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June 28, 2007

TO: City of Ashland
FROM: Bob Parker
SUBJECT: RECOMMENDED IMPLEMENTATION STEPS TO DEVELOP AND IMPLEMENT A COMMUNITY ECONOMIC VISION

The City of Ashland is in the process of updating the economic element of its Comprehensive Plan. The City received a Technical Assistance grant from the Department of Land Conservation and Development (DLCD) to complete certain elements of the update—including completing an Economic Opportunities Analysis (EOA), and implementation strategy, and policy or code updates the City identifies as desirable. The City contracted with ECONorthwest to complete the EOA and implementation plan.

ECO submitted the draft EOA and presented the results at a joint worksession of the Ashland City Council and Planning Commission in February, 2007. Local elected officials had a number of questions and concerns about the draft EOA. They also requested additional community involvement in the process. To get community input, the City hosted a community forum in March. Approximately 60 people participated in the process. Additionally, ECO developed and administered an online survey that received 251 responses.

The community input process made it clear that City staff still have work to do to finalize the Economic Development Vision and make appropriate policy and code changes. That work will be ongoing and the City anticipates completing that work by the spring of 2008.

This memorandum fulfills the second requirement of the City's Technical Assistance grant (and ECO's contract with the City). It provides recommended implementation steps to develop and implement a community economic vision. The recommendations presented in this report were developed by ECONorthwest and provide ideas about steps the City might take to finalize and implement the vision. *The recommendations presented in this memorandum do not represent City policy.*

ORGANIZATION OF THIS MEMORANDUM

The remainder of this memorandum is organized as follows:

- **Policy Context** provides an overview of state land use policy as it pertains to local economic development. Specifically, it describes the requirements of OAR 660-009, the administrative rule that implements statewide planning Goal 9, Economy.

- **Level and Type of Economic Development Desired in Ashland** presents selected results from the online community development survey, and the economic development workshop. ECO uses those results, as well as analysis from the EOA to identify the level and type of economic development the community desires.
- **Key Economic Development Issues in Ashland** identifies key issues facing the community based on community input and analysis in the EOA.
- **Potential Economic Development Policies and Strategies** provides an overview of the types of economic policies and strategies that municipalities can adopt to achieve various economic development goals.
- **Recommended Economic Development Strategy** presents suggested strategies to implement the City's economic development developed by ECONorthwest.
- **Recommended Comprehensive Plan Amendments** summarizes potential comprehensive plan amendments the City could consider to implement the economic development vision.

This memorandum also includes three appendices:

- Appendix A: Framework for economic development planning
- Appendix B: Economic Development Workshop summary
- Appendix C: Online survey results

POLICY CONTEXT

Statewide planning Goal 9 (Economy) requires cities to plan for economic development, including economic development policies and providing land for employment. The framework for economic development planning in Oregon is defined by OAR 660-009, which requires three key elements:

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to review national and state trends, assess community economic development potential, identify industries reasonably expected to expand or locate in the area, and identify site requirements of these industries. The EOA must also include an inventory of lands available for commercial and industrial development.
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities with a population over 2,500 are required to develop policies based on the EOA. The policies must include community development objectives and identify categories or particular types of industrial and commercial uses desired by the community. Consistent with the community development objectives, cities must adopt policies to designate an adequate number of sites of suitable sizes, types and locations for desired industrial and commercial uses. Cities must also ensure necessary public facilities through the public facilities plan for the planning area.

3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025.* Cities must adopt appropriate implementing measures including: (1) identification of needed sites; (2) assessment of the long-term supply of land available for commercial and industrial uses; and (3) evaluation of the short-term supply of serviceable sites.

ECONorthwest submitted the final Economic Opportunities Analysis for the City of Ashland in April, 2007. This EOA includes a review of national and state economic trends, assessment of economic conditions in Ashland, a forecast of likely level and type of employment growth, an estimate of the amount and type of land needed for development sites, and an updated inventory of buildable commercial and industrial land in Ashland. This EOA addressed the first and part of the third key element required by OAR 660-009.

This Implementation Plan is designed as a first step in meeting the remaining key elements required by Goal 9. This memorandum identifies potential industrial and commercial development policies that the City could adopt and actions that the City can take to designate an adequate supply of lands for industrial and commercial uses.

LEVEL AND TYPE OF ECONOMIC DEVELOPMENT DESIRED IN ASHLAND

While the analysis required to meet Goal 9 emphasizes market conditions and local productive factors as the primary determinant of potential economic growth, Oregon's Statewide Planning Goals also recognize a role for local governments and citizens to express their desire for the level and type of economic growth in their community. The desires of a city are formally stated in its adopted Comprehensive Plan, economic development plans, and refinement plans. Development of these plans always includes opportunities for public comment and plans are adopted by elected bodies, so these plans represent the views of citizens to some extent.

The range of views by individual citizens, however, is more diverse than the consensus represented in adopted plans. This project included a public workshop and an online survey to solicit citizen's views on economic opportunities in Ashland, issues affecting economic development, and potential policies to address these issues. This section summarizes the views expressed at the public workshop.

ADOPTED PLANS AND POLICIES

Consistent with the Goal 9 requirements, the Ashland Comprehensive Plan includes a set of economic development policies. Following is a list of policies in the existing plan which was last updated in 1991.

Section 13.07 Economic Element

GOAL: TO ENSURE THAT THE LOCAL ECONOMY INCREASES IN ITS HEALTH, AND DIVERSIFIES IN THE NUMBER, TYPE AND SIZE OF BUSINESSES CONSISTENT WITH THE LOCAL SOCIAL NEEDS, PUBLIC SERVICE CAPABILITIES, AND THE RETENTION OF A HIGH QUALITY ENVIRONMENT.

VII-1 Policy. The City shall zone and designate within the Plan Map sufficient quantity of lands for commercial and industrial uses to provide for the employment needs of its residents and a portion of rural residents consistent with the population projection for the urban area.

1) Zoning Map.

VII-2 Policy. The City shall design the Land Use Ordinance to provide for:

a) Land division and development within employment and manufacturing districts, and continue the employment zoning district which will provide for service, retail and light industrial uses consistent with specific performance standards relative to heavy truck traffic, noise, dust, vibration, and non-work related single- passenger vehicle trips.

2a) 18.80, 18.40, AMC

b) Controlled access along Ashland Street to ensure limited points of common access to businesses that are developing or undergoing development in this area.

2b) 18.72, AMC.

c) Specific development guidelines which will ensure that:

2c) 18.72, 18.74, 18.24, 18.28, 18.32, 18.40, 18.54, in the AMC. New development or redevelopment in the Historic District will be compatible with the character of the district.

Development along Siskiyou Boulevard and Ashland Street will not primarily be automobile-oriented, but will also include attractive landscaping and designs that encourage pedestrian, bicycle, and mass transit forms of travel.

Strong sign regulations exist which ensure that the number, size and placement of signs are the minimum required for recognition by the public of the business at the site.

Retail, office, and traveler's accommodations and neighborhood shopping in residential areas, at development intensities that are appropriate to the area.

Commercial or employment zones where business and residential uses are mixed. This is especially appropriate' as buffers between residential and employment or commercial areas, and in the Downtown.

Medical uses as permitted uses in a designated, zoned area surrounding the Hospital and Maple Street.

Clear and objective standards for development reviews that provide for a quick and predictable approval process with a reduced amount of uncertainty.

VII-3 Policy The City shall develop and implement an economic development program which will attempt to increase the number, variety and size of family wage retail, service, and light industrial activity employers within the urban area, with particular emphasis on employers paying wages at or above the median County wage, and employing from 5 to 100 people, or who

are locally owned. The City shall work with regional economic development agencies on coordinating regional economic development activities.

3) Council Policy not implemented by the Land Use Ordinance.

VII-4 Policy - In accordance with policies VII-2 and VII-3 above, the City shall take such actions as are necessary to ensure that economic development can occur in a timely and efficient manner. Such actions may include the following:

4) Council Policy not implemented by the Land Use Ordinance.

a) Use of the Local Improvement District process to reconstruct or install public facilities to commercial, employment, and manufacturing zoned lands. Land and buildings should be suitable for use by small service and manufacturing industries of about 10 to 50 employees. Two areas of the City that would benefit from this policy are those lands designated Employment served by Exit 14 of the I-5 freeway and Hersey Street and " A" Street.

b) Utilization of available grants and loans to finance the extension of public facilities to lands zoned or planned for commercial or industrial use.

c) Inclusion within the Capital Improvement programs facilities improvements, which will help achieve long- range development goals and policies.

VII-5 Policy The City shall encourage economic development of the local resources and enhance employment opportunities for existing residents. The City's policy is that economic development shall always have as its primary purpose the enhancement of the community's economic health.

5) Council Policy not implemented by the Land Use Ordinance.

VII-6 Policy The City shall work with the College to encourage the growth of research and graduate programs. The City shall encourage the establishment of the Asian Studies facility, and other such facilities that provide a bridge to the international marketplace.

6) Council Policy not implemented by the Land Use Ordinance.

VII-7 Policy The City is clearly unsuitable for the following types of businesses:

7) City Policy, Zoning Code.

a) Businesses, which use large amounts of water, especially when Ashland's water needs peak.

b) Businesses that emit large amounts of air pollution.

c) Businesses that create toxic wastes that require specialized disposal techniques not available locally.

The City shall include in the Land Use Ordinance a specific list of businesses that are prohibited from operations in the City Limits, or specific performance standards that

would define uses that are unacceptable because they meet one or more of the above criteria.

Summary of current economic development vision

The comprehensive plan policies define a relatively focused economic development vision for the city. In summary, the existing plan policies emphasize:

- Providing sufficient land to accommodate population increases
- A variety of employment uses, including service, retail and light industrial uses within defined performance standards
- Small industries that provide family wage jobs—including industrial uses
- Coordination with local economic development agencies to implement plan policies
- Collaboration with programs at Southern Oregon University
- Limitations on certain high impact industries.

Finally, it is notable that the Plan articulates the intent of economic development:

“The City's policy is that economic development shall always have as its primary purpose the enhancement of the community's economic health.”

RESULTS OF THE ONLINE SURVEY

As a part of this project, ECONorthwest developed and implemented an online survey in February and March of 2007. Following is a summary of the key findings from the survey. Data tables from the survey are included in Appendix B.

- A majority of survey respondents (54%) think that Ashland is a worse place to live than it was 10 years ago. Respondents identified a broad range of reasons. Some frequently mentioned reasons were growth, housing costs, traffic, and government.
- About 47% of respondents felt the rate of growth was “about right,” while about 36% indicated it is “too fast.”
- A majority of respondents (68%) felt that the city should “manage growth” as opposed to limited growth or pursuing faster rates of growth.
- Affordable housing, family wage jobs, and declining school enrollments were identified by a majority of respondents as series community problems.
- Nearly 64% of respondents think the City should target specific businesses and types of employment that the community deems appropriate (targeted growth).

RESULTS OF PUBLIC WORKSHOP

The section summarizes the small group input during the March 22, 2007 community workshop in Ashland. Six small groups formed to develop goals and strategies for the City planning process. The City summarized the results of each group's discussion. This memorandum provides a summary of the goals and strategies from all groups and provides a summary of common themes that emerged from the workshop.

The workshop identified six most commonly discussed goals, with the commonly discussed strategies proposed by all groups. They are organized approximately from most frequently discussed to least frequently discussed goals and strategies.

Table 1. Summary of input from the Ashland Economic Development Workshop

Category	Suggested Strategies
Jobs and the economy	Livable or family wage job promotion (e.g. through promotion of AFN and marketing the community's strengths) A diversified economy targeting health care, high tech, biotech, and agriculture industries Assistance and support services for business or entrepreneurs ("think-u-bator" bringing together talented people and investors)—both current and new A pro-business attitude, reducing costs of doing business in the City (permits and fees), making process predictable Taking advantage of SOU graduates, workforce education and development (USFWS, others) Regional economic development
Quality of life	Community involvement in decision-making Maintaining the quality of schools Support for cultural amenities (OSF), library, and arts community The downtown planning process, downtown beautification, pedestrian friendly downtown Preserving and creating open space, balance of density and livability
Planning and public process	New urbanism design principles Density and infill promotion Community-based decision-making process Available land, master plan larger properties A well-communicated economic development plan, City needs an overall planning vision, policies need clearly defined goals Consistency and certainty in the planning process, expedite process, ensure objectivity

Category	Suggested Strategies
Sustainability and the environment	Prohibiting heavy industry, preserving environmental quality Green business clusters, tax incentives for green businesses Alternative transportation, promoting rail Sustainable business education, connecting with state sustainability initiatives Fast-tracking the permitting process or lowering costs, barriers to green business startups Use of local supply lines
Transportation	Diversity of transportation in plan: improving public transportation services, improving pedestrian facilities, Nodal development and density (could promote use of alternative modes of transportation) Parking downtown
Housing	Land supply and expansion of the UGB Mixed-use, higher density condos and other residential Use of public land for affordable housing

Source: Ashland economic development workshop, March 22, 2007

EMPLOYMENT FORECAST

The Economic Opportunities Analysis developed for the City of Ashland as part of this study includes a forecast of employment growth in Ashland's UGB between 2007 and 2027. This forecast is based on historical and expected economic trends, published and adopted forecasts for Oregon and Jackson County, economic development policies in Ashland, and local factors of production in Ashland. The forecast groups employment industries by the type of land typically used by those industries: Industrial, Commercial, and Public. The methods and assumptions used to develop this forecast are described in Chapter 5 of the Economic Opportunities Analysis (ECONorthwest, April 2007).

Forecast employment growth in is summarized in Table 2, which shows that more than 2,100 jobs are expected to be added to the Ashland UGB between 2007 and 2027. Commercial (retail and service) uses are expected to add about 900 jobs. Commercial uses include retail stores, commercial services, professional and administrative offices, and similar activities. Industrial land uses are expected to add about 780 jobs in Ashland. These uses include manufacturing, warehouse/distribution, wholesale trade, construction, and similar activities.

Table 2. Employment growth by land use type in Ashland's UGB, 2007-2027 and 2007-2057

Land Use Type	2007 Total	% of Total	2027 Total	2057 Total	% of Total	2007-2027 Growth	2007-2057 Growth
Retail and Services	9,764	74%	10,654	11,831	70%	890	2,067
Industrial	1,503	11%	2,283	2,535	15%	780	1,032
Government	1,840	14%	2,283	2,535	15%	443	695
Total Employment	13,107	100%	15,220	16,901	100%	2,113	3,794

Source: ECONorthwest.

Note: shaded cells indicate assumptions by ECONorthwest.

KEY ECONOMIC DEVELOPMENT ISSUES IN ASHLAND

The Economic Opportunities Analysis conducted as part of this study (ECONorthwest, April 2007) included an overview of market trends and an assessment of local factors of production as they pertain to economic development in Ashland. This overview and assessment, and public input during the study, identified several issues which appear to have the most potential to affect economic development in Ashland over the planning period. These issues include the following:

- *Economic growth.* The City can expect more of the same type of economic growth that it has experienced in the past 15 years. Development trends in the City during this period were remarkably consistent with the vision established in the Comprehensive Plan.
- *Buildable lands.* The City appears to have a close match between land needs and supply. While the site needs analysis identified a small deficit of vacant land designated for employment, historically a lot of employment has located in residential areas. Moreover, 700 to 800 jobs could be accommodated on redevelopable lands. The results also suggest the City could justify a small UGB expansion for retail and services uses. One issue with expanding the UGB is that land on the fringe will not be ideally located for retail and service uses.
- *Demand for industrial land.* The EOA clearly demonstrates a need for industrial land in the community. This is an identified change from past trends, but a logical one that takes advantage of a key community resource: the Croman Mill site. ECO recommends that Ashland retain the Croman Mill site in an employment designation that is specific to the site and might include certain types of manufacturing uses. If this site is converted to other uses, the City will no longer have an industrial land base. Adding new industrial land will be challenging.
- *Plan for industrial uses that are compatible with the City's economic development objectives.* The Croman site is presently zone M-1; the M-1 zone permits a broad range of industrial activities—some of which, in our opinion, are not compatible with the site and surrounding uses. The City should consider preparing a master plan for

the site that evaluates appropriate uses and incorporates sustainable development concepts. One option is to develop an “eco-industrial park.”¹

- *Monitor development and land supply.* Land supply monitoring is relatively simple using the existing GIS land base, building permit, and the Quarterly Census Of Employment And Wages (QCEW) databases. The City should monitor where employment locates, what rate vacant land is being absorbed, and how much new employment is occurring by industry.

These issues are typical of those faced by local governments, and none appear insurmountable. These issues must be addressed, however, or they have the potential to limit economic development opportunities in Ashland.

The public input process also identified key economic opportunities, and challenges facing the City of Ashland:

Opportunities

- *Quality of Life* – Considered one of the most livable communities in America, many business owners find relocation to the area an attractive option.
- *Fiber Network* – The Ashland Fiber Network provides high speed internet connectivity and bandwidth. The number of home-based businesses is partly a testament to this fiber connectivity.
- *Regional Location* – Although it may be considered both a challenge and an opportunity, immediate access to I-5 for trucking, rail for shipping and proximity to northern California metropolitan areas could be considered an opportunity for the community.

Challenges

- *Training* – Cutbacks in state education funding to Southern Oregon University and Rogue Valley Community College requires the community to work to ensure that the programs and services at these institutions meet the needs of the community.
- *Housing* – The high price of housing makes recruitment of new businesses more challenging. Providing high wage employment opportunities for existing residents is a viable strategy to help overcome this challenge, along with development of affordable and workforce housing.
- *Transportation* – Ashland’s economy is heavily reliant on tourism. The rising cost of gasoline might impact visitor numbers in the future if alternative transportation modes are not available, such as passenger rail. The region’s transit system is also not at a level that reduces reliance on personal vehicles.

¹ There is a wealth of literature and case studies on Eco-industrial parks. The Smartgrowth network has compiled a series of case studies that help define the concept and how it has been applied in other communities:
http://www.smartgrowth.org/library/eco_ind_case_intro.html.

The Economic Opportunities Analysis suggests that Ashland will need to plan for a modest amount of new employment—and land to accommodate that employment. The City may want to review its economic development vision and strategies as a result of this study—as well as make some code changes to reflect economic development potential and ensure that it gets the type of employment growth that it wants.

FRAMEWORK FOR UNDERSTANDING ECONOMIC DEVELOPMENT POLICIES AND ACTIONS

There are a wide range of economic development policies and actions that a city can take to affect the level and type economic development in their community. To affect economic development, any policy or action must affect a factor of production that influence business locations and job growth. Appendix A of this report describes a framework for understanding economic development strategies that describes factors that affect business locations and job growth. In short, the factors that have the most impact on business locations and job growth are:

- Labor
- Land
- Local Infrastructure
- Access to markets and materials
- Agglomerative economies (clusters)
- Quality of life
- Entrepreneurship

The supply, cost, and quality of any of these factors obviously depend on national and global market forces that local government has no influence over. But they also depend on public policy, which can generally affect these factors of production through:

- Planning
- Regulation
- Provision of public services
- Taxes
- Incentives

Research has shown that the location decisions of businesses are primarily based on the availability and cost of labor, transportation, raw materials, and capital. The availability and cost of these production factors are usually similar within a region. Most economic development strategies available to local governments only indirectly affect the cost and quality of these primary location factors.

Local governments can most directly affect tax rates, the cost and quality of public services, and regulatory policies. Economists generally agree that these factors do affect economic development, but the effects on economic development are modest. Thus, most of the strategies available to local governments have only a modest affect on the level and type of economic development in the community.

Local governments in Oregon also play a central role in the provision of buildable land through inclusion in the Urban Growth Boundary, plan designation, zoning, and provision of public

services. Obviously, businesses need buildable land to locate or expand in a community. Providing buildable land alone is not sufficient to guarantee economic development in a community—market conditions must create demand for this land, and local factors of production must be favorable for business activity. The provision of buildable land is one of the most direct ways that the City of Ashland can affect the level and type of economic development in the community.

Unique to Ashland is the amount and variety of employment that is located in residential zones. The City has a liberal policy that has resulted in a broad array of home occupations. This policy provides opportunities for entrepreneurs as well as reducing pressure for buildable lands. The EOA found that the City has an adequate supply of buildable land to accommodate employment growth for the next 20-years if the City encourages redevelopment of under utilized sites. Goal 9 is flexible enough that the City could probably justify additional lands for employment in the UGB, but such a decision is some years away and would require amendments to the economic development vision that encourage such uses as well as a community process to ensure this is consistent with the community desires.

POTENTIAL ECONOMIC DEVELOPMENT POLICIES AND ACTIONS

A broad range of policies and actions are available to cities in achieving local economic development objectives. The effectiveness of any individual tool or combination of tools depends on the specific objectives the municipality wants to achieve. In short, local strategies should be customized not only to meet locally defined objectives, but to recognize economic opportunities and limitations (as defined in the EOA). Positive outcomes are not guaranteed: even good programs can result in limited or modest results.

Table 3 identifies a range of potential economic development policies that the City of Ashland could adopt. These policies range from those closely associated with the basic functions of government (provision of buildable land and public services) to those sometimes viewed as outside the primary functions of government (such as financial incentives and business assistance). The actual policies and actions adopted by the City of Ashland will depend on the specific economic development issues and the role of the City in economic development in the community.

Table 3. Range of potential economic development strategies

Category/Policy	Description
Land Use	Policies regarding the amount and location of available land and allowed uses.
Provide adequate supply of land	Provide an adequate supply of development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Ashland.
Cut red tape	Take actions to reduce costs and time for development permits. Adopt development codes and land use plans that are clear and concise.
Public Services	Policies regarding the level and quality of public and private infrastructure and services.
Provide adequate infrastructure to support employment growth	Provide adequate public services (i.e. roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e. electricity and communications) are provided to existing businesses and development sites.
Focused public investment	Provide public and private infrastructure to identified development sites.
Communications infrastructure	Actions to provide high-speed communication infrastructure, such as developing a local fiber optic network like the one Ashland developed.
Business Assistance	Policies to assist existing businesses and attract new businesses.
Business retention	Targeted assistance to businesses facing financial difficulty or thinking of moving out of the community.
Recruitment and marketing	Establish a program to market the community as a location for business in general, and target relocating firms. Take steps to provide readily available development sites, an efficient permitting process, well-trained workforce, and perception of high quality of life.
Development districts (enterprise zones, renewal districts, etc.)	Establish districts with tax abatements, loans, subsidized infrastructure, reduced regulation, or other incentives available to businesses in the district that meet specified criteria.
Public/private partnerships	Make public land or facilities available, public lease commitment in proposed development, provide parking, and other support services.
Financial assistance	Tax abatement, waivers, loans, grants, and financing for firms meeting specified criteria. Can be targeted as desired to support goal such as recruitment, retention, expansion, family-wage jobs, or sustainable industry.
Business incubators	Create low-cost space for use by new and expanding firms with shared office services, access to equipment, and networking opportunities.
Mentoring and advice	Provide low-cost mentors and advice for local small businesses in the area of management, marketing, accounting, financing, and other business skills.
Export promotion	Assist businesses in identifying new products and export markets; represent local firms at trade shows and missions.
Workforce	Policies to improve the quality of the workforce available to local firms.
Job training	Create opportunities for training in general or implement training programs for specific jobs or specific population groups (i.e. dislocated workers).
Job access	Provide transit/shuttle service to bring workers to job sites.
Other	
Regional collaboration	Coordinate economic development efforts with the County and the State so that clear and consistent policies are developed.
Quality of life	Maintain and enhance quality of life through good schools, cultural programs, recreational opportunities, adequate health care facilities, affordable housing, and environmental amenities.

Source: ECONorthwest.

A RECOMMENDED ECONOMIC DEVELOPMENT FRAMEWORK FOR ASHLAND

This section provides a set of recommended economic development framework, including strategies and implementation steps, for the City of Ashland. ECONorthwest developed the strategies presented in this section based on the EOA, the online survey, and the community workshop. The strategies represent our suggestions to the City about the types of activities we think might be appropriate and effective in Ashland. The strategies do not represent City policy and there is no obligation for the City to adopt or implement them.

The public input identified three overarching themes that should frame the City's economic development strategies:

- Preservation and enhancement of the quality of life
- Creation of a diverse and sustainable economy²
- Improved coordination and processes of civic and government sectors

Expanding on these themes, a potential economic vision for Ashland could include the following elements:

- Ashland will work to maintain and enhance its quality of life. But for all individuals and families, economic resources (and the jobs that generate them) are a big part of quality of life. Population growth needs to be accompanied by job growth.
- Ashland recognizes its locational advantages (as described in the *Economic Opportunity Analysis*) and believes it is in its interest to manage economic development and growth in the City. Managing growth includes targeting industries: identifying industries the City feels are a good match and creating conditions that are conducive to locating those industries, as well as limiting industries that are not a good match for the community.
- Ashland does not want to be a retirement or bedroom community, with a large share of its residents commuting to jobs in other areas of the region, or having housing costs that do not allow workers to live in Ashland. It wants to provide opportunities for its residents to work at good jobs in Ashland.
- To that end, Ashland wants new businesses to start, expand, or relocate in the City that will provide higher-wage jobs for existing and future Ashland residents.

² The term "sustainable" is ambiguous and can be defined many ways. Sustainable development is often defined as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainability relates to the continuity of economic, social, institutional and environmental aspects of human society, as well as the non-human environment. Sustainable business includes businesses that may want to operate in a socially responsible manner, as well as protect the environment. A pragmatic place for the City to begin would be to define what sustainability means for the City of Ashland.

- New businesses will need, among other things, developable land, good services and transportation, and an educated and skilled labor force. While the City cannot influence all of these elements, it can take actions to make sure land, services, and transportation are available in locations where it wants employment to locate. Ashland will welcome any industry that helps it achieve its economic vision.
- Ashland wants to maintain and increase the livability of its community as it grows. To that end, the City should be strategic about any incentives it gives to businesses, ensuring that it has the ability to maintain the quality of its facilities and services.

RECOMMENDED STRATEGIES AND IMPLEMENTATION STEPS

The framework for understanding economic development described earlier, combined with the themes, provide a foundation for selecting an economic development strategy in Ashland. In addition, cost is always an important criteria for local governments. Together these considerations suggest the following criteria and strategy for the City to support economic development in Ashland. The strategies and implementation steps suggested below are not organized in any particular order—ECO did not attempt to prioritize them.

Strategy 1: Complete and adopt the economic development vision and strategies. The EOA and this memorandum represent significant first steps in this process. Considerable work, however, remains to be done. A successful economic development strategy will have the support of elected officials and citizens. The March workshop suggested that this will not be a trivial task—a broad range of opinions were expressed, as well as a range of values—some of which are fundamentally incompatible.

Economic development is a long-term activity. Successful communities establish a vision that they consistently strive to implement—through economic cycles and through changes in leadership. In short, persistence pays off.

Suggested implementation steps:

1. Continue the community dialog about economic development. Seek areas of consensus and build from there. Avoid areas of disagreement. Involve a broader range of stakeholders in the dialog. Develop processes that allow the community to discuss the tradeoffs between economic development and quality of life. Underscore the key community trends that both influence economic development and that economic development can influence.
2. Identify and adopt appropriate plan policy and code changes. The next section of this memorandum identifies a number of changes for the City to consider.

Strategy 2: Focus on the basic functions of government and do them well. The most effective actions that a local government in Oregon can take to affect economic development are to:

- Designate sufficient land for commercial and industrial development. The EOA found a close match between land supply and need.
- Provide an efficient permit and development process.

- Plan for land use and public services to protect the character and quality of life in the community. Planning for quality residential neighborhoods, schools, parks, and traffic circulation are key issues in Ashland.

Suggested implementation steps

1. Develop and implement a system to monitor the supply of commercial and industrial lands. This includes monitoring commercial and industrial development (through permits) as well as land consumption (e.g. development on vacant, or redevelopable lands)
2. Monitor the permitting process. This could include reviewing the length of time it takes to process applications, the type of conditions that are included on approvals, and customer surveys.
3. Review development standards. Where possible, consider “clear and objective” standards that apply to types of development that are consistent with the City’s economic development objectives. The City should also review approval processes to ensure that they provide predictability for developers.
4. Update functional and capital improvement plans in the context of economic development and quality of life. Give priority to improvements that facilitate desired economic development.

Strategy 3: Support efforts to create high-wage jobs in Ashland. Maintaining and creating family-wage jobs was consistently identified as an issue. Any economic development recruitment efforts the City engages in should target high-wage jobs.

Suggested implementation steps:

1. Coordinate with other economic development organizations to develop a coherent and effective marketing program
2. Develop incentives to retain and expand existing firms
3. Maintain and enhance Ashland’s image as a community

Strategy 4: Provide adequate infrastructure efficiently and fairly. Public infrastructure and services are a cornerstone of any economic development strategy. If roads, water, sewer, and other public facilities are unavailable or inadequate, industries will have little incentive to locate in a community. For the purpose of this memorandum, we define infrastructure and services to include transportation, water, sewer, and stormwater facilities.

- Provide transportation facilities adequate to serve land needed for the type of development described in this economic development plan.
- Provide water, sewer, and stormwater drainage service adequate to serve land needed for development
- Ensure that financing for infrastructure is adequate and fair

Suggested implementation steps:

1. Identify key lands for employment and evaluate service deficiencies that might provide barriers to the future development of those lands. The Croman Mill site presents the greatest opportunity for the City in terms of employment. A sound planning process will ensure that infrastructure supports desired development and that the City gets the type of development it wants.
2. Coordinate capital improvement planning with land use planning to coincide with the City's Economic Development Strategy.

Strategy 5: Maintain quality of life. A community's quality of life comprises the various location-specific benefits and costs individuals enjoy or endure by living in the community. If the quality of life is, on net, beneficial, it produces a net increase in the standard of living for the local residents. In effect, these net quality-of-life benefits are analogous to a second paycheck that each resident of the community receives, supplementing the first paycheck received from an employer or other source of income. It is the sum of the first and second paychecks that determines the overall well-being of a region's residents.

- Maintain a vital downtown area
- Ensure that the environmental quality (including all aspects of the natural and built environment) of Ashland and surrounding areas is protected
- Support efforts to identify, promote and protect community values and assets

Suggested implementation steps

1. Implement Ashland Parks and Recreation Master Plan
2. Review and adopt appropriate regulatory and collaborative processes to protect environmental quality and natural features
3. Identify ways to integrate the concept of a sustainable community and sustainable economy in all aspects of the community. It is common for disagreements to emerge in what these terms mean. A logical first step is to review the literature on sustainability and develop a local definition of sustainability.

Strategy 6: Take advantage of sustainability and green development opportunities.

Sustainability emerged as a key theme in the community workshop. We use sustainability both in terms of economy and environment. The City should foster the creation of a local, sustainable economy³ by partnering with other organizations to watch for opportunities and vulnerabilities, incubate and coordinate projects and facilitate dialogue, action and education within our community. The City should also work to reduce Ashland's exposure to global economic and social vulnerabilities that could result as fuel supplies cease to be abundant and inexpensive.

³ The Business Alliance for Local Living Economies (BALLE) provides a perspective on sustainable economy that may be useful as a starting point: <http://www.localeconomies.org/entrepreneurs/what-is-a-local-living-economy-1?searchterm=living+economies>

Suggested implementation steps

1. Promote and recruit companies that are less vulnerable to global and national economic slumps, but instead support regional and local economies.
2. Identify ways to significantly cut oil, natural gas consumption and electrical demand.
3. Support land use patterns that reduce transportation needs, promote walkability and provide easy access to services and transportation options.
4. Consider designating the Croman Mill site as an “eco-industrial park.”

Strategy 7: Recognize the Croman Mill site as a key community and economic asset. The Croman Mill site is the only significant piece of industrial land in Ashland. ECO identified the site as a key economic opportunity that could easily match some of the identified opportunities identified in the EOA (primarily specialty manufacturing and research firms). Citizens also expressed concerns about “industrial” uses in the community. A master plan for the Croman Mill site could articulate a community vision for this key asset and better define the types of uses that the City would find desirable on the site.

Suggested implementation steps

1. Adopt a comprehensive plan policy that identifies the Croman Mill site as a key employment opportunity and requires a master plan be completed before any development can occur.
2. Prohibit or significantly restrict residential uses on the site.
3. Apply for a grant from the Transportation and Growth Management (TGM) program to fund a master plan for the site.

POTENTIAL PLAN AND CODE AMENDMENTS

Ashland’s comprehensive plan includes goal and policy statements related to economic development. Some of these goals and policies need to be revised based on the findings of the Economic Opportunity Analysis, input at the public workshop, and the recommendations in this Implementation Plan. The following recommendations include changes to existing policies as well as policies that should be added to the City’s comprehensive plan.

Potential Plan Policies

Category: Land Use – EOA Maintenance

Policy – Maintain and from time to time update the information contained within the Economic Opportunities Analysis (EOA) in order to periodically evaluate the factors, data and assumptions used to estimate industrial, commercial and other employment land demand for the 20-year planning period.

Implementation Strategy – Council Policy

Category: Land Use – Inventory Maintenance

Policy - Retain an inventory of vacant and partially vacant buildable commercial, industrial and other employment lands. The inventory shall present an aggregate acreage as well as a breakdown of the number of sites, by type, reasonably expected to be needed for the 20-year planning period.

Implementation Strategy – Council Policy

Policy - Preserve an adequate supply of development sites of a zoning and size appropriate for accommodating anticipated employment growth and fostering local business retention.

Implementation Strategy – Council Policy

Category: Land Use – Inventory Monitoring

Policy – Using the existing GIS land base, building permit, and the Quarterly Census of Employment and Wage (QCEW) databases, the City shall monitor where employment locates, the rate at which vacant land is being absorbed, and how much new employment is occurring by industry.

Implementation Strategy – Council Policy

Category: Land Use – Process/Regulatory Refinements

Policy - Take reasonable steps to integrate certainty in the development review and permit process through the adoption of understandable standards and Planning Commissioner training, while continuing to recognize the value in supporting and fostering effective citizen involvement.

Implementation Strategy – Ordinances changes proposed by staff to create greater efficiencies through amendments to the Procedures section and development permit review process.

Category: Capital Improvements Planning – Public infrastructure coordination

Policy – Provide adequate public and private services necessary to sustain the orderly and planned development of lands identified to support future employment growth.

Policy – Coordinate public facility planning and the establishment of public facility plans, such as the Capital Improvements Plan, Transportation System Plan and Storm Water Master Plan, with the systematic development of short and long-term employment lands.

Potential Code Amendments (Additions underlined & Deletions ~~strike out~~)

In C-1 and E-1 districts, the following amendment requires 100 percent of the ground floor area to be comprised of a permitted or special permitted use, excluding residential. This is intended to

avoid possible unintended consequences of too much ground floor building area (approx. 35%) being absorbed by residential demand.

18.32.025 Special Permitted Uses

The following uses and their accessory uses are permitted outright subject to the requirements of this section and the requirements of Chapter 18.72, Site Design and Use Standards.

D. Residential uses.

1. One hundred percent ~~At least 65% of the total of the ground floor or at least 50% of the total lot area if there are multiple buildings~~ shall be designated for permitted or special permitted uses, excluding parking and residential use.

Multi-story buildings, including habitable basement areas, shall not have more than fifty-percent of the entire gross floor area of the building in residential use.

The following amendment places the burden upon an applicant, seeking annexation of employment generating land, to demonstrate that the request for a mixed-use zoning designation (e.g. residential w/commercial) will not jeopardize planned employment growth on these lands.

18.108.060 Type III Procedure

e. Increases in residential zoning density of four units or greater on commercial, employment or industrial zoned lands (i.e. Residential Overlay), will not negatively impact the City of Ashland's commercial, employment and industrial long-term and short-term land supply as projected ~~required~~ in the Comprehensive Plan, and will provide one of the following:

1. 35% of the base density to qualifying buyers or renters with incomes at or below 120% of median income; or
2. 25% of the base density to qualifying buyers or renters with incomes at or below 100% of median income; or
3. 20% of the base density to qualifying buyers or renters with incomes at or below 80% of median income; or
4. 15% of the base density to qualifying buyers or renters with incomes at or below 60% of median income; or
5. Title to a sufficient amount of buildable land for development is transferred to a non-profit (IRC 501(3)(c) affordable housing developer or comparable Development Corporation for the purpose of complying with subsection 2 above. The land shall be located within the project and all needed public facilities shall be extended to the area or areas proposed for dedication. Ownership of the land and/or air space shall be transferred to the affordable housing developer or Development Corporation prior to commencement of the project.

The total number of affordable units described in sections D or E shall be determined by rounding down fractional answers to the nearest whole unit. A deed restriction, or similar legal instrument, shall be used to guarantee compliance with affordable criteria for a period of not less than 60 years.

Sections D and E do not apply to council initiated actions.

APPENDIX A: A FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT STRATEGIES⁴

Before presenting an economic development strategy for Ashland, it is helpful to describe a framework for economic development. The literature identifies many definitions of economic development. The definition we use for this study is taken from a recent Planning Advisory Service (PAS) report authored by Terry Moore from ECONorthwest:

“Economic development is the process of improving a community’s well-being through job creation, business growth, and income growth (factors that are typical and reasonable focus of economic development policy), as well as through improvements to the wider social and natural environment that strengthen the economy.”⁵

Broadly, economic development is about an increase in overall economic well-being. It is typical to use income as a measure of that welfare, though that choice has several limitations. In practice, cities and regions trying to prepare an economic development strategy typically use a narrower definition of economic development: they take it to mean business development, job growth, and job opportunity. The assumptions are that:

- Business and job growth are contributors to and consistent with economic development, increase income, and increased economic welfare.
- The evaluation of tradeoffs and balancing of policies to decide whether such growth is likely to lead to overall gains in well-being (on average and across all citizens and businesses in a jurisdiction) is something that decision makers do after an economic strategy has been presented to them for consideration.

This study assumes that the key objective of an economic development strategy is business development and job growth, which comes from the creation of new firms, the expansion of existing firms, and the relocation or retention of existing firms. *Thus, a key question for public policy is, What are the factors that influence business and job growth, and what is their relative importance?* This section addresses that question.

Advantages to businesses in a region derive primarily from that region’s ability to provide some factors or attributes at a better value than competing regions. It is not just the cost of these factors that matters, but their quality as well. Greater expenses for some factors are justified if they are more productive. Factors such as labor, land, and infrastructure (e.g., transportation, electricity) directly influence production costs. Other factors, such as environmental and cultural amenities, have indirect effects that can help maintain a skilled labor pool and other direct inputs.

The remainder of this section summarizes findings regarding the type and relative importance of factors that firms consider when they choose where to locate or expand.

⁴ This section draws from previous work by ECONorthwest.

⁵ *An Economic Development Toolbox: Strategies and Methods*, Terry Moore, Stuart Meck, and James Ebenhoh, American Planning Association, Planning Advisory Service Report Number 541, October 2006.

WHAT FACTORS MATTER?

Why do firms locate where they do? There is no single answer—different firms choose their locations for different reasons. Key determinates of a location decision are a firm's *factors of production*. For example, a firm that spends a large portion of total costs on unskilled labor will be drawn to locations where labor is relatively inexpensive. A firm with large energy demands will give more weight to locations where energy is relatively inexpensive. In general, firms choose locations they believe will allow them to maximize net revenues: if demand for goods and services is held roughly constant, then revenue maximization is approximated by cost minimization.

The typical categories that economists use to describe a firm's production function are:

- **Labor.** Labor is often and increasingly the most important factor of production. Other things equal, firms look at productivity—labor output per dollar. Productivity can decrease if certain types of labor are in short supply, which increases the costs by requiring either more pay to acquire the labor that is available, the recruiting of labor from other areas, or the use of the less productive labor that is available locally.
- **Land.** Demand for land depends on the type of firm. Manufacturing firms need more space and tend to prefer suburban locations where land is relatively less expensive and less difficult to develop. Warehousing and distribution firms need to locate close to interstate highways.
- **Local infrastructure.** An important role of government is to increase economic capacity by improving quality and efficiency of infrastructure and facilities, such as roads, bridges, water and sewer systems, airport and cargo facilities, energy systems, and telecommunications.
- **Access to markets.** Though part of infrastructure, transportation merits special attention. Firms need to move their product, either goods or services, to the market, and they rely on access to different modes of transportation to do this. While transportation has become relatively inexpensive compared to other inputs, and transportation costs have become a less important location factor, access to transportation is still critical. That long-run trend, however, could shift because of decreasing funds to highway construction, increasing congestion, and increasing energy prices.
- **Materials.** Firms producing goods, and even firms producing services, need various materials to develop products that they can sell. Some firms need natural resources: lumber manufacturing requires trees. Or, farther down the line, firms may need intermediate materials: for example, dimensioned lumber to build manufactured housing.
- **Entrepreneurship.** This input to production may be thought of as good management, or even more broadly as a spirit of innovation, optimism, and ambition that distinguishes one firm from another even though most of their other factor inputs may be quite similar.

The supply, cost, and quality of any of these factors obviously depend on market factors: on conditions of supply and demand locally, nationally, and even globally. But they also depend on public policy. In general, public policy can affect these factors of production through:

- **Regulation.** Regulations protect the health and safety of a community and help maintain the quality of life. Overly burdensome regulations, however, can be a disincentive for businesses to locate in a community. Simplified bureaucracies and straightforward regulations can reduce the burden on businesses and help them react quickly in a competitive marketplace.
- **Taxes.** Firms tend to seek locations where they can optimize their after-tax profits. Studies show that tax rates are not a primary location factor—they matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The cost of these production factors are usually similar within a region. Therefore, differences in tax levels across communities within a region are more important in the location decision than are differences in tax levels between regions.
- **Financial incentives.** Governments can offer firms incentives to encourage growth. Studies have shown that most types of financial incentives have had little significant effect on firm location between regions. For manufacturing industries with significant equipment costs, however, property or investment tax credit or abatement incentives can play a significant role in location decisions. Incentives are more effective at redirecting growth within a region than they are at providing a competitive advantage between regions.

This discussion may make appear that a location decision is based entirely on a straight-forward accounting of costs, with the best location being the one with the lowest level of overall costs. Studies of economic development, however, have shown that location decisions depend on a variety of other factors that indirectly affect costs of production. These indirect factors include agglomerative economies (also known industry clusters), quality of life, and innovative capacity.

- **Industry clusters.** Firms with similar business activities can realize operational savings when they congregate in a single location or region. Clustering can reduce costs by creating economies of scale for suppliers. For this reason, firms tend to locate in areas where there is already a presence of other firms engaged in similar or related activities.
- **Quality of life.** A community that features many quality amenities, such as access to recreational opportunities, culture, low crime, good schools, affordable housing, and a clean environment can attract people simply because it is a nice place to be. A region's quality of life can attract skilled workers, and if the amenities lure enough potential workers to the region, the excess labor supply pushes their wages down so that firms in the region can find skilled labor for a relatively low cost. The characteristics of local communities can affect the distribution of economic development within a region, with different communities appealing to different types of workers and business owners. Sometimes location decisions by business owners are based on an emotional or historical attachment to a place or set of amenities, without much regard for the cost of other factors of production.

- **Innovative capacity.** Increasing evidence suggests that a culture promoting innovation, creativity, flexibility, and adaptability is essential to keeping U.S. cities economically vital and internationally competitive. Innovation is particularly important in industries that require an educated workforce. High-tech companies need to have access to new ideas typically associated with a university or research institute. Innovation affects both the overall level and type of economic development in a region. Government can be a key part of a community's innovative culture, through the provision of services and regulation of development and business activities that are responsive to the changing needs of business.

HOW IMPORTANT ARE THESE FACTORS?

To understand how changes in public policies affect local job growth, economists have attempted to identify the importance for firms of different locational factors. They have used statistical models, surveys, and case studies to examine detailed data on the key factors that enter the business location decision.

Economic theory says that firms locate where they can reduce the costs of their factors of production (assuming demand for products and any other factors are held constant). Firms locate in regions where they have access to inputs that meet their quality standards, at a relatively low cost. Because firms are different, the relative importance of different factors of production varies both across industries and, even more importantly, across firms.

No empirical analysis can completely quantify firm location factors because numerous methodological problems make any analysis difficult. For example, some would argue simplistically that firms will prefer locating in a region with a low tax rate to reduce tax expenses. However, the real issue is the value provided by the community for the taxes collect. Because taxes fund public infrastructure that firms need, such as roads, water, and sewer systems, regions with low tax rates may end up with poor infrastructure, making it less attractive to firms. When competing jurisdictions have roughly comparable public services (type, cost, and quality) and quality of life, then tax rates (and tax breaks) can make a difference.

Further complicating any analysis is the fact that many researchers have used public expenditures as a proxy for infrastructure quality. But large expenditures on roads do not necessarily equal a quality road system. It is possible that the money has been spent ineffectively and the road system is in poor condition.

An important aspect of this discussion is that the business function at a location matters more than a firm's industry. A single company may have offices spread across cities, with headquarters located in a cosmopolitan metropolitan area, the research and development divisions located near a concentration of universities, the back office in a suburban location, and manufacturing and distribution located in areas with cheap land and good interstate access.

Although empirical analyses face many such methodological difficulties, the studies provide much information about why firms locate where they do. Economists have improved their statistical techniques and use a variety of data sources to quantify input factors. They have supplemented empirical analyses with theoretical models of firm behavior and surveys of business managers.

Research has shown that the location decisions of businesses are primarily based on the availability and cost of labor, transportation, raw materials, and capital. The availability and cost of these production factors are usually similar within a region. Most economic development strategies available to local governments, however, only indirectly affect the cost of these primary location factors. Local governments can most easily affect tax rates, public services, and regulatory policies. Economists generally agree that these factors do affect economic development, but the effects on economic development are modest. Thus, most of the strategies available to local governments have only a modest affect on the level and type of economic development in the community.

Local governments in Oregon also play a central role in the provision of buildable land through inclusion in the Urban Growth Boundary, plan designation, zoning, and provision of public services. Obviously, businesses need buildable land to locate or expand in a community. Providing buildable land alone is not sufficient to guarantee economic development in a community—market conditions must create demand for this land, and local factors of production must be favorable for business activity. In the context of expected economic growth and the perception of a constrained land supply in Lane County, the provision of buildable land has the potential to strongly influence the level and type of economic development in Creswell. The provision of buildable land is one of the most direct ways that the City of Creswell can affect the level and type of economic development in a community

WHAT DRIVES LONG-RUN ECONOMIC DEVELOPMENT?

Though there are compelling reasons for setting goals at the beginning of a project, doing so is not without problems. Germane to the issues we are dealing with is the fact that goals, and to even a greater extent the more specific objectives that derive from them, are (or should be influenced) by a pragmatic understanding of the relationships between cause and effect in the system of interest. Without that understanding one risks pursuing goals that are unattainable, or actions that are inefficient in achieving them. Some rudimentary understanding of the relationships is essential to developing defensible answers to the overarching policy question: what happens when I pull this policy lever?

Even with sweeping simplifying assumptions, a regional economic system is still a complex one that is difficult to model, much less to predict without the benefits of models, on the basis of intuition alone. Nonetheless, that is how the large majority of economic development policies get adopted. In light of that reality, the purpose of this section and the following figures is to provide a framework for thinking about causes and effects that will make the intuitions more informed.

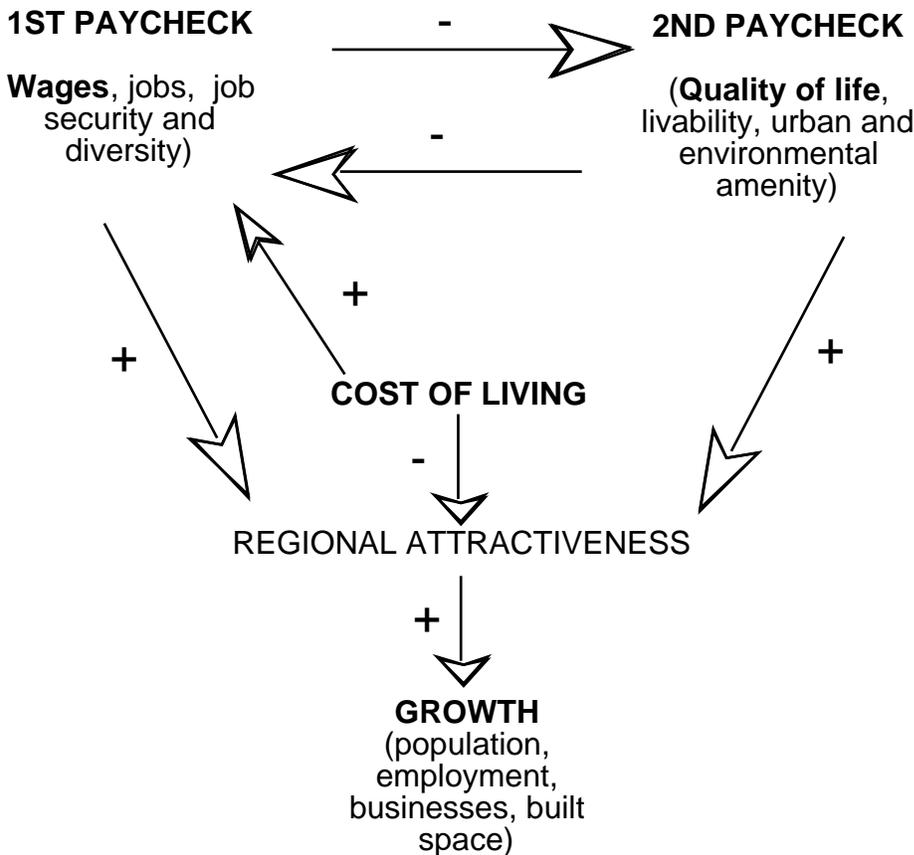
Figure 1-3 shows the primary drivers of urban growth as generally accepted by urban and regional economists. It illustrates that households are attracted to different regions based on their estimation (explicit or implicit, accurate or not) of the tradeoffs among three categories of variables: availability of jobs, wages, cost of living, and everything else (which is a broad definition of quality of life). The phrase *2nd paycheck* refers to all those other things that households want. The arrows and signs illustrate the tradeoffs.

For example, if wages increase, other things equal, a region becomes more attractive and growth is stimulated (migration occurs, and ultimately the residential and commercial development to accommodate that growth). Other things, of course, are not equal. That growth can cause the cost of living to increase, which decreases regional attractiveness (but also creates pressure to

increase wages). To the extent that households believe that a region offers natural and cultural amenities (quality of life) that are valuable, they will be willing to pay more (cost of living) or accept less (the first paycheck) to live in the region.

Figure A-1 greatly oversimplifies the dynamics of growth. Each of its elements could be expanded into another diagram. For example, there is a feedback from growth to wages: more growth usually means more demand for labor, which means higher wages to ration an increasingly scarce supply.

Figure A-1: Drivers of urban growth



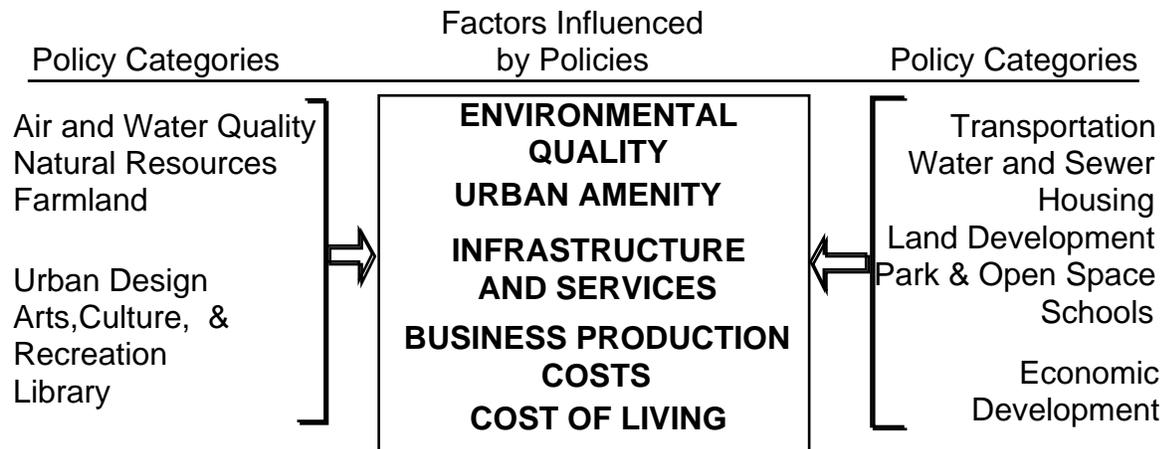
As another example, if one were to expand the element labeled *2nd paycheck*, one would find that regional economic growth does not have unambiguous effects on the second-paycheck components of quality of life. Business growth affects components of quality of life either directly or indirectly through its impact on population growth. If a generalization is required, urban growth probably tends to increase urban amenities (shopping, entertainment, and organized recreational opportunities) and decrease the environmental quality and the capacity of infrastructure.

Figure A-2 shows that there are many policies a region can adopt to influence the factors that affect economic development. Taking just one example, if a region decided it wanted to affect urban form (for example, because of supposed beneficial effects on the cost of infrastructure and quality of life) there are many categories of policies (e.g., land use, transportation, other public facilities) and many subcategories (e.g., for land use: traditional zoning, minimum-density

zoning, design standards, etc.); for public facilities: design standards, concurrency requirements, financial incentives, system development charges and exactions, etc.).

Figure A-2: The role of public policy

Categories of public policy and key factors they influence

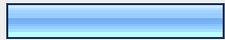
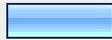


To summarize the conclusions:

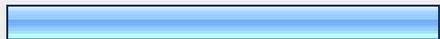
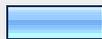
- At a regional level, three categories of variables interact to make a region grow: wages, quality of life, and cost of living.
- This simple categorization quickly gets complex: many sub-categories exist, which interact in complicated ways not only within categories, but also across them.
- Quality-of-life factors have been demonstrated empirically to influence residential and business location decisions.

Thus, public policymakers must consider a multitude of factors as they try to adopt optimal economic development policies. It is no longer as simple as just recruiting big industries.

City of Ashland Economic Development Survey

Do you think Ashland a better place to live than it was 10 years ago (or since you have lived in Ashland)?			Response Percent	Response Count
Yes			10.9%	27
No			53.9%	133
About the same			23.5%	58
Don't know			11.7%	29
			answered question	247
			skipped question	4

Please explain your response to Question 1.			Response Count
			213
			answered question
			213
			skipped question
			38

How would you describe the rate of growth in the City of Ashland? (Please circle one.)			Response Percent	Response Count
Too fast			36.1%	88
About right			46.7%	114
Too slow			6.6%	16
Don't know/no opinion			10.7%	26
			answered question	244
			skipped question	7