comprehensive plan

ROSEBURG URBAN AREA

DECEMBER 1984

ECONOMIC ELEMENT

URBAN AREA

ROSEBURG

COMPREHENSIVE PLAN

ECONOMIC ELEMENT

Introduction

Nearly every aspect of the comprehensive planning process is in some way influenced by economic factors. Housing, land use, population growth, and the provision of public services are all subject to change due to fluctuations in specific sectors of the economy. The Economic Element; therefore, is an important part of Roseburg's Comprehensive Plan.

The Economic Element consists of two major sections. The first attempts to provide a realistic view of current economic conditions in the Roseburg urban area. These conditions are discussed in terms of economic indicators such as commercial and industrial activity, analysis of the labor force, unemployment problems, and general economic trends. The second section deals with future oriented issues such as commercial and industrial growth, manpower development, economic diversification, and the role of local government in shaping the urban area's economic future. In addressing the urban area's economy, consideration must also be given to the supply of, and demand for, human resources, energy, land and other natural resources, transportation, and public facilities. However, the treatment of these topics in the Economic Element is limited to the degree necessary to address the state economic goal, inasmuch as they are discussed at length in other elements of the Plan. The provision of adequate land for future economic growth is dealt with specifically in the Land Use Element.

Finally, it is important to understand that economic data for Roseburg and its surrounding urban area is somewhat limited. Past economic studies have been conducted on a regional or county-wide basis and generally do not focus on the urban area. Therefore, much of the analysis contained in this element is based on county-wide data, to which certain assumptions must be applied in order to obtain a reliable picture of the urban area's economy.

ECONOMIC INDICATORS

Labor Force and Employment

The labor force participation rate indicates the percentage of the total population over 16 years of age in the labor force. The classification includes all persons that are employed or unemployed, but seeking work, plus those persons in institutions--schools, hospitals, correctional institutions, etc.

Labor force statistics are computed by the Oregon State Employment Division and are reported on a county-wide basis. Official statistics for the Roseburg urban area are not available separately and therefore, must be estimated. Table E-1 provides a summary breakdown of key labor force indicators for Douglas County. It should be noted that these figures are for wage and salary workers only and do not include self-employed persons or professionals such as doctors, lawyers, and real estate sales people.

TABLE E-1
LABOR FORCE SUMMARY
Annual Average

	1980	1979	1978	1977	1976	1976-80 Percent of Change
Civilian Labor Force 1/	40,860	39,900	38,350	37,030	35,720	14.4
Unemployment	4,740		2,940	3,270	3,610	31.0
Percent of Labor Force	11.6	10.5	7.7	8.8	10.1	15.0
Total Employment 2/	36,120	35,710	35,410	33,760	32,110	12.4

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

TOTAL	31,580	31,220	30,960	29,830	28,700	10
Manufacturing	10,600	10,590	10,650	10,510	10,370	2.2
Durable Goods	9,910	9,930	10,000	9,850	9,700	2.2
Lumber & Wood	8,850	8,900	8,990	8,goo	8,810	.5
Primary Metals	470	470	460	460	470	0
Other Durable Goods	590	560	550	490	420	40
Nondurable Goods	690	660	650	660	670	3
Food Products	170	150	150	150	140	21
Other Nondurable Goods	520	510	500	510	530	-2
Non-manufacturing	20,980	20,630	20,310	19,320	18,330	14
Contract Construction	1,450	1,400	1,330	1,300	1,270	14
Transp., Comm. & Utils.	1,370	1,360	1,350	1,290	1,230	10
Trade	5,760	5,620	5,540	5,300	5,050	14
Wholesale	700	700	690	630	580	20
Retail	5,060	4,920	4,850	4,660	4,470	13
Fin., Ins. & Real Estate	1,050	1,020	990	910	840	25
Service & Miscellaneous	4,340	4,280	4,220	3,900	3,590	21
Government	7,010	6,950	6,880	6,610	6,350	10

SOURCE: Oregon State Employment Division

1/ Includes employed and unemployed individual 16 years and older. Data are adjusted for multiple job holding and commuting.

2/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

The growth of the labor force in Douglas County during the last five years has increased nearly twice as fast as the population. The county population increased 7.8 percent as it grew from 81,600 to 87,200 persons. In contrast, the labor force increased 14.3 percent as it expanded from 35,720 to 40,860.

All of the major employment sectors in the County increased during the 1976-80 time period. Total employment increased 12.4 percent, led by the non-manufacturing sector which increased by 14 percent. The largest gains were in the areas of wholesale trade (20%), finance, insurance and real estate (25%), and service oriented professions (21%). The smallest gains were seen in the manufacturing sector; particularly the wood products industry which experienced only a half percent increase in labor force participation.

While these figures cannot be directly applied to the urban area's labor force, certain assumptions can be drawn. Generally, urban areas in Oregon have a higher labor force participation rate than for the county as a whole, although the percent of the population which falls within the labor force tends to be smaller.

In 1970, Roseburg had a labor force of 5,623 persons, which totaled 39 percent of the City's population at that time. This compares to Douglas County's 1970 labor force of 29,510; constituting 41 percent of the population. In 1980, Douglas County's labor force made up 47 percent of the county population. If we assume Roseburg has experienced the same amount of growth as the county, we can estimate a labor force participation rate of about 45 percent.

There are two key factors which account for the increasing labor force participation rate. Both economic and social forces are drawing more and more women into the job market. In 1970, women made up 35 percent of the labor force in Douglas County. In 1977, 43 percent of the county's labor force was female, although this was still considerably lower than the State average of 48 percent. Continued enforcement of the Equal Employment Opportunities Act will help ensure a continued high female participation rate. The second major factor increasing the labor force participation rate is the increasing percentage of the population which is of employable age. In 1970, 61 percent of the county population was between the age of 15 and 64. In 1980, the number of persons within this age group increased to an estimated 63 percent of the total population.

Employment opportunities are being created in Douglas County at a faster rate than the rate of population growth. The general rise in unemployment during the past decade can be explained, in part, by the increasing participation rate in the job market. Unemployment rates for Douglas County, Oregon, and the U.S. since 1960 can be compared in Table E-2.

The unemployment rate in Douglas County has experienced dramatic fluctuation over the last decade and has undergone an overall increase.

The fluctuations in the unemployment rate are mostly the result of employment fluctuations in the large lumber and wood products industry. Employment in the lumber and wood products industry corresponds quite closely to national housing construction activity. This relationship is illustrated in Chart E-1, which also shows the relationship of unemployment fluctuation. Again, separate statistics are not available for the Roseburg urban area. Nevertheless, some assumptions about the urban areas employment picture can be drawn.

TABLE E-2
UNEMPLOYMENT RATES 1960-1980
DOUGLAS COUNTY, OREGON, AND U.S.

Year	% of Douglas County Labor Force Unemployed	% of Oregon Labor Force Unemployed	% of U.S. Labor Force Unemployed
1960	7.1	4.9	5.5
1961	8.8	6.4	6.7
1962	5.9	5.5	5.5
1963	5.7	5.1	5.7
1964	5.0	5.0	5.2
1965	6.7	4.6	4.5
1966	7.6	4.2	3.8
1967	8.9	4.8	3.8
1968	6.1	4.4	3.6
1969	6.4	4.4	3.5
1970	7.9	5.9	4.9
1971	7.3	6.3	5.9
1972	6.4	5.9	5.6
1973	7.4	6.2	4.9
1974	9.4	7.5	5.6
1975	12.7	10.6	8.5
1976	10.0	9.5	7.7
1977	9.0	7.3	7.0
1978	7.8	6.0	6.0
1979	10.5	--	--
1980	11.4*		

*January 1980 only; annual average may be higher or lower.

SOURCE: Oregon State Employment Services Division

Although the urban area's economy is heavily dependent on the lumber and wood products industry, the economy is developing an expanded and varied base. An increasing percentage of Roseburg's labor force is employed in service and trade occupations which are not as venerable to seasonal or periodic fluctuations in the national economy. Between 1976
and 1980, the manufacturing sector added only 230 persons to the County's work force, while the non-manufacturing sector absorbed an additional 2,650 workers.

During the last several years, there have been a number of mill closures in central Douglas County which have idled 580 workers. Table E-3 lists mill closures by year and shows the number of employees displaced. Predictions of future employment trends forecast a gradually decreasing work force in the lumber and wood products industry in Douglas County over the next 20 years.[1] I While such a trend would significantly effect unemployment rates in the Roseburg urban area, its broader based economy should afford a fair degree of insulation from any rapid and dramatic downturns.

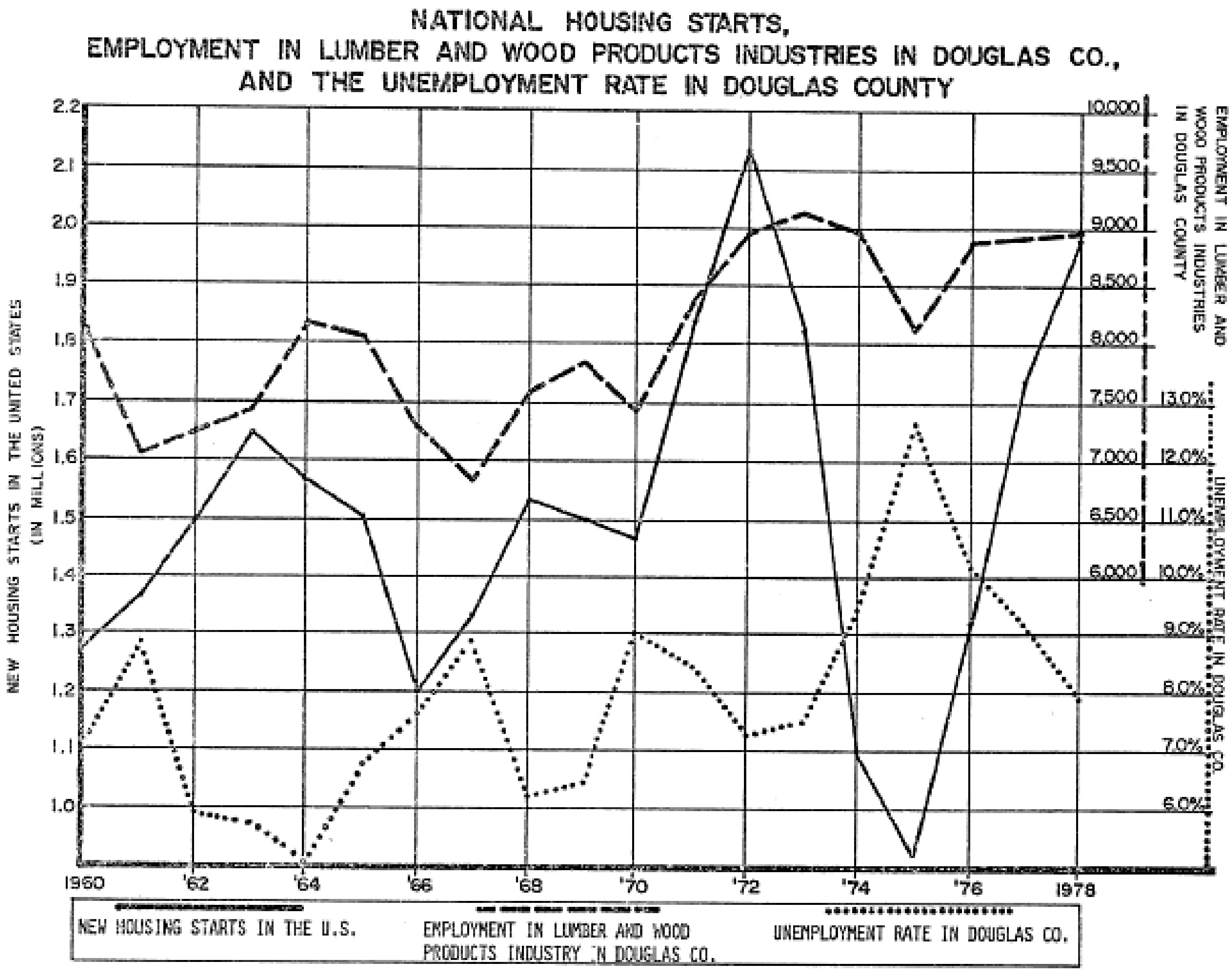
TABLE E-3
MILL CLOSURES IN CENTRAL
DOUGLAS COUNTY, 1977-79

Year	Mill	No. Employees Displaced
1977	Permaneer	200
1977	Hub Lumber Company	50
1978	Green Valley Lumber	105
1978	Smith River Lumber	105
1978	Champion Veneer	45
1979	Champion Building Products	75

SOURCE: Coos, Curry, Douglas Economic Development Association, 1979.

[1]Coos-Curry-Douglas Economic Improvement Association, Comprehensive, Economic Development Strategy, 1979-80 Action Program.

CHART E-1



NATIONAL HOUSING STARTS,
EMPLOYMENT IN LUMBER AND WOOD PRODUCTS INDUSTRIES IN DOUGLAS CO.,
AND THE UNEMPLOYMENT RATE IN DOUGLAS COUNTY
NEW HOUSING STARTS IN THE UNITED STATES (IN MILLIONS)
2.2
2.1
2.0
1.9
1.8
1.7
1.6
1.5
1.4
1.3
1.2
1.1
1.0
EMPLOYMENT IN LUMBER AND WOOD PRODUCTS INDUSTRIES IN DOUGLAS COUNTY
10,000
9,500
9,000
8,500
8,000
7,500
7,000
6,500
6,000
UNEMPLOYMENT RATE IN DOUGLAS CO.
13.0%
12.0%
11.0%
10.0%
9.0%
8.0%
7.0%
6.0%
1960
'62
'64
'66
'68
'70
'72
'74
'76
1978
NEW HOUSING STARTS IN THE U.S.
EMPLOYMENT IN LUMBER AND WOOD PRODUCTS INDUSTRY IN DOUGLAS CO.
UNEMPLOYMENT RATE IN DOUGLAS CO.

Family Income

The level of family income in Douglas County is an important indicator of economic activity in the region. Income levels are important when determining demand for retail facilities, housing, recreational outlets, as well as determining tax revenues.

According to the U.S. Census, the median family income for Roseburg in 1970 was $9,754, while the median family income for Douglas County was $8,670. The latest median income figure available is for 1978 and is for Douglas County only. Therefore, an interpolation of Roseburg's 1980 figure must be drawn from the 1978 County median income of $15,312. Of course, to do so requires the acceptance of certain assumptions. First, we know that Roseburg's 1970 figure was 12.5 percent higher than that for the county. If we assume that the percentage difference has remained constant during the past decade, we can conclude that Roseburg's 1978 figure is also 12.5 percent above the county's 1978 figure. This then computes to an estimated 1978 median income of $17,226 for Roseburg, which is also higher than the median family income of 16,768 for Oregon.

The fact that levels of income in Roseburg are higher than the County and the State is indicative of the higher paying job opportunities in the wood products industry, as well as the higher skill levels and managerial positions that are present in the urban area and of the greater employment opportunities available for females as an additional wage earner in the family.

Table E-4 depicts Douglas County's average annual wages by industry in 1977. As in Table E-1, the figures are for wage and salary workers only, and do not include many professionals and self-employed persons. Douglas County's average annual wages are $354 more than the state average. Since the 1977 data were compiled, there have been several mill closures in the county. As employment in higher paying sectors of the local economy (lumber and wood products) continues to decline, the average annual wage levels within the county will probably experience a decline relative to the state as a whole.

Effective Buying Income Estimates

Effective buying income is defined in Sales Management Survey of Buying Power as that income which equals personal income (wages, salaries, interest, dividends, profits and property income) minus federal, state, and local taxes and is generally equivalent to the Federal Government's category of disposable personal income.

TABLE E-4
EMPLOYMENT AND ESTIMATED AVERAGE ANNUAL WAGES FOR
DOUGLAS COUNTY AND THE STATE OF OREGON BY INDUSTRY, 1977

	Douglas County		State of Oregon	
	Employees	Average Wage	Employees	Average Wage
Agriculture	195	$ 6,995	5,407	$ 8,408
Mining	290	16,807	1,787	15,303
Construction	10'370	14,337	42,696	14,869
Manufacturing	10,456	15,442	206,060	14,060
Transportation, Communication and Utilities	1,211	13,087	43,322	15,194
Wholesale	666	9,431	58,076	14,282
Retail	4,811	6,353	167,576	7,257
Finance, Insurance & Real Estate	739	9,124	47,884	10,279
Services	3,309	7,759	145,312	8,394
Government	6,025	11,530	i67,28o	12,412
All Industries	29,072	11,761	888,552	11,407

SOURCE: Oregon State Employment Services Division, April, 1979

Effective buying income (EBI) estimates are currently only available for 1976 in Douglas County. The estimated average household EBI in 1976 was $13,131. This compares to the State average of $14,437, which is about ten percent higher.

Table E-5 provides a breakdown of household EBI in Douglas County and Oregon in 1976.

TABLE E-5
EFFECTIVE BUYING INCOME
DOUGLAS COUNTY
1976

EBI GROUP	NUMBER OF HOUSEHOLDS WITHIN EBI GROUP			
	Douglas County		Oregon	
Under $3,000	3,323	(12%)	88,638	(10%)
$3,000-4,999	2,404	(8%)	69,645	(8%)
$5,000-7,999	3,030	(11%)	96,639	(11%)
$8,000-9,999	2,514	(9%)	66,632	(8%)
$10,000-14,999	7,429	(26%)	191,617	(22%)
$15,000-24,999	7,682	(27%)	251,456	(29%)
$25,000-49,999	2,076	(7%)	81,619	(9%)
$50,000 or more	142	(-1%)	10,656	(1%)
Total Households	28,600	(100%)	856,900	(100%)

SOURCE: Sales and Marketing Management Magazine

Bank Deposits

Bank deposits are often used as an indicator of general economic conditions in an area. Roseburg is the major service and trade center for central Douglas County. Consequently, the level of bank deposits in Roseburg is to some degree an indication of general economic conditions in the region served by the urban area. Figures are available from 1974 through 1977. Bank deposits have grown from $116,448,000 in 1974 to $i67,512,000 in 1977 in Roseburg for a 44 percent increase over the four year period evaluated. Bank deposits in Douglas County increased from $199,609,000 to $290,465,000 during the same period; a 45% increase. Table E-6 shows the amount of bank deposits for both Roseburg and Douglas County from 1974 through 1977 and reveals Roseburg's relatively constant percentage of all county bank deposits.

TABLE E-6
BANK DEPOSITS FOR ROSEBURG AND DOUGLAS COUNTY
1974-1977
(In Thousands of Dollars)

Year	Roseburg	% of County Deposits	Douglas County
1974	$ 116,448	58%	$ 199,609
1975	129,744	59%	219,204
1976	146,362	58%	251,334
1977	167,512	58%	290,465

SOURCE: Banking Division, Oregon Department of Commerce.

Retail Sales

Retail sales can be used as an accurate measure of commercial activity. Retail sales are especially important as an economic indicator in Roseburg because of the urban area's importance as a regional retail and service center.

Retail trade statistics for Roseburg are limited to published estimates made by the Editor and Publisher Market Guide for the years 1974, 1977, and 1979. Retail trade statistics are reported in nine separate categories. Table E-7 provides a comparative breakdown of retail trade statistics for Roseburg for 1974, 1977, and 1979.

TABLE E-7
RETAIL SALES BY TYPE OF PUCHASE
ROSEBURG, OREGON
1974, 1977 & 1979
(in Thousands of Dollars)

Year	Lumber/ Total Sales Hardware	Food	General Merchandise	Furniture, Furnishings, and Appliances	Automotive	Drugs	Gasoline	Apparel	Eat/ Drink	
1974	64,754	14,556	8,964	3,591	18,263	4,990	5,705	N.A.	4,632	4,055
1977	134,224	28,798	13,750	6,243	39,600	8,055	14,163	5,022	12,285	6,308
1979	165,168	34,338	16,939	7,872	49,094	9,589	16,375	5,904	15,682	9,375

SOURCE: Editor and Publisher Market Guide

TABLE E-8
RETAIL SALES BY TYPE OF PURCHASE
DOUGLAS COUNTY, OREGON
1974 and 1977
(in Thousands and Dollars)

Year	Total Sales	Food	General Merchandise	Furniture, Furnishings, and Appliances	Automotive	Drugs	Other Purchase
1974	214,232	50,969	15,402	9,633	46,277	8,757	83,194
1977	278,052	67,610	18,646	11,930	66,209	10,776	102,881

SOURCE: Sales and Marketing Management Magazine

Retail trade estimates for Douglas County are derived from estimates published by Sales and Marketing Management Magazine and are available for the years 1974 and 1977. Retail sales in Douglas County for these two selected years are shown in Table E-8.

Generally, retail sales in Roseburg and Douglas County have been increasing steadily. Roseburg represented 30 percent of all reported Douglas County retail sales in 1974, and 48 percent in 1977. During the same period, Roseburg experienced a 107 percent increase in sales, while overall Douglas County retail sales increased by 30 percent. All figures are expressed in "current" dollars. These figures illustrate Roseburg's rapidly increasing importance as a regional retail center. A large, regional shopping center which opened in the spring of 1980, should further accelerate this trend.

Industrial Activity

Roseburg has long borne the title, "Timber Capitol of the Nation." Indeed, the forest products industry is the mainstay of the region's economy; employing an estimated 8,850 workers in Douglas County in 1980.

Major lumber and wood products industries in the Roseburg urban area include Douglas County Lumber Company (375 employees); Roseburg Lumber Company (450 employees); Keller Lumber Company (65 employees); Sun Studs, Inc. (275 employees); and U.S. Plywood (575 employees). In addition, 30 other logging, lumber and wood products industries provide employment for approximately 700 additional workers.

These figures reflect the number of employees who actually work in the urban area or work for companies based in the urban area. Many of the industries listed above have operations throughout Douglas County and may employ only a small percentage of their work force in the Roseburg urban area. In addition, industrial operations outside the urban area draw significantly on the urban area's work force.

Due to the very nature of the timber and wood products industry, it is difficult, if not impossible, to analyze the economy of Roseburg separately from the broader regional economy. A mill closure in Riddle or Sutherlin would directly effect many people who live in Roseburg, but actually work in another part of the region.

Although there have been several mill closures in central Douglas County during the last five years, overall employment in the industry has been relatively stable. County-wide, employment in the lumber and wood products industry is slightly higher than in 1976, although it is significantly lower than its peak period in 1978.

Other industries have experienced rather impressive growth over the same period, and to some extent have helped absorb workers displaced during periodic slumps in the primary industry. While the timber products industry has experienced only a half percent growth between 1976 and 1980, all other sectors experienced growth of 10 to 40 percent over the same period.

Economic Support Systems

A number of conditions are required prior to the proper functioning of any economic system. Those conditions include an efficient transportation network; environmentally sound waste disposal systems; available financial assets; and other community services such as police and fire protection, schools, parks, etc. While all of these topics are discussed at length in other elements of the Comprehensive Plan, it is helpful to briefly review their direct relationship to the urban areas economic climate.

Transportation

The transportation system is of vital importance to the area's economy. Transportation makes possible the movement of raw materials, the marketing of finished goods, and the mobility of the populace. It also creates a major share of the costs of production. The transportation system is composed of three subsystems: Motor Vehicle Transportation, Airborne Transportation, and Rail Transportation. Roseburg is centrally located in Douglas County and is directly on, or very near to, most major transportation routes which serve the region. Interstate 5, which is the main north/south motor vehicle route on the west coast of the United States, passes directly through the middle of the urban area.

There are two main feeder highways that connect 1-5 with the Pacific coast and the port facilities located there. Highway 42 about ten miles south of Roseburg, connects 1-5 near Winston with U.S. 101 near Coos Bay.

Highway 138, about 12 miles to the north, parallels the Umpqua River and connects the Pacific Coast Highway at Reedsport to the City of Sutherlin. These two highways are the primary east/west routes that move goods and people between the coast and the urban area. Current and planned construction projects for both Highway 42 and Highway 138 will improve the movement of vehicles along these routes in the future and facilitate increased interaction between the Umpqua Valley and the coast.

The Umpqua National Forest, which lies about thirty miles to the east of Roseburg, supplies a significant amount of raw forest products which are processed in the urban area. This vital resource area is connected to Roseburg by Highway 138. About 18 miles of the highway immediately east of the city has been improved to four-lane width and is maintained by Douglas County. Other secondary roads connecting the urban area with the surrounding resource lands are maintained at a high level to help ensure the safe and efficient transport of the regions important natural resources.

Rail service within Douglas County is similar to motor vehicle transportation in that it is oriented in a north/south direction. Rail service through the urban area is provided by Southern Pacific.

It has been estimated that 90 percent of the forest products from Douglas County are shipped to national markets by rail. In past years though, the percentage of products being shipped by rail has been declining because:

1) Shipping by truck became more economical.

2) The percentage of the areas products consumed on the West Coast increased.

3) Rail rates increased.

But, 1976 saw a possible reversal in the trend of declining rail usage as Southern Pacific reduced key commodity rates and rail tonnages increased dramatically. As the cost of fuel increases, the energy efficiencies inherent in rail transportation may shift a greater percentage of commerce to rail transportation.

Table E-9 shows the current rail tariff rate structure for shipments to Portland from Roseburg, Coos Bay, and Eugene. The full ramifications of rail transport are discussed at length in the Transportation Element of the Comprehensive Plan.

TABLE E-9
RAIL TARIFF RATE STRUCTURE
TO PORTLAND

From	Cost/100 lbs.	Minimum Weight
Roseburg	64¢	100,000 lbs.
Coos Bay,	71¢	100,000 lbs.
Eugene	55¢	100,000 lbs.

SOURCE: Southern Pacific Railroad
Rates Effective March 31, 1979

Air transportation does not currently constitute a significant economic resource for the Roseburg urban area. Roseburg Municipal Airport is a general aviation facility with a runway length of 4600 feet. Although the facility is adequate to accommodate intermediate passenger and cargo carries, such service is not currently provided on a scheduled basis.

Public Facilities, Utilities and Services

The availability and reliability of facilities and utilities is essential to economic development. Of primary importance are electricity, gas, water, and waste disposal. Important services are finances and community services. The Public Facilities and Services Element of the Comprehensive Plan provides an in-depth analysis of these subjects, but it is valuable to briefly discuss their impact upon economic growth.

Energy

The urban area relies primarily upon the importation of electrical energy from other areas. The major exceptions are the hydroelectric generating facilities on the North Umpqua River owned by Pacific Power and Light Company, and the generation of power from wood products waste by some of the County's forest products processing plants. The Roseburg area is at a rate disadvantage for electricity used domestically and commercially when compared to Eugene, although local rates are about equal to those in Portland. Table E-10 provides a comparative breakdown of residential, commercial and industrial electricity rate charges for Roseburg and other cities in central and southern Oregon.

TABLE E-10
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL ELECTRICITY CHARGES
FOR SELECTED UTILITIES

Utility	City	Residential		Commercial		Industrial		
		500 KWH	1000 KWH	12 KW/ 15000 KWH	30 KW/ 6000 KWH	150 KW/ 30,000 KWH	300 KW/ 60,000 KW	1000 KW/ 200,000 KWH
Central Lincoln PUD	Reedsport	$ 9.70	$ 14.90	$29.70	$ 81.00	$415.00	$ 734.00	$2,040.00
Coos-Curry Electric Co-operative	Brookings-Gold Beach	$12.25	$20.50	$40.00	$112.00	$607.00	$1,095.00	$2,810.00
Douglas Electric Co-operative	Elkton	$13.00	$23,00	$40.50	$ 96.75	$480.25	$1,130.00	$3,300.00
Eugene Water & Electric	Eugene	$10.37	$17.33	$37.89	$ 99.13	$723.75	$ 880.41	$2,753.61
Pacific Power & Light	Roseburg Coos Bay-North Bend	$15.01	$27.02	$46.50	$148.45	$721.05	$1,418.55	$4,492.55

SOURCE: Company Rate Schedule, April 1979.

The State of Oregon does not currently produce significant supplies of natural gas at the present time. Some newly developed natural gas wells in the northwest corner of the state may represent the end of Oregon's total dependence on outside sources of natural gas energy, but presently, most 9 as supplies are imported from other states or British Columbia. Natural gas supplies are currently available in most parts of the urban area. Roseburg has a natural gas rate advantage when compared with Portland and Eugene. Residential and commercial natural gas rates in Roseburg are compared to rates in other regions of the state in Table E-11A more detailed analysis of energy needs and resources is provided in the Energy Element of the Comprehensive Plan.

TABLE E-11
RESIDENTIAL AND COMMERCIAL NATURAL GAS CHARGES
FOR SELECTED UTILITIES
As of May, 1979

		Residential	Commercial	
UTILITY	CITY	50 Therms	100 Therms	5000 Therms
California Pacific Utility Company	Roseburg	$20.97	$38.12	$1,723.52
Cascade Natural Gas Company	Pendleton-Bend	$18.69	$36.01	$1,504.07
Northwest Natural Gas Company	Portland-Eugene	$21.10	$38.00	$1,446.80

SOURCE: Company rate schedules

Water Resources and Systems

The availability of water is essential to the economic viability of the Roseburg urban area. It is used for industry, recreation, power generation, fish and wildlife, and domestic purposes. In the urban area, the largest quantity of water is used for domestic purposes, while the largest single users are the wood products processing plants.

The primary source of water for both domestic and industrial use is the North Umpqua River at Winchester. The water treatment plant can presently provide complete treatment for 3.4 million gallons per day (MGD). During summer months, when raw water quality is high, the plant's settling facilities are not used and the rated capacity is about 9.5 MGD.

In 1978, the average daily flow was 4.75 million gallons of water with a peak day flow of 8.9 million gallons. These flows are projected to increase to 7.8 MGD and 16.5 MGD respectively by the year 2000.[2] In order to meet projected future demand, the City will need water rights for an additional six cubic feet per second beyond the City's existing rights to 25 cubic feet per second.[3] These projections are based on the assumption that the domestic/industrial demand ratio will remain constant over the next 20 years. The introduction of new industries which demand large quantities of water would seriously alter projected water and water facility needs. A perception of inadequate water service could represent a hindrance to attracting new industry to the Roseburg urban area. Water resources are adequate to meet existing and foreseeable domestic demands on a yearly basis. However, some elements of the delivery system are approaching capacity and extensive upgrading of facilities will be required in the next five to ten years. A more detailed assessment of water system needs is provided in the Natural Resources Element, the Public Facilities and Services Element, and the City's Water System Master Plan.

Waste Disposal Systems

As people are becoming more aware of their environment, they are realizing that natural amenities must be conserved for their future potential and aesthetic value. With increasing population and economic growth it is becoming apparent that these limited resources may be endangered in some areas due to inadequate waste disposal methods. Wastes that are not properly treated affect the health of people, the health of aquatic life, the aesthetic beauty of an area and reduce the supply of good quality water.

[2] Water System Master Plan, City of Roseburg, April, 1979.
[3] Ibid.

There are two major classes of waste: solid waste and sewage or water related wastes. In the urban area, solid waste is deposited in public sanitary landfills. At the present time, these solid waste disposal sites are available for both domestic and commercial wastes. Industrial wood wastes are utilized in various manufacturing processes and as an energy source. The present solid waste disposal sites and disposal programs in the urban area cannot adequately meet the demands that will be placed on them in the next ten years.1 Solid waste management programs and alternatives currently being discussed such as recycling and energy recovery in the form of steam generation may provide solutions for the sanitary landfill problems of the area.

Disposal of fluid wastes is also a prominent economic problem. This waste is disposed of in a variety of ways and may receive various degrees of treatment in the disposal process, ranging from the dumping of raw sewage to highly refined treatment methods. As refinement increases so does the cost, and this cost factor may limit the degree of refinement used.

Industrial and domestic sources are the major generators of sewage and water related wastes in the urban area. The strength and non-soluble contents of industrial wastes make elimination more difficult and costly than treatment of domestic waste.

The two existing municipal treatment facilities in the urban are Douglas County Solid Waste Management Study currently provide secondary waste treatment but these facilities will need to be expanded or replaced within the near future if economic growth is to continue.

Increasing requirements on industries for pollution control measures are escalating the costs of production in some fields. This increasing cost factor could restrict economic activity and thereby reduce employment.

Future solutions to the waste disposal problems facing the urban area will depend on the development and utilization of waste products as well as the provision of adequate treatment facilities.

Financial Resources

Economic development requires an adequate supply of money at two separate levels. First is the investment undertaken by local government in supplying a large portion of the necessary infrastructure such as streets, water, sewer and other ancillary services. Second is the investment by industry to construct new plants and facilities and purchase capital equipment. This section discusses the ability of the City to finance the necessary infrastructure improvements and the availability of private capital in the area for development.

Public Resources

The ability of local governments to finance economic development projects may be indicated by two basic factors. The rate of property taxation demonstrates the amount of burden carried by the local taxpayer and the amount of indebtedness of each local governmental entity indicates the collective burden. Table E-12 demonstrates the variation in property tax rates found within Douglas County and Table E-13 compares the estimated ratio of general obligation bonded indebtedness to total assessed value of several cities in the county, including Roseburg.

TABLE E-12
SAMPLE PROPERTY TAX LEVIES WITHIN DOUGLAS COUNTY
1978-1979
(Dollars per $1,000 Valuation)

Roseburg	15-50
Winston	15-98
Reedsport	12.62
Sutherlin	i6.49
Drain	17-70
Myrtle Creek	14.38

SOURCE: Douglas County Tax Roll Summary, 1978-79.

TABLE E-13
ESTIMATED RATIO OF GENERAL OBLIGATION
BONDED INDEBTEDNESS TO TOTAL ASSESSED VALUE
1977-1978
(Expressed as percent)

Douglas County	0.0%
Myrtle Creek	1.6%
Reedsport	0.1%
Roseburg	1.6%
Winston	0.0%

SOURCE: Coos-Curry-Douglas Economic Improvement Association Comprehensive Economic Development Strategy, 1978-79.

In this day of resource scarcities and growing labor costs, it is vital that municipal governments like those in the private sector, continuously attempt to provide more and better services at less cost. Rising city expenditures are caused by increasing population, inflation and citizens' demands for more and better public services. Roseburg is facing increased demands for more and higher quality services at the very time many people are revolting against increased taxes (see Table E-14).

TABLE E-14
VOTER RESPONSE TO REVENUE MEASURES
CITY OF ROSEBURG
1977, 1978 & 1979

		VOTE		
Date	Measure	Yes	No	
5-24-77	One Year Levy on Armory ($31,600)	1,658	1,035	(Approved)
5-24-77	Budget Outside 6% Limitation	726	932	(Failed)
6-28-77	Budget Outside 6% Limitation	689	625	(Approved)
10-12-77	Charter Amendment to Buy Water Company	1,291	794	(Approved)
2-14-78	Increase in Sewer Rates	292	1,009	(Failed)
5-23-78	Retain Willis House	1,389	2,843	(Failed)
5-23-78	Three Year Bus Levy ($97,000 a year)	2,167	2,111	(Approved)
5-23-78	Levy to Operate Armory ($68,483)	1,523	2,218	(Failed)
7-11-78	Budget Outside 6% Limitation	936	821	(Approved)
6-19-79	Budget Outside 6% Limitation	602	892	(Failed)
6-19-79	Motel/Hotel Tax	602	892	(Failed)
8-14-79	Budget Outside 6% Limitation	1,015	488	(Approved)
9-18-79	Increase in Sewer Rates	864	926	(Failed)

Many of the things which affect the affairs of the City are outside the formal boundaries and governing capacity of city control. Many of the public actions taken, especially by the national government to aid cities, have had an effect on Roseburg's ability to handle its own affairs.

The shifting of federal and state programs to the city, increasing numbers and kinds of mandated programs, imposition of standards, criteria and requirements, and altering incidence of taxes has seriously reduced the capacity of most cities, including Roseburg, to actively translate local preferences into policies.

Almost everything the city needs to provide services to its citizens is increasing in cost, such as electricity, gas, oil and oil products, asphalt, metal and wood products, water and sewer pipes, fittings, chemicals, equipment, and repair parts.

The September 1978 issue of the American City and County reported that the municipal cost index over the 10-year period from 1967 to 1978 increased 99.5%. The December 1979 issue of The American City and County reported that the municipal cost index continued to rise at 11.8 percent annually for the past year of 1979.

General revenue sharing - The experiment in "new federalism," which began in 1972, is a major factor in the flow of funds from Washington. Today about eleven percent of federal revenues passed on to state and local governments are dispensed under the revenue sharing program.

It is estimated Roseburg will receive approximately $400,000 in federal revenue sharing in 1980. In the past, these funds have been used by Roseburg for capital programs.

It is estimated Roseburg will receive $100,000 from the State of Oregon revenue sharing program in the 1980-1981 budget year. This program was enacted in 1977.

It is estimated that other revenues to be received from the state during the 1980-81 fiscal year will be $145,203 from the liquor tax, $41,838 from the cigarette tax, and

$249,094 from highway user taxes. These funds are to be utilized for off-setting general fund expenses.

Table E-15 provides a more detailed breakdown of revenue sources for the City of Roseburg for the fiscal years 1977-78, 1978-79 and 1979-80.

Without federal, state and county funding programs in the form of revenue sharing and aid to cities, Roseburg would find a need to either delete worthwhile programs and projects, or require higher property taxes to offset expenses now paid for by these sources of revenue.

TABLE E-15
REVENUE SOURCES
CITY OF ROSEBURG
1977 - 1980

REVENUE SOURCE	1977-78	Fiscal Year 1978-79	1979-80
Cash Balance	521,343	746,380	630,000
Current Taxes	1,631,418	1,328,761	1,633,566
Taxes-Prior Years-1st	132,135	136,340	130,000
Taxes-Prior Years-2nd	46,695	47,758	38,000
Municipal Violations	267,435	313,829	360,000
Interest	34,235	38,695	20,000
Building Permits	75,278	63,154	55,000
Franchise-Calif. Pac. (Gas)	44,024	36,681	40,000
Franchise-Oregon Water Corp.	19,318		
Franchise-Pacific NW Bell	38,824	57,206	45,000
Franchise-Pacific Power & Light	129,272	134,184	128,000
Franchise-Douglas Cable TV	8,925	9,964	11,000
ST Subvention-Gas Tax	219,660	256,242	246,840
ST Subventions-Liquor Control	132,748	140,834	151,450
ST Subventions-Cigarette Tax	36,127	43,849	46,635
Recreation-Golf Course	57,172	59,460	70,000
Recreation-Legion Field-Others	1,996	3,383	4,890
Recreation Center	9,820	3,235	10,000
Licenses-Vending Machines	2,733	2,782	3,000
Licenses-Garbage Disposal	3,000	3,000	3,000
Licenses-Dog Control	7,752	7,299	8,000
Licenses-Peddlers and Others	1,274	738	1,000
Public Works	3,741	4,737	2,500
Grants-Manpower, L E A A	391,644	216,925	41,973
State Revenue Sharing	73,498	88,717	89,500
Anti Recession	214,633	14,765	
Grants-L C D C		26,838	29,834
Tran from Other Funds		367,828	446,263
Miscellaneous	54,969	70,668	33,500
Bus Fares & Subventions	67,501		
TOTAL REVENUE	4,227,181	4,224,266	4,278,951

Private Resources

The major influences on the availability of investment money is the willingness of all the individuals in an area first to save, and then, second, to invest those savings. One indicator of the total amount of money available is the average household income. The higher the income level the greater the proportion of that income that is available for saving or investment. As was demonstrated earlier, Roseburg's average income level is higher than that of the State. This indicates generally that the amount of capital available for investment is more than the State average.

Commercial banks are another major source of capital for investment in an area. Table E-16 lists total demand and time deposits and the ratio of loans to deposits for each bank in Douglas County as of December 31, 1978. As shown, the range in the loans-to-deposits ratio is great. These ratios may indicate the "aggressiveness" or "conservativeness" of each bank in the County, provided that only institutions of similar deposit size (both in the local branch and the state total) are compared. The high proportion of small banks in the County should be noted, since this factor would tend to increase the overall loan-to-deposit ratio of the area.

The loan/deposit ratio does not completely portray the role of the major banking systems within the County. In most instances, real estate loans made by the branch are carried by a central real estate department and are not reflected in the branch's total loans. In addition, the loan figures do not consolidate activities initiated by the local branches but conducted by subsidiary leasing or mortgage firms.

Savings and loan associations also provide a major source of capital for investment. There are nine savings and loan offices in Douglas County representing five associations. While a breakdown of deposit and loan figures for each office is not available, the Federal Home Loan Bank in Seattle reports total deposits in all saving and loan institutions in the county as of September, 1979, equaled $116,275,000.

TABLE E-16
DEPOSIT/LOAN RATIOS OF PRIVATE FINANCIAL INSTITUTIONS

AS OF DECEMBER 31, 1978 (Millions of $)
DOUGLAS COUNTY

Douglas County	Deposits	Loan/Deposits Ratio
First National		
Oakland	6.7	.32
Riddle	9.2	.38
Roseburg	64.9	.29
Sutherlin	11.8	.43
U.S. National		
Drain	17.0	.42
Myrtle Creek	9.9	.14
Roseburg	67.8	.57
Douglas National		
Drain	3.6	1.03
Glide	3.5	18
Roseburg	40.9	.73
Sutherlin	5.8	.69
Winston-Dillard	10.7	.43
Yoncalla	1.4	.00
South Umpqua State Bank		
Canyonville	13.1	.43
Glendale	3.7	.60
Myrtle Creek	6.9	.72
Roseburg	13.8	.94

SOURCE: Oregon State Superintendent of Banks

Economic Diversification and Roseburg is Future

The strong growth trends evident in Roseburg in the service sector, the retail and wholesale trade sectors, the government sector, and the finance, insurance and real estate sectors, indicate that Roseburg is becoming an area better characterized as a service and trade center than as a lumber and wood products manufacturing center. This does not imply that the wood products industry is of any less importance to the areas economy. What is suggested, is that the relatively slow growth of the basic resource industry, as compared to other sectors of the economy, offers evidence that the character of the Roseburg economy, is indeed, changing.

Some consequences of this have already been discussed, particularly the effects of this type of economic development pattern on median family income. As a result of the new pattern of economic development, cyclical employment fluctuations may be lessened. However, seasonal employment fluctuations will continue to characterize the local economy. The lumber and wood products industry, where employment fluctuates greatly according to seasonal changes and according to the level of national housing construction activity, is employing a decreasing percentage of the urban area's labor force.

Although the employment gains in the retail, service, and government sectors are encouraging, they represent gains in non-basic or secondary sectors; those which rely for their continued existence on the health of the basic sectors, such as the lumber and wood products industry. They would not stand independently as permanent gains if large-scale basic sector contractions occurred.

Basic Employment Sectors

The distinction between basic and non-basic sectors is important. They are of fundamentally different character in that basic sectors support the rest of the economy, whereas non-basic activities can be viewed as induced effects derived from, and dependent upon, basic activity. The alternative nomenclature of "primary" and "secondary" sectors is also commonly used. Commonly accepted as basic or primary sectors are manufacturing; extractive activities such as logging, mining and fishing; agriculture; and, sometimes, tourism and government.

Forestry

The timber products industry is the largest and single most important basic or primary economic activity in the region. However, it remains troubled due to long-term supply shortages plus a number of more immediate factors likely to have short term effects. These include the level of interest rates and national housing starts, the annual Forest Service budget allocation, restrictions on herbicide use, wilderness-area designations, reductions in annual allowable cutting on Federal lands, and competition from other regions of the nation.

The forest products industry is not without potential for increased employment, however. There are several factors at work that could partially off-set these trends. Commonly agreed upon factors which could increase employment in the forest products industry include: 1) more labor-intensive product mix; 2) greater saw-timber utilization; 3) reduced log exports; 4) hardwood utilization; 5) expanded wood chip utilization; 6) secondary processing; and, 7) intensified management practices.

An important characteristic of the resource base is the ownership pattern, because ownership influences the utilization of the forest resource. Forest land ownership within Douglas County is well distributed, with the largest category, National Forests controlling 34 percent, Bureau of Land Management with 22 percent, the forest industry with 29 percent, non-industry private ownership controlling 14 percent, and other public bodies managing about two percent of the 2.64 million acres of county forest land. Actual saw-timber harvest figures also illustrate the importance of the forest resource base. In 1976, National Forest lands supplied 23 percent of the timber harvested in Douglas County. This was lower than the 27 percent harvested from BLM and other public lands. Lands owned by the forest industry supplied 47 percent of the timber harvested in the county, while other private lands provided slightly more than two percent.

Agriculture

Historically, agriculture has held a prominent place in Douglas County and the urban areas economy. Today, however, primarily because of the massive scale of the forest products industry, agriculture has a much smaller impact on the County's overall economy. But, statistics do indicate that agricultural production is increasing in the County and may begin to play a more significant role in the County's economic future.[4]

The majority of agricultural products grown in Douglas County are processed outside the county. Much of the livestock produced in the County is sold at auction and exported for processing and consumption. Almost all of the County's agricultural crops

[4] Gross Farm Sales, complied by Extension Economic Information Office, Oregon State University

grown for processing are shipped outside the County for processing. Farm forestry and dairy products are the only major products which are processed in the County.[5]

Marketing problems have also plagued County agriculturalists. In fact, marketing problems alone have been blamed for the ruin of both the prune and turkey industries in Douglas County. Douglas County has no processing plants for most commodities and thus there is no standardization of size or in many cases type or variety of product. Crops go to market at times completely unidentified. It has been stated that the locally famous Dillard melon has been sold in Portland markets under the label "cantaloupe." There exists no or little quality control for many products produced in the County and local products are poorly advertised. In other words, potential buyers, unless they are told, will not realize the Dillard melon is of a different and higher quality than a cantaloupe and thus should be priced higher.[6]

A further marketing problem encountered in Douglas County is the erratic production of crops from year to year. Although Douglas County has raised substantial amounts of agricultural products from time to time (for example prunes, turkeys, berries), the products have not had the consistency, quantity and quality to merit local processing on a large scale.[7]

Most commodity sales in Douglas County have had greater percentage increases than state averages since 1969. According to research by the Coos-Curry-Douglas Economic Improvement Association, 1980 should see a moderate increase in farm commodity prices and production levels for Douglas County.[8] As the price of meat rises, ranching will likely continue to be an attractive market and should continue to grow. The agricultural industry offers opportunities for expansion which will help to diversify the economy and make it less timber-dependent.

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[5] Comprehensive Economic Development Strategy, 1978-79 Action Program, CCD Economic Improvement Association, Section IV, pages 28-34.
[6] Michael Rupp, The Demise in Agriculture in Douglas County, unpublished report, December, 1974.
[7] Extension Advisory Council and Long Range Planning Committee, Long Range Planning Conference, Douglas County, 1968.
[8] Comprehensive Economic Development Strategy, 1978-79 Action Program CDD Economic Improvement Association, pp. 23-34

It is unlikely that horticultural products will increase very dramatically in Douglas County. The County's limited amount of Class I through III soils, and the intense competition for those lands, reduces the chances for any significant horticultural expansion. The nursery market has potential for increases, and the quality of produce in the County is likely to expand. However, any significant gains in agricultural expansion are likely to rest with livestock production.

Livestock increases will depend in large degree upon improved management techniques and market conditions. There are vast acreages of Class VI and VII soils throughout the region which could be converted to improved pasture for livestock grazing. In order to encourage such expansion, public policy must be formulated and pursued to encourage livestock production and pasture improvement, and discourage uses which are incompatible with such operations; most specifically, rural subdivision. If rural residential development goes unchecked, it is unreasonable to expect that any significant agricultural increases will occur.

Another problem facing the agricultural economy is the dwindling agricultural labor force in Douglas County. The local agriculturist must compete with the lumber industry for his labor needs and the mills often offer pay as much as double that which can be offered by farmers and ranchers.

Transportation improvements have helped the marketing of local agricultural products, but as transportation costs rise the County will again be put in a marketing disadvantage. Another major limitation to the agricultural economy in Douglas County is that two major farming regions of the United States, the Willamette Valley and the Sacramento Valley, are located much closer to West Coast markets. Willamette and Sacramento Valley farmers, therefore, place Douglas County farmers at a competitive transportation disadvantage.

Tourism

Tourism is also an important, though difficult to measure, component of the urban area's economy. It fluctuates seasonally but has, over time, exhibited long-term growth.

However, preliminary figures on the 1979 tourist season indicate that the area's tourist facilities may be highly sensitive to the worsening gasoline situation facing motorists.

Situated on the primary north-south transportation route of the west coast, Roseburg's tourist economy will continue to benefit from the heavy flow of interstate traffic, though the rate of growth in this sector is expected to gradually decline. If the local tourist economy is to continue to grow, it will have to make modifications in order to capture the increasing percentage of local or in-state recreational activity.

NON-BASIC ECONOMIC SECTORS

Although the urban area economy relies primarily on manufacturing as the basic economic sector for growth, the non-basic economic sectors, those sectors providing goods and services to basic industries, their employees, and their families, are also important facets in the economic picture of the area. These non-basic sectors include: Trade and Service; Construction; Transportation, Communications, and Utilities; and Finance, Real Estate and Insurance. Government is also discussed here although it is sometimes considered a basic industry.

Trade and Service Industries

A major sector of any economy is one that makes goods and services available to the people. This sector is one of increasing importance in all economies since the demand for goods and services is increasing rapidly with the rise in the standard of living.

In preceding discussions it was shown that growth in trade and services within the urban area increased at a faster rate than it did on a county-wide basis during the 1970's. This increase in trade and services has helped offset declines in other sectors of the economy.

Growth in trade and services has helped slow a possible "trade drain" from the county as new retail developments in the urban area attract consumer dollars formerly spent in adjacent counties. Table E-17 examines retail sales as a percent of effective buying income in several areas of the state, comparing 1970 and 1977. The amount of retail sales as a percent of effective buying income has increased for Douglas County, but has declined for the state as a whole. Further, while Douglas County's proportion of trade was increasing, other selected counties' trade was either remaining stable or declining, with the exception of Josephine County. This could indicate that Douglas County is beginning to retain consumer spending and perhaps is attracting retail business from areas outside the county.

TABLE E-17
RETAIL SALES AS PERCENT OF EFFECTIVE BUYING INCOME

	1970	1977
Oregon	61.3	55.9
Douglas	53.5	64.7
Coos	57.9	68.4
Curry	48.1	40.8
Lane	58.1	54.9
Jackson	68.8	59.0
Josephine	62.9	77.5
Multnomah	67.7	62.5
Marion	70.2	59.7

SOURCE: Computed by CCD from Sales Management Survey of Buying Power; 1971 & 1978 "Sales and Marketing Management."

While there is still room for expansion of trade and services, future growth is dependent to a large degree upon maintenance or expansion of the local economic base. Specifically, this means the lumber and wood products industry, where further reductions from present employment levels could seriously affect trade and service industries.

Construction

Housing construction is strongly related to population trends but is also influenced by national economic factors. The national money markets and prevailing interest rates have a significant impact upon the total number of homes and other structures built in the urban area.

Low rates in 1977 brought construction to a higher level than previously experienced. However, the current skyrocketing rates may bring about a substantial slowdown in both the national and local construction industry in the near-to-mid-term future.

Housing has been in short supply in the urban area in recent years and construction employment has risen in each of the last four years, both absolutely and as a percentage of total employment. Other things being equal, construction can be expected to increase in the short term, unless prices and mortgage rates rise enough to offset the demand. Another offsetting factor could be increasing use of modular and mobile housing, which requires little construction labor. Other construction is strongly influenced by state and federal programs. Major governmental construction projects can generate a large amount of employment for the duration of the project, helping to offset lags in other areas of the construction sector.

Transportation, Communications and Utilities

The employment levels in the transportation, communications and utilities sector have been relatively stable over the past five years in comparison to other services. Future employment should keep pace with population increases, although a downturn in basic employment would adversely affect this sector.

Government

Government is one of the slower growing sectors in the region's economy. Employment in the government sector county-wide increased ten percent between 1976 and 1980, and remained constant at 22 percent of the workforce over the same period. Employment in this sector is expected to continue to expand, though not at the same rate of increase experienced during the last six years. Increased budgetary constraints\ at all levels of government will have a major effect upon future growth. It is perhaps worth pointing out that fully half of this category comprises teachers and others in education.

PROGNOSIS

The trend towards utilization of the timber resource for other than construction materials may decrease seasonal and annual employment fluctuations, as such products are not tied to national housing trends or seasonal market changes.

In the long run, employment and production in the lumber and wood products industry throughout Douglas County may well decline or remain constant. According to studies conducted by the Coos-Curry-Douglas Economic Improvement Association, this probable long-run decline through the year 2000 can be expected because future production of the forest land supplying the region's mills is likely to be considerably less than present levels.

The sectors increasing their share of the urban area's employment total are all growing rapidly and have not been particularly subject to cyclical employment fluctuations over the last five years. However, each of these rapidly growing areas is subject in different degrees to seasonal employment fluctuations. Strongly affected are retail and wholesale trade, much of the service sector, and a significant portion of the government sector.

The economic pattern now developing in Roseburg will continue, if not increase, the dependence of the local economy on factors outside the urban area. Roseburg's trade and service oriented economy depends on the patronage of persons living throughout Douglas County.

That portion of service and trade activity which depends on the patronage of people from outside the Roseburg area can be described as basic economic activity, in that it brings money into the local economy from outlying areas in the same way as do manufactured exports. Roseburg's dependence on this basic activity has increased significantly over the last decade as employment in the trade and service areas expanded drastically and as employment in manufacturing activities witnessed a relative decline.

The implicit danger involved in trade and service oriented development is that towns in the surrounding area may take action to return retail trade service activity to their own local economies through the construction of competing trade and service facilities designed to stop the flow of dollars out of their cities. Roseburg, however, seems to be in a strong position in a competitive sense, with respect to other cities in this area. The specialized medical and health care available in Roseburg will undoubtedly continue to attract people from throughout the region for many years to come. The recreational and cultural attractions in and around Roseburg will probably continue to attract retail trade from throughout the region if retail trade operations remain modern and competitive.

FINDINGS

1. The lumber and wood products sector is the urban area's dominant manufacturing activity. Douglas County's forests are the area's most important natural resource utilized as a factor of production.

2. The structure of the Roseburg urban area economy is undergoing a transition toward a more diverse economic base characterized by growth in light manufacturing activities and the nonmanufacturing activities of trade, commercial and professional services, finance, insurance and real estate.

3. The size of the labor force in Douglas County has grown at nearly twice the rate of population growth during the last five years (1976-1980). The growth of the area's labor force is primarily attributed to the dramatic increase in the number of women entering the job market.

4. The unemployment rate in Douglas County has experienced dramatic fluctuation over the last decade and has undergone an overall increase. Fluctuations in the unemployment rate are mostly the result of employment fluctuations in the large lumber and wood products industry. Employment in the lumber and wood products industry corresponds quite closely to national housing construction activity.

5. Nonmanufacturing activity has experienced impressive growth during the past decade, and to some extent has helped absorb workers displaced during periodic slumps in the primary industry. While the timber products industry has experienced only a half percent growth between 1976 and 1980, all other sectors experienced growth of 10 to 40 percent over the same period.

6. Median family income in Roseburg has nearly doubled since 1970 and is estimated to be around $18,000 in 1980. The urban area's median family income is estimated to be 12.5 percent higher than for Douglas County as a whole. This is indicative of the higher skill levels and managerial positions that are present in

the urban area and for the greater employment opportunities available for females as an additional wage earner in the family.

7. Roseburg is rapidly increasing in importance as a regional retail and service center. Between 1974 and 1977, Roseburg increased its share of all retail sales in Douglas County from 30 percent to 48 percent. During the same period, Roseburg increased retail sales by 107 percent, while county-wide all retail sales increased only 30 percent.

8. Historically, the Roseburg urban area has enjoyed an adequate level of economic support systems such as transportation, water, waste disposal and community services. Future economic growth is dependent upon continued maintenance and improvement of the urban area's economic support systems.

9. Economic growth, while benefiting the private sector, has resulted in increased demands for larger capitol improvements and a higher level of services from the public sector. In order to meet the demands placed upon it, the City is becoming increasingly dependent upon outside sources of revenue such as state and federal revenue sharing funds. The dependence of the City on these sources of revenue, along with the mandated programs, imposition of standards, criteria and requirements, has seriously reduced the capacity of the City to respond to local preferences.

10. The future of the urban area's economic growth will be more and more tied to expansion in the service and trade sectors as the lumber and wood products industry gradually declines over the next 20 years. Industrial diversification will be required to off-set expected future declines in the primary manufacturing sector.

ASSUMPTIONS

1. The urban area's labor force participation rate will continue to increase as both social and economic forces draw more women into the job market.

2. During periods of slow growth in the national housing market the urban area will experience increased unemployment rates, particularly in the lumber and wood products industry. Growth in other sectors of the local economy should help to keep overall employment high.

3. As employment in higher paying sectors of the local economy (lumber and wood products) continues to decline, the average annual wage levels will probably experience a decline relative to the state as a whole.

4. Roseburg will continue to increase in importance as a regional trade and service center.

5. Major capital improvements, particularly to the urban area's streets, sewer, and water facilities, will be required in the near future to accommodate economic growth.

6. The City of Roseburg will become increasingly dependent upon local sources of revenue in order to meet future demands for public facilities and services due to reduction of outside sources.

GOALS, OBJECTIVES AND POLICY STATEMENTS FOR ECONOMIC GROWTH

Goals

To broaden, improve and diversify the economy of the Roseburg urban area while enhancing the environment.

Objectives

1. Improve the level and stability of per capita income for urban area residents.

2. Minimize unemployment in the resident labor force, especially chronic, long-term unemployment.

3. Encourage programs that provide educational and job search skills to enable local residents to obtain existing jobs.

4. Promote industrial and commercial development with local capital, entrepreneurial skills, and skills and experience of the residential labor force, while continuing to attract outside investments.

5. Supply an adequate amount of land having the appropriate qualities to accommodate projected industrial and commercial needs.

6. Diversify the manufacturing sector of the local economy by encouraging the establishment of low polluting, low energy-using industrial activities.

7. Encourage and promote the expansion of existing businesses.

8. Continue to develop the urban area as a regional distribution, trade and service center.

9. Encourage strong central business districts to provide for office-based commercial, governmental and specialized or large-scale retail activities, and encourage the continued viability of the downtown area.

10. Ensure compatibility between industrial lands and adjacent areas.

11. Increase the potential for convention and tourist-related economic activities.

12. Provide the necessary public facilities and services to allow economic development.

13. Attempt to find ways to more effectively use inefficiently used resources such as land, labor and secondary waste products.

Policies

1. The City of Roseburg shall encourage economic growth by demonstrating a positive interest in existing and new industries, especially those providing above-average wage and salary levels, an increased variety of job opportunities, a rise in the standard of living, and utilization of the resident labor force.

2. The City will encourage the continuance of career preparation and employment orientation programs for urban area residents by the community's educational institutions, labor unions, business and industry.

3. The City shall encourage economic activities which strength the urban area's position as a regional distribution, trade and service center.

4. Through the planning process, the City and County shall continue to monitor the supply of developable commercial and industrial sites to ensure opportunity for the expansion of existing and the establishment of new economic enterprises throughout the urban area.

5. In order to protect and enhance development opportunities for major industrial uses which require large sites, the City and County shall encourage the retention of industrially-zoned parcels exceeding 50 acres in area.

6. Areas identified as sites for future industrial development shall be preserved and protected from potential conflicting activities.

7. The City shall encourage the development of light industrial parks with campus-like design which provide areas for offices, warehousing, distributing and light manufacturing activities.

8. The City shall develop and implement programs aimed at preservation and upgrading of the City's downtown area by alleviating congestion and providing off-street parking. The City will encourage the renovation of existing buildings in the downtown core area.

9. The City shall encourage the development of convention and tourist related facilities in the urban area.

10. The City shall encourage research and development of products and markets resulting in more efficient use of under-utilized renewable and nonrenewable resources, including wood waste, recyclable materials and energy systems.