycle, and transit infrastructure. The first phase of the process is to study and determine potential locations of climate-friendly areas by the end of 2023. The second phase is to adopt development standards for these areas by the end of 2024.

3J Consulting has been employed by the Department of Land Conservation and Development (DLCD) to assist local cities in public outreach for this project. Due to the effects that potential, high-intensity redevelopment may have on gentrification and displacement in certain areas, the project includes a strong focus on ensuring the voices of underserved communities are centered in the engagement process. The first step is conducting interviews with key community leaders to better understand how their community would like to be engaged in this process. These interviews will inform the community engagement plan and activities we conduct with the community over the next two years. These activities will focus on identifying potential locations for these “climate-friendly areas” and discussing the burdens and benefits of each.

Additional Resources

- [Climate-Friendly and Equitable Communities webpage](#)
- [Climate-Friendly Areas summary](#)
- [One-Page Summary of Climate-Friendly and Equitable Communities Rulemaking](#)

Key Themes

The initial round of community engagement offered jurisdictional specific feedback to help inform the upcoming engagement efforts. The stakeholder interviews and focus groups were asked two categories of questions: general engagement and Climate Friendly Area specific discussion. The following highlights some key findings from these conversations:

- **Language inclusive, experience focused, and culturally aware discussions allow for meaningful engagement.**
- **Equitable events offer childcare, transportation, and monetary incentives.**
- **A mixture of event types and the opportunity for continuous feedback allows for more successful use of information.**
- **Visually appealing and easy-to-read project information ensures the intended message is portrayed to the widest possible audience.**

General engagement

- **When there is an opportunity for your community to engage in a local project or process, what makes them feel like their participation was meaningful?**
 - Being clear on where the process is already, and what level of decision-making power is available, not giving folks a false sense of agency.
 - Follow-through on informing and updating those same folks.
 - People want to be heard, being talked to versus being heard.
 - Really starting with affected community.
 - Real solutions come out of projects that involve the folks that are going to be most impacted.
- **What can we do to have a larger number of community members participate in this process? Ideas or solutions could include food and childcare during activities, for example.**
 - Making sure events are held during hours where the majority of working people could attend with food, stipends, and childcare.
 - If in-person, be in an area where people are living or close enough.
 - Offering a couple different times during the day.
 - Having the ability to have the live event after working hours, but also some daytime options to have several smaller groups.
 - Getting ahead with concrete ways to how this will benefit the entire community.
 - Fred Meyer Gift Cards.
- **What challenges/problems have you and your community experienced engaging in projects?**
 - General overwhelming attitude, issues are piling up, getting people interested in the first place.
 - The people that are paying attention to opportunities are already involved.
 - People are busy, in-person and survey responses can be hard to get people to do.
 - Ashland has become exclusive through good intentions but has resulted in the lack of engagement of folks that need to be engaged.
 - NIMBY folks have presented obstacles to reaching affected community.
 - A larger effort on the part of the city to address NIMBYism and educate the community on housing needs.
- **What has worked well?**
 - Hybrid helps a lot with barriers related to in-person comfort.

- More you can collaborate with known folks/organizations in an area.
- Market in a way that grabs different demographics, make it obvious why they want to participate.
- Giveaways for surveys.
- Less talking and more listening.
- Briefing/trainings for folks to help in this process so that not all the information is coming from the City.
- **How do you go to your community to share information and receive their input? What methods/channels work best for informing people about community projects?**
 - Depends on where you are; like fire recovery with survivors with direct canvassing has been successful.
 - Social media and community providers, especially the groups around LTRD.
 - Having grassroots support that work with affected community.
 - Communicate directly with houseless folks, teaming with groups that work with them. Speak to Echo Fields, engaged with the community.
 - Judy's Midnight Diner.
- **Are there any specific types of activities that work well?**
 - Focus groups are a good idea.
 - Surveys first, and then public forum.
 - Survey fatigue from fires.
 - A mixture of event types to allow for folks to participate as they can.
- **Online or in-person?**
 - Hybrid is needed.
 - Depends on how much resources are available.
 - Online and in-person, doing both helps a lot.
- **(If applicable) – Translation or interpretation needed?**
 - Yes, mainly in Spanish.
 - Spanish in-person options.

Climate Friendly Areas

- **From the information we have shared today, are there any questions that you have, or your community might have, about the climate-friendly area process?**
 - So often we've seen Environmental Justice and concerns around the climate positioned in a way that is opposite to economic justice, so the more the messaging can be around how this will increase access for people to get resources they need, the better.
 - The intention is good, but are we ensuring that unintended consequences aren't coming along with it?
 - Do changes in housing development create worse conditions for affordable options?
 - Process of where this product might go, being transparent about that.

- **How can we make sure we have information that is easy to understand and easy for your community to provide comments about?**
 - More specificity to communities and local people.
 - Community leaders' collaboration to help (Pam Marsh).
 - Engaging local municipalities and city leaders, community buy-in.
 - Framing the information as to why is this important, to the point statements.
 - Short, to the point ways of informing folks.
- **What elements of this process might your community be interested in engaging around? What are some key topics of concern for your community?**
 - How does this help my family find more affordable housing?
 - What resources will this process provide me?
 - How will it change what I know my community to be?
 - How this affects housing.
 - Framing using climate in Ashland makes sense.
 - Accessible housing for folks.
 - There is a moment to seize right now with the fire and the reduction of housing and the long history of housing needs.
- **Any red flags or major concerns that you see in this overall process? How do those concerns affect your sense of community, safety, and belonging to this place?**
 - North Ashland and Downtown get even more resources where there are areas that people are currently living more affordability, could have their connectivity improved.
 - Affordable housing versus fair housing.
 - Even with a well-intentioned project, new housing contributes to gentrification.

Next Steps

- Any other ideas, suggestions, or recommendations as we plan for engagement on climate-friendly areas?
 - RAC would like to continue to be involved in this process and support community representation.
 - Make sure to incorporate unique characteristics of each community, what works in Ashland won't work in Medford.

On a scale from 'Do Not Support' to 'Strongly Support' how do you feel about the priority option?	What are the challenges and opportunities you see for the priority option?	On a scale from 'Do Not Support' to 'Strongly Support' how do you feel about the secondary option?	What are the challenges and opportunities you see for the secondary option?	Did we miss any areas you think should be considered?
10 Open-Ended Response	Open-Ended Response Medford filed lawsuit against CFA. They are apparently coming up with their own plan but nobody knows what that is. Planning is the future and nobody what will happen	10 Open-Ended Response	Open-Ended Response	Open-Ended Response No mention of reducing methane gas. I saw where Eugene has passed a law to reducing methane hookup for new houses.
0	One of the four greenhouse gasses is H2O ad a high density "development" would enhance a urban heat island. This thermal pollution would disrupt the daily weather patterns affecting downwind community and magnetic field disruptions annually.	3		Consider passing legislation barring unrestrained planning and development instead a scientific approach with tech advancements and control. share great democratic values preserve heat and emissions.
10	Getting effective ordinances in place.	7	Getting buy-ins from existing owners. Getting commitment from developers.	I think something could be done here to make it more of a neighborhood. I.e. small stores, coffee shop - put business in areas where folks can meet and communicate. Maybe a house could be turned into a shop. Could a house be turned into a meeting place.
10	Croman area has potential for a variety of living spaces. Hopefully greenspace included. Solar rooftops, providing charging for EV's.		How to reduce the visual impact of cars (e.g. in driveways, on streets. I really like allec. access to garages leaving front of homes for walking, biking, etc. creates a buffer between structures.	when discussing "climate-friendly" it makes sense to maintain southern exposure whenever possible - also, beneficial in planting pollinating beds (flowery native plants)
10	Railroad yes. No not growing unless it gets retail with housing. bank has always been and remains a big obstacle.	7	These already exist. The two primary areas already have city master plans.	Include all areas on the existing RVTD bus route and the yet to be developed/redeveloped East Main St. Ashland St has large parking areas that should see # of spaces reduced or consolidated.
10	Railroad property should be given top priority whereas the Croman Mill property is suburban sprawl with limited services. Such services will be extremely burdensome on City budgets whereas services to the Railroad property about the property from four sides. The Railroad property is within a 5 minute walk to all essential services, primary parks and schools whereas the Croman property requires significantly more miles to travel to the City's center putting a burden on City roads and constrained parking. I would consider Railroad property #1 priority, the Transit Triangle area #2, Downtown #3 and the Croman property #4.	10	Both are logical, but again, I feel both should be considered primary before the Croman Mill property.	No. Thank you

7	North CFA is already developed=traffic and high density living? affordability? South CFA looks like a nice opportunity to start from scratch.	5	Would both of these areas get better traffic flow? How is the south area going to feel green when it is a commercial corridor? 3-4 story buildings? How will these planned developments effect our water shortages in the summer?	Will more housing units/offices mean a strain our water supply?
0	Both selected priority one areas encompass large area parcels owned by single organizations that have had decades to participate in any sort of redevelopment or revitalization or basic DEQ compliance. This will assure the climate friendly initiatives are not undertaken. The solar ordinance prevents the N side of Hersey that is more vacant from development to the current standards let alone taller more dense buildings, people and parking. The Croman site requires huge amounts of infrastructure to ever develop. The Railroad is a disinterested party and has been all talk for years.	10	These areas actually have potential to redevelop and have property owners that are more interested than Croman or CORP.	The area of Hersey to RR is not a bad area, if included in the Ashland Street Option 2 area. Downtown should just have the height limit modified and it largely meets the CFA objectives. Croman Master plan can be massaged to meet CFA. Area of Washington/Jefferson and areas North Ashland in UGB outside city should be future areas. It might encourage annexation which provides a huge financial incentive to the city with the additional tax lots. The area across 15 zoned commercial should be included. Federal regulations limit heights but area is large and accessible to transit.
0	You are wasting money again.		Quit wasting time and money on this nonsense	Things will work out naturally. This "climate" stuff is nonsense.
10	I would love to see a Southside plaza and sensitivity to establish tended paths where people actually walk. We need more established right of ways that cross the tracks.	5	I live and walk in this area already. Make it more livable and walker friendly? I am all for that. Again, more right-of-ways with tended paths to cross the tracks would be great. Walking over the overpass is like walking on the freeway. Unfriendly. Slower traffic would be good or a tended path under the overpass.	

8	Transit connection from C1 to the rest of town. It is located in an area that still encourages/requires driving to other parts of Ashland.	10	I formerly lived in the south area and it is already walkable/bikeable from residences to essential businesses like food stores and restaurants.
10	CM is extremely close to I5	7	Already a mix of housing and business
8	All income Housing opportunities, grocery and other services, in a walkable neighborhood is the biggest challenge.	8	Organizing public transit with shorter routes that intersect each other would make journeys from home to grocery, dining, healthcare, work simple and timely.
0	The Croman Mill (CM) site is the only remaining large industrial track in the city. If the CM site is designated as a CFA, the city will foreclose the potential to site a large employer within the city absent designating other lands, outside the current UGB, as industrial. Such a choice would likely mean designating the Billings Ranch as industrial. That would be an unfortunate outcome. The city should identify, as a part of the CFA designation process, where the replacement industrial land will be located. Goal 9, Economy, shouldn't be ignored. The Transit Triangle should be a primary CFA but expanded to include lands owned and controlled by SOU. SOU, as a public agency, has the potential to leverage its ownership as a part of a private/public partnership to 1) add substantial workforce housing 2) stimulate new development in an area that already has significant employment and 3) create a vital University District at the intersection of the two most important streets in Ashland.	0	See previous page regarding the Transit Triangle. The Downtown CFA is too small and should be expanded to include all land along Pioneer between Lithia and A Street and extend along A Street to 5th. There is ample opportunity to redevelop lands in this area to add needed residential density to the city's most vital commercial district. The temptation of exploit the "green fields" of Croman Mill site shouldn't undermine future investment and redevelopment in the Downtown.
0		0	Sorry, to be so contrary. But your initial proposal reflects "the path of least resistance." Instead, the CFA process should be focused on strengthening existing developed areas to make them more vital. You should switch the "priority CFA's" with the "secondary CFA's, and the area bound by Hersey and the railroad tracks should be dropped. It is too isolated from the rest of the city to function in the manner intended for a CFA. A traditional gridded street network is essential to promote walking and biking. The railroad tracks preclude that.
5	Downtown is already pretty pedestrian and biking friendly. I think the secondary areas should be prioritized. We also need small independent businesses in order to make the areas appealing to people	9	Existing infrastructure

5	the City has other pressing issues, the college is financial disaster, OSF on the verge of collapse, reduced inflow of tourism, downtown businesses collapse, limits and safety concerns for our electric grid, 50 ft buildings sound terrible, changes the fabric of our beautiful town. Need analysis of the unintended consequences	0	more negative on the secondary choices	I believe in doing what's right, but I also feel that some green policies are being pushed so hard and fast that they are not taking into consideration the potential negative consequences and the potential to not be financially sustainable. This last part risks exits from many of the people that support Ashland
7	Living near one of these areas, I see many unhouseed people. Will creating these designated areas cause them to become even more of a magnet for this population? I know this is a separate issue, but it is related.	8	They are not as accessible as the other choices; but may help to develop those areas as a result of this development.	As always in Ashland, traffic is a concern. The area on Clear Creek, off Oak and Hersey Sts., is of particular concern. I know the intention is to minimize the impact of driving, but it will still be impacted.
6	Croman mill site challenges are traffic onto smaller neighborhood street & being further away from downtown Ashland. I think the Hersey area makes more sense as you can walk to downtown. I reject completely allowing buildings taller than 2 story.	6	Downtown ashland option seems to me obvious but do we have space to add in more housing without building taller buildings? And Ashland Street corridor has potential to be climate friendly area and already has businesses to support a cohesive plan.	No. In order of what makes sense to me would be 1) Hersey corridor 2) Ashland Street corridor 3) downtown Ashland 4) Croman Mill Site. Croman Mill feels the most disjointed from the rest of the community & I feel would cause more traffic issues as people roam from that location into the rest of the established parts of town.
0	Turning the current R-1 neighborhoods into R-2 neighborhoods targets (relatively) moderate income housing, making those neighborhood a target for wealthy investors and landlords rather than neighborhoods in which people can afford to own their own homes. The wealthiest neighborhoods in Ashland would still remain R-1.	0		
10	The railroad district site seems well placed to capitalize on ties to existing downtown facilities and the bike path. Makes sense 100%. I feel like the Croman site might be far removed from the city core and will need more facilities on-site to be attractive.	5	I am not familiar with what opportunities there are for growth or redevelopment in this area.	
8		2		
10	I can't see larger grocery markets with competitive pricing wanting to build there. Not enough people to support it.	10	Same as the first	No
10		10		

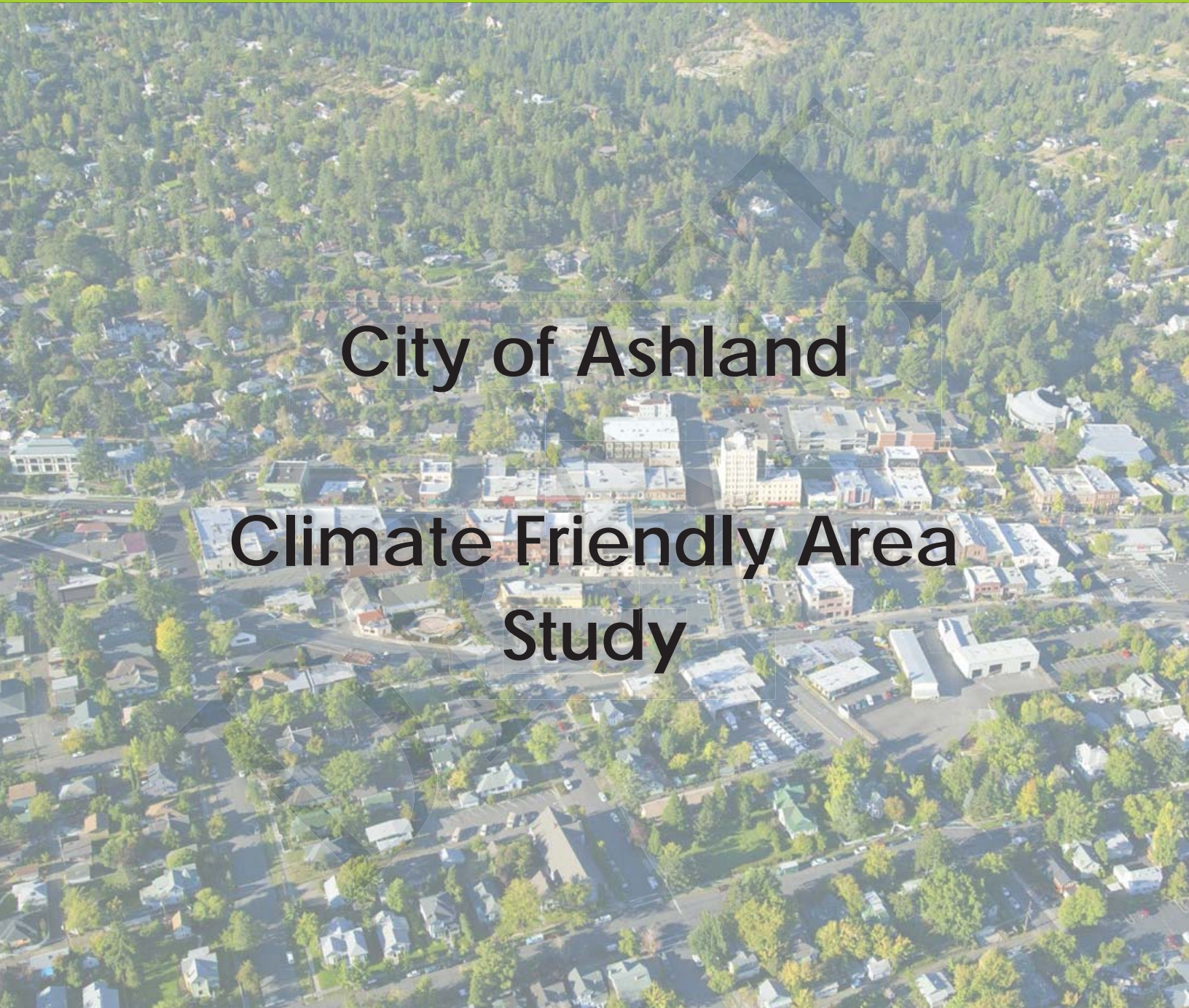
5	Crosman Mill is far from stuff. A lot has to be built from scratch. More housing there would be good.	10	Need to maximize high efficiency and higher density housing in this main corridor. Then, improve bike lanes.	Maybe area on E main by AHS and Mountain Ave
6	I strongly support the general concept, but it's not spelled out here what kind of development us to take place in each area.			
8	The railroad area one has less optimal access to public transport and the closest grocery is expensive and has a limited selection of shelf-stable products. Croman, being undeveloped basically, offers more flexibility for innovative development and laudable closeness to grocery and pharmacy services, among others. For example, Croman might be a perfect site to consider whether a city supported geothermal power base could precede actual building. Perhaps there are other sites where it would make sense to put in the geothermal infrastructure before any other construction occurs.	6	The problem with the one centered on Main St downtown is the fact that most of that area is already built up, with or without the housing features that are desired, and the newer housing is not exactly affordable. It is also not so near grocery options. The advantage of the one centered on Ashland Street is the broader availability of land without existing buildings and the existing presence of public transport that can get one to the shopping one needs.	I don't know enough about other areas.
5	With the number of jobs that increases the need for housing and there is very little space for homes.	5	Same as prior.	
8	Affordability continues to be a huge challenge. In order to serve Ashland residents, we need housing that is affordable for local worker/residents. This plan will not necessarily help.			
3	Congestion and traffic on Hersey. Speeding cars are prevalent on Hersey and more housing combined with speed issues seem to be a bad mix.	4	Congestion and traffic on Hersey.	What is the thought about the areas off of Water St South of the tracks?
8	Need a mix of price points.	7		
10	Tremendous opportunity to keep Ashland revitalized For the next generation in a resilient and intelligent concept			
7	effective walking and bicycling paths are needed to connect between the different Ashland areas			
10		10		
8		8		

5	<p>Encouraging less driving is great, as well as making it possible. However, people like choice, so if they want to, they will drive none the less, so not sure this is an integral solution. However, if the walks are attractive, well kept and safe, with just as attractive and safe bike paths along side, they may attract young and energetic positive people, and be meet the preference of many. The physically challenged will likely call an Uber(etc) to get to the market anyway. The plan would be especially effective in the Salem and Portland areas where getting to work requires much driving for most. Finding a solution to get the roving bands of drug addicts and mentally ill off the streets would be smart, prior to expecting people to be comfortable walking to destinations. I'm neutral here, as I do not see that the proposal offers conclusive solutions to the above issues. That is, it would be good to solve the climate problem, but maybe we need to keep the analysis going until a plan can be stated that makes sense.</p>			
---	--	--	--	--



Rogue Valley
Council of Governments

155 N First St
P.O. Box 3275
Central Point, OR 97502
(541) 664-6674
Fax (541) 664-7927



City of Ashland

Climate Friendly Area Study



Climate Friendly Area Project Staff

Brandon Goldman, Director of Community Development, City of Ashland

Derek Severson, Planning Manager, City of Ashland

James Schireman, Associate Land use Planner, RVCOG

Yazeed Alrashdi, Associate Transportation Planner, RVCOG

Anais Mathez, Project Manager, 3J Consulting

Scott Fregonese, Senior Project Manager, 3J Consulting

DRAFT



Disclaimer:

The following study analyzes CFA candidates within the City of Ashland and explores paths forward and potential scenarios should the city designate a Climate Friendly Area. By no means does this study alter the current zoning, land uses, or other development regulations governed by the City of Ashland.



Contents

- Chapter 1: Climate Friendly Area Regulations and Methodology Background..... 6
 - Introduction 6
 - Goals 8
 - Methodology..... 9
 - Community Engagement Plan..... 10
 - Locate and Size Candidate CFAs..... 11
 - Evaluate Existing Code 13
 - Identify Zoning Changes:..... 15
 - Calculate CFA Capacity 15
 - Equity Analysis..... 17
- Chapter 2: Candidate Climate Friendly Area Analysis..... 18
 - Locate and Size Candidate CFAs..... 19
 - Calculate Housing Units Needed..... 21
 - Zoning Analysis: 22
 - CFA Capacity Calculation 31
 - Conclusion 40
- Chapter 3: Anti-Displacement Mitigation Strategies..... 41
 - CFA Redevelopment Outcomes 41
 - Anti-Displacement Map Analysis..... 41
 - Affordable and Vulnerable* 41
 - Early Gentrification* 41
 - Active Gentrification* 41
 - Late Gentrification* 42
 - Becoming Exclusive* 42
 - Advanced Exclusive* 42
 - Unassigned* 42
 - Neighborhood Types Present Within the Proposed CFA..... 42
 - Suggested Strategies..... 44
 - Category A: Zoning and Code Changes* 44
 - Category B: Reduce regulatory Impediments*..... 44
 - Category C: Financial Incentives* 45



Category D: Financial Resources 45

Category E: Tax Exemption and Abatement..... 46

Category F: Land, Acquisition, Lease, and Partnerships..... 46

DRAFT

Chapter 1: Climate Friendly Area Regulations and Methodology

Background

Introduction

Rogue Valley Council of Governments, in collaboration with the City of Ashland and the project consultant 3J, is conducting a study of potential Climate Friendly Areas (CFA) in accordance with the Climate Friendly and Equitable Communities (CFEC) rulemaking (OAR 660-012-0310), which was initiated by the Land Conservation and Development Commission (LCDC) in response to Governor Brown's Executive Order 20-04 directing state agencies to take urgent action to meet Oregon's climate pollution reduction targets. The rules encourage climate-friendly development by facilitating areas where residents, workers, and visitors can meet most of their daily needs without having to drive. A CFA aims to contain a variety of housing, jobs, businesses, and services. A CFA also supports alternative modes of transit by being in close proximity to high-quality pedestrian, bicycle, and transit infrastructure.

Phase 1 of this project is the CFA study identifies candidate CFAs and analyzes what zones are most aligned to the CFEC rules, and what adjustments to them would be required.

Phase 2 will encompass the adoption of any necessary changes and the incorporation of a climate-friendly comprehensive plan element. Cities may use CFA areas from the study or any other qualifying area.

Climate Friendly and Equitable Communities Rulemaking

The Climate-Friendly and Equitable Communities rulemaking is part of Oregon's longstanding effort to reduce pollution from the transportation system, especially greenhouse gases that are causing a change in climate and associated weather-related disruptions, including drought, wildfires, and warming temperatures with greater variation overall.

The rules encourage climate-friendly development in Climate-Friendly Areas (CFAs). Other provisions of the rulemaking call for new buildings to support the growing electric vehicle transformation, reduce one-size-fits-all parking mandates, and increase local planning requirements to address critical gaps in our walking, biking, and transit networks. The rules ask communities to identify transportation projects needed to meet our climate goals.

Climate Friendly Areas Overview

A CFA is an area where residents, workers, and visitors can meet most of their daily needs without having to drive. They are urban mixed-use areas that contain, or are planned to contain, a greater mix and supply of housing, jobs, businesses, and services. These areas are served, or planned to be served, by high quality pedestrian, bicycle, and transit infrastructure to provide frequent, comfortable, and convenient connections to key destinations within the city and region. CFAs typically do not require large parking lots and are provided with abundant tree canopy.

A key component of Oregon's plan to meet our climate pollution reduction and equity goals is facilitating development of urban areas in which residents are less dependent on the single occupant vehicle. Before the automobile became common in American life, cities grew more efficiently, with a variety of uses in city centers and other areas that allowed for working, living, and shopping within a walkable or transit accessible area. Over the last 100 years, the automobile and planning practices have served to separate activities, creating greater inequities within cities and widespread dependence upon climate-polluting vehicles to meet daily needs. CFAs will help to reverse these negative trends, with some actions taking place in the short term, and others that will occur with development and redevelopment over time.

The rules require cities (and some urbanized county areas) with a population over 5,000, and that are located within Oregon's seven metropolitan areas outside of the Portland metropolitan area, to adopt regulations allowing walkable mixed-use development in defined areas within their urban growth boundaries. Associated requirements will ensure high quality pedestrian, bicycle, and transit infrastructure is available within these areas to provide convenient transportation options, and cities and counties will prioritize them for location of government offices and parks, open space, and similar amenities.

Implementation Timeline

The rules provide a two-phased process for local governments to first study potential CFAs, and then, in a second phase, to adopt development standards for the area, or areas, that are most promising.

Key CFA Study Dates:

- June 30, 2023 – CFA Study Funding Expires
- December 31, 2023 – CFA Studies Due
- December 31, 2024 – Adopt CFA land use standards and any map changes*

** Local governments may request an alternative date for the adoption of land use standards, as provided in OAR 660-012-0012(4)(c).*

Goals

The purpose of this study is to identify candidate CFA areas that meet the size and locational criteria required by OAR 660-012-0310(1). Relevant zoning codes will be reviewed, and suggestions will be made regarding any changes that are necessary to bring zoning codes into compliance with CFEC rules. It is the intention of the project management team that the candidate CFA selection prioritize community context reflecting the most feasible zoning code changes, little to no infrastructure investment, and alignment with citizen interests. The City of Ashland may move forward with the identified CFA area(s) into Phase 2, or they can use what they learned from the study to choose a new area or areas for adoption.

Methodology

The methodology was developed by the Department of Land Conservation and Development (DLCD) and was adapted to perform this CFA study. The Climate-Friendly Areas Methodology Guide goes over the steps to perform the CFA study. The study goes through each of the eight steps highlighted in the methodology guide, including locating and sizing CFA areas, evaluating existing code, identifying zoning changes, calculating CFA Capacity and equity analysis. While the technical analysis team was responsible for overseeing the steps reliant on GIS or analysis of the land use code, Step 1: Public Engagement Plan, was drafted and prepared by 3J Consulting.



The diagram above shows a workflow for conducting a CFA study. This is not the only order in which the Steps can be performed, but it is a recommended sequence for the purpose of clarity and efficiency.

To understand the context of the steps listed above, a summary of the rules, a CFA's purpose, and what requirements should exist or be adopted in CFA areas is necessary. According to DLCD, "a CFA is an area where residents, workers, and visitors can meet most of their daily needs without having to drive. They are urban mixed-use areas that contain, or are planned to contain, a greater mix and supply of housing, jobs, businesses, and services."

The following is a summary of the steps, rules, and regulations on the specifications of siting a CFA. The CFA designation process first requires a study of potential candidate areas, ultimately ending in an area(s) being designated as the City's Climate Friendly Area. This process, slated to conclude by December 2023, is known as phase 1. Phase 2: Adoption requires that cities implement the necessary changes to the land use code to make the zones within the proposed CFA compliant with state regulations, as provided in OAR 660-012-0310 through -0320.

Community Engagement Plan

This step is planned, drafted, and prepared by 3J Consulting, in coordination with city staff and the technical analysis team. While the Community Engagement deliverables are distinctly separate from the technical CFA Study, this study does take into account the community feedback from public meetings throughout the study phases.

Local governments must develop a community engagement plan for the designation of CFAs that includes a process to study potential CFA areas and to later adopt associated amendments to the comprehensive plan and zoning code following the provisions of OAR 660-012-0120 through -0130:

- Engagement and decision-making must be consistent with statewide planning goals and local plans
- Cities and counties must center the voices of underserved populations in all processes at all levels of decision-making, consider the effect on underserved populations, work to reduce historic and current inequities, and engage in additional outreach activities with underserved populations
- Cities and counties must identify federally recognized sovereign tribes whose ancestral lands include the planning area and engage with affected tribes

The community engagement plan must be consistent with the requirements for engagement-focused equity analysis in OAR 660-012-0135(3). Equity analysis is required for a variety of transportation planning actions under Division 12, including study and designation of CFAs. The purpose of an equity analysis is to identify potentially inequitable consequences or burdens of proposed projects and policies on impacted communities in order to improve outcomes for underserved populations.

The equity analysis must include robust public engagement, including a good-faith effort to:

- Engage with members of underserved populations to develop key outcomes, including reporting back information learned from the analysis and unresolved issues
- Gather qualitative and quantitative information from the community—including lived experience—on potential benefits and burdens on underserved populations
- Recognize where and how intersectional discrimination compounds disadvantages
- Analyze proposed changes for impacts on and alignment with desired key community outcomes and performance measures under OAR 660-012-0905
- Adopt strategies to create greater equity and minimize negative consequences
- Report back and share the information learned from the analysis and unresolved issues with people engaged

Locate and Size Candidate CFAs

Every potential CFA must follow the Climate Friendly and Equitable Communities (CFEC) rulemaking (OAR 660-012-0310) requirements in order to be properly located and sized. The rules regarding location for potential CFAs are universal for all cities.

The CFEC rules of OAR 660-012-0310 that must be followed in the CFA location process are:

- CFA locations must be able to support development consistent with the land use requirements of OAR 660-012-0320.
- CFAs must be located in existing or planned urban centers (including downtowns, neighborhood centers, transit-served corridors, or similar districts).
- CFAs must be served by (or planned to be served by) high quality pedestrian, bicycle, and transit services.
- CFAs may not be located in areas where development is prohibited.
- CFAs may be located outside city limits but within a UGB following OAR 660-012-0310 (e).
- CFAs must have a minimum width of 750 feet, including internal rights of way that may be unzoned.

While the allowed land uses and denser environment will largely influence the choice of a CFA, development feasibility is another important criterion to consider. The area chosen to be CFA should not have infrastructure problems or limitations that could prevent the development of Climate Friendly Areas. The infrastructure capacity of a candidate CFA will be discussed with city staff to determine if it is a sufficient choice or to move forward with another candidate area.

City population is the primary determinant regarding CFA size requirements. There are two categories for sizing a CFA: cities over 5,000 and cities over 10,000 in population. Ashland's population falls under the second option for cities with populations greater than 10,000. Cities with a population greater than 10,000 must designate a minimum of one CFA that accommodates 30% of their current and projected housing, the overall area being at least 25 acres in size. In addition, all CFAs must have a minimum width of 750 feet.

In discussing CFA requirements with city staff, the technical analysis team opted to utilize the prescriptive standards as written by DLCDC. The following table 1 shows the prescriptive standards requirements that must be incorporated in the development code, in accordance with the City's population.

Table 1. Prescriptive Standards

Population	Minimum Residential Density	Max Building Height
5,001-24,999	15 dwelling units/net acre	No less than 50 ft
25,000-49,999	20 dwelling units/net acre	No less than 60 ft
50,000 or more	25 dwelling units/net acre	No less than 85 ft

Because the city of Ashland falls under the 5,001 – 24,999 category, phase 2 will require adoption of rules for a minimum residential density of 15 dwelling units/net acre and a maximum building height of no less than 50 ft in height.

Evaluate Existing Code

The land use requirements established in OAR 660-012-0320, as shown below, are pivotal in determining how much a base zone already aligns with CFA requirements.

Land Use Requirement for CFAs:

- Development regulations for a CFA shall allow single-use and mixed-use development within individual buildings or on development sites, including the following **outright permitted uses**:
 - Multifamily Residential
 - Attached Single-Family Residential
 - Other Building Types that comply with minimum density requirements
 - Office-type uses
 - Non-auto dependent retail, services, and other commercial uses
 - Child Care, schools, and other public uses

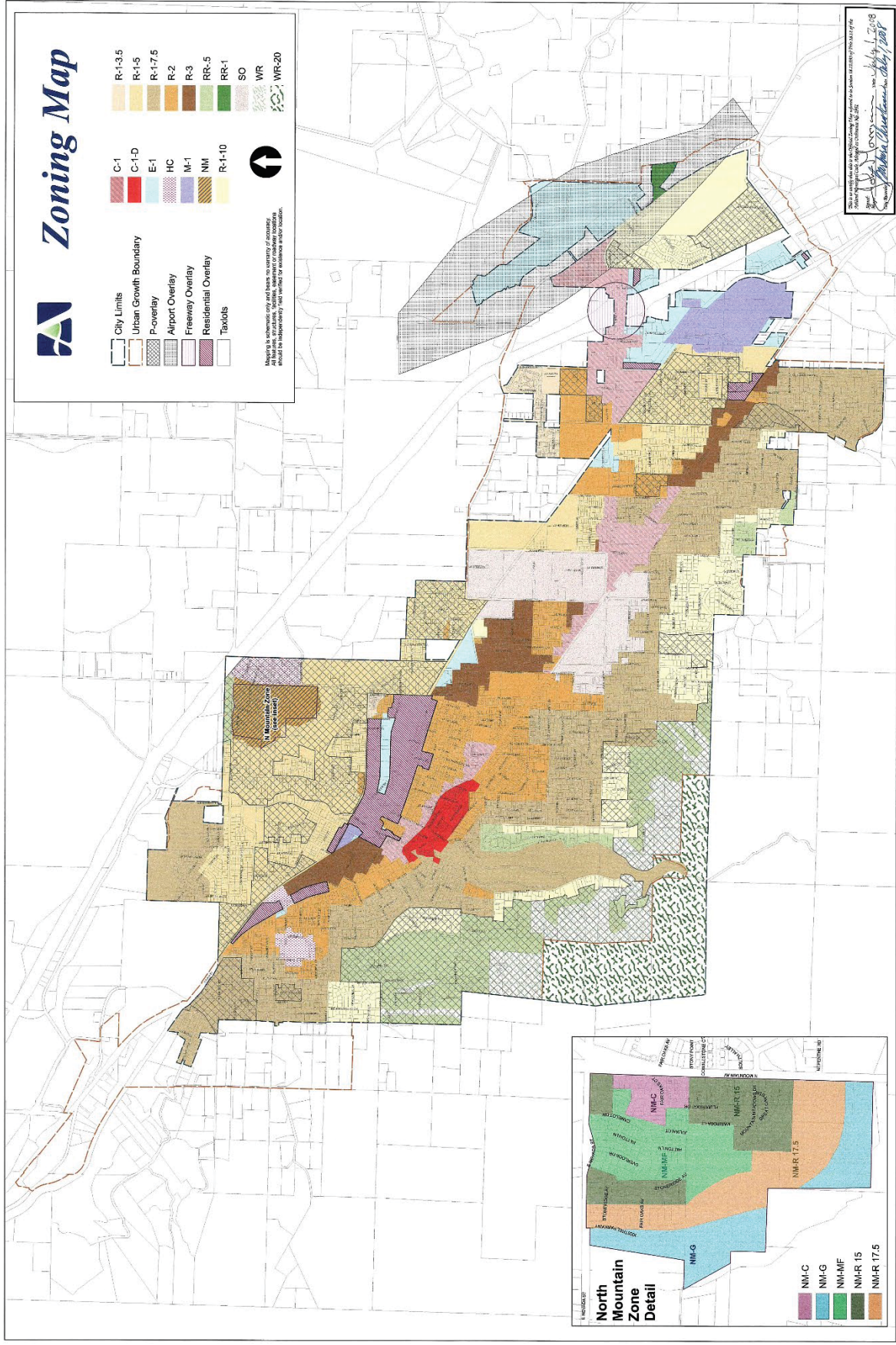
- Maximum density limitations must be prohibited

- Maximum block length standards must apply depending on acreage of site
- Local governments shall establish maximum block length standards as follows:
 - Development sites < 5.5 acres: maximum block length = 500 feet or less
 - Development sites > 5.5 acres: maximum block length = 350 feet or less

- Local governments shall prioritize locating government facilities that provide direct service to the public within climate-friendly areas and shall prioritize locating parks, open space, plazas, and similar public amenities in or near climate-friendly areas that do not contain sufficient parks, open space, plazas, or similar public amenities.
- Streetscape requirements in CFAs shall include street trees and other landscaping, where feasible.
- Local governments shall adopt policies and regulations in CFAs that implement the following:
 - Transportation review process in OAR 660-012-0325
 - Land use requirements in OAR 660-012-0330
 - Parking requirements in OAR 660-012-0435
 - Bicycle parking requirements in OAR 660-012-0630
- Local governments may choose to **either** adopt density minimums and height maximums (Option A – Prescriptive Standards) **or** adopt alternative development regulations to meet performance standards (Option B – Outcome-Oriented Standards)

The following map 1 is the city's zoning map, and helps convey where zones are located throughout the city of Ashland.

Map 1. City of Ashland Zoning Map



Identify Zoning Changes

Zoning in CFAs may need to change if the existing zoning does not meet the land use requirements in OAR 660-012-0320. During phase 1 of the study, cities do not need to adopt the land use requirements, but evaluation of necessary land use reforms may influence a base zone’s viability of being a potential CFA candidate. Essentially, an existing zone that meets a large proportion of the CFA criteria will likely feature the characteristics that define climate friendly areas, while zones that require intense reform may not incentivize development due to lack of compatible land uses or alternative transit infrastructure.

During the adoption phase, slated to occur in 2024, local governments will have to make and adopt all necessary zoning changes and will need to provide DLCDC with documentation that all adopted and applicable land use requirements for CFAs are consistent with OAR 660-012-0320.

Calculate CFA Capacity

The proposed CFA(s) must meet the residential housing capacity threshold expressed in OAR 660-012-0315(1). The target threshold to meet is at least 30% of current and projected housing needs citywide. The total number of units necessary to meet all current and projected housing needs is derived from the most recent adopted and acknowledged housing capacity analysis (HCA; also known as a housing needs analysis or HNA) as follows:

$$\begin{aligned} & \textit{Total number of units needed citywide} \\ & \quad = \\ & \quad \textit{current number of existing units} \\ & \quad + \\ & \quad \textit{projected number of units to meet future needs} \end{aligned}$$

After calculating the Total Units Needed, the technical analysis team proceeded to calculate the potential housing unit capacity of the proposed CFA site. The following page goes over the equation that will be used to calculate the Housing Unit Capacity.

Calculate Housing Unit Capacity

The following method was adapted from DLCD's Climate-Friendly Areas methodology guide. The calculation follows the prescriptive path requirements as described in the methodology guide. Total Housing Unit Capacity in the CFA is estimated using the following variables:

1. The Net Developable Area in sq. ft. (a)
2. The maximum number of building floors (f)
3. The assumed percentage of residential use (r)
4. The average size of a housing unit in sq. ft. (s)

Using these, the housing unit capacity (U) in any part of a CFA can be given by a simple formula:

$$\text{Housing Unit Capacity (U)} = \frac{(\text{Net Developable Area} * \text{Maximum floors} * \text{Resident use percentage})}{\text{Average Housing Unit}}$$

Note: In the above formula, the results are rounded up to the nearest integer.

The values to use for Assumed Percentage of Residential Use (r) and Average Size of a Housing Unit (s) are given in the rules. Net Developable Area and Maximum Building Floor factors in the above calculation require some additional sub-calculations. Each uniquely zoned area of the CFA will have its own calculations of these factors and the above housing unit formula. Then they are summed for the CFA to give the total Housing Unit Capacity.

Equity Analysis

Local governments must determine if rezoning the potential CFA would be likely to displace residents who are members of state and federal protected classes and identify actions to mitigate or avoid potential displacement.

The CFA Study must include plans for achieving fair and equitable housing outcomes within CFAs following the provisions in OAR 660-008-0050(4)(a)-(f). CFA studies must include a description of how cities will address each of the following factors:

- **Location of Housing:** How the city is striving to meet statewide greenhouse gas emission reduction goals by creating compact, mixed-use neighborhoods available to members of state and federal protected classes.
- **Fair Housing:** How the city is affirmatively furthering fair housing for all state and federal protected classes.
- **Housing Choice:** How the city is facilitating access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes.
- **Housing Options for residents Experiencing Homelessness:** How the city is advocating for and enabling the provision of housing options for residents experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing and other housing options for residents experiencing homelessness.
- **Affordable Homeownership and affordable Rental Housing:** How the city is supporting and creating opportunities to encourage the production of affordable rental housing and the opportunity for wealth creation via homeownership, primarily for state and federal protected classes that have been disproportionately impacted by past housing policies.
- **Gentrification, Displacement, AND Housing Stability:** How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.

Please note, the equity analysis was performed with the guidance of DLCD's [Anti-Displacement and Gentrification Toolkit](#). The Toolkit provides an in-depth resource for local government to address racial and ethnic equity in housing production, including a list of strategies to mitigate the impacts of gentrification and displacement. The toolkit helps and guides local governments to establishing a framework for creating housing production strategies with a particular focus on the unintended consequences of those strategies.

Chapter 2: Candidate Climate Friendly Area Analysis

This section reviews the analysis components that were performed to derive the results of the study. The technical analysis team began with initial candidate location suggestions from City Staff, then calculated the housing capacity of the proposed CFAs boundary, and readjusting the CFAs size as needed to accommodate the housing unit capacity.

The zoning analysis focuses on the land use requirements in OAR 660-012-0320 and compares them with the city codes to find suitable zones that are fully or partially compliant with the CFA land use requirements. The zoning analysis informs the team of the land use compatibility of the proposed CFAs. Zoning analysis and identifying zoning changes go hand-in-hand. If existing development standards do not meet CFA requirements, then identify the necessary changes to the specific zones and how to bring them into compliance with the land use requirements or OAR 660-012-0320.

The GIS analysis helps determine the status of transportation infrastructure that is within or around the proposed CFA and whether the proposed area satisfies the transportation connectivity aspect of the regulations. A CFA site must be served by, or planned to be served by, high quality pedestrian, bicycle, and transit services according to OAR 660-012-0310.

Capacity analysis determines whether the potential CFA, or a combination of CFAs, can accommodate 30% of citywide current and projected housing need. If identified CFA candidate area(s) are not sufficient to accommodate at least 30% of housing need, resizing the proposed CFA area or identifying additional candidate CFA areas must be performed.

Equity analysis must determine if rezoning the potential CFA would be likely to displace residents who are members of state and federal protected classes and identify actions to mitigate or avoid potential displacement. Chapter 2 of this study includes plans for achieving fair and equitable housing outcomes within CFAs following the provisions in OAR 660-008-0050.

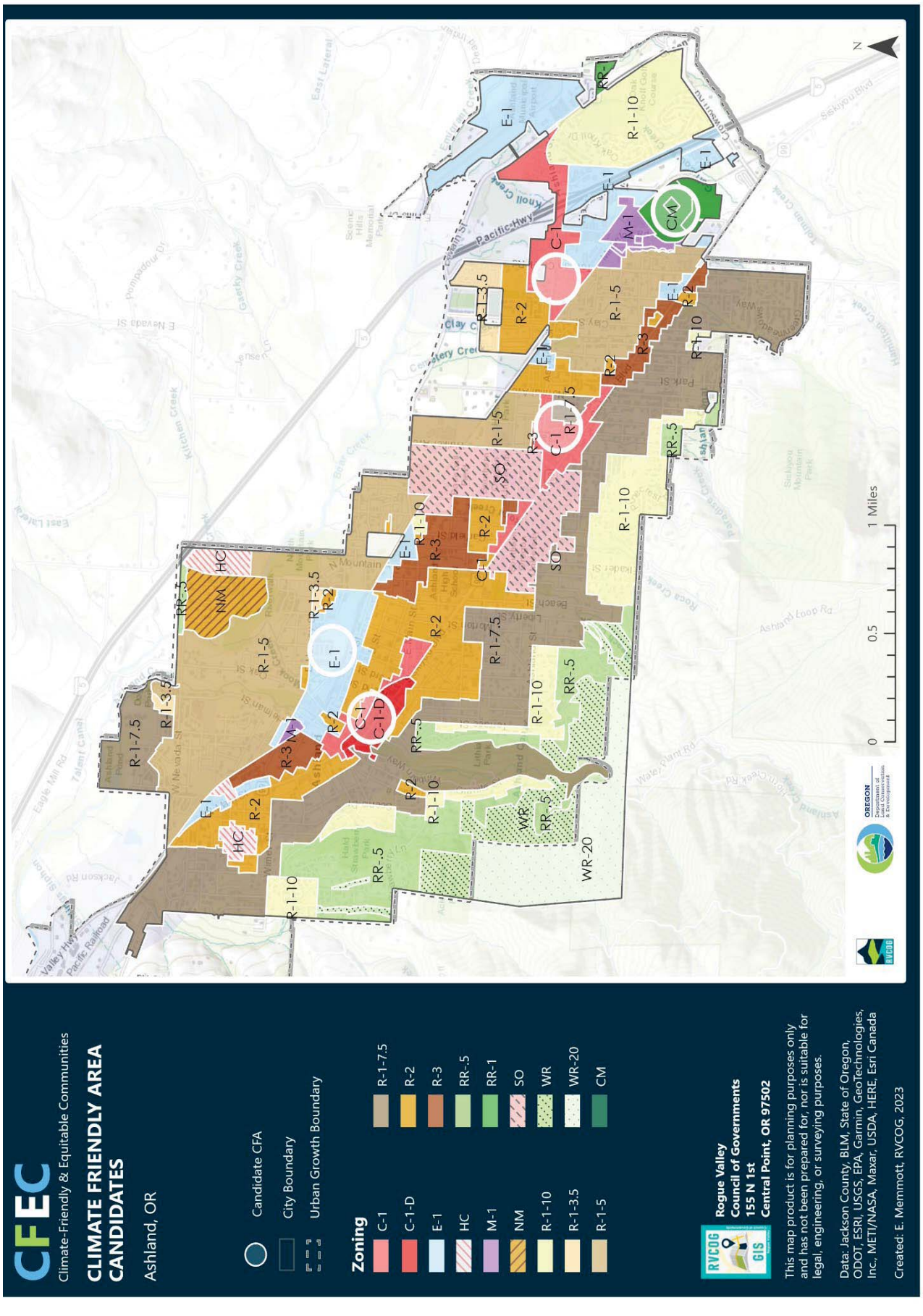
Overall, the analysis steps are intertwined with each other. Locating a CFA candidate, calculating Housing Needs, Zoning analysis, GIS analysis, Capacity analysis are the steps to designate the appropriate CFA area within the city.

Locate and Size Candidate CFAs

City Guidance

City staff have highlighted several priority CFA candidates, shown in Map 2 below. Staff selected these areas not only for their designated zoning's alignment to the CFA requirements, but also factored in development potential. The Croman Mill and Railroad Property sites are largely undeveloped and present strong cases for rapid CFA-related changes. The Transit Triangle is one of the priority CFA options within the city and has the potential to be improved within the existing uses and made more compatible with CFA requirements and it could develop into a town center. Conversely, the Downtown area is largely built out, indicating a barrier to potential redevelopment. However, the current built environment is similar to what is expected of CFAs and could be adapted to CFA guidelines with little trouble and may serve as useful tracts for CFA expansion in the future.

Map 2. CFA Candidates



Calculate Housing Units Needed

As outlined in the methodology guide, the proposed CFA(s) must meet the residential housing capacity threshold expressed in OAR 660-012-0315(1). The threshold to meet is that the cumulative capacity of the CFA(s) is at least 30% of current and projected housing needs citywide. And this is derived by the following formula:

$$\begin{aligned} & \textit{Total number of units needed citywide} \\ & = \\ & \textit{current number of existing units} \\ & + \\ & \textit{projected number of units to meet future needs} \end{aligned}$$

The most recent Housing Capacity Analysis for the City of Ashland was published in May of 2021 and projects housing needs and trends out to 2041. This analysis estimates there are currently 10,705 dwellings in the city, with a projected need of 858 units more by 2041.

$$10,705 + 858 = 11,563 \textit{ projected housing units needed by 2041}$$

Based on these estimates, the city of Ashland will need to locate and size CFA(s) that encapsulate 30% of 11,563 dwellings, or **3,469** units.

Zoning Analysis

Zoning Code Review

Existing zoning codes were compared to the CFA requirements to identify those zones that are most closely aligned with CFEC rules. Shown in Table 2 below, zones were scored for each criterion with 2 points for full compliance, 1 point for conditional or mixed compliance. Zones also earned 1 additional point for having 40-foot building height maximums, while zones that have 30-foot maximums earned no additional points. Green cells are those in compliance. Yellow cells are those that have partial or conditional compliance or are closer to the 50-foot building height maximum, and overall are closer to compliance than other options.

Any zone can be adjusted to be made CFEC-compliant, so CFAs are possible anywhere in the city, but those zones that would take more legislative changes and create more dramatic changes to the built environment relative to what is currently in the area are not prioritized.

The Croman Mill site was master planned in 2008 and this document includes several subzones that are analyzed in Table 3. Much of the area is currently planned for non-residential uses, but City staff have informed the RVCOG team that there is currently work being done to correct this. While each subzone was scored individually, for the purpose of analyzing prospective zoning changes the entire site has been attributed the attributes and scores of the Mixed-Use subzone. The Transit Triangle Overlay was also analyzed for its impact on relevant base zones and their CFA suitability.

Overall, the scoring matrix indicates the suitability of the zones regarding the land use requirements. However, the scores are only the first step of the analysis and the results they produce are only one factor among several that the study analyzes. Therefore, a high scoring zone alone does not determine a CFA candidate area. The location of the zones and surrounding transportation infrastructure must be factored in the 2nd step of the study.

Table 2. Zoning Code Analysis

	Scoring Matrix Y = 2 C/M = 1 N = 0 40 ft = 1 35 ft = 0		Residential							Commercial				Industrial
	Y - Yes, Permitted Outright C - Conditional M - Mixed N - Not Permitted N/A - Not Applicable		Single Family	Suburban	Low Density MF	High Density MF	Rural	Woodland	Commercial	Downtown	Employment	Industrial		
Single Use		R-1	R-1-3.5	R-2	R-3	RR	WR	C-1	C-1-D	E-1	M-1			
Mixed Use		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			
Multi-Family		N	N	N	N	N	N	Y	Y	Y	N			
Single-Family Attached		N	Y	Y	Y	N	N	C	C	C	N			
Office		C	C	C	C	C	C	C	C	C	N			
Non-Auto Retail/Services/Commercial		N	N	C	N	N	N	Y	Y	Y	Y			
Childcare		N	N	C	C	C	C	Y	Y	Y	C			
Schools		C	C	C	C	C	C	Y	Y	Y	Y			
Other Public Uses		N	N	N	N	N	N	N	N	N	N			
Government Facilities		N	N	N	N	N	N	M	M	Y	Y			
Parks, Open Space, and Other Similar		C	C	N	N	C	C	Y	Y	Y	Y			
Maximum Block Length		Y	Y	Y	Y	Y	Y	N	N	N	N			
Density Minimum (15 Dwelling Units/Acre)		N	N	N	Y	N	N	N	N	N	N			
Density Maximums Prohibited		N	N	N	N	N	N	N	N	N	N			
Maximum Building Height (>= 50ft)		N	N	N	C	N	N	C	C	C	N			
Maximum Building Height		35	35	35	35	35	35	40	40	40	40			
Score		10	12	13	15	10	10	20	20	19	14			

Table 3. Croman Mill Zoning Analysis

Y - Yes, Permitted Outright C - Conditional M - Mixed N - Not Permitted N/A - Not Applicable	Scoring Matrix Y = 2 C/M = 1 N = 0 40 ft = 1 35 ft = 0	Neighborhood Center	Mixed Use	Office/ Employment	Compatible Industrial	Open Space
		NC	MU	OE	CI	OS
Single Use		Y	Y	N	N	N
Mixed Use		Y	Y	N	N	N
Multi-Family		Y	Y	N	N	N
Single -Family Attached		Y	Y	N	N	N
Office		N	Y	Y	Y	N
Non-Auto Retail/Services/Commercial		Y	M	M	M	N
Childcare		Y	Y	Y	Y	N
Schools		C	C	C	C	N
Other Public Uses		Y	Y	Y	Y	Y
Government Facilities		Y	C	C	C	Y
Parks, Open Space, and Other Similar		N	N	N	N	Y
Maximum Block Length		Y	Y	Y	Y	Y
Density Minimum (15 Dwelling Units/Acre)		N	N	N	N	N
Density Maximums Prohibited		N	N	N	N	N
Maximum Building Height (>= 50ft)		Y	Y	Y	Y	N
Maximum Building Height		50	50	75	75	N/A
Score		21	21	13	13	8

Observations:

- Single- and mixed -uses are permitted outright in all zones, but multi-family residential is only available in higher density residential zones
- Government facilities, parks, open space, plazas, and similar public amenities vary throughout, but are generally more available in the Commercial zones
- Maximum block length applies to all zones except C-1 and C-1-D
- Most zones permit a portion of the required outright permitted uses (multifamily and single family residential, office uses, non-auto dependent retail/services/commercial, childcare, schools, and other public uses), but no zones permit all of them outright
- The more greens and yellows, the more CFA-ready a zone is
- Croman Mill has the most qualifications for a CFA

Identify Zoning Changes

Zones were evaluated in more depth to determine the specific changes that are needed to bring them into compliance with CFEC rules. The purpose of the initial zoning code evaluation was to identify those zones that are the most CFA-ready, as a way to ensure that CFA-related changes occur where they will fit well within the existing built environment and simplify the City’s process of updating zoning codes.

CFA Compatible Zones

Croman Mill (CM)	
Single Use	Y
Mixed Use	Y
Multi-Family	Y
Single -Family Attached	Y
Office	Y
Non-Auto Retail/Services/Commercial	M
Childcare	Y
Schools	C
Other Public Uses	Y
Government Facilities	C
Parks, Open Space, and Other Similar	N
Maximum Block Length	Y
Density Minimum (15 Dwelling Units/Acre)	N
Density Maximums Prohibited	N
Maximum Building Height (>= 50ft)	Y
Maximum Building Height	50
Score	21

Croman Mill District

The CM District (MU) is close to CFA-compliance. It permits outright all residential uses and already meets the building height maximum requirement.

To be in line with CFA rules, the CM District must permit outright non-auto retail/service/commercial, schools, and civic uses. Parks and open space must be allowed, density minimums of 15 du/acre or more enforced, and density maximums prohibited.

Residential – High Density

Residential - High Density (R-3)	
Single Use	Y
Mixed Use	Y
Multi-Family	Y
Single -Family Attached	C
Office	C
Non-Auto Retail/Services/Commercial	N
Childcare	C
Schools	M
Other Public Uses	N
Government Facilities	N
Parks, Open Space, and Other Similar	Y
Maximum Block Length	Y
Density Minimum (15 Dwelling Units/Acre)	M
Density Maximums Prohibited	N
Maximum Building Height (>= 50ft)	C
Maximum Building Height	35
Score	16

The R-3 zone meets many of the CFA land use requirements, except for the 50 ft building height maximum and a portion of the permitted uses. To meet the CFEC requirements, the City of Ashland would have to adjust the currently permitted outright building height maximum from 30 ft (40 ft conditional) to 50 ft and change single-family attached, office uses, childcare, schools, and other public uses from conditional to permitted outright uses. Non-auto dependent retail/services/commercial and civic uses must be permitted, and density maximums must be prohibited.

Commercial – Central Business District

Commercial - Central Business District (C-1-D)	
Single Use	Y
Mixed Use	Y
Multi-Family	C
Single -Family Attached	C
Office	C
Non-Auto Retail/Services/Commercial	Y
Childcare	Y
Schools	N
Other Public Uses	M
Government Facilities	Y
Parks, Open Space, and Other Similar	N
Maximum Block Length	N
Density Minimum (15 Dwelling Units/Acre)	N
Density Maximums Prohibited	N
Maximum Building Height (>= 50ft)	C
Maximum Building Height	35
Score	15

The CBD is the city’s nexus for employment, services, and transportation. It is more suitable than most other zones because it has conditional building height maximums of 40 ft and permits mixed uses, government facilities, parks, open space, and other similar public amenities outright. Like R-3, the 40 ft building height maximum is a relatively small change to meet the 50 ft requirement. To meet the full CFA requirements, Ashland must mandate a minimum density of at least 15 dwelling units/acre, remove the density maximum, and permit outright, single-family attached dwelling units, office-type uses, non-auto dependent retail, childcare, schools, and building heights of 50 feet or more.

Commercial - Employment

Commercial - Employment (E-1)	
Single Use	Y
Mixed Use	Y
Multi-Family	C
Single -Family Attached	C
Office	C
Non-Auto Retail/Services/Commercial	C
Childcare	Y
Schools	M
Other Public Uses	Y
Government Facilities	Y
Parks, Open Space, and Other Similar	N
Maximum Block Length	Y
Density Minimum (15 Dwelling Units/Acre)	N
Density Maximums Prohibited	N
Maximum Building Height (>= 50ft)	C
Maximum Building Height	35
Score	18

The E-1 zone allows for a significant cross section of CFA requirements, but there are several uses like multi-family and single-family attached residential, office, certain types of retail, and schools that need to be permitted outright. Parks and open space also need to be allowed, density minimums enforced, and density maximums prohibited. Like other Ashland zones, building height maximums would also need to be raised. The E-1 zone is also enhanced within the Transit Triangle Overlay, which is discussed later in the document.

Other Residential Zones (R-1, R-1-3.5, R-2, RR, WR)

The lower-density residential zones share a lot in common with each other. They allow single- and mixed-uses and parks. They all partially or conditionally allow single-family attached, childcare, and schools. All except for R-2 do not currently allow office or non-auto retail/service/commercial uses. These lower-density residential zones do not have density minimums, nor do they prohibit density maximums, and their maximum building heights are only 35 ft.

Despite their low scores in our analysis, like all zones, these can be made compliant with CFEC rules with certain changes. All office, non-auto retail/service/commercial, childcare, schools, and civic uses would need to be permitted outright. Density minimums of 15 dwelling units per acres must be established and density maximums must be prohibited. Building height maximums would have to be raised to a minimum of 50 ft.

Other Commercial and Industrial Zones (C-1, M-1)

C-1 and M-1 zones both score very well in our analysis, but there are other factors that have left them as lower priorities. C-1 scored essentially the same as C-1-D and it would need the same changes to become CFA-ready. The C-1-D receives preference because it encompasses the part of the city with the highest density of jobs and built housing potential, but the adjacent C-1 areas would make good candidates to expand the CFA geographically if needed. C-1 also features prominently in the Transit Triangle Overlay, which is discussed in the next section.

The M-1 zone scored fairly well in our analysis, but it is not prioritized because industrial uses are not as easily relocated as other uses and the goal of the CFA project is to avoid creating undue burdens on the local economy. Additionally, industrial uses do not coexist with residential uses the same way that commercial uses do. That being said, if a portion of the M-1 zone is required to form the ideal CFA form, non-auto retail/services/commercial and schools will need to be permitted outright. Multi-family and single-family attached residential must be permitted along with parks and open space. Density minimums of 15 dwelling units or more must be created and building height maximums need to be raised to 50 ft. Density maximums would have to be prohibited, as well.

Table 4. Transit Triangle Zoning Analysis

	Scoring Matrix Y = 2 C/M = 1 N = 0 40 ft = 1 35 ft = 0	Transit Triangle			
		Base Zones			
		Commercial	Employment	Low Density Residential	High Density Residential
		C-1	E-1	R-2	R-3
Single Use		Y	Y	Y	Y
Mixed Use		Y	Y	Y	Y
Multi-Family		M	M	M	M
Single -Family Attached		C	C	C	C
Office		C	C	Y	Y
Non-Auto Retail/Services/Commercial		Y	C	C	N
Childcare		Y	Y	C	C
Schools		N	M	M	M
Other Public Uses		M	Y	N	N
Government Facilities		Y	Y	N	N
Parks, Open Space, and Other Similar		N	Y	Y	Y
Maximum Block Length		N	N	Y	Y
Density Minimum (15 Dwelling Units/Acre)		Y	Y	N	Y
Density Maximums Prohibited		N	N	N	N
Maximum Building Height (>= 50ft)		Y	Y	N	N
Maximum Building Height		50	50	40	40
	Score	18	21	15	16

Transit Triangle Overlay

The Transit Triangle Overlay (TTO) is intended to diversify the mix of housing and business types along major transit routes. Table 4 above shows that the overlay enhances the C-1 and E-1 zones within the TTO and significantly improves their scores in our analysis. However, for the TTO, multi-family residential uses are permitted only for rental and not for purchase. The main improvements to the C-1 and E-1 zones are the increased building height maximums, density minimums, and parks/open space. Within the TTO, the C-1 and E-1 zones have excellent scores and are some of the best candidate areas for CFA locations.

Map 3 on page 29 showcases the zones illustrates which best fit the CFA requirements. No zones are currently in compliance with CFEC rules, but Tables 2 and 3 show that the Croman Mill, Residential – High Density (RHD), and Commercial – Central Business District (CBD) zones stand out as being the closest. Small changes to permitted uses and the building height maximum would bring most into compliance.

Map 3. Zoning Analysis

LELAND



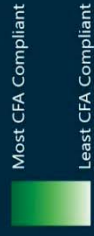
Climate-Friendly & Equitable Communities

CLIMATE FRIENDLY AREA CANDIDATES

Ashland, OR

- City Boundary
- Urban Growth Boundary
- Transit Triangle

Scale



Zoning

- CM
- C-1
- C-1-D
- E-1
- R-3
- M-1
- R-2
- R-1-3.5
- R-1-10
- R-1-5
- R-1-7.5
- RR-5
- RR-1
- HC
- NM
- SO
- WR
- WR-20

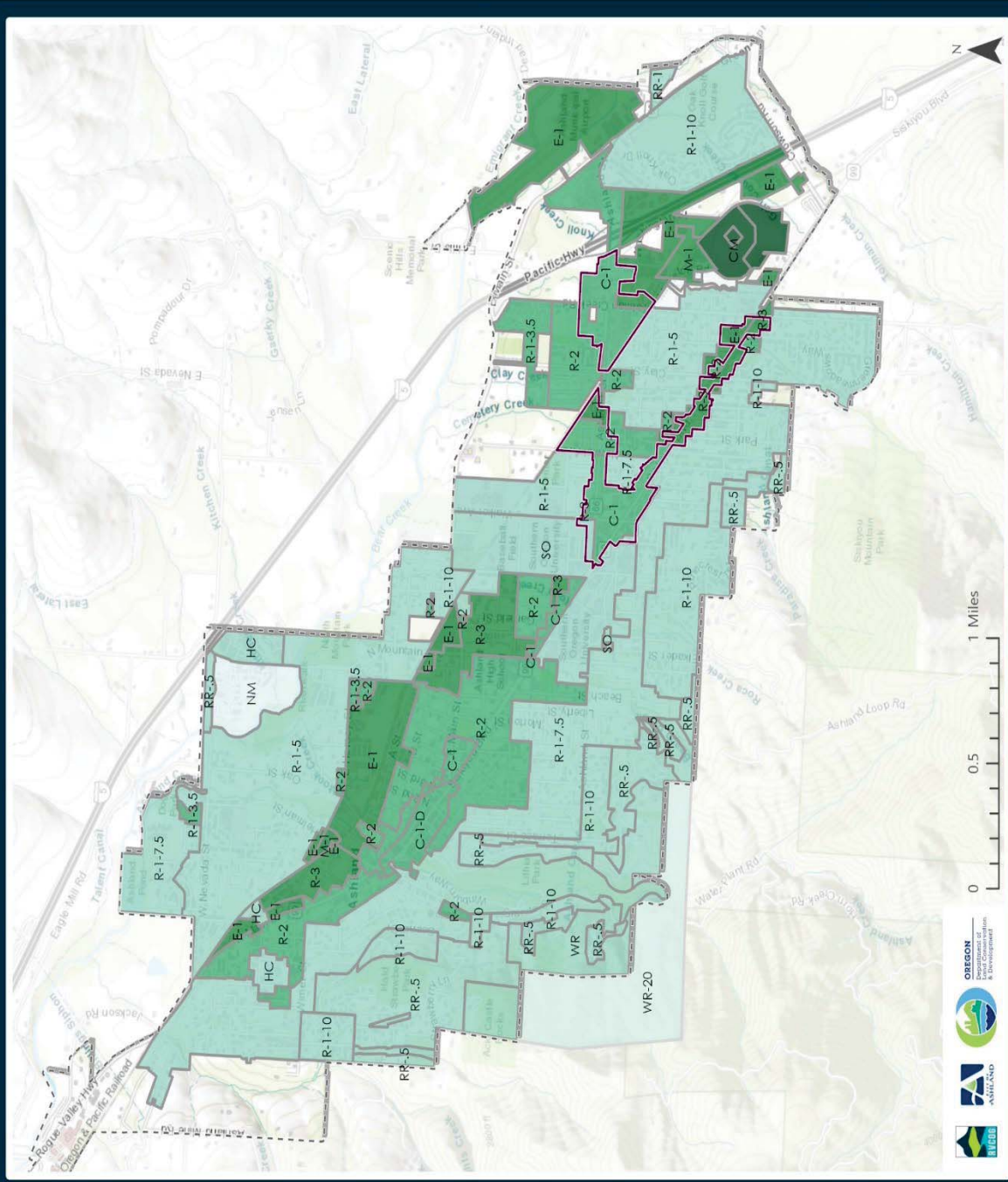


Rogue Valley Council of Governments
155 N 1st
Central Point, OR 97502

This map product is for planning purposes only and has not been prepared for, nor is suitable for legal, engineering, or surveying purposes.

Data: Jackson County, BLM, State of Oregon, ODOT, ESRI, USGS, EPA, Garmin, GeoTechnologies, Inc., METI/NASA, Maxar, USDA, HERE, Esri Canada

Created: E. Memmott, RVCOG, 2023



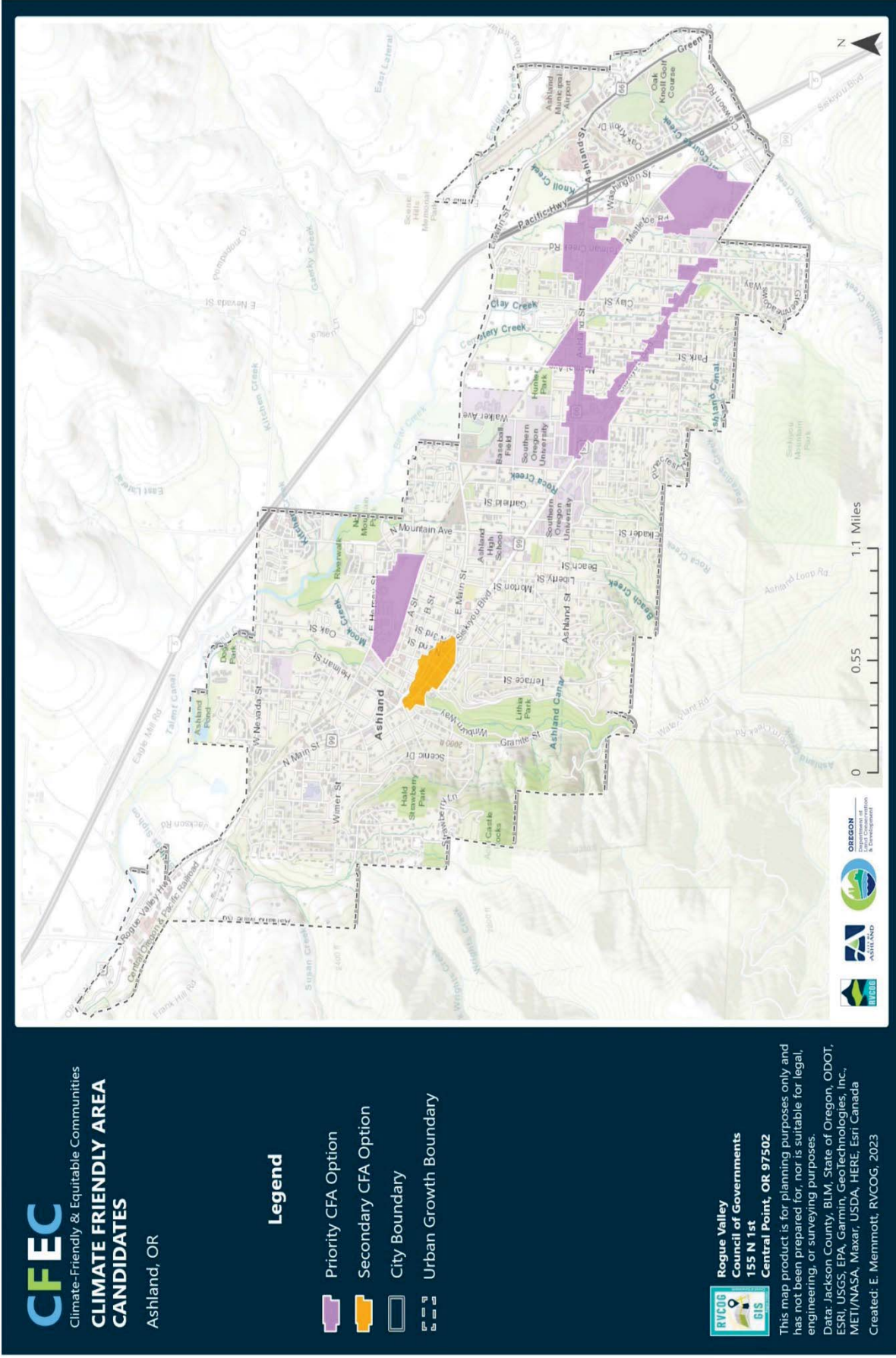
CFA Capacity Calculation

Candidate CFA locations have been identified and prioritized, and this step evaluates each area's housing capacity. If the proposed CFA's boundaries do not encompass 30% or more of current and future dwellings, there will be a need for boundaries to be adjusted or the creation one or more additional CFAs. Additional CFA candidates that have been identified will be considered first for CFA expansion if need be and the evaluation process will begin at Step 2 for these sites.

City Guidance

City staff have highlighted several priority CFA candidates, shown in Map 4 below. Staff selected these areas not only for their designated zoning's alignment to the CFA requirements, but also factored in development potential as an additional factor. The Croman Mill and Railroad Property sites are largely undeveloped and present strong cases for rapid CFA-related changes. The Transit Triangle is one of the priority CFA options within the city and do have the potential to be improved within the existing uses and make it more compatible as CFA requirement and it could look like a secondary downtown. Conversely, the Downtown area is largely built out, indicating a barrier to potential redevelopment. However, the current built environment is similar to what is expected of CFAs and could be adapted to CFA guidelines with little trouble and may serve as useful tracts for CFA expansion in the future.

Map 4. Priority CFA Candidates



CFEC
Climate-Friendly & Equitable Communities
**CLIMATE FRIENDLY AREA
CANDIDATES**

Ashland, OR

Legend

-  Priority CFA Option
-  Secondary CFA Option
-  City Boundary
-  Urban Growth Boundary



Rogue Valley
Council of Governments
155 N 1st
Central Point, OR 97502

This map product is for planning purposes only and has not been prepared for, nor is suitable for, legal, engineering, or surveying purposes.

Data: Jackson County, BLM, State of Oregon, ODOT, ESRI, USGS, EPA, Garmin, Geotechnologies, Inc., METI/ANASA, Maxar, USDA, HERE, Esri Canada

Created: E. Memmott, RVCOC, 2023

Croman Mill

The Croman Mill site is approximately 92 Acres in the southeastern corner of the city (Image 1). It is served by Siskiyou Blvd. at the south end and Mistletoe Rd. in the north. A master plan for the site was adopted in 2008, but development has yet to occur (Image 2). The plan calls for office and industrial uses for most of the site. Also, there is residential center and mixed-use zones allowed within the Croman Mill site.

The Croman Mill site is viewed as an excellent CFA location due to its redevelopment potential, large size, and proximity to quality transit service and bicycle and pedestrian infrastructure.

Railroad Property

The Railroad Property site is 57 Acres in the center of the city, just a few blocks north of downtown (Image 3). The site rests between the rail line and E Hersey St. The northern half of the site is developed with commercial, and employment uses, but the majority of the southern portion of the site is undeveloped.

The 2001 master plan for the site shows a pedestrian-focused mixed-use area intermingled with civic uses adjacent to the existing northern commercial area enhanced with new local streets connecting to E Hersey St (Image 4).

Image 1 - Croman Mill



Image 2 - Croman Mill Planned Zones

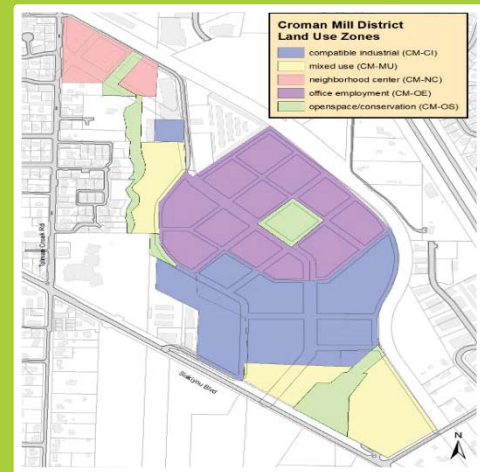
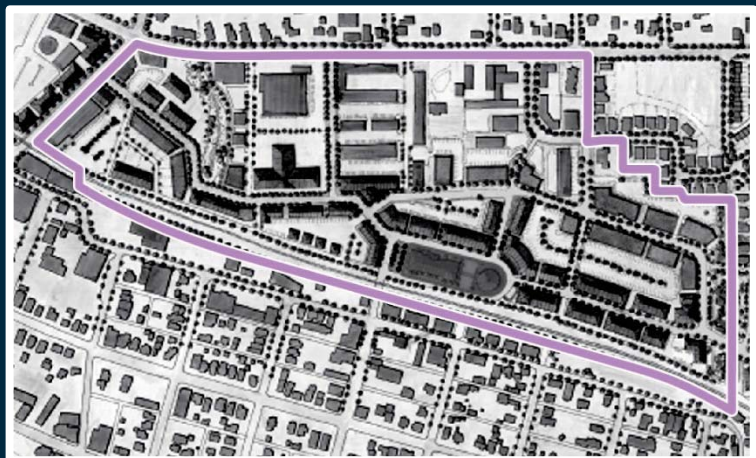


Image 3 - Railroad Property



Image 4 - Railroad Property Master Plan



Transit Triangle Overlay

The Transit Triangle is intended to facilitate a mix of housing types and businesses along major transit corridors on Siskiyou Blvd., Ashland St., and Tolman Creek Rd. The goal is to create an environment that is friendly to walking, biking, and using transit. The Transit Triangle, as written, is close to meeting CFA requirements and as a result it is considered one of the priority CFA options the city is looking into. The Transit Triangle has an area of 167 acres and that area could theoretically have a big housing capacity threshold.

Downtown

The downtown area closely resembles the vision of what a CFA can look like when it has reached maturity and there would be few adjustments needed to make it CFA-compliant. However, it is almost completely built out and there have been very few new construction projects in the area over the last 20 years.

However, the community has expressed interest in implementing CFA strategies significantly beyond what is minimally required, and the downtown area stands out as an obvious place to include in any expansion efforts.

Image 5 – Transit Triangle

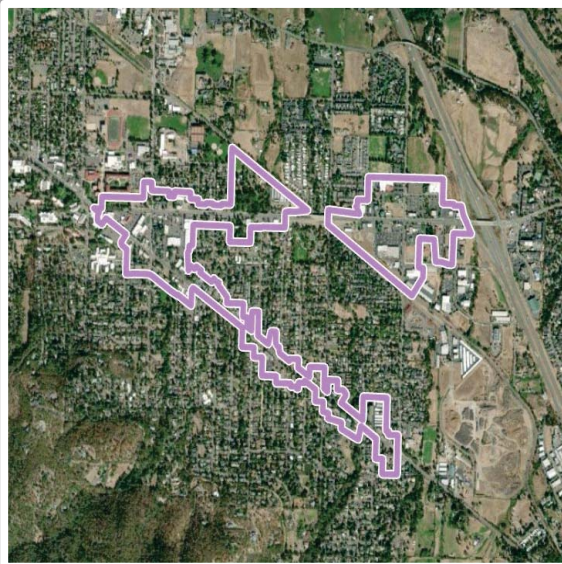


Image 6 – Downtown



Calculate Housing Unit Capacity

This method was adapted from the DLCD Climate-Friendly Areas Methods Guide. The calculation follows the prescriptive path described in the methods guide. Total Housing Unit Capacity in CFA is estimated using the following variables:

5. The Net Developable Area in sq. ft. (a)
6. The maximum number of building floors (f)
7. The assumed percentage of residential use (r)
8. The average size of a housing unit in sq. ft. (s)

Using these, the housing unit capacity (U) in any part of a CFA can be given by a simple formula:

$$\text{Housing Unit Capacity (U)} = \frac{(\text{Net Developable Area} * \text{Maximum floors} * \text{Resident use percentage})}{\text{Average Housing Unit}}$$

Note: In the above formula, the results are rounded to the nearest integer.

Net Developable Area and Maximum Building Floor factors in the above calculation requires some additional sub-calculations. The values to use for Assumed Percentage of Residential Use (r) and Average Size of a Housing Unit (s) are given in the rules.

Each uniquely zoned area of the CFA will have its own calculations of these factors and the above housing unit formula. Then they are summed for the CFA area to give the total Housing Unit Capacity.

Evaluation

Assumptions

Both the Croman Mill and Railroad Property sites are largely undeveloped, and while they are master planned, specific lots have not been identified. Additionally, while blocks are drawn and their sizes can be measured, there are several changes being worked on at the moment that could significantly affect the layout of these sites, the details of which will not be available for some time. Therefore, it is prudent to use city standards to determine gross and net block areas. The Right-of-Way (ROW) set aside is 20%, as that is the DLCD standard. We use the street network plans when available to measure out the undevelopable area and subtract it from the overall area. The same standards will be applied for the Transit Triangle area to calculate the housing capacity of the site.

These calculations are based on the block level and do not count for interior lot setbacks. All sites are within 0.5 miles of a frequent transit corridor according to OAR 660-012-0440, and parking minimums cannot be mandated within this area. Values shown below may differ slightly from actual values due to rounding.

Note that 30% of projected needed housing for the city is **3,469**.

Equations	
Gross Block Area	= Block Length x Block width
Net Block Area	= Gross Block Area – deductibles (ex. Alleys)
Net Developable Area	= Net Site Area – (Green space, ROW, Streets, etc.)
Building Floors	= (Building Height Max -10) / 10
Housing Units	= Net Site Area x Percent Residential Use x Floors / Avg. Housing Unit Size
Units per Acre	= Housing Units / Net Area

City Standards	
Block Length	400 ft
Block Perimeter	1,600 ft
Gross Block Area	400 ft x 400 ft = 3.67 Acres: 160,000 sq. ft
Right-of-Way Set-Aside	(DLCD rule of thumb) 20%

DLCD CFA Standards	
Percent Residential Use	30%
Average Housing Unit Size	900 sq. ft

Calculations

<i>Croman Mill</i>		
Site Area		92.69 Acres
Green Space		10.1 Acres
Street Network	<i>Approximately</i>	20 Acres
Net Developable Area	65 Acres:	2,821,010 sq. ft
Housing Units Capacity		5,142
Percentage from Needed Housing	<i>(Housing Unit Capacity/Needed Housing).</i>	148%
Units Per Acre		79

Croman Mill Results

5,142 units is more than the Needed Housing Units the city will need to meet the CFA requirement of 30% of projected needed housing units, which is **3,469**. The Croman Mill site has the potential to host 28% more than the required 30% of projected needed housing units. Please note that this calculation accounts for the individual Housing Unit capacity of all the different planned land use zones, mainly because different zones allow for different building heights, within the Croman Mill site .

The sum of all the housing unit capacity for the site gives us the 5,142 dwellings.

Transit Triangle Overlay		
Site Area		162.89 Acres
Green Space	<i>Approximately</i>	7.51 Acres
R.O.W	<i>(DLCD Standard)</i>	20 %
Net Developable Area	148 Acres	6,447,752 sq. ft
Housing Units Capacity		7,524
Percentage from Needed Housing	<i>(Housing Unit Capacity/Needed Housing).</i>	217 %
Units Per Acre		52

Transit Triangle Overlay Results

The Transit Triangle overlay is capable of hosting around 7,524 units within it. This site alone can meet and exceed the Projected Needed Housing for the city. Please note that this calculation accounts for the individual Housing Unit capacity of all the different planned land use zones, mainly because different zones allow for different building heights, within the Transit Triangle Overlay and

The sum of all the housing unit capacity for the site gives us 7,524 units. However, the Southern Oregon zone portion within the Transit Triangle Overlay is not accounted for in the calculations of the housing unit capacity. That zone is being governed by the Southern Oregon University Masterplan. To avoid further complicating overlapping zones and overlays, the Southern Oregon zone is excluded from the CFA.

Railroad Property		
Site Area		57.27 Acres
Green Space	<i>Approximately</i>	6.41 Acres
Street Network	<i>Approximately</i>	12.52 Acres
Net Developable Area	38.34 Acres	1,670,090 sq. ft
Housing Units Capacity		2,226
Percentage from Needed Housing	<i>(Housing Unit Capacity/Needed Housing).</i>	64%
Units Per Acre		58

Railroad Property Results

The **2,226** housing units of the Railroad Property are not enough to meet the CFA requirement of 30% projected needed housing units. The site is short of 1,243 units from being compliance with the CFA requirements. Therefore, an expansion of some kind must be considered. The city could consider expanding the boundary of the Railroad site and that might fill in the gap. On the other hand, the city can designate the Railroad site as a secondary CFA site, having less intensive standards, with the Croman Mill or Transit Triangle being the primary CFA sites.

Conclusion

The Croman Mill and Transit Triangle sites both can provide ample room for CFA development to fulfill the requirement of the CFEC rules for 30% of projected needed housing units. The specific boundaries that have been analyzed could change in a variety of minor ways without bringing the unit count below the necessary threshold.

The Railroad property falls short in covering 30% of the Projected Needed Housing for the city. In any case, resizing the boundary could help increase the housing capacity of the site and bring it closer to compliance with the 30% requirement of the CFEC, or best-case scenario it will bring the railroad property to a full compliance with the 30% requirement of the CFEC.

The downtown area has been included in this discussion because it remains relevant to the CFA transformation and may end up included in a broad CFA overlay that encompasses the major employment, commercial, and higher-density residential areas of the city, even if it is not needed to meet the housing requirement.

Overall, the city of Ashland does have a few options when designating a CFA site. The site will need to be fully compliant with the CFEC land use regulations, and most of the sites do not need major updates to bring them up to compliance with the CFEC regulations. Both Transit Triangle and Croman Mill sites are compatible with the 30% projected needed housing in the city. However, the railroad property does not have the capacity to host the 30% of the projected needed housing, but it could act as a secondary CFA and as a safety buffer for the projected housing units for the primary CFA(s).

Chapter 3: Anti-Displacement Mitigation Strategies

CFA Redevelopment Outcomes

Due to the nature of the regulations, an area designated as a climate friendly area gains the capability to be redeveloped for a wide variety of uses and dense housing types. While these factors intend to promote nodes not reliant on personal automobile use, they also have the capability of creating modernized, attractive, and competitively priced developments which can subsequently displace protected classes. This trend, known as gentrification, can become a component of a climate friendly areas if cities do not carefully analyze a CFA's location and consider proper phase 2 protections to ensure the developments remains accessible to all populations.

Anti-Displacement Map Analysis

Recognizing this potential threat, DLCDC has prepared an anti-displacement guide. This guide classifies areas by neighborhood type which are characterized by their income profile, vulnerable classes, amount of precarious housing, housing market activity, and overall neighborhood demographic change. Each area is identified through the DLCDC anti-displacement map, which can be found here: [Anti-Displacement Map](#)

Each neighborhood type is categorized as one of the following:

Affordable and Vulnerable

The tract is identified as a low-income tract, which indicates a neighborhood has lower median household income and whose residents are predominantly low-income compared to the city average. The neighborhood also includes precariously housed populations with vulnerability to gentrification and displacement. However, housing market in the neighborhood is still stable with no substantial activities yet. At this stage, the demographic change is not under consideration.

Early Gentrification

This type of neighborhood represents the early phase in the gentrification. The neighborhood is categorized as a low-income tract having vulnerable people and precarious housing. The tract has a hot housing market, yet no considerable changes are found in demographics related to gentrification.

Active Gentrification

These neighborhoods are identified as low-income tracts with a high share of vulnerable people and precarious housing. The tracts are experiencing substantial changes in housing price or having relatively high housing costs found in their housing markets. They exhibit gentrification-related demographic change. The latter three neighborhoods on the table are designated as high-income tracts. They have hot housing market as they have higher rent and home value with higher appreciation rates than the city average. They also do not have precarious housing anymore. However, Late Gentrification type still has vulnerable people with experiences in gentrification related demographic changes.

Late Gentrification

This type of neighborhood does not have predominantly low-income households, but still have vulnerable population to gentrification. Their housing market exhibits high housing prices with high appreciations as they have relatively low share of precarious housing. The neighborhood has experienced significant changes in demographics related to gentrification.

Becoming Exclusive

The neighborhoods are categorized as high-income tracts. Their population is no longer vulnerable to gentrification. Precarious housing is not found in the neighborhoods. However, the neighborhoods are still experiencing demographic change related to gentrification with hot housing market activities.

Advanced Exclusive

The neighborhoods are identified as high-income tracts. They have no vulnerable populations and no precarious housing. Their housing market has higher home value and rent compared to the city average, while their appreciation is relatively slower than the city average. No considerable demographic change is found in the neighborhoods.

Unassigned

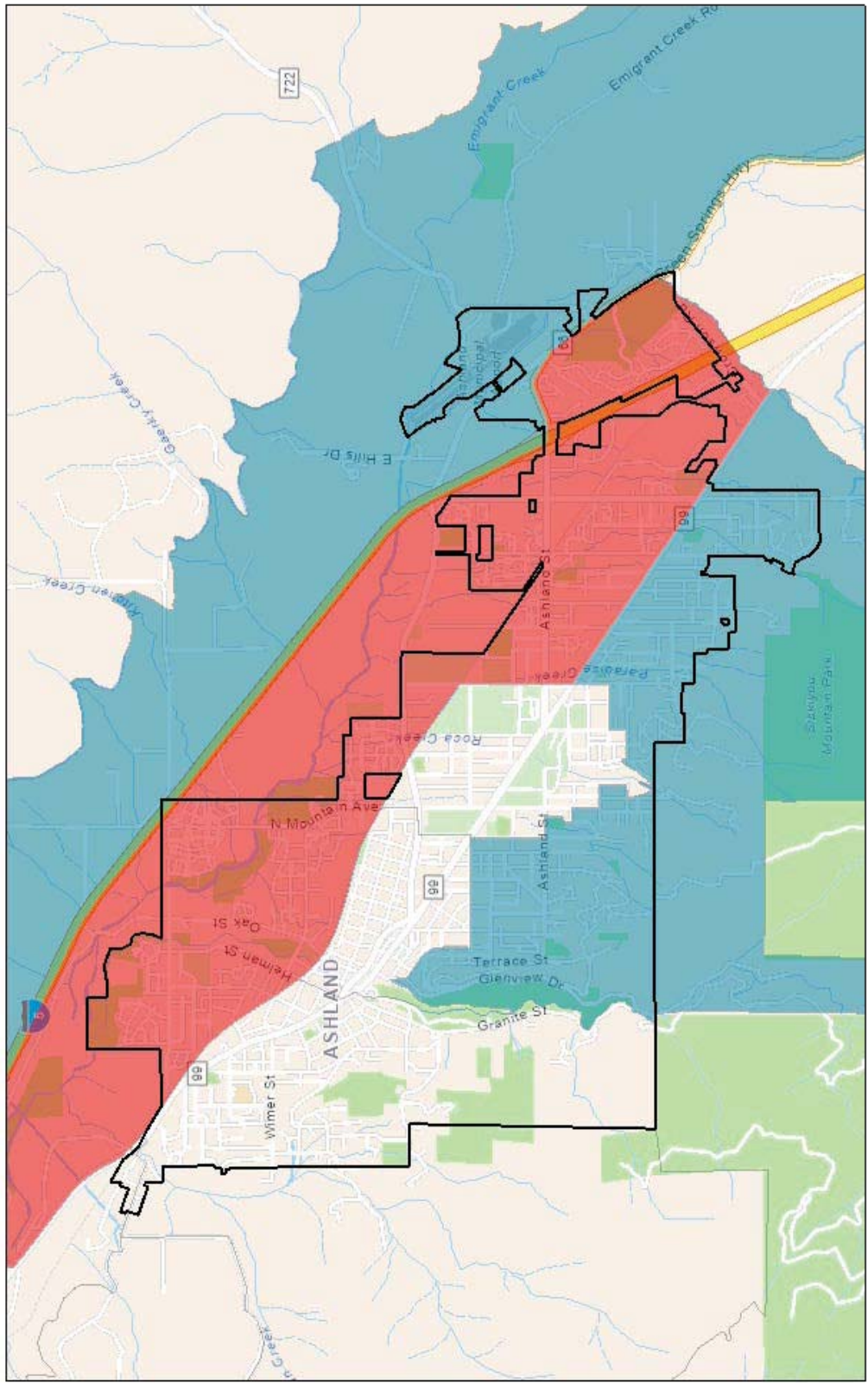
The unassigned tracts have not experienced any remarkable changes in demographics or housing markets. The neighborhood has been stable with unnoticeable change, yet this does not necessarily mean that there is no need for extra care compared to other neighborhoods with assigned types. Planners need to engage with the communities to make sure the neighborhood is stable while aligning with community needs and desires.

Neighborhood Types Present Within the Proposed CFA

As proposed, the candidate CFA for Ashland currently lies within a census tract 18 of Jackson County, which is identified by the neighborhood type: **Late Gentrification**, see the following map.

Map 5. DLCD Anti-Displacement Map

Ashland Anti-Displacement Map



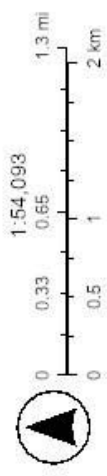
5/26/2023

City Limits

Anti_Displacement_Typologies_2022

Late gentrification

Becoming exclusive



1:54,093
County of Jackson, OR, Oregon State Parks, State of Oregon GEO, Esri, HERE, Garmin, SafeGraph, Geotechnologies, Inc., METINUSA, USGS.

Suggested Strategies

It is important to note that while the project's scope of work directly referenced DLCD's housing production strategies (HPS) as a component of the anti-displacement analysis, the City of Ashland has been preparing a Housing Production Strategy report to ensure sustainable and equitable residential development within the city. Because the housing production study was put out for public comment on May 23rd, 2023, the technical analysis utilized DLCD's HPS for the purposes of the Climate Friendly Area analysis. Nonetheless, the technical analysis team recommends use of the in-depth report produced by the City of Ashland for phase 2 of the CFA study.

Referring to DLCD's housing production strategies, which can be found [here](#), RVCOG has identified the following strategies to ensure that a climate friendly areas acts as an equitable community. In selecting strategies RVCOG prioritized strategies color coded as green for the **Late Gentrification** neighborhood type for their likeliness to generate little to no adverse impact, factoring in local context and feasibility as well.

Category A: Zoning and Code Changes

A03: Density or height bonuses for affordable housing.

Cities could consider introducing a height and density bonus for developments which introduce units between 30% - 120% of the average median income (AMI). RVCOG suggests using the CFA thresholds as a potential model for such bonuses, in the case of Ashland potentially allowing an increased 10 feet of maximum height and additional 5 dwellings per acre.

A07: Single Room Occupancy

Single room units, such as junior accessory dwelling units, present a new housing typology not commonly considered among residential zones. Enabling this use as a permitted accessory component of a multi-unit development could provide developers with the opportunity to provide unique housing arrangements and a variety of units at different price points.

A14: Re-examine Mandated Ground Floor Use

The City of Bend has determined that while lively streetscape in a dense environment is a worthy goal, mandating that ground floors be occupied by commercial uses when the surrounding market forces can't support such a use can contribute to decreased development or loss of area for dwellings.

Category B: Reduce regulatory Impediments

B10: Public Facility Planning

Factoring that some of the proposed CFA sites are largely vacant, assisting in providing public facilities could make these sites more attractive for development. Furthermore, assisting in providing public facilities may enable the city to prioritize key connections or better plan for expansion in the future.

B07: Flexible Regulatory Concessions for Affordable Housing

Considering that cities within the 10,000-24,999 population range are in one of the lower ranges for prescriptive CFA standards, enabling affordable housing to move into some of the upper thresholds could present a unique advantage further attract affordable housing. Furthermore, this strategy enables a CFA to evolve directly in response to its City's population growth, possibly resulting in a CFA pre-emptively meeting the next threshold's requirements.

B19: Survey Applicant on Development Program Decision-Making

User feedback can help illustrate frustrations or pitfalls in the planning process not seen by staff. Utilizing a survey as litmus test for ease of development within a CFA can serve as an asset not only to the CFA, but the City's Planning department as a whole.

*Category C: Financial Incentives***C01: Reduce or exempt System Development Charges (SDCs) for needed housing.**

SDC's are often seen as necessary yet prohibitive cost associated with new development. Granting exemptions for needed dense and affordable housing helps clear the way for development, while commercial developers seeking to capitalize on attractive areas by constructing recreational or tourism oriented, or general luxury developments can bear a larger part of the burden when it comes to needed infrastructural growth.

C04: Incentivize Manufactured and Modular Housing.

Manufactured and modular housing could be a popular option in vacant CFA areas as it can be constructed for less cost and added on to as a larger population occupies the CFA. Modular housing also supports homeownership rather rented housing, a notion that could ensure a CFA acts as equitable community for permanent residents and doesn't become an area merely for vacation rentals.

*Category D: Financial Resources***D02: Low Income Housing Tax Credit (LIHTC).**

Federal tax credits represent an external opportunity for an affordable housing development to feasibly occur within a city. Disclaiming these opportunities to developers comes at little cost to the city, and can facilitate mixed income housing that contributes to a more diverse set of demographics within a CFA.

D09: Demolition Taxes

A demolition tax can ensure that new development within a CFA introduces a greater density than the existing structure or be forced to be pay a tax to fund a housing trust fund. Demolition taxes help mitigate the effects of higher density, aging housing being replaced by lower density, newer, market-rate homes, which could occur if the CFA is sited in a more historic area of a community, or the introduction of the CFA regulation induces more affluent populations seeking proximity to mixed uses.

D09: Construction Excise Tax

Seeing as the CFA's are located on vacant land, a construction excise tax seems to be an apt solution to ensure development of a CFA accrues funds for affordable housing projects both within the CFA and elsewhere.

Category E: Tax Exemption and Abatement

E03: Vertical Housing Development Zone Tax Abatement

This housing production strategy authorized ORS 307.841 directly aligns with the live work environment that's meant to appear within CFA's and is natural candidate to assist in mixed use development. The effectiveness of this strategy could be somewhat bound by a CFA's respective height limits but coupled with affordable housing density bonuses could be quite effective.

E04 & E05: Multiple Unit Tax Exemptions (Property and Limited taxes)

Similar to the Vertical Housing Tax Abatement, the multiple unit tax exemptions could serve as a symbiotic strategy to the type of development intended to occur within a CFA. Whether this strategy seeks to aid in overall feasibility by being a long-term exemption or aid in the initial

E10: Delayed tax Exemptions

Delayed tax exemptions can be seen as a viable strategy to allow new development recoup construction costs and establish a profitable base before falling below 80% AMI. This strategy could benefit initial developments in CFA's, and later assist them in serving a new economic bracket when the area becomes more developed.

Category F: Land, Acquisition, Lease, and Partnerships

F17: Designated Affordable Housing Sites

Designating CFA's partly or entirely as affordable housing sites can ensure the best use of the land in the future. While price control measures may ward off developers initially, highlighting tax exemptions and streamlined planning process coupled with the relative newness of the CFA regulations may highlight these areas as feasible location for affordable housing.

F19: Affordable Housing Preservation Inventory

Identifying and inventorying areas currently hosting affordable housing enables staff to examine what contextual factors have led them to appear in their community, and informs areas to proceed with caution when expanding the CFA.

City staff are encouraged to review and evaluate the list of strategies when it comes time for phase 2 zoning reform.

Appendix A: Acronyms

Regulatory:

- LCDC = Land Conservation & Development Commission
- DLCD = Department of Land Conservation & Development
- OAR = Oregon Administrative Rules
- CFA = Climate Friendly Area
- CFEC = Climate Friendly & Equitable Community

Technical:

- HNA = Housing Needs Assessment
- HCA = Housing Capacity Analysis
- HPS = Housing Production Strategy
- NDA = Net Developable Area
- HUC = Housing Units Captured
- MF = Multifamily Housing
- SF = Single Family Housing

Appendix B: References

- [Climate-Friendly Areas Methods Guide](#) by DLCD.
- [CFA Anti-Displacement Analysis](#) by DLCD.
- [Housing Production Strategy](#) by DLCD.
- The cover picture used in the study document is by Fred Stockwell

Climate Friendly Areas Study

City of Ashland, OR

~~June 9, 2023~~

DISCUSSION ITEMS

2023 Annual Planning Commission Retreat

Memo

DATE: June 27, 2023
TO: Planning Commissioners
FROM: Derek Severson, *Planning Manager*
RE: 2023 Planning Commission Retreat

Prior to the June 27th study session, staff will distribute a Doodle poll to gauge Commissioner preferences for a date and time for the Commission's 2023 Annual Retreat.

Typically, the Commission's annual retreat will be 4-6 hours, and include time to socialize, discuss timely topics, share a meal, and make site visits to recently approved projects which are now completed or to city facilities. There was discussion this year, after reviewing the recent Water Treatment Plant (WTP) application, of visiting the existing WTP and Reeder Reservoir. In recent years, the retreat has occurred during the work week, typically from 8:00 p.m. to around 2:00 p.m. and has included coffee and pastry in the morning and catered lunches. Based on Commissioner discussion at the last meeting, it seems that a late afternoon/early evening time (3:00 to 7:00 p.m.) during the work week may be preferable.

Staff will bring doodle poll results with proposed retreat dates to the meeting. Commissioners may wish to bring their calendars to the meeting to confirm and finalize the retreat date. It would also be helpful to hear any preferences in terms of discussion topics or sites to visit.